



HEALTH AND MENTAL HEALTH CLUSTER AGENDA REVIEW MEETING

DATE: Wednesday, September 6, 2023

TIME: 11:30 A.M.

THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY AS PERMITTED UNDER THE BOARD OF SUPERVISORS AUGUST 8, 2023, ORDER SUSPENDING THE APPLICATION OF BOARD POLICY 3.055 UNTIL MARCH 31, 2024

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.

11:00 A.M. NOTICE OF CLOSED SESSION

CS-1 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code Section 54956.9(a)

Jessica R. v. County of Los Angeles

Los Angeles Superior Court Case No.: 22CHCV00888

Department of Health Services

12:30 P.M. NOTICE OF CLOSED SESSION

CS-2 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Government Code Section 54956.9(a)

County of Los Angeles v. U.S. Radiology On-Call, LLC

Los Angeles Superior Court Case No.: 18STCV04340

Department of Health Services

- I. Call to order

II. **Presentation Item(s):**

- a. **DHS:** (Revised) 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
 - b. **DPH:** (Revised) Approval of an Ordinance to Amend Los Angeles County Code Title 8 - Consumer Protection, Business and Wage Regulations – Establish New and Updated Public Health Permit, Plan Check, and Service Fees Related to Requirements for Compact Mobile Food Operations, Mobile Food Facilities, and Commissaries (#06782)
- III. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- IV. 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
- V. Public Comment
- VI. Adjournment

BOARD LETTER/MEMO CLUSTER FACT SHEET

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	07/26/2023	
BOARD MEETING DATE	08/08/2023 09/12/2023	
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th	
DEPARTMENT(S)	Department of Health Services	
SUBJECT	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	
PROGRAM	Finance	
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
SOLE SOURCE CONTRACT	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	If Yes, please explain why: Department utilized all delegated authority	
DEADLINES/ TIME CONSTRAINTS	Agreement expires September 30, 2023, if not extended.	
COST & FUNDING	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): Not Applicable	
	Explanation:	
PURPOSE OF REQUEST	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.	
BACKGROUND (include internal/external issues that may exist including any related motions)	<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 Public Health 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>
EQUITY INDEX OR LENS WAS UTILIZED	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes, please explain how:</p>
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<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>
DEPARTMENTAL CONTACTS	<p>Name, Title, Phone # & Email:</p> <p>DHS - Manal Dudar, Chief Financial Management, 626-525-6426 mdudar@dhs.lacounty.gov</p> <p>County Counsel – Kelly Hassel, Deputy County Counsel, (213) 974-1803 khassel@counsel.lacounty.gov</p>

**Los Angeles County
Board of Supervisors**

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Second District

Lindsey P. Horvath
Third District

Janice K. Hahn
Fourth District

Kathryn Barger
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Director

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Chief Deputy Director, Clinical Affairs

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

Elizabeth M. Jacobi, J.D.
Administrative Deputy

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REVISED

~~August 8, 2023~~ September 12, 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:

**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, or designee, to execute Amendments to extend the term of two sole source Agreements: (i) with Sutherland Healthcare Solutions, Inc. for Financial Management Services for the Department of Health Services and the Department of Public Health; and (ii) with USCB America for Financial Billing and Recovery Services for the Department of Health Services; 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 of Health Services (Director), or designee, to execute Amendment No. 14 (substantially similar to Exhibit I) to sole source Agreement No. H-703466 with Sutherland Healthcare Solutions, Inc. (Sutherland), ~~effective upon execution following Board approval~~ to extend the term for the period October 1, 2023 through September 30, 2025, for the continued provision of Financial Management Services (FMS) for the Department of Health Services (DHS) and the Department of Public Health (Public Health), 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 America (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 Financial Billing and Recovery Services (FBRS) for DHS, with no change to the maximum reimbursement rates.
3. Delegate authority to the Director, or designee, to extend the term of each Agreement by up to 12 months in order to complete the ongoing solicitation process for replacement services and transition to the new revenue cycle management system, subject to County Counsel approval and reporting to the Board on the status of soliciting for replacement services and transitioning to the new revenue cycle management system.
4. 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, County policy, the Board and/or the Chief Executive Office (CEO); (b) add/delete County facilities; (c) make any necessary changes to scope of services and to negotiate and adjust fees structures ~~that do not~~ to 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 Public Health revenue recovery efforts.

Sutherland provides FMS to DHS and Public Health 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 Public Health 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 The Department~~ 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 intended to 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 with Sutherland 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 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 for these comprehensive and highly technical services.

DHS is currently using a legacy patient accounting system, Affinity Revenue Cycle Only (Affinity RCO), and plans to replace it with a more robust revenue cycle management system. DHS is planning for a phased implementation approach. Because of its integration with ORCHID, the new revenue cycle management system will result in new billing protocols. To minimize financial risk, DHS plans to have a clean cut-over of accounts (based on date of service) to be billed in the new revenue cycle management system. Sutherland and USCB will need to continue FMS and FBRS and exhaust all efforts to recoup reimbursement on old accounts until DHS completes its transition to the new revenue cycle management system.

As noted below, DHS will be working on competitive solicitations to address the full scope of revenue recovery services. That process will inform the future solicitation development for these services. In order to fully and sustainably support DHS' financial operations, use of these Agreements will allow for uninterrupted revenue collection efforts pending the implementation of the new revenue cycle management system.

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, the County does not have the expertise to perform billing. ~~Further, there is an intent for the County to replace Affinity Revenue Cycle Only (RCO) 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 30, 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.

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 ~~the~~ 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 Public Health, and FBRs for DHS, with no change to the compensation rates.

Approval of the third recommendation will delegate authority to the Director, or designee to extend the term of each Agreement by up to 12 months in order to complete the ongoing solicitation process for replacement services to the above Agreement and transition to the new revenue cycle management system.

Approval of the ~~third~~ fourth recommendation will delegate 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 the 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 revenue collected. The compensation rate is dependent on the type of payer and will remain unchanged during the extension period.

For fiscal year (FY) ~~22/23~~ 2022-23 Sutherland generated over \$1.1 billion in gross revenue for DHS of which \$39 million in fees was paid to Sutherland by DHS, and approximately \$7 million in gross revenue for Public Health of which \$1 million in fees is estimated to be paid to Sutherland by Public Health upon reconciliation of invoices between Sutherland and Public Health. For the same period, USCB generated over \$128 million in gross revenue for DHS of which \$7.4 million in fees was paid to USCB by DHS.

For FY ~~22/23~~ 2023-24, DHS estimates the revenue generated by Sutherland and USCB will remain approximately the same from the previous FY ~~22/23~~ 2022-23. For the same period, approximately \$4 million in revenue will be generated for Public Health of which approximately \$538,200 in fees will be paid to Sutherland.

Funding for DHS is requested in the FY 2023-24 Supplemental Budget Resolution, pending Board approval on October 3, 2023. DHS will request continued funding in future fiscal years, as needed. ~~For FY 23/24 funding for DHS is included in the DHS' Final Budget and will be requested in future fiscal years' budget.~~ Funding for Public Health is related to the Vaccine Revenue program and is included in DPH's Public Health's operating budget.

There is no impact to net County cost, fees are paid out of revenue generated by both Agreements.

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 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 (4) 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 (6) 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 (Los Angeles County Code Chapter 2.121) and not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201). Sutherland and USCB services provided are very specialized and highly technical which cannot be provided by 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~~ competitive solicitation for the 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 Public Health to continue medical billing, collecting, and identifying third-party payor resources without interruption, while DHS completes its competitive solicitation process and transitions to the new revenue cycle management system, ultimately aiding the Departments' financial sustainability.

The Honorable Board of Supervisors

~~8/8/2023~~ 9/12/2023

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Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Christina R. Ghaly'.

Christina R. Ghaly, M.D.
Director

CRG:mr

Enclosures

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



Health Services
LOS ANGELES COUNTY

May 1, 2023

**Los Angeles County
Board of Supervisors**

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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.

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



Chief Executive Office

Date

SOLE SOURCE CHECKLIST

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 **Department of Health Services (DHS) and Department of Public Health (Public Health)** 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 **Public Health 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 is in the process of securing a new revenue cycle management system which will result in new billing protocols. This new system will be phased-in by facility. DHS is recommending that the old system be phased out until all the claims have been billed due to the risk of migrating these old claims to the new system. This approach will require DHS to temporarily run dual systems. Procuring a new vendor for a temporary dual system procurement causes two issues: 1) Requires a vendor to develop two processes for billing (one permanent and one temporary) which increases the costs of the procurement and reduces the number of vendors willing to submit bids; and 2) DHS does not have the necessary staff to assist the new vendor in developing a temporary solution to bill claims from the old system. Therefore, the most cost effective and risk tolerant solution for DHS is to procure a new vendor only for the new system. This approach will minimize any disruption to DHS' revenue cycle operations. 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 CHECKLISTDepartment Name: Department of Health Services- Sutherland Healthcare Solutions, Inc. No. H-703466-☐

New Sole Source Contract

☒

Sole Source Amendment to Existing Contract

Date Existing Contract First Approved:

June 1, 1999

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ 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>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ 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.
<input checked="" type="checkbox"/>	➤ 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.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ 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

6/29/23

Date

Agreement No.H-703466

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**

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FINANCIAL MANAGEMENT SERVICES

STATEMENT OF WORK

LISTING OF ATTACHMENTS

ATTACHMENT A - FACILITIES LIST

ATTACHMENT B - PERFORMANCE REQUIREMENTS SUMMARY

ATTACHMENT C - MAXIMUM CONTINGENCY FEE SCHEDULE

1.0 DEFINITIONS

The terms used throughout this Agreement and in this Exhibit A-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)**

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

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

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
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)**

AMBULATORY CARE NETWORK	
FACILITY	LOCATION
High Desert Regional HC	335 East Avenue I, Lancaster, CA 93535
Hubert H. Humphrey Comprehensive Health Center	5850 S. Main St., Ste. 1127, Los Angeles, CA 90003
La 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

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

FACILITIES LIST

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

DPH - PUBLIC HEALTH CENTERS	
FACILITY	LOCATION
Antelope Valley Health Center	335 East Avenue K-6 Ste B., Lancaster, CA 93535
Central Health Center	241 N. Figueroa St., Los Angeles, CA 90012
Curtis Tucker Health Center	123 W. Manchester Blvd., Inglewood, CA 90301
Glendale Health Center	501 N. Glendale Ave., Glendale, CA 91206
Hollywood/Wilshire Health Center	5205 Melrose Ave., Los Angeles, CA 90038
Martin Luther King Jr. (South) Health Center	11833 s. Wilmington Ave., Los Angeles, CA 90059
Monrovia Health Center	330 W. Maple Ave., Monrovia, CA 91016
North Hollywood Health Center	5300 Tujunga Ave., North Hollywood, CA 91601
Pacoima Health Center	13300 Van Nuys Blvd., Pacoima, CA 91331
Pomona Health Center	750 S. Park Ave., Pomona, CA 91766
Ruth Temple Health Center	3834 S. Western Ave., Los Angeles, CA 90062
Burke/Simms/Mann Health Center	2509 Pico Blvd., Santa Monica, CA 90405
Torrance Health Center	711 Del Amo Blvd., Torrance, CA 90502
Whittier Health Center	7643 Painter Ave., Whittier, CA 90602
Central Satellite Clinic – The Leavey Health Center	522 S. San Pedro St., Los Angeles, CA 90013
OTHER PUBLIC HEALTH PROGRAMS	
Public Health Lab	12750 Erickson Ave., Downey, CA 90242
MCAH – Nurse-Family Partnership Program	600 S. Commonwealth Ave Ste 800., Los Angeles, CA 90005

EXHIBIT A-3
ATTACHMENT B

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:</p> <p>3.2.5.1</p> <p>3.2.5.2</p> <p>3.2.5.3</p> <p>3.2.5.4</p> <p>3.2.5.5</p> <p>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</u> is calculated as follows:</p> <p>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:</p> <p>MMC: 20153 – 01, 34, 39, 43, 52</p> <p>Commercial: 20072 – 01, 34, 39, 43, 52</p> <p>Medi-Cal: 20073 – 01, 34, 39, 43, 52</p> <p>Medicare: 20074 – 01, 34, 39, 43, 52</p> <p>CCS: 20075 - 01, 34, 39, 43, 52</p>	<p>Monthly Write-Off Report</p>	<p>100%</p> <p>97%</p> <p>97%</p> <p>97%</p>	<p>Inpatient Institutional:</p> <p>\$1,500/Occurrence if Charge Amount > = \$100K</p> <p>\$1,000/Occurrence if Charge Amount < \$100k</p> <p>Outpatient Institutional:</p> <p>\$50/Occurrence</p> <p>Professional:</p> <p>\$50/Occurrence</p>

EXHIBIT A-3
ATTACHMENT B

PERFORMANCE REQUIREMENTS SUMMARY
(EFFECTIVE JULY 1, 2020)

CRITERIA 1: BILLING	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
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</u> is calculated as follows: 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 > = \$100K \$1,000/Occurrence if Charge Amount < \$100k Outpatient Institutional: \$50/Occurrence Professional: \$50/Occurrence</p>

PERFORMANCE REQUIREMENTS SUMMARY
(EFFECTIVE JULY 1, 2020)

CRITERIA 2: Payment & Adjustment Posting (as applicable to respective Contractors)	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
A. Duplicate Payment Batch Posting SOW Sections: 3.2.11 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)

CRITERIA 2: Payment & Adjustment Posting (as applicable to respective Contractors)	STANDARD PERFORMANCE REQUIREMENT	MONITORING TOOL	Acceptable Quality Level (AQL)	ASSESSMENT
C. Untimely Processing of State Program Refunds SOW Section: 3.2.5.8	Create and timely process electronic CIFs for Medi-Cal OP denials or payments. Contractor shall within sixty (60) calendar days process CIF from County's initial notification. If CIF is not due to 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

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

PERFORMANCE REQUIREMENTS SUMMARY
(EFFECTIVE JULY 1, 2020)

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

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

PERFORMANCE REQUIREMENTS SUMMARY
(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. County will adhere to Contractors Responsibility Matrix.	Receipt of Response	1 Business Day	\$100 per day when timeframe is not adhered to.
D. Confidentiality Agreement, County Confidential Information SOW Section: 6.1.5	Contractor and Contractor Employee Acknowledgement and Confidentiality Agreements signed and provided to DHS within three (3) business days.	None	Review of reports, complaints	\$100 per day per employee when form not signed; \$1,000 per unauthorized release of information

Penalty Cap:

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

CONTRACT PROVISION	MEDI-CAL	MEDICARE	CROSSOVER MEDI-CAL PORTION	INSURANCE	ALL OTHER PAYORS
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

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

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

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

Agreement No.:H-702058

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

DRAFT

☒ Board Letter

☐ Board Memo

☐ Other

CLUSTER AGENDA REVIEW DATE	9/6/2023			
BOARD MEETING DATE	9/19/2023			
SUPERVISORIAL DISTRICT AFFECTED	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 st <input type="checkbox"/> 2 nd <input type="checkbox"/> 3 rd <input type="checkbox"/> 4 th <input type="checkbox"/> 5 th			
DEPARTMENT(S)	Public Health			
SUBJECT	APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY CODE TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS			
PROGRAM	ENVIRONMENTAL HEALTH			
AUTHORIZES DELEGATED AUTHORITY TO DEPT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
SOLE SOURCE CONTRACT	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
	If Yes, please explain why:			
DEADLINES/ TIME CONSTRAINTS				
COST & FUNDING	<table border="1"> <tr> <td>Total cost: \$0</td><td>Funding source:</td></tr> </table>		Total cost: \$0	Funding source:
Total cost: \$0	Funding source:			
	TERMS (if applicable):			
	<p>There is no net County cost associated with the recommended action at this time since the permit, inspection, evaluation, endorsement, and other enforcement activities mandated by the state would be offset by the public health fees proposed in the ordinance.</p> <p>Currently, Department of Public Health (Public Health) Environmental Health Division (EH) proposes to use existing staff to implement SB 972. However, Public Health EH will review staffing requirements after implementation. If additional staffing is necessary, a budget request will be submitted accordingly.</p>			
PURPOSE OF REQUEST	<p>Introduce, waive reading, and adopt the attached ordinance (Exhibit A) that amends LACC Title 8 – Consumer Protection, Business, and Wage Regulations to establish public health permit, plan check, and service fees for Compact Mobile Food Operations, Mobile Food Facilities, and Commissaries, to align with recent changes to the California Retail Food Code.</p>			
BACKGROUND (include internal/external issues that may exist including any related motions)	<p>Senate Bill No. (SB) 972, which was chaptered into law by the Governor in September 2022, amended the California Retail Food Code. The code establishes health and safety standards for retail food facilities and requires local health agencies to enforce its provisions. In Los Angeles County, Public Health, EH is the local health agency that enforces the California Retail Food Code. The authority in the code allows Public Health EH to perform mandated public health services that are primarily offset by fees from the permits and services provided.</p>			

	<p>Approval of the recommended action would authorize Public Health EH to implement the new provisions in SB 972 and recover program costs for the state-mandated services through permit, plan check, and service fees.</p> <p>Adoption of the recommended ordinance would:</p> <ul style="list-style-type: none"> • Create new public health permit requirements and fees for inspections of compact mobile food operations, require site evaluations to ensure that structural and operational requirements are met, and require a final inspection of a compact mobile food operation to ensure adherence to the pre-approved model plan. • Establish new permit categories and corresponding fees for mobile food facilities and commissaries. • Delete existing definitions (food carts, food vehicles, food vehicle commissary, food vehicle storage or cleaning facility, personal hawker, mobile food preparation units, and processor owned milk delivery vehicle) or modify definitions (cottage food operations and food vehicle wholesale independent delivery) to align with the provisions in SB 972, in order to consolidate business classifications and/or to update the current business operation. <p>Approval of the recommended action will also amend LACC Title 8 to reflect technical and non-substantive changes to established public health license, permit, and service fees related to food vehicles.</p>
EQUITY INDEX OR LENS WAS UTILIZED	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:
SUPPORTS ONE OF THE NINE BOARD PRIORITIES	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:
DEPARTMENTAL CONTACTS	<p>Name, Title, Phone # & Email:</p> <p>Liza Frias Director of Environmental Health 626- 430-5374 LFrias@ph.lacounty.gov</p>



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

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

MEGAN McCLAIRe, 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



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

May 23, 2023

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

REVISED

Dear Supervisors:

**APPROVAL OF AN ORDINANCE TO AMEND LOS ANGELES COUNTY CODE,
TITLE 8 – CONSUMER PROTECTION, BUSINESS AND WAGE REGULATIONS
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

SUBJECT

Request approval of an ordinance amending Los Angeles County Code, Title 8 – Consumer Protection, Business and Wage Regulations to establish new and updated public health permit, plan check, and service fees related to requirements for compact mobile food operations, mobile food facilities, and commissaries.

IT IS RECOMMENDED THAT THE BOARD, AFTER THE PUBLIC HEARING:

Introduce, waive reading, and adopt the attached ordinance (Exhibit A) that amends Los Angeles County Code ("LACC"), Title 8 – Consumer Protection, Business and Wage Regulations to establish public health permit, plan check, and service fees for compact mobile food operations, mobile food facilities, and commissaries, to align with recent changes to the California Retail Food Code.

