

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

859



**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
September 1, 2009

**SUBJECT:** Approval of agreements between the County of Riverside and University HealthServices Consortium/NOVATION, MedAssets and Amerinet Group Purchasing Organizations

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the agreements with University HealthServices Consortium/NOVATION, MedAssets and Amerinet Group Purchasing Organizations for medical supplies and services, capital equipment, pharmaceuticals and pharmacy related services.
2. Authorize the Purchasing Agent to execute the agreements.
3. Authorize the Purchasing Agent to use Group Purchasing Organization pricing for applicable county departments.
4. Authorize the Purchasing Agent to exercise the option to renew annually in one year increments for up to four additional years.

**BACKGROUND:** On July 31, 2007, agenda item 3.92, the Board of Supervisors approved the reassignment of the agreement between Healthcare Purchasing Partners International (HPPI) to NOVATION in order to obtain additional discounts and rebates. Due to the complexity and variety of RCRM's procurement needs, it is advantageous to have access to additional group purchasing organization (GPO) contracts.

*Douglas D. Bagley*

Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	09/10

**SOURCE OF FUNDS: ENTERPRISE FUND**

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE

BY: *Debra Cournoyer*  
Debra Cournoyer

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
 BY: *[Signature]*  
 BEAUFORD T. MILLER, JR. DATE  
 Departmental Concurrence  
 Purchasing: *[Signature]* Mark Seiler, Assistant Director

Dep't Recomm.:  Consent  Policy  
 Per Exec. Ofc.:  Consent  Policy

Prev. Agn. Ref.: \_\_\_\_\_ | District: \_\_\_\_\_ | Agenda Number: **3.103**

**SUBJECT:** Approval the agreements between the County of Riverside and University Health Services Consortium/NOVATION, MedAssets and Amerinet Group Purchasing Organizations

**Page 2**

**BACKGROUND (Continued):** Access to additional GPO contract catalogues options will expand and maximize RCRMC's access to discounts on medical equipment, supplies and services using GPO agreements. Items purchased through GPO contracts are lower in cost on medical equipment, supplies, pharmaceuticals and services for RCRMC operations. Expanding the ability to utilize multiple GPO's will enable RCRMC to continue to realize additional savings and contain costs. Rebates ranging from 1.0% to 3.0% for products purchased through GPO contracts are returned to RCRMC. A percentage of these rebates are retained by the GPO for operational expenses of the GPO. Rebates can also be utilized by RCRMC to pay for data services and programs that provide information necessary to improve quality control, regulatory compliance and value analysis.

**PRICE REASONABLENESS:** Data analyzed of the past two fiscal years' purchases of supplies through the current GPO indicates a cost savings of over (\$4,000,000) four million dollars in discounts and rebates.

**FINANCIAL IMPACT:** All costs for purchases will be provided from RCRMC Enterprise Funds

**CONCUR/EXECUTE:** County Purchasing



University  
HealthSystem  
Consortium

2001 Spring Road, Suite 1700  
Oak Brook, IL 60523-1890  
Phone: (630) 954-1700 Fax: (630) 954-4730

## Associate Member Agreement

Membership type Associate Member

*Please print or type*

### Identification

Riverside County Regional Medical Center

Institution Name (this name will be used on all printed materials listing UHC members)

26520 Cactus Avenue  
Street

Moreno Valley  
City

CA  
State

92555  
Zip Code

951-486-4000  
General Telephone Number(s)

www.rcrmc.org  
Hospital Web site address

Douglas Bagley  
Name of CEO or Superior

CEO  
Title

951-486-4470  
CEO Telephone Number

951-486-4475  
CEO Fax Number

dbagley@co.riverside.ca.us  
CEO E-mail Address

State of California Department of Public Health; No. 250000195  
Operating license type and number

Nonprofit corporation (yes or no)

Hospital Operating Data  
(Data reported for the most  
recently completed fiscal  
year, ending \_\_\_\_\_)

