



## **HEALTH AND MENTAL HEALTH CLUSTER AGENDA REVIEW MEETING**

**DATE:** Wednesday, July 26, 2023

**TIME:** 11:30 A.M.

**THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY AS PERMITTED UNDER THE BOARD OF SUPERVISORS' JUNE 27, 2023, ORDER SUSPENDING THE APPLICATION OF BOARD POLICY 3.055 UNTIL AUGUST 31, 2023**

**TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:**

**DIAL-IN NUMBER: 1 (323) 776-6996**

**CONFERENCE ID: 322130288#**

**[MS Teams link](#) (Ctrl+Click to Follow Link)**

### **AGENDA**

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Two (2) minutes are allowed for each item.

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL \*6 TO UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

- I. Call to order
- II. **Information Item(s) (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):**
  - a. **DHS:** Request Approval of Amendment to Sole Source Agreements with Sutherland Healthcare Solutions, Inc. for Financial Management Services and with USBC, Inc. For Financial Billing and Recovery Services
  - b. **DPW/DHS:** Twin Towers Correctional Facility X-Ray Room Remodeling Project – Approve Revised Project Budget and Appropriation Adjustments
- III. **Presentation Item(s):**
  - a. **CEO:** Approve Funding Allocations Related to Recent National Opioid Settlements, Delegate Authority to Change Percentage Allocations and/or Amounts, Implement Future Phases of Spending Plan Funding, Amend Allowable Uses and Involved Departments, Contractual Changes and

Execute Agreement with Cities Within the County of Los Angeles to  
Accept Additional Opioid Settlement Funds

- b. DPH:** Approval to Execute a Master Agreement Work Order for the Provision of As-Needed Temporary Personnel Services to Support the Substance Abuse Prevention and Control Program for the Period of September 1, 2023, through June 30, 2024 (#06872)
- c. DHS/ISD:** Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project
- d. DMH:** Request for Approval of Interim Ordinance Authority for Department of Mental Health's New Alternative Crisis Response Unit

- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- V. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda.
- VI. Public Comment
- VII. Adjournment

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	07/26/2023	
<b>BOARD MEETING DATE</b>	08/08/2023	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Department of Health Services (DHS) and Department of Public Health (DPH)	
<b>SUBJECT</b>	APPROVAL OF AMENDMENT TO SOLE SOURCE AGREEMENTS WITH SUTHERLAND HEALTHCARE SOLUTIONS, INC. FOR FINANCIAL MANAGEMENT SERVICES (FMS) AND WITH USCB AMERICA FOR FINANCIAL BILLING AND RECOVERY SERVICES (FBRS)	
<b>PROGRAM</b>	Finance	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If Yes, please explain why: Department utilized all delegated authority	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Agreement expires September 30, 2023, if not extended.	
<b>COST &amp; FUNDING</b>	Total cost: \$ TBD	Funding source: DHS Fiscal Year (FY) 2023-24 Final Budget and will be requested in future fiscal years as needed. DPH TBD
	TERMS (if applicable): Contractors will be compensated 2 to 15 percent based on actual revenue collected on behalf of DHS and/or DPH	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	Approval of the recommendations will ensure the continued provision of financial management services and financial billing and recovery services to support DHS' and DPH's revenue cycle business programs.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>Under the current Agreements, Sutherland and USCB provide a wide range of FMS and FBRS including commercial insurance billing, collection services, medical billing and follow-up services, and third-Party resource identification and recovery services (TPRIRS) to supplement DHS and Public Health revenue recovery efforts.</p> <p>Sutherland provides FMS to DHS and DPH which includes medical billing, collection, and TPRIRS. Sutherland has developed a proprietary system to accommodate DHS' medical billing operations and has fully integrated and interfaced its service platforms with DHS' revenue generating systems and operations in order to maximize revenue generating capabilities. Furthermore, Sutherland utilizes proprietary methodologies and possesses extensive knowledge and experience required to perform these specialized services that assisted DHS in collecting approximately \$1.1 billion in gross revenue and approximately \$30 million in gross revenue for Public Health annually .</p> <p>USCB provides FBRS, including TPRIRS, Medicare bad debt recovery services, health plan and commercial insurance billing services for DHS, which are unique and highly specialized financial services. USCB has also customized its operations to integrate with DHS' revenue operations and assisted DHS in collecting approximately \$128 million in gross revenue annually.</p>	

	<p>The Public Health Emergency (PHE) caused by the COVID-19 pandemic in 2020 directly impacted the timeline for developing solicitations to replace these agreements because DHS had to divert contracting staff resources to address urgent patient care contracting needs, and other finance related contracts that were approaching the end of their term. The time extension is needed to preserve the revenue recovery practices and protect the financial sustainability of both County departments. Additionally, based on historical knowledge, the transition period to onboard a new vendor is expected to be lengthy and cumbersome.</p>
<p><b>EQUITY INDEX OR LENS WAS UTILIZED</b></p>	<p><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No</p> <p>If Yes, please explain how:</p>
<p><b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b></p>	<p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No</p> <p>If Yes, please state which one(s) and explain how: Pursue Operational Effectiveness, Fiscal Responsibility and Accountability</p>
<p><b>DEPARTMENTAL CONTACTS</b></p>	<p>Name, Title, Phone # &amp; Email:  DHS - Manal Dudar, Chief Financial Management, 626-525-6426  <a href="mailto:mdudar@dhs.lacounty.gov">mdudar@dhs.lacounty.gov</a>  County Counsel – Kelly Hassel, Deputy County Counsel, (213) 974-1803  <a href="mailto:khassel@counsel.lacounty.gov">khassel@counsel.lacounty.gov</a></p>

August 8, 2023

**DRAFT**

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

Dear Supervisors:

**APPROVAL OF AMENDMENT TO SOLE SOURCE AGREEMENTS WITH  
SUTHERLAND HEALTHCARE SOLUTIONS, INC. FOR FINANCIAL MANAGEMENT  
SERVICES AND WITH USCB AMERICA FOR FINANCIAL BILLING AND  
RECOVERY SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request for approval authorizing the Director of Health Services (Director), or designee, to execute Amendments to extend the term of two sole source Agreements: (i) with Sutherland Healthcare Solutions, Inc. (Sutherland) for Financial Management Services (FMS) for the Department of Health Services (DHS) and the Department of Public Health (DPH); and (ii) with USCB America (USCB) for Financial Billing and Recovery Services (FBRS) for DHS; as well as a request for delegated authority to execute future Amendments to the Agreements to effectively adapt to changes in business needs and legal requirements and, if necessary, terminate the Agreements in accordance with the termination provisions set forth in the Agreements.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director, or designee, to execute Amendment No. 14 (substantially similar to Exhibit I) to sole source Agreement No. H-703466 with Sutherland, effective upon execution following Board of Supervisors' (Board) approval to extend the term for the period October 1, 2023 through September 30, 2025, for the continued provision of FMS for DHS and DPH, with no change to the maximum reimbursement rates.
2. Approve and authorize the Director, or designee, to execute Amendment No. 14 (substantially similar to Exhibit II) to sole source Agreement No. H-702058 with USCB, effective upon execution following Board approval to extend the term for the period from October 1, 2023, through September 30, 2025, for the continued provision of FBRS for DHS, with no change to the maximum reimbursement rates.

3. Delegate authority to the Director, or designee, to execute future Amendments to the above Agreements to: (a) add, delete, and/or modify non-substantive terms and conditions as required by applicable law, Los Angeles County (LA County) policy, the Board, and/or the Chief Executive Office (CEO); (b) add/delete LA County facilities; (c) make any necessary changes to scope of services and to negotiate and adjust fees structure that do not exceed the existing maximum compensation rates specified in the Agreements; and, (d) if necessary, terminate the Agreement(s) in accordance with the termination provisions set forth in the Agreement(s), subject to prior review and approval as to form by County Counsel.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

### **Background**

Under the current Agreements, Sutherland and USCB provide a wide range of FMS and FBRS including commercial insurance billing, collection services, medical billing, and follow-up services, and Third-Party Resource Identification and Recovery Services (TPRIRS) to supplement DHS and DPH revenue recovery efforts.

Sutherland provides FMS to DHS and DPH which includes medical billing, collection, and TPRIRS. Sutherland has developed a proprietary system to accommodate DHS' medical billing operations and has fully integrated and interfaced its service platforms with DHS' revenue generating systems and operations in order to maximize revenue generating capabilities. Furthermore, Sutherland utilizes proprietary methodologies and possesses extensive knowledge and experience required to perform these specialized services that has assisted DHS in collecting approximately \$1.1 billion in gross revenue and approximately \$30 million in gross revenue for DPH annually.

USCB provides FBRS, including TPRIRS, Medicare bad debt recovery services, health plan, and commercial insurance billing services for DHS, which are unique and highly specialized financial services. USCB has also customized its operations to integrate with DHS' revenue operations and has assisted DHS in collecting approximately \$128 million in gross revenue annually.

DHS has actively looked at its revenue operations, including an engagement with the consultants from Health Management Associates (HMA). In 2011, HMA reviewed DHS' revenue cycle operations and procurement strategies for outsourcing these services. HMA's report issued in October 2014 included specific recommendations for breaking out and reconfiguring the scope of Sutherland's services into multiple solicitations to enable DHS to obtain better financial pricing, higher performance standards, improved transparency and accountability, and make all resultant agreements easier to administer. Following these recommendations, DHS released a competitive solicitation for these services beginning with Electronic Data Interchange (EDI) services. Additional solicitations covering other revenue cycle services in the Sutherland Agreement were to be released

on a phased basis. However, at the time, with the implementation of the Affordable Care Act, DHS's Electronic Health Record system known as the Online Realtime Centralized Health Information Database (ORCHID), and creation of the former Health Agency impacted the timeline for the release of these solicitations.

On May 5, 2020, the Board approved the extension of these agreements for a two-year period to support DHS' efforts to perform extensive research and analysis to identify the various integrated service components, operational needs, system, and interface requirements to develop the appropriate solicitation to re-solicit these comprehensive and highly technical services.

### **Justification**

The Public Health Emergency (PHE) caused by the COVID-19 pandemic in 2020 directly impacted the timeline for developing solicitations to replace these Agreements because DHS had to divert contracting staff resources to address urgent patient care contracting needs, and other finance related contracts that were approaching the end of their term. Consequently, a partial analysis was done which identified that the portion of the medical billing revenue services for Medi-Cal Managed Care and commercial insurance billing services could be carved out and solicited for through the Financial Revenue and Ancillary Services Master Agreement (FRASMA), under delegated authority. Additionally, given current managed care healthcare and Medi-Cal inpatient landscape and the need to itemize billing systems, LA County does not have the expertise to perform billing. Further, there is an intent for LA County to replace Affinity Revenue Cycle Only with a new revenue cycle management system.

DHS will continue to perform its analysis of these two Agreements, and gradually develop appropriate solicitations to address the full scope of revenue recovery services required to meet the needs of the departments. DHS has exhausted all of the extension options and both Agreements are scheduled to expire on September 31, 2023. The time extension is needed to preserve the revenue recovery practices and protect the financial sustainability of both LA County departments. Additionally, based on historical knowledge, the transition period to onboard a new vendor is expected to be lengthy and cumbersome.

### **Recommendations**

Approval of the first and second recommendations will allow the Director, or designee, to execute Amendments to extend the term of the sole source Agreements with Sutherland and USCB, effective upon execution for a period of a two year term commencing from October 1, 2023 through September 30, 2025, for the continued provision of FMS for DHS and DPH, and FBRS for DHS, with no change to the compensation rates.

Approval of the third recommendation will give delegated authority to the Director, or designee to execute future Amendments to the above Agreements to effectively adapt to

changes in business needs and legal requirements and, if necessary, terminate the Agreements in accordance with the termination provisions set forth in the Agreements.

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

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of LA County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

Sutherland and USCB receive a compensation rate ranging from 2% to 15% for FMS and FBRs based on actual revenues collected. The compensation rate is dependent on the type of payers and will remain unchanged during the extension period.

For Fiscal Year (FY) 2022-23 Sutherland is estimated to generate over \$1.1 billion in gross revenues for DHS of which \$39 million in fees is estimated to be paid to Sutherland by DHS, and approximately \$7 million in gross revenues for DPH of which \$1 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 is estimated to generate over \$128 million in gross revenues for DHS of which \$7.4 million in fees is estimated to be paid to USCB by DHS.

For FY 2023-24, DHS estimates that the gross revenues generated by Sutherland and USCB will remain at the FY 2022-23 levels. For the same period, it is estimated that approximately \$4 million in gross revenues will be generated for DPH of which approximately \$538,200 in fees will be paid to Sutherland.

DHS's funding is requested in FY 2023-24 Supplemental Budget Resolution (SBR), pending Board approval on October 3, 2023. DHS will request funding in future fiscal years, as needed. Funding for DPH is related to the Vaccine Revenue program and is included in DPH's operating budget.

There is no impact to net County cost for DHS.

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

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 FMS and an Agreement with USCB for FBRs 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 Agreement provisions to comply with State, Federal, and LA County rules and

regulations, expand the scope of services to provide for efficiencies in FMS, FBRS, and TPRIRS; 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 Agreement 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. On March 4, 2022, DHS notified the Board of its intention to commence negotiations with Sutherland and USCB for the sole source Amendments; however, DHS determined that it was best to extend the contracts using the Board's delegated authority of March 15, 2022, which allowed DHS among other delegations, to amend the contracts that were slated to expire by September 30, 2022, both Agreements were extended on May 26, 2022, on a month-to-month basis for four months through and including September 30, 2022. This extension allowed DHS time to finalize the Information Security Requirements Exhibit required for these Agreements. Again, on September 26, 2022, using the same delegated authority, the Agreements were amended to extend the term for up to six months following the lifting of the Health Emergency Proclamation by the Board. The Board lifted the declaration of the PHE on March 31, 2023; therefore, these agreements are set to expire on September 30, 2023.

Both 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). Sutherland and USCB services provided are very specialized and highly technical which cannot be provided by LA County staff. Further, DHS lacks the technological infrastructure required to perform financial billing and recovery services.

The Agreements include all Board's required provisions. County Counsel has approved the Amendments (Exhibits I and II) as to form.

### **CONTRACTING PROCESS**

On May 1, 2023, DHS notified the Board via Attachment A of its intent to commence negotiations with Sutherland and USCB for the sole source Amendments with these entities in accordance with Board Policy No. 5.100. The Sole Source checklists are attached as Attachment B in compliance with the revised Board Policy 5.100, Sole Source contracts.