PURPOSE/JUSTIFICATION FOR RECOMMENDED ACTION

Senate Bill No. ("SB") 972, signed into law by the Governor in September 2022, amended the California Retail Food Code. The Code establishes health and safety standards for retail food facilities and requires local health agencies to enforce its provisions. In Los Angeles County, the Department of Public Health ("Public Health"), Environmental Health Division ("EH"), is the local health agency that enforces the California Retail Food Code. The Code authorizes Public Health EH to perform mandated public health services that are primarily offset by fees from the permits and services provided.

Approval of the recommended action would authorize Public Health EH to implement the following new provisions in SB 972 and recover program costs for the state-mandated services through permit, plan check, and service fees:

- Defines and establishes a "compact mobile food operation ("CMFO")" as a mobile food facility that operates from an individual or from a pushcart, stand, display, pedal-driven cart, wagon, showcase, rack, or other nonmotorized conveyance.
- Allows for a CMFO to offer prepackaged food or limited food preparation.
- Requires a CMFO to meet the applicable requirements of mobile food facilities.
- Authorizes an enforcement agency to approve a permanent food facility to operate as a CMFO commissary with nonconforming structural conditions if those conditions do not pose a public health hazard.
- Authorizes an enforcement agency to allow the use of a private home for the storage of a CMFO after an evaluation by the enforcement agency, unless prohibited by local ordinance.
- Requires the local health agency to approve the storage of a compact mobile food facility in a permitted permanent food facility if, after initial inspection, the agency determines that the compact mobile food facility is protected from contamination.
- Exempts a CMFO that has 25 square feet or less of display area and sells only prepackaged, non-potentially hazardous foods or whole uncooked produce from the permit requirement.
- Authorizes the local health agency to preapprove a standard plan for the mass production of CMFO, and to collect a fee for the final inspection of the CMFO.
- Authorizes a cottage food operation to serve as a commissary for up to two CMFOs if the cottage food operation includes an endorsement from the local health agency. Also, the cottage food operation must be capable of supporting the preparation and storage of the food being sold from the CMFO and the storage and cleaning of the CMFO.
- Authorizes approved cottage food items prepared in a permitted cottage food operation to be served from a CMFO.

- Makes violations of State law or the LACC by an operator or employee of a compact mobile food facility or a sidewalk vendor punishable only by an administrative fine.

Adoption of the recommended ordinance would:

- Create new public health permit requirements and fees for inspections of CMFOs, site evaluations to ensure structural and operational requirements are met, and the final inspection of a CMFO for adherence to the pre-approved model plan.
- Establish new permit and corresponding fees for mobile food facilities and commissaries.
- Delete existing definitions (food carts, food vehicles, food vehicle commissary, food vehicle storage or cleaning facility, personal hawker, mobile food preparation units, and processor-owned milk delivery vehicle) or modify definitions (cottage food operations and food vehicle wholesale independent delivery) to align with provisions in SB 972, to consolidate business classifications, or to update the current business operation.

Approval of the recommended action will also amend LACC Title 8 to reflect technical and non-substantive changes to established public health license, permit, and service fees related to food vehicles.

Implementation of Strategic Plan Goals

The recommended action supports Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost associated with the recommended action at this time since the permit, inspection, evaluation, endorsement, and other enforcement activities mandated by the state would be offset by the public health fees proposed in the ordinance.

Currently, Public Health EH proposes to use existing staff to implement SB 972. However, Public Health EH will review staffing requirements after implementation. If additional staffing is necessary, a budget request will be submitted accordingly.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Public Health EH is a regulatory agency and is staffed with Registered Environmental Health Specialists that perform mandated services, including inspections and investigations related to food, housing, drinking water, water pollution, land use, solid waste, and vector management. State law authorizes Public Health EH to collect fees to offset “reasonable expenses” that arise from its inspection activities. These service fees are exempt from voter approval, pursuant to Proposition 26.

County Counsel has reviewed and approved the proposed ordinance (Exhibit A) as to content and form. The Auditor-Controller has approved the methodology of determining the fees as reasonable, based on its review of the Public Health EH worksheets calculating the program costs. The plan check fee for Food Vehicle Commissary was renamed to Food Preparation, High Risk with a fee of \$796. The permit fee for Food Vehicle, Independent Wholesale was renamed to Independent Milk-Delivery Vehicle with a fee of \$127. Both fees reflect the existing fee that was approved by the Board on June 26, 2018.

Pursuant to California Government Code section 66018, a local agency must hold a public hearing at a regularly scheduled meeting of the Board of Supervisors before adopting an ordinance, resolution, or other legislative enactment adopting a new fee and shall publish notice of the public hearing in a newspaper per Government Code section 6062(a).

IMPACT ON CURRENT SERVICES FOR PROJECT(S)

There is no anticipated impact on current Public Health EH services due to the recommended action.

Respectfully submitted,

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

BF:ig
#06782

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

REVISED

ANALYSIS

This ordinance amends Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code ("County Code") by establishing new and updated public health permit, plan check, and service fees related to requirements for compact mobile food operations, mobile food facilities and commissaries, to align with recent changes to the California Retail Food Code pursuant to Senate Bill 972. These amendments establish health and safety standards for certain retail food facilities and allow the Department of Public Health to perform services that are primarily offset by fees from the permits and services provided. The amendments implement the following:

- Defines and establishes what a "compact mobile food operation" ("CMFO") is and also provides for the requirements needed in order to meet certain standards;
- Allows for CMFOs to offer prepackaged food or limited food preparation;
- Provides the enforcement agency the authority to approve permanent food facilities to operate as a CMFO;
- Allows the use of a private home for the storage of a CMFO;
- Requires the local health agency to approve storage of a CMFO in a permitted permanent food facility;
- Exempts a CMFO that has 25 square feet or less of display area and sells only prepackaged, non-potentially hazardous foods or whole uncooked produce from the permit requirement;
- Authorizes the local health agency to preapprove a standard plan for the mass production of CMFO, and to collect a fee for the final inspection of the CMFO;
- Authorizes a cottage food operation to serve as a commissary for up to two CMFOs if the cottage food operation includes an endorsement from the local health agency. Also, the cottage food operation must be capable of supporting the preparation and storage of the food being sold from the CMFO and the storage and cleaning of the CMFO;
- Authorizes approved cottage food items prepared in a permitted cottage food operation to be served from a CMFO; and
- Makes violations of State law and the County Code by an operator or employee of a compact mobile food facility or a sidewalk vendor punishable only by an administrative fine.

DAWYN R. HARRISON
County Counsel

By



VANESSA MIRANDA
Deputy County Counsel
Health Services Division

VM:rg

Requested Date: 1/25/23

Revised Date: 8/22/23

ORDINANCE NO. _____

This ordinance amends Title 8 – Consumer Protection, Business and Wage Regulations of the Los Angeles County Code, by establishing new and updated public health permit, plan check, and service fees related to requirements for compact mobile food operations, mobile food facilities and commissaries, to align with recent changes to the California Retail Food Code pursuant to Senate Bill 972. These amendments establish health and safety standards for retail food facilities and allow the Department of Public Health to perform services that are primarily offset by fees from the permits and services provided.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Section 8.04.025 is hereby amended to read as follows:

8.04.025 Animal ~~f~~Food ~~m~~Market.

"Animal ~~f~~Food ~~m~~Market" means a retail facility selling pet food or livestock feed, either packaged or in bulk.

SECTION 2. Section 8.04.030 is hereby amended to read as follows:

8.04.030 Animal ~~k~~Keeper—Category I.

"Animal ~~k~~Keeper, Category I" means any person not an aAnimal kKeeper, Category II, and not an aAnimal kKeeper, Category III, who does one or more of the following:

- A. Has, keeps, maintains or raises 10 or more but not more than 49 animals of the same or different classifications of the horse, cow, sheep, goat or hog species;
- B. Has, keeps, maintains, or raises 50 or more but not more than 499 rabbits or hares;

C. Has, keeps, maintains, or raises five or more but not more than 49 horses, including ponies, mules, or donkeys.

SECTION 3. Section 8.04.035 is hereby amended to read as follows:

8.04.035 Animal kKeeper—Category II.

"Animal kKeeper, Category II" means any person not an anAnimal kKeeper, Category III, who does one or more of the following:

- A. Has, keeps, maintains, or raises at least 50 but not more than 100 animals of the same or different classifications of the horse, cow, sheep, goat, or hog species;
- B. Has, keeps, maintains, or raises 500 or more rabbits or hares;
- C. Has, keeps, maintains, or raises at least 500 but not more than 999 poultry or wild fowl.

SECTION 4. Section 8.04.040 is hereby amended to read as follows:

8.04.040 Animal kKeeper—Category III.

"Animal kKeeper, Category III" means any person who does any one or more of the following:

- A. Has, keeps, maintains, or raises more than 100 animals of the same or different classifications of the horse, cow, sheep, goat, or hog species;
- B. Has, keeps, maintains, or raises 1,000 or more poultry or wild fowl.

SECTION 5. Section 8.04.045 is hereby amended to read as follows:

8.04.045 Animal kKeeper—Exceptions.

A person is not an anAnimal kKeeper in any category if his only acts described in any of the definitions of anAnimal kKeeper set forth in Sections 8.04.030 through 8.04.040 are as:

- A. A slaughterer; or
- B. A dairyman.

SECTION 6. Section 8.04.050 is hereby amended to read as follows:

8.04.050 Animal kKeeper—Fee eExemptions.

The eCounty hHealth eOfficer shall issue without a fee a license to:

A. A person who owns at least five but not more than nine horses and who does not operate a commercial boarding facility or derive income from the rental or use of such horses, unless such person is required to be licensed under other provisions of this eCode; or

B. A 4-H Club, Future Farmers of America Club, school with animals maintained for agricultural classes, or other similar recognized group which carries on an organized program to encourage student participation in agricultural activities.

SECTION 7. Section 8.04.055 is hereby amended to read as follows:

8.04.055 Backflow pPrevention dDevice.

"Backflow pPrevention dDevice" means a plumbing device that prevents a cross-connection, as defined in ~~Title 11~~, Section 11.38.030 of this eCode "Backflow pPrevention dDevice" shall include, but is not limited to, devices as approved by the County hHealth eOfficer in accordance with California Health and Safety Code, Ssections 116800-116810, California Plumbing Code, Ssection 603.2, and California Code of Regulations, Title 17, Ssection 7583.

SECTION 8. Section 8.04.060 is hereby amended to read as follows:

8.04.060 Boarding ~~h~~Home.

"Boarding ~~h~~Home" means any premises, structures, or portion thereof (except any hospital or other health facility as defined in ~~S~~section 1250 of the Health and Safety Code and except any mental or alcoholic institution licensed by the ~~s~~State of California), used or intended to be used as a place where sleeping or rooming accommodations are furnished to the whole or any part of the public, with or without compensation and with or without meals, for five or more persons who are unrelated to the operator. "Boarding ~~h~~Home" includes, but is not limited to, a rooming house, home for the aged, sober living facility, boarding house, lodging house, and bed and breakfast facility.

SECTION 9. Section 8.04.063 is hereby amended to read as follows:

8.04.063 Body ~~a~~Art ~~b~~Bloodborne ~~p~~Pathogens ~~e~~Exposure ~~e~~Control ~~t~~Training ~~a~~Approval.

"Body ~~a~~Art ~~b~~Bloodborne ~~p~~Pathogens ~~e~~Exposure ~~e~~Control ~~t~~Training ~~a~~Approval" means the triennial review, audit, and approval of a training provider's Body Art Bloodborne Pathogens Exposure Control Training evidencing its compliance with the criteria in California Health and Safety Code ~~s~~Section 119307.

SECTION 10. Section 8.04.064 is hereby amended to read as follows:

8.04.064 Body ~~a~~Art ~~f~~Facility.

"Body ~~a~~Art ~~f~~Facility" means a body art facility as defined in the California Health and Safety Code, ~~S~~section 119301(d).

SECTION 11. Section 8.04.065 is hereby amended to read as follows:

8.04.065 Body aArt pPractitioner.

"Body aArt pPractitioner" means a practitioner as defined in California Health and Safety Code, ~~S~~section 119301(t) who has submitted an application and documentation demonstrating that they meet the requirements of the California Health and Safety Code, ~~S~~section 119306(b)(1-7).

SECTION 12. Section 8.04.067 is hereby amended to read as follows:

8.04.067 Body aArt fFacility, tTemporary.

"Body aArt fFacility, tTemporary" means a ~~b~~Body aArt eEstablishment as defined in ~~Los Angeles County Code, Title 8,~~ Section 8.04.064 which operates for up to seven (7) days in a ninety (90) day period at a body art temporary event.

SECTION 13. Section 8.04.068 is hereby amended to read as follows:

8.04.068 Body aArt tTemporary eEvent, pPromoter.

"Body aArt tTemporary eEvent, pPromoter" means the person who is responsible for the maintenance of all areas and facilities that are used by the public, or are shared by temporary ~~b~~Body aArt fFacilities, at an event with one or more temporary ~~b~~Body aArt fFacilities.

SECTION 14. Section 8.04.070 is hereby amended to read as follows:

8.04.070 Certified ~~b~~Backflow pPrevention dDevice tTester.

"Certified ~~b~~Backflow pPrevention dDevice tTester" means any person possessing a currently valid certificate of competence which certifies that he has successfully passed an examination conducted by the County hHealth eOfficer which has

determined him to be competent to test and make reports on ~~b~~Backflow ~~p~~Prevention ~~d~~Developed Devices.

SECTION 15. Section 8.04.071 is hereby amended to read as follows:

8.04.071 Catering Operation.

"Catering ~~e~~Operation" means a food service that is conducted by a permanent ~~f~~Food ~~f~~Facility approved for food preparation where food is served, or limited food preparation is conducted, at a location other than its permitted location, in either of the following circumstances:

1. As part of a contracted off-site food service event.
2. When operating in conjunction with a ~~h~~Host ~~f~~Facility with direct food sales.

SECTION 16. Section 8.04.072 is hereby amended to read as follows:

8.04.072 Catering Operation Host Facility.

"Host ~~f~~Facility" means a facility located in a brewery, winery, commercial building, or another location as approved by the local enforcement agency, that meets applicable requirements to support a ~~e~~Catering ~~e~~Operation that provides food directly to individual consumers for a limited period of time, up to four hours, in any one 12-hour period and that maintains a host facility permit issued by the County Health Officer.

SECTION 17. Section 8.04.075 is hereby amended to read as follows:

8.04.075 Certified ~~f~~Farmers' ~~m~~Market.

"Certified ~~f~~Farmers' ~~m~~Market" means that portion of a ~~e~~Community ~~e~~Event or other location, approved by the Los Angeles County Agricultural Commissioner, where agriculture products are sold by producers or certified producers directly to consumers.

A Certified Farmers' Market may be operated by one (1) or more certified producers, by a nonprofit organization, or by a local government agency.

SECTION 18. Section 8.04.076 is hereby amended to read as follows:

8.04.076 Certified Farmers' Market Sponsor.

"Certified Farmers' Market Sponsor" means a person or organization that operates a location within a Community Event or other location, which location is approved by the Los Angeles County Agricultural Commissioner, and from which agriculture products are sold by producers or certified producers directly to consumers.

SECTION 19. Section 8.04.080 is hereby amended to read as follows:

8.04.080 Children's Camp.

A. "Children's Camp" means a site with program(s) and facilities attended by five (5) or more children ages three (3) to seventeen (17) which is established for the primary purpose of providing a group experience with social, spiritual, educational, or recreational objectives, and operates for over three (3) hours per day for at least five (5) days during any 12-month period.

B. "Children's Camp" does not include the following:

1. Program(s) and facilities subject to licensure by the California Department of Social Services.
2. Any juvenile detention facility.
3. Program(s) and facilities commonly referred to as "drop-in" recreation programs in which attendees may participate without signup or registration by attendees, or their parents or guardians.

4. Outdoor education programs and classes offered to students by school districts, county boards of education, or private schools, which are operated pursuant to California Education Code requirements.

5. Organized camps subject to State law and regulation, unless otherwise specified in this division.

SECTION 20. Section 8.04.081 is hereby amended to read as follows:

8.04.081 Children's Day Camp.

"Children's dDay eCamp" means a eChildren's eCamp as defined in Section 8.04.080, with no more than one overnight stay per season (consecutive 90-day period).

SECTION 21. Section 8.04.082 is hereby amended to read as follows:

8.04.082 Children's Overnight Camp.

A. "Children's eOvernight eCamp" means a eChildren's eCamp as defined in Section 8.04.080 with two (2) to three (3) overnight stays per season (consecutive 90-day period).

B. A eChildren's dDay eCamp which provides only one overnight stay per season (consecutive 90-day period) shall not be considered a eChildren's eOvernight eCamp.

SECTION 22. Section 8.04.086 is hereby amended to read as follows:

8.04.086 Commercial sSex vVenue.

"Commercial sSex vVenue" is as defined in Section 11.04.310.

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SECTION 23. Section 8.04.087 is hereby amended to read as follows:

8.04.087 ~~Community event.~~ Commissary.

~~"Community event" means an event which is of a public, civic, political, or educational nature, including state and county fairs, city festivals, circuses, carnivals, certified farmers markets and other public gathering events approved by the County health officer.~~ "Commissary" means any structure or portion of a structure used exclusively for the storage, cleaning and/or servicing of Mobile Food Facilities, Mobile Support Units, Temporary Food Facilities, or Vending Machines. a food facility that services Mobile Food Facilities, Mobile Support Units, or Vending Machines where any of the following occur:

1. Food, containers, or supplies are stored.
2. Food is prepared or prepackaged for sale or service at other locations.
3. Utensils are cleaned.
4. Liquid and solid wastes are disposed, or potable water is obtained.

A. "Commissary, Food Preparation" means a Food Facility that is used for food preparation and food storage; provides potable water supply hook-ups and a clarifier for disposal of wastewater; and is used for the storage and/or cleaning of Mobile Food Facilities, Mobile Support Units, or Vending Machines.

B. "Commissary, Food Storage and Cleaning Facility" means a Food Facility that is used for food storage; provides potable water supply hook-ups, a clarifier for disposal of wastewater, and is used for the storage and/or cleaning of Mobile Food

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Facilities, Mobile Support Units, or Vending Machines. Food shall not be prepared in such a facility.

C. "Commissary, Cleaning and Storage Facility" means a Commissary that provides potable water supply hook-ups, a clarifier for disposal of wastewater, and is used for the storage and/or cleaning of Mobile Food Facilities, Mobile Support Units, or Vending Machines. Food shall not be prepared or stored in such a facility.

D. "Commissary, Storage Facility" means a Commissary used exclusively for storage of Mobile Food Facilities, Mobile Support Units, or Vending Machines. No cleaning of equipment or storage of food is allowed in such a facility.

SECTION 24. Section 8.04.088 is hereby amended to read as follows:

8.04.088 Community eEvent organizer.

"Community eEvent-organizer" means an event conducted for not more than twenty-five (25) consecutive or nonconsecutive days in a 90-day period, which is of a public, civic, political, or educational nature, including State and county fairs, city festivals, circuses, carnivals, Certified Farmers' Markets and other public gathering events approved by the County Health Officer. ~~A person who is responsible for the maintenance of all areas and facilities that are used by the public or are shared by food booths at a community event.~~

A. "Community Event Organizer" means a person who is responsible for the maintenance of all areas and facilities that are shared by two or more Food Facilities at a Community Event and Toilet Facilities used by the public.