### Patient Service Data

Licensed Bed Capacity (Adult &  
Pediatric Excluding  
Newborn): 439

Average Daily  
Census: 316

Admissions: 23,433

Patient Days: 115,811

Visits: Emergency  
Department: 82,584

Visits: Other  
Outpatient: 124,318

### Financial Data

Total Operating  
Expenses: \$354,429,269

Total Payroll  
Expenses: \$191,465,750

Medicare ID #: 05-0292

Federal Tax ID #: 95-60000930

### Staffing Data

Number of Personnel  
Full-Time: 2569

Part-Time: 158

Number of Physicians Appointed  
to the Hospital's Active  
Medical Staff: 200

Number of  
Residency Programs: 16

Number of Residents: 158

Number of Fellows: 14

Medical School  
Affiliation: Loma Linda Univ.,  
Western Univ. UCLA, UCR

**Ownership** Is your organization part of the same corporate legal entity as your sponsoring member?  
Yes No

**Sponsorship**  Current UHC Member (Sponsor): \_\_\_\_\_  
 NAPH

**Affiliations** Please list affiliations with other multihospital consortia, alliances, buying groups, or systems (e.g. Premiere, VHA, Consorta, etc.):  
\_\_\_\_\_  
\_\_\_\_\_

**UHC Program Participation** The following programs/services require a participation fee (see UHC fee schedule), except for Group Purchasing. Please indicate those UHC programs/services in which you wish to participate.

**Management Information Tools**

- Performance Accelerator Suite Package (CDB, CDB Fast Track, CDB Fast Track Core Measures, ODB, Financial Performance, CRM and Executive Analytic Service)
- Clinical Data Base (CDB)
- CDB-Oryx Core Measure Performance
- Clinical Resource Manager (CRM), including Pharmacy
- Custom MEDPAR Analysis
- State Data Base
- Financial Performance Solutions Database
- Operational Data Base (ODB)
- Faculty Practice Solution Center (FPSC)
- FPSC Revenue Cycle Suite
- Patient Safety Net (PSN)
- Nurse Residency Program

**Improvement and Effectiveness**

- Benchmarking (Clinical and Operational)
- Value Analysis Program
- Patient Satisfaction Data Base\*
- Learning Exchange
- Excess Medical Professional Liability Insurance\*
- Medical Professional Liability Reinsurance\*
- UHC Custom Advisory Services

**Supply Chain Optimization Services**

- Supply Chain Consulting Services Program
- Supply Chain Resource Analyst Program

**Group Purchasing Program\***

- UHC Contract Solutions\*
- UHC Contract Solutions and Novation\*
- Academic Medical Research Center GPO\*

\*no participation fee required

**GPO Participation**

As an Associate member of UHC, each participating organization is eligible to access UHC's contract solutions agreements. There is no additional participation fee for this service. By signing this application, you acknowledge your understanding of the following information as it pertains to access of contracts negotiated by UHC Contract Solutions, Novation, and/or the Academic Medical Research Center GPO.

This section applies to each Associate Member that selects Group Purchasing Program and is intended to maintain UHC and Novation's compliance with both the Medicare Anti-Kickback Statute's GPO Safe Harbor (42 CFR 1001.952(j)) and the Stark Law's GPO Exception (42 USC 1320-7b(3)(C)). By executing this Agreement, Associate Member:

- Authorizes UHC (and its agents, including Novation) to act as a group purchasing organization (GPO) on behalf of the Associate Member.
- Understands and agrees that UHC will receive administrative fees ("Fees") from suppliers and distributors ("Vendors") based on Associate Member's purchases under UHC or Novation contracts ("Contracts") and may furnish certain administrative and promotional services to such Vendors.
- Understands and agrees that except as noted herein, each Contract provides for Fees that are fixed at three percent or less of the purchase price of the goods or services covered by the Contract; and that with respect to Contracts providing for Fees that are not so fixed, Associate Member:
  - (1) Will have access to a web-based report on the Marketplace@Novation website indicating the Fees that UHC may receive from each Vendor under each such Contract ("Fee Report"); and
  - (2) Will have access to timely updates to the Fee Report ("Fee Report Updates") for all such Contracts that are executed after the Fee Report is generated.
- Understands and agrees that UHC shall provide Associate Member with an annual report ("Sales and Revenue Report") listing: (1) Associate Member's purchases under each Contract; and (2) the Fees received from Vendors based on such purchases.
- *Understands and agrees to a three (3) year term ("Initial Term") of participation in the UHC/Novation group purchasing program, which shall automatically extend for additional 1-year terms ("Renewal Terms"), unless associate member provides UHC ninety (90) days Notice of Termination from the group purchasing program.*
- Understands that the Fee Report, the Annual Sales and Revenue Report and all Fee Report Updates shall be automatically incorporated herein by reference. If Associate Member is considering purchasing under a Contract that is not listed on the Fee Report or a Fee Report Update, or if Associate Member otherwise needs any Fee or other information relating to any Contract, Associate Member may contact UHC's Vice President of Finance at 630/954-1700.