The requested extension to Sutherland and USCB Agreements will allow DHS to continue to conduct more analysis of the services being provided by both contractors. This will also allow DHS to continue to identify additional portions of the two Agreements that can be carved out and solicited for through the FRASMA and continue to minimize our dependence on these Agreements. To highlight the first major step in this direction, the DHS Contracts and Grants Division is already developing a complete solicitation for the

The Honorable Board of Supervisors  
August 8, 2023  
Page 6

portion of the medical billing revenue services that support Medi-Cal Managed Care and Commercial Insurance Billing Services through the FRASMA.

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

Approval of the recommendations will permit DHS and DPH to continue medical billing, collecting, and identifying third-party payer resources without interruption, while DHS completes its competitive solicitation process, ultimately aiding the departments' financial sustainability.

Respectfully submitted,

Christina R. Ghaly, M.D.  
Director

CRG:mr

Enclosures

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



**Health Services**  
LOS ANGELES COUNTY

May 1, 2023

**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

**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

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

Tel: (213) 288-8050  
Fax: (213) 481-0503


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care"*



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

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

**SUBJECT: ADVANCE NOTIFICATION OF INTENT TO  
NEGOTIATE AN AMENDMENT TO SOLE SOURCE  
AGREEMENTS NO. H-703466 WITH SUTHERLAND  
HEALTHCARE SOLUTIONS INC. AND NO. H-702058  
WITH USCB AMERICA**

This is to provide the Board of Supervisors (Board) with advanced notification of the Department of Health Services' (DHS) intent to enter into negotiations to extend the terms of Agreement No. H-703466 with Sutherland Healthcare Solutions, Inc. (Sutherland) for Financial Management Services (FMS), and Agreement No. H-702058 with USCB America (USCB) for Financial Billing and Recovery Services (FBRS), for a two-year period. These Agreements expire on September 30, 2023, six months after the lifting of the declaration of the Public Health Emergency (PHE) by the Board, which is effective as of March 31, 2023.

Board Policy No. 5.100 requires at least six months prior written notice to the Board of a Department's intent to enter into sole source negotiations for amendments to existing contracts, when the Department does not have delegated authority to execute such an amendment and allow four weeks for Board review of such notice prior to initiating contract negotiations.

**Background**

Sutherland and USCB provide a wide range of FMS and FBRS including commercial insurance billing, collection services, medical billing and follow-up services, and Third-Party Resource Identification and Recovery Services (TPRIRS) to supplement DHS and the Department of Public Health (DPH) revenue recovery efforts.

Sutherland provides FMS to DHS and DPH which includes medical billing, collection, and TPRIRS. Sutherland utilizes proprietary methodologies and possesses extensive knowledge and experience required to perform these specialized services that assists DHS in collecting approximately \$1.05 billion in gross revenue annually and approximately \$30 million in gross revenue annually for DPH. Sutherland has developed a proprietary system to accommodate DHS' medical billing operations and has fully integrated and interfaced its service platforms with DHS' revenue generating systems and operations.

USCB provides FBRs, including TPRIRS, Medicare bad debt recovery services, health plan and commercial insurance billing services for DHS, which are unique and highly specialized revenue billing and collection services that no civil service employees are qualified to perform. USCB has also customized its operations to integrate with DHS' revenue operations and assists DHS in collecting approximately \$114.8 million in gross revenues annually.

On June 1, 1999, your Board approved an Agreement with Accordis, Inc., subsequently known as Apollo Health Street, Inc. (Apollo) and now known as Sutherland for FMS and an Agreement with USCB for FBRs both as the result of a solicitation process.

In subsequent years, amendments have been executed to the Agreements to effectuate name changes for both contractors, extend the term and update various agreement provisions to comply with State, Federal, and Los Angeles County (LA County) rules, and regulations, expand the scope of services to provide for efficiencies in FMS, FBRs, and TPRIRS; as well as to adjust the maximum contingency fee paid to the contractors. On August 19, 2008, the Board approved replacement Agreements to do an overhaul and update all Agreement terms and conditions. In 2011, HMA reviewed DHS' revenue cycle operations and procurement strategies for outsourcing these services and HMA's report issued in October 2014 included specific recommendations for breaking out and reconfiguring the scope of Sutherland's services into multiple solicitations to enable DHS to obtain better financial pricing, higher performance standards, improved transparency and accountability, and make all resulting agreements easier to administer. Following these recommendations, DHS released a competitive solicitation for these services beginning with Electronic Data Interchange services. Additional solicitations covering other revenue cycle services in the Sutherland Agreement were to be released on a phased basis. However, at the time, with the implementation of the Affordable Care Act, DHS's Electronic Health Record system known as the Online Realtime Centralized Health Information Database (ORCHID), and creation of the former Health Agency impacted the timeline for releasing of these solicitations.

On May 5, 2020, the Board approved Amendments to extend the term of the Agreements through May 31, 2022, to perform research and analysis to develop the appropriate contracting vehicle to solicit for these services. However, due to onset of the COVID-19 pandemic, these plans were not fully realized. Subsequently, on May 26, 2022, the Agreements were amended to extend the term for four months until September 30, 2022, using the delegated authority granted to the Director of DHS by

the Board on March 15, 2022. This extension allowed time to finalize the Information Security Requirements Exhibit required for these Agreements. Again, on September 26, 2022, using the same delegated authority, the Agreements were amended to extend the term for up to six months following the lifting of the Health Emergency Proclamation by the Board. The Board has since lifted the declaration of the PHE; therefore, these Agreements are set to expire on September 30, 2023.

### **Justification**

Due to the PHE caused by the COVID-19 pandemic, the timeline for developing solicitations to replace these Agreements were directly impacted as DHS had to divert contract analyst staff to address urgent patient care contracting needs, and other finance related contracts that were approaching their end of term. Consequently, a partial analysis was done which identified that the portion of the medical billing revenue services for Medi-Cal Managed Care and Commercial Insurance Billing Services can be carved out and solicited for through the Financial Revenue and Ancillary Services Master Agreement (FRASMA). The solicitation is currently under development and is planned for release in the upcoming months. Additionally, given current managed care healthcare and Medi-Cal inpatient landscape and the need to itemize billing systems, LA County does not have the expertise to perform billing. Further, there is an intent for LA County to replace Affinity Revenue Cycle Only with a new patient accounting system. Lastly, DHS will continue to perform its analysis of these two Agreements, and gradually develop appropriate solicitations to address the full scope of revenue recovery services required to meet the needs of the Departments.

If these Agreements are not extended the revenue recovery practices for both Departments would be severely impacted. Without internal staffing resources and infrastructure to take over these operations, the \$1.05 billion in annual gross revenue generated by Sutherland for DHS and the \$30 million generated for DPH, and the \$114.8 million in annual gross revenue generated by USCB for DHS would be lost, hindering the financial sustainability of both Departments.

### **Timeline**

DHS intends to commence negotiations to extend the current sole source Agreements with Sutherland and USCB for the portions of the Agreements related to the FMS and FBRs services. DHS intends to return to the Board with a recommendation for the extension of the Agreements before the current terms expire on September 30, 2023. Concurrently, DHS will release a complete solicitation for the Medi-Cal Managed Care and Commercial Insurance Billing Services portion of the current Agreements through the FRASMA, with the intent to award and execute a successor agreement under existing delegated authority from the Board.

### **Conclusion**

Sutherland and USCB are uniquely positioned to continue providing both Departments with revenue recovery services during the solicitation period which will permit both DHS and DPH to continue medical billing, collecting, and identifying third-party payor resources without interruption, ultimately aiding the Departments' financial sustainability. This extension will allow DHS to continue its analysis and gradually release FRASMA solicitations for replacement agreements. DHS will commence negotiations for extension of the current agreements no earlier than four weeks from the date of this memo with both Sutherland and USCB, unless otherwise instructed by the Board.

If you have any questions, you may contact me or your staff may contactmay contact Manal Dudar, Financial Operations Division Chief, at [mdudar@dhs.lacounty.gov](mailto:mdudar@dhs.lacounty.gov).

CRG:mr

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

**SOLE SOURCE CHECKLIST**

Department Name: \_\_\_\_\_

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract :  
Date Existing Contract First Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS</b> 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.

*Erika Bonilla*  
\_\_\_\_\_  
Chief Executive Office

\_\_\_\_\_  
Date

**SOLE SOURCE CHECKLIST****JUSTIFICATION**

Department Name: **DEPARTMENT OF HEALTH SERVICES**

New Sole Source Contract: **NA**

Sole Source Amendment to Existing Contract: **Agreement No. H-703466 Sutherland Healthcare Solutions, Inc.**

Date Existing Contract First Approved: **June 1, 1999**

**JUSTIFICATION:**

Sutherland provides Financial Management Services (FMS) to the DHS and DPH which includes medical billing, collection, and third-party resource identification and recovery services (TPRIRS). These services are very specialized and highly technical which cannot be provided by County staff. The Departments do not possess the technological infrastructure required to perform financial billing and recovery services. Sutherland has developed a proprietary system to accommodate DHS' medical billing operations and has fully integrated and interfaced its service platforms with Departments' revenue generating systems and operations in order to maximize revenue generating capabilities and to meet the unique operations and services needs of the DHS and DPH. Furthermore, Sutherland utilizes proprietary methodologies and possesses extensive knowledge and experience required to perform these specialized services that assists the Departments in collecting approximately \$1.1 billion in gross revenue annually.

DHS will continue to perform its analysis of the Agreement, and gradually develop appropriate solicitations to address the full scope of revenue recovery services required to meet the needs of the Departments. DHS has exhausted all of the extension options and both Agreements are scheduled to expire on September 31, 2023. The time extension is needed to preserve the revenue recovery practices and protect the financial sustainability of both County departments. Additionally, based on historical knowledge, the transition period to onboard a new vendor is expected to be lengthy and cumbersome. Further, accessing the vendor's performance using the revenue cycle management system will take time, therefore in order to minimize any disruptions to DHS' revenue cycle, the option extensions are necessary.

**SOLE SOURCE CHECKLIST**

Department Name: \_\_\_\_\_

- ☐ New Sole Source Contract
- ☐ Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: \_\_\_\_\_

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS</b> 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.

Erika Bonilla  
Chief Executive Office

\_\_\_\_\_  
Date

**SOLE SOURCE CHECKLIST****JUSTIFICATION**

Department Name: **DEPARTMENT OF HEALTH SERVICES**

Sole Source Amendment to Existing Contract: **Agreement No. H-702058 with USCB America**

Date Existing Contract First Approved: **July 1, 2006**

**JUSTIFICATION:**

USCB America (USCB) provides Financial Billing and Recovery Services (FBRS) to the Department of Health Services (DHS\_ which include medical billing and follow-up services, Third-Party Resource Identification and Recovery Services (TPRIRS) Medicare Bad Debt Recovery Services, and Identification and Billing Services for underpaid Accounts. To provide these services, USCB develops and maintains an integrated database to identify and process Medicare billing and collection information, bad debts associated with unpaid co-insurance and deductibles, and produce auditable Medicare Bad Debt reports.

Over the years, USCB has customized its services and system delivery to meet the unique operational and service needs of DHS and has become woven into DHS' revenue generation and recovery operations and infrastructure. DHS does not possess the technological infrastructure required to perform financial billing and recovery services to effectively bill for the large volume of patients served at our facilities and relies on USCB to meet its revenue objectives and maintain its fiscal sustainability. USCB assists DHS in collecting approximately \$128 million in gross revenue annually.

This time extension will permit DHS to continue medical billing, collections, and identifying third-party payor resources without interruption, and enable DHS to continue to perform research and analysis to identify the various integrated service components, operational needs, system and interface requirements in order to gradually complete solicitations to address the full scope of these comprehensive and highly technical services.

FINANCIAL MANAGEMENT SERVICES AGREEMENT  
AMENDMENT NO. 14

THIS AMENDMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2023,

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 "Agreement"); and

WHEREAS, on (TBD) the Board of Supervisors delegated authority to the Director of Health Services, or designee, among other delegations, extend the term of the Agreement for the period October 1, 2023 through September 30, 2025; 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 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 September 30, 2025 ("Term").

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 the DHS at the address provided in Paragraph 18, NOTICES, of the Agreement."

4. The Agreement, EXHIBIT A-2, STATEMENT OF WORK, is deleted in its entirety and replaced by EXHIBIT A-3, STATEMENT OF WORK, attached hereto and incorporated herein by reference. All references to EXHIBIT A-2, STATEMENT OF WORK in the Agreement shall hereafter be replaced by EXHIBIT A-3.
5. The Agreement, EXHIBIT F, COUNTY'S ADMINISTRATION, is deleted in its entirety and replaced by EXHIBIT F-1, COUNTY'S ADMINISTRATION, attached hereto and incorporated herein by reference. All references to

EXHIBIT F, COUNTY'S ADMINISTRATION in the Agreement shall hereafter be replaced by EXHIBIT F-1.

- 6. The Agreement, EXHIBIT G, CONTRACTOR'S ADMINISTRATION, is deleted in its entirety and replaced by EXHIBIT G-1, CONTRACTOR'S ADMINISTRATION, attached hereto and incorporated herein by reference. All references to EXHIBIT G, CONTRACTOR'S ADMINISTRATION in the Agreement shall hereafter be replaced by EXHIBIT G-1.
- 7. Except for the changes set forth hereinabove, 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 Health Services

CONTRACTOR

SUTHERLAND HEALTHCARE  
SOLUTIONS, INC.  
\_\_\_\_\_

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

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

\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
DAWYN HARRISON  
County Counsel

By: \_\_\_\_\_  
Kelly Auerbach Hassel  
Deputy County Counsel

**EXHIBIT A-3**

**FINANCIAL MANAGEMENT SERVICES**

**STATEMENT OF WORK**

**FINANCIAL MANAGEMENT SERVICES****STATEMENT OF WORK**

## TABLE OF CONTENTS

PARAGRAPH	PAGE
1.0 DEFINITIONS .....	1
2.0 SCOPE OF WORK .....	2
3.0 SPECIFIC WORK REQUIREMENTS.....	3
3.1 Electronic Data Interchange And Clearinghouse Services (EDICS) .....	4
3.2 Financial Billing and Follow-Up Services (FBFS) .....	5
3.3 Specialty Mental Health Billing .....	9
3.4 Third-Party Resource Identification and Recovery Services (TPRIRS).....	14
3.5 Cost Report Recovery Services (CRRS).....	188
3.6 Underpaid Account Identification and Billing Services (UAIBS) .....	222
4.0 REQUIRED REPORTS .....	23
5.0 ADDITION/DELETION OF FACILITIES, SPECIFIC TASKS AND/OR WORK HOURS.....	233
6.0 QUALITY CONTROL .....	24
7.0 QUALITY ASSURANCE PLAN .....	255
7.1 Contract Discrepancy Report .....	25
7.2 County Observations .....	255
8.0 RESPONSIBILITIES .....	255
8.1 County Personnel and Records .....	25
8.2 County Access to Information.....	266
8.3 Contractor's General Responsibilities .....	277
8.4 Contractor's Project Manager .....	288
8.5 Contractor Personnel .....	288
8.6 Contractor Training.....	299
8.7 Contractor's Office.....	299
8.8 Additional Covenants of Contractor.....	299
9.0 PERFORMANCE REQUIREMENTS SUMMARY .....	30
10.0 PROVISION FOR PAYMENT .....	30
11.0 SPECIAL ACCOUNTS .....	366

**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-3, 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-3. 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-3, 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 (TPIRS)**

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 TPIRS, Contractor shall:

- 3.4.1 Provide all Facilities receiving TPIRS 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 TPIRS 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-3, 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-3.