B. "Community Event/Temporary Food Facility Permit" means written authorization to operate issued by the County Health Officer to a Community Event

Organizer or Temporary Food Facility following approval of an application and payment of the appropriate service fee.

SECTION 25. Section 8.04.089 is hereby deleted in its entirety:

~~8.04.089 Community event/seasonal event permit.~~

~~"Community event/seasonal event permit" means written authorization to operate issued by the County health officer to a community event organizer or food booth following approval of an application and payment of the appropriate service fee.~~

SECTION 26. Section 8.04.090 is hereby amended to read as follows:

8.04.090 Community wWater sSystem.

"Community wWater sSystem," as used in this cChapter, means a public water system as defined in SSection 64411, Title 22, California Code of Regulations, that serves at least fifteen (15) service connections used by yearlong residents.

SECTION 27. Section 8.04.091 is hereby added to read as follows:

8.04.091 Compact Mobile Food Operation.

"Compact Mobile Food Operation" means a mobile food facility as defined in the California Health and Safety Code section 113831(a) that is required to comply with Division 104, Part 7, Chapter 11.7 Compact Mobile Food Operation of the California Health and Safety Code.

A. "Compact Mobile Food Operation, Approved Model Plan Final Evaluation" means a final evaluation of a Compact Mobile Food Operation to ensure that the individual unit and proposed method of operation conforms to the model plan that has been approved by the County Health Officer.

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B. "Compact Mobile Food Operation Auxiliary Conveyance Operator, Site Specific" means a person who is responsible for the facilities, including the handwashing and warewashing auxiliary conveyances, that are shared by two (2) or more Compact Mobile Food Operations that are permitted to operate at a site-specific location.

C. "Compact Mobile Food Operation, High Risk" means an unenclosed, non-motorized conveyance, that is approved for limited food preparation as defined in California Health and Safety Code section 113818 and used to prepare raw meat, raw poultry, or raw fish. In addition to the provisions outlined in Chapter 11.7 of the California Health and Safety Code, a Compact Mobile Food Operation that is used to prepare raw meat, raw poultry, or raw fish is subject to warewashing and handwashing facility requirements as outlined including the preparation of raw meat, raw poultry, or raw fish; and meets the requirements for mobile food facilities as defined in Division 104, Part 7, Chapter 10 Mobile Food Facilities of the California Health and Safety Code commencing with section 114294.

D. "Compact Mobile Food Operation Home Storage Endorsement" means an assessment of a private home by the County Health Officer to ensure that storage of one or more Compact Mobile Food Operations in the private home do not pose a public health hazard and are stored in a manner that protects the equipment from contamination. This Section applies to either:

1. Cottage Food Operation, Class B endorsed by the County Health Officer to store and support up to two (2) Compact Mobile Food Operations; or

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2. A private home that has been endorsed by the County Health Officer to store up to two (2) Compact Mobile Food Operations.

E. "Compact Mobile Food Operation, Low Risk" means:

1. An individual stand, showcase, rack, display approved for the sale and display of no more than twenty-five (25) square feet of prepackaged non-potentially hazardous food, and whole uncooked produce.

a. Compact mobile food facilities that have twenty-five (25) square feet or less of display area and sell only prepackaged, non-potentially hazardous foods or uncooked produce are exempt from the requirements for mobile food facilities.

2. A pushcart, peddle-driven cart, wagon, or other unenclosed, non-motorized conveyance that is approved for sale and display of no more than twenty-five (25) square feet of prepackaged non-potentially hazardous food.

a. Compact mobile food facilities that have twenty-five (25) square feet or less of display area and sell only prepackaged, non-potentially hazardous foods or uncooked produce are exempt from the requirements for mobile food facilities.

3. A pushcart, peddle-driven cart, wagon, or other unenclosed, non-motorized conveyance that is approved for sale and display of pre-packaged ice cream bars and frozen fruit bars.

F. "Compact Mobile Food Operation, Moderate Risk" means an unenclosed, non-motorized conveyance, such as a pushcart, peddle-driven cart, or wagon that is approved for sale and display of prepackaged potentially hazardous

foods and/or limited food preparation that does not include raw meat, raw poultry, or raw fish.

SECTION 28. Section 8.04.093 is hereby amended to read as follows:

8.04.093 Contract Water Use Survey.

"Contract ~~w~~Water ~~u~~Use ~~s~~Survey," as used in this ~~e~~Chapter, means an evaluation, performed pursuant to a written agreement between a water purveyor and the County ~~h~~Health ~~o~~Officer, to determine the need for a ~~backflow protection assembly~~ Backflow Prevention Device at one or more external service connections, in order to protect the water distribution system from backflow.

SECTION 29. Section 8.04.095 is hereby amended to read as follows:

8.04.095 Cottage ~~f~~Food ~~o~~Operation.

"Cottage ~~f~~Food ~~o~~Operation" means an enterprise within the registered or permitted area of a private home where the ~~e~~Cottage ~~f~~Food Operation operator resides and where cottage food products are prepared or packaged, ~~for as defined in direct,~~ as defined in direct, ~~indirect, or direct and indirect sale to consumers. The enterprise shall not have more than one full-time equivalent cottage food employee, not including a family or household member of the cottage food operator, and shall not have gross annual sales that exceed the amounts specified in this section. In 2013, the enterprise shall not have more than thirty-five thousand dollars (\$35,000) in gross annual sales in the calendar year. In 2014, the enterprise shall not have more than forty-five thousand dollars (\$45,000) in gross annual sales in the calendar year. Commencing in 2015, and each subsequent year thereafter, the enterprise shall not have more than fifty thousand dollars (\$50,000)~~

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in gross annual sales in the calendar year California Health and Safety Code section 113758.

A. "Cottage Food Operation, Class A" means a Cottage Food Operation that may engage only in Ddirect Ssales of cottage food products from the Cottage Food Operation or other Ddirect Ssales, as defined by California Health and Safety Code section 113758(b)(4)under the definition of Direct Sale as set forth in Section 8.04.106. The enterprise shall not have gross annual sales that exceed the amounts specified in California Health and Safety Code section 113758.

B. "Cottage Food Operation, Class B" means a Cottage Food Operation that may engage in both Ddirect Ssales and Iindirect Ssales of cottage food products from the Cottage Food Operation, from Ddirect Ssales venues as defined by California Health and Safety Code sections 113758 (b)(4) and (b)(5)the definition of Direct Sale, as set forth in Section 8.04.106, from offsite events, or from a third-party retail Food Facility described under the definition of Indirect Sale, as set forth in Section 8.04.272, or from a permitted Compact Mobile Food Operation as defined by California Health and Safety Code section 113831. The enterprise shall not have gross annual sales that exceed the amounts specified in California Health and Safety Code section 113758.

C. "Cottage Food Operation, Class B with Compact Mobile Food Operation Storage" means a Cottage Food Operation as defined in Section 8.04.095 that is endorsed for the storage of up to two (2) Compact Mobile Food Operations.

SECTION 30. Section 8.04.096 is hereby deleted in its entirety:

~~8.04.096 Cottage food operation—Class A.~~

~~"Cottage food operation, Class A" means a cottage food operation that may engage only in direct sales of cottage food products from the cottage food operation or other direct sales as described under the definition of "direct sale," as set forth in section 8.04.106.~~

SECTION 31. Section 8.04.097 is hereby deleted in its entirety:

~~8.04.097 Cottage food operation—Class B.~~

~~"Cottage food operation, Class B" means a cottage food operation that may engage in both direct sales and indirect sales of cottage food products from the cottage food operation, from direct sales venues including those described within the definition of "direct sale," as set forth in section 8.04.106, from offsite events, or from a third-party retail food facility described under the definition of "indirect sale," as set forth in section 8.04.272.~~

SECTION 32. Section 8.04.100 is hereby amended to read as follows:

8.04.100 County hHealth oOfficer.

"County hHealth oOfficer" means the dDirector of the dDepartment of pPublic hHealth of the eCounty of Los Angeles, or the duly authorized representative.

SECTION 33. Section 8.04.103 is hereby added to read as follows:

8.04.103 Dependent Food Operator.

"Dependent Food Operator" means a person that has been approved by the County Health Officer to operate within a permanent Food Facility when the primary permit holder is not operating the permanent Food Facility.

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SECTION 34. Section 8.04.106 is hereby ~~amended to read as follows~~
deleted in its entirety:

~~8.04.106~~ Direct sSale.

~~"Direct sSale" means a transaction between a cCottage fFood oOperation operator and a consumer, where the consumer purchases the cottage food product directly from the cCottage fFood oOperation. Direct sSales include, but are not limited to, transactions at holiday bazaars or other temporary events, such as bake sales or food swaps, transactions at farm stands, cCertified fFarmers' mMarkets, or through community-supported agriculture subscriptions, and transactions occurring in person in the cCottage fFood oOperation, and transactions made via phone, internet, or any other digital method.~~

SECTION 35. Section 8.04.120 is hereby amended to read as follows:

8.04.120 Dwelling uUnit.

"Dwelling uUnit" means the same as defined in Section 405 of the Uniform Building Code, and includes "efficiency dwelling unit" as defined in Section 406 of the Uniform Building Code, adopted as Rules and Regulations under authority of ~~Section~~ 17922, California Health and Safety Code section 17922.

SECTION 36. Section 8.04.130 is hereby amended to read as follows:

8.04.130 Fertilizer mManufacturer.

"Fertilizer mManufacturer" means any person engaged in the wholesale business of processing or sacking manure for fertilizer purposes.

SECTION 37. Section 8.04.138 is hereby deleted in its entirety:

~~8.04.138~~ ————— ~~Food cart, high risk.~~

~~"Food cart, high risk" means an unenclosed, non-motorized vehicle with compartments for preparing food, including, but not limited to, a heated cooking surface and hot and cold holding bins. Food preparation shall be limited to: cooking to order; preparing beverages to order; dispensing and portioning of non-potentially hazardous foods, as defined in California Health and Safety Code, Section 113871; slicing or chopping food on the heated cooking surface; and the holding in a hot food compartment as permitted by California Health and Safety Code, Section 113818 (b)(6).~~

SECTION 38. Section 8.04.139 is hereby deleted in its entirety:

~~8.04.139~~ ————— ~~Food cart, low risk.~~

~~"Food cart, low risk" means an unenclosed, non-motorized vehicle which sells prepackaged foods only.~~

SECTION 39. Section 8.04.140 is hereby amended to read as follows:

8.04.140 Food demonstrator.

"Food demonstrator" means any person who engages in the business or practice of offering or serving, without charge to the consumer, unpackaged bulk food to the public for the purpose of publicizing, advertising or promoting the sale of food, food products or food equipment. "Food demonstrator" shall not include any person operating a ~~food vehicle~~ Mobile Food Facility that is otherwise under public health permit and for which a valid public health permit has been obtained.

SECTION 40. Section 8.04.141 is hereby amended to read as follows:

8.04.141 Food eEstablishment.

"Food eEstablishment" means any room, building, or place, or portion thereof, maintained, used, or operated for the purpose of storing, preparing, manufacturing, packaging, transporting, salvaging, or otherwise handling food at the wholesale level. Food eEstablishments include, but are not limited to, food warehouses, wholesale food markets, food processing establishments, and ice plants.

SECTION 41. Section 8.04.142 is hereby amended to read as follows:

8.04.142 Food fFacility.

"Food fFacility" means a food facility as defined in the California Health and Safety Code, Ssection 113789.

SECTION 42. Section 8.04.143 is hereby amended to read as follows:

8.04.143 Food Facility, High Risk.

"Food fFacility, hHigh rRisk" means a Food Facility, such as a restaurant, rRetail fFood mMarket, iInterim hHousing fFacility, or licensed health care facility, which meets any of the following criteria:

. . .

SECTION 43. Section 8.04.144 is hereby amended to read as follows:

8.04.144 Food Facility, Low Risk.

"Food fFacility, lLow rRisk" means a Food Facility, such as any bar serving only alcoholic beverages, a restaurant, rRetail fFood mMarket, or licensed health care facility, which meets all of the following criteria:

A. Offers for sale or serves only pPrepackaged fFood items;

B. Prepares or serves only non-potentially hazardous foods or heats only commercially processed, potentially hazardous foods for hot holding; and

C. Offers only single-use eating and drinking utensils, if utensils are offered.

SECTION 44. Section 8.04.145 is hereby amended to read as follows:

8.04.145 Food ~~f~~Facility ~~r~~Remodel.

"Food ~~f~~Facility ~~r~~Remodel" means any construction or alteration to an existing ~~f~~Food ~~f~~Facility. Remodeling also includes the installation of equipment or repair to a ~~f~~Food ~~f~~Facility which alters the configuration or method of operation and requires a permit from the local building department. For purposes of this title, a remodel shall be limited to a maximum of 300 square feet of affected area. Facility remodeling areas over 300 square feet shall be assessed the ~~p~~Plan ~~e~~Check and ~~s~~Site ~~e~~Evaluation fee for a new facility of the same size as specified in Section 8.04.725 of this ~~t~~Title.

SECTION 45. Section 8.04.146 is hereby amended to read as follows:

8.04.146 Food Facility, Moderate Risk.

"Food ~~f~~Facility, ~~m~~Moderate ~~r~~Risk" means a Food Facility, such as a restaurant, ~~r~~Retail ~~f~~Food ~~m~~Market, licensed health care facility with nonpackaged foods, or a private school cafeteria, except for preschools, which meet the following criteria:

A. Prepares or serves potentially hazardous food in quantities based on projected same day consumer demand, and discards prepared foods that are not sold or served the same day; and

B. Uses single-use eating and drinking utensils; or

C. Cuts or trims produce for sale without further preparation.

SECTION 46. Section 8.04.150 is hereby amended to read as follows:

8.04.150 Food ~~m~~Market, ~~r~~Retail.

"Food ~~m~~Market, ~~r~~Retail" means a ~~f~~Food ~~f~~Facility where bakery products, meats, fish, shellfish, seafood, poultry, preserves, dairy products, eggs, ice, candy, fruits, vegetables, spices, herbs, vitamins, food supplements, or any other foods or food products, or beverages, whether in bulk, canned, wrapped, bottled, packaged, or in any other form, are sold or offered for sale at retail for consumption on premises other than where sold. "Food ~~m~~Market, ~~r~~Retail," however, shall not include any "~~f~~Food ~~s~~Salvager" as defined in Section 8.04.180.

A. "Retail ~~f~~Food ~~m~~Market" includes, but is not limited to, any vitamin and supplement store, botanica, retail fruit and vegetable market, retail fish market, retail grocery market, convenience store, retail meat market, or combination of those listed.

B. Facilities utilizing an area of less than twenty-five (25) square feet for ~~r~~Retail ~~f~~Food ~~m~~Market operations, that do not sell or offer for sale foods other than prepackaged candy, prepackaged nuts, chewing gum, bottled soft drinks, or other prepackaged non-potentially hazardous food, shall be exempt from the requirement for a ~~p~~Public ~~h~~Health ~~p~~Permit under this ~~s~~Section.

SECTION 47. Section 8.04.155 is hereby amended to read as follows:

8.04.155 Food ~~m~~Market ~~e~~Complex, ~~w~~Wholesale.

"Food ~~m~~Market ~~e~~Complex, ~~w~~Wholesale" means any establishment, its contents, and the contiguous land or property that rents, leases or lends facilities within said establishment, for the purpose of conducting business as a food market, wholesale. A ~~f~~Food ~~m~~Market ~~e~~Complex, ~~w~~Wholesale, that rents, leases or lends space to no more

than two (2) food market, wholesale, facilities, or dedicates a combined total of less than one thousand, five hundred (1,500) square feet for the purpose of operating a food market, wholesale, is exempt from this definition.

SECTION 48. Section 8.04.160 is hereby amended to read as follows:

8.04.160 Food ~~m~~Market, ~~w~~Wholesale.

"Food ~~m~~Market, ~~w~~Wholesale" means any establishment, other than a slaughterhouse, from which food is sold for resale by others, as further defined in Section 11.12.005-~~(S)~~.

SECTION 49. Section 8.04.165 is hereby amended to read as follows:

8.04.165 Food ~~e~~Official ~~i~~Inspection ~~r~~Report.

"Food ~~e~~Official ~~i~~Inspection ~~r~~Report" means the written notice prepared and issued by the ~~e~~County ~~h~~Health ~~e~~Officer after conducting an inspection of a ~~f~~Food ~~f~~Eacility to determine compliance with all applicable federal, ~~s~~State and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.

SECTION 50. Section 8.04.170 is hereby amended to read as follows:

8.04.170 Food Processing Establishment.

"Food ~~p~~Processing ~~e~~Establishment," as used in this ~~e~~Chapter, means any room, building or place, or portion thereof, maintained, used or operated for the purpose of commercially storing in conjunction with processing, packaging, repackaging, making, cooking, mixing, processing, bottling, packing, or otherwise preparing or handling, food; provided, however; that for fee purposes the term "~~f~~Food ~~p~~Processing ~~e~~Establishment" shall not include a brewery, winery, any other establishment manufacturing alcoholic

beverages or spirits, nor establishments otherwise specifically mentioned in this Chapter.

SECTION 51. Section 8.04.172 is hereby amended to read as follows:

8.04.172 Food processing establishment, low risk.

"Food processing establishment, low risk" means a food processing establishment, as defined in Section 8.04.170, containing less than six thousand (6,000) square feet, that does not process as a final product potentially hazardous food, as defined by law.

SECTION 52. Section 8.04.180 is hereby amended to read as follows:

8.04.180 Food salvager.

"Food salvager" means any person who engages in the business of reconditioning, labeling, relabeling, repacking, reconditioning, sorting, cleaning, culling, or by other means salvaging, and who sells, offers for sale, or distributes for human or animal consumption any salvaged food, beverage (including beer, wine, and distilled spirits), vitamin, food supplement, dentifrice, drug, cosmetic, single-use food container or utensil, soda straws, paper napkins, or any other product of a similar nature that has been damaged or contaminated by fire, water, smoke, chemicals, transit, insects, rodents, or by any other means.