Associate Member hereby authorizes UHC to send the Fee Report, all Fee Report Updates, and all annual Sales and Revenue Reports to Associate Member's Chief Financial Officer.

Please note that to the extent Associate Member receives or earns discounts, rebates, incentives or any other price reductions (such as manufacturer incentives or patronage dividends) as a result of purchases made under UHC's Group Purchasing Program, Associate Member may have an obligation to disclose such price reductions (as part of the cost reporting process, for example) to federal or state health care programs or other payers.

Associate Member understands and agrees to keep **strictly confidential** all UHC/Novation trade secrets, proprietary and other Confidential Information (**especially pricing schedules**), and shall not disclose such Confidential Information to any third party, and shall not use the Confidential Information for any purpose other than group purchasing through UHC/Novation, without the prior written consent of Novation and UHC. Confidential Information shall include, but is not limited to: the information of UHC, its member organizations ("Members"), or Novation, LLC, ("Novation"), encompassed in all technology, plans, designs, concepts, financial information, costs, pricing, spend and fee data, computer programs, contract portfolios, videos, animation and designs; computer codes, including but not limited to, HTML, CGI, PERL, SQL, JAVA or Javascript; formulas, websites, including Marketplace@Novation, and equations; databases; customer information, vendors, business partners or suppliers; business and marketing plans or strategies; financial

performance and projections; and all concepts, know-how, or ideas in or directly related to UHC's business, the business of its Members, and the business of Novation that have not previously been publicly released by duly authorized representatives of UHC, its Members, or Novation.

UHC has instituted corporate policies and procedures for the business operations of its group purchasing business. Such policies may be updated from time to time and are hereby incorporated herein by reference. Associate Member acknowledges and agrees that it shall comply with all such policies, including but not limited to the Notice of Termination requirement, as well as those policies detailing certain consequences for an Associate Member who terminates participation in the UHC/Novation purchasing program. Contact the UHC Senior Vice President or Vice President of Supply Chain for UHC's current policies at 630.954.1700.

*I verify that, to the best of my knowledge, the above listed organization purchases pharmaceuticals within the meaning of the Nonprofit Institutions Act (NIA) as interpreted by the U.S. Supreme Court in Abbott Laboratories vs. Portland Retail Druggist Association, Inc., 425 U.S. 1 (1976).*

**Information submitted by:**

_____		
Name		
_____		
Title		Telephone number
_____		
Signature of CEO or Other Authorized Signatory		Date

Please return completed Agreement to:

**Gary Schumacher, Director**  
**Membership & Business Development**  
University HealthSystem Consortium  
2001 Spring Rd, Suite 700  
Oak Brook, IL 60523-1890  
Phone: (630) 954-1721  
Fax: (630) 954-4730

FORM APPROVED COUNTY COUNSEL  
BY *B.T.M.* *8/10/09*  
BEAUFORD T. MILLER, JR. DATE



## Acknowledgement & Consent

*Complete this form to become entitled to receive patronage refunds allocated to your organization based on its participation in specified programs.*

Riverside County Regional Medical Center (“The Organization”) acknowledges that it is a Participating Patron of University HealthSystem Consortium (“UHC”), a cooperative, and that it satisfies the requirements as set forth in UHC’s Articles of Incorporation and Bylaws.

**Consent**

As a Participating Patron of UHC, The Organization will receive patronage refunds and notices of patronage allocations. Federal tax law requires UHC to make the following disclosure and obtain The Organization’s consent as described. This important information should be shared with The Organization’s financial and tax advisors.

The Organization hereby consents that the amount of any distributions with respect to its patronage that are made in written notices of allocation (as defined in Section 1388 of the Internal Revenue Code of 1986, as amended (the “Code”)) and that are received by it or its assignee from UHC will be taken into account by it at their stated dollar amounts in the manner provided in Section 1385(a) of the Code in the taxable year in which such written notices of allocation are received by it or its assignee; provided, however, that this consent shall not extend to written notices of allocation clearly denominated on their face to be “nonqualified.” This consent is intended to be a “consent in writing” described in Section 1388(c)(2)(A) of the Code and shall be in effect until revoked in the manner provided in Section 1388(c)(3) of the Code.