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, 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).

## **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 – Fee Schedule (Maximum Amounts). 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-3, 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 - Fee Schedule (Maximum Amounts) 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)**

<b>HEALTH SERVICES HEADQUARTERS/ADMINISTRATION (HSA)</b>	
<b>FACILITY</b>	<b>LOCATION</b>
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

<b>DHS HOSPITALS</b>	
<b>FACILITY</b>	<b>LOCATION</b>
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

<b>AMBULATORY CARE NETWORK</b>	
<b>FACILITY</b>	<b>LOCATION</b>
Antelope Valley Health Center	335 E. Avenue K-6, Ste B, Lancaster, CA 93535
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)**

<b>AMBULATORY CARE NETWORK</b>	
<b>FACILITY</b>	<b>LOCATION</b>
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 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
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

<b>JUVENILE CLINICS</b>	
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)

<b>DPH - PUBLIC HEALTH CENTERS</b>	
<b>FACILITY</b>	<b>LOCATION</b>
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
<b>OTHER PUBLIC HEALTH PROGRAMS</b>	
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  
(EFFECTIVE JULY 1, 2020)**

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
<p>A. Untimely Billing</p> <p>Exhibit A-3, 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 billing elements in the County System (e.g., Affinity/ORCHID) and all such elements have been provided to the Contractor via HL7 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), per facility, per category. 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 on 07/01/2020.</p> <p>Applicable Write-off Adjustment Codes and Reason Codes: MMC: 20153 – 01, 34, 39, 43, 52 Commercial: 20072 – 01, 34, 39, 43, 52 Medi-Cal: 20073 – 01, 34, 39, 43, 52 Medicare: 20074 – 01, 34, 39, 43, 52 CCS: 20075 - 01, 34, 39, 43, 52</p>	Monthly Write-Off Report	<p>100%</p> <p>97%</p> <p>97%</p> <p>97%</p>	<p>Inpatient Institutional: \$1,500/Occurrence if Charge Amount &gt; = \$100K</p> <p>\$1,000/Occurrence if Charge Amount &lt; \$100k</p> <p>Outpatient Institutional: \$50/Occurrence</p> <p>Professional: \$50/Occurrence</p>

**PERFORMANCE REQUIREMENTS SUMMARY**  
**(EFFECTIVE JULY 1, 2020)**

<b>CRITERIA 1: BILLING</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
B. Untimely Follow-up  SOW Sections: 3.2.5.7 3.2.5.8	<p>Contractor shall timely follow-up and exert all efforts to resolve denied/unpaid or underpaid claims within the timeframe indicated in the Agreement.</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 divided by total number of billable accounts for the Fiscal Year (July-June), per facility, per category. 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 07/01/2020.</p> <p>Applicable Write-off Adjustment Codes and Reason Codes: MMC: 20153 – 02, 33, 40, 44, 53 Commercial: 20072 – 02, 33, 40, 44, 53</p>	Monthly Write-Off Report	<p>100%</p> <p>97%</p> <p>97%</p> <p>97%</p>	<p>Inpatient Institutional: \$1,500/Occurrence if Charge Amount &gt; = \$100K</p> <p>\$1,000/Occurrence if Charge Amount &lt; \$100k</p> <p>Outpatient Institutional: \$50/Occurrence</p> <p>Professional: \$50/Occurrence</p>

**PERFORMANCE REQUIREMENTS SUMMARY**  
(EFFECTIVE JULY 1, 2020)

<b>CRITERIA 2: Payment &amp; Adjustment Posting (as applicable to respective Contractors)</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
A. Duplicate Payment Batch Posting  SOW Sections: 3.2.11 3.2.13 3.6.10	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.	Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/Posting Unit.	97%	\$1,000/Occurrence/Batch
B. Erroneous Posting of Recoupment/Refunds  SOW Section: 10.7	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.	Periodic Audit of Accounts through reconciliation of batches posted to Affinity RCO vs. Payments recorded by CBO General Accounting/Posting Unit.	97%	\$200/Occurrence/Account

**PERFORMANCE REQUIREMENTS SUMMARY**  
(EFFECTIVE JULY 1, 2020)

<b>CRITERIA 2: Payment &amp; Adjustment Posting (as applicable to respective Contractors)</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
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 Contractors 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

<b>CRITERIA 3: INVOICING</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
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**  
**(EFFECTIVE JULY 1, 2020)**

<b>CRITERIA 3: INVOICING</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
<p>B. Failure to Respond to Request on Overpaid Fees</p> <p>SOW Section: 10.6.5</p>	<p>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.</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.</p>	<p>97%</p>	<p>\$500/Occurrence/Batch</p>

<b>CRITERIA 4: OTHER</b>	<b>STANDARD PERFORMANCE REQUIREMENT</b>	<b>MONITORING TOOL</b>	<b>Acceptable Quality Level (AQL)</b>	<b>ASSESSMENT</b>
<p>A. Management Reports</p> <p>SOW Sections: 2.4 4.0</p>	<p>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.</p>	<p>Availability of Report</p>	<p>1 Business Day</p>	<p>\$100/incomplete/inaccurate report</p> <p>\$50 per report each day late</p>
<p>B. Maintain Written Quality Control Plan</p> <p>SOW Section: 6.1</p>	<p>Contractor shall establish and maintain written Quality Control Plan to ensure that the requirements of the Agreement are met.</p>	<p>Receipt and Review of Plan</p>	<p>1 Business Day</p>	<p>\$1000 if plan is incomplete</p> <p>\$50 per each day late.</p>

PERFORMANCE REQUIREMENTS SUMMARY  
(EFFECTIVE JULY 1, 2020)

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. <b>County will adhere to Contractors Responsibility Matrix.</b>	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, 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 this Attachment B, Performance Requirements Summary. Penalties, however, shall only be assessed based upon annual average of each measurement as determined at the anniversary of this Agreement.
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) for a measured period 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**  
**(EFFECTIVE JULY 1, 2020)**

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 (10%) for subsequent measurement periods.
6. The Contractor shall earn back the five percent (5%) Penalty Cap when the aggregate amount of penalty assessments per measurement period for the next six months are below five percent (5%).

**FINANCIAL MANAGEMENT SERVICES**

**MAXIMUM CONTINGENCY FEE SCHEDULE**

<b>CONTRACT PROVISION</b>	<b>MEDI-CAL</b>	<b>MEDICARE</b>	<b>CROSSOVER MEDI-CAL PORTION</b>	<b>INSURANCE</b>	<b>ALL OTHER PAYORS</b>
Exhibit A-3, 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**

<b>CONTRACT PROVISION</b>	<b>MEDI-CAL</b>	<b>MEDICARE</b>	<b>CROSSOVER MEDI-CAL PORTION</b>	<b>INSURANCE</b>	<b>ALL OTHER PAYORS</b>
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-3, SOW

## COUNTY'S ADMINISTRATION

AGREEMENT NO. \_\_\_\_\_

### COUNTY'S PROJECT DIRECTOR:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### COUNTY'S PROJECT MANAGER:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### COUNTY'S PROJECT MONITOR:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

## CONTRACTOR'S ADMINISTRATION

**CONTRACTOR'S NAME:** \_\_\_\_\_

**AGREEMENT NO:** \_\_\_\_\_

**CONTRACTOR'S PROJECT MANAGER:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### Notices to Contractor shall be sent to the following:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

FINANCIAL BILLING AND RECOVERY SERVICES AGREEMENT  
AMENDMENT NO. 14

THIS AMENDMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_,  
2023,

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 "Agreement"); and

WHEREAS, on (TBD) the Board of Supervisors delegated authority to the Director of Health Services, or designee, among other delegations, extend the term of the Agreement for the period October 1, 2023 through September 30, 2025; 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 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.

3. 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.
2. 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 September 30, 2025 ("Term").

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 the DHS at the address provided in Paragraph 16, NOTICES, of the Agreement."

3. The Agreement, EXHIBIT E, COUNTY'S ADMINISTRATION, is deleted in its entirety and replaced by EXHIBIT E-1, COUNTY'S ADMINISTRATION, attached hereto and incorporated herein by reference. All references to EXHIBIT E, COUNTY'S ADMINISTRATION in the Agreement shall hereafter be replaced by EXHIBIT E-1.

4. The Agreement, EXHIBIT F, CONTRACTOR'S ADMINISTRATION, is deleted in its entirety and replaced by EXHIBIT F-1, CONTRACTOR'S ADMINISTRATION, attached hereto and incorporated herein by reference. All references to EXHIBIT F, CONTRACTOR'S ADMINISTRATION in the Agreement shall hereafter be replaced by EXHIBIT F-1.
5. Except for the changes set forth hereinabove, 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 Health Services

CONTRACTOR

USCB Inc. dba USCB America

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

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

\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
DAWYN HARRISON  
County Counsel

By: \_\_\_\_\_  
Kelly Auerbach Hassel  
Deputy County Counsel

## COUNTY'S ADMINISTRATION

AGREEMENT NO. \_\_\_\_\_

### COUNTY'S PROJECT DIRECTOR:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### COUNTY'S PROJECT MANAGER:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### COUNTY'S PROJECT MONITOR:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

## CONTRACTOR'S ADMINISTRATION

**CONTRACTOR'S NAME:** \_\_\_\_\_

**AGREEMENT NO:** \_\_\_\_\_

**CONTRACTOR'S PROJECT MANAGER:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

### Notices to Contractor shall be sent to the following:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	7/26/2023		
<b>BOARD MEETING DATE</b>	8/8/2023		
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>		
<b>DEPARTMENT(S)</b>	Department of Health Services		
<b>SUBJECT</b>	Twin Towers Correctional Facility X-ray Room Remodeling		
<b>PROGRAM</b>			
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A		
<b>COST &amp; FUNDING</b>	Total cost: \$335,000	Funding source: DHS Integrated Correctional Health Services operating budget funded by AB 109	
	TERMS (if applicable):		
	Explanation: Approval of the enclosed Fiscal Year 2023-24 appropriation adjustment (Enclosure B) will transfer \$83,000 from the DHS Integrated Correctional Health Services operating budget funded by AB 109 to fund the additional scope of work for the Twin Towers Correctional Facility X-ray Room Remodeling Project, Capital Project No. 87877.		
<b>PURPOSE OF REQUEST</b>	Approval of the recommendations will approve the revised project budget and appropriation adjustment for the Twin Towers Correctional Facility X-ray Room Remodeling Project.		
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	On January 10, 2023, the Board approved the TTCF project with a total project budget of \$252,000 and authorized Internal Services Department to deliver the project using Board approved Job Order Contract.  Upon field verification of the project site, the actual location of the electrical panels serving the X-ray rooms were located approximately 370 lineal feet away from the X-ray rooms. This distance requires additional cost to implement appropriate repairs, protection, and cleanup during the progression of the project.		
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: - Thomas DeSantis, P&PM Division Manager, (323) 267-3467, TDesantis@isd.lacounty.gov		



County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

**SELWYN HOLLINS**  
Director

*"Trusted Partner and Provider of Choice"*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

August 8, 2023

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

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES  
TWIN TOWERS CORRECTIONAL FACILITY X-RAY ROOM REMODELING PROJECT  
APPROVE REVISED PROJECT BUDGET AND APPROPRIATION ADJUSTMENT  
CAPITAL PROJECT NO. 87877  
(FISCAL YEAR 2023-24)  
(SUPERVISORIAL DISTRICT 1)  
(4 VOTES)**

**SUBJECT**

Approval of the recommendations will approve the revised project budget and appropriation adjustment for the Twin Towers Correctional Facility X-ray Room Remodeling Project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions are within the scope of the Board's previous exemption finding from the California Environmental Quality Act for the Twin Towers Correctional Facility X-ray Room Remodeling Project for the reasons stated in this letter and in the record of the project.
2. Approve the revised total project budget of \$335,000, an increase of \$83,000 from the previously Board approved budget of \$252,000 for the Twin Towers Correctional Facility X-ray Room Remodeling Project, Capital Project No. 87877, to fully fund the scope of work.
3. Approve the Fiscal Year 2023-24 appropriation adjustment to allocate \$278,000 from the Integrated Correctional Health Services operating budget funded by AB 109 to fund the projected

Fiscal Year 2023-24 expenditures for the Twin Towers Correctional Facility X-ray Room Remodeling Project, Capital Project No. 87877.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommendations will find that the recommended actions are within the scope of the previous finding of exemption under the California Environmental Quality Act (CEQA) for the previously approved Twin Towers Correctional Facility (TTCF) X-ray Room Remodeling Project (project) and approve the increased project budget and appropriation adjustment.

On January 10, 2023, the Board approved the TTCF project with a total project budget of \$252,000 and authorized Internal Services Department to deliver the project using Board approved Job Order Contract.

Upon field verification of the project site, the actual location of the electrical panels serving the X-ray rooms were located approximately 370 lineal feet away from the X-ray rooms. This distance requires additional cost to implement appropriate repairs, protection, and cleanup during the progression of the project.

There will be no additions to the previously approved scope of work which included the following: removal of existing flooring, ceiling tiles, electrical lines, and soap and towel dispensers; installation of flooring, ceiling tiles, backing plate, plumbing lines, accessible soap and towel dispensers, countertop, cabinet, metal corner guards, door stops, electrical outlets, conduits, mounting boxes, lights, emergency power off buttons, data outlets, breakers, lead shielding, wall patching, paint, diffusers, and ducting.

The estimated project duration is approximately eight (8) months which includes construction and is anticipated to be completed in April 2023.

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

The County Strategic Plan directs the provisions of Goal II. Foster Vibrant and Resilient Communities, Strategy II.2 – Support the Wellness of our Communities, and Goal III. Realize Tomorrow's Government Today, Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2 Manage and Maximize County Assets. The recommendations support the Strategic Plan by supporting the wellness of our communities, enhancing the delivery of comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance and improving the operational effectiveness of an existing County asset.

### **FISCAL IMPACT/FINANCING**

Approval of the recommended actions will increase the previously Board approved project budget from \$252,000 to \$335,000, an increase of \$83,000. The proposed revised project budget includes design, construction, change order allowance, inspection/testing, and ISD county services (Enclosure A).