SECTION 53. Section 8.04.189 is hereby deleted in its entirety:

~~8.04.189 Food vehicle, high risk.~~

~~"Food vehicle, high risk" means a fully enclosed vehicle which prepares food for retail sale.~~

SECTION 54. Section 8.04.190 is hereby deleted in its entirety:

~~8.04.190 Food vehicle, independent wholesale.~~

~~A. "Independent delivery food vehicle" means any motorized conveyance delivering any of the following foods, or any combination thereof, either as a retail independent delivery vehicle pursuant to a prior order or as wholesale independent distributor:~~

- ~~1. Milk or other dairy products;~~
- ~~2. Meat, fish, shellfish, or other seafood;~~
- ~~3. Bakery goods;~~
- ~~4. Fruit and vegetables;~~
- ~~5. Groceries;~~
- ~~6. Ice or beverages;~~
- ~~7. Any other type of food or food product.~~

~~B. Vehicles used by a fixed location restaurant, food warehouse, fruit and vegetable market, food market, or food processing establishment having a valid public health permit under this chapter to deliver food products from said establishment to other locations shall not be required to have a separate public health permit under this chapter.~~

~~C. Any "independent delivery food vehicle" originating outside of the jurisdiction of the health officer, County of Los Angeles, which has been inspected by the health officer at the jurisdiction of origin and which bears an identification that the jurisdiction of origin has issued a public health permit shall not be required to obtain a public health permit under this chapter.~~

SECTION 55. Section 8.04.192 is hereby deleted in its entirety:

~~8.04.192 Food vehicle, low risk.~~

~~"Food vehicle, low risk" means a vehicle which sells prepackaged foods with no food preparation.~~

SECTION 56. Section 8.04.200 is hereby deleted in its entirety:

~~8.04.200 Food vehicle, retail.~~

~~A. "Retail food vehicle" means any motorized or non-motorized conveyance or portable food service unit upon which prepackaged or approved unpackaged food is sold or offered for sale at retail. Categories of retail food vehicles include:~~

- ~~1. Animal food vehicle;~~
- ~~2. Bakery vehicle;~~
- ~~3. Fish peddler vehicle;~~
- ~~4. Food vehicle—Department of Motor Vehicles exempt;~~
- ~~5. Food salvage distributor vehicle;~~
- ~~6. Fruit and vegetable vehicle;~~
- ~~7. Grocery vehicle;~~
- ~~8. Ice vehicle;~~
- ~~9. Meat vehicle;~~
- ~~10. Milk vehicle;~~
- ~~11. Industrial catering vehicle;~~
- ~~12. Limited food vehicle;~~
- ~~13. Unpackaged food vehicle;~~

~~14. —Prepackaged food cart, a non-motorized vehicle, from which the operator dispenses prepackaged and labeled food;~~

~~15. —Any combination of the above;~~

~~16. —Or any vehicle, including, but not limited to, a mobile food facility, from which animal food, bakery products, fish, shellfish, seafood, fruits, vegetables, meats, poultry, preserves, jelly, relish, milk or other dairy products, food or food products, ice or beverages, whether in bulk, canned, wrapped, bottled, packaged, or any other form, are sold or kept for sale at retail.~~

~~B. —Vehicles owned and operated by a fixed location food market, restaurant or other business having a valid public health permit under this chapter to deliver food products from said establishment to other locations shall not be required to have a separate public health permit under this chapter.~~

SECTION 57. Section 8.04.205 is hereby deleted in its entirety:

~~**8.04.205 —Food vehicle commissary.**~~

~~"Food vehicle commissary" means any structure or portion of a structure used exclusively for the storage, cleaning and servicing of retail food vehicles or mobile food-preparation units, and/or from which food, supplies and equipment are provided for use by a food vehicle operator.~~

SECTION 58. Section 8.04.206 is hereby deleted in its entirety:

~~**8.04.206 —Food vehicle storage facility defined.**~~

~~A. —"Food vehicle storage facility" means any structure or any portion of a structure, other than a food vehicle commissary, used exclusively for the storage of no more than two of any combination of the following food vehicles:~~

~~1. Unpackaged food vehicles;~~

~~2. Prepackaged food carts.~~

~~B. Vehicles or carts may not be cleaned or serviced at such a facility, nor shall food be prepared or stored in such facility. The term "service" includes, but is not limited to the provision of potable water, the disposal of wastewater from the vehicle, and automotive repair. Service does not include minor mechanical repair.~~

SECTION 59. Section 8.04.207 is hereby deleted in its entirety:

~~8.04.207 Food vehicle cleaning and storage facility defined.~~

~~A. "Food vehicle cleaning and storage facility" means any structure or any portion of a structure, other than a food vehicle commissary, used exclusively for the storage, cleaning and supply of potable water for:~~

~~1. Unpackaged food vehicles;~~

~~2. Prepackaged food carts; or~~

~~3. Limited food vehicles.~~

~~B. No more than two unpackaged food vehicles or prepackaged food carts may be stored at such facility. Food shall not be prepared or stored in such facility.~~

SECTION 60. Section 8.04.210 is hereby amended to read as follows:

8.04.210 Food wWarehouse.

"Food wWarehouse" means any:

1. Cold-storage warehouse except bonded cold storage;

2. Fruit and vegetable warehouse;

3. Dry foods warehouse;

4. Ice-storage house;

5. Combination of the above; or

6. ~~or a~~ Any place, building, structure, room or portion thereof where fruit, vegetables or any foods are commercially stored, kept or held at any temperature, where any foods are commercially stored at any artificial temperature of less than 45 degrees Fahrenheit, or where ice is stored, other than any coin-operated ice-vending structure.

SECTION 61. Section 8.04.219 is hereby amended to read as follows:

8.04.219 Garment ~~m~~Manufacturing ~~e~~Complex.

"Garment ~~m~~Manufacturing ~~e~~Complex" means any establishment, its contents, and the contiguous land or property which rents, leases or lends facilities within said establishment, for the purpose of conducting business as a "~~g~~Garment ~~m~~Manufacturing ~~e~~Establishment", as defined in Section 8.04.220. A "~~g~~Garment ~~m~~Manufacturing ~~e~~Complex" which rents, leases, or lends space to no more than one "~~g~~Garment ~~m~~Manufacturing ~~e~~Establishment" is exempt from this definition.

SECTION 62. Section 8.04.220 is hereby amended to read as follows:

8.04.220 Garment ~~m~~Manufacturing ~~e~~Establishment.

"Garment ~~m~~Manufacturing ~~e~~Establishment" means any place, building or structure, room or portion thereof, where apparel and other garments and accessories are cut, sewed, assembled, embroidered, silk screened, or otherwise made, decorated, or finished, from fabrics and similar materials. Such apparel includes: suits, coats, work clothing, and other furnishings; outerwear and undergarments; hats, caps and millinery; fur goods; and miscellaneous apparel and accessories. "Garment ~~m~~Manufacturing ~~e~~Establishment" includes any place, building or structure, room or

portion thereof, where graders, pattern makers, and sample makers of fabrics and similar materials are located.

SECTION 63. Section 8.04.222 is hereby amended to read as follows:

8.04.222 Geothermal hHeat eExchange wWell.

"Geothermal hHeat eExchange wWell" means a geothermal heat exchange well as defined in ~~Section 13713 of the California Water Code~~ section 13713.

SECTION 64. Section 8.04.225 is hereby amended to read as follows:

8.04.225 Grading, sScoring mMethod and lLetter gGrade eCard.

A. "Grading" means the letter grade issued by the eCounty hHealth eOfficer at the conclusion of the rRoutine iInspection of a fFood fFacility. The grade shall be based upon the scoring method set forth in this sSection resulting from the fFood eOfficial iInspection rReport and shall reflect the fFood fFacility's degree of compliance with all applicable federal, sState and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.

B. "Scoring mMethod" means a procedure used by the eCounty hHealth eOfficer where a score is calculated by adding values predefined on the fFood eOfficial iInspection rReport for violations that are observed during an inspection, and subtracting that total from one-hundred (100). The resulting numerical sum, stated as a percentage, constitutes the score for the inspection.

C. "Letter gGrade eCard" means a card that may be posted by the eCounty hHealth eOfficer at a fFood fFacility upon completion of a rRoutine iInspection that indicates the letter grade of the facility as determined by the eCounty hHealth eOfficer using the scoring method set forth in this sSection. For the purposes of this provision, a

fFood fFacility shall include a fFood fFacility operating in conjunction with a fFood pProcessing eEstablishment.

D. The eCounty hHealth eOfficer, in his the County Health Officer's discretion, may immediately close any fFood fFacility which, upon completion of the rRoutine iInspection, does not achieve at least a "C" grade as defined herein. Nothing in this provision shall prohibit the eCounty hHealth eOfficer from immediately closing any fFood fFacility if, in his the County Health Officer's discretion, immediate closure is necessary to protect the public health.

E. The letter grade for a fFood fFacility shall be based upon the final numerical percentage score set forth in the fFood eOfficial iInspection rReport, as follows:

1. A grade of "A" shall indicate a final score of ninety (90) percent or higher as determined by the eCounty hHealth eOfficer;
2. A grade of "B" shall indicate a final score less than ninety (90) percent but not less than eighty (80) percent as determined by the eCounty hHealth eOfficer;
3. A grade of "C" shall indicate a final score less than eighty (80) percent but not less than seventy (70) percent as determined by the eCounty hHealth eOfficer.

SECTION 65. Section 8.04.230 is hereby deleted in its entirety:

~~8.04.230 Hawker, personal.~~

~~"Personal hawker" means any person who vends processed packaged food, other than potentially hazardous food, at retail, which is carried by such person on his person in a container such as a pack, bag, box or basket.~~

SECTION 66. Section 8.04.240 is hereby amended to read as follows:

8.04.240 Health ~~e~~Officer.

"Health ~~e~~Officer" means the ~~d~~Director of the ~~d~~Department of ~~p~~Public ~~h~~Health of the ~~e~~County of Los Angeles, or ~~h~~is the Director's duly authorized representative.

SECTION 67. Section 8.04.270 is hereby amended to read as follows:

8.04.270 Ice ~~p~~Plant.

A. "Ice ~~p~~Plant" means any place or structure, other than a private residence, where ice intended to be used with drinks or food for human consumption, for the preservation of food, or other similar use, is manufactured for use, sale or distribution.

B. A restaurant, ~~m~~Motel, food market or other establishment having a valid ~~p~~Public ~~h~~Health ~~p~~Permit shall not be required to obtain a separate ~~p~~Public ~~h~~Health ~~p~~Permit for an ~~i~~Ice ~~p~~Plant where such ~~i~~Ice ~~p~~Plant is incidental to the operation of such establishment. Such ~~i~~Ice ~~p~~Plant shall be deemed, for the purposes of this ~~e~~Chapter, not to be an ~~i~~Ice ~~p~~Plant.

SECTION 68. Section 8.04.271 is hereby added to read as follows:

8.04.271 Independent Milk-Delivery Vehicle.

"Independent Milk-Delivery Vehicle" means any vehicle, not owned by a processor of milk, used for the delivery of milk to a retail store or wholesaler.

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SECTION 69. Section 8.04.272 is hereby ~~amended to read as follows~~ deleted in its entirety:

~~8.04.272 Indirect sSale.~~

~~"Indirect sSale" means an interaction transaction between a cCottage fFood oOperation operator, a third-party retailer, and a consumer, where in which the consumer purchases cottage food products made by the cCottage fFood oOperation from a third-party retailer that holds a valid permit issued pursuant to California Health and Safety Code section 114381. Indirect sSales include, but are not limited to, sales made to retail shops or to retail fFood fFacilities where food may be immediately consumed on the premises. Indirect Sales may be fulfilled in person, via mail delivery, or using any third-party delivery service.~~

SECTION 70. Section 8.04.275 is hereby amended to read as follows:

8.04.275 Inspection sScore eCard.

A. "Inspection sScore eCard" means a card that may be posted by the eCounty hHealth eOfficer at a fFood fFacility, upon completion of a rRoutine iInspection, that indicates the total numerical percentage score for the facility as determined by the eCounty hHealth eOfficer and as set forth in the fFood eOfficial iInspection rReport. For the purposes of this provision, a fFood fFacility shall include a fFood fFacility operating in conjunction with a fFood pProcessing eEstablishment.

B. The eCounty hHealth eOfficer, in his discretion, may immediately close any fFood fFacility which, upon completion of the rRoutine iInspection, achieves a total numerical percentage score less than seventy (70) percent as set forth in Section 8.04.225. Nothing in this provision shall prohibit the eCounty hHealth eOfficer

from immediately closing any ~~f~~Food ~~f~~Facility if, in ~~his~~the County Health Officer's discretion, immediate closure is necessary to protect the public health.

SECTION 71. Section 8.04.277 is hereby amended to read as follows:

8.04.277 Interim Housing Facility.

"Interim ~~h~~Housing ~~f~~Facility" means any premises, structures, or portion thereof (except any hospital or other health facility as defined in ~~section 1250 of the~~California Health and Safety Code section 1250 and except any mental health or alcoholism and drug abuse rehabilitation or treatment facility licensed by the State of California), used or intended to be used as a place where provisional sleeping or rooming accommodations are furnished on a temporary basis to persons who lack permanent housing, are experiencing homelessness or are at imminent risk of becoming homeless, with or without compensation from the resident and with or without meal service.

"Interim ~~h~~Housing ~~f~~Facility" includes, but is not limited to, bridge housing, crisis housing, recuperative care housing, stabilization housing, recovery bridge housing, and shelters.

SECTION 72. Section 8.04.280 is hereby amended to read as follows:

8.04.280 Laundry.

A. "Laundry" means any building, room or place, or portion thereof, used for the washing, ironing or drying of clothing, linen, towels, uniforms, and other similar articles for money or other consideration.

B. Also, "~~l~~Laudry" includes any establishment, except apartment houses, hotels, ~~t~~Tourist ~~e~~Courts, ~~m~~Motels, or mobilehome parks, in which six or more customer-operated laundry machines are installed and permitted to be used for a fee.

SECTION 73. Section 8.04.283 is hereby amended to read as follows:

8.04.283 Limited Service Charitable Feeding Operation.

"Limited sService eCharitable fFeeding eOperation" means an operation for food service to a consumer solely for providing charity, that is conducted by a nonprofit charitable organization operating with a registration from the County Health Officer, and whose food service is limited to the functions specified by State law.

SECTION 74. Section 8.04.285 is hereby amended to read as follows:

8.04.285 Local sSmall wWater sSystems.

"Local sSmall wWater sSystems" means a water system for the provision of piped water to county-owned or county-operated facilities, such as a fire station, library, school, or other similar institutions, for human consumption which serves at least one (1), but not more than four (4), service connections. Shared well agreement parcels and single parcels of land with homes occupied by members of the same family shall not be included in this classification.

SECTION 75. Section 8.04.288 is hereby amended to read as follows:

8.04.288 Massage Establishments.

"Massage Establishment" means any business that offers "mMassage₁"; "mMassage sServices₁"; or "mMassage tTherapy₁"; including, but not limited to, reflexology, fomentations, shiatsu, alcohol rubs, Russian, Swedish, Turkish baths, or acupressure or any combination thereof in exchange for compensation at a fixed place of business. Any business that offers any combination of "mMassage tTherapy" and "bBath fFacilities" —including, but not limited to, showers, baths, wet and dry heat rooms, pools and hot tubs —shall be deemed a "Massage Establishment" under this

Chapter. Excluded from the definition of "Massage Establishment" shall be any "~~e~~Commercial ~~s~~Sex ~~v~~Venue" as defined in Section 11.04.310.

SECTION 76. Section 8.04.300 is hereby amended to read as follows:

8.04.300 Milk ~~w~~Warehouse.

"Milk ~~w~~Warehouse" means any place, building, structure, room or portion thereof other than where milk is bottled or processed, where milk is commercially stored or held for transfer at a temperature of fifty (50) degrees Fahrenheit or below.

SECTION 77. Section 8.04.305 is hereby amended to read as follows:

8.04.305 Mobile ~~b~~Body ~~a~~Art ~~f~~Facility.

"Mobile ~~b~~Body ~~a~~Art ~~f~~Facility" means a vehicle, conveyance, or other mobile platform approved for use by the department as a ~~b~~Body ~~a~~Art ~~f~~Facility.

SECTION 78. Section 8.04.306 is hereby amended to read as follows:

8.04.306 Mobile ~~f~~Food ~~f~~Facility.

"Mobile ~~f~~Food ~~f~~Facility" means any vehicle used in conjunction with a ~~e~~Commissary or other permanent ~~f~~Food ~~f~~Facility upon which food is sold or distributed at retail. "Mobile ~~f~~Food ~~f~~Facility" does not include a "~~t~~Transporter" used to transport packaged food from a ~~f~~Food ~~f~~Facility, or other approved source to the consumer.

A. "Mobile Food Facility, High Risk" means a Mobile Food Facility that prepares food, including raw meat, raw fish, or raw poultry, for retail sale.

B. "Mobile Food Facility, Low Risk" means a Mobile Food Facility that sells only whole, uncut, uncooked produce, frozen ice cream, pre-packaged ice cream bars or frozen fruit-based bars, or prepackaged non-potentially hazardous foods, for retail sale.

C. "Mobile Food Facility, Moderate Risk" means a Mobile Food Facility that offers potentially hazardous foods or prepared food that does not include any raw meat, raw fish, or raw poultry, for retail sale.

SECTION 79. Section 8.04.308 is hereby added to read as follows:

8.04.308 Mobile Food Facility Route Sheet.

"Mobile Food Facility Route Sheet" means a form obtained from the County Health Officer prior to the issuance of a Public Health Permit that lists the address, telephone number, arrival and departure times of each location where the retail food business will be conducted.

SECTION 80. Section 8.04.310 is hereby deleted in its entirety:

~~8.04.310 Mobile food preparation units.~~

~~"Mobile food preparation units" means any vehicle upon which ready-to-eat food is prepared, cooked, wrapped, packaged, or portioned for service, sale or distribution. However, for fee purposes, the term "mobile food preparation vehicle" shall not include other types of vehicles specifically defined in this Chapter 8.04, Part 1.~~

SECTION 81. Section 8.04.311 is hereby amended to read as follows:

8.04.311 Mobile sSupport uUnit.

"Mobile sSupport uUnit" means a vehicle used in conjunction with a eCommissary or other permanent fFood fFacility that travels to and services mMobile fFood fFacilities as needed to replenish supplies, including food and potable water, clean the interior of the unit, or dispose of liquid or solid wastes. ~~The county health officer shall have the discretion to score a mobile support unit pursuant to the method set forth in Section 8.04.225.~~

SECTION 82. Section 8.04.315 is hereby amended to read as follows:

8.04.315 Monitoring ~~w~~Well.

"Monitoring ~~w~~Well" means a monitoring well as defined in ~~Section 13712~~ of the California Water Code section 13712.

SECTION 83. Section 8.04.316 is hereby amended to read as follows:

8.04.316 Motion ~~p~~Picture ~~e~~Catering ~~e~~Operation.

A "~~m~~Motion ~~p~~Picture ~~e~~Catering ~~e~~Operation" shall consist of a "~~m~~Mobile ~~f~~Food ~~f~~Facility," no more than two (2) mobile storage vehicles and outdoor food preparation and service areas, where the operator is under contract to operate at a licensed film studio or at a site with a permit for filming on location, which permit is issued by the appropriate city or the ~~e~~County.

SECTION 84. Section 8.04.320 is hereby amended to read as follows:

8.04.320 Multiple ~~d~~Dwelling ~~u~~Unit.

"Multiple ~~d~~Dwelling ~~u~~Unit" means:

A. Any structure, including an apartment house, condominium, or any portion of any structure, occupied, designed, or built, or rented for occupation as a home by five (5) or more families, each living in a separate unit and cooking within such structure;

B. A group of five (5) or more ~~d~~Dwelling ~~u~~Units, including a condominium, other than a hotel, ~~m~~Motel or ~~t~~Tourist ~~e~~Court, as defined in this ~~e~~Chapter, located upon a single lot, adjoining lots or parcel of land and upon which the vacant or unoccupied portion thereof surrounding or abutting on said ~~d~~Dwelling ~~u~~Units is used or intended to be used in common by the inhabitants thereof;

C. A "eCondominium" which consists of a parcel or area of land on which there exists a building or buildings, or portions thereof, occupied, designed or built, or rented for occupation as a home for five (5) or more families, each living in a separate dDwelling uUnit and cooking within such structure, the vacant or unoccupied portion thereof surrounding or abutting said dwelling is used or intended to be used in common by the inhabitants thereof.

SECTION 85. Section 8.04.330 is hereby amended to read as follows:

8.04.330 Non-community/sState sSmall wWater sSystem.

"Non-community/sState sSmall wWater sSystem," as used in this eChapter, means public water systems, as defined in Health and Safety Code section 116275(j) and ~~(n) Section 64411, Title 22, California Administrative Code~~ as either a non-community water system or a sState small water system.

