



December 3, 2024

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

27 December 3, 2024

**Los Angeles County
Board of Supervisors**

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First District

Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice Hahn
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Fifth District

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

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO FOUR AGREEMENTS FOR
REVENUE CYCLE MANAGEMENT AND RELATED SERVICES ON
A SOLE SOURCE BASIS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of extension amendments to four (4) existing sole source agreements for the provision of software, support services, and financial services in support of the Department of Health Services revenue cycle and financial processes

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director (Director) of the Department of Health Services (DHS), or designee, to execute Amendment No. 2, substantially similar to Exhibit A, to sole source Agreement No. H-707298 (QuadraMed Agreement) with QuadraMed Affinity Corporation (QuadraMed) for the provision of software and hardware maintenance and support services for DHS' patient accounting system (PA System) to (a) extend the term to December 31, 2026, with the option to automatically extend the term for three additional one-year extensions, through December 31, 2029; and (b) increase the maximum obligation by \$11,273,850 for the extension through December 31, 2029, for a maximum agreement sum of \$54,799,401, which includes an estimate of \$8,224,107 for the roll-over unspent Pool Dollars.
2. Authorize the Director, or designee, to execute Amendment No. 7, substantially similar to Exhibit B, to sole source Agreement No. H-701910 (Provider Advantage Agreement) with Provider Advantage NW, Incorporated (Provider Advantage) for the continued provision of

Christina R. Ghaly, M.D.
Director

Nina J. Park, M.D.
Chief Deputy Director, Clinical Affairs Population Health

Elizabeth M. Jacobi, J.D.
Administrative Deputy

Aries Limbaga, DNP, MBA
Chief Deputy Director, Operations

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and our communities
by providing
extraordinary care"*

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the Health Insurance Portability and Accountability Act (HIPAA) Compliant 270/271 Eligibility Response Software to (a) extend the term to December 31, 2026, with the option to automatically extend the term for three additional one-year extensions, through December 31, 2029; and (b) increase the maximum obligation by \$4,456,817 for the extension through December 31, 2029, for a maximum agreement sum of \$17,276,548.

3. Authorize the Director, or designee, to execute Amendment No. 15, substantially similar to Exhibit C, to sole source Agreement No. H-703466 (Sutherland Agreement) with Sutherland Healthcare Solutions, Inc. (Sutherland) for financial management services to extend the term to December 31, 2026, with the option to extend the term for an additional three one-year extensions, through December 31, 2029.
4. Authorize the Director, or designee, to execute Amendment No. 15, substantially similar to Exhibit D, to sole source Agreement No. H-702058 (USCB Agreement) with USCB America (USCB) for financial billing and recovery services to extend the term to December 31, 2026, with the option to extend the term for an additional three one-year extensions, through December 31, 2029.
5. Delegate authority to the Director, or designee, to execute amendments to each of the QuadraMed Agreement, the Provider Advantage Agreement, the Sutherland Agreement, and USCB Agreement, (collectively, Finance Agreements) to: (a) exercise the options to extend the term for each of the Finance Agreements, if applicable; (b) add, delete, and/or change terms and conditions as mandated by Federal or State law or regulation, Los Angeles County (LA County) policy, LA County Board of Supervisors (Board) and/or Chief Executive Office (CEO); (c) reduce scope of services and the maximum contract sum; and (d) consent to any assignments for each of the Finance Agreements as provided in each Finance Agreement.
6. Delegate authority to the Director, or designee, to approve and execute: (a) Amendments, Change Orders and/or Change Notices, as applicable, to the Finance Agreements for: (i) changes that do not incur additional costs or expenses or that do not otherwise materially affect any term or condition of the Agreement; and (ii) use of Pool Dollars included as part of the maximum contract sum to acquire Optional Work, provided the amounts payable in each case do not exceed the available amount of applicable Pool Dollars; (b) issue written notice(s) of partial or full termination to suspend and/or terminate each of the Finance Agreements in accordance with the termination provisions in each Finance Agreement without further action by the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Background and Justification

DHS is currently in the process of reorganizing its revenue and financial operations to modernize both its processes and its systems. These operations are used by DHS to account for the care provided to patients, reconcile claims to insurance companies or other payors, submit for payment, and conduct any related collections activities. This reorganization will consist of changes to both its systems and processes.

As to its system, DHS will be purchasing a new revenue cycle system that is more seamlessly connected to the DHS electronic health record system (commonly referred to as ORCHID), which will minimize the need to transfer data between several systems, and further allow LA County to realize the benefits of its considerable investment in ORCHID. The purchase and implementation of this new system is a multi-year effort, with DHS planning to return to the Board in Summer 2025 for approval of the purchase. This will be followed by an extensive implementation effort, including significant change management, resulting in an anticipated go-live at the first DHS facility in 2027, to be followed by implementation at the remaining DHS facilities in the two (2) years thereafter.

In addition, DHS plans to make changes to its revenue cycle processes and will release solicitations within the next six (6) months for financial billing and recovery services (e.g., billing, collections, denial management, etc.). After extensive review, including engagements with consultants, DHS has determined that it is in the best interest of LA County to break out and reconfigure its financial billing and recovery services into multiple categories, with different contractors for each category. As a result, DHS currently plans to release two (2) solicitations, one for billing, follow-up, and underpayments and a second for denials management and avoidance. Considering the complexity of these services and DHS' efforts to draft solicitations that would attract a broad and diverse range of proposers, DHS anticipates a long solicitation timeline.

In the meantime, to continue to support its billing activities, DHS plans to extend the term for each of its Financial Agreements to support LA County until a smooth transition to new systems, processes and vendors. To minimize the risk of error in reimbursement and patient billing, transitions from revenue cycle systems and processes typically do not include data migration or the processing of claims that were initiated in the old system to the new system. For example, a patient receiving care before a new system "go-live" at a facility will be billed using the old system, including any reimbursement and collection efforts. If the patient receives care after the new system "go-live," any new bills will be processed in the new system. This allows organizations to limit or eliminate the risks of billing and reimbursement errors. To support this "bill cut over" methodology, DHS will need to maintain its current processes, including any contracts supporting these operations, until collection efforts are completed for the last bill issued by the last facility before its transition to the new system.

To execute the current process, DHS relies on four (4) primary contractors: QuadraMed provides the IT system to maintain billing data from ORCHID, Provider Advantage provides tools for the DHS finance team to determine eligibility and coverage status, and finally, Sutherland and USCB provide a wide range of financial services, including commercial insurance billing, collection services, medical billing and follow-up services, to supplement DHS and the Department of Public Health (DPH) revenue recovery efforts. The current processes and procedures are designed to work cohesively.

The PA System relies on QuadraMed's proprietary software, which has been significantly customized to meet the needs of DHS, including the record retention requirements of California Code of Regulations Title 22. Similarly, Provider Advantage provides numerous custom programming features which have been developed specifically for DHS, including a retroactive eligibility identification system, which uses automation to identify Medi-Cal coverage that is awarded after patient services have been rendered. Finally, both Sutherland and USCB utilize proprietary methodologies and possess extensive knowledge and experience required to perform specialized services, including developing proprietary systems to accommodate DHS' medical billing operations, and interfacing their service platforms with DHS' revenue generating systems and operations. For fiscal year 2023-24, Sutherland generated over \$1.0 billion in gross revenue for DHS and 4.0 million in gross revenue for DPH. While USCB generated over \$156.0 million in gross revenue for the same period.

The current term for the Finance Agreements, in each case assuming all existing Board-approved extensions are exercised, is as follows: (i) QuadraMed Agreement, expiring on December 31, 2024; (ii) Provider Advantage Agreement, expiring on December 31, 2024; (iii) Sutherland Agreement, expiring on September 30, 2026; and (iv) USCB Agreement, expiring on September 30, 2026.

If these Agreements are not extended, the revenue recovery practices for both DHS and DPH would be severely impacted hindering the financial sustainability of both departments. Any change to the current contractors would result in an excessive implementation learning curve for both the new contractor(s) and DHS staff, who are well acclimated to the current systems, as well as result in a significant administrative burden.

Recommendations

Approval of the first recommendation will allow the Director, or designee, to execute Amendment No. 2 to the QuadraMed Agreement to extend the term to December 31, 2026, with three (3) one-year automatic extensions, for the continued provision of software and hardware maintenance and support services for DHS' PA System, and will increase the maximum obligation by \$11,273,850 for a maximum agreement sum of \$54,799,401, which includes an estimate of \$8,224,107 for the roll-over unspent Pool Dollars.

Approval of the second recommendation will allow the Director, or designee, to execute Amendment No. 7 to the Provider Advantage Agreement to extend the term to December

31, 2026, with three (3) one-year automatic extensions, for the continued provision of the Health Insurance Portability and Accountability Act (HIPAA) Compliant 270/271 Eligibility Response Software, with a maximum obligation of \$4,456,817 for the extensions through December 31, 2029.

Approval of the third recommendation will allow the Director, or designee, to execute Amendment No. 15 to the Sutherland Agreement to extend the term to December 31, 2026, with three (3) one-year optional extensions, for financial management services.

Approval of the fourth recommendation will allow the Director, or designee, to execute Amendment No. 15 to the USCB Agreement to extend the term to December 31, 2026, with three (3) one-year optional extensions, for financial billing and recovery services.

Approval of the fifth and sixth recommendations will allow the Director, or designee, to execute future amendments, change orders, and/or change notices to each of the Finance Agreements to: (a) exercise the options to extend the term for each of the Finance Agreements, if applicable; (b) add, delete, and/or change terms and conditions as mandated by Federal or State law or regulation, LA County policy, Board and/or CEO; (c) reduce scope of services and the maximum contract sum; (d) consent to any assignments for each of the Finance Agreements as provided in each Finance Agreement; (e) use Pool Dollars included as part of the maximum contract sum to acquire Optional Work, provided the amounts payable in each case do not exceed the available amount of applicable Pool Dollars; and (f) issue written notice(s) of partial or full termination to suspend and/or terminate each of the Finance Agreements in accordance with the termination provisions in each Finance Agreement without further action by the Board.

Implementation of Strategic Plan Goals

The recommended actions support North Star 1 - Make investments that transform lives, Focus Area Goal A. Healthy Individuals and Families, Strategy i. Improve Health Outcomes and North Star 3 – Realize tomorrow’s government today, Focus Area Goal E. Data-Driven Decision Making, Strategy i. Facilitate Data Sharing.

FISCAL IMPACT/FINANCING

The maximum contract sum of the QuadraMed Agreement will increase by \$11,273,850, from \$43,525,551 to \$54,799,401, which includes an estimate of \$8,224,107 for the roll-over unspent Pool Dollars, to extend the term through December 31, 2029.

The maximum contract sum of the Provider Advantage Agreement will increase by \$4,456,817, from \$12,819,731 to \$17,276,548 to extend the term through December 31, 2029.

Sutherland and USCB receive a compensation rate ranging from 2% to 25% for Financial Management Services (FMS) and Financial Billing and Recovery Services (FBRS) based on actual revenues collected. The compensation rate is dependent on the type of payers.

For fiscal year 2022-23, Sutherland generated over \$991.0 million in gross revenue for DHS of which \$35.0 million in fees was paid to Sutherland by DHS, and approximately \$7.0 million in gross revenue for DPH of which \$1.0 million in fees is estimated to be paid to Sutherland by DPH upon reconciliation of invoices between Sutherland and DPH. For the same period, USCB generated over \$126.0 million in gross revenue for DHS of which \$7.3 million in fees was paid to USCB by DHS.

For fiscal year 2023-24, Sutherland generated over \$1.0 billion in gross revenue for DHS of which \$42.7 million in fees was paid to Sutherland by DHS, and approximately \$4.0 million in gross revenue for DPH of which \$0.5 million in fees is estimated to be paid to Sutherland by DPH upon reconciliation of invoices between Sutherland and DPH. For the same period, USCB generated over \$156.0 million in gross revenue for DHS of which \$9.1 million in fees was paid to USCB by DHS.

Funding in all cases will be funded by DHS existing resources and will be requested in future fiscal years as needed. There is no net County cost impact associated with the recommended actions. Funding for DPH is related to the Vaccine Revenue program and is included in DPH's operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

QuadraMed Agreement

The current QuadraMed Agreement was approved by the Board on November 14, 2017, as a replacement agreement combining two separate agreements for the provision of health information system software and hardware maintenance and support services. The QuadraMed Agreement contains a negotiated limit of liability of \$5 million related to QuadraMed's liability with respect to the Business Associate Agreement, and may be terminated for convenience by LA County upon one hundred eighty (180) days written notice. The QuadraMed Agreement has been updated to include the most recent Board-required provisions--"Compliance with County's Women in Technology Hiring Initiative" and "Campaign Contribution Prohibition Following Final Decision in Contract Proceeding." Additionally, the QuadraMed Agreement was updated to include the Information Security and Privacy Exhibit. However, during negotiations, DHS had to deviate from the standard terms by removing the requirement for QuadraMed to add LA County as an additional insured under its cyber liability insurance policy. Since QuadraMed does not host LA County data and data remains within LA County's infrastructure, DHS made the business decision to accept this change with the understanding that the risk to LA County is minimal compared to the added value of the QuadraMed Agreement. QuadraMed is still required to list LA County as an additional insured under its general liability policy. Finally, the QuadraMed Agreement was

previously managed by the Los Angeles County Health Agency, but it is being transferred to DHS.

Provider Advantage Agreement

The Provider Advantage Agreement was first approved by the Board in 2006 and has been amended several times to update terms and conditions as required by the Board, and the current amendment includes the most recent Board-required provisions--“Compliance with County’s Women in Technology Hiring Initiative” and “Campaign Contribution Prohibition Following Final Decision in Contract Proceeding.”

Sutherland Agreement and USCB Agreement

On June 1, 1999, the Board approved an agreement with Accordis, Inc., subsequently known as Apollo Health Street, Inc. (Apollo), and now known as Sutherland for financial management services and an agreement with USCB for financial billing and recovery services both as the result of a solicitation process.

In subsequent years, amendments have been executed to both agreements to effectuate name changes for both contractors, as well as to extend the term and update various provisions to comply with State, Federal, and LA County rules and regulations, expand the scope of services to provide for efficiencies, and to adjust the maximum contingency fee paid to the contractors. On December 1, 2005 and August 19, 2008, respectively, replacement agreements were approved by the Board to do an overhaul and update all terms and conditions on both agreements. On May 5, 2020, the Board approved amendments to extend the term of the agreements through May 31, 2022.

The Board proclaimed a State of Emergency regarding COVID-19 on March 4, 2020. Using emergency authority granted by the Board, the Agreements were extended to September 30, 2023. Finally, on September 12, 2023, the Board approved extensions of both the Sutherland Agreement and the USCB Agreement through September 30, 2026.

The Finance Agreements are exempt from Proposition A (LA County Code Chapter 2.121) and not subject to the Living Wage Program (LA County Code Chapter 2.201). In all cases, the software and services, as applicable, are very specialized and highly technical and cannot be provided by LA County staff.

County Counsel has approved all the amendments (Exhibits A, B, C, and D) as to form only.

In compliance with Board Policy 6.020, the Office of the Chief Information Officer (OCIO) reviewed the IT components of this request and recommends approval of Amendment No. 2 of the QuadraMed Agreement and Amendment No. 7 of the Provider Advantage Agreement. The Chief Information Office Analysis is attached (Attachment F).

CONTRACTING PROCESS

On May 23, 2024, DHS notified the Board via Attachment A of its intent to commence negotiations with QuadraMed, Provider Advantage, Sutherland, and USCB, for the sole source extensions in accordance with the revised Board Policy No. 5.100, Sole Source Contracts. The Sole Source checklists are attached as Attachment B, C, D, and E in compliance with this Board policy.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will prevent a disruption of LA County's revenue cycle and financial processes.

Respectfully submitted,



Christina R. Ghaly, M.D.
Director

Reviewed by:



Peter Loo
Chief Information Officer

CRG:aw

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Department of Public Health

Agreement No.: H-707298

AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND QUADRAMED
AFFINITY CORPORATION FOR REVENUE CYCLE AND LEGACY HEALTH
INFORMATION SYSTEMS MAINTENANCE AND SUPPORT SERVICES

Amendment No. 2

THIS AMENDMENT is made and entered into this ___ day of December, 2024
("Amendment 2 Date"),

By and between

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

And

QUADRAMED AFFINITY
CORPORATION
(hereafter "**Contractor**")

Business Address:

2429 Military Road, Suite 300
Niagara Falls, NY 14304

WHEREAS, reference is made to that certain document entitled "Agreement By and Between County of Los Angeles and QuadraMed Affinity Corporation for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services" dated January 1, 2018, and further identified as Agreement No. H-707298, including any amendments and any other modifications thereto (cumulatively hereafter referred to as "**Agreement**"); and

WHEREAS, on December 3, 2024 the Board of Supervisors (Board) delegated authority to the Director of the Department of Health Services or designee to: (i) extend the Term of the Agreement, and (ii) execute amendments to add, delete, and/or change certain terms and conditions of the Agreement; and

WHEREAS, the Agreement is slated to expire on December 31, 2024; and

WHEREAS, it is the intent of the parties hereto to: (i) amend the Agreement to extend its Term from January 1, 2025 through December 31, 2026, and provide County with the sole option to extend the Term three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029; and (ii) provide for the other changes set forth herein; and

WHEREAS, the Agreement, Sub-paragraph 13.0, Changes to Agreement, provides that such changes may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess 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 HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective upon execution.
2. The Agreement, Paragraph 5.1 is deleted in its entirety and replaced to read as follows:

“5.1 The term of this Agreement shall commence upon the Effective Date of January 1, 2018 and shall continue to December 31, 2026 (“**Term**”), subject to, among others, the County’s right to terminate earlier for convenience, non-appropriation of funds, default of Contractor, substandard performance of Contractor, non-responsibility of Contractor, and any other term or condition of the Agreement providing for early termination of the Agreement by the County. The County shall have the sole option to extend the Term three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029.”

3. The Agreement, Paragraph 6.1 (Maximum Agreement Sum) is deleted in its entirety and replaced to read as follows:

“6.1 Maximum Agreement Sum

The Maximum Agreement Sum under this Agreement shall be the total monetary amount payable by the County to the Contractor for supplying all the tasks, subtasks, deliverables, goods, Services, and other work required or requested by the County under and during the Term. If the County does not Approve the work in writing, no payment shall be due to the Contractor for those Services. The Maximum Agreement Sum, including all applicable taxes and Pool Dollars, authorized by the County hereunder shall not exceed fifty-four million seven hundred ninety nine and four hundred and one dollars (\$54,799,401) as further detailed in Exhibit C (Pricing Terms) and all related Schedules, unless the Maximum Agreement Sum is modified pursuant to a duly Approved Amendment to this Agreement by the County’s and the Contractor’s authorized representative(s) pursuant to Section 13.0 (Changes to Agreement). The Maximum Agreement Sum under this Agreement shall cover the authorized payments for all elements of the System, including Maintenance and Support Services and any Optional

Work. The Maximum Agreement Sum shall not be adjusted for any costs or expenses whatsoever of the Contractor.

The Contractor shall maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total Agreement authorization under this Agreement. Upon occurrence of this event, the Contractor shall send written notification to the County's Project Director at the address herein provided in Section 2 (County's Administration) of Exhibit E (Administration of Agreement)."

4. The Agreement, Section 26.26 (Covid-19 Vaccinations of County Contractor Personnel) is deleted in its entirety and replaced to read as follows:

"26.26 Intentionally Omitted"

5. The Agreement is modified to add Section 26.27 – Termination for Improper Consideration to read as follows:

"26.27 TERMINATION FOR IMPROPER CONSIDERATION

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

26.27.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

6. The Agreement, Section 26.28 – Campaign Contribution Prohibition Following Final Decision in Contract Proceeding, shall be added and incorporated as follows:

"26.28 CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING

Pursuant to Government Code Section 84308, Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Agreement as determined in the sole discretion of the County."

- 7. The Agreement, Section 26.29 – Compliance with County's Women in Technology Hiring Initiative, shall be added and incorporated as follows:

"26.29 COMPLIANCE WITH COUNTY'S WOMEN IN TECHNOLOGY HIRING INITIATIVE

At the direction of the Board, the County has established a "Women in Technology" (WIT) Hiring Initiative focused on recruiting, training, mentoring and preparing all genders, including women, at-risk youth, and underrepresented populations (program participants) for County Information Technology (IT) careers. In support of the subject initiative, IT contractors currently offering certification, training, and/or mentoring programs must make such program(s) available to WIT program participants, if feasible. Contractors must report such programs available to: WITProgram@isd.lacounty.gov."

- 8. Section 3 (SDRs) of Schedule C.7 (Optional Work) of Exhibit C (Pricing Terms) to the Agreement is hereby deleted in its entirety and replaced with the following:

"3. SDRs

For any SDR acquired by the County as Optional Work, the monthly recurring fee in connection with such SDR for Maintenance and Support Services shall be as follows:

For any SDR acquired prior to the Effective Date of Amendment No. 2: [REDACTED] of the one-time costs for such SDR.

For any SDR acquired after the Effective Date of Amendment No. 2: [REDACTED] of the one-time costs for such SDR."

9. All references to "Los Angeles County+USC Medical Center," "LAC+USC," and "LAC+USCMC" under the Agreement shall mean Los Angeles General Medical Center ("LA GEN").
10. The Agreement, Exhibit G, Glossary is amended to delete Section 39, "Health Agency." All remaining references to the County of Los Angeles Health Agency under this Agreement shall be deleted and replaced with the "County of Los Angeles Department of Health Services," and references to the "Health Agency" shall mean the "Department of Health Services" or "DHS." All references to the "Health Agency Director" shall be deleted and replaced with the Director of the Department of Health Services.
11. Exhibit C (Pricing Terms) is deleted in its entirety and replaced by Exhibit C-1 (Pricing Terms), attached hereto and incorporated herein by reference. All references to Exhibit C (Pricing Terms) in the Agreement shall hereafter be replaced by Exhibit C-1 (Pricing Terms).
12. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.1-1 (Payment Schedule) is deemed deleted in its entirety and replaced by Schedule C.1-2 (Payment Schedule), attached hereto and incorporated herein by reference. All references to Schedule C.1-1 (Payment Schedule) in the Agreement shall hereafter be replaced by Schedule C.1-2 (Payment Schedule).
13. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.2-1 (System Software Fee Schedule) is deemed deleted in its entirety and replaced by Schedule C.2-2 (System Software Fee Schedule), attached hereto and incorporated herein by reference. All references to Schedule C.2-1 (System Software Fee Schedule) in the Agreement shall hereafter be replaced by Schedule C.2-2 (System Software Fee Schedule).
14. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.3 (Third Party System Software Fee Schedule) is deemed deleted in its entirety and replaced by Schedule C.3-1 (Third Party System Software Fee Schedule), attached hereto and incorporated herein by reference. All references to Schedule C.3 (Third Party System Software Fee Schedule) in the Agreement shall hereafter be replaced by Schedule C.3-1 (Third Party System Software Fee Schedule).
15. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.4 (System Hardware Fee Schedule) is deemed deleted in its entirety and replaced by Schedule C.4-1 (System Hardware Fee Schedule), attached hereto and incorporated herein by reference. All references to Schedule C.4 (System Hardware Fee Schedule) shall hereafter be replaced by Schedule C.4-1 (System Hardware Fee Schedule).

Schedule) in the Agreement shall hereafter be replaced by Schedule C.4-1 (System Hardware Fee Schedule).

16. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.5-1 (Professional Services Fee Schedule) is deemed deleted in its entirety and replaced by Schedule C.5-2 (Professional Services Fee Schedule), attached hereto and incorporated herein by reference. All references to Schedule C.5-1 (Professional Services Fee Schedule) in the Agreement shall hereafter be replaced by Schedule C.5-2 (Professional Services Fee Schedule).
17. For the period from the Amendment 2 Date to the expiration or termination of this Agreement, Schedule C.6 (Professional Services Rate Card) is deemed deleted in its entirety and replaced by Schedule C.6-1 (Professional Services Rate Card), attached hereto and incorporated herein by reference. All references to Schedule C.6 (Professional Services Rate Card) in the Agreement shall hereafter be replaced by Schedule C.6-1 (Professional Services Rate Card).
18. The Agreement, Exhibit E-3, Administration of Agreement, is deleted in its entirety and replaced by Exhibit E-4, attached hereto and incorporated herein by reference. All references to Exhibit E-3 in the Agreement shall hereafter be replaced by Exhibit E-4.
19. The Agreement is modified to add Exhibit P, Information Security and Privacy Requirements, attached hereto and incorporated herein by reference.
20. Except for the changes set forth hereinabove, the Agreement shall not be changed in any respect by this Amendment.

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

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of the Los Angeles County
Department of Health Services

CONTRACTOR

QUADRAMED AFFINITY
CORPORATION

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM ONLY:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy County Counsel



EXHIBIT C-1 (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT C-1

PRICING TERMS

This Exhibit C (Pricing Terms) is an attachment and part of to the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (“**Agreement**”) by and between the County of Los Angeles (“**County**”) and QuadraMed Affinity Corporation (“**Contractor**”) dated for reference purposes as of the Effective Date. Unless specifically defined in this Exhibit, capitalized terms shall have the meanings set forth in the Agreement.

1. INTRODUCTION

The fundamental premise of the fee and pricing structure under the Agreement is that all elements of the System, including the System Software, System Hardware, Third Party Software, Services, Maintenance and Support Services, Professional Services, and any Optional Work and any other Services provided by Contractor under the Agreement are paid for only in the amount, and solely through the contractually specified mechanisms for payment of the fees (the “**Authorized Billing and Payment Mechanisms**”) set forth in this Exhibit C (Pricing Terms), regardless of whether or not all costs or expenses to Contractor for providing a specific element of the System, Services, or other work can be directly traced to, or are captured by, an Authorized Billing and Payment Mechanism, each described in Section 2 (Authorized Billing And Payment Mechanisms). It is understood and agreed by the Parties that the total amount to be paid by County under the Agreement cannot exceed the Maximum Agreement Sum unless the Maximum Agreement Sum is modified pursuant to a duly Approved Amendment to the Agreement by the Board and Contractor’s authorized representative(s) pursuant to Section 13 (Changes to Agreement) of the Agreement. The Maximum Agreement Sum, which includes Pool Dollars allocated for the provision of Optional Work, is the maximum amount that could be paid, but is not a commitment to pay, under the Agreement.

The amounts to be paid by County under this Agreement through the Authorized Billing and Payment Mechanisms include all Contractor costs, including Contractor overhead, profit margin, and all costs of services, product, and goods delivery within the definition of Services hereunder. The Maximum Agreement Sum is the total amount that is allocated by County for payment under this Agreement, but is not the amount to be paid to Contractor under this Agreement. In the absence of the approval by County of Optional Work, and Amendment approving additional System capabilities; the maximum amount to be paid to Contractor over the Term under this Agreement is forty-one million nine hundred eighty-five thousand two hundred ninety-four dollars (\$41,985,294).

2. AUTHORIZED BILLING AND PAYMENT MECHANISMS

There are only three (3) Authorized Billing and Payment Mechanisms for payment of the fees under this Agreement. Each of these is detailed in this Section 2 (Authorized Billing and Payment Mechanisms) of this Exhibit C (Pricing Terms) and listed as follows:

- (i) Recurring Monthly Fees
- (ii) Change Order/Optional Work
- (iii) Amendment

Contractor cannot invoice County under the Agreement except as provided under one of the Authorized Billing and Payment Mechanisms, and will not be entitled to, and will not receive, any payment, except as provided under one of the Authorized Billing and Payment Mechanisms set forth in this Section 2 (Authorized Billing and Payment Mechanisms).

2.1. Recurring Monthly Fees and Discounts

This Exhibit C (Pricing Terms) sets forth the timing and amounts of the Recurring Monthly Fees. The total Recurring Monthly Fees amount of [REDACTED] as of the Amendment 2 Date, as reflected in Schedule C.1-2 (Payment Schedule) as Total Recurring Monthly Fees and increasing to the amount of [REDACTED] through the Term, are fixed and are not subject to change except as otherwise provided in this Section 2.1 (Recurring Monthly Fees and Discounts). The Recurring Monthly Fees were negotiated between Contractor and County as a material condition under this Agreement to capture all compensation to Contractor for the System Software licenses (including Third Party Software), Services (including Professional Services, Maintenance and Support Services), and System Hardware acquired by County under the Agreement, subject only to (1) the Authorized Billing and Payment Mechanisms, and (2) the following exception: the monthly fees under Schedule C.4 (System Hardware Fee Schedule) are estimates for the actual fees for Maintenance and Support Services for Hardware; actual costs will be passed through to County as charged to Contractor.

The Parties understand and agree that, except as expressly provided for with regard to Optional Work or Pool Dollars or an Amendment derived from one of the Authorized Billing and Payment Mechanisms, there is no concept of a financial change order applicable to the Agreement. The limitations on the concept of a financial change order are intentional and are designed to ensure that the fixed fee elements of the Agreement remain unchanged and predictable throughout the Term.

2.2. Optional Work and Discounts

Payment for the provision of Optional Work shall be as set forth in Section 4.3 (Optional Work) of the Agreement and, as to Professional Services, at the Professional Service Rates for Optional Work set forth in Schedule C.5 (Professional Services Fee Schedule). Contractor has also provided optional pricing for additional Licensed Software, and related Services, as set forth in Schedule C.7 (Optional Work).

The discount percentage to be applied to New Software pursuant to Section 4.3.1 (New Software) of the Agreement shall be based on the discounts provided as of the Effective Date of this Agreement for the System Software. Contractor is committed to offering the County preferred competitive pricing at levels consistent with the pricing provided in this Agreement, and in connection with New Software or other Services, will demonstrate to County the financial factors supporting the preferred pricing provided. The objective of the above is for the County to have confidence that the economic terms provided by Contractor with regard to future transactions are consistent with the preferred terms Contractor has agreed to under this Agreement.

The Agreement allocates a maximum amount of twelve million eight hundred fourteen thousand and one hundred and seven dollars (\$12,814,107) in Pool Dollars for the provision of Optional Work. Pool Dollars may be used for payment of Optional Work.

2.3. Amendments

Amendments to the Agreement are governed by Section 13.1 (Amendments) of the Agreement.

3. INVOICE DISCOUNTS

Except as otherwise provided in this Exhibit C (Pricing Terms), payments by County to Contractor for Services provided hereunder will occur within thirty (30) days of receipt by County of Contractor's invoice and County approval of the particular invoice. County shall be entitled to a [REDACTED] percent ([REDACTED]) discount for payments made by County to Contractor by the later of (i) the date that is thirty (30) days after receipt by County of Contractor's invoice for such Services or (ii) the date that is thirty (30) days prior to the due date for such invoice, or portions thereof, which are not provided by subcontractors or other third parties under this Agreement.

County's failure to pay within the thirty (30) days, however, shall not be deemed as automatic invoice approval or acceptance by County of any deliverable, service or other Services for which payment is sought, nor shall it entitle Contractor to impose an interest or other penalty on any late payment.

4. CONSUMPTION PRICING ADJUSTMENTS

Prior to the Amendment 2 Date, the Parties have agreed to adjust the usage for certain Services under this Agreement, including (i) adjustments corresponding to user count decreases and other County usage metric decreases; and (ii) reductions as a result of certain Services that are no longer provided by Contractor under this Agreement, in each case as reflected in invoices Approved by County pursuant to Section 6.4 (County Approval of Invoices) of the Agreement (as used herein, "**Consumption Pricing Adjustments**"). The Consumption Pricing Adjustments remain in full force and effect as agreed to by the Parties prior to the Amendment 2 Date. The Parties agree that all amounts payable by County under this Agreement for Services delivered prior to the Amendment 2 Date have been fully invoiced by Contractor as of the Amendment 2 Date.