Approval of the enclosed Fiscal Year 2023-24 appropriation adjustment (Enclosure B) will transfer \$83,000 from the DHS Integrated Correctional Health Services operating budget funded by AB 109 to fund the additional scope of work for the Twin Towers Correctional Facility X-ray Room Remodeling Project, Capital Project No. 87877.

### **Operating Budget Impact**

Following the completion of the proposed project, DHS will request and fund the associated ongoing annual maintenance and operational costs, as needed, with departmental resources in future budget phases. There is no net County cost impact associated with the recommended actions.

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

In accordance with the Board's Local and Targeted Worker Hire Policy, updated on June 11, 2019, the proposed Project budget is less than \$500,000; therefore, the "Local Worker" and "Local Targeted Worker" labor hours are not required as part of the project.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the proposed Project is exempt from the Civic Art Allocation because the estimated eligible project costs are less than \$500,000.

### **ENVIRONMENTAL DOCUMENTATION**

The project was previously approved on January 10, 2023 and was determined to be exempt from CEQA. The project's scope of work is still within the scope of the previous findings of exemption for the project under the State CEQA Guidelines in Sections 15301(a), (d), and (f), 15302, and 15303 and Classes 1(c), (d), and (i), 2, and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because it includes repairs and minor alterations to existing public facilities with negligible or no expansion of use, replacement of features with the same purpose and capacity, placement of small equipment and accessory structures, and installation of equipment at existing facilities.

### **CONTRACTING PROCESS**

The project was previously approved and authorized to be delivered via a JOC for the construction. The standard Board-directed clauses, including those that provide for contract termination and hiring qualified displaced county employees, are included in all JOCs.

The JOC contractor who will perform the work is required to fully comply with applicable legal requirements, which among other things, include Chapters 2.200 (Child Support Compliance Program) and 2.203 (Contractor Employee Jury Service Program) of the Los Angeles County Code, and Section 1774 of the California Labor Code pertaining to payment of prevailing wages.

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

Approval of the recommendations will have minimal impact on current county services.

**CONCLUSION**

Please return one adopted copy of the board letter to the following: ISD Operations Service, the Chief Executive Office – Capital Programs Division, and DHS.

Respectfully submitted,

Selwyn Hollins  
Director

SH:MO:ME:TD:sy

Enclosures

C: Executive Office, Board of Supervisors  
Chief Executive Officer  
County Counsel  
Department of Health Services

## SCHEDULE AND BUDGET SUMMARY

<b>DHS Twin Towers Correctional Facility X-ray Room Remodeling Project</b> <b>Approve Revised Project Budget and Appropriation Adjustment - CP No. 87877</b>
---

### I. PROJECT SCHEDULE

Project Activity	Duration	Scheduled Completion Date
Complete Construction Documents	Complete	Dec 2022
Jurisdictional Approval	Complete	Jan 2023
Award Construction Contract	1 month following Board approval	Sept 2023
Substantial Completion	7 months following Board approval	March 2024
Project Acceptance	8 months following Board approval	April 2024

### II. BUDGET SUMMARY

Budget Category	Previously Board Approved Budget	Revisions since Board Approved Budget	Revised Budget
Construction			
Construction	\$ 123,000	\$ 37,000	\$ 160,000
Change Orders (Contingency)	\$ 29,000	\$ 9,000	\$ 38,000
<b>Subtotal</b>	<b>\$ 152,000</b>	<b>\$ 46,000</b>	<b>\$ 198,000</b>
Civic Art (if not exempt)	\$ -		\$ -
Plans and Specifications	\$ 34,000	\$ 18,000	\$ 52,000
Jurisdictional Review/Plan Check/Permits	\$ 5,000	\$ -	\$ 5,000
County Services (ISD Indirect)	\$ 61,000	\$ 19,000	\$ 80,000
<b>Total Project Budget</b>	<b>\$ 252,000</b>	<b>\$ 83,000</b>	<b>\$ 335,000</b>

PINK

BA FORM 11162021

BOARD OF SUPERVISORS  
OFFICIAL COPY

June 29, 2023

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

DEPARTMENT OF HEALTH SERVICES

**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE****FY 2023-24****3 - VOTES****SOURCES****USES****HEALTH SERVICES - INTEGRATED CORRECTIONAL HEALTH SERVICES**

A01-HC-2000-22100

SERVICES &amp; SUPPLIES

**DECREASE APPROPRIATION 83,000**

VARIOUS HS CAPITAL IMPROVEMENTS

**TWIN TOWERS CORRECTIONAL FACILITY X-RAY ROOM REMODELING**

A01-CP-88-8957-64035-87877

2011 REALIGNMENT-AB109/CAPITAL PROJECT

**INCREASE REVENUE 83,000****HEALTH SERVICES - INTEGRATED CORRECTIONAL HEALTH SERVICES**

A01-HC-88-8944-22100

2011 REALIGNMENT-AB109

**DECREASE REVENUE 83,000**

VARIOUS HS CAPITAL IMPROVEMENTS

**TWIN TOWERS CORRECTIONAL FACILITY X-RAY ROOM REMODELING**

A01-CP-6014-64035-87877

CAPITAL ASSETS - B &amp; I

**INCREASE APPROPRIATION 83,000****SOURCES TOTAL****\$ 166,000****USES TOTAL****\$ 166,000****JUSTIFICATION**

This budget adjustment of \$83,000 is necessary to fund Capital Project No. 87877, Twin Towers Correctional Facility X-ray Room Remodeling Project, from the DHS ICHS operating budget funded by AB 109 for anticipated expenditures in FY 2023-24.

**AUTHORIZED SIGNATURE**

JEAN LO, CHIEF, CONTROLLER'S DIVISION

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR---☐ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY \_\_\_\_\_

B.A. NO. \_\_\_\_\_

DATE \_\_\_\_\_

☐ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY \_\_\_\_\_

DATE \_\_\_\_\_



**Chief  
Executive  
Office.**

**COUNTY OF LOS ANGELES**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, CA 90012  
(213) 974-1101 ceo.lacounty.gov

**CHIEF EXECUTIVE OFFICER**

Fesia A. Davenport

**DRAFT**

August 8, 2023

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

Dear Supervisors:

**APPROVE FUNDING ALLOCATIONS RELATED TO RECENT NATIONAL  
OPIOID SETTLEMENTS, DELEGATE AUTHORITY TO CHANGE PERCENTAGE  
ALLOCATIONS AND/OR AMOUNTS, IMPLEMENT FUTURE PHASES OF  
SPENDING PLAN FUNDING, AMEND ALLOWABLE USES AND INVOLVED  
DEPARTMENTS, CONTRACTUAL CHANGES AND EXECUTE AGREEMENTS  
WITH CITIES WITHIN THE COUNTY OF LOS ANGELES TO ACCEPT  
ADDITIONAL OPIOID SETTLEMENT FUNDS  
(ALL DISTRICTS)**

SUBJECT

The Chief Executive Office (CEO) recommends that the Board of Supervisors (Board) approve the spending plans for funds from National Settlements with opioid manufacturer Janssen Pharmaceuticals/Johnson and Johnson (J&J Settlement) and with McKesson, AmerisourceBergen and Cardinal Health (Distributors Settlement), delegate authority to CEO to amend spending plans with advance notice to the Board, and delegate authority to Department of Public Health (DPH) to execute agreements with cities within the Los Angeles County (LAC) to accept their settlement allocations.

HOA.104330635.1



"To Enrich Lives Through Effective And Caring Service"

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the CEO's recommended spending plan (Attachment I) authorizing the utilization of approximately \$5.5 million in annual funding under the J&J Settlement for the next three Fiscal Years (FYs) beginning in FY 2023-24; and approximately \$11.1 million in annual funding under the Distributors' Settlement for the next five FYs beginning in FY 2023-24.
2. Delegate authority to the CEO to adjust the spending plan amounts, departmental recipients, and/or allowable uses, for all opioid settlements, based on needs and/or available funding, in consultation with the involved departments and with advance notice to the Board.
3. Delegate authority to Director of the Department of Health Services (DHS), the Director of the Department of Public Health (DPH), the County of Los Angeles (County) Fire Chief and the County Medical-Examiner, or their respective designees, to establish new contracts, including sole source, amend or terminate such contracts and/or amend existing contracts, to implement opioid settlement-related programming, at an amount not to exceed the respective department's opioid settlement funding allocation for the J&J Phase 1 Spending Plan beginning in FY 2023-24 through FY 2025-26 and Distributors' Phase 1 Spending Plan beginning in FY 2023-24 through FY 2027-28 with County Counsel approval.
4. Delegate authority to future departmental recipients of opioid settlement funding, or their respective designees, to establish new contracts, including sole source, amend or terminate such contracts and/or amend existing contracts, to implement opioid settlement-related programming, at an amount not to exceed the respective

department's opioid settlement funding allocation, for up to a five-year term through FY 2027-28 with County Counsel approval.

5. Delegate authority to the Director of DPH to contractually accept funding from cities that initially accepted their settlement-related allotted funding but later decide to transfer their funding to the County to provide opioid settlement-related programming on behalf of those cities, with notice to the Board and CEO.
6. Direct DPH, in consultation with the involved departments, to provide an annual report to the Board describing the impact of the programs funded by the spending plan.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

On July 21, 2021, a \$26.0 billion offer to settle was made by opioid manufacturer J&J and the Distributors to resolve their liabilities in over 3,000 opioid crisis-related lawsuits nationwide. The two settlements were finalized, and it is estimated that California will receive approximately \$2.05 billion from the J&J Settlement and Distributors Settlement over the next 18 years. The State of California Department of Health Care Services (DHCS) will oversee and administer the settlement funds which are received as follows: 15% allocated to the State of California and used for future opioid remediation activities, 70% allocated to the Participating Subdivisions (i.e., counties and cities) and used for opioid remediation activities, and 15% allocated to the Plaintiff Subdivisions that are Initial Participating Subdivisions (which includes the County). DHCS will also oversee all activities funded by the settlements including, but not limited to, designating additional high-impact abatement activities (HIAA), conducting related stakeholder engagement, monitoring the California participating subdivisions for compliance, and preparing annual reports.

The settlement funds must be used for specific purposes including the requirement that the County spend 50% of the abatement funds on HIAA, as defined by the State. These HIAA include: a) substance use disorder (SUD)

treatment, infrastructure, and facilities; b) diversion of people with SUD from the justice system (i.e., training, restorative justice, and harm reduction); c) addressing needs of people of color and vulnerable populations, including people experiencing homelessness, who are disproportionately impacted by SUD; and/or d) youth drug-addiction prevention programs. The other 50% of abatement funds may be spent on any of the HIAA listed above, or on a variety of opioid treatment activities including: a) naloxone distribution, education, and training to healthcare providers and first responders; b) opioid-related treatment and prevention programs, including for pregnant and post-partum women, media campaigns, syringe service programs, and others; c) providing comprehensive wrap-around services to individuals in recovery, including housing, transportation, job placement/training, and childcare, as well as hiring additional social workers or other behavioral health workers to facilitate the expanded activities described above; d) providing evidence-based treatment and recovery support for those with Opioid Use Disorder (OUD) transitioning out of the criminal justice system and to fund treatment to inmates with OUD. The subdivision funds can be utilized to pay for opioid abatement activities and administration of opioid related activities, as well as to repay opioid-related litigation fees and expenses.

Recommendation 1 will result in the approval of the CEO's recommended spending plan listed in Attachment I authorizing approximately \$5.5 million in annual funding under the J&J Settlement for the next three FYs beginning in FY 2023-24 (Phase I of III of J&J spending plan); and approximately \$11.1 million in annual funding under the Distributors Settlement for the next five FYs beginning in FY 2023-24 (Phase I of IV of Distributors spending plan). Given the anticipated timeframe for payment of 9-years for J&J Settlement and 18-years for the Distributors Settlement, the CEO is recommending that the spending plan be approved in phases, with re-evaluation over time to determine if realignments are needed. The approval of the allocations in Attachment I represent Phase 1 funding, beginning in FY 2023-24, as follows:

- Phase 1 – J&J Settlement (3-Year Plan includes FY 2023-24, FY 2024-25 and FY 2025-26)

- Phase 1 – Distributors Settlement (5-Year Plan includes FY 2023-24, FY 2024-25, FY 2025-26, FY 2026-27 and FY 2027-28)

Recommendation 2 will delegate authority to the CEO to change departmental recipients, allowable uses and/or spending plan amounts, for all settlements and phases, based on needs and/or available funding, in consultation with the involved departments and with advance notice to the Board. This flexibility is needed to ensure timely spending of the funds given the established reversion periods as further described below.

Recommendations 3 and 4 will delegate authority to the departments listed in the attached spending plan, including the Director of the DHS, the Director of the DPH, the County Fire Chief and the County Medical-Examiner, or their respective designees, as well as future departmental recipients of funding, or their respective designees, to establish new contracts, including sole source, amend or terminate such contracts and/or amend existing contracts, to implement programming at an amount not to exceed the respective department's opioid settlement FY 2027-28. This authority is needed to deploy resources and streamline services to get funding into the community as quickly as possible while being mindful of reversion deadlines.

Recommendation 5 will delegate authority to the Director of DPH to accept funding from cities that initially decided to accept their allotted funding and eventually decided to transfer their allocation of funding to the County to provide opioid settlement-related programming, with advance notice to the Board and CEO. Under the current provisions of the settlements, cities in LAC can directly opt to receive an allocation of funding or forego their allocation, with this decision point occurring on an annual basis. Depending on the timing of that decision by cities, there are instances where cities may opt to receive their funding and later decide to forego funding. This delegated authority will allow DPH to establish contracts with cities to accept any funding that cities want to transfer to the County, after having initially received funding. This may be a rare occurrence; however, this authority will help streamline the process of receiving funding from cities, which may occur at various times

throughout the year and with little advance notice. The amounts allocated to cities thus far have been relatively small and once transferred to the County, will not directly support services in the city forgoing funds. Any funding received by cities would be allocated to DPH to expand existing DPH Board-approved spending plans in support of Countywide activities.

Recommendation 6 will direct DPH to provide an annual report to the Board evaluating the impact of the programs funded by the spending plan. DPH will work with the funded departments to determine what data elements can be collected to assess impact of programming/program evaluation and will access funding on an annual basis from the Balancing Fund (described more fully below) to fund the data collection activities required each year. Any costs associated with data collection activities will be brought forward through the budget process for Board consideration and approval. Additionally, funded departments will provide semi-annual or quarterly verbal updates on program development as requested by Board offices.