SECTION 86. Section 8.04.331 is hereby amended to read as follows:

8.04.331 Non-community wWater sSystems Non-transient pPopulation.

"Non-community wWater sSystems—Non-transient pPopulation" means a non-community water system as defined in California Health and Safety Code, Section 116275(j) which regularly serves twenty-five (25) or more of the same persons for more than six (6) months per year.

SECTION 87. Section 8.04.332 is hereby amended to read as follows:

**8.04.332 Non-community ~~w~~Water ~~s~~Systems—Transient
~~p~~Population.**

"Non-community ~~w~~Water ~~s~~Systems—Transient ~~p~~Population" means a non-community water system as defined in California Health and Safety Code, ~~S~~section 116275(j) which regularly serves fewer than twenty-five (25) of the same persons for more than six (6) months per year.

SECTION 88. Section 8.04.333 is hereby amended to read as follows:

**8.04.333 Non-conventional ~~e~~Onsite ~~w~~Wastewater ~~t~~Treatment
~~s~~System.**

"Non-conventional ~~e~~Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System" (NOWTS) means an ~~e~~Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System that utilizes one or more supplemental treatment components to provide further treatment of the sewage effluent prior to discharging into the dispersal system. Supplemental treatment components include but are not limited to a three (3) compartment treatment tank, aerator, filter pods, pump, ultraviolet disinfection, clarifier, and effluent filtration.

SECTION 89. Section 8.04.334 is hereby amended to read as follows:

**8.04.334 Non-diagnostic ~~g~~General ~~h~~Health ~~a~~Assessment
~~p~~Program.**

"Non-diagnostic ~~g~~General ~~h~~Health ~~a~~Assessment ~~p~~Program" means any program engaged in the testing of human biological specimens for the purpose of referral to licensed sources of care, subject to the provisions of ~~Sections 1244 and 1244.1 of the~~ California Business and Professions Code sections 1244 and 1244.1.

SECTION 90. Section 8.04.335 is hereby amended to read as follows:

8.04.335 Notice of eClosure.

"Notice of eClosure" means a public notice that may be posted by the eCounty hHealth eOfficer at a fFood fFacility upon suspension or revocation of the facility's pPublic hHealth pPermit and that results in the immediate closure of the facility and the discontinuance of all operations of the fFood fFacility, by order of the eCounty hHealth eOfficer, because of violations of applicable federal, sState, and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health.

SECTION 91. Section 8.04.336 is hereby amended to read as follows:

8.04.336 Onsite wWastewater tTreatment sSystem.

"Onsite wWastewater tTreatment sSystem" (OWTS) means a system consisting of a septic tank with effluent discharging into a subsurface disposal field, into one (1) or more seepage pits, or into a combination of subsurface disposal field and seepage pits.

SECTION 92. Section 8.04.337 is hereby amended to read as follows:

**8.04.337 Onsite wWastewater tTreatment sSystem eEvaluation—
With nNo vVerification of pPrior sSystem aApproval.**

"Onsite wWastewater tTreatment sSystem eEvaluation—wWith nNo vVerification of pPrior sSystem aApproval" means the review of construction plans to repair an existing eOnsite wWastewater tTreatment sSystem (OWTS) or "nNon-eConventional eOnsite wWastewater tTreatment sSystem" (NOWTS) in order to restore the system to its originally intended condition or to determine that the proposed addition to a structure neither increases the designed flow nor requires greater capacities for an existing OWTS/NOWTS when evidence of the original approval of the system is not available.

SECTION 93. Section 8.04.338 is hereby amended to read as follows:

**8.04.338 Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System ~~e~~Evaluation—
With ~~v~~Verification of ~~p~~Prior ~~s~~System ~~a~~Approval.**

"Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System ~~e~~Evaluation—~~w~~With ~~v~~Verification of ~~p~~Prior ~~s~~System ~~a~~Approval" means the review of construction plans to repair an existing ~~e~~Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System (OWTS) or ~~n~~Non-~~e~~Conventional ~~e~~Onsite ~~w~~Wastewater ~~t~~Treatment ~~s~~System (NOWTS) in order to restore the system to its originally intended condition or to determine that the proposed addition to a structure neither increases the designed flow nor requires greater capacities for an existing OWTS/NOWTS when evidence of the prior approval of the system is available.

SECTION 94. Section 8.04.338.5 is hereby amended to read as follows:

8.04.338.5 Organized Camp.

"Organized ~~e~~Camp" means an organized camp as defined in California Health and Safety Code section 18897.

SECTION 95. Section 8.04.339 is hereby amended to read as follows:

8.04.339 Owner ~~i~~Initiated ~~i~~Inspection.

"Owner ~~i~~Initiated ~~i~~Inspection" means an inspection of a ~~f~~Food ~~f~~Facility that is conducted no more than once in any 12-month period by the ~~e~~County ~~h~~Health ~~e~~Officer at the request of a ~~f~~Food ~~f~~Facility's owner to provide the ~~f~~Food ~~f~~Facility the opportunity to improve the letter grade or numerical score issued by the ~~e~~County ~~h~~Health ~~e~~Officer pursuant to the provisions of this ~~e~~Chapter.

SECTION 96. Section 8.04.345 is hereby amended to read as follows:

8.04.345 Permanent ~~s~~Supportive ~~h~~Housing.

"Permanent ~~s~~Supportive ~~h~~Housing" means housing which is available to, and intended for, persons who are homeless, or at-risk of homelessness, and have multiple barriers to employment and housing stability, which barriers include mental illness, chemical dependency, or other disabling or chronic health conditions. To qualify as "~~p~~Permanent ~~s~~Supportive ~~h~~Housing" each tenant household must have a lease, or a similar form of occupancy agreement, without a limit on length of tenancy, as long as the terms and conditions of the lease or occupancy agreement are met. Additionally, all members of tenant households must have facilitated access to case managers who provide access to supportive services, including intensive case management, information and referral to services to health and dental care, mental health services, substance abuse services, transportation coordination, and linkage to potential out-placements for tenants.

SECTION 97. Section 8.04.347 is hereby amended to read as follows:

8.04.347 Plan ~~e~~Check Submission and site evaluation.

"Plan ~~e~~Check Submission and site evaluation" means ~~initial~~ the submission ~~review and approval~~ of construction plans for business categories subject to this ~~title~~ for review and approval to operate under a Public Health Permit, ~~allowing for two plan reviews, one interim and one final site visit to grant approval of improvements.~~ The County ~~h~~Health ~~e~~Officer shall recover the reasonable expenses incurred in making the necessary additional plan reviews and site inspections in order to grant final approval to an applicant for such approval.

SECTION 98. Section 8.04.349 is hereby amended to read as follows:

8.04.349 Post-Coastal Commission aApproval.

"Post-Coastal Commission aApproval" means the review of construction plans approved by the California Coastal Commission to ensure that no changes or additional requirements have been imposed on an eOnsite wWastewater tTreatment sSystem project that would pose a risk or threat to public health or safety.

SECTION 99. Section 8.04.351 is hereby amended to read as follows:

8.04.351 Pre-Coastal Commission aApproval.

"Pre-Coastal Commission aApproval" means the project review of an "eOnsite wWastewater tTreatment sSystem" (OWTS) or "nNon-conventional eOnsite wWastewater tTreatment sSystem" (NOWTS) project, which is located in the Coastal Zone and requires a California Coastal Commission review.

SECTION 100. Section 8.04.353 is hereby amended to read as follows:

8.04.353 Prepackaged fFood.

"Prepackaged fFood" means any food prepared at an approved source, properly labeled and packaged by the manufacturer to prevent any contamination of the food prior to opening and/or consumption by the consumer.

SECTION 101. Section 8.04.360 is hereby amended to read as follows:

8.04.360 Private bBoarding sSchool.

"Private bBoarding sSchool" means any institution providing room and board and giving a course of training similar to that given in any grade of public school or college, but shall not include any establishment maintained by a public school or college, nor shall it include eChildren's eCamps as defined in Section 8.04.080. A "pPrivate

~~h~~Boarding ~~s~~School" may prepare and serve food to its students and employees without being classed as a "~~r~~Restaurant" as defined in Section 8.04.400.

SECTION 102. Section 8.04.365 is hereby amended to read as follows:

8.04.365 Production wWell.

"Production wWell" means a well or water well as defined in ~~Section 13710 of the~~ California Water Code section 13710.

SECTION 103. Section 8.04.370 is hereby deleted in its entirety:

~~**8.04.370 Processor-owned milk-delivery vehicle.**~~

~~"Processor-owned milk-delivery vehicle" means any vehicle owned by a processor of milk used for the delivery of milk at retail processed by such processor.~~

SECTION 104. Section 8.04.372 is hereby amended to read as follows:

8.04.372 Public hHealth lLicense.

"Public hHealth lLicense" means a written authorization, issued by the ~~e~~County hHealth ~~e~~Officer, to conduct a particular business or a particular occupation, which is subject to regulation by the ~~e~~County and without which license said conduct would be unlawful.

SECTION 105. Section 8.04.373 is hereby amended to read as follows:

8.04.373 Public hHealth pPermit.

"Public hHealth pPermit" means a written authorization to operate a ~~h~~Body ~~a~~Art ~~f~~Facility, ~~f~~Food ~~e~~Establishment or ~~f~~Food ~~f~~Facility, including but not limited to a ~~f~~Food ~~d~~Demonstrator, ~~r~~Retail ~~f~~Food ~~m~~Market, ~~retail food vehicle, dairy food~~ Independent Milk-Delivery vehicle, Mobile Food Facility, ~~mobile food preparation unit, personal hawker or~~

vVending mMachine, issued by the eCounty hHHealth oOfficer, without which permit said operation would be unlawful.

SECTION 106. Section 8.04.380 is hereby amended to read as follows:

8.04.380 Public sSwimming aArea.

"Public sSwimming aArea" means any body of water used for swimming and open to the public, operated, maintained or supervised by any person who receives from the public, for its use, any money or other form of compensation, goods, wares, merchandise, labor or otherwise, but does not mean a swimming pool, or the area used for swimming along the Pacific Ocean.

SECTION 107. Section 8.04.390 is hereby amended to read as follows:

8.04.390 Public wWater sSystem.

"Public wWater sSystem" means any collection, treatment, storage or distribution facilities for the provision of piped water to the public, for domestic use, with at least five (5) service connections, or regularly serving an average of at least twenty-five (25) individuals daily at least sixty (60) days out of the year.

SECTION 108. Section 8.04.395 is hereby amended to read as follows:

8.04.395 Residential hHotel/sSingle rRoom oOccupancy.

"Residential hHotel/sSingle rRoom oOccupancy" means a hotel which rents single rooms for more than thirty (30) days to be used by individuals as their primary residence and for sleeping purposes.

SECTION 109. Section 8.04.403 is hereby deleted in its entirety:

~~8.04.403~~ ~~Route location.~~

~~The owner/operator of a mobile food facility or mobile support unit shall complete a Mobile Food Facility Route Sheet, obtained from the county health officer, listing the complete address, telephone number and arrival/departure times of each location where the retail food business is being conducted. The Mobile Facility Route Sheet shall be maintained on file at the Vehicle Inspection Program. The owner/operator of a mobile food facility or mobile support unit shall notify the county health officer of any significant changes to the Mobile Food Facility Route Sheet. Failure to provide an accurate and current Mobile Food Facility Route Sheet may result in suspension or revocation of the public health license or permit.~~

SECTION 110. Section 8.04.405 is hereby amended to read as follows:

8.04.405 Routine inspection.

"Routine inspection" means a periodic, unannounced inspection of any business or occupation specified in Section 8.04.720 to determine compliance with all applicable federal, state and local statutes, orders, ordinances, quarantines, rules, regulations, or directives relating to the public health. A routine inspection shall not mean an inspection conducted by the eCounty hHealth officer to determine compliance with a previously issued food official inspection report or any interim inspection conducted to determine compliance with specific regulations or legal requirements.

SECTION 111. Section 8.04.410 is hereby amended to read as follows:

8.04.410 Section.

Unless otherwise indicated by the context, "sSection" means a section of this eChapter.

SECTION 112. Section 8.04.415 is hereby amended to read as follows:

8.04.415 Senior fFeeding sSite.

"Senior fFeeding sSite" means a location which provides meals that were prepared at an offsite location previously approved by the County hHealth eOfficer, to senior citizens free of charge or at a reduced cost.

SECTION 113. Section 8.04.420 is hereby amended to read as follows:

8.04.420 Seepage/sSewage pPumping vVehicle.

"Seepage/sSewage pPumping vVehicle" means any vehicle used in whole or in part for the transportation of septic tank, cesspool, chemical toilet, or sewage seepage-pit cleanings.

SECTION 114. Section 8.04.422 is hereby amended to read as follows:

8.04.422 Service eConnection.

"Service eConnection" means the point of connection between a customer's piping or constructed conveyance, and a water system's meter, service pipe, or constructed conveyance.

SECTION 115. Section 8.04.425 is hereby amended to read as follows:

8.04.425 Shared kKitchen eComplex.

"Shared kKitchen eComplex" means a fFood fFacility as defined under the California Retail Food Code or a food processing establishment as defined under the

California Wholesale Food Code, or both, that is used as a place of business for the exclusive purpose of providing commercial space and equipment to multiple individuals or business entities which commercially prepare or handle food that will be offered for sale. For purposes of this provision, "commercially prepare or handle" shall include, but shall not be limited to, the making, cooking, baking, mixing, processing, packaging, bottling, canning, or storing of food, and other necessary or related activities thereto.

SECTION 116. Section 8.04.428 is hereby amended to read as follows:

8.04.428 Shared Kitchen Complex Tenant, Retail Food Operator.

"Shared kitchen eComplex tenant, retail food eoperator" means an individual or business entity operating within a shared kitchen eComplex whose business is limited to the retail sale of food products. A shared kitchen eComplex tenant retail food eoperator shall be permitted to prepare food for sale or service at a location other than the shared kitchen eComplex, including but not limited to, catered events, eCommunity events and trade shows. A shared kitchen eComplex tenant retail food eoperator shall comply with all equipment, food safety, and public health requirements set forth in applicable state and local laws, regulations, and ordinances when conducting those activities set forth in Section 8.04.425 within a shared kitchen eComplex.

SECTION 117. Section 8.04.430 is hereby amended to read as follows:

8.04.430 Shared Kitchen Complex Tenant, Wholesale Food Processor.

"Shared kitchen eComplex tenant, wholesale food processor" means an individual or business entity operating within a shared kitchen eComplex who is

authorized by the County Health Officer to conduct one of the following food processor businesses: (a) wholesale only, or (b) wholesale and retail. A Shared Kitchen Complex Tenant, Wholesale Food Processor may prepare food for sale or service at another location. A Shared Kitchen Complex Tenant Wholesale Food Processor shall be permitted to prepare food for sale or service at a location other than the Shared Kitchen Complex, including but not limited to catered events, Community Events, and trade shows. A Shared Kitchen Complex Tenant Wholesale Food Processor shall be permitted to prepare and package food for sale to third party distributors, wholesalers, and other permitted Food Facilities. The Shared Kitchen Complex Tenant Wholesale Food Processor shall comply with all equipment, food safety, and public health requirements set forth in applicable State and local laws, regulations, and ordinances when conducting those activities set forth in Section 8.04.425 within a Shared Kitchen Complex.

SECTION 118. Section 8.04.431 is hereby added to read as follows:

8.04.431 Site Evaluation.

"Site Evaluation" means an evaluation of a facility to ensure it meets the minimum structural and operational requirements for the proposed operation prior to applying for a Public Health Permit or License.

SECTION 119. Section 8.04.432 is hereby amended to read as follows:

8.04.432 Soft sServe.

"Soft sServe" means the manufacturing of dairy and non-dairy products, as defined in the StateCalifornia Food and Agriculture Code, which include the following: ice cream from ice cream mix, or frozen yogurt from frozen yogurt mix, or lowfat yogurt

from lowfat yogurt mix, or lowfat frozen dairy dessert from lowfat frozen dairy dessert mix, or nonfat frozen dairy dessert from nonfat frozen dairy dessert mix, when such products are manufactured from a dispensing freezer unit and are dispensed directly in a semi_frozen state, to a retail customer at a fFood eEstablishment or fFood fFacility which has been issued a valid pPublic hHHealth pPermit by the eCounty hHHealth eOfficer.

SECTION 120. Section 8.04.433 is hereby amended to read as follows:

8.04.433 Soft sServe sSampling.

"Soft sServe sSampling" means the securing of a sample of sSoft sServe, by the eCounty hHHealth eOfficer, from a dispensing freezer unit of a fFood eEstablishment or fFood fFacility, for laboratory testing to ensure that the sample does not exceed the maximum limits for bacteria, yeast or mold, as specified in the ~~State~~California Food and Agriculture Code.

SECTION 121. Section 8.04.434 is hereby amended to read as follows:

8.04.434 Soft sServe rResampling.

"Soft sServe rResampling" means the third and all subsequent, additional, consecutive sSoft sServe sSampling, from a dispensing freezer unit of a fFood eEstablishment or fFood fFacility, where laboratory testing of the two (2) previous soft serve samplings demonstrated that the two (2) previous soft serve samplings exceeded the maximum limits for bacteria, yeast or mold, as specified in the ~~State~~California Food and Agriculture Code.

SECTION 122. Section 8.04.435 is hereby amended to read as follows:

8.04.435 Swap ~~m~~Meet ~~p~~Prepackaged ~~f~~Food ~~b~~Booth.

"Swap ~~m~~Meet ~~p~~Prepackaged ~~f~~Food ~~b~~Booth" means a ~~t~~Temporary ~~f~~Food ~~f~~Facility, as defined by ~~Section 114335(a) of the California Health and Safety Code~~ section 114335(a), operated at a swap meet, by a swap meet operator or its lessee, which offers for sale, or gives away, only non-potentially hazardous prepackaged foods, and whole, uncut produce. As used in this ~~s~~Section, "~~s~~Swap ~~m~~Meet" and "~~s~~Swap ~~m~~Meet ~~o~~Operator" shall have the meanings set forth in ~~Section 21661 of the California~~ Business and Professions Code section 21661.

SECTION 123. Section 8.04.436 is hereby amended to read as follows:

8.04.436 State ~~s~~Small ~~w~~Water ~~s~~Systems.

"State ~~s~~Small ~~w~~Water ~~s~~Systems" means a system for the provision of piped water to the public for human consumption which serves at least five (5), but not more than fourteen (14), service connections.

SECTION 124. Section 8.04.440 is hereby amended to read as follows:

8.04.440 Swimming ~~p~~Pool.

"Swimming ~~p~~Pool" means a wholly artificial basin, chamber or tank, constructed or prefabricated with impervious bottoms and sides, that is intended for recreational or therapeutic use. "Swimming ~~p~~Pool" includes spa pools, special purpose pools, and wading pools, but does not include baths where the main purpose is the cleansing of the body, nor individual therapeutic tubs that are drained and sanitized between each use. "Swimming ~~p~~Pool" does not include any pool that is intended for non-commercial use as a pool by the occupants of not more than three (3) ~~d~~Dwelling ~~or~~ living ~~u~~Units.