The individual executing this Consent is an officer of The Organization and has the authority to act for The Organization in its capacity as a Participating Patron of UHC.

**Signature** Organization: County of Riverside, California

By (signature): \_\_\_\_\_

(typed): \_\_\_\_\_

Its (title): \_\_\_\_\_

Date: \_\_\_\_\_

*Mailing/Fax Information*  
Please return completed form to:

**Gary Schumacher**  
University HealthSystem Consortium  
2001 Spring Rd, Ste. 700  
Oak Brook, IL 60523-1890  
Phone: 630/954-1721  
Fax: 630/954-4730

# Amerinet Group Purchasing Participation Agreement



THIS PARTICIPATION AGREEMENT ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2009 ("Agreement Date") by and between the undersigned facility and its related entities, as listed on Attachment A if applicable, and as amended from time to time (collectively "Participating Facility") and Amerinet, Inc., a group purchasing organization ("Amerinet").

WHEREAS, Participating Facility operates a health care or other facility that purchases a variety of products and services ("Products") needed for Participating Facility's business from various suppliers and distributors ("Suppliers") of such Products; and

WHEREAS, Amerinet is a national group purchasing organization which enters into arrangements with numerous Suppliers to furnish Products to institutions or facilities who choose to affiliate with Amerinet; and

WHEREAS, Participating Facility enters into this Agreement with Amerinet to receive support services and access to Amerinet's group purchasing programs and services ("Programs") that may be applicable to Participating Facility, and Amerinet has committed to provide such Programs and support services to Participating Facility;

NOW, THEREFORE, for and in consideration of the covenants and agreements contained herein, the parties agree as follows:

## 1. AMERINET AGREES:

- (a) To provide Participating Facility access to those Amerinet Programs that are applicable to Participating Facility from time to time, and to furnish appropriate information to Participating Facility to enable it to purchase Products under the Programs.
- (b) To assist Participating Facility in utilizing the Programs by providing orientation to key personnel, access to regional member meetings, sharing of information about market conditions and cost trends, and personal service visitation from a designated account representative.
- (c) To conduct periodic pricing analyses or audits to ensure Supplier compliance with contract terms and conditions.
- (d) To respond to all Supplier service problems brought to Amerinet's attention by Participating Facility in a timely manner.
- (e) To consider Participating Facility's input relating to development, evaluation, and/or improvement of the Programs.
- (f) To allow Participating Facility access to any new or additional programs offered by Amerinet outside of the traditional Amerinet programs.
- (g) To maintain the confidentiality of information relating to Participating Facility's purchasing practices and financial status not available in the public domain; such information as provided by Participating Facility shall be solely for the evaluation and enhancement of Amerinet's Programs.
- (h) To waive the participation fees for Participating Facility, as listed on Attachment A, in consideration of Participating Facility designating Amerinet as one of its group purchasing agents. No shareback shall be paid to Participating Facility.

## 2. PARTICIPATING FACILITY AGREES:

- (a) To use its best efforts to utilize the Programs and purchase Products under contracts negotiated by Amerinet with Suppliers and offered by Amerinet to Participating Facility under this Agreement.
- (b) To designate Amerinet as one of its group purchasing agents for the term of this Agreement. Participating Facility hereby authorizes Amerinet to negotiate contracts on its behalf with Suppliers to furnish Products to Participating Facility. As such group purchasing agent, Amerinet shall not have authority to bind Participating Facility without its prior written permission, and Amerinet's duties shall be limited to negotiating prices and other terms with Suppliers.
- (c) To execute an Amerinet contract designation form and abide by the terms and conditions of individual Programs in which Participating Facility chooses to participate. Participating Facility specifically agrees not to seek or accept price reductions or other changes to the terms of Amerinet's contracts with any Suppliers, unless Amerinet expressly consents to such changes in advance and in writing.