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

The recommended action supports Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

### **FISCAL IMPACT/FINANCING**

Based on the opioid settlement funding received to-date, there appears to be extreme variability related to the year-over-year funding thus far. Some of the variability seems related to the ability cities have to determine whether to receive or forego funding, a determination that cities will make on an annual basis. Additionally, there are certain holdbacks by the State on certain funding that cannot be anticipated. As such, there is no detailed schedule provided by Opioid Settlement Administrators that outlines the exact amount of funding the County can expect to receive in any given FY. Given that there is no baseline level of funding that the County can expect to receive in a given year, for planning purposes, the County has used the ballpark figures provided. The J&J Settlement will result in *approximately* \$50.0 million to the County payable

over 9-years and the Distributors Settlement will result in *approximately* \$200.0 million payable over 18-years.

Given the variability of funding, CEO recommends the establishment of a Budgetary Balancing and One-Time Uses Fund (Balancing Fund) that equals approximately one years' worth of funding, that will ensure the ability to smooth out receipt of funds in years where there are variances, while also hedging against future unknown expenses. In addition, Balancing Fund resources will be utilized for investments in data collection and program evaluation. Any funds determined not needed to address variability will be programmed for one-time investments that will support various Board-directed priority programming, with advance notice to the Board. CEO will work with DPH to monitor the future collections and should collection of funds smooth out over time, there will be a re-evaluation as to the need to maintain the Balancing Fund. It should be noted that the Balancing Fund will include an earmark for reimbursement of County Counsel's legal costs related to opioid settlement litigation and other legal expenses if attempts to seek reimbursement by the federal and State administrators are unsuccessful or do not fully reimburse County Counsel costs. To-date, County Counsel has incurred approximately \$1.5 million in legal fees and expenses related to opioid litigation.

Settlement funds received by the County will reside in an interest-bearing special revenue fund administered by DPH, with funding transferred to those departments authorized under the spending plan to receive funding, through the budget process. Program costs will be limited to available opioid settlement funding and as such, there is no net County cost impact. DPH will be the primary recipient of opioid settlement funding and will maintain administrative oversight of the special revenue fund, including budgetary changes and responsibility for the annual reporting requirement to the State. The opioid settlement funding is subject to reversion if not spent or encumbered within five-years of receipt of funding by the County. DPH, as part of their oversight role, will be responsible to ensure none of the funding is subject to reversion.

The Honorable Board of Supervisors  
August 8, 2023  
Page 8

The attached spending plan has been reviewed by County Counsel and aligns with all requirements for use.

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

Pursuant to the County's agreement with the State for receipt of funds from the J&J Settlement and Distributors Settlement, the County must track all deposits and expenditures from the National Settlements. The County must prepare written reports for the DHCS at least annually regarding the use of National Settlement funds, until those funds are fully expended and for one year thereafter. Reports must include a certification that all funds have been used in compliance with the National Settlements. The report will be in a form reasonably determined by DHCS.

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

The opioid settlements are finite, and each carries its own settlement amount and number of years for phasing payments. However, these funds will allow for meaningful investments to support an array of services, including outreach, education, treatment and will support core one-time investments to mitigate the impacts of the opioid crisis in the LAC.

Sincerely,

FESIA A. DAVENPORT  
Chief Executive Officer

FAD:       :  
              :

Enclosures

The Honorable Board of Supervisors  
August 8, 2023  
Page 9

c: Executive Office, Board of Supervisors  
County Counsel

DRAFT

# OPIOID SETTLEMENT

## PROPOSED SPENDING PLAN

### JOHNSON & JOHNSON (J&J) SETTLEMENT (\$5.5M ANNUALLY)

#### **DHS-Office of Diversion and Re-entry, Harm Reduction Division:** \$1.2M – Overdose Prevention and Harm Reduction Services – PEH Focus

Funds will support expansion of overdose prevention and harm reduction services for people experiencing homelessness in partnership with community partners and other Los Angeles County departments. PEH targeted programming are in the following areas: direct services, including distribution of naloxone, fentanyl test strips and other supplies through community providers, hospitals and clinics, access to Medications for Addiction Treatment, referrals for other health services, capacity building and community engagement.

#### **Public Health:** \$2.3M - Electronic Health Record

Funds enhancements to improve the electronic health record used by DPH-SAPC, called Sage, and supports enhancements needed for data sharing between the specialty substance use disorder (SUD) system and other systems, consistent with the goals under CalAIM.

#### **Fire Department:** \$1.0M - Reimbursement of fire dispatch and paramedic operations; one-time equipment

Funds Fire dispatch, paramedic operations and one-time equipment to respond to opioid-related calls.

#### **Department of Medical-Examiner:** \$1.0M - Reimbursement of staffing and equipment needs related to opioid deaths

Funds a variety of staffing and equipment needs related to opioid-related deaths, including death investigations, transport of decedents, post-mortem exams, chemical analyses and notification to prescribing physicians when a patient dies of an opioid overdose.

# OPIOID SETTLEMENT

## PROPOSED SPENDING PLAN

### DISTRIBUTORS SETTLEMENT (\$11.1M ANNUALLY)

#### **DHS-Office of Diversion and Re-entry, Harm Reduction Division:** \$2.261M – Overdose Prevention and Harm Reduction Services

Funds expansion and increased access to Overdose Prevention, Harm Reduction and other supportive services to improve the health and well-being of people who use drugs and their communities. Funds will support direct services, including distribution of naloxone, fentanyl test strips and other supplies through community providers, hospitals and clinics, access to Medications for Addiction Treatment, referrals for other health services, capacity building and community engagement.

#### **PUBLIC HEALTH:** \$8.85M – Various Programs

##### \$0.500M - SPA – Based Coalitions

Fund SPA-based coalitions within SAPC's prevention network to identify needed policy and practice changes that reduce the risks associated with opioid use. Coalitions will also be supported to provide community-based programming that increases education and awareness of the risks and harm associated with opioid prescription misuse through pharmacy engagement, branded educational materials, and community partnerships with school districts, community-based organizations, and other organizations. This expansion supports the abatement and prevention of opioid use disorders, as well as other substance use disorders.

##### \$2.0M – Naloxone, Harm Reduction and Other SUD Programming

Fund additional expansion of harm reductions services, which require flexible dollars, as federal dollars have restrictions related to harm reduction services. These funds will support the expansion of DPH-SAPC's Engagement and Overdose Prevention (EOP) Hubs, which offer a suite of harm reduction services including mobile outreach and engagement, syringe exchange, naloxone, fentanyl test strips, Medications for Addiction Treatment, safer supplies, and referrals to needed physical and behavioral health services.

##### \$3.0M - Recovery Bridge Housing

Expand Recovery Bridge Housing (RBH) beds, defined as peer-supported housing providing a safe interim living environment for patients who are homeless and concurrently participating in outpatient type treatment setting. This expansion supports care for individuals with substance use disorders (SUD), particularly priority populations such as people experiencing homelessness and efforts to address the need to expand bed capacity in partnership with LA City.

##### \$1.0M - Positive Youth Development

Expansion of Positive Youth Development programming focused on opioid prevention, including but not limited to expansion of the Student Wellbeing Centers and establishing peer leadership programs for youth both inside and outside of schools. This expansion supports the abatement and prevention of opioid use disorders, as well as other substance use disorders.

##### \$2.0M - MAT Expansion and Consultation Line

Funds the expansion of MAT services within the specialty SUD system to improve access to these evidence-based services and enhance treatment outcomes. Funding for the MAT Consultation Line operated by DHS will also serve as an important resource for DPH-SAPC's specialty SUD system to initiate MAT with follow up prescribing at specialty SUD sites.

##### \$0.350M - Administrative Oversight and Reporting

Funds administration of settlement funding which will require coordination amongst many County departments and community stakeholders, to adhere to stringent legal requirements around compliance, financial tracking for reversion deadlines, reimbursement of funds to departments and mandated reporting requirements. Also allows for reimbursement legal costs and other one-time costs.

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	7/19/2023		
<b>BOARD MEETING DATE</b>	8/8/2023		
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input checked="" type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>		
<b>DEPARTMENT(S)</b>	Department of Health Services		
<b>SUBJECT</b>	Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement		
<b>PROGRAM</b>			
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:		
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A		
<b>COST &amp; FUNDING</b>	Total cost: \$669,000	Funding source: DHS' Enterprise Fund-Committed for DHS	
	TERMS (if applicable):		
	Explanation: Board approval of the enclosed Fiscal Year (FY) 2023-24 appropriation adjustment (Enclosure B) will allocate \$659,000 from the DHS' Enterprise Fund-Committed for DHS to fund the projected FY 2023-24 expenditures for the proposed H-UCLA MC RO WPS Replacement Project, Capital Project No. 87978. There is no net County cost impact associated with the recommended actions.		
<b>PURPOSE OF REQUEST</b>	Approval of the recommendations will find the Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project exempt from the California Environmental Quality Act, establish and approve Capital Project No. 87978, approve the project budget and appropriation adjustment, and authorize the Director of the Internal Services Department, or designee, to deliver the proposed project using a Board-approved Job Order Contract.		
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The proposed project will replace the existing reverse osmosis water purification system servicing the dialysis unit in Room 5W-9 at Harbor-UCLA Medical Center. The existing system is approximately 30 years old and has exceeded its expected life cycle. Failure to replace this system will impact the hospital's ability to provide safe dialysis treatment to patients that are admitted to the hospital.		
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:		
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:		

<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: - Thomas DeSantis, P&PM Division Manager, (323) 267-3467, TDesantis@isd.lacounty.gov
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County of Los Angeles  
**INTERNAL SERVICES DEPARTMENT**

1100 North Eastern Avenue  
Los Angeles, California 90063

**SELWYN HOLLINS**  
Director

*"Trusted Partner and Provider of Choice"*

Telephone: (323) 267-2101  
FAX: (323) 264-7135

August 8, 2023

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

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES  
HARBOR-UCLA MEDICAL CENTER REVERSE OSMOSIS WATER PURIFICATION SYSTEM  
REPLACEMENT PROJECT  
CATEGORICAL EXEMPTION  
ESTABLISH AND APPROVE CAPITAL PROJECT NO. 87978  
APPROVE PROJECT BUDGET AND APPROPRIATION ADJUSTMENT  
AUTHORIZE USE OF JOB ORDER CONTRACT  
(FY 2023-24)  
(SUPERVISORIAL DISTRICT 2)  
(4 VOTES)**

**SUBJECT**

Approval of the recommendations will find the Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project exempt from the California Environmental Quality Act, establish and approve Capital Project No. 87978, approve the project budget and appropriation adjustment, and authorize the Director of the Internal Services Department, or designee, to deliver the proposed project using a Board-approved Job Order Contract.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find the proposed Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project exempt from the California Environmental Quality Act for the reasons stated in this letter and in the record of the project.

2. Establish and approve the proposed Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project, Capital Project No. 87978 with a total project budget of \$669,000.
3. Approve the Fiscal Year 2023-24 appropriation adjustment to allocate \$659,000 from the Department of Health Services' Enterprise Fund-Committed for the Department of Health Services to fund the estimated Fiscal Year 2023-24 expenditures for the proposed Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Replacement Project, Capital Project No. 87978.
4. Authorize the Director of the Internal Services Department, or designee, to deliver the Harbor-UCLA Medical Center Reverse Osmosis Water Purification System Project using a Board-approved Job Order Contract.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommendations will find the proposed Harbor-UCLA Medical Center Reverse Osmosis Water Purification System (H-UCLA MC RO WPS) Replacement Project (Project) exempt from the California Environmental Quality Act (CEQA), establish and approve Capital Project (CP) No. 87978, approve the project budget and appropriation adjustment, and authorize the Internal Services Department (ISD) to deliver the proposed Project using a Board-approved Job Order Contract (JOC).

The proposed H-UCLA MC RO WPS Replacement Project will replace the existing reverse osmosis water purification system servicing the dialysis unit in Room 5W-9 at Harbor-UCLA Medical Center which located at 1000 W Carson St, Torrance, CA 90502. The existing system is approximately 30 years old and has exceeded its expected life cycle. Failure to replace this system will impact the hospital's ability to provide safe dialysis treatment to patients that are admitted to the hospital.

The proposed scope of work includes removal of the existing water purification system, electrical services, feeders, and circuit wiring; installation of sleeves, wall and floor patching, electrical equipment, wiring, and water purification equipment; and the repair of wall and floor finishes that might be affected by the initial removal of the existing water purification system. A temporary deionization water system will be provided in the adjacent Room 5W-10, which will be used to maintain the hospital's ability to provide dialysis services, until the completion of the installation of the permanent system.

The design for this proposed project was approved by the Department of Health Care Access Information in June 2022. The estimated time for the refurbishment work is approximately eight (8) months.

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

These recommendations support the County Strategic Plan: Goal III. Realize Tomorrow's Government Today, Strategy III.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability, Objective III.3.2 Manage and Maximize County Assets by investing in public infrastructure that will improve the operational effectiveness of an existing County asset and by enhancing the delivery of

comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

### **Green Building/Sustainable Design Program**

The proposed H-UCLA MC RO WPS Replacement Project will support the Board's Green Building/Sustainable Design Program by incorporating design features that will optimize energy efficiency.

The project will be designed and constructed to comply with Title 24 of the California Code of Regulations. Title 24 contains building standards to conserve electricity and natural gas in new and existing buildings within the State. When possible, ISD will document all Title 24 related improvements that qualify for Leadership in Energy and Environmental Design (LEED) building points to apply toward future LEED certification for the County building.

### **FISCAL IMPACT/FINANCING**

The total project budget for the H-UCLA MC RO WPS Replacement Project is estimated at \$669,000 (Enclosure A). The project budget includes construction, change order contingency, plans and specifications, permit fees, consultant services, inspection services, and County services. DHS has previously paid \$10,000 for preliminary assessment fees through the DHS operating budget.

Board approval of the enclosed Fiscal Year (FY) 2023-24 appropriation adjustment (Enclosure B) will allocate \$659,000 from the DHS' Enterprise Fund-Committed for DHS to fund the projected FY 2023-24 expenditures for the proposed H-UCLA MC RO WPS Replacement Project, Capital Project No. 87978. There is no net County cost impact associated with the recommended actions.

#### *Operating Budget Impact*

The scope of work consists of replacements made to an existing space. Therefore, following the completion of the proposed project, ISD and DHS do not anticipate any one-time start-up or additional ongoing costs as a result of the proposed project.

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

In accordance with the Board's Local and Targeted Worker Hire Policy, updated on June 11, 2019, the proposed H-UCLA MC RO WPS Replacement Project will include a best efforts Local Worker hiring goal of at least thirty percent (30%). The "Targeted Worker" component will not be included as part of the proposed Project.