SECTION 125. Section 8.04.441 is hereby amended to read as follows:

8.04.441 Swimming ~~p~~Pool, ~~h~~High ~~r~~Risk.

"Swimming ~~p~~Pool, ~~h~~High ~~r~~Risk," means a swimming pool, as defined in Section 8.04.440, located at a health club or water theme park.

SECTION 126. Section 8.04.442 is hereby amended to read as follows:

8.04.442 Swimming ~~p~~Pool, ~~l~~Low ~~r~~Risk/~~l~~Limited ~~u~~Use.

"Swimming ~~p~~Pool, ~~l~~Low ~~r~~Risk/~~l~~Limited ~~u~~Use," means a ~~s~~Swimming ~~p~~Pool, as defined in Section 8.04.440, located at multiple family dwellings with four (4) or more living units, mobile home parks, community pools that serve a collection of single family dwellings, and pools operated for six (6) months or less during the year that are kept empty when not in operation.

SECTION 127. Section 8.04.443 is hereby amended to read as follows:

8.04.443 Swimming ~~p~~Pool, ~~m~~Moderate ~~r~~Risk.

"Swimming ~~p~~Pool, ~~m~~Moderate ~~r~~Risk," means a ~~s~~Swimming ~~p~~Pool, as defined in Section 8.04.440, located at a hotel, ~~m~~Motel, public₁ or private school, ~~e~~Children's ~~e~~Camp, swim school, country club, municipal facility, organization₁ or medical facility.

SECTION 128. Section 8.04.450 is hereby amended to read as follows:

8.04.450 Tax ~~e~~Collector.

"Tax ~~e~~Collector" means the Treasurer and Tax Collector of the ~~e~~County of Los Angeles, or ~~h~~is~~the Treasurer and Tax Collector's~~ duly authorized representative.

SECTION 129. Section 8.04.452 is hereby amended to read as follows:

8.04.452 Temporary fFood fFacility.

"Temporary fFood fFacility" means a temporary food facility, as defined in the California Health and Safety Code, ~~S~~section 113930, approved by the County ~~H~~Health ~~O~~fficer, which operates at an approved ~~e~~Community ~~e~~Event.

SECTION 130. Section 8.04.453 is hereby amended to read as follows:

8.04.453 Temporary fFood fFacility, ~~d~~Demonstrator.

"Temporary fFood fFacility, ~~d~~Demonstrator" means a ~~t~~Temporary fFood fFacility operated at a ~~e~~Community ~~e~~Event for the purpose of offering or serving packaged or non-packaged food, without charge, to the public for the purpose of publicizing, advertising, or promoting the sale of food products or food equipment, which operates by permit for up to twenty-five (25) consecutive or non-consecutive days in a ninety (90) day period.

SECTION 131. Section 8.04.454 is hereby amended to read as follows:

8.04.454 Temporary fFood fFacility, ~~p~~Prepackaged.

"Temporary fFood fFacility, ~~p~~Prepackaged" means a ~~t~~Temporary fFood fFacility operating at a ~~e~~Community ~~e~~Event which offers for sale only commercially ~~p~~Prepackaged fFood with or without offering prepackaged samples, and which operates by permit for up to twenty-five (25) consecutive or non-consecutive days in a ninety (90) day period.

SECTION 132. Section 8.04.455 is hereby amended to read as follows:

8.04.455 Temporary fFood fFacility, pPrepackaged wWith fFood sSampling.

"Temporary fFood fFacility, pPrepackaged wWith fFood sSampling" means a tTemporary fFood fFacility operating at a eCommunity eEvent which offers for sale only commercially prepackaged food and offers or serves nonpackaged food to the public without charge for the purpose of promoting the sale of food, and which operates by permit for up to twenty-five (25) consecutive or non-consecutive days in a ninety (90) day period.

SECTION 133. Section 8.04.456 is hereby amended to read as follows:

8.04.456 Temporary fFood fFacility, fFood pPreparation.

"Temporary fFood fFacility, fFood pPreparation" means a tTemporary fFood fFacility operating at a eCommunity eEvent which offers for sale non-packaged food, and which operates by permit for up to twenty-five (25) consecutive or non-consecutive days in a ninety (90) day period.

SECTION 134. Section 8.04.457 is hereby amended to read as follows:

8.04.457 Temporary fFood bBooth at sSingle lLocation aAnnual, pPrepackaged.

"Temporary fFood bBooth at sSingle lLocation aAnnual, pPrepackaged" means a prepackaged tTemporary fFood fFacility ~~as defined in Section 8.04.454~~, which operates as a food booth at a eCommunity eEvent or multiple eCommunity eEvents held at a single location for up to twelve (12) months per year.

SECTION 135. Section 8.04.458 is hereby amended to read as follows:

8.04.458 Temporary fFood bBooth at sSingle lLocation aAnnual, pPrepackaged wWith fFood sSampling.

"Temporary fFood bBooth at sSingle lLocation aAnnual, pPrepackaged wWith fFood sSampling" means a prepackaged tTemporary fFood fFacility wWith fFood sSampling as defined in Section 8.04.455, which operates as a food booth at a eCommunity eEvent or multiple eCommunity eEvents held at a single location for up to twelve (12) months per year.

SECTION 136. Section 8.04.459 is hereby amended to read as follows:

8.04.459 Temporary fFood bBooth at sSingle lLocation aAnnual fFood bBooth, fFood pPreparation.

"Temporary fFood bBooth at sSingle lLocation aAnnual fFood bBooth, fFood pPreparation" means a tTemporary fFood fFacility, fFood pPreparation as defined in Section 8.04.456, which operates as a food booth at a eCommunity eEvent or multiple eCommunity eEvents held at a single location for up to twelve (12) months per year.

SECTION 137. Section 8.04.460 is hereby amended to read as follows:

8.04.460 Theater.

A. "Theater" means any building, room or place where any play, motion picture, concert, opera, circus, trick or jugglery show, or gymnastic exhibition is held, given or shown, and where an admission fee is charged.

B. For fee purposes, "tTheater" shall not include cafes, nightclubs, and similar establishments which have a valid restaurant pPublic hHealth pPermit and

where the seats for the audience are counted in computing the restaurant ~~p~~Public ~~h~~Health ~~p~~Permit fee.

C. A "~~t~~Theater" may, however, have a snack bar or a refreshment stand without being classified as a restaurant, if no food items are prepared on the premises.

SECTION 138. Section 8.04.470 is hereby amended to read as follows:

8.04.470 Toilet ~~r~~Rental ~~a~~Agency.

"Toilet ~~r~~Rental ~~a~~Agency" means any person who supplies or maintains toilet structures to be used for temporary periods.

SECTION 139. Section 8.04.480 is hereby amended to read as follows:

8.04.480 Toilet ~~s~~Structure.

"Toilet ~~s~~Structure" means any room or compartment provided and maintained for a temporary period of time at a construction site or other similar temporary location, to be used for defecation or urination purposes. Said room or compartment may include but is not limited to a chemical toilet or a water-closet room satisfactory for the purposes for which it is intended to be used.

SECTION 140. Section 8.04.485 is hereby amended to read as follows:

8.04.485 Tobacco ~~r~~Retailing.

"Tobacco ~~r~~Retailing" means selling, offering for sale or distribution, exchanging, or offering to exchange, for any form of consideration, tobacco, tobacco products, or tobacco paraphernalia, without regard to the quantity sold, distributed, exchanged, or offered for exchange.

SECTION 141. Section 8.04.490 is hereby amended to read as follows:

8.04.490 Tourist ~~e~~Court or ~~m~~Motel.

"Tourist ~~e~~Court" or "~~m~~Motel" means a group of attached or detached buildings containing six (6) or more individual sleeping or living units, designed for or used temporarily by automobile tourists or transients, with garage attached or parking space conveniently located to each unit, including auto courts, ~~m~~Motels or motor lodges.

SECTION 142. Section 8.04.500 is hereby amended to read as follows:

8.04.500 Vending ~~m~~Machine.

A. "Vending ~~m~~Machine" means any self-service device offered for public use, which upon the insertion of coins, or tokens, or by other means dispenses unit servings of food or drink, either in bulk, cups or in packages, without the necessity of replenishing the device between each vending operation.

B. For purposes of this ~~e~~Chapter, however, "~~v~~Vending ~~m~~Machine" shall not include vending machines that dispense, exclusively, bottled drinks, gum, candy or other not readily perishable food when it is determined by the County ~~h~~Health ~~e~~Officer that such vending machines do not require ~~r~~Routine ~~i~~nspection for the protection of the public health.

SECTION 143. Section 8.04.510 is hereby amended to read as follows:

8.04.510 Vending ~~m~~Machine ~~b~~Business.

"Vending ~~m~~Machine ~~b~~Business" means the business of selling food or drinks by means of vending machines by one person, regardless of the number of locations at which the vending machines are located.

SECTION 144. Section 8.04.520 is hereby amended to read as follows:

8.04.520 Water ~~t~~Treatment ~~s~~System.

"Water ~~t~~Treatment ~~s~~System" means any water-using or water-operated equipment, mechanism, device or contrivance installed on any domestic water-supply line to or within any consumer premises, for use with or without the introduction of chemicals for purposes of water treatment. Approved salt (sodium chloride) regenerated zeolite water-softeners are excepted for purposes of this ~~e~~Chapter.

SECTION 145. Section 8.04.522 is hereby amended to read as follows:

8.04.522 Well ~~e~~Construction.

"Well ~~e~~Construction" means to drill, dig, bore, or excavate any well or to convert any industrial, or irrigation well for use as a domestic water well.

SECTION 146. Section 8.04.523 is hereby amended to read as follows:

8.04.523 Well ~~d~~Destruction.

"Well ~~d~~Destruction" means to destroy a well as defined in ~~Los Angeles County Code, Title 11, Section 11.38.330.~~

SECTION 147. Section 8.04.524 is hereby amended to read as follows:

8.04.524 Well ~~r~~Renovation.

"Well ~~r~~Renovation" means to deepen an existing well or any modification of an existing well or well casing.

SECTION 148. Section 8.04.525 is hereby amended to read as follows:

8.04.525 Well yYield tTTest.

A "wWell yYield tTTest" means the established protocol acceptable to the dDirector by which an authorized tester as defined in Section 11.38.275, investigates the sustainability of a water source through pumping and recovery measurements.

SECTION 149. Section 8.04.530 is hereby amended to read as follows:

8.04.530 Wiping rRag bBusiness.

"Wiping rRag bBusiness," as used in this eChapter, means the business of laundering, sanitizing, or selling wiping rags.

SECTION 150. Section 8.04.540 is hereby amended to read as follows:

8.04.540 Purpose and Statutory Authority of Chapter Provisions.

The purpose of the ordinance codified in this eChapter is to establish a pPublic hHealth lLicense, pPublic hHealth pPermit, endorsement, and public health registration fee system for activities subject to sState statutes, orders, quarantines, rules, or regulations relating to public health, so that eCounty expenses resulting from enforcement of such sState statutes, rules, or regulations are offset by the fees collected. The authority for this eChapter is California Health and Safety Code section 101325 and Food and Agricultural Code section 33252.

SECTION 151. Section 8.04.550 is hereby amended to read as follows:

8.04.550 Jurisdiction.

Public hHealth lLicenses and pPermits required by this eChapter shall be required of any business or activity within the area in which the eCounty hHealth

eOfficer enforces any sState statute, order, quarantine, rule, or regulation relating to public health, whether within or outside an incorporated city.

SECTION 152. Section 8.04.560 is hereby amended to read as follows:

8.04.560 Business in fFixed lLocation—Public hHealth lLicense and pPermit rRequirements.

Any person conducting, at a fixed location, any business, occupation or other activity listed in Section 8.04.720 of this ~~Chapter~~ within the geographic area under the jurisdiction of the eCounty hHealth eOfficer shall procure a eCounty pPublic hHealth lLicense or pPermit from the eCounty hHealth eOfficer. Such license or permit shall be in addition to any other license or permit required by this eCounty or by any other public jurisdiction.

SECTION 153. Section 8.04.570 is hereby amended to read as follows:

8.04.570 Business in fFixed lLocation—Receipted tTax bBill in lLieu wWhen.

Notwithstanding Section 8.04.560, any person conducting at a fixed location any business, occupation, or other activity which is the subject of a direct assessment pursuant to Part 3 of this eChapter shall be permitted to use their receipted tax bill in lieu of a pPublic hHealth lLicense.

SECTION 154. Section 8.04.580 is hereby amended to read as follows:

8.04.580 Itinerant bBusinesses—Public hHealth pPermit rRequirements.

A.—Any person conducting a business, occupation, or other activity listed in Section 8.04.720 of this eChapter within the geographic area under the jurisdiction of

the eCounty hHealth eOfficer, but not at a fixed location, shall procure each year a eCounty pPublic hHealth pPermit from the eCounty hHealth eOfficer. Such permit shall be in addition to any other license or permit required by this eCounty or by any other public jurisdiction.

~~B. Either the lessor or the lessee of a food vehicle must obtain a permit. If the lessor obtains the permit and there is a change in the lessee, he shall notify the county health officer and obtain a new permit. If a lessee obtains the permit, any subsequent lessee shall obtain a new permit.~~

SECTION 155. Section 8.04.590 is hereby amended to read as follows:

8.04.590 Separate pPublic hHealth lLicenses and pPermits for sSeparate aActivities.

If a person engages in, conducts, manages, or carries on at the same time more than one of the activities for which a pPublic hHealth lLicense or pPermit is required by this eChapter, ~~hesuch person~~ shall be deemed to be engaging in, conducting, managing, and carrying on each such activity separately and apart from the other such activity, and a separate license or permit shall be procured for each activity, whether located on the same premises or not, except in those cases specifically mentioned in this eChapter.

SECTION 156. Section 8.04.595 is hereby amended to read as follows:

8.04.595 ~~Public health license and permit—Annual certification inspection~~ Mobile Food Facility Certification.

The owner/operator of a mMobile fFood fFacility or mMobile sSupport uUnit shall obtain ~~an annual certification inspection~~ from the eCounty hHealth eOfficer prior to

~~beginning operation. The enforcement agency shall initially approve all mobile food facilities and mobile support units as complying with California Health and Safety Code Chapters 1-8, inclusive, 10 and 13. The county health officer shall then issue a certification sticker which shall be affixed to the mobile food facility or mobile support unit. The sticker will be valid during the fiscal year corresponding to the mobile food facility's or mobile support unit's current public health operating permit. Failure to secure an annual a certification sticker shall result in a suspension or revocation of the pPublic hHealth lLicense or pPermit.~~

SECTION 157. Section 8.04.600 is hereby amended to read as follows:

**8.04.600 Public hHealth lLicense and pPermit—Application
rRequirements.**

Every person desiring a pPublic hHealth lLicense or pPermit to conduct any business, occupation or other activity provided for in this eChapter shall file an application with the eCounty hHealth eOfficer upon a form to be provided by the eCounty hHealth eOfficer, and at such time pay the required fee and penalty, if any.

SECTION 158. Section 8.04.610 is hereby amended to read as follows:

**8.04.610 Public hHealth lLicense and pPermit—County hHealth
eOfficer aAction on aApplication.**

Upon receipt of an application with all pertinent data and the pPublic hHealth lLicense or pPermit fee, and on condition that the applicant meets all criteria required by law, the eCounty hHealth eOfficer, shall issue the license or permit to the licensee or permittee.

SECTION 159. Section 8.04.620 is hereby amended to read as follows:

8.04.620 Biennial eCertification eExamination fFee.

Certified bBackflow pPrevention dDevice tTesters shall be examined biennially to certify their competence in bBackflow pPrevention dDevice testing and reporting. An examination fee shall be established to offset the costs of administering the certification examination.

SECTION 160. Section 8.04.630 is hereby amended to read as follows:

8.04.630 Water tTreatment sSystem eEvaluation iInvestigation fFee.

Proposals for installation of wWater tTreatment sSystems shall be investigated and evaluated to determine the need for and suitability of the proposed water treatment system. A fee shall be established to offset the costs of the wWater tTreatment sSystem eEvaluation iInvestigation.

SECTION 161. Section 8.04.635 is hereby amended to read as follows:

8.04.635 Plan eCheck rRequirements fFor eCertain bBusiness eClassifications.

A. Every person proposing to construct, remodel or change the pPublic hHealth iLicense or pPermit classification of any business listed in Section 8.04.725 of this chapter shall make application to the eCounty hHealth eOfficer and submit the required pPlan eChecking fFees at the time of submission of plans to the eCounty hHealth eOfficer.

B. Such ~~p~~Plan ~~e~~Checking ~~f~~Fees are in addition to any other ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit fees which may be required for the operation of these establishments.

C. A separate fee to conduct a Site Evaluation may be charged when such an evaluation is deemed necessary by the County Health Officer.

SECTION 162. Section 8.04.640 is hereby amended to read as follows:

8.04.640 Public ~~h~~Health ~~l~~License and ~~p~~Permit—Period of ~~v~~Validity—Renewals—Fee ~~p~~Proration.

A. Except as provided in ~~s~~Subsection B of this ~~s~~Section, ~~p~~Public ~~h~~Health ~~l~~Licenses and ~~p~~Permits required by this ~~e~~Chapter shall be issued for a period of one year, with the license and permit year beginning on July 1st, and extending through June 30th of the following year. Such ~~l~~Licenses and ~~p~~Permits shall be renewable from year to year upon payment, on or before the delinquency date of each such year, of the fee required by Sections 8.04.710 and 8.04.720 ~~of this chapter~~, or upon payment of such fee plus penalties.

B. Where an initial ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit is issued to a person for a business or activity commencing during a license or permit year, the license or permit fee shall be:

1. If the business commences during the months of July, August or September, the full annual fee;
2. If the business commences during the months of October, November or December, three-quarters (3/4) of the annual fee;

3. If the business commences during the months of January, February or March, one-half (1/2) of the annual fee;

4. If the business commences during the months of April, May or June, one-quarter (1/4) of the annual fee.

C. License fees placed on the secured tax roll pursuant to Part 3 of this ~~e~~Chapter shall not be prorated.

SECTION 163. Section 8.04.645 is hereby amended to read as follows:

8.04.645 Fees ~~f~~For anAdditional ~~r~~Reinspections of ~~f~~Food-~~r~~Related ~~b~~Businesses.

In addition to the ~~p~~Public ~~h~~Health ~~l~~License and ~~p~~Permit fees provided by Section 8.04.640, all persons engaged in the sale or processing of food shall pay the appropriate reinspection fee listed in Section 8.04.720 ~~of this chapter~~. A reinspection fee shall be due and payable whenever:

A. The County ~~h~~Health ~~e~~Officer has given an official inspection report identifying a public health code violation or violations to the person who owns or operates such a business, and the notice contains a reinspection date by which the violation or violations must be corrected;

B. The violation or violations have not been corrected by the reinspection date provided on the official inspection report; and

C. An additional reinspection is necessary to determine that the violation or violations have been corrected.

SECTION 164. Section 8.04.650 is hereby amended to read as follows:

8.04.650 Notice ~~t~~I~~o~~ ~~b~~B~~e~~ ~~g~~G~~iven~~.

A. All official inspection reports issued to food-related businesses shall contain a notice similar to the following:

"Failure to correct the above violations by the compliance date may result in additional fees of (amount of fee) for each additional reinspection."