- (d) To purchase Products only for Participating Facility's own use, and to abstain from any resale, diversion, or other use of such of Products as may be prohibited by applicable law.
  - (e) To place its purchase orders directly with Suppliers and to stipulate the contract number that applies. Participating Facility agrees that Amerinet is not liable for any denied pricing, chargeback, refusal of Suppliers to honor contract pricing, or failure of Suppliers to deliver Products in a timely fashion or of the requisite quality. Further, Participating Facility shall be responsible for verifying the accuracy of its invoices, and handling its own claims for lost and/or damaged goods.
  - (f) To indemnify, defend, and hold harmless Amerinet upon demand from and against any and all suits, claims, damages and expenses (including but not limited to reasonable attorneys' fees) arising out of or resulting from damage to property or injury to persons that is caused by or arises out of any of the Products purchased under Amerinet's contracts, or the use of such Products. PARTICIPATING FACILITY ACKNOWLEDGES THAT AMERINET MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE QUALITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, CONDITION, OR OTHER ATTRIBUTE OF THE PRODUCTS OFFERED BY SUPPLIERS UNDER THE TERMS OF AMERINET CONTRACTS.
  - (g) To abide by the Consent and Release as completed and set forth in Attachment B hereto.
3. **SAFE HARBOR NOTICE REGARDING SUPPLIER PAYMENTS TO AMERINET.** Amerinet hereby notifies Participating Facility that payments, not to exceed three (3) percent of all reported purchases made by or on behalf of Participating Facility under the Programs, may be made by Suppliers to Amerinet. Any contracts with payments above or with the potential to exceed three (3) percent of all reported purchases made by or on behalf of Participating Facility shall be identified as such on the Amerinet Contract Data Sheets. All such Amerinet Contract Data Sheets are incorporated herein by reference, shall be in substantially the form set forth in Attachment C hereto, and shall be accessible to Participating Facility through (a) Amerinet's electronic catalog, and (b) Amerinet's website, [www.amerinet-gpo.com](http://www.amerinet-gpo.com). Amerinet will disclose in writing to Participating Facility, at least annually, and to the Secretary of the Department of Health and Human Services upon request, the amounts received by Amerinet from Suppliers based upon reported purchases made by or on behalf of Participating Facility.
4. **CONFIDENTIALITY.** Participating Facility acknowledges and agrees that the materials and information furnished to it from time to time during the term of this Agreement by Amerinet (collectively, the "Confidential Information") constitute the confidential and proprietary information of Amerinet, to be used solely for its benefit, and that substantial and irreparable harm would be suffered by Amerinet in the event that Participating Facility should disclose any Confidential Information to any third party, either during or after the term of this Agreement, without the prior written consent of Amerinet, except to the extent required by law. Upon termination of this Agreement, Participating Facility will return to Amerinet all originals and copies of the Confidential Information, and will not retain any copies. For purposes of this section, Confidential Information includes information in printed format, in microfiche, or in any other electronic or other form whatsoever.
5. **TERM.** This Agreement shall become effective upon execution by both parties, and shall terminate as specified in section 6 below.
6. **TERMINATION OF AGREEMENT.** This Agreement may be terminated by either Participating Facility or Amerinet (a) immediately upon a material breach of any provision of this Agreement by the other party, which material breach has continued for forty-five (45) days following the delivery of written notice to the breaching party of such material breach, or (b) effective on the anniversary date of any year, upon written notice delivered to the other party no later than sixty (60) days before such date. Upon termination of this Agreement, neither party shall have any further obligations hereunder except for the confidentiality provisions of section 4 and those obligations which have accrued prior to the date of termination.
7. **COMPLIANCE WITH LAWS.** Both parties agree to comply with all applicable federal, state, and local laws. To the extent Participating Facility receives discounts, rebates, sharebacks, or any other price reductions or revenues as a result of purchases made under this Agreement, Participating Facility acknowledges that it may have an obligation under federal or state law to report such discounts, rebates, sharebacks, price reductions, or revenues to federal or state healthcare programs or other payors, and agrees to comply with such laws.
8. **GOVERNING LAW.** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the state of California, determined without reference to conflict of laws principles.
9. **NOTICES.** All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed given when delivered in person, sent via e-mail, or when mailed by certified mail, return receipt requested, addressed to the parties at their respective business addresses set forth below (or to such other business address or e-mail address as the recipient may have notified the sender in such manner).
10. **SEVERABILITY.** If any provision of this Agreement is found to be unlawful, invalid, or unenforceable, then the remainder of this Agreement shall not be affected thereby and shall remain in full force and effect so long as no party is deprived of the material benefits afforded to such party under this Agreement.

11. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall together be deemed to constitute one agreement.
12. **SIGNATORY AUTHORITY.** Each signatory to this Agreement represents and warrants that he or she has all necessary capacity and authority to act for, sign on behalf of and bind the respective entity.