SCHEDULE C.1-2 (PAYMENT SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.1-2

PAYMENT SCHEDULE

	2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)	TOTAL
System Software Maintenance	\$2,126,796	\$2,129,088	\$2,194,164	\$2,196,732	\$2,199,468	\$28,487,040
3rd Party Maintenance	\$269,744	\$278,540	\$287,733	\$297,934	\$264,684	\$5,152,434
Consolidated Hardware - System Hardware Maintenance	\$0	\$0	\$0	\$0	\$0	\$5,550,564
Professional Services	\$8,466	\$8,466	\$8,670	\$8,670	\$8,670	\$2,795,256
Sub-Total	\$2,405,006	\$2,416,094	\$2,490,567	\$2,503,336	\$2,472,822	\$41,985,294
Optional Work (Professional Pool)						\$12,814,107
Total Contract Sum						\$54,799,401



SCHEDULE C.2-2 (SYSTEM SOFTWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.2-2

SYSTEM SOFTWARE FEE SCHEDULE

Monthly Maintenance and Support Fee per Facility by Year				
2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)

Item #	Affinity Revenue Cycle							
1	HUMC							
2	OVUMC							
3	LA GEN							
4	RLAMC							
5	KDMC	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	HDH	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	ACN							

Item #	Clintegrity 30 (Quantum)					
1	HUMC	N/A	N/A	N/A	N/A	N/A
2	OVUMC	N/A	N/A	N/A	N/A	N/A
3	LA GEN	N/A	N/A	N/A	N/A	N/A
4	RLAMC	N/A	N/A	N/A	N/A	N/A
5	KDMC	N/A	N/A	N/A	N/A	N/A
6	HDH	N/A	N/A	N/A	N/A	N/A

Item #	Legacy PA Duplicate License Access for Modify data ⁽¹⁾					
1	HUMC	N/A	N/A	N/A	N/A	N/A
2	OVUMC	N/A	N/A	N/A	N/A	N/A
3	LA GEN	N/A	N/A	N/A	N/A	N/A
4	RLAMC	N/A	N/A	N/A	N/A	N/A
5	KDMC	N/A	N/A	N/A	N/A	N/A
6	HDH	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ As each facility no longer modifies data in Legacy Patient Accounting (PA), then the County has a perpetual view-only license at no cost for that applicable facility. See Exhibit N (QuadraMed Legacy Systems).

Item #	MODEL Directory Hosted ¹					
1	MODEL					

⁽¹⁾ Not eligible for [redacted] prompt pay discount as outlined in Section 3 (Invoice Discounts) of Exhibit C-1 (Pricing Terms)



SCHEDULE C.3-1 (THIRD PARTY SYSTEM SOFTWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.3-1

THIRD PARTY SYSTEM SOFTWARE FEE SCHEDULE

Monthly Maintenance and Support Fee per Facility by Year				
2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)

Item #	Intersystems IRIS For Health 202.1 Enterprise		2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)
1	HUMC	82 concurrent users (112 concurrent users prior to the Amendment 2 Date)					
2	OVUMC	95 concurrent users (150 concurrent users prior to the Amendment 2 Date)					
3	LA GEN	95 concurrent users (150 concurrent users prior to the Amendment 2 Date)					
4	RLAMC	40 concurrent users (60 concurrent users prior to the Amendment 2 Date)					
5	KDMC	N/A (71 concurrent users prior to the Amendment 2 Date)	N/A	N/A	N/A	N/A	N/A
6	HDH	N/A (50 concurrent users prior to the Amendment 2 Date)	N/A	N/A	N/A	N/A	N/A
7	ACN	81 concurrent users					

Item #	SQL Server		2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)
1	HUMC						
1.1		Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 4)	N/A	N/A	N/A	N/A	N/A
1.2		Microsoft SQL Server 2000 Enterprise Edition Run-Time Client Access License (CAL) (QTY 10)	N/A	N/A	N/A	N/A	N/A
1.3		SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 2)	N/A	N/A	N/A	N/A	N/A
2	OVUMC						
2.1		SQL Server Enterprise Edition RUNTIME 2005 x64 1 Processor License (QTY 4)	N/A	N/A	N/A	N/A	N/A
2.2		SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 2)	N/A	N/A	N/A	N/A	N/A
3	LA GEN						
3.1		Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 6)	N/A	N/A	N/A	N/A	N/A
3.2		Microsoft SQL Server 2000 Enterprise Edition Run Time Processor License (QTY 2)	N/A	N/A	N/A	N/A	N/A
3.3		SQL Svr Std 2000 1 Processor License Runtime - maximum of 2GB memory (QTY 5)	N/A	N/A	N/A	N/A	N/A
4	RLAMC						
4.1		SQL Server Standard 2000 1 processor License Runtime (QTY 2)	N/A	N/A	N/A	N/A	N/A
5	KDMC						
5.1		SQL Server Standard Edition 2005 Win32 Runtime (QTY 2)	N/A	N/A	N/A	N/A	N/A
5.2		Microsoft SQL Server 2005 Enterprise Edition Run-Time Processor License (QTY 4)	N/A	N/A	N/A	N/A	N/A
5.3		Microsoft SQL Server 2005 Enterprise Edition Run-Time Client Access License (QTY 10)	N/A	N/A	N/A	N/A	N/A
6	HDH						
6.1		SQL Server Standard Edition 2005 Win32 Runtime (QTY 2)	N/A	N/A	N/A	N/A	N/A
6.2		Microsoft SQL Server 2000 Enterprise Edition Run-Time Processor License (QTY 2)	N/A	N/A	N/A	N/A	N/A
6.3		Microsoft SQL Server 2000 Enterprise Edition Run-Time Client Access License (QTY 10)	N/A	N/A	N/A	N/A	N/A

Item #	SecureLink (Unlimited User)		2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)
1	HUMC						
2	OVUMC						

3	LA GEN						
4	RLAMC						
5	KDMC		N/A	N/A	N/A	N/A	N/A
6	HDH		N/A	N/A	N/A	N/A	N/A
7	ACN						

Item #	SQL Connect (1-16 Concurrent users)						
1	HUMC		N/A	N/A	N/A	N/A	N/A
2	OVUMC		N/A	N/A	N/A	N/A	N/A
3	LA GEN						
4	RLAMC		N/A	N/A	N/A	N/A	N/A
5	KDMC		N/A	N/A	N/A	N/A	N/A
6	HDH		N/A	N/A	N/A	N/A	N/A

Annual Maintenance and Support Fee per Facility by Year				
2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)

Item #	American Medical Association (AMA) CPT Code set file ¹						
1	HUMC	208 User licenses					N/A
2	OVUMC	208 User licenses					N/A
3	LA GEN	212 User licenses					N/A
4	RLAMC	208 User licenses					N/A
5	KDMC	208 User licenses	N/A	N/A	N/A	N/A	N/A
6	HDH	208 User licenses	N/A	N/A	N/A	N/A	N/A
7	ACN	416 User licenses					N/A

⁽¹⁾ Invoiced annually, due January 1st each year for the Services to be delivered the subsequent Contract Year



SCHEDULE C.4-1 (SYSTEM HARDWARE FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.4-1

SYSTEM HARDWARE FEE SCHEDULE

			Monthly Maintenance and Support Fee by Facility by Year	
2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)

Hardware Consolidation System Hardware Located at LA GEN and KDMC⁽¹⁾							
Affinity Production or ASRS Server (Consolidated Report Server)							
1	HUMC	0.183	N/A	N/A	N/A	N/A	N/A
2	OVUMC	0.187	N/A	N/A	N/A	N/A	N/A
3	LA GEN	0.295	N/A	N/A	N/A	N/A	N/A
4	RLAMC	0.103	N/A	N/A	N/A	N/A	N/A
5	KDMC	0.154	N/A	N/A	N/A	N/A	N/A
6	HDH	0.078	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Estimated System Hardware Monthly Maintenance Fee may be different from actual pass-through amount.



SCHEDULE C.5-2 (PROFESSIONAL SERVICES FEE SCHEDULE)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.5-2

PROFESSIONAL SERVICES FEE SCHEDULE

Monthly Fee by Year				
2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)

Item #					
1	Project Director / Coordinator	Vacant ^	Vacant ^	Vacant ^	Vacant ^
2	Patient Accounting Coordinator	N/A	N/A	N/A	N/A
3	Clerical Administrator (ten (10) hours per month)	■	■	■	■

^ The Project Director/Coordinator monthly fees for 2023 and subsequent years are optional. Upon County's request, Contractor shall provide County with a Project Director/Coordinator position as Optional Work at a monthly fee of ■ (for Part-Time) or ■ (for Full-Time) of the then-current Level A Project Director / Coordinator Monthly Rate set forth in Schedule C.6 (Professional Services Rate Card).



SCHEDULE C.6-1 (PROFESSIONAL SERVICES RATE CARD)

OF

EXHIBIT C (PRICING TERMS)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

SCHEDULE C.6-1

PROFESSIONAL SERVICES RATE CARD¹

Role	2025	2026	2027 (Optional)	2028 (Optional)	2029 (Optional)
Level A Project Director / Coordinator					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level A individual directs and manages activities of Contractor's staff to accomplish such tasks and objectives as are defined from time to time by Contractor and County. A Level A individual reports to County's Project Director regarding performance, personnel matters, operating standards, systems evaluation, and actions on all activities being performed by Contractor personnel.					
Level B Project Manager / System Architect / Engineer					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level B individual provides consultation regarding specific tasks and objectives defined from time to time by Contractor and County related to the general operation and support of the System. A Level B individual manages on-site activities of Contractor's staff and monitors quality and productivity standards for such tasks and objectives as are defined by Contractor and County. A Level B individual performs analysis and system design for new or custom utilities, programs, or software functions.					
Level C Programmers and Installers					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level C individual performs programming, customizations, documentation writing and editing, custom operational training, testing, maintenance, review, installation and implementation of original or previously written programs, systems, utilities or functions.					
Level D					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level D assists in testing and debugging of programs, provides technical assistance in problem solving, and provides general training services.					
Level E					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level E individual is responsible for monitoring operation of programs, executing specified functions such as creating tapes or printing reports, performing backup procedures, and, to the extent authorized by Contractor and County, answering system user calls, participating in configuration services, and providing operations training services. A Level E individual is responsible for scheduling tasks and work assignments for Contractor's staff and assisting with supervision and quality monitoring.					
Level F Administrative / Clerical					
Hourly Rate	██████████	██████████	██████████	██████████	██████████
Monthly Rate	██████████	██████████	██████████	██████████	██████████
A Level F individual is responsible for performing assigned technical, data entry, and other clerical services and administrative work to accomplish tasks and objectives as defined by Contractor and County.					

⁽¹⁾ County is eligible to receive a ██████ percent (████) discount on purchases of blocks of at least forty (40) hours under this Schedule C.6-1 (Professional Services Rate Card).

Classroom Training rates full day	██████████ /day with a maximum of 8 persons.
Classroom Training rates 1/2 day (4 hours)	██████████ per 4 hours with a maximum of 8 persons. Any hours over 4 hours but less than 8 hours is charged by the hour at Level C.



EXHIBIT E-4 (ADMINISTRATION OF AGREEMENT)

TO THE

AGREEMENT FOR REVENUE CYCLE AND LEGACY HEALTH INFORMATION
SYSTEMS MAINTENANCE AND SUPPORT SERVICES

EXHIBIT E-4

ADMINISTRATION OF AGREEMENT

This Exhibit E-4 (Administration of Agreement) is an attachment and part of the Agreement for Revenue Cycle and Legacy Health Information Systems Maintenance and Support Services (the “**Agreement**”), dated as of the Effective Date and entered by County and Contractor.

SECTION 1: CONTRACTOR’S ADMINISTRATION

Contractor’s Project Director:

Name: Devon Rawson
Title: Senior Vice President
Address: 400 Galleria Pkwy SE, Suite 1600
Atlanta, GA 30339
Telephone: [REDACTED]
Facsimile:
Email Address: [REDACTED]

Contractor’s Project Manager:

Name: Shannon Johnson
Title: Director, Support and Professional Services
Address: 400 Galleria Pkwy SE, Suite 1600
Atlanta, GA 30339
Telephone: [REDACTED]
Facsimile:
Email Address: [REDACTED]

Contractor’s Authorized Officials:

Name: Devon Rawson
Title: Senior Vice President
Address: 400 Galleria Pkwy SE, Suite 1600
Atlanta, GA 30339
Telephone: [REDACTED]
Facsimile:
Email Address: [REDACTED]

Notices to Contractor shall be sent to the following:

Name: Devon Rawson
Title: Senior Vice President
Address: 400 Galleria Pkwy SE, Suite 1600
Atlanta, GA 30339
Telephone: [REDACTED]
Facsimile:
Email Address: [REDACTED]

SECTION 2: COUNTY'S ADMINISTRATION

County's Project Director

Name: Gary Hanna
Title: Chief Information Officer
Address: 1100 N. State St., Clinic Tower, A6D
Los Angeles, CA 90033
Telephone: (323) 409-2691
Facsimile:
Email Address: ghanna@dhs.lacounty.gov

County's Project Manager

Name: Kayee Chan
Title: Enterprise Business Applications Support
Address: 1100 N. State St., Clinic Tower, A6D
Los Angeles, CA 90033
Telephone: (323) 409-5599
Facsimile:
Email Address: kchan@dhs.lacounty.gov

NOTICES

Notices to County shall be sent to the County's Project Director, with a copy to:

Attention: Director, Contracts and Grants Division
Los Angeles County Department of Health Services
313 N. Figueroa St., 6th Floor East
Los Angeles, California 90012

EXHIBIT P

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

CONTRACTOR'S NAME: Quadramed Affinity Corporation

COUNTY AGREEMENT / CONTRACT: H-707298

The County of Los Angeles ("County") is committed to safeguarding the Integrity of County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit P ("Exhibit") sets forth County's and Contractor's commitment and agreement to fulfill each of their obligations under applicable state and federal laws, rules and regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by Contractor before the Effective Date of the Contract (as defined below) and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between County and Contractor (the "Contract") and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by Contractor, entitling County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. For clarity, as of the date of this Exhibit, the Contractor neither stores nor exports the County's data. Consequently, all related terms and conditions shall only apply if and when the Contractor begins to store or export the County's data to its managed systems and environments. **DEFINITIONS**

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this Exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting County's information security requirements.

- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers and other persons whose conduct, in the performance of work for County, is under the direct control of County, whether or not they are paid by County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers and staff from third party entities who provide service to County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability and Integrity of County Information covered under the Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards and procedures will be communicated to all Contractor employees in a relevant, accessible and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness and compliance with all applicable laws and regulations and to address new and emerging Threats and Risks.

Contractor shall exercise the same degree of care in safeguarding and protecting County Information that Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. Contractor will implement, maintain and use appropriate administrative, technical and physical security measures to preserve the Confidentiality, Integrity and Availability of County Information.

Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity and Availability of County Information in Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity and Availability of County Information;

- Protect against unauthorized or unlawful access, use, disclosure, alteration and destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures and appropriate training will be provided to all Contractor employees, agents and volunteers. Contractor's Privacy Policies, guidelines and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

Contractor's Privacy Program shall include: A Privacy Program framework that identifies and ensures that Contractor complies with all applicable laws and regulations;

- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. **PROPERTY RIGHTS TO COUNTY INFORMATION**

All County Information is deemed property of County, and County shall retain exclusive rights and ownership thereto. County Information shall not be used by Contractor for any purpose other than as required under the Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by Contractor, or commercially exploited or otherwise used by, or on behalf of, Contractor, its officers, directors, employees, or agents. Contractor may assert no lien on or right to withhold from County, any County Information it receives from, receives addressed to, or stores on behalf of, County. Notwithstanding the foregoing, Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. Contractor specifically consents to County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. **CONTRACTOR'S USE OF COUNTY INFORMATION**

Contractor may use County Information only as necessary to carry out its obligations under the Contract. Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii)

any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** Contractor agrees that all County Information is Confidential and proprietary to County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- b. **Disclosure of County Information.** Contractor may disclose County Information only as necessary to carry out its obligations under the Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of County's contract administrator in consultation with County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, Contractor shall notify County's contract administrator immediately and prior to any such disclosure, to provide County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, Contractor may encounter County Non-public Information ("NPI") in the course of performing the Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. Contractor shall not disclose or publish any County NPI and material received or used in performance of the Contract. This obligation is perpetual.
- d. **Individual Requests.** Contractor shall acknowledge any request or instructions from County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from County within seven (7) calendar days. If an individual makes a request directly to Contractor involving County Information, Contractor shall notify County within five (5) calendar days and County will coordinate an appropriate response, which may include instructing Contractor to assist in fulfilling the request. Similarly, if Contractor receives a privacy or security complaint from an individual regarding County Information, Contractor shall notify County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and County will coordinate an appropriate response.
- e. **Retention of County Information.** Contractor shall not retain any County Information for any period longer than necessary for Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations that are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role for potential security Risks. Contractor, in compliance with its legal obligations, shall conduct an individualized assessment (or seek written assurances from Subcontractors) of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with

Contractor.

Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks and Threats. Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.
- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

Contractor shall have an established set of procedures to ensure Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

County acknowledges that in the course of performing its services, Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under the Contract.

Contractor shall obtain advance written approval from County's Chief Information Security Officer and/or Chief Privacy Officer, or authorized designee(s), prior to subcontracting any services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by County's Chief Information Security Officer.

Contractor shall encrypt County Information transmitted on networks outside of Contractor's control with Transport Layer Security (TLS) 1.2 or higher or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee.

In addition, Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly or Contractor shall employ real-time monitoring and behavioral analysis of files with scanning occurring when files are accessed or written to.

Request for less frequent scanning must be approved in writing by County's Chief Information Security Officer.

Furthermore, the hosting environment for storing County Information under the Contract shall be subject to County's approval. Contractor shall also obtain County's approval prior to transitioning data to a different hosting environment by providing, among others, the name of the new hosting environment provider(s), the applicable certifications and the service levels. Contractor warrants and agrees that, notwithstanding County's approval of any changes in the hosting environment, such changes shall not impact Contractor's compliance with the provisions of this Exhibit or performance under the Contract.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of the Contract for any reason, Contractor shall (i) promptly return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of the Contract; and (iii) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that County requests be returned to County, Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to County. For documents or materials referred to in Subsections (i) and (ii) of this Section that County requests be destroyed, Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon County's request, Contractor shall return all hardware, if any, provided by County to Contractor. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County.
- b. **Method of Destruction.** Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that County Information cannot be retrieved. Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon County's request. On termination or expiration of the Contract, County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to County hereunder, or that provided to County by Contractor hereunder), at County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY AND DISASTER RECOVERY

Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and

designed to protect Information and computer media from theft and unauthorized access.

Contractor shall also maintain and provide business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; and (iv) fully restore applications and operating systems. If Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by County's Project Director or County's Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by Contractor and approved by County's Chief Information Security Officer, or authorized designee, in writing. The foregoing requirements shall apply to back-up media stored by Contractor at off-site facilities.

Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources, which shall include without limitation multi-factor authentication, use of virtual private networks (VPN), authorization and event logging;
- c. Contractor will conduct regular, no less frequently than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, Contractor shall ensure that all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, Contractor shall:

- a. Promptly notify the Department of Health Services ("DHS") Chief Information Security Officer, the Departmental Information Security Officer and the DHS Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone to the following:

DHS Chief Information Security Officer and DHS Chief Privacy Officer:

via the Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000.

DHS Chief Information Security Officer:

Jeff Zito
jzito@dhs.lacounty.gov

DHS Chief Privacy Officer:

Jennifer Papp, RD, CHPC
jpapp@dhs.lacounty.gov

Departmental Information Security Officer:

Vahe Haratounian
vharatounian@dhs.lacounty.gov

County Chief Information Security Officer and Chief Privacy Officer email

CISO-CPO_Notify@lacounty.gov

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon County's written request, without charge, unless the Incident was caused by the acts or omissions of County. As Information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of its Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, County, law firms, and and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.
- f. Allow County or its third-party designee at County's election to perform a review of documentation, as they relate to the receipt, maintenance, use, retention and authorized destruction of County Information.

Unless otherwise contradicted in the Contract, Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor.

15. NON-EXCLUSIVE EQUITABLE REMEDY

Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to County, and therefore, that upon any such breach, County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any material breach of Section 6 CONFIDENTIALITY shall constitute a material breach of the Contract and be grounds for immediate termination of the Contract in the exclusive discretion of County.

16. AUDIT AND INSPECTION

- a. **Self-Audits.** Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by County.

Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. Contractor shall provide a summary of the audit results and a summary of the corrective action documentation to County promptly upon its completion at County's request. With respect to any other report, certification, or audit or test results prepared or received by Contractor that contains any County Information, Contractor shall promptly provide County with copies of the same upon County's reasonable request, including identification of any failure or exception in Contractor's Information systems, products, and services, and the corresponding steps taken by Contractor to mitigate such failure or exception. Any reports and related materials provided to County pursuant to this Section shall be provided at no additional charge to County.

- b. **County Requested Audits.** At its own expense, County or an independent third-party auditor commissioned by County shall have the right to audit Contractor's external-facing security and privacy policies. Upon County's request, but no more than once annually unless required for investigating an incident or a breach, Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. If the audit reveals material non-compliance with this Exhibit, County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect Contractor's normal business operations. County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to the policies and procedures related to: physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. Contractor agrees to comply, within acceptable reasonable timeframes, with all reasonable recommendations that result from such inspections, tests and audits.

When not prohibited by regulation, Contractor will provide to County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by Contractor or a third party; and (ii) corrective actions or modifications, if any, Contractor will implement in response to such audits.

17. CYBER LIABILITY INSURANCE

Contractor shall secure and maintain cyber liability insurance coverage in the manner prescribed in this section unless the Contract prescribes cyber liability insurance coverage provisions and those provisions are no less stringent than those described in this section.

Contractor shall secure and maintain cyber liability insurance coverage with limits of at least \$10,000,000 per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of Contract. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, shall not be construed as a limitation upon Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

18. PRIVACY AND SECURITY INDEMNIFICATION

Subject to any limitation of liability in the Contract, Contractor agrees to indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from:

- Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing or otherwise using County Information;
- Contractor's failure to perform or comply with any terms and conditions of the Contract or related agreements with County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities). Notwithstanding the preceding sentences, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

Contract No.: H-701910

HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE SOFTWARE AGREEMENT

Amendment No. 7

THIS AMENDMENT is made and entered into this [redacted] day of [redacted], 2024 (“**Amendment Effective Date**”),

By and between

COUNTY OF LOS ANGELES
(hereafter “**County**”),

And

**PROVIDER ADVANTAGE, NW
INC.**
(hereafter “**Contractor**”)

Business Address:

1 SW Columbia Street, Suite 550
Portland, OR 97258-2015

WHEREAS, reference is made to that certain document entitled “HIPAA Compliant 270/271 Eligibility Response Software Agreement”, dated March 21, 2006, and further identified as Agreement No.: H-701910, including any amendments and any other modifications thereto (cumulatively hereafter referred to as “**Agreement**”); and

WHEREAS, on [redacted], the Board of Supervisors (Board) delegated authority to the Director of the Department of Health Services or designee to extend the agreement term to December 31, 2026, with up to three (3) additional one (1) year automatic renewal periods through December 31, 2029; and

WHEREAS, it is the intent of the parties to amend the Agreement to: (i) extend its term through December 31, 2026, and provide County with the sole option to extend the term three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029; and (ii) provide for the other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance to Paragraph 7, Change Notices and Amendments, may be made in the form of an Amendment which is formally approved and executed by the parties; and

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

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon the Amendment Effective Date.
2. The Agreement, Paragraph 5.1, is deleted in its entirety and replaced as follows:

“5.1 The term of this Agreement shall commence on March 21, 2006, and continue in full force and effect through December 31, 2026, with up to three (3) additional one (1) year automatic renewal periods, such that if all three (3) additional one (1) year renewal options are exercised by County, the Agreement will expire on December 31, 2029, unless sooner terminated or extended, in whole or in part, as provided in this Agreement.”

3. The Agreement, Sub-paragraph 8.2, MAXIMUM CONTRACT SUM, is amended to delete Sub-paragraph 8.2.1 in its entirety and replace it with the following:

“8.2.1 The revised Contract Sum for all services for the period March 21, 2006 to December 31, 2026, and the three (3) optional one (1) year extension periods, including all applicable taxes, authorized by County hereunder shall not exceed \$17,132,837 for the entire term of the Agreement, which includes \$23,747 in Pool Dollars and the three (3) optional one (1) year periods, in accordance with Schedule B-5, Schedule of Payments. This maximum obligation shall be the total monetary amount payable by County to Contractor for supplying all the tasks, subtasks, deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor must be approved in writing by County. If County does not approve work in writing, no payment shall be due to Contractor for that work.”

4. The Agreement, Sub-paragraph 15.3, INSURANCE COVERAGE REQUIREMENTS, is amended to delete Sub-paragraph 15.3.4, Professional/Cyber Liability in its entirety and replaced as follows:

“15.3.4 Professional/Cyber Liability- Errors and Omissions insurance covering Contractor's liability arising from or related to this Agreement, with limits of not less than \$5 million per occurrence and in the aggregate. Further, Contractor understands and agrees it shall maintain such coverage for a period of not less than two (2) years following this Agreement's expiration, termination or cancellation.”

5. The Agreement, Paragraph 57, NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT, is deleted in its entirety and replaced as follows:

“57. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Except as set forth in Paragraph 78, CONTRACTOR’S CLOSE-OUT OBLIGATIONS, Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Agreement. Should 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 the Agreement shall not constitute a waiver of County’s right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.”

6. The Agreement, Paragraph 77, SURVIVAL, is deleted in its entirety and replaced as follows:

“77. Survival

In addition to any provisions of this Agreement which specifically state that they will survive the termination or expiration of this Agreement and any rights and obligations under this Agreement which by their nature should survive, the following Paragraphs shall survive any termination or expiration of this Agreement:

Sub-paragraph 15.1 (Indemnification)

Sub-paragraph 15.2 (General Provisions for all Insurance Coverage), but only to the extent provided for by Paragraph 15 but only to the extent provided for by Paragraph 15.

Sub-paragraph 15.3 (Insurance Coverage), but for coverage requirements only to the extent provided for by Paragraph 15.

Paragraph 16 (Record Retention and Inspection/Audit Settlement) but only for the applicable retention period required under law or the Agreement.

Paragraph 21 (Compliance with Applicable Laws)

Paragraph 26 (Governing Law, Jurisdiction, and Venue)

Paragraph 35 (Confidentiality)

Paragraph 57 (No Payment for Services Provided Following Expiration/Termination of Agreement)

Paragraph 77 (Survival)

Paragraph 78 (Contractor's Close-Out Obligations), but only for the duration of close-out obligations.

Exhibit H-1 - Business Associate Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) until all Protected Health Information (PHI) or other covered data is either returned or destroyed in compliance with the HIPAA regulations or applicable law.

Exhibit I.1 - Information Security and Privacy Requirements but only until all data subject to these obligations has been returned, destroyed, or otherwise rendered inaccessible in compliance with applicable privacy laws.

Exhibit J - Contractor Acknowledgement and Confidentiality Agreement subject to the applicable duration of confidentiality requirements.

7. The Agreement, Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, shall be added and incorporated as follows:

“78. CONTRACTOR'S CLOSE-OUT OBLIGATIONS

Upon the expiration of this Agreement or its termination by either party for any reason, including the breach of this Agreement by the other party, the rights of County shall in any and all events be provided as set forth in this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Unless the parties have specifically agreed upon a termination transition plan prior to the time of termination (the “**Termination Transition Plan**”), the rights of County upon any termination, including any expiration, shall be as set forth in this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. If a Termination Transition Plan has been agreed to, then the rights of County upon any expiration or termination of this Agreement shall be as set forth in the most recent County-approved Termination Transition Plan, and also as set forth in this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. In the event of any inconsistency between this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and the applicable Termination Transition Plan, this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, shall govern. If no Termination Transition Plan has been agreed to by the parties at the time of any expiration or termination of this Agreement, then Contractor shall continue to perform the services under the Agreement, at performance standards and service levels in effect at the time of termination or expiration, as well as the termination transition

services, which services shall be provided as set forth in this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Contractor shall provide County with all of the services and all of the termination transition services as provided in this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and in the then most recent version of the Termination Transition Plan, if any. The duty of Contractor to provide such services shall be conditioned on County continuing to comply with its obligations under the Agreement, including payment of all fees. Contractor shall have no right to withhold or limit its performance or any of such termination transition services on the basis of any alleged breach of this Agreement by County, other than a failure by County to timely pay the amounts due hereunder during the termination transition period. County shall have the right to seek specific performance of this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, in any court of competent jurisdiction and Contractor hereby waives any defense that damages are an adequate remedy. Compliance with this Paragraph 78, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, by either party shall not constitute a waiver or estoppel with regard to any rights or remedies available to the parties. Contractor will (a) meet with County as soon as practicable after a notice of termination or notice of a decision to not extend this Agreement has been given, to discuss any potential modifications to the then most current Termination Transition Plan, if any; (b) use all commercially reasonable efforts to assist County in effecting a transition of the services provided by Contractor hereunder, in accordance with Contractor's best practices, to County or another vendor chosen by County; and (c) be compensated for transition-related services and costs by payment by County in accordance with the rates set forth in this Agreement or at Contractor's then current rate for the applicable service if not set forth in this Agreement. Contractor will provide termination transition services for a period defined in the Termination Transition Plan, if any, but in no event less than six (6) months following the expiration or termination of this Agreement. Thereafter, Contractor shall provide extensions of termination transition services as requested by County in serial thirty (30) calendar day extension terms for up to an additional six (6) months. The total period of termination transition services, including all extensions provided for herein, shall not exceed twelve (12) months."

8. The Agreement, Paragraph 79, TERMINATION FOR IMPROPER CONSIDERATION, shall be added and incorporated as follows:

"79. TERMINATION FOR IMPROPER CONSIDERATION

79.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing

favorable treatment with respect to the award, amendment, or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

79.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

9. The Agreement, Paragraph 80, COMPLIANCE WITH COUNTY'S WOMEN IN TECHNOLOGY HIRING INITIATIVE, shall be added and incorporated as follows:

"80. COMPLIANCE WITH COUNTY'S WOMEN IN TECHNOLOGY HIRING INITIATIVE

At the direction of the Board, the County has established a "Women in Technology" (WIT) Hiring Initiative focused on recruiting, training, mentoring and preparing all genders, including women, at-risk youth, and underrepresented populations (program participants) for County Information Technology (IT) careers. In support of the subject initiative, IT contractors currently offering certification, training, and/or mentoring programs must make such program(s) available to WIT program participants, if feasible. Contractors must report such programs available to: WITProgram@isd.lacounty.gov."

10. The Agreement, Paragraph 81, CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING, shall be added and incorporated as follows:

"81. CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING

Pursuant to Government Code Section 84308, Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Agreement as determined in the sole discretion of the County."

11. The Agreement, Paragraph 82, PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S), shall be added and incorporated as follows:

"82. PROHIBITION FROM PARTICIPATION IN FUTURE SOLICITATION(S)

A Proposer, or a Contractor or its subsidiary or Subcontractor ("Proposer/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has provided advice or consultation for the solicitation. A Proposer/ Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Proposer/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision shall result in the disqualification of the Proposer/Contractor from participation in the County solicitation or the termination or cancellation of any resultant County contract. This provision shall survive the expiration, or other termination of this Agreement."

12. The Agreement, Paragraph 83, COMPLIANCE WITH THE COUNTY POLICY OF EQUITY, shall be added and incorporated as follows:

"83. COMPLIANCE WITH THE COUNTY POLICY OF EQUITY

The Contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (<https://ceop.lacounty.gov/>). The Contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The Contractor, including its employees and subcontractors, acknowledges and certifies receipt and understanding of the CPOE. Failure of the Contractor, its employees or its subcontractors to uphold the County's expectations of a workplace in California free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the Contractor to termination of contractual agreements as well as civil liability."

13. The Agreement, Paragraph 84, COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES, shall be added and incorporated as follows:

"84. COMPLIANCE WITH FAIR CHANCE EMPLOYMENT PRACTICES

Contractor shall comply with any applicable fair chance employment hiring practices set forth in California Government Code Section 12952, Employment Discrimination: Conviction History. Contractor's violation of

this Sub-paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, the County may, in its sole discretion, terminate the Agreement.”

14. The Agreement, Paragraph 85, FORCE MAJEURE, shall be added and incorporated as follows:

“85. FORCE MAJEURE

Neither party shall be liable for any failure or delay in performance under this Agreement to the extent said failures or delays are proximately caused by causes beyond that party's reasonable control and occurring without its fault or negligence, including, without limitation, acts of God, wars, riots, national emergencies, pandemics, strikes, lockouts, shortages of materials, or failure of power or communications systems (each, a force majeure event), provided that the party whose performance is affected gives prompt written notice to the other party of the force majeure event. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused. In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use reasonable efforts to obtain goods or services from other sources, if applicable and commercially feasible, and to take reasonable steps to mitigate the damages and reduce the delay caused by such force majeure event. Any actions taken by Contractor under this clause shall be subject to the limitations of liability set forth elsewhere in this Agreement.”