In accordance with the Board's Civic Art Policy, adopted on December 7, 2004, and last amended on August 4, 2020, the proposed Project is exempt from the Civic Art Allocation as it involves replacement of building systems of the refurbishment project.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed H-UCLA MC RO WPS Replacement Project is categorically exempt from CEQA. The scope of work consists of remodeling and replacements made to an existing system. Therefore, the work is within certain classes of projects that have been determined not to have a significant effect on the environment in that it will meet the criteria set forth in Sections 15301(a), (d), and (f), 15302(c), and 15303 of the State CEQA Guidelines and Classes 1(c), (d), and (i), 2(e), and 3 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G because it includes repairs and minor alterations to existing public facilities with negligible or no expansion of use, replacement of features with the same purpose and capacity, placement of small equipment and accessory structures, and installation of equipment at existing facilities.

In addition, based on the records of the proposed project, it will comply with all applicable regulations, it is not in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code section 65962.5, or indications that it may cause a substantial adverse change in the significance of a historic resource that would make the exemptions inapplicable.

Upon the Board's approval of the proposed project, ISD will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with section 21152 of the California Public Resources Code and will post the Notice to its website in accordance with section 21092.2.

### **CONTRACTING PROCESS**

The proposed H-UCLA MC RO WPS Replacement Project will be delivered using an ISD Board-approved JOC for the construction. The standard Board-directed clauses, including those that provide for contract termination and hiring qualified displaced county employees, are included in all JOCs.

The JOC contractor who will perform the work is required to fully comply with applicable legal requirements, which among other things, include Chapters 2.200 (Child Support Compliance Program) and 2.203 (Contractor Employee Jury Service Program) of the Los Angeles County Code, and Section 1774 of the California Labor Code pertaining to payment of prevailing wages.

For this project, ISD has made the determination that the use of a JOC is the most appropriate contracting method to perform the tasks involved. Specifically, to the extent the project entails repair, remodeling, refurbishment, or alteration, and the cost of such project exceeds \$50,000, such project would have to be performed via a competitively-procured construction contract, such as a JOC, not by county employees, due to the "Force Account" limitations set forth in the Public Contract Code.

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

Approval of the recommendations will have minimal impact on current county services and will allow the hospital to continue providing inpatient dialysis services.

### **CONCLUSION**

Please return one adopted copy of the board letter to the following: ISD Operations Service, the Chief Executive Office – Capital Programs Division, and DHS.

The Honorable Board of Supervisors  
August 8, 2023  
Page 5

Respectfully submitted,

Selwyn Hollins  
Director

SH:MO:ME:TD:sy

Enclosures

C:  
Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Arts and Culture (Civic Art Division)  
Department of Health Services

**PROJECT INFORMATION SHEET  
SCHEDULE AND BUDGET SUMMARY**

<b>PROJECT :</b>	<b>H-UCLA Dialysis Reverse Osmosis System Replacement</b>
<b>CAPITAL PROJECT NO. :</b>	<b>87978</b>

<b>I. PROJECT SCHEDULE</b>		
<b>Project Activity</b>	<b>Duration</b>	<b>Scheduled Completion Date</b>
Complete Construction Documents	Complete	Nov 2022
Jurisdictional Approval	Complete	June 2022
Award Construction Contract	1 month following Board approval	Sept 2023
Substantial Completion	7 months following Board approval	March 2024
Project Acceptance	8 months following Board approval	April 2024

<b>II. BUDGET SUMMARY</b>	
<b>Budget Category</b>	<b>Proposed Budget</b>
Construction	
Construction	\$ 401,000.00
Change Orders (Contingency)	\$ 40,000.00
<b>Subtotal</b>	\$ 441,000.00
Civic Art (if not exempt)	\$ -
Plans and Specifications	\$ 17,000.00
Jurisdictional Review/Plan Check/Permits	\$ 17,000.00
County Services (ISD Indirect)	\$ 194,000.00
<b>Total Project Budget</b>	<b>\$ 669,000.00</b>

PINK

BA FORM 11162021

BOARD OF SUPERVISORS  
OFFICIAL COPY

June 27, 2023

COUNTY OF LOS ANGELES

**REQUEST FOR APPROPRIATION ADJUSTMENT**

DEPARTMENT OF HEALTH SERVICES

**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HER RECOMMENDATION OR ACTION.

**ADJUSTMENT REQUESTED AND REASONS THEREFORE****FY 2023-24****4 - VOTES****SOURCES****USES****DHS ENTERPRISE FUND**

MN2-3078

COMMITTED FOR DHS

**DECREASE OBLIGATED FUND BALANCE****659,000****DHS ENTERPRISE FUND**

MN2-HS-6100-60070

OTHER FINANCING USES

**INCREASE APPROPRIATION****659,000****HARBOR CARE SOUTH ENTERPRISE FUND**

MN1-HH-96-9911-60020

OPERATING TRANSFERS IN

**INCREASE REVENUE****659,000****HARBOR CARE SOUTH ENTERPRISE FUND**

MN1-HH-96-9912-60020

OPERATING SUBSIDY - GENERAL FUND

**DECREASE REVENUE****659,000****ENT SUB - HARBOR CARE SOUTH**

A01-AC-6100-21200-21226

OTHER FINANCING USES

**DECREASE APPROPRIATION****659,000****HARBOR-UCLA MEDICAL CENTER****HUCLA REVERSE OSMOSIS WATER PURIFICATION SYSTEM REPLACEMENT**

A01-CP-6014-64015-87978

CAPITAL ASSETS - B &amp; I

**INCREASE APPROPRIATION****659,000****SOURCES TOTAL****\$ 1,977,000****USES TOTAL****\$ 1,977,000****JUSTIFICATION**

This budget adjustment of \$659,000 is necessary to fund Capital Project No. 87978, HUCLA Reverse Osmosis Water Purification System Replacement Project, from DHS Enterprise Fund-Committed for DHS for anticipated expenditures in FY 2023-24.

**AUTHORIZED SIGNATURE**

JEAN LO, CHIEF, CONTROLLER'S DIVISION

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF  
EXECUTIVE OFFICER FOR---☐ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY \_\_\_\_\_

B.A. NO. \_\_\_\_\_

DATE \_\_\_\_\_

☐ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY \_\_\_\_\_

DATE \_\_\_\_\_

# BOARD LETTER/MEMO CLUSTER FACT SHEET

DRAFT

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	7/26/2023	
<b>BOARD MEETING DATE</b>	8/8/2023	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Public Health	
<b>SUBJECT</b>	APPROVAL TO EXECUTE A MASTER AGREEMENT WORK ORDER FOR THE PROVISION OF AS-NEEDED TEMPORARY PERSONNEL SERVICES TO SUPPORT THE SUBSTANCE ABUSE PREVENTION AND CONTROL PROGRAM FOR THE PERIOD OF SEPTEMBER 1, 2023 THROUGH JUNE 30, 2024	
<b>PROGRAM</b>	Substance Abuse Prevention and Control (SAPC)	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	This contract will replace the current Temporary Personnel contract for the SAPC Program that expires August 31, 2023.	
<b>COST &amp; FUNDING</b>	Total cost: Not to exceed \$3,514,565	Funding source: Substance Abuse Prevention and Treatment Block Grant (SABG) funds, Assistance Listing Number 93.959.
	TERMS (if applicable): September 1, 2023, through June 30, 2024.	
	Explanation: The Total cost listed is for 10 months.	
<b>PURPOSE OF REQUEST</b>	MAWO will provide up to 37 temporary personnel to support the ongoing implementation of the California Department of Health Care Services' (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS), and California Advancing and Innovating Medi-Cal (CalAIM) and its payment reform requirements. In addition, these positions will allow Public Health to support key prevention and harm reduction activities, including the expansion of services to address the opioid overdose crisis, and to better serve people experiencing homelessness who need SUD services.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	The Temporary Personnel Services, Work Order Solicitation was released on May 30, 2023, to solicit bids for one MAWO to allow SAPC's to continue to oversee the substance use disorder (SUD) transformation and expansion of the County's DMC-ODS and now CalAIM Waiver requiring SAPC to assess, redesign, and create new policies, workflows, and strategies. The temporary personnel will help meet the immediate need for additional staff across key SAPC programs supporting the CalAIM changes in the SUD landscape while Public Health pursues permanent County staff.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how: DMC-ODS and CalAIM Waiver aim to seek to improve long-term outcomes and implement strategies that identify, prioritize and effectively support the most disadvantage populations.	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: The services provided by SAPC support the County's Board Priorities #2 Alliance for Health Integration and #4 Homeless. As a result of a competitive Work Order	

	<p>Solicitation process, temporary personnel will support the ongoing implementation to provide programmatic support to increase SUD treatment access and service quality; enhance policies, procedures, and project management to improve managed care operations, meet the requirements of DMC-ODS, and CalAIM and its payment reform; and to support key prevention and harm reduction activities, including the expansion of services to address the opioid overdose crisis, and better serve people experiencing homelessness who need SUD services.</p>
<b>DEPARTMENTAL CONTACTS</b>	<p>Name, Title, Phone # &amp; Email:</p> <p>Joshua Bobrowsky, Public Health Director Government Affairs, (213) 288-7871 <a href="mailto:jbobrowsky@ph.lacounty.gov">jbobrowsky@ph.lacounty.gov</a></p> <p>Emily Issa, Senior Deputy County Counsel (213) 974-1827 <a href="mailto:eissa@counsel.lacounty.gov">eissa@counsel.lacounty.gov</a></p> <p>Gary Tsai, Public Health Substance Abuse Prevention and Control (626) 299-3504 <a href="mailto:GTsai@ph.lacounty.gov">GTsai@ph.lacounty.gov</a></p>



**BARBARA FERRER, Ph.D., M.P.H., M.Ed.**  
Director

**MUNTU DAVIS, M.D., M.P.H.**  
County Health Officer

**MEGAN McCLAIRES, M.S.P.H.**  
Chief Deputy Director

313 North Figueroa Street, Suite 806  
Los Angeles, CA 90012  
TEL (213) 288-8117 • FAX (213) 975-1273

[www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)



**BOARD OF SUPERVISORS**

**Hilda L. Solis**  
First District

**Holly J. Mitchell**  
Second District

**Lindsey P. Horvath**  
Third District

**Janice Hahn**  
Fourth District

**Kathryn Barger**  
Fifth District

**DRAFT**

August 8, 2023

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

Dear Supervisors:

**APPROVAL TO EXECUTE A MASTER AGREEMENT WORK ORDER FOR THE  
PROVISION OF AS-NEEDED TEMPORARY PERSONNEL SERVICES TO SUPPORT  
THE SUBSTANCE ABUSE PREVENTION AND CONTROL PROGRAM FOR THE  
PERIOD OF SEPTEMBER 1, 2023, THROUGH JUNE 30, 2024  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to execute a Master Agreement Work Order for As-Needed Temporary Personnel Services to support the Department of Public Health, Substance Abuse Prevention and Control Program.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize and instruct the Director of the Department of Public Health (Public Health), or designee, to execute a competitively solicited Master Agreement Work Order (MAWO), substantially similar to Exhibit I, with Tryfacta, Inc., for the provision of as-needed temporary personnel services to support Public Health's Substance Abuse Prevention and Control Program (SAPC), effective September 1, 2023, through June 30, 2024, at a total maximum obligation not to exceed \$3,514,565, fully funded by Substance Abuse Prevention and Treatment Block Grant (SABG) funds, Assistance Listing Number (ALN) 93.959.

2. Delegate authority to the Director of Public Health, or designee, to execute amendments to the MAWO that: a) extend the term up to two additional one-year periods through June 30, 2026, at an annual amount not to exceed \$4,217,478, contingent upon the availability of funding and Contractor performance, b) allow the rollover of unspent MAWO funds, as allowed by SABG funds; c) provide an increase or decrease in funding up to 10 percent above or below the base maximum obligation, effective upon amendment execution or at the beginning of the applicable MAWO period, and make corresponding service adjustments, as necessary; and/or d) make updates to the terms and conditions, as needed, subject to review and approval by County Counsel and notification to your Board and Chief Executive Office (CEO).

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of Recommendation 1 will allow Public Health to execute a MAWO with Tryfacta, Inc., as a result of a competitive Work Order Solicitation (WOS) process, to provide up to 37 temporary personnel to support SAPC's ongoing implementation of the California Department of Health Care Services' (DHCS) Drug Medi-Cal Organized Delivery System (DMC-ODS), and California Advancing and Innovating Medi-Cal (CalAIM) and its payment reform requirements. In addition, these positions will allow Public Health to support key prevention and harm reduction activities, including the expansion of services to address the opioid overdose crisis, and to better serve people experiencing homelessness who need SUD services.

SAPC continues to oversee the substance use disorder (SUD) transformation and expansion of the County's DMC-ODS and now CalAIM Waiver requiring SAPC to assess, redesign, and create new policies, workflows, and strategies. While SAPC has made substantial progress in implementing the new system requirements, rates, contracting policies, marketing, and network adequacy, additional resources are needed to fully implement these complex efforts and continue to evolve the SUD system to meet additional DHCS mandates and improve care and service options for residents.

The temporary personnel provided under the MAWO will help meet the immediate need for additional staff across key SAPC programs supporting CalAIM changes in the SUD landscape while Public Health pursues permanent County staff.

Approval of Recommendation 2 will allow Public Health to execute amendments to the MAWO to extend the term of the MAWO; rollover unspent funds; increase or decrease funding up to 10 percent above or below the base maximum obligation, effective upon amendment execution or at the beginning of the applicable MAWO term, and make corresponding service adjustments, as necessary; and/or make updates to the terms and conditions, as needed. Such amendments will only be executed if and when there is an unanticipated extension of the term of the applicable grant funding to allow additional time to complete services and utilize grant funding. This authority is being requested to enhance Public Health's efforts to expeditiously maximize grant revenue, consistent with Board Policy 4.070: Full Utilization of Grant funds.

### **Implementation of Strategic Goals**

The recommended actions support Strategy II.2, Support the Wellness of Our Communities, of the County's Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total maximum obligation for the temporary personnel MAWO is \$3,514,565, for the period of September 1, 2023, through June 30, 2024, fully supported by SABG funds, ALN 93.959.

There is no net County cost associated with this action.

Funding is included in Public Health's fiscal year (FY) 2023-24 Adopted Budget and will be included in future FYs as necessary.

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

On November 2, 2021, your Board approved the execution of Master Agreements (MA) with nine qualified vendors for the provision of as-needed temporary personnel services and delegated authority to the Director of Public Health, or designee, to execute competitively solicited MAWOs for services performed under the MAs subject to the following criteria: a) if a WOS results in a MAWO that is \$699,999 or less annually, upon County Counsel review and approval, Public Health will notify your Board of the MAWO; and b) if a WOS results in a MAWO that is \$700,000 or more annually, Public Health will return to your Board for approval.

Subsequently, Public Health exercised delegated authority to execute one additional MA for the provision of as-needed temporary personnel services with a vendor who had been identified and selected through the Request for Statement of Qualifications process, increasing the pool of qualified vendors to 10.