PARTICIPATING FACILITY:

AMERINET, INC.:

BY: \_\_\_\_\_  
(signature)

BY: \_\_\_\_\_  
(signature)

\_\_\_\_\_  
(printed name)

**Susanne Leasure**  
**Senior Manager, Membership**  
**sue.leasure@amerinet-gpo.com**

TITLE: \_\_\_\_\_

E-MAIL: \_\_\_\_\_

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

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

**Riverside County Regional Medical Center**  
26520 Cactus Avenue  
Moreno Valley, CA 92555

**Amerinet, Inc.**  
2060 Craigshire Road  
St. Louis, MO 63146

FORM APPROVED COUNTY COUNSEL

BY: B.T.M. Jr 8/10/05  
BEAUFORD T. MILLER, JR DATE

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**Attachment A - Participating Facilities (if applicable)**

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**Riverside County Regional Medical Center**  
26520 Cactus Avenue  
Moreno Valley, CA 92555

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## Attachment B - Consent and Release

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### Amerinet Consent and Release

*For use of Name, Photograph/Electronic Imagery and Business Contact Information and/or Press Release*

I, for myself and on behalf of Participating Facility, understand and agree that Amerinet, Inc. ("Amerinet"), may as part of its promotional and informational activities, place my name, my electronic imagery/photographs, Participating Facility's name and logo(s), and/or relevant business contact information on Amerinet's various Internet Web sites, and/or may also use such information ("Information") as part of its educational, promotional and informational printed materials. I understand that I will have the right to approve all Information and the manner of its use in advance of it being placed on Amerinet's Web sites. In the event that I rescind my consent, I understand Information later may remain in circulation until such time that Amerinet is able to take the necessary steps to delete such Information within a reasonable time.

I hereby agree as follows (check all that apply):

- My informed consent is given to the release and distribution of my name, my electronic imagery/photographs, Participating Facility's name and logo, and business contact information as described above.
- I hereby consent to the release and distribution of my name, my electronic imagery/photographs and Participating Facility's name and logo only.
- I hereby consent to the release and distribution of business contact information only.
- I hereby consent to Amerinet drafting a press release for mutual consent, and upon approval, Amerinet will distribute such press release.
- I hereby consent to Amerinet drafting a testimonial and/or case study for mutual consent, and upon approval, Amerinet will distribute such testimonial and/or case study.
- I decline to consent to the release and distribution of any Information.

I understand that I have the right to rescind my consent at any time by providing written notice to Amerinet. I understand that I have no rights to any compensation or other consideration as the result of the release or use of the above-described information to which I have consented. In authorizing the above consent(s), I hereby release and hold harmless Amerinet from any and all liability or claims of any nature whatsoever arising out of the release and distribution of such Information as allowed hereunder.

The undersigned hereby represents to Amerinet that he/she has the power and authority to execute this consent and release.

---

**Riverside County Regional Medical Center**

Participating Facility

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Contract Data Sheet**

**Supplier Name**

CONTRACT NUMBER  
CONTRACT AREA  
Product or service category or categories  
Start Date – End Date

**Contract Highlights**

Presents the key message for this contract within one to three sentences.

**Update Highlights**

This field lists any revisions that have been made to the contract since its original effective date.

**Product Summary**

A concise list of major product categories (not the full list of products offered under contract).

**Product Benefits**

Important features of the product or service itself, such as special product features, technology information, quality information and safety features

**Contract Benefits**

Benefits specific to Amerinet's contract, such as savings, incentive programs and value-added services.

**To Maximize Savings**

An explanation of how to get the best savings with this contract – for example, choosing a specific tier level

**CONTRACT ACCESS**

**Eligible Facilities**

A list of the facility types that can access this contract

**Geographic Service Area**

A list of geographic regions where this contract is applicable

**Forms Required**

If forms are required to access the contract, they will be listed in this field.

**Access Criteria**

If a dollar or volume commitment is required to access this contract, it will be explained here. If the contract has multiple tiers, the requirements to access each will be explained here.