B. When an additional reinspection fee is due and payable pursuant to Section 8.04.645 of this ~~e~~C~~hapter~~, the ~~e~~C~~ounty~~ ~~h~~H~~ealth~~ ~~e~~O~~fficer~~ shall provide a written notice of additional reinspection fee and the delinquency date for payment of the fee to the person engaged in such business. The written notice shall provide a warning similar to the following:

"Notice — Because of necessary additional reinspections of your business, you must pay a fee of (amount of fee). The fee shall be collected by the ~~e~~C~~ounty~~ ~~h~~H~~ealth~~ ~~e~~O~~fficer~~ and must be received or postmarked on or before (date of delinquency).

Failure to pay such fee by this date shall result in the assessment of a penalty of \$50.00, plus interest of one and one-half (1-1/2) percent per month, in addition to the underlying fee."

SECTION 165. Section 8.04.655 is hereby amended to read as follows:

8.04.655 Collection of ~~r~~R~~e~~i~~n~~spection ~~f~~F~~ee~~.

The reinspection fee, interest at the rate set forth in Section 8.04.840 and any penalty thereon shall be collected by the ~~e~~C~~ounty~~ ~~h~~H~~ealth~~ ~~e~~O~~fficer~~. The ~~e~~C~~ounty~~ ~~h~~H~~ealth~~ ~~e~~O~~fficer~~ may add any unpaid balance to the amount due for any subsequent ~~p~~P~~ublic~~ ~~h~~H~~ealth~~ ~~l~~L~~icense~~ or ~~p~~P~~ermit~~ renewal or license or permit application by the

person who owns or operates such food-related business or refer any delinquent fees to the ~~Treasurer and~~ Tax Collector for collection. The total amount due shall be the license or permit fee for such business.

SECTION 166. Section 8.04.660 is hereby amended to read as follows:

8.04.660 Public ~~h~~Health ~~l~~icense or ~~p~~ermit—Fictitious ~~n~~ame ~~r~~estrictions.

A. A ~~p~~Public ~~h~~Health ~~l~~icense or ~~p~~ermit may be issued pursuant to this ~~e~~Chapter to a corporation duly authorized to transact business in this ~~s~~State, or to a person operating under a fictitious name who has complied with all of the provisions of ~~Section 1790 et seq.~~ of the California Business and Professions Code section 1790 et seq. ~~of this state~~ or any statute superseding or taking the place of such code sections. Otherwise, all such licenses or permits shall be issued in the true name of the individual or individuals applying therefor. Except as above provided, no business so licensed or issued a permit may operate under any false or fictitious name.

B. A ~~p~~Public ~~h~~Health ~~l~~icense or ~~p~~ermit issued to a corporation shall designate such corporation by the exact name which appears in the articles of incorporation of such corporation.

SECTION 167. Section 8.04.670 is hereby amended to read as follows:

8.04.670 Fee ~~e~~xemptions—Blind ~~p~~ersons.

A. The ~~e~~County ~~h~~Health ~~e~~Officer shall issue without fee a ~~p~~Public ~~h~~Health ~~l~~icense or ~~p~~ermit to any blind person who otherwise would be entitled to such license or permit if such person files with the ~~e~~County ~~h~~Health ~~e~~Officer a certificate by a licensed physician and surgeon or by the California Department of Rehabilitation ~~of the~~

~~state of California that he~~such person is a blind person as those words are used in this ~~s~~Section.

B. As used in this ~~s~~Section a "blind person" means a person having not more than ~~ten~~ (10) percent visual acuity in the better eye with correction.

SECTION 168. Section 8.04.700 is hereby amended to read as follows:

8.04.700 Fee ~~e~~Exemptions—Conditions for ~~e~~Charitable
~~a~~Activities.

An activity for which a ~~p~~Public ~~h~~Health ~~L~~icense or ~~p~~Permit is required by this ~~e~~Chapter shall be deemed to qualify for a no-fee license or permit if:

A. The entity providing the activity complies with United States Code, Title 26, Internal Revenue Code, ~~S~~ection 501(c)(3); and

B. The activity which is being licensed or permitted exclusively provides:

1. Meals without charge to the recipient; or,
2. Housing without charge to the recipient or at reduced rents through Permanent Supportive Housing as that term is defined in Section 8.04.345; or,
3. Therapeutic services without charge to the recipient. For purposes of this Section 8.04.700, "therapeutic services" shall mean activities intended to treat an illness or disability.

SECTION 169. Section 8.04.705 is hereby amended to read as follows:

8.04.705 Fees for ~~u~~Unlicensed ~~a~~Activities.

A. The ~~e~~County shall recover the cost of the County ~~h~~Health ~~e~~Officer's enforcement activities when they are otherwise not regulated by a ~~p~~Public ~~h~~Health

License or permit as listed in Section 8.04.720. The eCounty shall also recover any reasonable costs that it may incur in connection with the collection of such fees.

B. The fee shall be assessed when:

1. The County hHealth eOfficer has issued an official inspection report or notice of violation requiring correction of a condition found to exist on property owned, maintained or occupied by the person or persons liable for such condition; or

2. The County hHealth eOfficer has spent at least one (1) hour in attempting to obtain correction of the condition.

C. The fee shall be determined in accordance with the Standard Hourly Billing Rate Schedule in Section 8.04.728, Subsection C.

SECTION 170. Section 8.04.710 is hereby amended to read as follows:

8.04.710 Fee rRequirements generally.

Unless otherwise specified, the annual public hHealth License or permit fees required to be paid to perform or carry on, conduct or engage in any of the businesses, occupations, institutions or acts set forth in Section 8.04.720 within the area under the jurisdiction of the eCounty hHealth eOfficer shall be as listed in Section 8.04.720.

SECTION 171. Section 8.04.715 is hereby amended to read as follows:

8.04.715 Duty to eObey hHealth eOfficer.

In addition to paying the fee prescribed in Section 8.04.720, in order to perform or carry on, conduct or engage in any of the businesses, occupations, institutions, or acts set forth in Section 8.04.720 within the area under the jurisdiction of the eCounty hHealth eOfficer, and as a condition of the continued validity of a Public hHealth

License or permit, all persons shall comply with all state statutes, orders, quarantines, rules, regulations, or directives relating to the public health.

SECTION 172. Section 8.04.720 is hereby amended to read as follows:

8.04.720 Fee Schedule.

Business Classification	Permit Fee
Animal Food Market	\$201.00
Animal Keeper:	
Category I	522.00
Category II	646.00
Category III	708.00
...	
<u>Commissary</u>	
<u>Cleaning and Storage Facility</u>	<u>310.00</u>
<u>Food preparation, 1-10 Mobile Food Facilities</u>	<u>678.00</u>
<u>Food preparation, 11+ Mobile Food Facilities</u>	<u>779.00</u>
<u>Food Storage and Cleaning Facility</u>	<u>401.00</u>
<u>Storage Facility</u>	<u>274.00</u>
<u>Compact Mobile Food Operation</u>	
<u>Auxiliary Conveyance Operator, Site-Specific</u>	<u>487.00</u>
<u>High Risk</u>	<u>592.00</u>
<u>Low Risk</u>	<u>126.00</u>
<u>Moderate Risk</u>	<u>299.00</u>

Cottage Food Operation, Class B	292.00
<u>Class B</u>	<u>292.00</u>
<u>With Compact Mobile Food Operation Storage</u>	<u>336.00</u>
<u>Dependent Food Operator</u>	<u>309.00</u>
. . .	
Food vehicle:	
— Food vehicle, independent delivery	127.00
— Mobile food facility — food cart, low risk	393.00
— Mobile food facility — food cart, high risk	772.00
— Mobile food facility — food truck, low risk	692.00
— Mobile food facility — food truck, high risk	905.00
Food vehicle commissary:	
— 0 to 10 vehicles	573.00
— 11 or more vehicles	652.00
Food vehicle storage facility	382.00
Food vehicle cleaning and storage facility	421.00
. . .	
<u>Independent Milk-Delivery Vehicle</u>	<u>127.00</u>
. . .	
<u>Mobile Food Facility:</u>	
<u>Low Risk</u>	<u>325.00</u>
<u>Moderate Risk</u>	<u>598.00</u>

<u>High Risk</u>	<u>761.00</u>
<u>Mobile Support Unit</u>	<u>313.00</u>
...	
<u>Personal hawker</u>	<u>224.00</u>
...	

SECTION 173. Section 8.04.725 is hereby amended to read as follows:

8.04.725 Schedule of Plan Check Fees.

The schedule of pPlan eCheck fEes to be paid at the time plans are submitted to the County Health Officer shall be as follows:

Business Classification	Plan Check Fees
Body a <u>A</u> rt f <u>F</u> acility:	
Permanent e <u>C</u> osmetics	\$343.00
Remodel	343.00
Tattooing, Piercing, Branding	568.00
...	
<u>Commissary:</u>	
<u>Cleaning and/or Storage Facility</u>	<u>402.00</u>
<u>Food Preparation, High Risk</u>	<u>796.00</u>
<u>Food Storage and Cleaning Facility</u>	<u>546.00</u>
<u>Compact Mobile Food Operation:</u>	
<u>Approved Model Plan Final Evaluation, Pre-Packaged</u>	<u>246.00</u>
<u>Approved Model Plan Final Evaluation, Unpackaged</u>	<u>285.00</u>

<u>Home Storage Endorsement</u>	<u>199.00</u>
<u>Prepackaged Potentially Hazardous Food</u>	<u>439.00</u>
<u>Unpackaged Food</u>	<u>633.00</u>
...	
Food vehicle, retail	746.00
Food vehicle commissary	796.00
Food vehicle storage facility	201.00
Food vehicle cleaning and storage facility	201.00
...	
<u>Mobile Food Facility:</u>	
<u>High Risk</u>	<u>741.00</u>
<u>Low or Moderate Risk</u>	<u>544.00</u>
<u>Mobile Support Unit</u>	<u>441.00</u>
...	

SECTION 174. Section 8.04.728 is hereby amended to read as follows:

8.04.728 Service Charges—Basis—Payment.

A. Whenever another government jurisdiction requires a person to secure an inspection, evaluation, report or approval by the County Health Officer, necessitating the County Health Officer to provide a service, such person shall pay a fee to offset the costs incurred by the County Health Officer as set forth in this ~~s~~Section.

...

F. Following is the Schedule of Service Charges for services provided by the County Health Officer. Failure to pay said fees constitutes a violation of this Section and may be prosecuted as such.

Backflow p Prevention a ssembly D evice (each):	\$37.00
Backflow p Prevention d Device tester:	
Biennial e Certification e Examination t Tester f Fee	340.00
Listing of certified b Backflow p Prevention d Device t Testers	276.00
. . .	
g. Mobile Food Facility, <u>Low Risk</u>	421.00 <u>298.00</u>
h. Mobile Food Facility, <u>Moderate Risk</u>	<u>326.00</u>
i. Mobile Food Facility, <u>High Risk</u>	<u>416.00</u>
. . .	
Shared k Kitchen e Complex:	
Shut d Down t Test for Alternate Water Systems	2,368.00
<u>Site Evaluation</u>	<u>1 Hour Minimum Standard</u> <u>Billing Hourly Rate</u>
. . .	

SECTION 175. Section 8.04.730 is hereby amended to read as follows:

8.04.730 Public ~~h~~Health ~~l~~icense and ~~p~~Permit—Contents.

Each ~~p~~Public ~~h~~Health ~~l~~icense and ~~p~~Permit shall state the person to whom, and the kind of business or businesses, the account identifier, and the location for which it is

issued, and the date of issuance, the license or permit period for which it is issued, and shall refer to this eChapter and be signed by the eCounty hHealth eOfficer.

SECTION 176. Section 8.04.740 is hereby amended to read as follows:

8.04.740 Public hHealth license and pPermit—Exhibition on rRequest.

Every person having a pPublic hHealth license or pPermit under the provisions of this eChapter shall produce and exhibit the same whenever requested to do so by any officer authorized to issue, inspect or collect licenses and permits.

SECTION 177. Section 8.04.750 is hereby amended to read as follows:

8.04.750 Public hHealth license and pPermit—Posting at fixed pPlace of business.

Every person having a pPublic hHealth license or pPermit under the provisions of this eChapter and conducting, managing or carrying on a business or occupation at a fixed place of business, shall keep such license or permit posted and exhibited while in force in some conspicuous part of said place of business.

SECTION 178. Section 8.04.752 is hereby amended to read as follows:

8.04.752 Posting rRequirements—Penalty for nNoncompliance—Documents aAvailable for pPublic rReview.

A. Upon issuance by the eCounty hHealth eOfficer, the County hHealth eOfficer shall post at every fFood facility the letter gGrade eCard or the inspection sScore eCard as determined by the eCounty hHealth eOfficer, so as to be clearly visible to the general public and to patrons entering the facility. "Clearly visible to the general public and to patrons" means:

1. Posted in the front window of the food facility within five (5) feet of the front door or posted in a display case mounted on the outside front wall of the food facility within five (5) feet of the front door;

2. Posted adjacent to the pass out window on a mobile food facility, or on the customer service side of an unenclosed mobile food facility; or

3. Posted in a location as directed and determined in the discretion of the eCounty hHealth eOfficer to ensure proper notice to the general public and to patrons.

B. In the event that a food facility is operated in the same building or space as a separately licensed or permitted business, or in the event that a food facility shares a common patron entrance with such a separately licensed or permitted business, or in the event of both, the eCounty hHealth eOfficer shall post the letter grade eCard or the inspection score eCard in the initial patron contact area, or in a location as determined in the discretion of the eCounty hHealth eOfficer.

C. The letter grade eCard and the inspection score eCard shall not be defaced, marred, reproduced, copied, camouflaged, hidden, or removed. It is unlawful to operate a food facility unless the letter grade eCard or the inspection score eCard as determined by the eCounty hHealth eOfficer, is in place as set forth hereunder. Removal of the letter grade eCard or the inspection score eCard is a violation of this eChapter and may result in the suspension or revocation of the public hHealth permit and shall be punishable as specified in Section 8.04.930.

D. Every fFood fFacility shall post a legibly lettered sign which displays the following information so as to be clearly visible to the general public and to patrons entering the facility:

Any public health concerns regarding this facility should be directed to the County of Los Angeles, Environmental Health office located at:

_____ (local office address and telephone number to be provided by the eCounty hHealth eOfficer).

E. The fFood eOfficial iInspection rReport upon which the lLetter gGrade eCard or the iInspection sScore eCard is based and all subsequent reports issued by the eCounty hHealth eOfficer shall be maintained at the fFood fFacility and shall be available to the general public and to patrons for review upon request. The fFood fFacility shall keep the fFood eOfficial iInspection rReport and all subsequent reports until such time as the eCounty hHealth eOfficer completes the next rRoutine iInspection of the facility and issues a new fFood eOfficial iInspection rReport.

SECTION 179. Section 8.04.755 is hereby amended to read as follows:

**8.04.755 Letter gGrade eCard and iInspection sScore eCard—
Period of vValidity.**

A lLetter gGrade eCard or iInspection sScore eCard shall remain valid until the eCounty hHealth eOfficer completes the next rRoutine iInspection of the fFood fFacility.

SECTION 180. Section 8.04.760 is hereby amended to read as follows:

8.04.760 Public ~~h~~Health ~~p~~Permit—Carrying by ~~i~~Itinerants.

Every person having such permit and not having a fixed place of business shall carry such permit with him at all times while carrying on the business or occupation for which same was granted.

SECTION 181. Section 8.04.770 is hereby amended to read as follows:

8.04.770 Vehicle and ~~e~~Equipment ~~i~~Identification.

The ~~e~~County ~~h~~Health ~~e~~Officer may, when he deems necessary, issue in conjunction with any ~~p~~Public ~~h~~Health ~~i~~License or ~~p~~Permit required by this ~~e~~Chapter further identification in the form of a license plate, decal or gummed sticker. Upon issuance of same, he shall, in writing, advise the licensee or permittee as to where this identification is to be affixed.

SECTION 182. Section 8.04.780 is hereby amended to read as follows:

8.04.780 Vending ~~m~~Machine ~~e~~Operator ~~r~~Requirements.

A. Each food or drink vending machine shall have affixed thereon, in an accessible place, an identification plate made of durable material, setting forth the model number or symbol of the machine and the serial number identifying each machine.

B. In addition, there shall be affixed to each food or drink ~~v~~Vending ~~m~~Machine a decal or other indication furnished by the ~~e~~County ~~h~~Health ~~e~~Officer that the required ~~p~~Public ~~h~~Health ~~p~~Permit fee has been paid for the current year.

C. The operator of a food or drink ~~v~~Vending ~~m~~Machine ~~b~~Business shall maintain in its headquarters or principal place of business a current record or list by

serial number of every such machine and its location within the area under the jurisdiction of the ~~e~~CCounty ~~h~~HHealth ~~o~~Officer.

SECTION 183. Section 8.04.785 is hereby added to read as follows:

8.04.785 Additional Requirements for Mobile Food Facilities and Commissaries.

A. The owner/operator of a Mobile Food Facility or Mobile Support Unit shall complete a Mobile Food Facility Route Sheet, obtained from the County Health Officer, listing the complete address, telephone number, and arrival/departure times of each location where the retail food business is being conducted. The Mobile Facility Route Sheet shall be maintained on file at the Mobile Food Program. The owner/operator of a Mobile Food Facility or Mobile Support Unit shall notify the County Health Officer of any significant changes to the Mobile Food Facility Route Sheet within thirty (30) days. Failure to provide an accurate and current Mobile Food Facility Route Sheet may result in suspension or revocation of the Public Health License or Permit.

B. The Commissary operator shall provide a current list of all Mobile Food Facilities that operate in conjunction with the Commissary to the County Health Officer every ninety (90) days.

SECTION 184. Section 8.04.790 is hereby amended to read as follows:

8.04.790 Public ~~h~~HHealth ~~L~~License and ~~p~~Permit—Transfer.

A. Any ~~p~~Public ~~h~~HHealth ~~p~~Permit, once issued, is nontransferable. A ~~p~~Public ~~h~~HHealth ~~p~~Permit shall be valid only for the person, location, and type of activity approved at the time of issuance and, unless suspended or revoked for cause, for the time period indicated.

B. A pPublic hHealth license shall be valid only for the person and type of activity approved at the time of issuance. Any pPublic hHealth license required by this eChapter may be transferred by the licensee upon application to the eCounty hHealth eOfficer and under the following conditions:

1. Investigation by the eCounty hHealth eOfficer determines the proposed facility and its method of operation will conform to all applicable laws and regulations;
2. The proposed facility remains within the same type of activity and the same category of operation as the original facility, as specified in Section 8.04.720; and
3. The transfer is not in conflict with any applicable law or regulation.

C. The eCounty may recover from the person transferring the pPublic hHealth license all reasonable costs that it incurs in connection with the transfer.

SECTION 185. Section 8.04.800 is hereby amended to read as follows:

8.04.800 Public hHealth license and pPermit—Partnership tTransfer fFee.

If a pPublic hHealth license or pPermit is issued to a partnership and the partnership is changed by the addition of new partners, the license or permit may be transferred to the new partnership if the new partnership makes application for such transfer in the same manner as for a new license or permit and pays a transfer fee of \$10.00 to the eCounty hHealth eOfficer.

SECTION 186. Section 8.04.810 is hereby amended to read as follows:

8.04.810 Lost ~~p~~Public ~~h~~Health ~~l~~License and ~~p~~Permit

~~r~~Replacement.