Public Health is returning to your Board for authorization to execute a competitively solicited MAWO as this recommended action results in a MAWO that is \$700,000 or more annually.

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

### **CONTRACTING PROCESS**

On May 30, 2023, Public Health released an As-Needed Temporary Personnel Services WOS (TEMP-WOS-154) to all 10 Public Health As-Needed Temporary Personnel Master Agreement Contractors qualified to provide temporary personnel services. Responses to the WOS were due to Public Health on June 21, 2023.

All requests for a Solicitation Requirements Review (SRR) and Bidder's questions were due by June 6, 2023. There were no requests for an SRR.

Public Health received six bids by the submission deadline. No bids were received late or disqualified. The successful Bidder, Tryfacta, Inc, met all the requirements and submitted the lowest cost responsive bid.

Three bidders requested preference program consideration for Local Small Business Enterprise (LSBE) and one bidder requested both LSBE and Disabled Veteran Business Enterprise. Three met the required criteria and were granted the LSBE preference.

On July 19, 2023, notifications of the WOS results were sent to the six bidders. No bidders submitted a Notice of Intent to Request a Proposed Contractor Selection Review (PCSR). No transmittal form to request a PCSR was received by the deadline.

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

Approval of the recommended actions will allow Public Health to continue providing programmatic support to increase SUD treatment access and service quality; enhance policies, procedures, and project management to improve managed care operations, meet the requirements of DMC-ODS and CalAIM and its payment reform; and to support key prevention and harm reduction activities, including the expansion of services to address the opioid overdose crisis, and better serve people experiencing homelessness who need SUD services.

Respectfully submitted,

Barbara Ferrer, Ph.D., M.P.H., M.Ed.  
Director

BF:nb  
#06872

Enclosure

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

**Master Agreement Number: PH-00XXXX**

**Work Order Number: WXX**

**COUNTY OF LOS ANGELES / DEPARTMENT OF PUBLIC HEALTH**

**SAMPLE MASTER AGREEMENT WORK ORDER**

**FOR**

**AS-NEEDED TEMPORARY PERSONNEL SERVICES**

**CONTRACTOR NAME**

This Master Agreement Work Order and Attachments is made and entered into on \_\_\_\_\_ by and between the County of Los Angeles, Department of Public Health, hereinafter referred to as "County" and Contractor Name, hereinafter referred to as "Contractor". Contractor is located at: XXX Main Street, Suite X, City, California 9XXXX.

**RECITALS**

WHEREAS, on Mmmm DD, YYYY, the County and Contractor Name entered into Master Agreement Number PH-00XXXX to provide as-needed temporary personnel services for the Department of Public Health; and

WHEREAS, Contractor submitted a response to Work Order Solicitation Number TEMP-WOS-154 released by the County for As-Needed Temporary Personnel services; and

WHEREAS, County has been allocated funds from the Substance Abuse Prevention and Treatment Block Grant (SABG), Assistance Listing Number 93.959, to support standardized processes and interoperable systems critical to carrying out key public health functions; and

WHEREAS, Contractor is willing and able to provide the services described herein, in consideration of the payments under this Master Agreement Work Order (MAWO) and under the terms and conditions herein set forth; and

WHEREAS, all terms of the Master Agreement PH-00XXXX remain in full force and effect.

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

**1.0 APPLICABLE DOCUMENTS**

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

**Standard Attachments:**

Attachment A – Statement of Work (to be attached to final MAWO)

Attachment B – Scope of Work - Goals and Objectives (to be attached to final MAWO)

Exhibit IV – Line Item Budget (to be attached to final MAWO)

Attachment C – Certification of No Conflict of Interest

Attachment D – Certification of Employee Status

Attachment E – Health Insurance Portability and Accountability Act of 1996 (“HIPAA”)

Attachment F – Contractor Acknowledgment and Confidentiality Agreement

Attachment G – COVID-19 Vaccination Certification of Compliance

Attachment H - County’s Administration

Attachment I - Contractor’s Administration

**2.0 WORK**

Pursuant to the provisions of this MAWO, the Contractor shall fully perform, complete, and deliver on time, all tasks, deliverables, services, and other work as set forth in Attachment A, Statement of Work, and Attachment B, Scope of Work – Goals and Objectives. This MAWO constitutes the complete and exclusive statement of understanding between the parties relating to the subject matter of this MAWO.

**3.0 TERM OF MASTER AGREEMENT WORK ORDER**

The term of this MAWO shall commence on September 1, 2023 and end on June 30, 2024, unless sooner terminated or extended, in whole or in part, as provided in this MAWO.

**4.0 CONTRACT RATES - PERSONNEL**

Contractor shall provide temporary personnel services at the specified rates in Exhibit IV, Line Item Budget. Contractor shall not add or replace specified personnel without the prior written permission of the County Project Director, or duly authorized designee.

**5.0 CONTRACTOR BUDGET AND EXPENDITURES REDUCTION FLEXIBILITY**

In order for County to maintain flexibility with regards to budget and expenditure reductions, Contractor agrees that the Director of Public Health, or designee ("Director"), may cancel this MAWO, without cause, upon the giving of 10 calendar days' written notice to Contractor. As an alternative to cancellation, Director may, at his or her sole discretion, consistent with federal, State, and/or County budget reductions, renegotiate the scope/description of work, maximum obligation, and budget of this MAWO, via written amendment. To implement such change, an amendment to the MAWO will be prepared by the Director and executed by Contractor and by the Director pursuant to subparagraph 8.1 of the Master Agreement, Amendments.

**6.0 FUNDING SOURCE**

Provision of services under this MAWO for SAPC Temporary Personnel Services is 100 percent offset by SABG funds.

**7.0 MAXIMUM TOTAL AMOUNT AND PAYMENT**

- 7.1 The Maximum Total Amount that County will pay Contractor for all Services to be provided under this MAWO shall not exceed \_\_\_\_\_ dollars (\$XXX), as set forth in Exhibit IV, Line Item Budget, for the term of performance, from September 1, 2023 through June 30, 2024, unless otherwise revised or amended under the terms of this MAWO.
- 7.2 County agrees to compensate Contractor in accordance with the payment structure set forth in Exhibit IV, Line Item Budget.
- 7.3 Contractor shall satisfactorily perform and complete all required Services in accordance with Attachment A, Statement of Work, and Attachment B, Scope of Work. Performance of services as used in this Paragraph includes time spent performing any of the service activities designated in the Attachment(s), including, but not limited to, any time spent on the preparation for such activities.
- 7.4 All invoices submitted by Contractor for payment must be submitted for approval to the County Project Manager, or designee, no later than 30 calendar days after end of the month that the services were rendered/performed.

- 7.5 Within 30 calendar days of expiration or termination of this MAWO, Contractor shall submit to County Project Manager, any outstanding and/or final invoice(s) for processing and payment. Contractor's failure to submit any outstanding and/or final invoices to the County Project Manager within the specified period described above shall constitute Contractor's waiver to receive payment for any outstanding and/or final invoices.
- 7.6 Contractor may request that Director modify the project budget. These requests will be reviewed and considered for approval if the Director determines that the requests are programmatically sound and fiscally appropriate. Additional budget modification instructions may be provided by County. The budget may only be modified after Contractor obtains the prior written approval of the Director or designee. No modification shall increase the maximum total amount that County pays to Contractor as provided in Paragraph 7.1, above. Contractor may submit budget modification requests that seek to move funds within and between any budget categories. All budget modifications shall be incorporated into this MAWO by a written Change Notice executed by Contractor and the Director, or authorized designee.
- 7.7 Health Insurance (Basic Health and Dental) must be covered 100 percent by the Contractor/Employer. Assigned Full Time Equivalent temporary personnel shall be provided with Health Insurance within 30 days of their start date, and shall continue until the last day assigned to work under this MAWO.

## **8.0 INVOICE AND PAYMENTS**

Contractor shall invoice the County in arrears only for providing the tasks, deliverables, services, and other work specified in this MAWO. Contractor shall invoice County on a Cost Reimbursement basis.

### **Cost Reimbursement:**

- a) Salaries.
- b) Employee Benefits Full-Time – At a minimum, the benefit package must include FICA, Health Insurance (Basic Health and Dental must be 100% covered by the Contractor/Employer from inception of MAWO [provision of this benefit shall be within 30 days of their start date and shall continue until the last day assigned under this MAWO]), Unemployment Insurance, Disability Insurance, and Workers Compensation. Benefits shall include County observed Holiday days, vacation days, and sick days.
- c) Travel – Some positions will be required to travel to different locations throughout the project period as outlined in Attachment A, Statement of Work. Budget should include funding for local mileage and parking and out

of town travel reimbursement. County's current mileage reimbursement rate is \$0.615 (or 61.5 cents) per mile.

- d) Indirect Costs must not exceed 10% of total direct costs.

Invoices under this MAWO shall be submitted to the County's Project Manager.

## **9.0 CONFLICT OF INTEREST**

Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect, or hereafter to be enacted during the term of this MAWO, further described in Paragraph 8.9 of the Master Agreement, Conflict of Interest.

## **10.0 MANDATORY COMPLETION DATE**

Contractor shall provide all deliverables no later than the Completion Date identified in Attachment B, Scope of Work - Goals and Objectives. Contractor shall ensure all Services have been performed by such date.

## **11.0 SERVICES**

In accordance with Master Agreement Subparagraph 3.3, Contractor will not be paid for any task, deliverable, service, or other work that is not specified in this MAWO, that utilizes personnel not specified in this MAWO, that exceeds the Total Maximum Amount of this MAWO, and/or that goes beyond the expiration date of this MAWO.

## **12.0 COVID-19 VACCINATIONS OF COUNTY CONTRACTOR PERSONNEL**

- 12.1 At Contractor's sole cost, Contractor must comply with all applicable local, state, and federal laws, regulations, orders, policies and requirements that require its staff to be vaccinated against the novel coronavirus 2019 ("COVID-19"). If required by any applicable local, state, or federal law, regulation, order, policy and requirement to do so, all employees of Contractor and persons working on its behalf, including but not limited to, Subcontractors of any tier (collectively, "Contractor Personnel"), will be fully vaccinated against COVID-19 prior to: (1) interacting in person with County employees, interns, volunteers, and commissioners ("County workforce members"), (2) working on County owned or controlled property while performing services under this Contract, and/or, (3) coming into contact with the public while performing services under this Contract (collectively, "In-Person Services").
- 12.2 Contractor Personnel are considered "fully vaccinated" against COVID-19 two (2) weeks or more after they have received: (1) the second dose in a 2-dose COVID-19 vaccine series (e.g., Pfizer-BioNTech or Moderna), (2) a single-dose COVID-19 vaccine (e.g., Johnson and Johnson [J&J]/Janssen),

or (3) the final dose of any COVID-19 vaccine authorized by the World Health Organization ("WHO").

- 12.3 Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel have been fully vaccinated by confirming Contractor Personnel is vaccinated through any of the following documentation: (1) official COVID-19 Vaccination Record Card (issued by the Department of Health and Human Services, CDC or WHO Yellow Card), which includes the name of the person vaccinated, type of vaccine provided, and date of the last dose administered ("Vaccination Record Card"); (2) copy (including a photographic copy) of a Vaccination Record Card; (3) Documentation of vaccination from a licensed medical provider; (4) a digital record that includes a quick response ("QR") code that when scanned by a SMART HealthCard reader displays to the reader client name, date of birth, vaccine dates, and vaccine type, and the QR code confirms the vaccine record as an official record of the State of California; or, (5) documentation of vaccination from Contractors who follow the CDPH vaccination records guidelines and standards. Contractor shall also provide written notice to County before the start of work under this Contract that its Contractor Personnel are in compliance with the requirements of this section. Contractor shall retain such proof of vaccination for the document retention period set forth in this Contract, and must provide such records to the County for audit purposes, when required by County.
- 12.4 Contractor shall evaluate any medical or sincerely held religious exemption request of its Contractor Personnel, as required by law. If Contractor has determined that Contractor Personnel is exempt pursuant to a medical or sincerely held religious reason, the Contractor must also maintain records of the Contractor Personnel's testing results. The Contractor must provide such records to the County for audit purposes, when required by County. The unvaccinated exempt Contractor Personnel must meet some or all of the following requirements prior to, (1) interacting in person with County workforce members, (2) working on County owned or controlled property while performing services under this Contract, and/or (3) coming into contact with the public while performing services under this Contract, as determined by the County department that the Contract is with:
- (a) Test for COVID-19 with either a polymerase chain reaction (PCR), or an antigen test that has an Emergency Use Authorization (EUA) by the FDA, or is operating per the Laboratory Developed Test requirements by the U.S. Centers for Medicare and Medicaid Services. Testing must occur at least weekly, or more frequently as required by County or other applicable law, regulation, or order.
  - (b) Wear a mask that is consistent with CDC recommendations at all times while on County controlled or owned property, and while engaging with members of the public and County workforce members.

- (c) Engage in proper physical distancing, as determined by the applicable County department that the Contract is with.

12.5 A completed Attachment G (COVID-19 Vaccination Certification of Compliance) is a required part of any agreement with the County.

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ALL TERMS OF THE MASTER AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT. THE TERMS OF THE MASTER AGREEMENT SHALL GOVERN AND TAKE PRECEDENCE OVER ANY CONFLICTING TERMS AND/OR CONDITIONS IN THIS MAWO. NEITHER THE RATES NOR ANY OTHER SPECIFICATIONS IN THIS MAWO ARE VALID OR BINDING IF THEY DO NOT COMPLY WITH THE TERMS AND CONDITIONS OF THE MASTER AGREEMENT, REGARDLESS OF ANY ORAL PROMISE MADE TO CONTRACTOR BY ANY COUNTY PERSONNEL, WHATSOEVER. IN WITNESS WHEREOF, CONTRACTOR HAS EXECUTED THIS WORK ORDER, OR CAUSED IT TO BE DULY EXECUTED AND THE COUNTY OF LOS ANGELES, BY ORDER OF ITS BOARD OF SUPERVISORS HAS CAUSED THIS WORK ORDER TO BE EXECUTED ON ITS BEHALF BY THE COUNTY'S DIRECTOR OF PUBLIC HEALTH OR DESIGNEE THEREOF, THE DAY, MONTH, AND YEAR FIRST ABOVE WRITTEN.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Barbara Ferrer, Ph.D., M.P.H., M.Ed.  
Director

\_\_\_\_\_  
CONTRACTOR

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

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

Title: \_\_\_\_\_

APPROVED AS TO FORM:  
BY THE OFFICE OF THE COUNTY COUNSEL  
DAWYN R. HARRISON  
County Counsel

APPROVED AS TO CONTRACT  
ADMINISTRATION:

Department of Public Health

By \_\_\_\_\_  
Contracts and Grant Division Management  
#06872:nb

**MASTER AGREEMENT WORK ORDER FOR  
AS-NEEDED TEMPORARY PERSONNEL SERVICES**

**TABLE OF CONTENTS OF STANDARD ATTACHMENTS**

**STANDARD ATTACHMENTS**

**A Statement of Work**

**B Scope of Work - Goals and Objectives**

**EXHIBIT IV - Line Item Budget**

**Forms Required for Each MAWO Before Work Begins**

**C Certification of No Conflict of Interest**

**D Certification of Employee Status**

**E Health Insurance Portability and Accountability Act of 1996 ("HIPAA")**

**F Contractor Acknowledgment and Confidentiality Agreement**

**G COVID-19 Vaccination Certification of Compliance**

**H County's Administration**

**I Contractor's Administration**

**AS-NEEDED TEMPORARY PERSONNEL SERVICES  
MASTER AGREEMENT WORK ORDER**

**CERTIFICATION OF NO CONFLICT OF INTEREST**

(Note: This certification is to be executed and returned to County with Contractor's executed MAWO. Work cannot begin on the MAWO until County receives this executed document.)