15. All references to “Los Angeles County+USC Medical Center,” “LAC+USC,” and “LAC+USCMC” under the Agreement shall mean Los Angeles General Medical Center.
16. The Agreement, Exhibit B-4, Schedule of Payments, is deleted in its entirety and replaced by Exhibit B-5, Schedule of Payments, attached hereto and incorporated herein by reference. All references to Exhibit B-4 in the Agreement shall hereafter be replaced by Exhibit B-5.
17. The Agreement, Exhibit 1.1, Information Security and Privacy Requirements is deleted in its entirety and replaced by Exhibit 1.1-1, Information Security and Privacy Requirements, attached hereto and incorporated herein by reference.
18. Except for the changes set forth hereinabove, the 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 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, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of the Los Angeles County
Department of Health Services

CONTRACTOR

PROVIDER ADVANTAGE, NW INC.

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM ONLY
BY THE OFFICE OF THE
COUNTY COUNSEL



EXHIBIT B-5 (SCHEDULE OF PAYMENTS)

TO THE

HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE
SOFTWARE AGREEMENT

**Exhibit B-5
SCHEDULE OF PAYMENTS**

CHART I.

Provider Advantage NW, Inc. Agreement H-701910
4/1/2012-12/31/2017

I. 270/271

Deliverable No.	Deliverable Title	4/1/2006-3/31/2009	4/1/2009-3/31/2010	4/1/2010-3/31/2011	4/1/2011-6/30/2011	FY 11-12		FY 12-13	FY 13-14		FY 14-15	FY 15-16	FY 16-17	7/1/2017-12/31/2017	GRAND TOTAL
						7/1/2011-3/31/2012	4/1/2012-6/30/2012	7/1/2012-6/30/2013	7/1/2013-3/31/2014	4/1/2014-6/30/2014	7/1/2014-6/30/2015	7/1/2015-6/30/2016	7/1/2016-6/30/2017		
1	System Maintenance (1)	\$744,000	\$240,000	\$240,000	\$63,000	\$189,000	\$69,458	\$264,600	\$208,373	\$69,456	\$277,830	\$277,830	\$277,830	\$138,912	\$3,060,289
1.a	Interface Upgrade and Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,200	\$4,200	\$16,800	\$0	\$0	\$0	\$35,200
2	Clearing House Eligibility Transactions (2)	\$22,500	\$7,500	\$7,500	\$1,875	\$5,625	\$1,875	\$7,500	\$5,625	\$1,875	\$7,500	\$7,500	\$7,500	\$3,750	\$88,125
3	Transaction Processing After Design Limits (3)	\$80,100	\$1,000	\$1,000	\$0	\$1,000	\$250	\$404,809	\$347,007	\$115,419	\$461,676	\$461,676	\$461,676	\$230,838	\$2,566,451
4	Professional Services Fees (4)	\$97,200	\$42,000	\$44,100	\$3,150	\$43,150	\$12,150	\$98,600	\$38,950	\$12,501	\$50,000	\$50,000	\$50,000	\$25,002	\$566,803
5	On Site Training as Needed (5)	\$21,900	\$14,000	\$14,000	\$0	\$14,000	\$3,500	\$14,000	\$10,500	\$3,501	\$14,000	\$14,000	\$14,000	\$7,002	\$144,403
6	Pool Dollars	\$3,000	\$1,000	\$1,000	\$0	\$1,000	\$250	\$1,000	\$750	\$249	\$1,000	\$1,000	\$1,000	\$498	\$11,747
	Total	\$968,700	\$305,500	\$307,600	\$68,025	\$253,775	\$87,483	\$790,509	\$625,405	\$207,201	\$828,806	\$812,006	\$812,006	\$406,002	\$6,473,018

II. DEMOGRAPHIC AND ADDRESS VALIDATION

Deliverable No.	Deliverable Title	4/1/2006-3/31/2009	4/1/2009-3/31/2010	4/1/2010-3/31/2011	4/1/2011-6/30/2011	FY 11-12		FY 12-13	FY 13-14		FY 14-15	FY 15-16	FY 16-17	7/1/2017-12/31/2017	GRAND TOTAL
						7/1/2011-3/31/2012	4/1/2012-6/30/2012	7/1/2012-6/30/2013	7/1/2013-3/31/2014	4/1/2014-6/30/2014	7/1/2014-6/30/2015	7/1/2015-6/30/2016	7/1/2016-6/30/2017		
7	Professional Services Fees (4)	\$0	\$0	\$0	\$0	\$0	\$0	\$10,067	\$22,281	\$0	\$0	\$0	\$0	\$0	\$32,348
8	On Site Training as Needed (5)	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$6,000	\$2,000	\$6,000	\$6,000	\$6,000	\$3,000	\$35,000
9	Minimum Address Validation Subscription	\$0	\$0	\$0	\$0	\$0	\$0	\$12,075	\$15,525	\$4,680	\$20,700	\$20,700	\$20,700	\$10,350	\$104,730
10	Minimum Demographic Validation Subscription	\$0	\$0	\$0	\$0	\$0	\$0	\$10,500	\$21,900	\$7,200	\$30,000	\$30,000	\$30,000	\$15,000	\$144,600
11	Software License	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
12 & 13	Transaction Processing After Limits	\$0	\$0	\$0	\$0	\$0	\$0	\$12,075	\$0	\$16,231	\$84,150	\$84,150	\$84,150	\$42,078	\$322,834
	Total							\$85,717	\$65,706	\$30,111	\$140,850	\$140,850	\$140,850	\$70,428	\$674,512

III. GRAND TOTAL

Grand Total	4/1/2006-3/31/2009	4/1/2009-3/31/2010	4/1/2010-3/31/2011	4/1/2011-6/30/2011	FY 11-12		FY 12-13	FY 13-14		FY 14-15	FY 15-16	FY 16-17	7/1/2017-12/31/2017	GRAND TOTAL
					7/1/2011-3/31/2012	4/1/2012-6/30/2012	7/1/2012-6/30/2013	7/1/2013-3/31/2014	4/1/2014-6/30/2014	7/1/2014-6/30/2015	7/1/2015-6/30/2016	7/1/2016-6/30/2017		
	\$968,700	\$305,500	\$307,600	\$68,025	\$253,775	\$87,483	\$876,226	\$691,111	\$237,312	\$969,656	\$952,856	\$952,856	\$476,430	\$7,147,530

CHART II.

Provider Advantage NW, Inc. Agreement H-701910
1/1/2018-12/31/2029

I. 270/271, ADDRESS AND DEMOGRAPHIC VALIDATION, AND GRAND TOTAL

Deliverable No.	Deliverable Title	1/1/2018-12/31/2018	1/1/2019-12/31/2019	1/1/2020-12/31/2020	1/1/2021-12/31/2021	1/1/2022-12/31/2022	1/1/2023-12/31/2023	1/1/2024-12/31/2024	AMENDMENT #6 TOTAL	1/1/2025-12/31/2025	1/1/2026-12/31/2026	1/1/2027-12/31/2027 (Optional)	1/1/2028-12/31/2028 (Optional)	1/1/2029-12/31/2029 (Optional)	AMENDMENT #7 TOTAL	PRIOR YEARS (4/1/2006-12/31/2017)	CONTRACT GRAND TOTAL
1	System Maintenance (1)	\$660,000	\$679,800	\$700,194	\$721,200	\$742,836	\$742,836	\$742,836	\$4,989,702	\$782,621	\$782,621	\$806,100	\$830,283	\$855,191	\$4,056,816	\$3,060,289	\$12,106,807
1.a	Interface Upgrade and Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,200	\$35,200
2	Eligibility Transactions (2)	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$52,500	\$0	\$0	\$0	\$0	\$0	\$0	\$88,125	\$140,625
3	Transaction Processing After Limits (3)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$70,000	Based on actual usage	Based on actual usage	Based on actual usage	Based on actual usage	Based on actual usage	Based on actual usage	\$2,566,451	\$2,636,451 and based on actual usage
4	Professional Services Fees (4)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$350,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	\$566,803	\$1,166,803
5	On Site Training as Needed (5)	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$98,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000	\$70,000	\$144,403	\$312,403
6	Pool Dollars	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$7,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000	\$11,747	\$23,747
7	Professional Services Fees (4) AVDV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$32,348	\$32,348
8	On Site Training as Needed (5) AVDV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$35,000
9	Address Validation (7)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$35,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	\$104,730	\$164,730
10	Demographic Validation (8)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$70,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	\$144,600	\$264,600
11	Software License AVDV	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000	\$35,000
12 & 13	Transaction Processing After Limits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$322,834	\$322,834
	Total	\$757,500	\$777,300	\$797,694	\$818,700	\$840,336	\$840,336	\$840,336	\$5,672,202	\$862,621	\$862,621	\$886,100	\$910,283	\$935,191	\$4,456,816	\$7,147,530	\$17,276,548

* Funds not used in designated FY shall roll over into the following FYs. Funds shall be redistributed between "Deliverable" categories if needed for program completion and approved by Director.

[Exhibit continued on the following page]

- (1) The System Maintenance fee shall include a fixed monthly System Maintenance Fee of \$40,000.00 for up to 2,500,000 eligibility transactions per month. The System Maintenance fees above reflect the annual cost of living adjustments as set forth in Paragraph 9.3 (Cost of Living Adjustment) of the Agreement.
- (2) Eligibility Transaction fees for up to 2,500,000 transactions are included in the Section 1 System Maintenance Fee above. In the event County discontinues its direct connection to Medi-Cal and Contractor incurs third party transaction fees, vendor fees, licensing fees, royalty fees and/or surcharges, including fees imposed by payers, health plans and/or licensors of codes as a result, County will be invoiced at cost for such fees as agreed upon by County and Contractor in writing.
- (3) Transaction Processing after the monthly limit of 2,500,000 eligibility transactions per month shall be at the rate of \$0.055 per transaction.
- (4) Custom Programming shall be charged on an as needed basis as per the Custom Programming Professional Rate Card, below. It is estimated that 226 programming hours will be used per year at the Class A rate per hour. Class B and Class C rates are per hour.

Custom Programming Professional Rate Card												
Role	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Level A Project Director Hourly Rate	\$221	\$221	\$225	\$225	\$225	\$230	\$230	\$235	\$235	\$235	\$240	\$240
Level B Project Manager Hourly Rate	\$187	\$187	\$191	\$191	\$191	\$195	\$195	\$199	\$199	\$199	\$203	\$203
Level C Programmers and Installers Hourly Rate	\$161	\$161	\$164	\$164	\$164	\$168	\$168	\$171	\$171	\$171	\$174	\$174

- (5) Travel expenses for onsite annual training are allocated at \$2,000 per person for 2 Contractor staff for each year, (one week of training). Contractor training staff is billed at \$1,000 per diem for 5 days of training; (\$10,000 of staff charges for two persons for one week plus \$2,000 per person travel expenses). The travel expenses will be based on actual expenses and reimbursed subject to the Auditor-Controller guidelines. Training sessions may be combined across facilities and Revenue360® modules at the discretion of the County.
- (6) Contractor shall pass through without additional mark-up to the County any telecommunications surcharges or other surcharges, etc., assessed by a Health Plan or telecommunications carrier to Contractor that is related to the Agreement, but is outside the Agreement. An estimate of \$1,000 per year is included for this type of expense.
- (7) The Contractor shall process Address Validation transactions on a transaction pricing basis (see Exhibit B-5, Chart II, Schedule of Payments).

Transaction Type	From	To	Transaction Price
Address Validation	0	75,000	\$0.023

- (8) The Contractor shall process Demographic Validation (DV) transactions on a transaction pricing basis (see Exhibit B-5, Chart II, Schedule of Payments).

Transaction Type	From	To	Transaction Price
Demographic Validation	0	50,000	\$0.36



EXHIBIT 1.1-1 (INFORMATION SECURITY
AND PRIVACY REQUIREMENTS)

TO THE

HIPAA COMPLIANT 270/271 ELIGIBILITY RESPONSE
SOFTWARE AGREEMENT

EXHIBIT I.1-1

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

CONTRACTOR'S NAME: _____

COUNTY AGREEMENT / CONTRACT: _____

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit I.1-1 (“Exhibit”) sets forth County’s and Contractor’s commitment and agreement to fulfill each of their obligations under applicable state and federal laws, rules and regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by Contractor before the Effective Date of the Contract (as defined below) and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying agreement including any amendments, exhibits, and any other modifications thereto between County and Contractor (the “Contract”) and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by Contractor, entitling County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit shall prevail unless stated otherwise.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this Exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.
- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization’s Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting County’s information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization’s Privacy Program as formally expressed by its top management.

- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers and other persons whose conduct, in the performance of work for County, is under the direct control of County, whether or not they are paid by County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers and staff from third party entities who provide service to County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability and Integrity of County Information covered under the Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards and procedures will be communicated to all Contractor employees in a relevant, accessible and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness and compliance with all applicable laws and regulations and to address new and emerging Threats and Risks.

Contractor shall exercise the same degree of care in safeguarding and protecting County Information that Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. Contractor will implement, maintain and use appropriate administrative, technical and physical security measures to preserve the Confidentiality, Integrity and Availability of County Information.

Contractor's Information Security Program shall take reasonable care to:

- Protect the Confidentiality, Integrity and Availability of County Information in Contractor's possession or control;
- Protect against any reasonably anticipated Threats or hazards to the Confidentiality, Integrity and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration and destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

- b. **Privacy Program.** Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures and appropriate training will be provided to all Contractor employees, agents and volunteers. Contractor's Privacy Policies, guidelines and procedures shall be continuously reviewed and updated no less than annually for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

Contractor's Privacy Program shall include: A Privacy Program framework that identifies and ensures that Contractor complies with all applicable laws and regulations;

- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of County, and County shall retain exclusive rights and ownership thereto. County Information shall not be used by Contractor for any purpose other than as permitted under the applicable Business Associate Agreement, as required under the Contract, or required by law. Neither County Information nor any part thereof shall be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by Contractor, or commercially exploited or otherwise used by, or on behalf of, Contractor, its officers, directors, employees, or agents. Contractor may assert no lien on or right to withhold from County, any County Information it receives from, receives addressed to, or stores on behalf of, County. Notwithstanding the foregoing, Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. Contractor specifically consents to County's access to such County Information held, stored, or maintained on any and all devices Contractor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

Contractor may use County Information only as necessary to carry out its obligations under the Contract. Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** Contractor agrees that all County Information is Confidential and proprietary to County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".
- b. **Disclosure of County Information.** Contractor may disclose County Information only as necessary to carry out its obligations under the Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of County's contract administrator in consultation with County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, Contractor shall notify County's contract administrator immediately and prior to any such disclosure, to provide County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, Contractor may encounter County Non-public Information ("NPI") in the course of performing the Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. Contractor shall not disclose or publish any County NPI and material received or used in performance of the Contract. This obligation is perpetual.
- d. **Individual Requests.** Contractor shall acknowledge any request or instructions from County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from County within seven (7) calendar

days. If an individual makes a request directly to Contractor involving County Information, Contractor shall notify County within five (5) calendar days and County will coordinate an appropriate response, which may include instructing Contractor to assist in fulfilling the request. Similarly, if Contractor receives a privacy or security complaint from an individual regarding County Information, Contractor shall notify County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and County will coordinate an appropriate response.

- e. **Retention of County Information.** Contractor shall not retain any County Information for any period longer than necessary for Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

Contractor shall perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations that are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, Contractor shall screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role for potential security Risks. Such background investigations conducted in accordance with the applicable law, and may include criminal and financial history to the extent permitted under the law and will be repeated as necessary, in accordance with Contractor policies governing such matters. The fees associated with the background investigation shall be borne by Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. Contractor, in compliance with its legal obligations, shall conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

Contractor shall require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with Contractor.

Contractor shall supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks and Threats. Contractor agrees that training will cover, but may not be limited to the following topics:

- a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.
- b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.
- c) **Handling of Confidential Information which may include County Information:** The proper identification, storage, transfer, archiving, and destruction of Confidential Information.
- d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.
- e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.
- f) **Privacy:** Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

Contractor shall have an established set of procedures to ensure Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

County acknowledges that in the course of performing its services, Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors.. Contractor may engage sub Subcontractors for material portions of the services provided under this Agreement, subject to the following: (i) each Subcontractor must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, as necessary to enable Contractor to comply with its obligations hereunder, including provisions related to Confidentiality, Integrity, Availability, disclosures and security; and (ii) Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor.

Contractor shall obtain advance written approval from County's Chief Information Security Officer and/or Chief Privacy Officer, or authorized designee(s), prior to subcontracting any services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information shall be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by County's Chief Information Security Officer.

Contractor shall encrypt County Information transmitted on networks outside of Contractor's control with Transport Layer Security (TLS) 1.2 or higher or Internet Protocol Security (IPSec), at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer, or authorized designee.

In addition, Contractor shall not store County Information in the cloud or in any other online storage provider without written authorization from County's Chief Information Security Officer. All mobile devices storing County Information shall be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by County's Chief Information Security Officer.

Furthermore, the hosting environment for storing County Information under the Contract shall be subject to County's approval. Contractor shall also obtain County's approval prior to transitioning data to a different hosting environment by providing, among others, the name of the new hosting environment provider(s), the applicable certifications and the service levels. Contractor warrants and agrees that, notwithstanding County's approval of any changes in the hosting environment, such changes shall not impact Contractor's compliance with the provisions of this Exhibit or performance under the Contract.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

Contractor shall return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

- a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of the Contract for any reason, Contractor shall (i) promptly return or destroy, at County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, rule, or regulation, continue to protect such Information in accordance with the terms of the Contract; and (iii) deliver or destroy, at County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that County requests be returned to County, Contractor shall provide a written attestation on company letterhead certifying that all documents and materials have been delivered to County. For documents or materials referred to in Subsections (i) and (ii) of this Section that County requests be destroyed, Contractor shall provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon County's request, Contractor shall return all hardware, if any, provided by County to Contractor. The hardware should be physically sealed and returned via a bonded courier or as otherwise directed by County.
- b. **Method of Destruction.** Contractor shall destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that County Information cannot be retrieved. Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon County's request. On termination or expiration of the Contract, County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to County hereunder, or that provided to County by Contractor hereunder), at County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected

by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY AND DISASTER RECOVERY

Contractor shall: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

Contractor shall also maintain and provide business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups shall be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by County's Project Director or County's Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by Contractor and approved by County's Chief Information Security Officer, or authorized designee, in writing. The foregoing requirements shall apply to back-up media stored by Contractor at off-site facilities.

Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources, which shall where applicable multi-factor authentication, use of virtual private networks (VPN), authorization and event logging;
- c. Contractor will conduct regular, no less frequently than semi-annually, user access reviews to ensure that unnecessary and/or unused access to confidential information which may include County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to confidential information which may include County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, Contractor shall ensure that all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, Contractor shall:

- a. Promptly notify the Department of Health Services ("DHS") Chief Information Security Officer, the Departmental Information Security Officer and the DHS Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of confirmation of the Incident. All

notifications shall be submitted via encrypted email and telephone to the following:

DHS Chief Information Security Officer and DHS Chief Privacy Officer:

via the Enterprise Help Desk at helpdesk@dhs.lacounty.gov and by phone at (323) 409-8000.

DHS Chief Information Security Officer:

Jeff Zito
jzito@dhs.lacounty.gov

DHS Chief Privacy Officer:

Jennifer Papp, RD, CHPC
jpapp@dhs.lacounty.gov

Departmental Information Security Officer:

Vahe Haratounian
vharatounian@dhs.lacounty.gov

County Chief Information Security Officer and Chief Privacy Officer email

CISO-CPO_Notify@lacounty.gov

- b. Include the following Information in all notices:
 - i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon County's written request, without charge, unless the Incident was caused by the acts or omissions of County. As Information about the Incident is collected or otherwise becomes available to Contractor, and unless prohibited by law, Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by County to allow County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of its Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, County, law firms, and and/or law enforcement agencies at the direction of County to help determine the nature, extent and source of any Incident and reasonably assist and cooperate with County on any additional disclosures that County is required to make as a result of the Incident.
- f. Allow County or its third-party designee at County's election to perform audits and tests of Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation or technical inspection of systems, as they relate to the receipt, maintenance, use, retention and authorized destruction of County Information.

Contractor shall be liable for damages and fines, corrective action, and legally required notifications arising from an Incident involving County Information caused by the Contractor's negligence, but only to the extent and under the terms and conditions set forth in the Contract. Any breach of this Exhibit, or any liability arising therefrom, shall be subject to the same terms, limitations, and remedies as those set forth in the Contract including any limitations on liability. Any liability or obligations arising from a breach of this Exhibit shall be cumulative with, and not duplicative of, any obligations or liabilities set forth in the Contract, and in no event shall Contractor's total liability under both this Exhibit and the Contract exceed the limitations of liability set forth in the Contract.

15. NON-EXCLUSIVE EQUITABLE REMEDY

Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to County, and therefore, that upon any such breach, County will be entitled to seek appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of the

Contract and be grounds for immediate termination of the Contract in the exclusive discretion of County.

16. AUDIT AND INSPECTION

Contractor shall engage in self-audit programs throughout the Term of the Agreement and provide the following or similar certificates and reports (which may be in the form of executive summaries) upon written request, but not more than once annually:

A SOC 2 Type 2 report; and/or HITRUST certification or similar security framework assessment reports; and a report of an assessment of penetration and vulnerability testing that includes the OWASP Top 10 vulnerabilities.

All certificates and reports must be active or have a reporting period ending within the twelve (12) month period prior to the request date and be renewed annually.

County Requested Audits. Upon County's request and subject to Contractor's then applicable fee Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program.

ADDENDUM A: SOFTWARE AS A SERVICE (SaaS)

- a. **License:** Subject to the terms and conditions set forth in the Contract, including payment of the license fees by to Contractor, Contractor hereby grants to County a non-exclusive, non-transferable worldwide County license to use the SaaS in the continental United States, as well as any documentation and training materials, during the term of the Contract to enable County to use the full benefits of the SaaS and achieve the purposes stated herein. County shall not, and shall not permit any third party to, copy, modify, create derivative works of, reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code of the SaaS.
- b. **Business Continuity:** In the event that Contractor's infrastructure containing or processing County Information becomes lost, altered, damaged, interrupted, destroyed or otherwise limited in functionality in a way that affects County's use of the SaaS, Contractor shall immediately and within twenty two (22) hours implement Contractor's Business Continuity Plan.
- c. **Enhancements:** Upgrades, replacements and new versions: Contractor agrees to provide to County, at no cost, prior to, and during installation and implementation of the SaaS any software/firmware enhancements, upgrades, and replacements which Contractor initiates or generates that are within the scope of the SaaS and that are made available at no charge to the Contractor's other customers.

During the term of the Contract, Contractor shall promptly notify County of any available updates, enhancements or newer versions of the SaaS and within thirty (30) Days update or provide the new version to County. Contractor shall provide any accompanying documentation in the form of new or revised documentation necessary to enable County to understand and use the enhanced, updated, or replaced SaaS.

During the Contract term, Contractor shall not delete or disable a feature or functionality of the SaaS unless Contractor provides thirty (30) Days advance notice. Should there be a replacement feature or functionality, the replacement shall be at no additional cost to County. The replacement shall be at no additional cost to County. If Contractor fails to abide by the obligations in this section, County reserves the right to terminate the Contract for material breach and receive a pro-rated refund.
- d. **Location of County Information:** Contractor warrants and represents that it shall store and process County Information only in the continental United States and that at no time will SSI traverse County Data in the borders of the continental United States in an unencrypted manner.
- e. **Services Provided by a Subcontractor:** Prior to the use of any Subcontractor for the SaaS under the Contract, Contractor shall notify County of the proposed subcontractor(s) and the purposes for which they may be engaged at least thirty (30) Days prior to engaging the Subcontractor and obtain written consent of County's Contract Administrator.

Agreement No. H-703466

FINANCIAL MANAGEMENT SERVICES AGREEMENT
AMENDMENT NO. 15

THIS AMENDMENT (this “**Amendment**”) is made and entered into this [] day of [], 2024,

By and between COUNTY OF LOS ANGELES
(hereafter “**County**”),

And SUTHERLAND HEALTHCARE SOLUTIONS, INC.
(hereafter “**Contractor**”).

Business Address:

21061 South Western Avenue, Suite 100
Torrance, CA 90501

WHEREAS, reference is made to that certain document entitled “FINANCIAL MANAGEMENT SERVICES AGREEMENT”, dated September 1, 2008, and further identified as Agreement No. H-703466, including any amendments and any other modifications thereto (cumulatively hereafter referred to as the “**Agreement**”); and

WHEREAS, on [], the Board of Supervisors delegated authority to the Director of Health Services, or designee, among other delegations, to extend the Term of the Agreement for the period October 1, 2025, through December 31, 2026, with the County’s sole option to extend the Term up to three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its Term, to update certain terms and conditions to the Agreement, and to provide for the other changes set forth herein; and

WHEREAS, the Agreement, provides that changes in accordance to Paragraph 16, ALTERATIONS OF TERMS, may be made in the form of an amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess 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 HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective on January 1, 2025.

2. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined herein, shall be given full force and effect as if fully set forth herein.
3. The Agreement, Paragraph 1, TERM, is deleted in its entirety and replaced to read as follows:

“1. TERM

The term of this Agreement shall commence September 1, 2008, unless sooner cancelled or terminated as provided herein, and shall continue in full force and effect, through and including December 31, 2026 (“**Term**”). The County shall have the sole option to extend this Agreement Term three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029. Such option and extension shall be exercised at the sole discretion of the Director, or designee as authorized by the Board of Supervisors.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice to the other party. Further, County may also suspend the performance of services hereunder, in whole or in part, upon the giving of at least thirty (30) calendar days advance written notice to Contractor. County’s notice shall set forth the extent of the suspension and the requirements for full restoration of the performance obligations.

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County’s failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

The Contractor shall notify DHS when this Agreement is within three (3) months from the expiration of the Term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to DHS at the address provided in Paragraph 18, NOTICES, of the Agreement.”

4. The Agreement, Paragraph 6, CONTRACTOR’S CLOSE-OUT OBLIGATIONS, is deleted in its entirety and replaced to read as follows:

“6. CONTRACTOR’S CLOSE-OUT OBLIGATIONS

Contractor shall continue to process all accepted accounts in Contractor’s

inventory that have been referred by Director to Contractor prior to the time of expiration of this Agreement, unless the Agreement is sooner terminated with or without cause by County and such termination by County includes County's termination of such services. Contractor shall complete the processing of such accounts and make every effort to expedite close-out. Contractor shall be reimbursed at the same rates as stated in Exhibit A. Contractor shall complete the processing of all such accepted accounts in accordance with the terms and conditions of this Agreement, as well as all required reports.

Upon the expiration of this Agreement or its termination by either party for any reason, including the breach of this Agreement by the other party, the rights of County shall in any and all events be provided as set forth in this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Unless the parties have specifically agreed upon a termination transition plan prior to the time of termination (the "**Termination Transition Plan**"), the rights of County upon any termination, including any expiration, shall be as set forth in this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. If a Termination Transition Plan has been agreed to, then the rights of County upon any expiration or termination of this Agreement shall be as set forth in the most recent County-approved Termination Transition Plan, and also as set forth in this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. In the event of any inconsistency between this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and the applicable Termination Transition Plan, this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, shall govern. If no Termination Transition Plan has been agreed to by the parties at the time of any expiration or termination of this Agreement, then Contractor shall continue to perform the services under the Agreement, at performance standards and service levels in effect at the time of termination or expiration, as well as the termination transition services, which services shall be provided as set forth in this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Contractor shall provide County with all of the services and all of the termination transition services as provided in this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and in the then most recent version of the Termination Transition Plan, if any. The duty of Contractor to provide such services shall be conditioned on County continuing to comply with its obligations under the Agreement, including payment of all fees. Contractor shall have no right to withhold or limit its performance or any of such termination transition services on the basis of any alleged breach of this Agreement by County, other than a failure by County to timely pay the amounts due hereunder during the termination transition period. County shall have the right to seek specific performance of this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, in any court of competent jurisdiction and Contractor hereby waives any defense that damages are an adequate remedy. Compliance with this Paragraph 6, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, by either party shall not constitute a waiver or estoppel with regard to any rights or remedies available to the parties. Contractor will (a) meet with County as soon as practicable after a notice of termination or notice of a decision to not extend this Agreement has been

given, to discuss any potential modifications to the then most current Termination Transition Plan, if any; (b) use all commercially reasonable efforts to assist County in effecting a transition of the services provided by Contractor hereunder, in accordance with Contractor's best practices, to County or another vendor chosen by County; and (c) be compensated for transition-related services and costs by payment by County in accordance with the rates set forth in this Agreement. Contractor will provide termination transition services for a period defined in the Termination Transition Plan, if any, but in no event less than six (6) months following the expiration or termination of this Agreement. Thereafter, Contractor shall provide extensions of termination transition services as requested by County in serial thirty (30) calendar day extension terms for up to an additional six (6) months, or longer as agreed to in writing by the parties. The total period of termination transition services, including all extensions provided for herein, shall not exceed twelve (12) months, unless otherwise agreed to in writing by the parties."

5. The Agreement, Additional Provisions, Paragraph, 38, TERMINATION FOR IMPROPER CONSIDERATION, is deleted in its entirety and replaced to read as follows:

"38. TERMINATION FOR IMPROPER CONSIDERATION

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

38.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.

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

6. The Agreement is modified to add to Additional Provisions, Paragraph, 61, CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING, to read as follows:

"61. CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING

Pursuant to Government Code Section 84308, Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Agreement as determined in the sole discretion of the County."

7. All references to "Los Angeles County+USC Medical Center," "LAC+USC," and "LAC+USCMC" under the Agreement shall mean Los Angeles General Medical Center.
8. The Agreement, Exhibit A-3, Statement of Work, is deleted in its entirety and replaced by Exhibit A-4, Statement of Work, attached hereto and incorporated herein by reference. All references to Exhibit A-3, Statement of Work, in the Agreement shall hereafter be replaced with Exhibit A-4, Statement of Work. Exhibit A-4, Statement of Work is effective as of January 1, 2025.
9. Except for the changes set forth hereinabove, the 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 executed by the County's Director of Health Services, or authorized designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer(s), on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of the Los Angeles County Department of
Health Services

CONTRACTOR

SUTHERLAND HEALTHCARE SOLUTIONS,
INC.

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM ONLY:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy

EXHIBIT A-4

FINANCIAL MANAGEMENT SERVICES

STATEMENT OF WORK

FINANCIAL MANAGEMENT SERVICES**STATEMENT OF WORK**

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FINANCIAL MANAGEMENT SERVICES

STATEMENT OF WORK

LISTING OF ATTACHMENTS

ATTACHMENT A - FACILITIES LIST

ATTACHMENT B - PERFORMANCE REQUIREMENTS SUMMARY

ATTACHMENT C - MAXIMUM CONTINGENCY FEE SCHEDULE

1.0 DEFINITIONS

The terms used throughout this Agreement and in this Exhibit A-4, STATEMENT OF WORK (SOW), unless otherwise stated shall mean the following:

- 1.1 Facility(ies): A Facility is a County of Los Angeles – Department of Health Services, Department of Public Health, and Department of Mental Health facility that provides health care services.
- 1.2 Confidential Information: All information, tangible or intangible, in whatever form or medium provided or obtained by a party or its representative, directly or indirectly, whether orally or in documents, through and by observation or otherwise, including any developed or learned information by an employee during the course of employment.
- 1.3 Document or Documentation: Any form or medium provided, including, but not limited to, writings, drawings, graphs, charts, photographs, phonographic records, tape recordings, discs and data compilations in whatever form recorded or stored from which information can be obtained and/or translated.
- 1.4 Referred Account: A Referred Account is an account that has been forwarded to Contractor by a Facility, in accordance with the provisions of this Agreement and as further identified in this SOW, for Contractor's assessment and acceptance or rejection.
- 1.5 Accepted Account: An Accepted Account is a Referred Account that has been referred to and accepted by Contractor for processing in accordance with the provisions of this Agreement.
- 1.6 Approved Account: An Approved Account is an Accepted Account that Contractor has requested outside of accounts typically referred to Contractor and received authorization from the referring facility to provide services in accordance with the provisions of this Agreement.
- 1.7 Other Third-Party Payer: Other Third-Party Payer is a payer source, other than Medi-Cal, Medicare, commercial insurance, or Health Care Plan, for an account, including but not limited to, certain government payers (e.g., Genetically Handicapped Person Program ("GHPP"), Child Health and Disability Prevention ("CHDP"), Family Planning, Access, Care and Treatment Program ("FPACT"), Children Medical Services ("CMS"), Cancer Detection Program).
- 1.8 County Project Monitor: County staff responsible for overseeing the day-to-day administration of this Agreement.
- 1.9 Clean Claim: A claim having all billing elements available in the County System (e.g., Affinity RCO, ORCHID) when reviewed to bill in a timely manner and within timely billing requirement by payer statute of limitations and County contract.
- 1.10 Billed Claim: A claim, or sometimes referred to as a "transaction", that has been billed to a third-party payer in accordance with the terms and conditions of this

Agreement, and in accordance with all regulatory requirements, requesting payment for services provided by the County.