Where, from such evidence as ~~he~~the County Health Officer sees fit to require, the ~~e~~County ~~h~~Health ~~e~~Officer finds that a ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit (whether in the form of a tag, plate, paper or card, sticker, or otherwise) has been lost, ~~he~~the County Health Officer shall issue a duplicate license or permit to the owner thereof upon payment of \$20.00.

SECTION 187. Section 8.04.817 is hereby amended to read as follows:

8.04.817 Public ~~h~~Health ~~l~~License and ~~p~~Permit—Reporting

~~r~~Requirements.

Every person having a ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit under the provisions of this ~~e~~Chapter shall report to the Department of Public Health the following changes of status to the business within fifteen (15) days of the change:

- A. Change of mailing address;
- B. Sale and/or transfer of ownership;
- C. Permanent closure or cessation of business.

SECTION 188. Section 8.04.820 is hereby amended to read as follows:

8.04.820 Procedures for ~~i~~ssuing ~~p~~Public ~~h~~Health ~~l~~Licenses and ~~p~~Permits for ~~t~~emporary ~~a~~Activities.

A. Notwithstanding Section 8.04.640, if the applicant for a ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit under this ~~e~~Chapter shows to the satisfaction of the ~~e~~County ~~h~~Health ~~e~~Officer that because a business or occupation or other activity is of a seasonal

nature, or because of statutory or ordinance regulations or restrictions, or because of acquisition by the public of the premises on which the occupation or business or other activity is situated, or because of similar reasons, such business, occupation or activity can only be carried on for a limited period of time, not more than three-quarters (3/4) of a year, a license or permit may be issued for such period of time and the license or permit fee shall be the following fraction of the annual fee:

1. One-quarter of a year or less, one-fourth (1/4);
2. More than one-quarter but not more than one-half (1/2) of a year, one-half (1/2);
3. More than one-half (1/2) but not more than three-quarters (3/4) of a year, three-fourths (3/4).

B. Such license or permit may be issued for the limited period without regard to fiscal years.

C. Notwithstanding any other provision of this ~~s~~Section, a swimming pool shall not be considered a seasonal activity.

SECTION 189. Section 8.04.830 is hereby amended to read as follows:

8.04.830 Public ~~h~~Health ~~l~~icense and ~~p~~ermit—Delinquency ~~d~~ate.

A. "Delinquency ~~d~~ate" means:

1. In the case of a license or permit renewal, the 32nd day of the applicable license or permit year;

2. In the case of a newly established business or activity for which a license or permit is required, the 61st day after the commencement of the business or activity;

3. In the case of an additional reinspection fee for a food-related business, the 32nd day after notice of additional reinspection fee is mailed or personally delivered to the person engaged in the food-related business.

B. In the case of those businesses or activities which are the subject of a direct assessment pursuant to Part 3 of this eChapter, delinquency date for eCounty taxes collected on the secured roll.

SECTION 190. Section 8.04.840 is hereby amended to read as follows:

8.04.840 Public hHealth license and permit—Penalty for late fee payment.

If any fee required by Division 1 of this title is not paid prior to the delinquency date, in addition to such fee, the licensee or permittee shall pay a penalty equal to twenty-five (25) percent of the fee or \$50.00, whichever is greater, plus an additional amount equal to one and one-half (1-1/2) percent of the license or permit fee owed for each month the fee plus penalties remain delinquent, commencing the first day of the first calendar month that begins at least sixty (60) days after the delinquency date.

SECTION 191. Section 8.04.841 is hereby amended to read as follows:

8.04.841 Late fee payment—Community event/seasonal permit.

A eCommunity event erganizer application or a temporary food facility application shall be considered late if submitted less than fourteen (14) calendar days

prior to the start of the event for which the application is submitted. Any application considered late shall be subjected to a penalty fee equal to twenty-five (25) percent of the permit fee or ~~fifty (\$50.00) dollars~~, whichever is greater.

SECTION 192. Section 8.04.842 is hereby amended to read as follows:

8.04.842 Late ~~f~~Fee ~~p~~Payment—Lien ~~a~~Against ILicensee or pPermittee ~~a~~Authorized wWhen.

If the fee and penalty as described in Section 8.04.840 of this ~~e~~Chapter is not paid within ninety (90) days after the ~~d~~Delinquency ~~d~~Date, a certificate of lien may be recorded against the licensee or permittee as authorized by ~~Section 101345 of the~~ California Health and Safety Code section 101345.

SECTION 193. Section 8.04.844 is hereby amended to read as follows:

8.04.844 Late ~~f~~Fee ~~p~~Payment—Additional ~~p~~Penalty ~~f~~Following ILien.

Upon recordation of a certificate of lien described in Section 8.04.842, an additional penalty fee of \$15.00 shall be paid by the licensee or permittee.

SECTION 194. Section 8.04.850 is hereby amended to read as follows:

8.04.850 Public ~~h~~Health ILicense—Penalty for ILate ~~d~~Direct aAssessment ~~f~~Fees.

Notwithstanding the provisions of Section 8.04.840, any fee required by this ~~e~~Chapter which is not paid prior to the ~~d~~Delinquency ~~d~~Date and is included as a direct assessment pursuant to Part 3 of this ~~e~~Chapter, shall bear the same penalty as delinquent taxes on the secured tax roll.

SECTION 195. Section 8.04.860 is hereby amended to read as follows:

8.04.860 County hHealth eOfficer—Fee eCollection and eOther dDuties.

The eCounty hHealth eOfficer shall collect the license and permit fees and penalties under this eChapter when ~~he~~ the County Health Officer receives the application for a license or permit, and perform such other duties as are prescribed by this eChapter.

SECTION 196. Section 8.04.870 is hereby amended to read as follows:

8.04.870 County hHealth eOfficer—Public hHealth license and pPermit issuance and aAccounting dDuties.

The eCounty hHealth eOfficer shall maintain an accounting of all issued health licenses and permits for both tracking and audit purposes. The eCounty hHealth eOfficer shall number and sign all licenses and permits.

SECTION 197. Section 8.04.880 is hereby amended to read as follows:

8.04.880 County hHealth eOfficer—Deposit of fFunds.

The eCounty hHealth eOfficer shall deposit in the Environmental Health trust fund in the eCounty treasury all license and permit fees and penalties collected.

SECTION 198. Section 8.04.900 is hereby amended to read as follows:

8.04.900 Minor eErrors in pPayments.

In the event a discrepancy exists between the amount of the fee paid and the amount of the fee due, resulting in an underpayment or an overpayment of the fee in the amount of \$10.00, or less, the eCounty hHealth eOfficer may accept and record such

underpayment or overpayment without other notification to the licensee or permittee or the license or permit applicant.

SECTION 199. Section 8.04.910 is hereby amended to read as follows:

8.04.910 Refunds.

A. The ~~e~~County ~~h~~Health ~~e~~Officer may refund to the licensee or permittee all moneys collected because of excess, erroneous, or double payment, if the licensee or permittee files a proper claim.

B. Whenever ~~p~~Public ~~h~~Health ~~l~~License or ~~p~~Permit fees are reduced during the calendar year and made retroactive because the ~~b~~Board of ~~s~~Supervisors finds that the higher fee was not legally justified, and whenever the applicant has paid a higher fee than that required because ~~h~~the applicant has paid prior to the beginning of the license or permit period and subsequent to such payment the fee has been reduced, the ~~e~~County ~~h~~Health ~~e~~Officer shall upon the presentation of a refund claim, make refunds as follows:

1. Apply the payment to the newly established fee; and
2. Remit the remainder to the licensee or permittee.

SECTION 200. Section 8.04.920 is hereby amended to read as follows:

8.04.920 Actions for ~~r~~Recovery of ~~d~~Delinquent ~~l~~License or ~~p~~Permit ~~f~~Fees.

The ~~treasurer-t~~Tax ~~e~~Collector may, in the name of the County of Los Angeles, as plaintiff, bring suit for the recovery of any delinquent license or permit fee imposed against any person required by this ~~e~~Chapter to procure a license or permit to engage in

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any business as defined in this eChapter, who carries on or attempts to carry on such business without such license or permit.

SECTION 201. Section 8.04.930 is hereby amended to read as follows:

8.04.930 Violation—Penalty.

A. Violation of this eChapter is punishable by a fine of not more than \$500.00 or by imprisonment in the eCounty jail for not more than six (6) months, or by both such fine and imprisonment. Each day during any portion of which any violation of any provision of this eChapter is committed, continued or permitted, makes such violation a separate offense.

B. Any operator of a Compact Mobile Food Operation who violates any provision of Division 104, Part 7, Chapter 11.7. Compact Mobile Food Operation of the California Health and Safety Code or Title 8 of this Code is subject to an administrative fine as indicated in California Health and Safety Code section 114368.8. Any violation of Title 8 or of Division 104, Part 7, Chapter 11.7, by an operator or employee of a Compact Mobile Food Operation shall be subject to the administrative fines as indicated in California Health and Safety Code section 114368.8.

SECTION 202. Section 8.04.932 is hereby amended to read as follows:

8.04.932 Business wWithout a pPublic hHealth lLicense or pPermit pProhibited.

No person shall engage in, conduct, manage or carry on any business or other activity for which a license or permit is required by this eChapter if:

A. The personHe or she does so without having, pursuant to the provisions of this eChapter, procured a license or permit to do so and paid the fee required; or

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B. If such license or permit has expired, been suspended, revoked, or denied.

SECTION 203. Section 8.04.934 is hereby amended to read as follows:

8.04.934 Operating w~~Without~~ a p~~Public~~ h~~Health~~ l~~License~~ or p~~Permit~~—Deemed m~~M~~isdemeanor—Penalty.

A. A violation of Section 8.04.932 is a misdemeanor punishable by fine, or imprisonment in the e~~County~~ jail for a period not exceeding six (6) months, or both. Such fine shall not be more than \$500.00, and shall:

A.1. For the first violation, not be less than \$100.00;

B.2. For the second and any subsequent violation, be \$500.00.

B. This Section shall not apply to a Compact Mobile Food Operation as defined in California Health and Safety Code section 114368. Any violation of this Chapter by a Compact Mobile Food Operator or employee is subject to penalties pursuant to California Health and Safety Code section 114368.8.

SECTION 204. Section 8.04.936 is hereby amended to read as follows:

8.04.936 Operating w~~Without~~ a p~~Public~~ h~~Health~~ l~~License~~ or p~~Permit~~—Injunctive r~~Relief~~.

Any person violating Section 8.04.932 may be enjoined from such violation by any court of competent jurisdiction. The remedy provided by this s~~Section~~ is cumulative to any other remedy provided by law.

SECTION 205. Section 8.04.938 is hereby amended to read as follows:

8.04.938 Violation of ~~i~~njunction—Civil ~~p~~Penalty.

Any person who intentionally violates any injunction issued pursuant to Section 8.04.936 shall be liable for a civil penalty collected by the ~~e~~County ~~h~~Health ~~e~~Officer not to exceed \$500.00 for each violation.

SECTION 206. Section 8.04.942 is hereby amended to read as follows:

8.04.942 Operating w~~W~~ithout a ~~p~~Public ~~h~~Health ~~l~~icense or ~~p~~Permit—Civil ~~p~~Penalty.

A. Any person who violates Section 8.04.932 shall be liable for a civil penalty recoverable in a civil action by the ~~e~~County ~~h~~Health ~~e~~Officer:

1. In an amount not less than \$100.00 for the first violation; and
2. In an amount not less than \$500.00 for the second and any subsequent violation.

B. The remedies provided in Section 8.04.934 and by this ~~s~~Section are mutually exclusive.

SECTION 207. Section 8.04.943 is hereby amended to read as follows:

8.04.943 Public ~~h~~Health ~~p~~Permit ~~s~~Suspension or ~~r~~Revocation—~~f~~Notice of ~~e~~Closure.

A. Upon issuance of a written notice of suspension or revocation of the ~~p~~Public ~~h~~Health ~~p~~Permit by the ~~e~~County ~~h~~Health ~~e~~Officer, the County ~~h~~Health ~~e~~Officer shall post a ~~n~~Notice of ~~e~~Closure at the ~~f~~Food ~~f~~Facility so as to be clearly visible to the general public and to patrons.

B. Upon issuance of the written notice of suspension or revocation of the pPublic hHealth pPermit by the eCounty hHealth eOfficer, the fFood fFacility shall immediately close to the general public and to patrons and shall discontinue all operations until the pPublic hHealth pPermit has been reissued or reinstated by order of the eCounty hHealth eOfficer or until the facility no longer operates as a fFood fFacility.

C. The nNotice of eClosure shall remain posted until removed by the eCounty hHealth eOfficer. Removal of the nNotice of eClosure by any person other than the eCounty hHealth eOfficer or the refusal of a fFood fFacility to close upon issuance of the written notice of suspension of the pPublic hHealth pPermit is a violation of this eChapter and may result in the suspension or revocation of the fFood fFacility's pPublic hHealth pPermit and shall be punishable as specified in Section 8.04.930.

SECTION 208. Section 8.04.944 is hereby amended to read as follows:

8.04.944 Continuing vViolations.

Where the conduct consisting of a violation of Section 8.04.932 or 8.04.938 is of a continuing nature, each day of such conduct is a separate and distinct violation.

SECTION 209. Section 8.04.945 is hereby amended to read as follows:

8.04.945 Public hHealth pPermit—Suspension or rRevocation.

Any pPublic hHealth pPermit issued pursuant to this eChapter may be suspended or revoked in accordance with the procedures set forth in California Health and Safety Code Section 113950 et seq.

SECTION 210. Section 8.04.946 is hereby amended to read as follows:

8.04.946 Public ~~h~~Health ~~l~~License—Suspension or ~~r~~Revocation.

A. Any ~~p~~Public ~~h~~Health ~~l~~License issued pursuant to this ~~e~~Chapter may be suspended or revoked by the ~~e~~County ~~h~~Health ~~e~~Officer for a violation of ~~the~~this ~~Los Angeles County Code~~ or the California Health and Safety Code, or both. Any business or occupation for which the ~~p~~Public ~~h~~Health ~~l~~License has been suspended or revoked shall close and remain closed until the license has been reinstated or reissued.

B. Whenever the ~~e~~County ~~h~~Health ~~e~~Officer finds that a business or occupation is not in compliance with the requirements of ~~the~~this ~~Los Angeles County Code~~, or the California Health and Safety Code, or both, a written notice to comply shall be issued to the licensee. If the licensee fails to comply, the ~~e~~County ~~h~~Health ~~e~~Officer shall issue to the licensee a notice setting forth the acts or omissions with which the licensee is charged and informing the licensee of a right to a hearing, if requested, to show cause why the licensee's ~~p~~Public ~~h~~Health ~~l~~License should not be suspended or revoked. A written request for a hearing shall be made by the licensee within fifteen ~~(15)~~ calendar days after service of the notice. A failure to request said hearing within fifteen ~~(15)~~ calendar days after service of the notice shall be deemed a waiver of the right to a hearing. When circumstances warrant, the hearing officer may order a hearing at a reasonable time within this 15-day period to expedite the ~~p~~Public ~~h~~Health ~~l~~License suspension or revocation process. The hearing shall be held within fifteen ~~(15)~~ calendar days of the receipt of a written request for a hearing. Upon written request of the licensee, the hearing officer may postpone any hearing date, if circumstances warrant such action.

C. The hearing officer shall issue a written notice of decision to the licensee within five working days following the hearing. In the event of suspension or revocation, the notice shall specify the acts or omissions with which the licensee is charged and shall state the items and extent of the suspension or shall state that the licensee's ~~p~~P~~u~~b~~l~~i~~c~~h~~e~~a~~l~~t~~h~~ ~~l~~i~~c~~e~~n~~s~~e~~ has been revoked.

D. Notwithstanding any other provision of this ~~e~~C~~h~~a~~p~~t~~e~~r, if any immediate danger to the public health or safety is found or is reasonably suspected, unless the danger is immediately corrected, the ~~e~~C~~o~~u~~nty ~~h~~e~~a~~l~~t~~h~~ ~~o~~f~~ficer may immediately suspend the licensee's ~~p~~P~~u~~b~~l~~i~~c~~h~~e~~a~~l~~t~~h~~ ~~l~~i~~cense and order the business or occupation immediately closed, pending a determination of any request for hearing made by the licensee pursuant to ~~s~~S~~u~~bsection D.2, below. Immediate danger to the public health or safety shall include any condition, based upon inspection findings or other evidence, that can cause, or is reasonably suspected of causing, infection or disease transmission, or any known or reasonably suspected hazardous condition.~~~~~~~~~~~~

1. Whenever a ~~p~~P~~u~~b~~l~~i~~c~~h~~e~~a~~l~~t~~h~~ ~~l~~i~~cense is suspended as the result of an immediate danger to the public health or safety, the ~~e~~C~~o~~unty ~~h~~e~~a~~l~~t~~h~~ ~~o~~f~~ficer shall issue to the licensee a notice setting forth the acts or omissions with which the licensee is charged, specifying the sections of ~~the~~this Los Angeles County Code or California Health and Safety Code, or both, allegedly violated, and informing the licensee of the right to a hearing.~~~~~~~~~~

2. At any time within fifteen (15) calendar days of service of a notice pursuant to ~~s~~S~~u~~bsection D, the licensee may request, in writing, a hearing before a hearing officer to show cause why the ~~p~~P~~u~~b~~l~~i~~c~~h~~e~~a~~l~~t~~h~~ ~~l~~i~~cense suspension is not~~~~~~

warranted. The hearing shall be held within fifteen (15) calendar days of the receipt of a request for a hearing. A failure to request a hearing within fifteen (15) calendar days shall be deemed a waiver of the right to such hearing.

E. The eCounty hHealth eOfficer may, after providing opportunity for a hearing, modify, suspend, or revoke a pPublic hHealth license for serious or repeated violations of ~~the this Los Angeles County Code~~ or the California Health and Safety Code, or both, or for interference in the performance of the duty of the eCounty hHealth eOfficer.

F. A pPublic hHealth license may be reinstated, or a new pPublic hHealth license issued, if the eCounty hHealth eOfficer determines that conditions which prompted the suspension or revocation no longer exist.

SECTION 211. Section 8.04.947 is hereby amended to read as follows:

**8.04.947 Noncompliance wWith the County hHealth eOfficer—
Deemed ~~m~~Misdemeanor—Penalty.**

All persons shall obey all rules, regulations, orders or directives of the County hHealth eOfficer. Any person who, after notice, violates, or who, upon demand of the County hHealth eOfficer, refuses or neglects to conform to any rule, regulation, order or directive prescribed by the County hHealth eOfficer, is guilty of a misdemeanor, punishable by fine, or imprisonment in the eCounty jail for a period not exceeding six months, or both. Such fine shall not be more than \$500.00, and shall:

- A. For the first violation, not be less than \$100.00;
- B. For the second and any subsequent violation, be \$500.00.

SECTION 212. Section 8.04.948 is hereby amended to read as follows:

**8.04.948 Noncompliance w~~With~~ the County h~~Health o~~fficer—
Injunctive relief.**

Any person who, after notice, violates, or who, upon demand of the County h~~Health o~~fficer, refuses or neglects to conform to any rule, regulation, order or directive prescribed by the County h~~Health o~~fficer, may be enjoined from such violation by any court of competent jurisdiction. The remedy provided by this section is cumulative to any other remedy provided by law. A civil action to enforce the provision of this section may be brought by the eCounty ecounsel, the district attorney, or any person directly affected by the failure to comply with the rule, regulation, order, or directive of the County h~~Health o~~fficer.

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