\_\_\_\_\_  
CONTRACTOR NAME

County Master Agreement Number: PH-\_\_\_\_\_ Work Order Number: \_\_\_\_\_

Los Angeles County Code Section 2.180.010.A provides as follows:

**“Certain contracts prohibited.**

- A. Notwithstanding any other section of this code, the county shall not contract with, and shall reject any bid or proposal submitted by, the persons or entities specified below, unless the board of supervisors finds that special circumstances exist which justify the approval of such contract:
1. Employees of the county or of public agencies for which the board of supervisors is the governing body;
  2. Profit-making firms or businesses in which employees described in subdivision 1 of subsection A serve as officers, principals, partners, or major shareholders;
  3. Persons who, within the immediately preceding 12 months, came within the provisions of subdivision 1 of subsection A, and who:
    - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
    - b. Participated in any way in developing the contract or its service specifications; and
  4. Profit-making firms or businesses in which the former employees, described in subdivision 3 of subsection A, serve as officers, principals, partners, or major shareholders.”

Contractor hereby declares and certifies that no Contractor Personnel, nor any other person acting on Contractor's behalf, who prepared and/or participated in the preparation of the bid or proposal submitted for the Work Order specified above, is within the purview of County Code Section 2.180.010.A, above.

I declare under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Title of Authorized Official

\_\_\_\_\_  
Date

**AS-NEEDED TEMPORARY PERSONNEL SERVICES  
MASTER AGREEMENT WORK ORDER**

**CERTIFICATION OF EMPLOYEE STATUS**

(Note: This certification is to be executed and returned to County with Contractor's executed MAWO.  
Work cannot begin on the MAWO until County receives this executed document.)

\_\_\_\_\_  
CONTRACTOR NAME

County Master Agreement Number: PH-\_\_\_\_\_ Work Order Number: \_\_\_\_\_

I CERTIFY THAT: (1) I am an Authorized Official of Contractor; (2) the individual(s) named below is(are) this organization's employee(s); (3) applicable state and federal income tax, FICA, unemployment insurance premiums, and workers' compensation insurance premiums, in the correct amounts required by state and federal law, will be withheld as appropriate, and paid by Contractor for the individual(s) named below for the entire time period covered by the attached Master Agreement Work Order.

**EMPLOYEES**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

I declare under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Printed Name of Authorized Official

\_\_\_\_\_  
Title of Authorized Official

\_\_\_\_\_  
Date

**HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT  
(HIPAA)**

**CONTRACTOR'S OBLIGATION AS A COVERED ENTITY UNDER THE HEALTH  
INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) OF 1996**

**INADVERTENT ACCESS**

It is the intention of the parties that County will provide Contractor with de-identified data only. Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by Contractor or any of its officers, employees, or agents to any patient medical records, protected health information, and/or personally identifiable information. Accordingly, Contractor shall instruct its officers, employees, and agents that they are not to pursue or gain access to patient medical records or protected health information for any reason whatsoever.

Notwithstanding the foregoing, the parties acknowledge that, in the course of the provision of services hereunder, Contractor or its officers, employees, or agents may have inadvertent access to patient medical records, protected health information, and/or personally identifiable information. Contractor understands and agrees that neither it nor its officers, employees, and agents are to take advantage of such access for any purpose whatsoever. Additionally, in the event of such inadvertent access, Contractor and its employees shall maintain the confidentiality of any information obtained and shall notify the applicable DPH Program Director that such access has been gained immediately or upon the first reasonable opportunity to do so.

In the event of any access, whether inadvertent or intentional, Contractor shall indemnify, defend, and hold harmless County, its officers, employees, or agents from and against any and all liability, including but not limited to actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents' access to patient medical records, protected health information, and/or personally identifiable information. Contractor agrees to provide appropriate training to its employees regarding their obligation as described hereinabove.

**CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Work Order. Work cannot begin on the Work Order until County receives this executed document.)

Contractor Name: \_\_\_\_\_

County Master Agreement Number: PH-\_\_\_\_\_ Work Order Number: \_\_\_\_\_

**GENERAL INFORMATION:**

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

**CONTRACTOR ACKNOWLEDGEMENT:**

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

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

**CONFIDENTIALITY AGREEMENT:**

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

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

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

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

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

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

PRINTED NAME: \_\_\_\_\_

POSITION: \_\_\_\_\_

**AS-NEEDED TEMPORARY PERSONNEL SERVICES  
MASTER AGREEMENT WORK ORDER****COVID-19 CONTRACTOR NOTIFICATION & CERTIFICATION**

Released March 13, 2022, Version 2.0

**Certification of Compliance**

The purpose of this Certification of Compliance is to permit the County to oversee, monitor, confirm, and audit Contractor's compliance with Urgency Ordinance, County Code Title 2 – Administration, Division 4 – Miscellaneous – Chapter 2.212 (COVID-19 Vaccinations of County Contractor Personnel) (the "Ordinance"). Contractor shall submit the information requested in this Certification of Compliance in accordance with Sections 2.212.060 and 2.212.090(A) of the Ordinance.

I, \_\_\_\_\_, on behalf of \_\_\_\_\_, (the "Subrecipient"), certify that on County Contract \_\_\_\_\_ [ENTER CONTRACT NUMBER AND NAME]:

\_\_\_\_\_ All Contractor Personnel on this Contract are fully vaccinated as required by the Ordinance.

\_\_\_\_\_ Most Contractor Personnel on this Contract are fully vaccinated as required by the Ordinance. The Contractor or its employer of record, has granted a valid medical or religious exemption to the below identified Contractor Personnel. Contractor will certify weekly that the following unvaccinated Contractor Personnel have tested negative within 72 hours of starting their work week under the County Contract, unless the contracting County department requires otherwise. The Contractor Personnel who have been granted a valid medical or religious exemption are [LIST ALL CONTRACTOR PERSONNEL]:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I have authority to bind the Contractor, and have reviewed the requirements above and further certify that I will comply with said requirements.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company/Contractor Name

## COUNTY'S ADMINISTRATION

WORK ORDER NUMBER: PH-00xxxx-Wx

### COUNTY WORK ORDER DIRECTOR:

Name:

Title:

Address:

Telephone:

Email:

### COUNTY PROJECT MANAGER:

Name:

Title:

Address:

Telephone:

Email:

### INVOICES SHALL BE SUBMITTED TO:

Name:

Title:

Address:

Telephone:

Email:

## CONTRACTOR'S ADMINISTRATION

CONTRACTOR NAME: \_\_\_\_\_

MASTER AGREEMENT WORK ORDER NO. \_\_\_\_\_

CONTRACTOR PROJECT DIRECTOR:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

**Notices to Contractor shall be sent to the following person and address:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Facsimile: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

# BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

<b>CLUSTER AGENDA REVIEW DATE</b>	7/19/2023	
<b>BOARD MEETING DATE</b>	8/8/2023	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Mental Health	
<b>SUBJECT</b>	Request approval of interim ordinance authority for the Department of Mental Health to add and fill thirty-four positions to oversee the network of Alternative Crisis Response services within Los Angeles County.	
<b>PROGRAM</b>	ACR	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>DEADLINES/ TIME CONSTRAINTS</b>	8/8/2023	
<b>COST &amp; FUNDING</b>	Total cost: \$7.3 million	Funding source: departmental operating revenues, including Assembly Bill 109 ACR one-time.
	TERMS (if applicable): N/A	
	Explanation: These are items.	
<b>PURPOSE OF REQUEST</b>	Will allow DMH to permanently hire dedicated personnel to establish the ACR Unit including administrative support to implement, oversee, expand, and realize crisis response services within LA County.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<b>BACKGROUND</b> Over the past year, DMH temporarily utilized existing personnel from across the Department that served as subject matter experts, as well as key consultants, to take the first steps towards redesigning the crisis response system within County. DMH identified the long-term permanent staffing required to fully operationalize the ACR Unit, including administrative support staff, and the overall aspiration of ACR.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how: Board Priority #3: Care First Jails Last/ Justice Reform. This supports the Care First, Jails Last board priority in that it is working to ensure behavioral health crises are treated within the mental health system whenever possible instead of within law enforcement.	
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: Counsel: William Birnie, SDCC, wbirnie@counsel.lacounty.gov (213) 972-5717 DMH: Jennifer Hallman, MHPM I, jhallman@dmh.lacounty.gov, (213) 943-8289	

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# DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

LISA H. WONG, Psy.D.  
Director

Curley L. Bonds, M.D.  
Chief Medical Officer

Connie D. Draxler, M.P.A.  
Acting Chief Deputy Director

August 8, 2023

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

Dear Supervisors:

**REQUEST FOR APPROVAL OF INTERIM ORDINANCE AUTHORITY FOR  
DEPARTMENT OF MENTAL HEALTH'S  
NEW ALTERNATIVE CRISIS RESPONSE UNIT  
(SUPERVISORIAL DISTRICT 1)  
(3 VOTES)**

**SUBJECT**

Request approval of interim ordinance authority for the Department of Mental Health to add and fill thirty-four positions to oversee the network of Alternative Crisis Response services within Los Angeles County.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve interim ordinance authority, pursuant to Section 6.06.020 of the County Code, for Department of Mental Health (DMH) to recruit and hire thirty-four key personnel to manage and oversee the network of Countywide Alternative Crisis Response (ACR) services, subject to allocation by the Chief Executive Office (CEO), Classification Division.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Board approval of the recommended action will allow DMH to permanently hire dedicated personnel to establish the ACR Unit including administrative support to implement, oversee, expand, and realize crisis response services within Los Angeles County (County).

Over the past year, DMH temporarily utilized existing personnel from across the Department that served as subject matter experts, as well as key consultants, to take the first steps towards redesigning the crisis response system within County. In addition, DMH identified the long-term permanent staffing required to fully operationalize the ACR Unit, including administrative support staff, and the overall aspiration of ACR.

The personnel for ACR will be responsible for managing the network of ACR services and providers in County and implementing procedures that cross the core components of a crisis response system. This will include the County's 9-8-8 crisis call center, ACCESS call center, Field Intervention Teams, urgent care centers, and crisis residential treatment programs, with a common goal of providing the least restrictive appropriate level of care to individuals. The personnel will also manage all ACR relevant funds and specific infrastructure, such as the Dispatch Board.

The personnel will be responsible for ensuring crisis response services and systems are coordinated and comprehensive throughout the County, collaborating with cities within the County, law enforcement agencies, and other County Departments such as the Justice, Care & Opportunities Department and Sheriff's Department. They will work with community stakeholders to ensure their needs are met and advocate at the Local, State, and Federal level when gaps in the crisis response system are identified both clinically and administratively.

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

The recommended actions are consistent with County's Strategic Plan Goal I: Enhance the Quality and Capacity of Mental Health Services and Supports in Partnerships with Clients, Strategy 1.1: Enhance Delivery of Systems That Balance and Transform a Continuum of Services. Strategy 1.2: Provide Integrated Mental Health, Physical Health and Substance Use Services. Strategy 1.3: Support clients in Establishing Their Own Recovery.

### **FISCAL IMPACT/FINANCING**

The annual cost of these positions is roughly \$7.3 million and will be funded with departmental operating revenues, including Assembly Bill 109 ACR one-time, which was added in the Budget Year 2023-24 Supplemental Changes process. Funding for future fiscal years will be requested in subsequent Budget Phases.

There is no net County cost impact associated with the recommended action.

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

On March 4, 2020, the Los Angeles County Board of Supervisors (Board) unanimously approved the motion “Crisis Response Coordination” to develop a steering committee to advise on the development, expansion, coordination and utilization of crisis response resources throughout the County. Following this Board motion, the ACR Steering Committee met to discuss the County’s current crisis response system, its gaps and needs, and a vision for its future. The ACR Steering Committee released a preliminary report on August 14, 2020, (“LA County Alternative Crisis Response: Preliminary Report and Recommendations”) that identified three core components of the County’s crisis response system: regional crisis call center network (“someone to talk to”), crisis mobile team response (“someone to respond”), and crisis receiving and stabilization facilities (“somewhere to go”). The report noted that the crisis response system must be redesigned to dramatically reduce and mitigate law enforcement responses wherever and whenever possible.

In November 2022, DMH officially assumed responsibility for ACR within County. The aspiration for ACR is that individuals experiencing a behavioral health crisis within County are treated quickly, effectively, and with empathy at the least restrictive level of care to meet their short and long term needs in the mental health system, as appropriate, so that they can remain in their community.

A “behavioral health crisis” means any situation in which a person’s behavior puts them at risk of hurting themselves or others, and/or prevents them from being able to care for themselves or function effectively in the community, as a result of a mental health condition or substance use. Behavioral health crises may include, but are not limited to, thoughts or plans of suicide; violent, aggressive, or erratic behavior; losing touch with reality; or rapid mood swings.

As described in federal guidance, mobile crisis services are a critical component of an effective behavioral health crisis continuum of care. Medi-Cal behavioral health delivery systems may begin implementing the mobile crisis services benefit as soon as January 1, 2023, and shall have the benefit fully implemented by December 31, 2023.

## **IMPACT ON CURRENT SERVICES OR PROJECTS**

DMH intends to establish an ACR Unit, including administrative support, to oversee an array of services designed to timely reach any person experiencing a behavioral health crisis in County, whether in their home, school, workplace, or any other community-based location. The role of the ACR Unit is to ensure coordination between existing crisis services as well as new and expanded services.

The Honorable Board of Supervisors  
August 8, 2023  
Page 4

Respectfully submitted,

Lisa H. Wong, Psy.D.  
Director

LHW:CDD:KN:JH:atm

DRAFT