- 1.11 Paid Claim: A billed claim for which the County has received payment from a third-party payer.

2.0 SCOPE OF WORK

- 2.1 Contractor shall provide one or more of the following Financial Management Services of this Agreement: 1) Electronic Data Interchange and Clearinghouse Services, 2) Financial Billing and Follow-up Services, 3) Specialty Mental Health Billing, 4) Third-Party Resource Identification and Recovery Services, 5) Cost Report Recovery Services, and 6) Underpaid Account Identification and Billing Services, as further described in Paragraph 3.0, Specific Work Requirements of this Exhibit A-4. Each service above has various specific requirements which must be performed by Contractor, as detailed in 3.0, Specific Work Requirements, to satisfy the County's protocols, payer requirements, and governmental regulations.
- 2.2 Director may refer the following types of accounts within the categories listed above to Contractor: (1) self-pay accounts determined by the County to have partially or fully unpaid balances for eligibility determination; (2) non-self-pay accounts, whether billed or unbilled as having third-party coverage (e.g., Medi-Cal, Medicare, health care plan and commercial insurance), (3) non-self-pay accounts rejected for payment or otherwise not paid; (4) other types of accounts and/or from different automated systems than herein specified. Notwithstanding the above, Director reserves the right to discontinue any assigned service(s), or recall specific accounts or restrict specific accounts or account types from referral to Contractor. If an account is recalled, Contractor shall terminate services immediately and return the account to County within five (5) business days of notice, provided the recall is not solely for the purpose of denying contractor payment for services rendered on the recalled account.
- 2.3 In performing these services, Contractor shall readily accept County's patient financial, admission, eligibility, and other data in various formats (electronic media, magnetic tape, hard copies, and other formats that become available) as determined by the Director. The County Facilities utilize an all-inclusive charge; however, Contractor may be required to perform itemized billings when required by applicable law or payer requirements. All claims processed by Contractor shall comply with the Office of Inspector General (OIG) Program Guidance, State, Federal, HIPAA/HITECH Transaction Code Set (TCS) requirements.
- 2.4 Contractor shall maintain a comprehensive data warehouse of all accounts, claims, transactions. The database shall be cumulative and contain all accounts processed by Contractor as well as data provided by County and obtained by vendor in performing these services. Upon request by the Director, Contractor shall provide management reports, at no cost to County, as well as customized reports or a system providing County with the ability to generate Ad Hoc reports in a timeframe agreed upon by Director and Contractor.

- 2.5 Contractor shall provide complete detailed written documentation of the systems, methods, and procedures employed in identification of claims (e.g., eligibility, under paid claims), claims billing, collection, account posting, claims denial and denial follow-up activities. Such documentation exclusive of software shall be provided upon expiration of the term of this Agreement, should County so notify Contractor.
- 2.6 Comprehensive Audit Trail and Appeal Support: Contractor shall maintain a comprehensive written audit trail and provide audit and appeal support to County, including but not limited to, responding to Auditor requests for documentation and information, packaging information according to Auditor requirements, and interfacing with the Auditors during document review. Contractor shall make available all audit supporting documentation in format and frequency as requested by the Auditor, and the County.
- 2.7 Additional Services: Contractor shall provide ongoing consultant and support services, at no cost to County, including recommendations relating to the future maintenance and updating of the systems, methods and procedures employed by Contractor. Contractor shall also provide recommendations as to how County billings and collections performance might be improved, and support services required to continue provision of those services to be performed by Contractor under this Agreement, at a comparable level of automation/efficiency, during any planned future financial accounting, patient registration, or any other Facility system procured by County and during any other system conversions or augmentations.

3.0 SPECIFIC WORK REQUIREMENTS

The following indicates the areas of services assigned to Contractor, subsidiaries, or subcontractors, as applicable. Contractor may be requested to perform the services below at individual or all Facilities, including but not limited to, Facilities listed in Attachment A – Facilities List. However, the County may, at any time during the term of this Agreement, add or delete services or Facilities in Attachment A –Facilities List. County shall provide Contractor with at least sixty (60) day notice for addition or deletion of services or Facilities which will result in a of greater than 10% in volume. Contractor shall process all claims timely and in compliance with applicable law and payer requirements. The County is due a “Penalty” as a result of Contractor’s failure to meet the Standard Performance Requirement identified in Exhibit A-4, Attachment B, Performance Requirements Summary. A Penalty shall apply in the event of Contractor’s failure to achieve the agreed upon Standard Performance Requirement during any measurement period. Contractor shall credit the County on the invoice following the month in which the failure, and resulting Penalty, occurs. In performing these services, Contractor shall readily accept County’s patient financial, admission, eligibility, and other data in various formats as determined by Facilities (e.g. HL7 data or other formats that become available). Contractor shall provide:

- A. Electronic Data Interchange and Clearinghouse Services (EDICS);
- B. Financial Billing and Follow-up Services (FBFS);
- C. Specialty Mental Health Billing;
- D. Third-party Resource and Identification and Recovery Services (TPRIRS);

- E. Cost Report Recovery Services (CRRS); and
- F. Underpaid Accounts Identification and Billing Services (UAIBS).

3.1 ELECTRONIC DATA INTERCHANGE AND CLEARINGHOUSE SERVICES (EDICS)

Contractor shall provide EDICS to Facilities, including maintaining a comprehensive data warehouse and revenue cycle management (e.g. eligibility verification, electronic remittance, claim status reports, rejection analysis), as directed by the County. In performing EDICS, Contractor shall:

- 3.1.1 Submit HIPAA/HITECH compliant Health Care Claim (837) transactions to Medi-Cal, Medicare and other third-party payers or its designated fiscal Intermediary. Data transmission shall utilize HIPAA/HITECH compliant transactions and code sets where such standards exist. Contractor shall enable Facilities to electronically transmit claims on at least a weekly basis or at other frequency requested. Contractor shall have the ability to receive Remittance Advices (835 transaction), Eligibility (271 transaction), and Claim Status (277 transaction) should those services be required. In submitting HIPAA/HITECH compliant Health Care Claim (837) transactions, the Contractor shall:
 - 3.1.1.1 Incorporate detailed edits to identify potential errors, including but not limited to, duplicate claims, provider ID requirements, claim accuracy and coding verification and enable County personnel to make on-line corrections to claims. In addition, Contractor shall provide mechanisms to ensure follow-up notices/reports are provided on unpaid and underpaid claims.
 - 3.1.1.2 Integrate electronic claims with hardcopy document submissions (i.e. medical records, authorizations) where appropriate or required by the payer(s) or its fiscal intermediary.
 - 3.1.1.3 Provide County with real time interactive web-portal capability for direct data entry and editing, electronic claims tracking, file uploading, claim payment status (276/277 transaction) and verification, transaction logs and record history, and payer messaging.
 - 3.1.1.4 Provide comprehensive billing details and summaries of all claims processed through Contractor's system including reports (i.e. aging report, average days to bill/collect, benchmark reports) for auditing or other management purposes.
 - 3.1.1.5 Provide all programming changes for any customized and routine reports or customized claims processing, as requested by the County or as required by payer changes (e.g., State requirements, 5010 health claim format).

- 3.1.1.6 Contractor shall provide a secured system environment for data transfer and exchange. Contractor's system shall include, but not limited to, maintaining a secure portal, login and password security, and user authentication and verification. Contractor shall, at the Director's request, provide secured data transfer into the County's current electronic data capturing system in compliance with the County's specified format (e.g., HL7).
- 3.1.1.7 Provide technical support services during implementation and operations maintenance at no additional cost.
- 3.1.1.8 Provide training sessions to County staff at Facilities, as may be requested by the Facility. The subject matter shall include, but not be limited to, new or updated information concerning:
- Medi-Cal billing procedures.
 - Medicare billing procedures.
 - Medi-Cal Manage Care
 - Commercial insurance billing procedures.
 - Other Third-Party Payer billing procedures.
 - Utilization of the reports generated.

3.2 Financial Billing and Follow-Up Services (FBFS)

- 3.2.1 Contractor shall provide FBFS as requested by Facilities for referred accounts. The County currently utilizes an all-inclusive charge, however, FBFS may include itemized billing where required by applicable law or payer requirements and encompasses the following third-party programs: Medicare, Medi-Cal, Health Care Plan and Commercial Insurance (i.e. HMO, HCP, and Medi-Cal Linked), and other third-party payers and may be specific to inpatient accounts or outpatient accounts or both. This includes billing and follow-up services, denial reprocessing, reviewing medical records for appeals, and using automated systems where available and appropriate or as requested by County.
- 3.2.2 Contractor shall request the necessary information (e.g., TARS, allocation of days (AOD) or patient discharge summaries) needed to develop valid reimbursement claims directly from the facility(ies) (e.g., Utilization Review, Medical Records, Patient Financial Services) including comprehensive chart review to access coding, development of clean claims necessary for itemized billing. Contractor shall provide personnel to assist in retrieving/photocopying documents. Contractor will provide personnel to assist in retrieving/photocopying documents as may be requested by the Source Organizations and return all account documentation reviewed in the same condition and sequence in which they were originally received.
- 3.2.3 Contractor shall, within five (5) business days, bring to the attention of the Facility Patient Accounts Manager/CBO Manager, when the Contractor is

having difficulty in obtaining information which prohibits the Contractor from billing or following-up on accounts.

- 3.2.4 If Contractor cannot obtain the necessary medical records coding from the Facility, the Contractor, at Contractor's own cost, may utilize its own coding staff or contracted coding vendor that has been approved by County as a subcontractor. Notwithstanding the foregoing, the Contractor may charge separately for "Special Accounts" identified under Change Order Number 9.
- 3.2.5 Contractor shall provide any one or all of the following services to Facilities as agreed upon between County and Contractor:
 - 3.2.5.1 Research unbilled Inpatient and/or Outpatient accounts that have been classified as having third-party coverage on the Accounts Receivable (A/R).
 - 3.2.5.2 Research all unbilled accounts on the A/R systems with discharge or service dates as requested by Facility to verify third-party coverage, except those assigned by County to other contract service providers. Contractor shall verify eligibility or recommend other appropriate disposition of these accounts to Facility staff, if no eligibility can be determined or non-matching eligibility.
 - 3.2.5.3 Employ a claim edit system to review all data from Facility systems to create claims that are compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information, partial eligibility matches, and missing or incomplete medical record data). The updated information will be entered directly into the Contractor's billing processes. Contractor shall review medical record/chart as necessary where itemized billing is required.
 - 3.2.5.4 Generate electronic or hardcopy of claims, including itemized claims where appropriate and necessary, and ensure claims are compliant with Federal, State, and other regulatory requirements and submit claims timely to the appropriate fiscal intermediary or other third-party payers. Contractor shall develop and bill Medicare, Medi-Cal, health care plan and commercial insurance, or other third-party payer, claims that meet the requirements of the applicable fiscal intermediary or third-party payer, in electronic format where possible. Contractor shall generate electronic or hardcopy work queues of claims with invalid eligibility matches and research accounts on payer's on-line eligibility systems or with the Facilities' eligibility systems. If valid eligibility is identified, the information shall be entered directly into the billing system by Contractor.

When necessary, Contractor shall review medical records to ensure all mandated codes exist prior to billing. The updated information will be entered directly into the Contractor's billing processes by Contractor staff.

- 3.2.5.5 Provide County updated demographic and third-party resources information at the time of billing to include third-party updates and third-party payer identification number (e.g., insurance code updates, Medi-Cal ID#), in electronic format—Insurance Change Reports. Provide updates for revised and/or corrected information obtained by vendor in electronic format.
- 3.2.5.6 Develop fully and submit, in a timely manner, completed Medi-Cal, Medicare, health care plan and commercial insurance, and/or any other third-party claims/billings, in electronic format where appropriate to fiscal intermediary for Medi-Cal or fiscal intermediary for Medicare, or the appropriate Independent Practice Association (IPA) /Participating Physician Group (PPG) or capitated Hospital and/or other third-party payers or fiscal intermediaries.
- 3.2.5.7 Follow-up on billed and unpaid accounts, according to the third-party payer timeline and follow appropriate processes, to determine claim status including usage of 276/277 transactions.
- 3.2.5.8 Follow-up on underpaid and denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless the claim is determined to be uncollectible. When necessary, Contractor shall review medical records of denied or incorrectly paid claims to determine if an appeal is appropriate. If an appeal is appropriate, Contractor shall file the appeal with the appropriate payer (e.g., IPA/PPG, capitated hospital). Contractor shall document the reasons the account is uncollectible and report to the referring Facility(ies).
 - 3.2.5.8.1 Respond within ten (10) business days from posting of remittance or correspondence, if information is available, to additional information requested (e.g., correspondence) by Medicare, Medi-Cal, health care plan and commercial insurance, other third-party payer or from applicable fiscal intermediary.
 - 3.2.5.8.2. Research and resubmit claims billed by Contractor which are suspended or denied by the fiscal intermediary (e.g., complete and return resubmission turnaround documents, Claim Inquiry Forms (CIF)) and provide all follow-up services for denied claims and pursue third-party payments until the account is determined to be uncollectible.

Contractor shall document the reasons the account is uncollectible and report to the Facilities.

- 3.2.6 Pursue full reimbursement for all commercial and managed care insurance accounts identified by the Facility(ies). Contractor shall submit in writing any proposed settlement/account compromise greater than 5% discount, with amount and reason for compromise, to County for approval prior to acceptance, in accordance with DHS' procedures. Contractor shall negotiate with the third-party payer to ensure that the compromise offer is fair and equitable. Contractor shall submit all compromise offers to County only when it has determined that the offered amount is the best offer that can be negotiated. For this purpose, Contractor shall provide County all information/documentation within three (3) business days. If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify County at a minimum of fifteen (15) business days in advance of the hearing/conference date.
- 3.2.7 Establish and maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, underpaid/denied, paid, and accounts referred back to Facilities. Contractor shall provide aging reports for accounts billed each month or as requested by referring Facility(ies).
- 3.2.8 Shall the County request, the Contractor will post (HIPAA/HITECH Compliant 835 transaction) the payments, denials, adjustments, and transfers, electronically, to all applicable Facility's A/R systems within four (4) business days. Contractor shall post, on a continuing basis, Medi-Cal, Medicare, health plan and commercial insurance and other third-party remittances and contractual allowances within four (4) business days after Contractor's receipt of Remittance Advices. Contractor shall provide payment posting detail for accounts that have been billed by Contractor and subsequently paid.
- 3.2.9 Establish a payment tracking process on the accounts billed by Contractor to identify amounts billed and amount collected and provide an accounts aging report for the accounts billed by Contractor and perform monthly review of all Accepted Accounts that were paid to ensure accounts are appropriately adjudicated.
- 3.2.10 Research credit balances on Accepted Accounts and billed accounts to ensure payments are correctly recorded. If overpayment is identified, Contractor shall process either a corrected claim or a void claim where applicable. For those claims where corrected claim and/or voided claim is not applicable customer shall provide contractor with a notification process for customer to issue refund check. to the appropriate third-party payer(s) within the timeframe specified by the payer. Contractor shall provide monthly reports that identify overpayments and the appropriate actions taken to initiate refunds and/or corrections.

- 3.2.11 Provide Facilities with a listing of the accounts with amounts determined to be self-pay.
- 3.2.12 Provide payments, adjustments, and billing information transactions in electronic format.
- 3.2.13 Provide various management reports (i.e., eligibility identifications, claims billed, collections, remittance advice, underpayments, denials, and other reports, in formats, content, and frequency).
- 3.2.14 Return health care plan and commercial Insurance accounts to the County that have been billed but are unadjudicated two hundred seventy (270) calendar days after the last billing, except as otherwise instructed by the Facility. Contractor shall supply supporting documentation not available to the County upon request, in the format requested by the County.
- 3.2.15 Follow regulatory and DHS balance billing guideline for emergency services and other health care services.
- 3.2.16 Provide, develop, and maintain a database to accumulate patient data, charge information, billing statistics, payment information, and other data as necessary. Contractor shall allow County's staff to access the database for inquiries, reporting, and as otherwise necessary.
- 3.2.17 Provide automation of various management reports as specified and defined by the County.
- 3.2.18 Provide County with a quarterly assessment of each Facility's performance. Any concerns and recommendations to improve FBFS shall be included in such report.

3.3 Specialty Mental Health Billing

Contractor shall provide assistance to County in submitting HIPAA/HITECH compliant claims for specialty mental health Inpatient (IP), Inpatient Professional (IP Pro) Outpatient (OP), and Emergency Room (ER) services. Contractor shall also provide follow-up services, denial reprocessing, reviewing medical records for appeals, data collection and reporting, and using automated systems where available and appropriate or as requested by County, as specified further below. DHS provides mental health services which do not qualify as specialty mental health. Contractor's responsibilities for such non-specialty mental health services are included in and subject to the provisions in Paragraph 3.2 (Financial Billing and Follow-Up Services (FBFS)).

- For purposes of this Paragraph 3.3, "DMH-Responsible Patients" include Medi-Cal beneficiaries who require specialty mental health services, including persons qualified for State-only Medi-Cal, and indigent and uninsured persons.

- For purposes of this Paragraph 3.3, “Non-DMH-Responsible Patients” include persons receiving specialty mental health services who are covered by Medicare or a third-party insurer.
- 3.3.1 Contractor shall provide the services under the terms and conditions set forth below in Paragraphs 3.3.2 through 3.3.8 for specialty mental health services provided to DMH-Responsible Patients. All claims shall be submitted to the Los Angeles County Department of Mental Health (LAC-DMH) in accordance with LAC-DMH’s policies and procedures.
 - 3.3.2 Contractor shall provide the services discussed in this Paragraph 3.3 to referred accounts for specialty mental health services. County shall generate referred accounts reports for DMH-Responsible Patients IP, IP Pro, OP and ER services once a month and will provide the reports securely.
 - 3.3.3 Contractor shall request the information (e.g., TARS, allocation of days (AOD) or patient discharge summaries) necessary to develop valid reimbursement claims directly from Facility(ies) (e.g., Utilization Review, Medical Records, Patient Financial Services) including comprehensive chart review to access coding, and allow for the development of clean claims for itemized billing. At the County’s request, Contractor shall provide personnel to assist in retrieving/copying documents and shall return all account documentation reviewed in the same condition and sequence in which they were originally received.
 - 3.3.4 If Contractor cannot obtain the necessary coding from Facility, the Contractor, may utilize its own coding staff or a contracted coding vendor that has been approved by County as a subcontractor. Notwithstanding the foregoing, the Contractor may charge County separately for “Special Accounts” identified under Change Order Number 9.
 - 3.3.5 Contractor shall provide any or all of the following services in connection with specialty mental health services to DMH-Responsible Patients as agreed upon between County and Contractor:
 - 3.3.5.1 Research unbilled IP, IP Pro, OP and ER accounts that have been classified as having Medi-Cal on the Accounts Receivable (A/R).
 - 3.3.5.2 Employ a claim edit system to review all data from Facility systems to create claims that are compliant with LAC-DMH rules, work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information, partial eligibility matches, and missing or incomplete medical record data). The updated information will be entered directly into the Contractor’s billing processes.

Contractor shall review medical record/chart as necessary where itemized billing is required.

- 3.3.5.3 Verify Medi-Cal eligibility for all claims designated as Medi-Cal.
- 3.3.5.4 If LAC-DMH requires encounters to be opened in its system in order to accept or process claims, Contractor shall open such encounters and input all necessary data into Integrated Behavioral Health Information Systems (IBHIS) using information from Affinity RCO or ORCHID.
- 3.3.5.5 Generate electronic (837 transaction) claims, and ensure such claims are compliant with Federal, State, LAC-DMH and other regulatory requirements and submit claims timely to LAC-DMH. All submitted claims, including but not limited to ER, must comply with regulatory and DHS balance billing requirements. All submitted claims must properly reflect whether they are for Medi-Cal beneficiaries or for the indigent and the uninsured. The County currently utilizes an all-inclusive charge; however, the referred specialty mental health service accounts may need itemized billing where required by applicable law or LAC-DMH's requirements. The updated information will be entered directly into the Contractor's billing platform by Contractor staff.
- 3.3.5.6 Have Contractor's supervisors review all billing reports to validate the accuracy and appropriateness of accounts billed to Medi-Cal.
- 3.3.5.7 Generate electronic work queues of claims with invalid eligibility matches and research accounts on payers' on-line eligibility systems or with the Facilities' eligibility systems. If valid eligibility is identified, the information shall be entered directly into the billing system by Contractor.
- 3.3.5.8 Provide County updated demographic and third-party resources information at the time of billing to include third-party updates and third-party payer identification number (e.g., insurance code updates, Medi-Cal ID#), in electronic format—Insurance Change Reports. Provide updates for revised and/or corrected information obtained by Contractor or subcontractor in an electronic format.
- 3.3.5.9 Follow-up on billed and unpaid accounts, according to LAC-DMH's timeline and follow appropriate processes to determine claim status, including use of 276/277 transactions.
- 3.3.5.10 Follow-up on underpaid and denied claims, determine for each such claim the cause of the denial, correct the deficiency(ies), and resubmit claim for payment unless the claim is determined

to be uncollectible. When necessary, Contractor shall review medical records of denied or incorrectly paid claims to determine if an appeal is appropriate. If an appeal is appropriate, Contractor shall file the appeal using LAC-DMH and/or Medi-Cal's appeal processes. If Contractor determines that the account is uncollectible, Contractor shall document the reasons the account is uncollectible and report to the referring Facility(ies).

3.3.5.10.1 Respond to additional information requests (e.g., correspondence) by LAC-DMH and/or Medi-Cal within ten (10) business days from posting of remittance or correspondence, if information is available.

3.3.5.10.2 Research and resubmit claims billed by Contractor which are suspended or denied by LAC-DMH (e.g., complete and return resubmission turnaround documents) and provide all follow-up services for denied claims and pursue payment until the accounts are determined to be uncollectible. Contractor shall document the reasons the account is uncollectible and report to the Facilities.

3.3.6 Contractor shall establish and maintain a claim/payment tracking and reporting system to identify by account, category, Facility, and in total, amounts billed, collected, pending, underpaid/denied, paid, and accounts referred back to Facilities. If requested by County, provide information included in such reporting system in an electronic format. Contractor shall further provide aging reports for accounts billed each month or as requested by referring Facility(ies). Additionally, unless County instructs to the contrary, Contractor will perform monthly review of all billed accounts that were paid to ensure accounts are appropriately adjudicated.

3.3.7 If the County requests, the Contractor will post the payments, denials, adjustments, and transfers, electronically to all applicable Facility's A/R systems within four (4) business days. Contractor shall post on a continuing basis, Medi-Cal, and other LAC-DMH remittances and contractual allowances within four (4) business days after Contractor's receipt of Remittance Advices. Contractor shall provide payment posting detail for accounts that have been billed by Contractor and subsequently paid.

3.3.8 Contractor will research, based on data provided by County or otherwise known to Contractor, credit balances on referred and billed accounts to ensure payments are correctly recorded. If an overpayment is identified, Contractor shall process either a corrected claim or a void claim as appropriate. For those claims where a corrected claim and/or voided claim is not appropriate, the relevant Facility shall provide Contractor with a

notification process for Facility to issue refund check to LAC- DMH or Medi-Cal within the timeframe specified by the payer. Contractor shall provide monthly reports that identify overpayments and the appropriate actions taken to initiate refunds and/or corrections.

- 3.3.9 As agreed upon by County and Contractor, Contractor shall provide any or all of the same services described in paragraphs 3.3.2 through 3.3.8 above to referred accounts for specialty mental health IP, IP Pro, OP and ER services provided to Non-DMH-Responsible Patients. For purposes of such services, any reference in paragraphs 3.3.2 through 3.3.8 to LAC- DMH or Medi-Cal shall be understood to mean the rules, systems, processes or procedures of the applicable non-LAC-DMH payer.
- 3.3.10 County shall bill deductibles, coinsurance or other copayment to the patient, unless the patient has other health coverage which is responsible for such amounts, in which case Contractor shall bill the other health coverage.
- 3.3.11 Contractor shall comply with all rules related to coordination of benefits in billing patients with multiple payers (e.g. patients who are eligible for both Medicare and Medi-Cal) and shall assure that all payments received by primary coverage are disclosed on claims to secondary coverage, as required by law or the payer.
- 3.3.12 Contractor will provide, develop, and maintain a database to accumulate patient data, charge information, billing statistics, payment information, and other data as necessary. Contractor shall allow County's staff to access the database for inquiries, reporting, and as otherwise necessary.
- 3.3.13 Contractor will provide various management reports (e.g., eligibility identifications, claims billed, collections, remittance advice, underpayments, denials, and other reports), in such formats, content, and frequency as shall be requested by County. Automate such management reports as specified by the County.
- 3.3.14 Contractor will provide County with a quarterly assessment of each Facility's performance in connection with the services described in this paragraph 3.3. Any concerns and recommendations to improve the performance of services under this Paragraph 3.3 shall be included in such report.
- 3.3.15 Contractor will include information related to Non-DMH-Responsible Patients in the services provided pursuant to paragraphs 3.3.12 through 3.3.14.

3.4 Third-Party Resource Identification and Recovery Services (TPRIRS)

After DHS's best efforts have been exhausted, Contractor may review underpaid or unpaid accounts for third-party coverage identification and claim processing services provided that the Contractor has not performed FBFS. In performing TPRIRS, Contractor shall:

- 3.4.1 Provide all Facilities receiving TPRIRS with a monthly listing of accounts that are eligible for third-party reimbursement for which Contractor has conducted a review to ensure that no claim by County or another contractor has been paid or is pending adjudication by the third-party payer or its fiscal intermediary. The Facilities will exclude accounts from this listing, that are currently being pursued by the County or another contractor. The Contractor shall then pursue reimbursement only for accounts which have been approved by the Facility.
- 3.4.2 Provide all Facilities receiving TPRIRS with a monthly cumulative listing (electronic or paper) of Approved Accounts that are being pursued within five (5) calendar days of identifying third-party eligibility where payment was not received.
- 3.4.3 Contractor shall pursue Approved Accounts for full reimbursement within sixty (60) calendar days of the approval date.
- 3.4.4 If Contractor needs additional time to process Approved Account(s), additional time may be requested by Contractor and may be granted by the County, not to exceed one hundred and twenty (120) calendar days after Contractor initially received Approved Account from County.
- 3.4.5 Contractor shall request the necessary information (e.g., TARS, AOD or patient discharge summaries) needed to develop valid reimbursement claims directly from the facility(ies) (e.g., Utilization Review, Medical Records, Patient Financial Services) including comprehensive chart review to access coding, development of clean claims, necessary for itemized billing. Contractor shall provide personnel to assist in retrieving/photocopying documents.
 - 3.4.5.1 Contractor shall notify the Patient Accounts Manager/CBO Manager within five (5) business days, when the Contractor is having difficulty in obtaining information which prohibits the Contractor from billing or following-up on accepted accounts.
 - 3.4.5.2 If Contractor cannot obtain the necessary medical records coding from the Facility, the Contractor may elect to utilize its own coding staff or contracted coding vendor if already approved by County as a subcontractor.
- 3.4.6 Utilize demographic, charge, and remittance data to construct a file of unliquidated accounts that are unidentified by the Facility as having third-party coverage. The Contractor shall then apply remittance data to this file of

un-identified accounts to identify and eliminate all previously liquidated services.

- 3.4.7 Employ a claim edit system to review all data from Facility systems to create a claim that is compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information, partial eligibility matches, and missing or incomplete medical record data). The updated information will be entered directly into the Contractor's billing processes.
- 3.4.8 Generate electronic or hardcopy of claims, including itemized claims when necessary, and ensure claims are compliant with Federal, State, and other regulatory requirements and submit claims timely to the appropriate fiscal intermediary and other third-party payers. Contractor shall develop and bill Medicare, Medi-Cal, health care plan and commercial insurance, or other third-party payer claims that meet the requirements of the applicable fiscal intermediary or third-party payer, preferably in electronic format where applicable. Contractor shall generate electronic or hardcopy work queues of claims with invalid eligibility matches and research accounts on payer's on-line eligibility systems or with the Facilities' eligibility systems. If valid eligibility is identified, the information will be entered directly into the Contractor's billing system. When necessary, Contractor shall review medical records to ensure all mandated codes exist prior to billing. The updated information will be entered directly into the Contractor's billing processes by Contractor staff.
- 3.4.9 Provide updated demographic and third-party resources information at the time of billing to include third-party updates and third-party identification number (e.g., insurance code updates, Medi-Cal ID#) in electronic format.
- 3.4.10 Develop fully and submit completed Medi-Cal, Medicare, health care plan and commercial insurance, and/or any other third-party claims/billings, preferably electronically to fiscal intermediary for Medi-Cal, or fiscal intermediary for Medicare, or the appropriate Independent Practice Association (IPA) /Participating Physician Group (PPG) or capitated Hospital and/or other third-party payers or fiscal intermediaries.
- 3.4.11 Follow-up on billed and unpaid accounts according to the third-party payer timeline and follow appropriate processes to determine claim status including usage of 276/277 transactions.
- 3.4.12 Follow-up on denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless the claim is determined to be uncollectible. When necessary, Contractor shall review medical records of denied or incorrectly paid claims to determine if an appeal is appropriate. If an appeal is appropriate, Contractor shall file the appeal with the appropriate payer (e.g., IPA/PPG, capitated hospital). Contractor shall document the reasons the account is uncollectible and report to the referring Facility(ies).

- 3.4.12.1 Respond within ten (10) business days after posting of remittance or correspondence, if information is available, to additional information requested (e.g., correspondence) by Medicare, Medi-Cal, health care plan and commercial insurance, other third-party payer or from applicable fiscal intermediary.
- 3.4.12.2 Research and resubmit claims billed by Contractor which are suspended or denied by the fiscal intermediary (e.g., complete and return resubmission turnaround documents, CIF) and provide all follow-up services for denied claims and pursue third-party payments until the account is determined to be uncollectible. Contractor shall document the reasons the account is uncollectible and report to the Facilities.
- 3.4.13 Pursue full reimbursement for all commercial and managed care insurance account. Contractor shall submit in writing any proposed settlement/account compromise greater than 5% discount, with amount and reason for compromise, to County for approval prior to acceptance in accordance with procedures as follows: Contractor shall negotiate with the third-party to ensure that the settlement amount allocated to the County is fair and equitable. Contractor shall submit such compromise offers to County only when they have determined that the offered amount is the best offer that can be negotiated. For this purpose, Contractor shall provide County all information/ documentation within three (3) business days. If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify County at a minimum of fifteen (15) business days in advance of the hearing/conference date.
- 3.4.14 Establish and maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, denied, paid, and accounts referred back to Facilities or primary contractor(s). Contractor shall provide aging reports for accounts billed each month or as requested by referring Facility(ies).
- 3.4.15 Post (HIPAA/HITECH Compliant 835 transaction) the payments, adjustments, and transfers, preferably electronically, to all applicable Facility's A/R systems within four (4) business days. Contractor shall post on a continuing basis, Medi-Cal, Medicare and other third-party remittances and contractual allowances within four (4) business days after Contractor's receipt of Remittance Advices. Contractor shall provide payment posting detail for accounts that have been billed by Contractor and subsequently paid.
- 3.4.16 Establish a payment tracking process on the accounts billed by Contractor to identify amounts billed and amount collected and provide an accounts aging report for the accounts billed by Contractor and perform monthly review of all Accepted Accounts that were paid to ensure accounts are appropriately adjudicated.

- 3.4.17 Research credit balances on Accepted and billed accounts to ensure payments are correctly recorded. If overpayment is identified, Contractor shall process either a corrected claim or a void claim where applicable. For those claims where corrected claim and/or voided claim is not applicable customer shall provide contractor with a notification process for customer to issue refund check. repayment to the appropriate third-party payer(s) within the timeframe specified by the payer. Contractor shall provide monthly reports that identify over-payments and the appropriate actions taken to initiate refunds and/or corrections.
- 3.4.18 Provide Facilities with a listing of the accounts with amounts determined to be self-pay.
- 3.4.19 Provide payments, adjustments, and billing information transactions in electronic format.
- 3.4.20 Provide various management reports (i.e., eligibility identifications, claims billed, collections, remittance advice, denials, and other reports, in formats, content, and frequency).
- 3.4.21 Follow regulatory and DHS balance billing guideline for emergency services and other health care services.
- 3.4.22 Provide, develop, and maintain a database to accumulate patient data, charge information, billing statistics, payment information, and other data as necessary. Contractor shall allow County's staff to access the database for inquiries, reporting, and as otherwise necessary.
- 3.4.23 Provide automation of various management reports as specified and defined by the County.
- 3.4.24 Provide County with a quarterly assessment of each Facility's performance. Any concerns and recommendations to improve TPRIRS shall be included in such report.

3.5 **Cost Report Recovery Services (CRRS)**

At the County's direction Contractor shall provide CRRS to Facilities, including but not limited to:

- A. If requested, Medicare Bad Debt Recovery Services;
- B. Disproportionate Share Recovery Services; and
- C. Indirect Medical Education Recovery Services.

3.5.1 **Medicare Bad Debt Recovery Services (MBDRS)**

Contractor shall maximize Medicare Bad Debt reimbursement costs by substantiating Medicare Bad Debts information and provide federally acceptable Medicare claims. Contractor shall develop an integrated

database to identify and process Medicare billing and collection information, i.e., the amount of bad debts associated with co-insurance and deductibles and produce auditable Medicare Bad Debt Reports by Facility. Contractor shall:

- 3.5.1.1 Prepare a Medicare Bad Debt Report for each Fiscal Year (FY) as requested by Director. Each report shall include a listing, by Facility of Medicare Bad Debt accounts and account activity.
- 3.5.1.2 Create and compile a data warehouse of electronic Medicare payment data (Remittance) for County inpatient and outpatient accounts. Contractor shall match the Remittance data to County Facility Statistical Master file.
- 3.5.1.3 Obtain information from the County for Medicare accounts deemed uncollectible.
- 3.5.1.4 Analyze Medicare account(s) information to identify any coinsurance and deductible payments.
- 3.5.1.5 Analyze collection activities/data from Patient Accounts system and any ancillary files (received from the County and/or other County contractors) to a) identify collection activity, and b) examine write-off transaction and write-off timing.
- 3.5.1.6 Identify potentially qualifying accounts by various codes, indicating their characteristics as they pertain to Medicare Bad Debt claiming.
- 3.5.1.7 Create a listing of Medicare Bad Debt accounts by Facility for all accounts that qualify for Medicare Bad Debt claiming. Each listing shall comply with the requirements as outlined under the latest adopted regulation such as the Centers for Medicare and Medicaid (CMS) Provider Reimbursement Manual (PRM) or Transmittal which includes but not limited to specific patient demographics, Medicare Health Insurance Claims (HIC) number, coinsurance amount, deductible amount, payments, write-offs, and Medicare Bad Debt allowable amount.
- 3.5.1.8 Provide this Medicare Bad Debt Report (by Facility) to the County within sixty (60) days following the end of each fiscal year (June 30), or as requested by the County.

3.5.2 Disproportionate Share Recovery Services (DSRS)

As requested by the County and with Contractor's concurrence, Contractor shall provide Medicare DSRS to Maximize County's Medicare Disproportionate Share Hospital (DSH) reimbursement in compliance with Medicare regulations. Contractor shall develop an integrated database to

identify additional eligibility inpatient days, prepare necessary documentation, and secure acceptance from the Medicare fiscal intermediary for Medicare DSH claiming. Further, Contractor shall produce reports and compile detailed listing and claims for filing with Medicare, as required or as requested by County with concurrence of Contractor to provide claiming for eligible inpatient days. DSRS shall be provided by Contractor for all inpatient hospital Facilities, except as otherwise determined by the County. Contractor shall prepare Facility-specific listings and reports of eligible patient days and Medicare DSRS claims for dates of service as requested by County. Contractor shall:

3.5.2.1 Create and compile a data warehouse of electronic inpatient account information. Contractor shall reformat account information provided by County to standard Medicare DSH record types, creating records for all accounts.

3.5.2.2 Identify a universe of the potential Medicare DSH population by analyzing the compiled inpatient account information and segregating inpatient account information into potential Medicare DSH groups for each fiscal year as determined by County. To identify the universe of the potential Medicare DSH population, Contractor shall:

- A. Match inpatient account records against Medi-Cal remittance data.
- B. Match inpatient account records against eligible 1115 waiver days
- C. Match inpatient account records against uninsured accounts
- D. Perform self-pay conversion processing to identify potential incremental Medi-Cal and Medi-Cal Managed Care days.
- E. Select accounts with patient days for dates of service for each fiscal year as requested by Director and categorize accounts by Medicare DSH type.
- F. Accurately match inpatient account records to Medi-Cal eligibility dates.
- G. Review days already claimed and paid by the fiscal intermediary and deduct these days from the Medicare DSH population.
- H. Independently evaluate accuracy of the Medicare-assigned Supplemental Security Income (SSI) ratio for each fiscal year as determined by County, as follows:
 - 1) Match the federal Centers for Medicare and Medicaid Services SSI file to inpatient account records;
 - 2) Identify "dual-eligible" inpatient account records found on County system but not found on SSI file;

- 3) Research inconsistencies for non-matching instances to ascertain Medi-Cal coverage type, if any; and
- 4) Create a report of "dual eligible" inpatient account records not included in SSI ratio.

3.5.2.3 Prepare listings and reports by Facility as follows:

- A. Medicare DSH exclusion report.
- B. Payment status segregation report.
- C. Reconciliation report of paid days to DSH listing, as necessary.
- D. Plan code and service type summary report listing.
- E. Medicare detail report (for filing with Medicare).

3.5.2.4 Additional Runs – Contractor shall perform up to three (3) additional runs after its initial Medicare detail report for filing with Medicare to potentially increase the Medi-Cal eligible days. The timing of the runs will be determined by the County. Contractor shall be paid a fee based on Paragraph 10.0, Provision For Payment of this Exhibit A-4, depending upon the issuance of the Revised Notice of Program Reimbursement (RNPR) reflecting these additional Medi-Cal eligible days.

3.5.2.5 For fiscal years where a final Medicare Cost Report settlement has been rendered, prepare claims for reopening or appeal, as appropriate and as determined by the County.

3.5.2.6 For fiscal years where a final Medicare Cost Report is pending, prepare claims for supplementing the pending Report.

3.5.2.7 Provide Medicare DSRS claims with dates of service to County upon request, where a final Medicare Cost Report settlement has been rendered or pending. Contractor shall provide to County Medicare DSRS claims with dates of service as determined by the County, within two (2) years following the end of the fiscal year (June 30).

3.5.2.8 The parties also wish to clarify their intent with respect to the DSRS to be provided under the Agreement, including under SOW, Exhibit A-4.

3.5.2.8.1 The parties acknowledge and agree that, pursuant to Subsection 3.5.2, Disproportionate Share Recovery Services, Subsections 3.5.2.4 and 3.5.2.6, Sutherland will assist the County in filing amended cost reports by March 15, two years following the year covered by the cost reports to be amended. Such amended cost reports will reflect a revised claim of Medicaid eligible days based on an up-to-

date determination of days for which Medicaid eligibility has been verified through the State's system.

3.5.2.8.2 The parties acknowledge and agree that the County is not required to ask Sutherland to perform, and Sutherland is not required to agree to perform DSRS in connection with the reopening of any cost report, or in connection with the appeal from any Notice of Program Reimbursement or revised Notice of Program Reimbursement. The County may, at its sole discretion, ask Sutherland to perform such services or may have them performed internally or by another entity.

3.5.2.8.3 Sutherland acknowledges and agrees that the Director of the County Department of Health Services or his delegate has only assigned to Sutherland, DSRS in connection with the filing, or amending of cost reports through and including FYE 6/30/20. If the Agreement is extended to May 31, 2022, or to subsequent years, DSRS in connection with FYE 6/30/2022, or subsequent years included in the extension period(s) will also be assigned to Sutherland. The County may assign DSRS associated with filing or amending cost reports for various fiscal years to other vendors.

3.5.3 Indirect Medical Education Recovery Services (IMERS)

At the County's discretion and with Contractor's concurrence, Contractor shall provide IMERS to Maximize County's Indirect Medical Education (IME) reimbursement in compliance with Medicare policies and regulations. Contractor shall:

- 3.5.3.1 Review the current impact of existing IME reimbursement and analyze the recovery rate. Develop, with Facility's approval, a processing flow to optimize IME reimbursement at Facilities.
- 3.5.3.2 Implement with Facility's approval, methodology for production of shadow billing, follow-up and collection.
- 3.5.3.3 Provide appropriate periodic reporting to County to document results.

3.6 Underpaid Account Identification and Billing Services (UAIBS)

Contractor shall identify underpaid accounts after these accounts have been closed by County or its primary contractor(s): Assign accounts will be based on

protocol established and agreed upon between County and Contractor. Contractor shall:

- 3.6.1 Utilize demographic, charge, and payment data, Contractor shall identify and construct a file of underpaid accounts as having third-party coverage.
- 3.6.2 Apply appropriate fee schedules to determine if the claims were paid accordingly or if additional payment can be received due to errors or insufficient information and eliminate all accounts which were reimbursed appropriately.
- 3.6.3 Provide all Facilities receiving UAIBS with a monthly listing of accounts that are found to have been underpaid by the third-party payer (e.g. workers' compensation, commercial insurance), for which Contractor has conducted a review sufficient to ensure that no claim by County or its primary contractor exists. Facilities will delete accounts from the listing that are currently being pursued by the County or its primary contractor. Contractor shall then pursue reimbursement only for accounts remaining on the listing.
- 3.6.4 Provide all Facilities receiving UAIBS with a monthly listing (electronic or paper) of Approved Accounts which will not be pursued and no additional reimbursement was received, with an explanation of the reason(s) further efforts will not be pursued.
- 3.6.5 Employ a claim edit system to review all data from Facility systems to create a revised claim that is compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information).
- 3.6.6 Provide County updated demographic and third-party resources information at the time of billing to include insurance information updates and third-party identification number (Carrier code updates, insurance billed) in electronic format.
- 3.6.7 Fully develop and submit, unless otherwise instructed by County, completed third-party revised claims/billings, preferably electronically, to the third-party payers or fiscal intermediaries.
- 3.6.8 Follow-up on denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless and until the claim is determined to be uncollectible. Contractor shall document the reasons the account is uncollectible and report to the applicable Facilities.
- 3.6.9 Maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, denied, paid, and accounts referred back to Facilities or primary contractor(s). Contractor shall provide aging reports for accounts billed each month or as requested by applicable Facilities.

3.6.10 Post the payments and adjustments to all applicable Facility's accounts receivable systems within four (4) business days, as may be requested. Contractor's failure to post this information timely and accurately will result in fines/assessments as referenced in Attachment B – Performance Requirement Summary.

3.6.11 Provide (in electronic format) payments and adjustment transactions.

3.6.12 Provide various management reports regarding underpaid claims accepted, accepted claims not pursued and reason for not pursuing, claim billed, collections, remittance advice, denials, and other reports, in formats, content, and frequency to be determined by the County.

4.0 REQUIRED REPORTS

Contractor shall provide management reports, at no cost to County, provided the data is within Contractor's scope of services. All routine management reports (including Mental Health) must be provided timely per established due date.

From time to time, the County may request additional reports or one time only reports (i.e., new management reports, ad-hoc reports) created from Contractor's existing data fields. Contractor shall make such reports available to County within one week from Director's request or as otherwise agreed to by County and Contractor.

5.0 ADDITION/DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

5.1 Contractor shall provide one or more services listed in SCOPE OF WORK, Sub-Paragraph 2.1 as requested by each Facility listed in Attachment A, Facilities List.

5.2 The Contractor's awarded services may change as a result of deletion or addition of new Facility(ies), future consolidation of existing Facilities or as changes are required by law. Therefore, Contractor shall accept assignments or deletions of Facility(ies) and/or services deemed by the County to be in its best interest.

6.0 QUALITY CONTROL

The Contractor shall establish and maintain a written Quality Control Plan to ensure that the requirements of the Agreement are met. The Quality Control Plan may be in a chart format. An updated copy must be provided to the County's Project Director ten (10) business days after to the Agreement start date and within ten (10) business days when changes occur during the term of the Agreement. The plan shall discuss, but not be limited to, the following:

6.1 The Contractor's quality control or monitoring system covering each individual item listed in Paragraph 9.0, Performance Requirements Summary, of this SOW. It must specify the activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished, and the title of the individual(s) who will perform the monitoring.

6.2 The methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable and not in compliance with the Agreement.

- 6.3 The methods for documenting the monitoring results and, if necessary, the corrective actions taken.
- 6.4 The method for assuring that confidentiality of patient information is maintained while in the care of Contractor.
- 6.5 The method for assuring new Contractor employees will sign an Acknowledgement of Confidentiality Agreement prior to starting employment and will understand and abide by its terms upon starting employment.

On an ongoing basis, the Contractor's performance will be compared to the Agreement standards and Acceptable Quality Levels (AQLs) as referenced in Attachment B – Performance Requirement Summary. DHS may use a variety of inspection methods to evaluate the Contractor's performance, including but not limited to: random sampling; one hundred percent inspection of its output items on a periodic basis (daily, weekly, monthly, quarterly, semiannually or annually) as determined necessary to assure a sufficient evaluation of the Contractor's performance; review of reports and files; complaints from DHS; site visits; write off reports; and patient complaints.

7.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor's performance under this Agreement using the quality assurance procedures as defined in Section 14.0, County's Quality Assurance Plan, of the Additional Provisions of this Agreement.

7.1 Contract Discrepancy Report

Verbal notification of a Contract discrepancy will be made to the Contractor Project Manager as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time-period mutually agreed upon by the County and Contractor. The County Project Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Project Monitor within five (5) business days, with a plan for correction of all deficiencies identified in the Contract Discrepancy Report.

7.2 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Agreement at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

8.0 RESPONSIBILITIES

COUNTY

8.1 County Personnel and Records

8.1.1 County Administration

The Director shall have the authority to administer this Agreement on behalf of the County. The Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all

County Administration referenced in the following Sub-paragraphs is designated in Exhibit F-1, County's Administration, of the Agreement. The County shall notify the Contractor in writing of any change in the names or addresses shown.

8.1.1.1 County's Project Director

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

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

8.1.1.2 County's Project Manager

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

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

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

8.1.1.3 County's Project Monitor

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

- 8.1.1.4 County does not anticipate assigning any County employees to assist Contractor on a full-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor, if deemed necessary by the County, to provide input and assistance in order to answer questions and provide necessary liaison between Contractor and County departments.
- 8.1.1.5 The various operational/administrative records and statistics of County's health operations shall be provided to Contractor for review and evaluation whenever deemed appropriate and feasible by County, and as may be allowed by applicable law.

8.2 County Access to Information

- 8.2.1 In order for Contractor to perform the services described in this SOW, County shall cooperate with Contractor to allow access to such financial, medical and other operating data as may be allowed by Director and applicable law, including among other things the following:
 - 8.2.1.1 Patient demographic, admission, and registration data from the respective Facility admission and registration system files, as available in format determined by Director.
 - 8.2.1.2 Inpatient and ambulatory billing forms and billing folders for Medi-Cal, Medicare, and commercial insurance.
 - 8.2.1.3 Affinity or other County patient accounting and accounts receivable information including all itemized and all-inclusive charges required for billing in format and timeframe determined by Director.
 - 8.2.1.4 Medicare, Medi-Cal, and other third-party payer Remittance Files.
 - 8.2.1.5 County patient medical records, for purposes of determining and verifying dates of patient service and other diagnosis information required for successful reimbursement.
 - 8.2.1.6 File layouts, if necessary, for each of the files.
 - 8.2.1.7 At Director's discretion, any additional files, documents, system access, or information deemed appropriate to Facilitate performance of the services described in SOW.

CONTRACTOR

8.3 Contractor's General Responsibilities

- 8.3.1 Contractor shall work independently on designated assignments in accordance with this SOW.
- 8.3.2 Notwithstanding any representation by County regarding the participation of County personnel in any phase of this project, Contractor assumes sole responsibility for the timely accomplishment of all activities assigned in this Agreement.
- 8.3.3 Contractor(s) shall furnish all labor, materials, supplies, personnel, equipment, and administrative support necessary to perform the services under this Agreement. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee. At the County's sole discretion, the County may assign space, chairs, desks, and office equipment (e.g., telephones, fax machines, photocopying equipment) on a non-exclusive basis, for work area and related use by the Contractor. In the event the County assigns space and office equipment to the Contractor, Contractor shall use the space and office equipment only for the purpose of the performance of services hereunder. The Contractor is prohibited from use of such space and office equipment for the purposes other than for the performance of this Agreement

8.4 **Contractor's Project Manager**

- 8.4.1 Contractor shall provide a full-time Contract Project Manager or designated alternate. County must have access to the Contract Manager during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday except holidays, Contractor shall provide a telephone number where the Project Manager may be reached.
- 8.4.2 Manager shall act as a central point of contact with the County.
- 8.4.3 Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Agreement. Contract Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.
- 8.4.4 Contractor shall respond to all County inquiries, including but not limited to, status and follow-up, telephonic, e-mail or facsimile inquiry, within one business day of initial inquiry. Failure to respond in a timely manner will result in fines/assessments as referenced in Attachment B – Performance Requirement Summary.

8.5 **Contractor Personnel**

- 8.5.1 Contractor shall assign a sufficient number of employees to perform the required work.
- 8.5.2 **Background and Security Investigations**

- 8.5.2.1 All Contractor staff performing work under this Agreement shall undergo and pass, to the satisfaction of the County, a background investigation as a condition of beginning and continuing to work under this Agreement. The County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The County shall perform the background check.
- 8.5.2.2 The County may request that the Contractor's staff be immediately removed from working on the County Agreement at any time during the term of this Agreement. The County will not provide to the Contractor nor to the Contractor's staff any information obtained through the County conducted background clearance.
- 8.5.2.3 The County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of the County whose background or conduct is incompatible with County facility access.
- 8.5.2.4 Disqualification, if any, of the Contractor's staff, pursuant to this Sub-paragraph 8.5.2, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.6 Contractor Training

Contractor shall provide training programs for all new employees and continuing in-service training for all employees to perform the required work of this Agreement. Contractor's staff must be adequately trained and adhere to County Facility's information security policies and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) regulations in protecting the privacy and confidentiality of patient information at all times. Failure to comply with these requirements may result in fines/penalties, contract termination and/or legal prosecution.

8.7 Contractor's Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday except holidays, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Agreement.

8.8 Additional Covenants of Contractor

In performing the services described in this SOW, Contractor shall:

- 8.8.1 Have no contact for collection with any of the patients of County's Facilities, without the prior written consent of the Director, during the course of Contractor's performance of any of the services in this Agreement.
- 8.8.2 Use reasonable care to avoid duplicate invoicing.
- 8.8.3 If so requested in advance by County, return all the material provided by County promptly and in the same condition and sequence in which is requested by the County.
- 8.8.4 Respect the confidential information with regard to County patient and Facility financial records. Contractor contractually recognizes the confidentiality of all County patient data and therefore, shall obtain/extract only that information needed to discover and generate required third-party billing information. All such collected information shall remain the property of County.
- 8.8.5 Upon termination of Agreement, if so requested by the Director, Contractor shall provide County, in a format designated by the Director, with the data currently maintained in performance of services under this Agreement in accordance this SOW.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

- 9.1 All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Agreement and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Agreement and the SOW. In any case of apparent inconsistency between services as stated in the Agreement and the SOW and Attachment B, the PRS Chart, the meaning apparent in the Agreement and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Agreement and the SOW, that apparent service will be null and void and place no requirement on Contractor.
- 9.2 The Contractor is expected to perform all services described herein. The PRS Chart describes certain required services which will be monitored by the County during the term of the Agreement, and for which Contractor may be assessed financial deductions from payment if the service has not been satisfactorily provided. The PRS Chart indicates the SOW and/or Agreement section of the performance referenced (column 1); the service and expected standard to be provided (column 2); the monitoring method that will be used (column 4); and the deductions/fees to be assessed for services that are not satisfactory (column 5).
- 9.3 Contractor shall be responsible for measuring and monitoring Standard Performance Requirements (SPRs), and shall provide County with monthly reports showing SPR performance during the reporting period. The parties will collaboratively develop the format and components of such reports during the first ninety (90) days after January 1, 2025, during which Contractor will measure the SPRs and will retrospectively report its performance against the SPRs upon finalization and mutual agreement of the required reports. All such reports are due

on the fifteenth (15th) calendar day of the month following the month for which such report relates; provided, however, that if the fifteenth (15th) calendar day is a weekend or County holiday, such reports shall be due on the first (1st) County business day thereafter. Such monthly SPR reports shall include a level of detail sufficient for County to verify Contractor's compliance with the applicable SPRs, including the following:

- (i) As to Contractor's calculation of all SPRs and all Penalties for the SPRs, Contractor's monthly SPR reports shall include the formulas used by Contractor to calculate the SPRs and Penalties for the SPRs, as opposed to hard-coded values.
- (ii) As to any SPR that does not meet the applicable Acceptable Quality Level according to the data set forth in the applicable monitoring tool developed, but that Contractor alleges actually did meet the applicable Acceptable Quality Level (e.g., due to an error or inaccuracy of the data), the Parties shall discuss such SPR during the Performance Requirement Review Meetings (as defined below), and such SPR shall only be deemed to have met the applicable Acceptable Quality Level if County agrees that the SPR actually met the applicable Acceptable Quality Level, notwithstanding the data.
- (iii) Within fifteen (15) calendar days following Contractor's provision of the prior month's SPR report, County and Contractor will meet to discuss all SPRs on Contractor's monthly SPR reports occurring in the prior calendar month ("**Performance Requirement Review Meetings**"). During such meetings, Contractor and County will resolve SPR disputes and issues pursuant to mutual agreement by the Parties.

10.0 PROVISION FOR PAYMENT

In accordance with the body of this Agreement, and as further set forth herein, County shall compensate Contractor as follows:

- 10.1 The fee payable to Contractor with respect to Medi-Cal, Medicare, health care plan and commercial insurance, and other third-party payer payments received by County as a consequence of this SOW Sections 3.1-EDICS, 3.2- FBFS, 3.4-TPRIRS, and 3.6-UAIBS shall be negotiated by the Director and the Contractor but not be greater than the amounts identified on Attachment C – Maximum Contingency Fee Schedule. The negotiated fees will be incorporated into this Agreement via a written change notice. Fees may be renegotiated, or reduced in the event for which County's internal resources were used, and County's intervention were required for reimbursement of accounts, i.e. HCP Settlements.
- 10.2 Contractor shall be paid on a contingent fee basis for MBDRS provided to the county pursuant to SOW Section 3.5.1- MBDRS, and shall be negotiated by the Director and the Contractor but shall not, over the term of Agreement, be greater than twenty percent (20%) of the incremental Medicare Bad Debt settlement payments received by County as a direct result of Contractor's efforts.
- 10.3 Contractor shall be paid on a contingent fee basis for DSRS provided to the County pursuant to SOW Section 3.5.2 – DSRS, herein, and shall be negotiated by the director and the Contractor but shall not, over the term of the Agreement, be greater than twelve percent (12%) of the incremental (defined in Section 10.3.1

and 10.3.2 below) Medicare DSH reimbursements (an amount attributable to the Medi-Cal eligible days portion of the Medicare disproportionate share percentage) received by the County as a direct result of Contractor's efforts. The contingency fee paid to Contractor shall be calculated by each fiscal year, this amount is be calculated by dividing the Medi-Cal eligible and 1115 Waiver days ratio by the sum of the Medi-Cal, 1115 Waiver and SSI ratios. The resulting ratio will be applied to the total DSH reimbursement amount as per audit to determine the amount attributable to the Medi-Cal eligible days. The SSI ratio is provided by The Centers for Medicare and Medicaid Services ("CMS").

10.3.1 For FYE June 30, 1993 through the close of FYE June 30, 1997 - Incremental is defined as the additional Medi-Cal eligible days identified by Contractor and accepted by the Medicare Administrative Contractor that are greater than the days recognized in determining the DSH payment in the Notice of Program Reimbursement.

10.3.2 FYE June 30, 2002 and Forward – Incremental is defined as the additional Medi-Cal eligible days identified by Contractor that are greater than zero (0), due to Federal requirements of matching every Medi-Cal eligible day to the State Eligibility Verification Process or other State records that determines eligibility.

10.3.3 The amounts that Contractor will be paid for each phase of the claiming process are as follows:

10.3.3.1 Claiming submitted by Contractor based on Cost Reports

10.3.3.1.1 For patient care provided July 1, 2001 through September 30, 2013, County will pay Contractor a contingency fee of four percent (4%) determined by applying the formula calculated in Section 10.3 above to the final amount of DSH reimbursement determined in the Notice of Program Reimbursement or to the supplemental value reflected in any Revised Notice of Program Reimbursement issued after a non-appeal related reopening for which Contractor was responsible, except for patient care services rendered by provider Martin Luther King Jr./Drew Medical Center for July 1, 2001 through June 30, 2002 and Olive View-UCLA Medical Center for July 1, 2002 through June 30, 2003. For those two providers, for the designated period the County shall pay Contractor a contingency fee of 12 percent (12%) determined by applying the formula calculated in Section 10.3 above to the final amount of DSH reimbursement reflected in these providers' Revised Notice of Program Reimbursements, regardless of whether the Revised Notice of Program Reimbursement was issued as a result of an appeal or a reopening request.

10.3.3.1.2 For patient care provided on or after October 1, 2013, County will pay Contractor ten percent (10%) determined by applying the formula in Section 10.3, to the final amount of DSH reimbursement determined in the Notice of Program Reimbursement. Notwithstanding the previous sentences, payment for DSRS related to Rancho Los Amigos National Rehabilitation Center's inpatient rehabilitation unit shall be four percent (4%) of amount received as a result of the adjustment for low income patients described in 42 C.F.R Section 412.624(e)(2), or any successor regulation.

10.3.3.1.3 Payment to Sutherland for DSRS related to patient care provided on or after October 1, 2013, shall not consider any reimbursement received by the County as uncompensated care payments pursuant to 42 C.F.R. Section 412.106(g), or any successor regulation.

10.3.3.2 Claiming for Additional Reimbursement Recognized after Audit

10.3.3.2.1 For purposes of this section, supplemental value reflected in a Revised Notice of Program

Reimbursement means the difference between allowable DSH payment in the preceding Notice of Program Reimbursement, and the amount of allowable DSH payments in the Revised Notice of Program Reimbursement attributable to the Medicaid eligible days which the Contractor identified and the Medicare Administrative Contractor accepted. As reflected in Section 10.3, the Contractor shall not be paid for additional DSH reimbursement related to changes in the SSI Ratio provided by CMS.

- 10.3.3.2.2 County will pay Contractor a contingency fee of twelve percent (12%) of the supplemental value reflected in a Revised Notice of Program Reimbursement issued after reopening or appeal for the service periods July 1, 1992 through June 30, 1997 for the following providers: LAC+USC Medical Center, Harbor-UCLA Medical Center, Martin Luther King Jr./Drew Medical Center, and Olive View-UCLA Medical Center.
- 10.3.3.2.3 County will pay Contractor a contingency fee of four percent (4%) of the supplemental value reflected in a Revised Notice of Program Reimbursement which is issued as the result of an appeal for all providers for the periods July 1, 2001 through September 30, 2013, except for Martin Luther King Jr./Drew Medical Center for July 1, 2001 through June 30, 2002 and Olive View-UCLA Medical Center for July 1, 2002 through June 30, 2003. Payment for those providers for those periods shall be governed by Section 10.3.3.1.
- 10.3.3.2.4 For patient care provided on or after October 1, 2013, County will pay Contractor ten percent (10%) determined by applying the formula in Section 10.3, to the supplemental value reflected in any Revised Notice of Program Reimbursement issued after a reopening or appeal for which Contractor was responsible. Notwithstanding the previous sentences, payment for DSRS related to Rancho Los Amigos National Rehabilitation Center's inpatient rehabilitation unit shall be four percent (4%) of amount received as a result of the adjustment for low income patients described in 42 C.F.R Section 412.624(e)(2), or any successor regulation.

10.3.4 Interim Payment and Reconciliation

- 10.3.4.1 At the request of Contractor, County shall make an interim payment of Contractor's contingent fee for each fiscal year in an amount not to exceed four percent (4%) related to services provided between July 1, 2001 and September 30, 2013, and not to exceed ten percent (10%) for services provided thereafter. Such interim payment shall be based on the incremental Medicare DSH reimbursement paid during the tentative settlement for each fiscal year by the Medicare Administrative Contractor. Interim payment made by the County to the Contractor shall relate only to the Medicaid eligible days portion of the claim only and may be paid in amount less than the full amount owed as agreed upon by County and Contractor. The Contractor shall not be paid for DSH reimbursement related to the SSI Ratio provided by CMS or if the Provider Statistical and Reimbursement Group Appeal is resolved subsequent to the Medicare DHS-Medicaid eligible group appeal. If the Medicare Administrative Contractor has already made a tentative settlement for the fiscal year, the interim payment amount shall be based on the difference between the Medicare DSH reimbursement previously paid and the DSH amount paid during the most recent tentative settlement.
- 10.3.4.2 Upon issuance of a Notice of Program Reimbursement or a revised Notice of Program Reimbursement for a particular fiscal year that related to Medicare DSH-Medicare eligible days, the County will reconcile any interim payments for that fiscal year with the amount determined to be due pursuant to Section 10.3.3 above. If the County has not paid the full amount due, it will remit the difference to Sutherland. If the County paid Sutherland more than the amount due, Sutherland shall repay County within 15 days of receiving a notice of the overpayment or, with County's express written permission, may offset the overpayment against other amounts owed by Sutherland to County.
- 10.4 Contractor shall be paid on a contingent fee basis for services provided to the County pursuant to Section 3.5.3-IMERS, herein, and shall be negotiated by the Director and the Contractor but shall not, over the term of Agreement, be greater than twenty five percent (25%) of the incremental IMERS revenue received by County as a direct result of Contractor's efforts.
- 10.5 All amounts payable to Contractor pursuant to this Paragraph 10.0, Provision for Payment, shall be paid by County to Contractor within a reasonable period of time following County's receipt of complete and correct payments for the billings generated by Contractor. At a minimum, Contractor shall submit monthly invoices detailing the payments received from all Third-Party payers during the prior month separated by facility, services, and payers. In no case shall County pay to Contractor any amounts pursuant to this Paragraph 10.0, Provision for Payment, for any Third-Party payments received by Facilities prior to date of commencement

of this Agreement. Contractor shall be entitled to payments, pursuant to this Paragraph 10.0, Provision for Payment, for completed services provided by Contractor on accounts which were referred to and accepted by Contractor and not recalled by County.

- 10.6 All disputed accounts shall be resolved by County and Contractor as follows:
- 10.6.1 County will use a “Disputed Account Form” mutually agreed upon by County and Contractor.
 - 10.6.2 Each disputed account may be returned to Contractor for additional information.
 - 10.6.3 Contractor shall have thirty (30) days from receipt of a Disputed Account Form to respond to County’s dispute.
 - 10.6.4 County shall have thirty (30) days to accept or reject Contractor’s response and process Contractor’s invoice for the disputed claim. If County rejects Contractor’s response and denies payment, Contractor must file an appeal to the Chief of Consolidated Business Office – Quality or designee for final disposition.
 - 10.6.5 All invoices are assumed to be accurate unless County objects in writing within thirty (30) days of receipt of disputed invoice. If County in good faith disputes all or any portion of any invoice, County shall pay the undisputed amounts of such invoice when due and may, at its option, withhold the disputed portion pending resolution of the dispute or by mutual agreement. If County withholds any payment pursuant to this Section, County shall notify Contractor of the basis for such withholding. Upon resolution of the dispute, County shall pay to Contractor the unpaid portion, if any, of the disputed amount(s).
- 10.7 Contractor hereby agrees that any Payments made by County to Contractor for patient stays/visits originally approved by a Third-Party payer, but later disallowed in audit or otherwise recouped by the payer or its intermediary, except for Medi-Cal cost report settlements, shall be repaid/offset to County, provided however the disallowed payments are a result of the services supplied by the Contractor’s under this Agreement. The County is due a “Penalty” as a result of Contractor’s failure to meet the Standard Performance Requirement identified in Exhibit A-4, Attachment B. A Penalty shall apply in the event of Contractor’s failure to achieve the agreed upon Standard Performance Requirement during any measurement period. Contractor shall credit the County on the invoice following the month in which the failure and resulting Penalty occurs. All repayments/offsets of Payments to be made by Contractor shall be due and payable by Contractor upon Contractor’s receipt of an itemized invoice indicating the specific nature and amount of the audit disallowance(s) and/or recoupment(s) and affirming County’s intention to immediately repay any disallowances to the effective payer(s). If Contractor fails to immediately reimburse County following its receipt of such invoice, Director may,

at his or her sole discretion, deduct such amount from future payments to Contractor.

- 10.8 Contractor hereby agrees that should it become necessary, due to temporary failure of Contractor to provide adequate EDICS, Contractor shall not be entitled to receive any fees specified in this Paragraph for claims submitted for payment through alternative means. Contractor shall be responsible for all lost revenue resulting from its failure to provide EDICS and if necessary, establish or subcontract with a qualified alternative third-party to provide EDICS.
- 10.9 Contractor also agrees to maintain records sufficient to document all billings submitted as part of this Agreement. Those records shall serve as the basis of the computations required pursuant to Paragraph 10.0, Provision for Payment and shall contain the following information:
- A. Accounts billed;
 - B. Invoice/control numbers of all billings submitted;
 - C. Dates of billings;
 - D. Amounts paid to County, by invoice/control number;
 - E. Dates of payments to County;
 - F. Amounts due to Contractor;
 - G. Dates of payments to Contractor by County; and
 - H. Account Notes.
- 10.10 County shall cooperate in providing Contractor with access to the information necessary for Contractor to maintain such ledgers and Contractor shall make such ledgers available to County for its inspection.

11.0 SPECIAL ACCOUNTS

From time to time, the County may designate accounts for processing based on County and Contractor mutually agreeing to established protocols or by referral of accounts as "Special" Accounts." Contingent fees on these accounts shall be set by the Director, or designee, with the written approval of the Contractor, but shall not be greater than the amounts identified on Attachment C - Maximum Contingency Fee Schedule in this SOW with any exception or additional terms set forth in writing by the Director. The written approval of reduced contingent fees by the Contractor for any and all special accounts (e.g., Disproportionate Share Hospital), shall be memorialized in the form of a written Change Notice pursuant to Paragraph 16, Alteration of Terms, of this Agreement and the fully executed Change Notice thereafter will be incorporated into and shall become part of the Agreement.

FACILITIES LIST

**(DETAILED LISTING OF COUNTY FACILITIES
BY FACILITIES, ACN's, and JUVENILE FACILITIES)**

HEALTH SERVICES HEADQUARTERS/ADMINISTRATION (HSA)	
FACILITY	LOCATION
Health Services Administration (HSA)	313 N. Figueroa St., Los Angeles CA 90012
Consolidated Business Office (CBO)	5555 Ferguson Sr. Commerce, CA 90022
Emergency Medical Services (EMS)	10100 Pioneer Blvd. Suite 200 Santa Fe Springs, CA 90670

DHS HOSPITALS	
FACILITY	LOCATION
Harbor/UCLA Medical Center	1000 W. Carson St. Torrance, CA 90509
Gardena High (School Based)	1301 W 182nd St, Gardena, CA 90248
Harbor-UCLA Family Health Center	1403 Lomita Blvd. Ste. 200, Harbor City, CA 90710
Los Angeles General Medical Center (LA General)	2051 Marengo St., Los Angeles CA 90033
Star Clinic	242 East 6th St., Los Angeles, CA 90014
Olive View-UCLA Medical Center	14445 Olive View Drive Sylmar, CA 91342
Rancho Los Amigos National Rehabilitation Center	7601 E. Imperial Highway Downey, CA 90242

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
Alvarado Health Center	2200 W. 3rd Street Suite 400, Los Angeles, CA 90057
Antelope Valley Health Center	335 E. Avenue K-6, Ste B, Lancaster, CA 93535
Bell Health Center	6901 Atlantic Avenue, Bell, CA 90201
Bellflower Health Center	10005 Flower St., Bellflower, CA 90706
Curtis Tucker Health Center	123 W. Manchester Blvd., Inglewood, CA 90301
Dollarhide Health Center	1108 North Oleander Ave., Compton, CA 90222
East Los Angeles Health Center	133 N. Sunol Dr. Ste 150, Los Angeles, CA 90063
East San Gabriel Valley Health Center	1359 N. Grand Ave., Covina, CA 91724
Edward R. Roybal Comprehensive Health Center	245 S. Fetterly Ave., Los Angeles, CA 90022
El Monte Comprehensive Health Center	10953 Ramona Blvd. Ste 221, El Monte, CA 91731
Glendale Health Center	501 N. Glendale Ave., Glendale, CA 91206
H Claude Hudson Comprehensive Health Center	2829 S. Grand Ave., Los Angeles, CA 90007

FACILITIES LIST

**(DETAILED LISTING OF COUNTY FACILITIES
BY FACILITIES, ACN's, and JUVENILE FACILITIES)**

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
Harbor-UCLA Family Health Center	1403 Lomita Blvd., Harbor City, CA 90710
Harbor-UCLA Medical Center - Hospital Based	1000 W. Carson St., Torrance, CA 90502
High Desert Regional Health Center	335 East Avenue I, Lancaster, CA 93535
Hubert H. Humphrey Comprehensive Health Center	5850 S. Main St., Ste. 1127, Los Angeles, CA 90003
La Puente Health Center	15930 Central Ave., La Puente, CA 91744
LA General Medical Center	2051 Marengo St., Los Angeles, CA 90033
Lake Los Angeles Community Clinic	16921 E. Avenue O, Ste G, Lake Los Angeles, CA 93591
Littlerock Community Clinic	8201 Pearblossom Hwy., Littlerock, CA 93543
Long Beach Comprehensive Health Center	1333 Chestnut Ave., Long Beach, CA 90813
Martin Luther King, Jr. Outpatient Center	12021 Wilmington Ave, Los Angeles, CA 90059
Mid-Valley Comprehensive Health Center	7515 Van Nuys Blvd., Van Nuys, CA 91405
Olive View-UCLA Medical Center - Hospital Based	14445 Olive View Dr., Sylmar, CA 91342
Rancho Los Amigos National Rehabilitation Center - Hospital Based	7601 Imperial Hwy., Downey, CA 90242
Edward R. Roybal Comprehensive Health Center	245 S. Fetterly Ave., Los Angeles, CA 90022
San Fernando Health Center	1212 Pico St., San Fernando, CA 91340
South Valley Health Center	38350 40th St. East, Ste 100, Palmdale, CA 93552
Torrance Health Center	711 Del Amo Blvd., Torrance, CA 90502
Star Clinic	242 E. 6th St., Los Angeles, CA 90014
West Valley Health Center	20151 Nordhoff St., Chatsworth, CA 91311
Wilmington Health Center	1325 Broad Ave., Wilmington CA 90744

JUVENILE CLINICS	
Central Juvenile Hall	1605 Eastlake Ave. Los Angeles CA 90033
Los Padrinos Juvenile Hall	7285 Quill Dr, Downey, CA 90242
Barry J. Nidorf Juvenile Hall	16350 Filbert St, Sylmar, CA 91342

FACILITIES LIST

**(DETAILED LISTING OF COUNTY FACILITIES
BY FACILITIES, ACN's, and JUVENILE FACILITIES)**

DPH - PUBLIC HEALTH CENTERS	
FACILITY	LOCATION
Antelope Valley Health Center	335 East Avenue K-6 Ste B., Lancaster, CA 93535
Central Health Center	241 N. Figueroa St., Los Angeles, CA 90012
Curtis Tucker Health Center	123 W. Manchester Blvd., Inglewood, CA 90301
Glendale Health Center	501 N. Glendale Ave., Glendale, CA 91206
Hollywood/Wilshire Health Center	5205 Melrose Ave., Los Angeles, CA 90038
Martin Luther King Jr. (South) Health Center	11833 s. Wilmington Ave., Los Angeles, CA 90059
Monrovia Health Center	330 W. Maple Ave., Monrovia, CA 91016
North Hollywood Health Center	5300 Tujunga Ave., North Hollywood, CA 91601
Pacoima Health Center	13300 Van Nuys Blvd., Pacoima, CA 91331
Pomona Health Center	750 S. Park Ave., Pomona, CA 91766
Ruth Temple Health Center	3834 S. Western Ave., Los Angeles, CA 90062
Burke/Simms/Mann Health Center	2509 Pico Blvd., Santa Monica, CA 90405
Torrance Health Center	711 Del Amo Blvd., Torrance, CA 90502
Whittier Health Center	7643 Painter Ave., Whittier, CA 90602
Central Satellite Clinic – The Leavey Health Center	522 S. San Pedro St., Los Angeles, CA 90013

OTHER PUBLIC HEALTH PROGRAMS	
Public Health Lab	12750 Erickson Ave., Downey, CA 90242
MCAH – Nurse-Family Partnership Program	600 S. Commonwealth Ave Ste 800., Los Angeles, CA 90005

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>A. Speed of Billing</p> <p>Exhibit A-4, Statement of Work (SOW), Sections:</p> <p>3.2.5.1 3.2.5.2 3.2.5.3 3.2.5.4 3.2.5.5 3.2.5.6</p>	<p>Contractor shall bill each facility claim within forty-five (45) days of receipt of all required Claim Elements and no later than ninety-one (91) days from date of discharge (provided that all required Claim Elements are timely made available to Contractor within 7 business days of the requirement). A clean claim is defined as a claim(s) having all Claim Elements and all such elements have been provided to the Contractor via HL7 or a mutually agreed upon electronic format seven (7) business days prior to Payor's timeframe. Claim elements ("Claim Elements") include but are not limited to:</p> <ul style="list-style-type: none"> • Complete and accurate Patient demographic information • Complete and accurate coding • Required Physician information • Complete and accurate charges required by the payer • Completed UR review on Inpatient admissions for FFS Medicare, Medi-Cal & Mental Health populations • Pre-Authorization along with the authorization number when required • Valid insurance information including: <ul style="list-style-type: none"> ○ Correct plan codes ○ Correct plan order ○ Correct Payer name ○ Correct ID # <p>Calculation of this performance requirement shall start from January 1, 2025.</p>	<p>Transmission Report</p>	<p>97%</p>	<p>\$5000/month for each month in which the AQL was not met</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>B. Untimely Billing</p> <p>Exhibit A-4, Statement of Work (SOW), Sections: 3.2.5.1 3.2.5.2 3.2.5.3 3.2.5.4 3.2.5.5 3.2.5.6</p>	<p>Contractor shall timely bill a clean claim within the timeframe as specified in the Agreement and according to the payer contracts. A clean claim is defined as a claim(s) having all Claim Elements and all such elements have been provided to the Contractor via HL7 or a mutually agreed upon electronic format seven (7) business days prior to Payor's timeframe.</p> <p><u>Timely billing is calculated as follows:</u> AQL shall be calculated as a percentage of the total undisputed number of accounts written-off divided by total number of billable accounts for the Fiscal Year (July-June) on average across all accounts placed with the Contractor for that Fiscal Year. Contractor will monitor and share reporting with the County on a monthly basis for tracking purposes only. No penalties shall be assessed until after the final Write-Off calculation is completed after the Fiscal Year closes. Penalties, if any shall only be assessed on those accounts that are written off after the AQL acceptable limit has been reached. Calculation shall start with accounts that are considered to be in the timely billing period from January 1, 2025.</p>	<p>Monthly Write-Off Report</p>	<p>97%</p>	<p><u>Inpatient Institutional:</u> \$1,500/Occurrence if estimated reimbursement amount > = \$100K \$1,000/Occurrence if estimated reimbursement amount < \$100k</p> <p><u>Outpatient Institutional:</u> \$50/Occurrence</p> <p><u>Professional:</u> \$50/Occurrence</p> <p>For purposes of this SLA, "Occurrence" means each Fiscal Year where the AQL % is not met (provided that all required Claim Elements are timely made available to Contractor), excluding any applicable claims that do not need to be billed within the applicable timeframe per the AQL acceptable limit.</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>C. Untimely Follow-up</p> <p>SOW Sections: 3.2.5.7 3.2.5.8</p>	<p>Contractor shall timely follow-up and exert all efforts to resolve denied/unpaid or underpaid claims within the timeframe indicated in the Agreement and as otherwise required to prevent write-offs due to untimely follow-up.</p> <p><u>Timely follow up is calculated as follows:</u> AQL shall be calculated as a percentage of the total undisputed number of accounts written-off that would have been reimbursed by the payer divided by total number of billable accounts for the Fiscal Year (July-June) on average across all accounts placed with the Contractor for that Fiscal Year. Contractor will monitor and share reporting with the County on a monthly basis for tracking purposes only. No penalties shall be assessed until after the final Write-Off calculation is completed after the Fiscal Year closes. Penalties, if any shall only be assessed on those accounts that are written off after the AQL acceptable limit has been reached. Calculation shall start with accounts that are considered to be in the untimely follow up period on January 1, 2025.</p> <p>Applicable Write-off Adjustment Codes and Reason Codes: MMC: 20153 – 02, 33, 40, 44, 53 Commercial: 20072 – 02, 33, 40, 44, 53 The codes corresponding to Contractor’s untimely follow-up will be adjusted by the Parties on an ongoing basis throughout the Term.</p>	<p>Monthly Write- Off Report</p>	<p>97%</p>	<p><u>Inpatient Institutional:</u> \$1,500/Occurrence if estimated reimbursement amount > = \$100K \$1,000/Occurrence if estimated reimbursement amount < \$100k</p> <p><u>Outpatient Institutional:</u> \$50/Occurrence</p> <p><u>Professional:</u> \$50/Occurrence</p> <p>For purposes of this SLA, “Occurrence” means each claim that is written off per adjustment or reason codes corresponding to Contractor’s untimely follow-up that would have been reimbursable otherwise, as described in the “Standard Performance Requirement” column, excluding any applicable claims that are permitted to be written off per the AQL acceptable limit.</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 2: Payment & Adjustment Posting (as applicable to respective Contractors)	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>A. Duplicate Payment Batch Posting</p> <p>SOW Sections: 3.2.11 3.2.13 3.6.10</p>	<p>Contractor shall accurately post Payment Batches. Contractor shall solely use and post Batch Number(s) provided by County. In no event that Contractor shall create/rename/alter a Batch Number without prior approval from CBO General Accounting/Posting Unit.</p>	<p>Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/Posting Unit.</p>	<p>97%</p>	<p>\$1,000/Occurrence/Batch</p>
<p>B. Erroneous Posting of Recoupment/Refunds</p> <p>SOW Section: 10.7</p>	<p>All refunds/recoupments that are off-set by another account shall be posted in Affinity to both accounts affected provided the County has supplied Contractor with necessary account information to process such refunds/recoupments.</p>	<p>Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/Posting Unit.</p>	<p>97%</p>	<p>\$200/Occurrence/Account</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 2: Payment & Adjustment Posting (as applicable to respective Contractors)	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
C. Untimely Processing of State Program Refunds SOW Section: 3.2.5.8	Create and timely process electronic CIFs for Medi-Cal OP denials or payments. Contractor shall within sixty (60) calendar days process CIF from County's initial notification. If CIF is not due to Contractor's error, Contractor will process CIF and any fees charged for the original bill will not be refunded. Accounts must be identified with Carrier Code 465 – Credit Balance	Account Trial Balance (ATB)	97%	\$50 /Account

CRITERIA 3: INVOICING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
A. Duplicate Invoicing of Accounts SOW Section: 10.9	Contractor shall invoice County only once per payment per account with the proper batch number and account details on a monthly statement.	Monthly reconciliation of payments against accounts in previous invoices in the last 2 years.	97%	Inpatient Institutional: \$100/Occurrence Outpatient Institutional: \$100/Occurrence/Account Professional: \$100/Occurrence/Account

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 3: INVOICING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
B. Failure to Respond to Request on Overpaid Fees SOW Section: 10.6.5	Contractor shall acknowledge County request within 1 business day and Contractor shall provide Agreement/disagreement to County's request within ten (10) business days from inquiry date. Upon mutual Agreement on funds to be reimbursed to the County, Contractor shall reimburse County on the next monthly invoice from the mutual Agreement date.	Monthly reconciliation of accounts against accounts in previous invoices.	97%	\$500/Occurrence/Batch

CRITERIA 4: OTHER	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
A. Management Reports SOW Sections: 2.4 4.0	Contractor shall provide management reports, at no cost, as well as customized reports or a system providing County with the ability to generate ad hoc reports in a timeframe agreed upon with Director and Contractor.	Availability of Report	1 Business Day	\$100/incomplete/inaccurate report \$50 per report each day late
B. Maintain Written Quality Control Plan SOW Section: 6.1	Contractor shall establish and maintain written Quality Control Plan to ensure that the requirements of the Agreement are met.	Receipt and Review of Plan	1 Business Day	\$1000 if plan is incomplete \$50 per each day late.

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 4: OTHER	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
C. Respond to County Inquiries SOW Section: 8.4.4	Contractor shall respond to all County inquiries, including but not limited to, status and follow-up, telephonic, e-mail or facsimile inquiry, within one business day of initial inquiry. County will adhere to Contractors Responsibility Matrix.	Receipt of Response	1 Business Day	\$100 per day when timeframe is not adhered to.
D. Confidentiality Agreement, County Confidential Information SOW Section: 6.1.5	Contractor and Contractor Employee Acknowledgement and Confidentiality Agreements signed and provided to DHS within three (3) business days.	None	Review of reports, complaints	\$100 per day per employee when form not signed; \$1,000 per unauthorized release of information

Penalty Cap:

1. County and Contractor agree to the Standard Performance Requirements (the “**SPRs**”) measurement and expectations detailed in this Attachment B, Performance Requirements Summary. Any adjustments to the SPRs must be agreed upon by both County and Contractor.
2. Should Contractor fail to meet any of the SPRs listed in the Performance Requirements Summary during any measurement period, in addition to payment of the applicable Penalty, Contractor shall provide County with a written plan for improving Contractor’s performance within fifteen (15) business day of failing to meet SPR. Such plan shall be subject to County’s approval, and such approval shall not be unreasonably withheld. Contractor shall promptly implement such plan (the “Improvement Plan”) when it has received approval from County. Contractor shall provide feedback on selected errors discovered and, in consultation with County, make agreed upon changes to the issues causing the errors.
3. For the purposes of these SPRs and their associated penalties, the measurement will be recorded and monitored and the respective penalty shall be calculated as stated in this Attachment B, Performance Requirements Summary.
4. The aggregate sum of the penalties assessed by the County on the Contractor for failed SPRs pursuant to the Attachment B, Performance Requirements Summary, for failed SPR(s) during a particular Fiscal Year shall not exceed five percent (5%) of the Contractor’s average total invoiced amount for the Fiscal Year; the five percent (5%) constitutes the “Penalty Cap”.

PERFORMANCE REQUIREMENTS SUMMARY

5. In the event the County assesses penalties on the Contractor in a measurement period in which the aggregate sum of assessed penalties equals the five percent (5%), the Penalty Cap shall automatically increase to ten percent (10%) for subsequent Fiscal Years.
6. The Penalty Cap shall revert to five percent (5%) when the aggregate amount of Penalty assessments in a Fiscal Year is below five percent (5%).

FINANCIAL MANAGEMENT SERVICES

MAXIMUM CONTINGENCY FEE SCHEDULE

CONTRACT PROVISION	MEDI-CAL	MEDICARE	CROSSOVER MEDI-CAL PORTION	INSURANCE	ALL OTHER PAYORS
Exhibit A-4, Statement of Work (SOW) Section: 3.1 EDICS	No greater than \$5 for each transaction	No greater than \$5 for each transaction	No greater than \$5 for each transaction	No greater than \$5 for each transaction	No greater than \$5 for each transaction
SOW Section: 3.2 FBFS	No greater than \$86 per I/P paid day No greater than \$14 per O/P paid visit	All Inclusive Billing. No greater than 15.5 % of payments received Itemized billing is required. No greater than 25 % of payments received	No greater than \$86 per I/P paid claim No greater than \$7 per O/P paid claim	All Inclusive Billing. No greater than 14% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 15.5% of payments received Itemized billing is required. No greater than 25 % of payments received

FINANCIAL MANAGEMENT SERVICES

MAXIMUM CONTINGENCY FEE SCHEDULE

CONTRACT PROVISION	MEDI-CAL	MEDICARE	CROSSOVER MEDI-CAL PORTION	INSURANCE	ALL OTHER PAYORS
SOW Section: 3.4 TPRIRS	No greater than \$345 per I/P paid day No greater than \$28 per O/P paid visit	All Inclusive Billing. No greater than 25 % of payments received Itemized billing is required. No greater than 25 % of payments received	No greater than: \$173 per I/P paid claim No greater than \$14 per O/P paid claim	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received
SOW Section: 3.6 UAIBS	No greater than \$345 per I/P paid day No greater than \$28 per O/P paid visit	All Inclusive Billing. No greater than 25_ % of payments received Itemized billing is required. No greater than 25 % of payments received	No greater than: \$173 per I/P paid claim No greater than \$14 per O/P paid claim	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25% of payments received

- Contract Provision SOW Section 3.5 - Cost Report Recovery Services (CRRS): Contingency fees are provided in SOW Sections 10.2, 10.3 and 10.4.
- There is a CAP of \$19,500 per paid account for FBFS and TPRIRS.
- The fees shall be negotiated by Director and Contractor but shall be no greater than the fees indicated on this Attachment C – Maximum Contingency Fee Schedule (Maximum Amounts).
- Department of Public Health
- Department of Mental Health

Notes: I/P = Inpatient; O/P = Outpatient; SOW = Exhibit A-4, SOW

Agreement No. H-702058

FINANCIAL BILLING AND RECOVERY SERVICES AGREEMENT
AMENDMENT NO. 15

THIS AMENDMENT (this “**Amendment**”) is made and entered into this [redacted] day of [redacted], 2024,

By and between COUNTY OF LOS ANGELES
(hereafter “**County**”),

And USCB INC. dba USCB AMERICA
(hereafter “**Contractor**”).

Business Address:

3333 Wilshire Blvd., 7th Floor
Los Angeles, CA 90010

WHEREAS, reference is made to that certain document entitled “FINANCIAL BILLING AND RECOVERY SERVICES AGREEMENT”, dated July 1, 2006, and further identified as Agreement No. H-702058, including any amendments thereto (all hereafter referred to as the “**Agreement**”); and

WHEREAS, on [redacted], the Board of Supervisors delegated authority to the Director of Health Services, or designee, among other delegations, to extend the Term of the Agreement for the period October 1, 2025, through December 31, 2026, with the County’s sole option to extend the Term up to three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend its Term, to update certain terms and conditions to the Agreement, and to provide for the other changes set forth herein; and

WHEREAS, the Agreement provides that changes in accordance with Paragraph 14, AMENDMENTS, may be made in the form of an amendment which is formally approved and executed by the parties; and

WHEREAS, the Contractor warrants that it continues to possess 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 HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective upon execution.

2. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined herein, shall be given full force and effect as if fully set forth herein.
3. The Agreement, Paragraph 1, TERM, is deleted in its entirety and replaced to read as follows:

“1. TERM

The term of this Agreement shall commence July 1, 2006, unless sooner cancelled or terminated as provided herein, and shall continue in full force and effect, through and including December 31, 2026 (“**Term**”). The County shall have the sole option to extend this Agreement Term three (3) times by twelve (12) months each time, such that if all three (3) additional twelve (12) month renewal options are exercised by County, the Agreement will expire on December 31, 2029. Such option and extension shall be exercised at the sole discretion of the Director, or designee as authorized by the Board of Supervisors.

In any event, this Agreement may be canceled or terminated at any time by either party, with or without cause, upon the giving of at least thirty (30) calendar days advance written notice to the other party. Further, County may also suspend the performance of services hereunder, in whole or in part, upon the giving of at least thirty (30) calendar days advance written notice to Contractor. County’s notice shall set forth the extent of the suspension and the requirements for full restoration of the performance obligations.

Notwithstanding any other provision of this Agreement, the failure of Contractor or its officers, employees, agents, or subcontractors to comply with any of the terms of this Agreement or any written directions by or on behalf of County issued pursuant hereto shall constitute a material breach hereto, and this Agreement may be terminated by County immediately. County’s failure to exercise this right of termination shall not constitute a waiver of such right, which may be exercised at any subsequent time.

The Contractor shall notify DHS when this Agreement is within three (3) months from the expiration of the Term as provided for hereinabove. Upon occurrence of this event, the Contractor shall send written notification to DHS at the address provided in Paragraph 16, NOTICES, of the Agreement.”

4. The Agreement, Additional Provisions, Paragraph 39, CONTRACTOR’S CLOSE-OUT OBLIGATIONS, is deleted in its entirety and replaced to read as follows:

“39. CONTRACTOR’S CLOSE-OUT OBLIGATIONS

Contractor shall continue to process all accepted accounts in Contractor's inventory that have been referred to Contractor prior to the time of expiration of this Agreement, unless the Agreement is sooner terminated with or without cause by County and such termination by County includes County's termination of such services. Contractor shall complete the processing of all such accounts and make every effort to expedite close-out. Contractor shall complete the processing of all such accepted accounts in accordance with the terms and conditions of this Agreement, as well as all required reports.

Upon the expiration of this Agreement or its termination by either party for any reason, including the breach of this Agreement by the other party, the rights of County shall in any and all events be provided as set forth in this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Unless the parties have specifically agreed upon a termination transition plan prior to the time of termination (the "**Termination Transition Plan**"), the rights of County upon any termination, including any expiration, shall be as set forth in this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. If a Termination Transition Plan has been agreed to, then the rights of County upon any expiration or termination of this Agreement shall be as set forth in the most recent County-approved Termination Transition Plan, and also as set forth in this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. In the event of any inconsistency between this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and the applicable Termination Transition Plan, this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, shall govern. If no Termination Transition Plan has been agreed to by the parties at the time of any expiration or termination of this Agreement, then Contractor shall continue to perform the services under the Agreement, at performance standards and service levels in effect at the time of termination or expiration, as well as the termination transition services, which services shall be provided as set forth in this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS. Contractor shall provide County with all of the services and all of the termination transition services as provided in this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, and in the then most recent version of the Termination Transition Plan, if any. The duty of Contractor to provide such services shall be conditioned on County continuing to comply with its obligations under the Agreement, including payment of all fees. Contractor shall have no right to withhold or limit its performance or any of such termination transition services on the basis of any alleged breach of this Agreement by County, other than a failure by County to timely pay the amounts due hereunder during the termination transition period. County shall have the right to seek specific performance of this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, in any court of competent jurisdiction and Contractor hereby waives any defense that damages are an adequate remedy.

Compliance with this Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, by either party shall not constitute a waiver or estoppel with regard to any rights or remedies available to the parties. Contractor will (a) meet with County as soon as practicable after a notice of termination or notice of a decision to not extend this Agreement has been given, to discuss any potential modifications to the then most current Termination Transition Plan, if any; (b) use all commercially reasonable efforts to assist County in effecting a transition of the services provided by Contractor hereunder, in accordance with Contractor's best practices, to County or another vendor chosen by County; and (c) be compensated for transition-related services and costs by payment by County in accordance with the rates set forth in this Agreement. Contractor will provide termination transition services for a period defined in the Termination Transition Plan, if any, but in no event less than six (6) months following the expiration or termination of this Agreement. Thereafter, Contractor shall provide extensions of termination transition services as requested by County in serial thirty (30) calendar day extension terms for up to an additional six (6) months, or longer as agreed to in writing by the parties. The total period of termination transition services, including all extensions provided for herein, shall not exceed twelve (12) months, unless otherwise agreed to in writing by the parties."

5. The Agreement, Additional Provisions, Paragraph 40, NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT, is deleted in its entirety and replaced to read as follows:

"40. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Except as set forth under Additional Provisions, Paragraph 39, CONTRACTOR'S CLOSE-OUT OBLIGATIONS, the Contractor shall have no claim against the 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 the County and shall immediately repay all such funds to the County. Payment by the County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of the County's right to recover such payment from the Contractor. This provision shall survive the expiration or other termination of this Agreement."

6. The Agreement, Additional Provisions, Paragraph 30 (C) TERMINATION FOR IMPROPER CONSIDERATION is deleted in its entirety and replaced to read as follows:

"30C. TERMINATION FOR IMPROPER CONSIDERATION

1. The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment, or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, the County will be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
 2. The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or <https://fraud.lacounty.gov/>.
 3. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts."
7. The Agreement is modified to add to Additional Provisions, Paragraph 49, CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING to read as follows:
- "49. CAMPAIGN CONTRIBUTION PROHIBITION FOLLOWING FINAL DECISION IN CONTRACT PROCEEDING
- Pursuant to Government Code Section 84308, Contractor and its Subcontractors, are prohibited from making a contribution of more than \$250 to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Agreement. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Agreement as determined in the sole discretion of the County."
8. The Agreement, Exhibit A-1, Statement of Work, is deleted in its entirety and replaced by Exhibit A-2, Statement of Work, attached hereto and incorporated herein by reference. All references to Exhibit A-1 in the Agreement shall hereafter be replaced by Exhibit A-2, Statement of Work.
 9. All references to "Los Angeles County+USC Medical Center," "LAC+USC," and "LAC+USCMC" under the Agreement shall mean Los Angeles General Medical Center.
 10. Except for the changes set forth hereinabove, the 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 executed by the County's Director of Health Services, or authorized designee, and Contractor has caused this Amendment to be executed on its behalf by its duly authorized officer(s), on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: _____ for
Christina R. Ghaly, M.D.
Director of the Los Angeles County
Department of Health Services

CONTRACTOR

USCB Inc. dba USCB America

By: _____
Signature

Printed Name

Title

APPROVED AS TO FORM ONLY:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy County Counsel

EXHIBIT A-2

FINANCIAL BILLING AND RECOVERY SERVICES

STATEMENT OF WORK

FINANCIAL BILLING AND RECOVERY SERVICES**STATEMENT OF WORK**

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FINANCIAL BILLING AND RECOVERY SERVICES

STATEMENT OF WORK

LISTING OF ATTACHMENTS

ATTACHMENT A - FACILITIES LIST

ATTACHMENT B - PERFORMANCE REQUIREMENTS SUMMARY

ATTACHMENT C - MAXIMUM CONTINGENCY FEES SCHEDULE

1.0 DEFINITIONS

The terms used throughout this Agreement and in this Exhibit A-2, STATEMENT OF WORK (SOW), unless otherwise stated shall mean the following:

- 1.1 Facility(ies): A Facility is a County of Los Angeles – Department of Health Services facility that provides health care services.
- 1.2 Confidential Information: All information, tangible or intangible, in whatever form or medium provided or obtained by a party or its representative, directly or indirectly, whether orally or in documents, through and by observation or otherwise, including any developed or learned information by an employee during the course of employment.
- 1.3 Document or Documentation: Any form or medium provided, including, but not limited to, writings, drawings, graphs, charts, photographs, phonographic records, tape recordings, discs and data compilations in whatever form recorded or stored from which information can be obtained and/or translated.
- 1.4 Referred Account: A Referred Account is an account that has been forwarded to Contractor by a Facility, in accordance with the provisions of this Agreement and as further identified in this SOW, for Contractor’s assessment and acceptance or rejection.
- 1.5 Accepted Account: An Accepted Account is a Referred Account that has been referred to and accepted by Contractor for processing in accordance with the provisions of this Agreement.
- 1.6 Approved Account: An Approved Account is an Accepted Account that Contractor has requested and received authorization from the referring facility to provide services in accordance with the provisions of this Agreement.
- 1.7 Other Third-Party Payer: Other Third-Party Payer is a payer source, other than commercial insurance, or Health Care Plan, for an account, including but not limited to, certain government payers (e.g., Genetically Handicapped Person Program (“GHPP”), Child Health and Disability Prevention (“CHDP”), Family Planning, Access, Care and Treatment Program (“FPACT”), Children Medical Services (“CMS”), Cancer Detection Program).
- 1.8 County’s Project Monitor: County staff responsible for overseeing the day-to-day administration of this agreement.
- 1.9 Clean Claim: A claim having all billing elements available in the County System when reviewed to bill in timely manner and within timely billing requirement (e.g., Affinity/ORCHID) by payer statute of limitations and County contract.
- 1.10 Billed Claim: A claim, or sometimes referred to as a “transaction”, that has been billed to a third-party payer in accordance with the terms and conditions of this Agreement, and in accordance with all regulatory requirements, requesting payment for services provided by the County.
- 1.11 Paid Claim: A billed claim for which the County has received payment from a third-party payer.

2.0 SCOPE OF WORK

- 2.1 Contractor shall provide one or more of the following Financial Management Services of this agreement: 1) Financial Billing and Follow-up Services, 2) Third-Party Resource Identification and Recovery Services, 3) Medicare Bad Debt Recovery Services, and 4) Underpaid Account Identification and Billing Services, as further described in Paragraph 3.0 - Specific Work Requirements of this SOW. Each service above has various specific requirements which must be performed by Contractor, as detailed in 3.0, Specific Work Requirements, to satisfy the County's protocols, payer requirements, and governmental regulations.
- 2.2 Director may refer the following types of accounts within the categories listed above to Contractor: (1) self-pay accounts determined by the County to have partially or fully unpaid balances; (2) non-self-pay accounts, whether billed or unbilled as having third-party coverage (e.g., health care plan and commercial insurance); (3) non-self-pay accounts rejected for payment or otherwise not paid; and (4) other types of accounts and/or from different automated systems than herein specified. Notwithstanding the above, Director reserves the right to discontinue any assigned service(s) or recall specific accounts or restrict specific accounts or account types from referral to Contractor. If an account is recalled, Contractor shall terminate services immediately and return the account to County within five (5) business days of notice, provided the recall is not solely for the purpose of denying contractor payment for services rendered on the recalled account.
- 2.3 In performing these services, Contractor shall readily accept County's patient financial, admission, eligibility, and other data in various formats (electronic media, magnetic tape, hard copies, and other formats that become available) as determined by the Director. The County Facilities utilize an all-inclusive charge; however, Contractor may be required to perform itemized billings when required by applicable law or payer requirements. All claims processed by Contractor shall comply with the Office of Inspector General (OIG) Program Guidance, State, Federal, HIPAA/HITECH Transaction Code Set (TCS) requirements.
- 2.4 Contractor shall maintain a comprehensive database of all accounts, claims, and transactions. The database shall be cumulative and contain all accounts processed by Contractor as well as data provided by County and obtained by vendor in performing these services. Upon request by the Director, Contractor shall provide management reports, at no cost to County, as well as customized reports or a system providing County with the ability to generate Ad Hoc reports in a reasonable timeframe agreed upon by Director and Contractor.
- 2.5 Contractor shall maintain complete detailed written documentation of the systems, methods, and procedures employed in identification of claims (e.g., eligibility and under paid claims), claims billing, collection, account posting, claims denial and denial follow-up activities to perform the services required under contract.
- 2.6 Comprehensive Audit Trail and Appeal Support: Contractor shall maintain a comprehensive written audit trail and provide audit and appeal support to County, including but not limited to, responding to Auditor requests for documentation and

information, packaging information according to Auditor requirements, and interfacing with the Auditors during document review. Contractor shall make available all audit supporting documentation in format and frequency as requested by the Auditor, and the County.

- 2.7 Additional Services: Contractor shall provide ongoing consultant and support services, at no cost to County, including recommendations relating to the future maintenance and updating of the systems, methods and procedures employed by Contractor. Contractor shall also provide recommendations as to how County billings and collections performance might be improved, and support services required to continue provision of those services to be performed by Contractor under this Agreement, at a comparable level of automation/efficiency, during any planned future financial accounting, patient registration, or any other Facility system procured by County and during any other system conversions or augmentations.

3.0 SPECIFIC WORK REQUIREMENTS

The following indicates the areas of services assigned to Contractor, subsidiaries, or subcontractors, as applicable. Contractor may be requested to perform the services below at individual or all Facilities, including but not limited to, Facilities listed in Attachment A - Facilities List. However, the County may, at any time during the term of this Agreement, add or delete services or Facilities in Attachment A –Facilities List. Contractor shall process all claims timely and in compliance with applicable law and payer requirements.

If Contractor fails to process claims timely or default on other contract terms that resulted in lost revenue for the County, County shall have the right to recoup such revenues from future payments to Contractor, or through other means as determine appropriate by County as described in the Attachment B – Performance Requirements Summary. Contractor has the right to rebuttal preliminary conclusions made by County before final determination is made by the County Director to recoup such revenues. County shall provide methodology adopted and defined to determine lost revenue with each account deemed to be lost due to Contractor’s failure to process claims timely. In performing these services, Contractor shall readily accept County’s patient financial, admission, eligibility, and other data in various formats as determined by Facilities (e.g. HL7 data or other formats that become available). Contractor shall provide:

1. Financial Billing and Follow-up Services (FBFS);
2. Third Party Resource and Identification and Recovery Services (TPRIRS);
3. Medicare Bad Debt Recovery Services (MBDRS); and
4. Underpaid Accounts Identification and Billing Services (UAIBS).

3.1 Financial Billing and Follow-Up Services (FBFS)

3.1.1 Contractor shall provide FBFS as requested by Facilities for referred accounts. The County currently utilizes an all-inclusive charge, however, FBFS may include itemized billing where required by applicable law or payer requirements and encompasses the following third-party programs: Health Care Plan and Commercial Insurance (i.e. HMO, and HCP) and other third-party payers and may be specific to inpatient accounts or outpatient accounts or both. This includes billing and follow-up services,

denial reprocessing, reviewing medical records for appeals, and using automated systems where available and appropriate or as requested by County.

- 3.1.2 Contractor shall request the necessary information (e.g. patient discharge summaries) needed to develop valid reimbursement claims directly from the facility(ies) (e.g., Utilization Review, Medical Records, Patient Financial Services) including comprehensive chart review to access coding, development of clean claims necessary for itemized billing. Contractor will provide personnel to assist in retrieving/photocopying documents as may be requested by the Payor or County and return all account documentation reviewed in the same condition and sequence in which they were originally received.
- 3.1.3 Contractor shall, within five (5) business days, bring to the attention of the Facility Patient Accounts Manager/CBO Manager, when the Contractor is having difficulty in obtaining information which prohibits the Contractor from billing or following-up on accounts.
- 3.1.4 If Contractor cannot obtain the necessary medical records coding from the Facility the account will be closed.
- 3.1.5 Contractor shall provide any one or all of the following services to Facilities as agreed upon between County and Contractor:
 - 3.1.5.1 Research unbilled Inpatient and/or Outpatient accounts that have been classified as having third-party coverage on the Accounts Receivable (A/R).
 - 3.1.5.2 Research all unbilled accounts on the A/R systems with discharge or service dates as requested by Facility to verify third-party coverage, except those assigned by County to other contract service providers. Contractor shall verify eligibility or recommend other appropriate disposition of these accounts to Facility staff, if no eligibility can be determined or non-matching eligibility.
 - 3.1.5.3 Employ a claim edit system to review all data from Facility systems to create claims that are compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information, partial eligibility matches, and missing or incomplete medical record data). The updated information will be entered directly into the Contractor's billing processes.
 - 3.1.5.4 Generate electronic or hardcopy of claims, including itemized claims where appropriate and necessary, and ensure claims are compliant with Federal, State, and other regulatory requirements and submit claims timely to the appropriate fiscal intermediary or other third-party payers. Contractor shall develop and bill health care plan and commercial insurance, or

other third-party payer, claims that meet the requirements of the applicable fiscal intermediary or third-party payer, in electronic format where possible. Contractor shall generate electronic or hardcopy work queues of claims with invalid eligibility matches and research accounts on payer's on-line eligibility systems or with the Facilities' eligibility systems. If valid eligibility is identified, the information shall be entered directly into the billing system by Contractor. When necessary, Contractor shall review medical records to ensure all mandated codes exist in County's system prior to billing. The updated information will be entered directly into the Contractor's billing processes by Contractor staff.

- 3.1.5.5 Provide County updated demographic and third-party resources information at the time of billing to include third-party updates and third-party payer identification number (e.g., insurance code updates) in electronic format—Insurance Change Reports. Provide updates for revised and/or corrected information obtained by vendor in electronic format.
- 3.1.5.6 Develop fully and submit, in a timely manner, completed health care plan and commercial insurance, and/or any other third-party claims/billings, in electronic format where appropriate to the appropriate Independent Practice Association (IPA) /Participating Physician Group (PPG) or capitated Hospital and/or other third-party payers or fiscal intermediaries.
- 3.1.5.7 Follow-up on billed and unpaid accounts, according to the third-party payer timeline and follow appropriate processes, to determine claim status including usage of 276/277 transactions.
- 3.1.5.8 Follow-up on underpaid and denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless the claim is determined to be uncollectible. When necessary, Contractor shall review medical records of denied or incorrectly paid claims to determine if an appeal is appropriate. If an appeal is appropriate, Contractor shall file the appeal with the appropriate payer (e.g., IPA/PPG, capitated hospital). Contractor shall document the reasons the account is uncollectible and report to the referring Facility(ies).
 - 3.1.5.8.1 Respond within ten (10) business days, if information is available, to additional information requested (e.g., correspondence) by health care plan and commercial insurance, other third-party payer or from applicable fiscal intermediary.
 - 3.1.5.8.2 Research and resubmit claims billed by Contractor which are not paid or denied and provide all follow-up services for denied claims and pursue third-party payments until the account is determined to be

uncollectible. Contractor shall document the reasons the account is uncollectible and report to the Facilities.

- 3.1.6 Pursue full reimbursement for all commercial and managed care insurance accounts identified by the Facility(ies). Contractor shall submit in writing any proposed settlement/account compromise, with amount and reason for compromise, to County for approval prior to acceptance, in accordance with DHS' procedures. Contractor shall negotiate with the third-party payer to ensure that the compromise offer is fair and equitable. Contractor shall submit all compromise offers to County only when it has determined that the offered amount is the best offer that can be negotiated. For this purpose, Contractor shall provide County all information/documentation within three (3) business days. If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify County at a minimum of fifteen (15) business days in advance of the hearing/conference date.
- 3.1.7 Establish and Maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, underpaid/denied, paid, and accounts referred back to Facilities. Contractor shall provide aging reports for accounts billed each month or as requested by referring Facility(ies).
- 3.1.8 Post (HIPAA/HITECH Compliant 835 transaction) the payments, denials, and adjustments, electronically, to all applicable Facility's A/R systems within four (4) business days. Contractor shall post, on a continuing basis, health plan and commercial insurance and other third-party remittances and contractual allowances within four (4) business days after Contractor's receipt of Remittance Advices. Contractor shall provide payment posting detail for accounts that have been billed by Contractor and subsequently paid.
- 3.1.9 Establish a payment tracking process on the accounts billed by Contractor to identify amounts billed and amount collected and provide an accounts aging report for the accounts billed by Contractor and perform monthly review of all Accepted Accounts that were paid to ensure accounts are appropriately adjudicated.
- 3.1.10 Research credit balances on Accepted Accounts and billed accounts to ensure payments are correctly recorded. If overpayment is identified, Contractor shall advise County of the overpayment by the appropriate third-party payer(s) - Contractor shall provide monthly close report that identify overpayments for County to take the appropriate actions to initiate refunds and/or corrections. County is to notify Contractor of the refunds for Contractor to take the necessary steps to remove the payment from their system.
- 3.1.11 Provide Facilities with a closed report of the accounts with amounts determined to be self-pay.

- 3.1.12 Provide payments, adjustments, and billing information transactions in electronic format.
- 3.1.13 Provide various management reports (i.e., eligibility identifications, claims billed, collections, remittance advice, underpayments, denials, and other reports, in formats, content, and frequency).
- 3.1.14 Return health care plan and commercial insurance accounts that are unbilled within one hundred fifty (150) calendar days after Contractor initially received the account from County, except as otherwise instructed by the Facility(ies). Contractor shall return all supporting documentation received from County, including but not limited to, eligibility information, medical records, correspondence and explanation of benefits upon return of the accounts in the format provided by the County.
- 3.1.15 Return health care plan and commercial Insurance accounts to the County that have been billed but are unadjudicated two hundred seventy (270) calendar days after the last billing, except as otherwise instructed by the Facility. Contractor shall return all supporting documentation received from County, including but not limited to, eligibility information, medical records, correspondence and explanation of benefits, upon return of the accounts in the format provided by the County.
- 3.1.16 Follow regulatory and DHS balance billing guideline for emergency services and other health care services.
- 3.1.17 Provide County with access to run/print various management report through automation.
- 3.1.18 Provide County with a quarterly assessment of each Facility's performance. Any concerns and recommendations to improve FBFS shall be included in such report.

3.2 Third-Party Resource Identification and Recovery Services (TPRIRS)

After DHS's best efforts have been exhausted, Contractor may review underpaid or unpaid accounts for third-party coverage identification and claim processing services provided that the Contractor has not performed FBFS. In performing TPRIRS, Contractor shall:

- 3.2.1 Provide all Facilities receiving TPRIRS with a monthly listing of accounts that are eligible for third-party reimbursement for which Contractor has conducted a review to ensure that no claim by County or another contractor has been paid or is pending adjudication by the third-party payer or its fiscal intermediary. The Facilities will exclude accounts from this listing, that are currently being pursued by the County or another contractor. The Contractor shall then pursue reimbursement only for accounts which have been approved by the Facility.
- 3.2.2 Provide all Facilities receiving TPRIRS with a monthly cumulative listing (electronic or paper) of Approved Accounts that are being pursued within

five (5) calendar days of identifying third-party eligibility where payment was not received.

- 3.2.3 Contractor shall pursue Approved Accounts for full reimbursement within sixty (60) calendar days of the approval date.
- 3.2.4 If Contractor needs additional time to process Approved Account(s), additional time may be requested by Contractor and may be granted by the County, not to exceed one hundred and twenty (120) calendar days after Contractor initially received Approved Account from County.
- 3.2.5 Contractor shall request the necessary information (e.g., patient discharge summaries) needed to develop valid reimbursement claims directly from the facility(ies) (e.g., Utilization Review, Medical Records, Patient Financial Services) including comprehensive chart review to access coding, development of clean claims necessary for itemized billing. Contractor shall provide personnel to assist in retrieving/photocopying documents.
 - 3.2.5.1 Contractor shall notify the Patient Accounts Manager/CBO Manager within five (5) business days, when the Contractor is having difficulty in obtaining information which prohibits the Contractor from billing or following-up on accepted accounts.
 - 3.2.5.2 If Contractor cannot obtain the necessary medical records coding from the Facility, the Contractor may elect to utilize its own coding staff or contracted coding vendor if already approved by County as a subcontractor.
- 3.2.6 Utilize demographic, charge, and remittance data to construct a file of un-liquidated accounts that are unidentified by the Facility as having third-party coverage. The Contractor shall then apply remittance data to this file of un-identified accounts to identify and eliminate all previously liquidated services.
- 3.2.7 Employ a claim edit system to review all data from Facility systems to create a claim that is compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information, partial eligibility matches, and missing or incomplete medical record data). The updated information will be entered directly into the Contractor's billing processes.
- 3.2.8 Generate electronic or hardcopy of claims, including itemized claims when necessary, and ensure claims are compliant with Federal, State, and other regulatory requirements and submit claims timely to the appropriate fiscal intermediary and other third-party payers. Contractor shall develop and bill health care plan and commercial insurance, or other third-party payer claims that meet the requirements of the applicable fiscal intermediary or third-party payer, preferably in electronic format where applicable. Contractor shall generate electronic or hardcopy work queues of claims with invalid eligibility matches and research accounts on payer's on-line eligibility systems or with the Facilities' eligibility systems. If valid eligibility

is identified, the information will be entered directly into the Contractor's billing system. When necessary, Contractor shall review medical records to ensure all mandated codes exist prior to billing. The updated information will be entered directly into the Contractor's billing processes by Contractor staff.

- 3.2.9 Provide updated demographic and third-party resources information at the time of billing to include third-party updates and third-party identification number (e.g., insurance code updates,) in electronic format.
- 3.2.10 Develop fully and submit completed, health care plan and commercial insurance, and/or any other third-party claims/billings, preferably electronically to the appropriate Independent Practice Association (IPA) /Participating Physician Group (PPG) or capitated Hospital and/or other third-party payers or fiscal intermediaries.
- 3.2.11 Follow-up on billed and unpaid accounts according to the third-party payer timeline and follow appropriate processes to determine claim status including usage of 276/277 transactions.
- 3.2.12 Follow-up on denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless the claim is determined to be uncollectible. When necessary, Contractor shall review medical records of denied or incorrectly paid claims to determine if an appeal is appropriate. If an appeal is appropriate, Contractor shall file the appeal with the appropriate payer (e.g., IPA/PPG, capitated hospital.). Contractor shall document the reasons the account is uncollectible and report to the referring Facility(ies).
 - 3.2.12.1 Respond within ten (10) business days, if information is available, to additional information requested (e.g., correspondence), by health care plan and commercial insurance, other third-party payer or from applicable fiscal intermediary.
 - 3.2.12.2 Research and resubmit claims billed by Contractor which are not paid or denied and provide all follow-up services for denied claims and pursue third-party payments until the account is determined to be uncollectible. Contractor shall document the reasons the account is uncollectible and report to the Facilities.
- 3.2.13 Pursue full reimbursement for all commercial and managed care insurance account. Contractor shall submit in writing any proposed settlement/account compromise, with amount and reason for compromise, to County for approval prior to acceptance in accordance with procedures as follows: Contractor shall negotiate with the third party to ensure that the settlement amount allocated to the County is fair and equitable. Contractor shall submit such compromise offers to County only when they have determined that the offered amount is the best offer that can be negotiated. For this purpose, Contractor shall provide County all information/ documentation within three (3) business days.

If County personnel are required to attend hearings and/or settlement conferences, Contractor shall notify County at a minimum of fifteen (15) business days in advance of the hearing/conference date.

- 3.2.14 Establish and maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, denied, paid, and accounts referred back to Facilities or primary contractor(s). Contractor shall provide aging reports for accounts billed each month or as requested by referring Facility(ies).
- 3.2.15 Post (HIPAA/HITECH Compliant 835 transaction) the payments, and adjustments, preferably electronically, to all applicable Facility's A/R systems within four (4) business days. Contractor shall post on a continuing basis, third-party remittances and contractual allowances within four (4) business days after Contractor's receipt of Remittance Advices. Contractor shall provide payment posting detail for accounts that have been billed by Contractor and subsequently paid.
- 3.2.16 Establish a payment tracking process on the accounts billed by Contractor to identify amounts billed and amount collected and provide an accounts aging report for the accounts billed by Contractor and perform monthly review of all Accepted Accounts that were paid to ensure accounts are appropriately adjudicated.
- 3.2.17 Research credit balances on Accepted and billed accounts to ensure payments are correctly recorded. If overpayment is identified, Contractor shall advise County the overpayment by the appropriate third-party payer(s). Contractor shall provide monthly close reports that identify overpayments for County to take the appropriate actions to initiate refunds and/or corrections.
- 3.2.18 Provide Facilities with a closed report of the accounts with amounts determined to be self-pay.
- 3.2.19 Provide payments, adjustments, and billing information transactions in electronic format.
- 3.2.20 Provide County with access to run/print various management reports (i.e., eligibility identifications, claims billed, collections, remittance advice, denials, and other reports, in formats, content, and frequency) through automation.
- 3.2.21 Follow regulatory and DHS balance billing guideline for emergency services and other health care services.
- 3.2.22 Provide, develop, and maintain a database to accumulate patient data, charge information, billing statistics, payment information, and other data as necessary. Contractor shall allow County's staff to access the database for inquiries, reporting, and as otherwise necessary.

- 3.2.23 Provide County with a quarterly assessment of each Facility's performance. Any concerns and recommendations to improve TPRIRS shall be included in such report.

3.3 Medicare Bad Debt Recovery Services (MBDRS)

Contractor shall maximize Medicare Bad Debt reimbursement costs by substantiating Medicare Bad Debts information and provide federally acceptable Medicare claims. Contractor shall develop an integrated database to identify and process Medicare billing and collection information, i.e., the amount of bad debts associated with co-insurance and deductibles and produce auditable Medicare Bad Debt Reports by Facility. Contractor shall:

- 3.3.1 Prepare a Medicare Bad Debt Report for each Fiscal Year (FY) as requested by Director. Each report shall include a listing, by Facility of Medicare Bad Debt accounts and account activity as referenced in Schedule of Information – Listing of Medicare Bad Debts Claimed. Create and compile a data warehouse of electronic Medicare payment (Remittance) for County inpatient and outpatient accounts. Contractor shall match the Remittance data to County Facility Statistical Master file.
- 3.3.2 Obtain information from the County for Medicare accounts deemed uncollectible.
- 3.3.3 Analyze Medicare account(s) information to identify any coinsurance and deductible payments.
- 3.3.4 Analyze collection activities/data from Patient Accounts system and any ancillary files (received from the County and/or other County contractors) to a) identify collection activity, and b) examine write-off transaction and write-off timing.
- 3.3.5 Identify potentially qualifying accounts by various codes, indicating their characteristics as they pertain to Medicare Bad Debt claiming.
- 3.3.6 Create a listing of Medicare Bad Debt accounts by Facility for all accounts that qualify for Medicare Bad Debt claiming. Each listing shall include patient demographics, Medicare Health Insurance Claims (HIC) number, coinsurance amount, deductible amount, payments, write-offs, and Medicare Bad Debt allowable amount.
- 3.3.7 Provide this Medicare Bad Debt Report (by Facility) to the County within sixty (60) days following the end of each fiscal year (June 30), or as requested by the County.

3.4 Underpaid Account Identification and Billing Services (UAIBS)

Contractor shall identify underpaid accounts after these accounts have been closed by County or its primary contractor(s): Assigned accounts will be based on protocol established and agreed upon between County and Contractor. Contractor shall:

- 3.4.1 Utilize demographic, charge, and payment data, Contractor shall identify and construct a file of underpaid accounts as having third-party coverage.
- 3.4.2 Apply appropriate fee schedules to determine if the claims were paid accordingly or if additional payment can be received due to errors or insufficient information and eliminate all accounts which were reimbursed appropriately.
- 3.4.3 Provide all Facilities receiving UAIBS with a monthly listing of accounts that are found to have been underpaid by the third-party payer (e.g. workers' compensation and commercial insurance), for which Contractor has conducted a review sufficient to ensure that no claim by County or its primary contractor exists. Facilities will delete accounts from the listing that are currently being pursued by the County or its primary contractor. Contractor shall then pursue reimbursement only for accounts remaining on the listing.
- 3.4.4 Provide all Facilities receiving UAIBS with a monthly listing (electronic or paper) of Approved Accounts which will not be pursued and no additional reimbursement was received, with an explanation of the reason(s) further efforts will not be pursued.
- 3.4.5 Employ a claim edit system to review all data from Facility systems to create a revised claim that is compliant with payer regulations and work with Facility staff to resolve all pre-bill edit failures (e.g., missing or incorrect patient demographic and charge information).
- 3.4.6 Provide County updated demographic and third-party resources information at the time of billing to include insurance information updates and third-party identification number (Carrier code updates and insurance billed) in electronic format.
- 3.4.7 Fully develop and submit, unless otherwise instructed by County, completed third-party revised claims/billings, preferably electronically, to the third-party payers or fiscal intermediaries.
- 3.4.8 Follow-up on denied claims, determine the cause of the denial, correct deficiency, and resubmit claims for payment unless and until the claim is determined to be uncollectible. Contractor shall document the reasons the account is uncollectible and report to the applicable Facilities.
- 3.4.9 Maintain a claim/payment tracking system to identify by account, category, Facility, and in total, amounts billed, collected, pending, denied, paid, and accounts referred back to Facilities or primary contractor(s). Contractor shall provide aging reports for accounts billed each month or as requested by applicable Facilities.
- 3.4.10 Post the payments, and adjustments to all applicable Facility's accounts receivable systems within four (4) business days, as may be requested. Contractor's failure to post this information timely and accurately will result

in fines/assessments as referenced in Attachment B – Performance Requirement Summary.

3.4.11 Provide (in electronic format) payments and adjustment transactions.

3.4.12 Provide various management reports regarding underpaid claims accepted, accepted claims not pursued and reason for not pursuing, claim billed, collections, remittance advice, denials, and other reports, in formats, content, and frequency to be determined by the County and Contractor as reasonable and necessary.

4.0 REQUIRED REPORTS

Contractor shall provide management reports, at no cost to County. All routine management reports must be provided timely per established due date.

From time to time, the County may request additional reports or one time only reports (i.e., new management reports, ad-hoc reports) created from Contractor’s existing data fields. Contractor shall make such reports available to County within one week from Director’s request or as otherwise agreed to by County and Contractor.

5.0 ADDITION/DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS

5.1 Contractor shall provide one or more services listed in SCOPE OF WORK, Paragraph 1.1 as requested by each Facility listed in Attachment A.

5.1 The Contractor’s awarded services may change as a result of deletion or addition of new Facility(ies), future consolidation of existing Facilities or as changes are required by law. Therefore, Contractor shall accept assignments or deletions of Facility(ies) and/or services deemed by the County to be in its best interest.

6.0 QUALITY CONTROL

The Contractor shall establish and maintain a written Quality Control Plan to ensure that the requirements of the Agreement are met. The Quality Control Plan may be in a chart format. An updated copy must be provided to the County’s Project Director ten (10) business days after to the Agreement start date and within ten (10) business days when changes occur during the term of the Agreement. The plan shall discuss, but not be limited to, the following:

6.1 The Contractor’s quality control or monitoring system covering each individual item listed in Paragraph 9.0, Performance Requirements Summary, of this SOW. It must specify the activities to be monitored on either a scheduled or unscheduled basis, how often monitoring will be accomplished, and the title of the individual(s) who will perform the monitoring.

6.2 The methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable and not in compliance with the Agreement.

6.3 The methods for documenting the monitoring results and, if necessary, the

corrective actions taken.

- 6.4 The method for assuring that confidentiality of patient information is maintained while in the care of Contractor.
- 6.5 The method for assuring new Contractor employees will sign an Acknowledgement of Confidentiality Agreement prior to starting employment and will understand and abide by its terms upon starting employment.

On an ongoing basis, the Contractor’s performance will be compared to the Agreement standards and Acceptable Quality Levels (AQLs) as referenced in Attachment B – Performance Requirement Summary. DHS may use a variety of inspection methods to evaluate the Contractor’s performance, including but not limited to: random sampling; one hundred percent inspection of its output items on a periodic basis (daily, weekly, monthly, quarterly, semiannually or annually) as determined necessary to assure a sufficient evaluation of the Contractor’s performance; review of reports and files; complaints from DHS; site visits; write off reports; and patient complaints.

7.0 QUALITY ASSURANCE PLAN

The County will evaluate the Contractor’s performance under this Agreement using the quality assurance procedures as defined in Section 29, County’s Quality Assurance Plan, of the Additional Provisions of this Agreement.

7.1 Contract Discrepancy Report

Verbal notification of a Contract discrepancy will be made to the Contractor Project Manager as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time-period mutually agreed upon by the County and Contractor. The County Project Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Project Monitor within five (5) business days, with a plan for correction of all deficiencies identified in the Contract Discrepancy Report.

7.2 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Agreement at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor’s performance.

8.0 RESPONSIBILITIES

COUNTY

8.1 County Personnel and Records

8.1.1 County Administration

The Director shall have the authority to administer this Agreement on behalf of the County. The Director retains professional and administrative responsibility for the services rendered under this Agreement. A listing of all County Administration referenced in the following Sub-paragraphs is designated in Exhibit E, County's Administration, of the Agreement. The County shall notify the Contractor in writing of any change in the names or addresses shown.

8.1.1.1 County's Project Director

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

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

8.1.1.2 County's Project Manager

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

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

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

8.1.1.3 County's Project Monitor

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

8.1.1.4 County does not anticipate assigning any County employees to assist Contractor on a full-time basis regarding services to be provided by Contractor pursuant to this Agreement. However, County personnel will be made available to Contractor, if deemed necessary by the County, to provide input and assistance in order to answer questions and provide necessary liaison between Contractor and County departments.

8.1.1.5 At the County's sole discretion, the County may assign space, chairs, desks, and office equipment (e.g., telephones, fax machines, photocopying equipment, etc.) on a non-exclusive basis, for work area and related use by the Contractor. In the event the County assigns space and office equipment to the Contractor, Contractor shall use the space and office equipment only for the purpose of the performance of services hereunder. The Contractor is prohibited from use of such space and office equipment for the purposes other than for the performance of this Agreement.

8.2 County Access to Information

8.2.1 In order for Contractor to perform the services described in this SOW, County shall cooperate with Contractor to allow access to such financial, medical and other operating data as may be allowed by Director and applicable law, including among other things the following:

8.2.1.1 Patient demographic, admission, and registration data from the respective Facility admission and registration system files, as available in format determined by Director.

8.2.1.2 Inpatient and ambulatory billing forms and billing folders for, HCP and commercial insurance.

8.2.1.3 Affinity or other County patient accounting and accounts receivable information in format and timeframe determined by Director.

8.2.1.4 County patient medical records, for purposes of determining and verifying dates of patient service and other diagnosis information required for successful reimbursement.

8.2.1.5 File layouts, if necessary, for each of the files.

8.2.1.6 At Director's discretion, any additional files, documents, system access, or information deemed appropriate to Facilitate performance of the services described in SOW.

CONTRACTOR

8.3 Contractor's General Responsibilities

8.3.1 Contractor shall work independently on designated assignments in accordance with this SOW.

8.3.2 Notwithstanding any representation by County regarding the participation of County personnel in any phase of this project, Contractor assumes sole responsibility for the timely accomplishment of all activities assigned in this Agreement.

8.3.3 Contractor(s) shall furnish all labor, materials, supplies, personnel, equipment, and administrative support necessary to perform the services under this Agreement. Contractor shall use materials and equipment that are safe for the environment and safe for use by the employee.

8.4 Contractor's Project Manager

8.4.1 Contractor shall provide a full-time Contractor Project Manager or designated alternate. County must have access to the Contract Manager during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday except holidays. Contractor shall provide a telephone number where the Project Manager may be reached.

8.4.2 Manager shall act as a central point of contact with the County.

8.4.3 Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Agreement. Contract Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.

8.4.4 Contractor shall respond to all County inquiries, including but not limited to, status and follow-up, telephonic, e-mail or facsimile inquiry, within one business of initial inquiry. Failure to respond in a timely manner will result in fines/assessments as referenced in Attachment B – Performance Requirement Summary.

8.5 Contractor Personnel

8.5.1 Contractor shall assign a sufficient number of employees to perform the required work.

8.5.2 Background and Security Investigations

8.5.2.1 All Contractor staff performing work under this Agreement shall undergo and pass, to the satisfaction of the County, a background investigation as a condition of beginning and continuing to work under this Agreement. The County shall use its discretion in determining the method of background clearance to be used, which may include but is not limited to fingerprinting. The County shall perform the background check.

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

8.5.2.3 The County may immediately, at the sole discretion of the County, deny or terminate facility access to the Contractor's staff that do not pass such investigation(s) to the satisfaction of

the County whose background or conduct is incompatible with County facility access.

- 8.5.2.4 Disqualification, if any, of the Contractor's staff, pursuant to this Sub-paragraph 8.5.2, shall not relieve the Contractor of its obligation to complete all work in accordance with the terms and conditions of this Agreement.

8.6 Contractor Training

Contractor shall provide training programs for all new employees and continuing in-service training for all employees to perform the required work of this Agreement. Contractor's staff must be adequately trained and adhere to County Facility's information security policies and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH) regulations in protecting the privacy and confidentiality of patient information at all times. Failure to comply with these requirements may result in fines/penalties, contract termination and/or legal prosecution.

8.7 Contractor's Office

Contractor shall maintain an office with a telephone in the company's name where Contractor conducts business. The office shall be staffed during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, except holidays, by at least one employee who can respond to inquiries and complaints which may be received about the Contractor's performance of the Agreement. When the office is closed, an answering service shall be provided to receive calls.

8.8 Additional Covenants of Contractor

In performing the services described in this SOW, Contractor shall:

- 8.8.1 Have no contact for collection with any of the patients of County's Facilities, without the prior written consent of the Director, during the course of Contractor's performance of any of the services in this Agreement.
- 8.8.2 Use reasonable care to avoid duplicate invoicing.
- 8.8.3 If so requested in advance by County, return all the material provided by County promptly and in the same condition and sequence in which is requested by the County.
- 8.8.4 Respect the confidential information with regard to County patient and Facility financial records. Contractor contractually recognizes the confidentiality of all County patient data and therefore, shall obtain/extract only that information needed to discover and generate required third-party billing information. All such collected information shall remain the property of County.
- 8.8.5 Upon termination of Agreement, if so requested by the Director, Contractor shall provide County, in a format designated by the Director, with the data

currently maintained in performance of services under this Agreement in accordance this SOW.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

- 9.1 All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Agreement and the SOW, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Agreement and the SOW. In any case of apparent inconsistency between services as stated in the Agreement and the SOW and Attachment B, the PRS Chart, the meaning apparent in the Agreement and the SOW will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Agreement and the SOW, that apparent service will be null and void and place no requirement on Contractor.
- 9.2 The Contractor is expected to perform all services described herein. The PRS Chart describes certain required services which will be monitored by the County during the term of the Agreement, and for which Contractor may be assessed financial deductions from payment if the service has not been satisfactorily provided. The PRS Chart indicates the SOW and/or Agreement section of the performance referenced (column 1); the service and expected standard to be provided (column 2); the monitoring method that will be used (column 4); and the deductions/fees to be assessed for services that are not satisfactory (column 5).
- 9.3 Contractor shall be responsible for measuring and monitoring Standard Performance Requirements (SPRs), and shall provide County with monthly reports showing SPR performance during the reporting period. All such reports are due on the fifteenth (15th) calendar day of the month following the month for which such report relates; provided, however, that if the fifteenth (15th) calendar day is a weekend or County holiday, such reports shall be due on the first (1st) County business day thereafter. Such monthly SPR reports shall include a level of detail sufficient for County to verify Contractor's compliance with the applicable SPRs, including the following:
- (i) As to Contractor's calculation of all SPRs and all Penalties for the SPRs, Contractor's monthly SPR reports shall include the formulas used by Contractor to calculate the SPRs and Penalties for the SPRs, as opposed to hard-coded values.
 - (ii) As to any SPR that does not meet the applicable Acceptable Quality Level according to the data set forth in the applicable monitoring tool identified in Attachment B (Performance Requirement Summary) ("**Ticketing System**"), but that Contractor alleges actually did meet the applicable Acceptable Quality Level (e.g., due to an error or inaccuracy of the data reflected in the Ticketing System), the Parties shall discuss such SPR during the Performance Requirement Review Meetings (as defined below), and such SPR shall only be deemed to have met the applicable Acceptable Quality Level if County agrees that the SPR actually met the applicable Acceptable Quality Level, notwithstanding the data reflected in the Ticketing System.

- (iii) Within fifteen (15) calendar days following Contractor's provision of the prior month's SPR report, County and Contractor will meet to discuss all SPRs on Contractor's monthly SPR reports occurring in the prior calendar month ("**Performance Requirement Review Meetings**"). During such meetings, Contractor and County will resolve SPR disputes and issues pursuant to mutual agreement by the Parties.

10.0 PROVISION FOR PAYMENT

In accordance with the body of this Agreement, and as further set forth herein, County shall compensate Contractor as follows:

- 10.1 The fee payable to Contractor with respect to health care plan and commercial insurance, and other third-party payer payments received by County as a consequence of this SOW Sections 3.1 – FBFS, 3.2 – TPRIRS, and 3.4 - UAIBS shall be negotiated by the Director and the Contractor but shall be the lessor of twenty-five percent (25%) of those, commercial insurance, and managed care payments received by the County as a result of Contractor's billing efforts or the amounts identified on Attachment C – Maximum Contingency Fees Schedule. The negotiated fee will be incorporated into this Agreement via a written change notice. Fees may be renegotiated, or reduced in the event for which County's internal resources were used, and County's intervention were required for reimbursement of accounts, i.e. HCP Settlements.
- 10.2 Contractor shall be paid on a contingent fee basis for MBDRS provided to the county pursuant to SOW Section 3.3 - MBDRS, and shall be negotiated by the Director and the Contractor but shall not, over the term of Agreement, be greater than twenty-five percent (25%) of the incremental Medicare Bad Debt settlement payments received by County as a direct result of Contractor's efforts.
- 10.3 All amounts payable to Contractor pursuant to this Paragraph 10.0, Provision for Payment, shall be paid by County to Contractor within a reasonable period of time following County's receipt of complete and correct payments for the billings generated by Contractor. At a minimum, Contractor shall submit monthly invoices detailing the payments received from all Third-Party payers during the prior month separated by facility, services, and payers. In no case shall County pay to Contractor any amounts pursuant to this Paragraph 10.0, Provision for Payment, for any Third-Party payments received by Facilities prior to date of commencement of this Agreement. Contractor shall be entitled to payments, pursuant to this Paragraph 10.0, Provision for Payment, for completed services provided by Contractor on accounts which were referred to and accepted by Contractor and not recalled by County.

All disputed accounts shall be resolved by County and Contractor as follows:

- 10.3.1 County will use a "Disputed Account Form" mutually agreed upon by County and Contractor.
- 10.3.2 Each disputed account may be returned to Contractor for additional information.

- 10.3.3 Contractor shall have thirty (30) days from receipt of a Disputed Account Form to respond to County's dispute.
- 10.3.4 County shall have thirty (30) days to accept or reject Contractor's response and process Contractor's invoice for the disputed claim. If County rejects Contractor's response and denies payment, Contractor must file an appeal to the Chief of Consolidated Business Office – Quality or designee for final disposition.
- 10.4 Contractor hereby agrees that any Payments made by County to Contractor for patient stays/visits originally approved by a Third-Party payer, but later disallowed in audit or otherwise recouped by the payer or its intermediary, except for Medi-Cal cost report settlements, shall be repaid/offset to County, provided, however, the disallowed payments are a result of the services supplied by the Contractor's under this Agreement. The County is due a "Penalty" as a result of Contractor's failure to meet the Standard Performance Requirement identified in Exhibit A-2, Attachment B. A Penalty shall apply in the event of Contractor's failure to achieve the agreed upon Standard Performance Requirement as specified in Attachment B, PRS. Contractor shall credit the County on the invoice following the month in which the failure and resulting Penalty occurs. All repayments/offsets of Payments to be made by Contractor shall be due and payable by Contractor upon Contractor's receipt of an itemized invoice indicating the specific nature and amount of the audit disallowance(s) and/or recoupment(s) and affirming County's intention to immediately repay any disallowances to the effective payer(s). If Contractor fails to reimburse County within ten (10) business days following its receipt of overpayment notice on such invoice, Director may, at his or her sole discretion, deduct such amount from future payments to Contractor.
- 10.5 Contractor also agrees to maintain records sufficient to document all billings submitted as part of this Agreement. Those records shall serve as the basis of the computations required pursuant to Paragraph 10.0, Provision for Payment and shall contain the following information:
- A. Accounts billed;
 - B. Invoice/control numbers of all billings submitted;
 - C. Dates of billings;
 - D. Amounts paid to County, by invoice/control number;
 - E. Dates of payments to County;
 - F. Amounts due to Contractor;
 - G. Dates of payments to Contractor by County; and
 - H. Account Notes.
- 10.6 County shall cooperate in providing Contractor with access to the information necessary for Contractor to maintain such ledgers and Contractor shall make such ledgers available to County for its inspection.

11.0 SPECIAL ACCOUNTS

From time to time, the County may designate accounts for processing based on County and Contractor mutually agreeing to established protocols or by referral of accounts as "Special" Accounts." Contingent fees on these accounts shall be set by the Director, or

designee, with the written approval of the Contractor, but shall not be greater than the amounts identified on Attachment C - Maximum Contingency Fees Schedule in this SOW with any exception or additional terms set forth in writing by the Director. The written approval of reduced contingent fees by the Contractor for any and all special accounts (e.g., Disproportionate Share Hospital), shall be memorialized in the form of a written Change Notice pursuant to Paragraph 14, Amendments, of this Agreement and the fully executed Change Notice thereafter will be incorporated into and shall become part of the Agreement.

FACILITIES LIST

**DETAILED LISTING OF COUNTY FACILITIES
BY FACILITIES, ACN's, and JUVENILE FACILITIES**

HEALTH SERVICES HEADQUARTERS/ADMINISTRATION (HSA)	
FACILITY	LOCATION
Health Services Administration (HSA)	313 N. Figueroa St., Los Angeles CA 90012
Consolidated Business Office (CBO)	5555 Ferguson Sr. Commerce, CA 90022
Emergency Medical Services (EMS)	10100 Pioneer Blvd. Suite 200 Santa Fe Springs, CA 90670

DHS HOSPITALS	
FACILITY	LOCATION
Harbor/UCLA Medical Center	1000 W. Carson St. Torrance, CA 90509
Gardena High (School Based)	1301 W 182nd St, Gardena, CA 90248
Harbor-UCLA Family Health Center	1403 Lomita Blvd. Ste. 200, Harbor City, CA 90710
Los Angeles General Medical Center (LA General)	2051 Marengo St., Los Angeles CA 90033
Star Clinic	242 East 6th St., Los Angeles, CA 90014
Olive View-UCLA Medical Center	14445 Olive View Drive Sylmar, CA 91342
Rancho Los Amigos National Rehabilitation Center	7601 E. Imperial Highway Downey, CA 90242

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
Alvarado Health Center	2200 W. 3rd Street Suite 400, Los Angeles, CA 90057
Antelope Valley Health Center	335 E. Avenue K-6, Ste B, Lancaster, CA 93535
Bell Health Center	6901 Atlantic Avenue, Bell, CA 90201
Bellflower Health Center	10005 Flower St., Bellflower, CA 90706
Curtis Tucker Health Center	123 W. Manchester Blvd., Inglewood, CA 90301
East Los Angeles Health Center	133 N. Sunol Dr. Ste 150, Los Angeles, CA 90063
El Monte Comprehensive Health Center	10953 Ramona Blvd. Ste 221, El Monte, CA 91731
Glendale Health Center	501 N. Glendale Ave., Glendale, CA 91206
Harbor-UCLA Family Health Center	1403 Lomita Blvd., Harbor City, CA 90710
Harbor-UCLA Medical Center - Hospital Based	1000 W. Carson St., Torrance, CA 90502
H Claude Hudson Comprehensive Health Center	2829 S. Grand Ave., Los Angeles, CA 90007

FACILITIES LIST

**DETAILED LISTING OF COUNTY FACILITIES
BY FACILITIES, ACN's, and JUVENILE FACILITIES**

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
High Desert Regional HC	335 East Avenue I, Lancaster, CA 93535
Hubert H. Humphrey Comprehensive Health Center	5850 S. Main St., Ste. 1127, Los Angeles, CA 90003
LA General Medical Center	2051 Marengo St., Los Angeles, CA 90033
La Puente Health Center	15930 Central Ave., La Puente, CA 91744
Lake Los Angeles Community Clinic	16921 E. Avenue O, Ste G, Palmdale, CA 93591
Littlerock Community Clinic	8201 Pearblossom Hwy., Littlerock, CA 93543
Long Beach Comprehensive Health Center	1333 Chestnut Ave., Long Beach, CA 90813
Martin Luther King, Jr. Outpatient Center	12021 Wilmington Ave, Los Angeles, CA 90059
Mid-Valley Comprehensive Health Center	7515 Van Nuys Blvd., Van Nuys, CA 91405
Olive View-UCLA Medical Center - Hospital Based	14445 Olive View Dr., Sylmar, CA 91342
Rancho Los Amigos National Rehabilitation Center - Hospital Based	7601 Imperial Hwy., Downey, CA 90242
Edward R. Roybal Comprehensive Health Center	245 S. Fetterly Ave., Los Angeles, CA 90022
San Fernando Health Center	1212 Pico St., San Fernando, CA 91340
South Valley Health Center	38350 40th St. East, Ste 100, Palmdale, CA 93552
Torrance Health Center	711 Del Amo Blvd., Torrance, CA 90502
West Valley Health Center	20151 Nordhoff St., Chatsworth, CA 91311
Wilmington Health Center	1325 Broad Ave., Wilmington CA 90744

JUVENILE CLINICS	
Central Juvenile Hall	1605 Eastlake Ave. Los Angeles CA 90033
Los Padrinos Juvenile Hall	7285 Quill Dr, Downey, CA 90242
Barry J. Nidorf Juvenile Hall	16350 Filbert St, Sylmar, CA 91342

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>A. Untimely Billing</p> <p>Exhibit A-2, Statement of Work (SOW), Sections: 3.1.5.1 3.1.5.2 3.1.5.3 3.1.5.4 3.1.5.5 3.1.5.6</p>	<p>“Claim Elements” are defined as all billing elements in the County System (e.g., Affinity/ORCHID) necessary to produce a “clean claim,” which are to be provided or otherwise made available to Contractor by County. Contractor shall bill each claim within forty-five (45) days of the Claim Elements as to such claim being made available to Contractor, and no later than ninety-one (91) days from date of discharge (provided that all required Claim Elements are timely made available to Contractor).</p> <p><u>Timely billing is calculated as follows:</u> AQL shall be calculated as the percentage of (i) as to all claims for which the Claim Elements have been made available to Contractor in a calendar month, the total number of such claims billed by Contractor within forty-five (45) days of the Claim Elements as to such claim being made available to Contractor, and no later than ninety-one (91) days from date of discharge (provided that all required Claim Elements are timely made available to Contractor); divided by (ii) the total number of claims for which the Claim Elements were made available to Contractor in such calendar month. The AQL shall be calculated per facility, per category. Penalties, if any, shall only be assessed on those claims that are not billed within the applicable timeframe after the AQL acceptable limit has been reached.</p>	<p>Transmission Report</p>	<p><u>Inpatient Institutional</u></p> <p>100% if Charge Amount > = \$100K</p> <p>97% if Charge Amount < \$100k</p> <p><u>Outpatient Institutional</u></p> <p>97%</p> <p><u>Professional</u></p> <p>97%</p>	<p><u>Inpatient Institutional</u></p> <p>\$1,500/Occurrence if Charge Amount > = \$100K</p> <p>\$1,000/Occurrence if Charge Amount < \$100k</p> <p><u>Outpatient Institutional</u></p> <p>\$100/Occurrence</p> <p><u>Professional</u></p> <p>\$100/Occurrence</p> <p>For purposes of this SLA, “Occurrence” means each claim that is not billed within forty-five (45) days of the Claim Elements for such claim being made available to Contractor, and no later than ninety-one (91) days from date of discharge (provided that all required Claim Elements are timely made available to Contractor), excluding any applicable claims that do not need to be billed within the applicable timeframe per the AQL acceptable limit.</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>B. Untimely Follow-up</p> <p>SOW Sections: 3.1.5.7 3.1.5.8</p>	<p>Contractor shall timely follow-up and exert all efforts to resolve denied/unpaid or underpaid claims within the timeframe indicated in the agreement and as otherwise required to prevent write-offs due to untimely follow-up.</p> <p><u>Timely follow up is calculated as follows:</u> AQL shall be calculated as a percentage of (1) the total number of billable claims in a calendar month minus the total number of claims written-off in that calendar month per adjustment or reason codes corresponding to Contractor's untimely follow-up as described below, divided by (2) total number of billable claims that calendar month, per facility, per category. Penalties, if any, shall</p>	<p>Monthly Write-Off Report</p>	<p><u>Inpatient Institutional</u></p> <p>100% if Charge Amount > = \$100K</p> <p>97% if Charge Amount < \$100k</p> <p><u>Outpatient Institutional</u></p> <p>97%</p> <p><u>Professional</u></p>	<p><u>Inpatient Institutional</u></p> <p>\$1,500/Occurrence if Charge Amount > = \$100K</p> <p>\$1,000/Occurrence if Charge Amount < \$100k</p> <p><u>Outpatient Institutional</u></p> <p>\$100/Occurrence</p> <p><u>Professional</u></p>

PERFORMANCE REQUIREMENTS SUMMARY

	<p>only be assessed on those claims that are written off after the AQL acceptable limit has been reached.</p> <p>Applicable Write-off Adjustment Codes and Reason Codes*: MMC: 20153 – 02, 33, 40, 44, 53 Commercial: 20072 – 02, 33, 40, 44, 53 * Note that the codes corresponding to Contractor’s untimely follow-up will be adjusted by the Parties on an ongoing basis throughout the Term.</p>		97%	\$100/Occurrence
			97%	<p>For purposes of this SLA, “Occurrence” means each claim that is written off per adjustment or reason codes corresponding to Contractor’s untimely follow-up as described in the “Standard Performance Requirement” column, excluding any applicable claims that are permitted to be written off per the AQL acceptable limit.</p>
CRITERIA 2: Payment & Adjustment Posting (as applicable to respective Contractors)	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
A. Duplicate Payment Batch Posting SOW Sections: 3.1.8 3.1.10	<p>Contractor shall accurately post Payment Batches. Contractor shall solely use and post Batch Number(s) provided by County. In no event that Contractor shall create/rename/alter a Batch Number without prior approval from CBO General Accounting/Posting Unit.</p> <p>County shall provide a list of batch numbers issued by CBO in order to generate payment batches (K card batches).</p>	Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/Posting Unit.	97%	\$1000/Occurrence/Batch

PERFORMANCE REQUIREMENTS SUMMARY

<p>B. Erroneous Posting of Recoupment/ Refunds</p> <p>SOW Section: 10.7</p>	<p>All refunds/recouplements that are off-set by another account shall be posted in Affinity to both accounts affected.</p>	<p>Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/ Posting Unit.</p>	<p style="text-align: center;">97%</p>	<p>\$200/Occurrence/Account</p>
<p>CRITERIA 3: INVOICING</p>	<p>STANDARD PERFORMANCE REQUIREMENT</p>	<p>MONITORING TOOL</p>	<p>Acceptable Quality Level (AQL)</p>	<p>ASSESSMENT</p>
<p>A. Duplicate Invoicing of Accounts</p> <p>SOW Section: 10.9</p>	<p>Contractor shall invoice County only once per account (unless payer processes a duplicate payment on the same batch) with the proper batch number and account details on a monthly statement.</p>	<p>Monthly reconciliation of accounts against accounts in previous invoices in the last 2 years.</p>	<p style="text-align: center;">97%</p>	<p>Inpatient Institutional: \$100/Occurrence</p> <p>Outpatient Institutional: \$100/Occurrence</p> <p>Professional: \$100/Occurrence</p>
<p>CRITERIA 3: INVOICING</p>	<p>STANDARD PERFORMANCE REQUIREMENT</p>	<p>MONITORING TOOL</p>	<p>Acceptable Quality Level (AQL)</p>	<p>ASSESSMENT</p>
<p>B. Failure to Respond to Request on Overpaid Fees</p> <p>SOW Section: 10.7</p>	<p>Contractor shall acknowledge County request within one (1) business day and Contractor shall provide agreement/disagreement to County's request within ten (10) business days from inquiry date.</p> <p>Upon mutual agreement on funds to be reimbursed to the County, Contractor shall reimburse County on the next monthly invoice from the mutual agreement date.</p>	<p>Monthly reconciliation of accounts against accounts in previous invoices in the last 2 years.</p>	<p style="text-align: center;">97%</p>	<p>\$500/Occurrence/Batch</p>

PERFORMANCE REQUIREMENTS SUMMARY

CRITERIA 4: OTHER	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
A. Management Reports SOW Sections: 2.4 4.0	Contractor shall provide management reports, at no cost, as well as customized reports or a system providing County with the ability to generate ad hoc reports in a timeframe agreed upon with Director and Contractor.	Review of Report	1 Business Day	\$100/incomplete/inaccurate report \$50per report each day late
B. Maintain Written Quality Control Plan SOW Section: 6.0	Contractor shall establish and maintain written Quality Control Plan to ensure that the requirements of the Agreement are met. Quality Control Plan due date is 10 business days.	Receipt and Review of Plan	1 Business Day	\$1,000 if plan is incomplete \$50 per each day late.
C. Respond to County Inquiries SOW Section: 8.4.4	Contractor shall respond to all County inquiries, including but not limited to, status and follow-up, telephonic, e-mail or facsimile inquiry, within one business day of initial inquiry. County shall respond to all Contractor inquiries including but not limited to status and follow-up, telephonic, e-mail or facsimile inquiry, within one business day of initial inquiry.	Review of Inquiries	1 Business Day	\$10 per day when timeframe is not adhered to.
D. Confidentiality Agreement and County Confidential Information SOW Section: 6.5	Contractor and Contractor Employee Acknowledgement and Confidentiality Agreements signed and provided to DHS within three (3) business days.	None	Review of reports, complaints	\$100 per day per employee when form not signed; \$1,000 per unauthorized release of information

Penalty Cap:

1. County and Contractor agree to the Standard Performance Requirements (the “**SPRs**”) measurement and expectations detailed in this Attachment B, Performance Requirements Summary. Any adjustments to the SPRs must be agreed upon by both County and Contractor.
2. Should Contractor fail to meet any of the SPRs listed in the Performance Requirements Summary during any measurement period, in addition to payment of

PERFORMANCE REQUIREMENTS SUMMARY

the applicable Penalty, Contractor shall provide County with a written plan for improving Contractor's performance within five (5) business day of failing to meet SPR. Such plan shall be subject to County's approval, and such approval shall not be unreasonably withheld. Contractor shall promptly implement such plan (the "Improvement Plan") when it has received approval from County. Contractor shall provide feedback on selected errors discovered and, in consultation with County, make agreed upon changes to the issues causing the errors.

3. For the purposes of these SPRs and their associated penalties, the measurement will be recorded and monitored and the respective penalty shall be calculated as stated in Attachment B, Performance Requirements Summary.
4. The aggregate sum of the penalties assessed by the County on the Contractor for failed SPRs pursuant to this Attachment B, Performance Requirements Summary, for failed SPR(s) during a particular Fiscal Year shall not exceed five percent (5%) of the Contractor's average total invoiced amount for the Fiscal Year; the five percent (5%) constitutes the "Penalty Cap".
5. In the event the County assesses penalties on the Contractor in a Fiscal Year in which the aggregate sum of assessed penalties equals the five percent (5%), the Penalty Cap shall automatically increase to ten percent (10%) for subsequent Fiscal Years.
6. The Penalty Cap shall revert to five percent (5%) when the aggregate amount of Penalty assessments in a Fiscal Year is below five percent (5%).

FINANCIAL BILLING AND RECOVERY SERVICES

MAXIMUM CONTINGENCY FEES SCHEDULE

CONTRACT PROVISION	INSURANCE	ALL OTHER PAYORS
Exhibit A-2, Statement of Work (SOW) Section: 3.1 FBFS	All Inclusive Billing. No greater than 14% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 15.5% of payments received Itemized billing is required. No greater than 25 % of payments received
SOW Section: 3.2 TPRIRS	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received
SOW Section: 3.4 UAIBS	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25 % of payments received	All Inclusive Billing. No greater than 25% of payments received Itemized billing is required. No greater than 25% of payments received

- Contract Provision SOW Section 3.3 – Medicare Bad Debt Recovery Services (MBDRS): Contingency fees are provided in SOW Sections 10.2. There is a CAP of \$19,500 per paid account for FBFS and TPRIRS.
- The fees shall be negotiated by Director and Contractor but shall be no greater than the fees indicated on this Attachment C – Maximum Contingency Fees Schedule (Maximum Amounts).

Notes: I/P = Inpatient; O/P = Outpatient; SOW = Exhibit A-2, SOW



May 23, 2024

**Los Angeles County
Board of Supervisors**

Hilda L. Solis
First District


Holly J. Mitchell
Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
Fifth District

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice K. Hahn
Supervisor Kathryn Barger

FROM: Christina R. Ghaly, M.D. 
Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO EXTEND
FOUR SOLE SOURCE AGREEMENTS RELATED TO
REVENUE CYCLE OPERATIONS ON A SOLE
SOURCE BASIS**

Christina R. Ghaly, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Deputy Director, Clinical Affairs

Nina J. Park, M.D.
Chief Deputy Director, Population Health

Elizabeth M. Jacobi, J.D.
Administrative Deputy

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This is to advise the Board of Supervisors (Board) that the Department of Health Services (DHS) intends to request approval of extensions to the following agreements: (i) Agreement No. H-707298 (QuadraMed Agreement) with QuadraMed Affinity Corporation (QuadraMed) for the continued provision of software and hardware maintenance and support services for DHS' Patient Accounting System (PA System) and the limited hardware and software components of the legacy Turnkey Healthcare Information Systems; (ii) Agreement No. H-701910 (Provider Advantage Agreement) with Provider Advantage NW, Incorporated (Provider Advantage) for the continued provision of the Health Insurance Portability and Accountability Act (HIPAA) Compliant 270/271 Eligibility Response Software; (iii) Agreement No. H-703466 (Sutherland Agreement) with Sutherland Healthcare Solutions, Inc. (Sutherland) for financial management services; and (iv) Agreement No. H-702058 (USCB Agreement) with USCB America (USCB) for financial billing and recovery services, all on a sole source basis through December 2029.

Board Policy No. 5.100 requires written notice to the Board when departments do not have delegated authority to extend the term of a current contract beyond its original term.

Background

The Los Angeles County, (LA County), maintains several agreements in support of DHS' revenue and financial operations. These operations are used by DHS to account for the care provided to patients, reconcile

*"To advance the health of our
patients and our communities by
providing extraordinary care"*



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claims to insurance companies or other payors, submit for payment, and conduct any related collections activities.

The term for each agreement, in each case assuming all existing Board-approved extensions are exercised, is as follows: (i) QuadraMed Agreement, expiring on December 31, 2024; (ii) Provider Advantage Agreement, expiring on December 31, 2024; (iii) Sutherland Agreement, expiring on September 30, 2026; and (iv) USCB Agreement, expiring on September 30, 2026.

Justification

DHS is currently in the process of reorganizing its revenue and financial operations to modernize both its processes and its systems. This will include the purchase of a new revenue cycle system that is more seamlessly connected to the DHS electronic health record system, (commonly referred to as ORCHID), which will minimize the need to transfer data between several systems, and further allow LA County to realize the benefits of its considerable investment in ORCHID. The purchase and implementation of this new system is a multi-year effort, with DHS planning to return to the Board in Spring 2025 for approval of the purchase. This will be followed by an extensive implementation effort, including significant change management, resulting in an anticipated go-live at the first DHS facility in Summer 2026, to be followed by implementation at the remaining DHS facilities in the two years thereafter.

To minimize the risk of error in reimbursement and patient billing, transitions from revenue cycle systems and processes typically do not include data migration or the processing of claims that were initiated in the old system in the new system. For example, a patient receiving care before a new system "go-live" at a facility will be billed using the old system, including any reimbursement and collection efforts. If the patient receives care after the new system "go-live," any new bills will be processed in the new system. This allows organizations to limit or eliminate the risks of billing and reimbursement errors. To support this "bill cut over" methodology, DHS will need to maintain its current processes, including any contracts supporting these operations, until collection efforts are completed for the last bill issued by the last facility before its transition to the new system.

To execute the current process, DHS relies on four primary contractors: QuadraMed provides the IT system to maintain billing data from ORCHID, Provider Advantage provides tools for the DHS finance team to determine eligibility and coverage status, and finally, Sutherland and USCB provide a wide range of financial services, including commercial insurance billing, collection services, medical billing and follow-up services, to supplement DHS and the Department of Public Health (DPH) revenue recovery efforts. The current processes and procedures are designed to work cohesively. For example, Provider Advantage's eligibility software is integrated with QuadraMed's system to obtain patient healthcare eligibility during registration. Sutherland is familiar with QuadraMed and how best to extract the necessary information from the system to provide their services.

The PA System relies on QuadraMed's proprietary software, which has been significantly customized to meet the needs of DHS, including the record retention requirements of California Code of Regulations Title 22. Similarly, Provider Advantage provides numerous custom programming features which have been developed specifically for DHS, including a retroactive eligibility identification system, which uses automation to identify Medi-Cal coverage that is awarded after patient services have been rendered. Finally, both Sutherland and USCB utilize proprietary methodologies and possess extensive knowledge and experience required to perform specialized services, including developing proprietary systems to accommodate DHS' medical billing operations, and interfacing their service platforms with DHS' revenue generating systems and operations. Sutherland assists DHS in collecting approximately \$1.05 billion in gross revenue annually and \$30 million in gross revenue annually for DPH. USCB assists DHS in collecting approximately \$114.8 million in gross revenue annually.

As noted above, DHS is currently in negotiations for the purchase of a new revenue cycle system, which will eliminate the need for both the PA System and the services provided by Provider Advantage. Regarding Sutherland and USCB, DHS will be releasing procurements in the next six months to solicit proposals for financial and billing services. DHS is considering how best to structure these solicitations to allow LA County to adopt modern financial practices, including itemized patient billing. In addition, DHS is considering issuing multiple solicitations for different parts of these financial services (e.g., collections, denial management).

If these Agreements are not extended, the revenue recovery practices for both DHS and DPH would be severely impacted hindering the financial sustainability of both departments. Any change to the current contractors would result in an excessive implementation learning curve for both the new contractor(s) and DHS staff, who are well acclimated to the current systems, as well as result in a significant administrative burden. Therefore, DHS has determined that it is in the best economic interest of LA County to pursue sole-source extensions for each of the four agreements referenced above.

Conclusion

DHS will commence negotiations no earlier than four weeks from the date of this notification unless otherwise instructed by the Board.

If you have any questions, you may contact me or your staff may contact, Allan Wecker, Chief Financial Officer for the Department of Health Services, by email at awecker@dhs.lacounty.gov.

CRG:aw

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

SOLE SOURCE CHECKLIST

Department Name: _____

- New Sole Source Contract
 - Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an “ <i>Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.</i> ”
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

 Date

SOLE SOURCE CHECKLIST

ATTACHMENT C (FOR PROVIDER ADVANTAGE)

Department Name: _____

- New Sole Source Contract
 - Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

 Date

SOLE SOURCE CHECKLIST

ATTACHMENT D FOR SUTHERLAND HEALTHCARE SOLUTIONS INC.

Department Name: _____

- New Sole Source Contract
- Sole Source Amendment to Existing Contract :
Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an “ <i>Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.</i> ”
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	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.



 Chief Executive Office

 Date

SOLE SOURCE CHECKLIST

Department Name: _____

- New Sole Source Contract
- Sole Source Amendment to Existing Contract :
Date Existing Contract First Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
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	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Erika Bonilla
Chief Executive Office

Date



Peter Loo
CHIEF INFORMATION OFFICER

CIO ANALYSIS

BOARD AGENDA DATE:

12/3/2024

SUBJECT:

APPROVAL OF AMENDMENTS TO FOUR AGREEMENTS FOR REVENUE CYCLE MANAGEMENT AND RELATED SERVICES

CONTRACT TYPE:

New Contract Sole Source Amendment to Contract #: See below

SUMMARY:

Description:

DHS is modernizing its revenue and financial operations and its systems. The financial operations include accounting for the care provided to patients, reconciling claims to insurance companies or other payors, submitting for payment, and conducting any related collections activities. This reorganization will result in changes to its revenue cycle management systems and financial operations. DHS plans to purchase a modern revenue cycle system from Oracle and solicit for replacement contract for financial services in 2025. In the meantime, DHS is seeking approval to amend the following contracts:

- 1) Amendment 2 to Agreement H-707298 with QuadraMed to extend the term to December 31, 2029 (for continued use of its Patient Accounting System), increasing its contract cost by \$11,273,850 to a maximum agreement sum of \$54,799,401;
- 2) Amendment 7 to Agreement H-701910 with Provider Advantage to extend the term to December 31, 2029 (for continued use of its HIPAA Compliant 270/271 Eligibility Response Software) increasing its contract cost by \$4,456,817 to a maximum agreement sum of \$17,276,548;
- 3) Amendment 15 to Agreement H-703466 with Sutherland Healthcare Solutions to extend the term to December 31, 2029 (for financial management services) at compensation rates from 2% to 15% based on actual revenues; and
- 4) Amendment 15 to Agreement H-702058 with USCB America to extend the term to December 31, 2029 (for financial billing and recovery services) at compensation rates from 2% to 15% based on actual revenues.

DHS submitted a Board notification for these sole source amendments on May 21, 2024.

FINANCIAL ANALYSIS:

Contract costs:

Amendments through December 31, 2029:

Amendment 2 with QuadraMed	\$	11,273,850
Amendment 7 with Provider Advantage.....	\$	4,456,817
Amendment 15 with Sutherland.....	2% - 15% of actual revenue	
Amendment 15 with USCB America.....	2% - 15% of actual revenue	

Notes:

Funding in all cases is included in the DHS FY 2024-25 Budget and will be requested in future fiscal years, as needed. There is not NCC impact associated with the recommended actions. Funding for DPH is related to the Vaccine Revenue program and is included in DPH's Operating budget.

RISKS:

- Information Security:** The County's Office of the Chief Information Security Officer (OCISO) reviewed the security components of this Contract and did not identify any issues. The OCISO also confirmed that the Contract contains the latest approved Information Security and Privacy Requirements Exhibit. The Amendment with QuadraMed deviated from the standard terms by removing the LA County as an additional insured under its cyber liability insurance policy, since QuadraMed does not host LA County data and data remains within LA County's infrastructure managed by DHS.
- Contract Risks:** No Contract risks were identified. The Amendments were updated to include contains all Board required terms and conditions.

PREPARED BY:

DEPUTY CHIEF INFORMATION OFFICER

DATE

APPROVED:



PETER LOO, CHIEF INFORMATION OFFICER

11/19/2024

DATE