Amerinet Contract Data Sheet SAMPLE (Page 2)

**Payment Terms**

Describes payment terms

**Place an Order**

Information on how to place an order – for example, direct with the supplier or through a distributor

**Supplier Information**

Contact information for the supplier

**Price or Discount**

Describes pricing discounts

**Freight**

Describes freight charges, if any

**Minimum Order**

Describes the minimum order amount eligible for contract pricing, if any

**Price Protection**

Describes the amount of time that the pricing on this contract will hold firm, if applicable

**Supplier Diversity**

Designates whether this supplier is a certified participant in Amerinet's Supplier Diversity program

**Special Conditions**

Lists any special conditions that apply

**Supplier Latex Information**

Identifies any available information relative to latex content of products available under this contract, if applicable

**Medicare/Medicaid Disclosure Statement**

In accordance with the Medicare and Medicaid Patient and Program Protection Act of 1987 (P.L. 100-93), this is to notify you that payments, not to exceed three percent (3%) of all reported purchases made under the terms of this agreement, may be paid by the contract supplier or its authorized distributor(s) to Amerinet, Inc. Amerinet will disclose in writing to your facility, at least annually, the amount received from the above supplier and/or its authorized distributor(s) with respect to purchases made by or on behalf of your facility.

**Confidential Information**

All information herein listed is proprietary to Amerinet, Inc. Its use is strictly limited to the appropriate business purposes of the Amerinet Shareholder Member facility to whom it has been provided, and may not be conveyed or provided in any way to any other party.

**MASTER SERVICES AGREEMENT BETWEEN  
THE COUNTY OF RIVERSIDE AND MEDASSETS SUPPLY CHAIN SYSTEMS, LLC**

This MASTER SERVICES AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, between the County of Riverside ("Riverside"), a California corporation having its principal place of business at 2980 Washington Street, Riverside, CA 92504 ("Riverside") and MedAssets Supply Chain Systems, LLC, a Delaware limited liability company with its principal office at 280 South Mount Auburn Road, Cape Girardeau, MO 63703 ("SCS" or "MedAssets") (each a "Party" and collectively, the "Parties").

MedAssets and its affiliates, Aspen Healthcare Metrics, LLC ("Aspen"), MedAssets Analytical Systems, LLC ("MAS") and MedAssets Net Revenue Systems, LLC ("NRS") (each an "Affiliate" and collectively the "Affiliates"), offer integrated services which assist healthcare providers in improving business processes and cash flow. Any Affiliate with whom Riverside has an executed Statement of Work (each an "SOW") for goods or services pursuant to the terms hereof shall be deemed a "Participating Affiliate". MedAssets is entering into this Agreement for itself and on behalf of these Participating Affiliates.

Riverside owns healthcare providers, and wishes to enter into an agreement to facilitate the use of the MedAssets Services (as defined below).

In consideration of the mutual agreements and promises contained herein, and for other valuable consideration, receipt of which is acknowledged, MedAssets and Riverside agree as follows:

**1. Definitions.**

Background Technology shall mean all designs, drawings, models, prototypes, information and technology proprietary to MedAssets, which: (i) MedAssets has acquired or acquires from third parties; (ii) MedAssets creates outside of its performance of the Services under this Agreement; or, (iii) relates to skills and knowledge of a general nature acquired by MedAssets in the course of performance of Services under this Agreement.

Effective Date shall be the date that the Authorized Riverside County Agent signs this Agreement.

Intellectual Property Rights shall mean patent rights, copyright rights (including, but not limited to, moral rights), trademarks, trade secret rights, and any other intellectual property rights recognized by the law of any applicable jurisdiction.

MedAssets' Deliverables shall mean the Work, reports or other deliverables that MedAssets or a Participating Affiliate is obligated to deliver to Riverside, as set forth in the applicable SOW.

Program shall mean the goods and services provided by MedAssets or a Participating Affiliate pursuant to all executed SOW(s).

Proprietary Information shall mean: (i) the terms of this Agreement; (ii) each Party's business processes and plans; (iii) the Schedules and content contained therein; (iv) Riverside's input data provided to MedAssets; and, (v) any other information which is disclosed to the other Party which is marked "Confidential" or "Proprietary", or which by its nature is considered confidential or proprietary.

Services shall mean the services to be provided by MedAssets to Riverside as set forth in any attached or subsequently executed SOW.

Statement of Work or SOW means one (1) or more documents MedAssets, or a Participating Affiliate, and Riverside will develop and enter into which is in substantially the form of Exhibit A, incorporating a description of the specific services requested by Riverside and other applicable terms and conditions.

Term shall commence of the Effective Date and continue through the expiration of the last SOW attached to this Agreement, including any amendment, extension or renewal thereof. This Agreement shall automatically renew for five (5) successive one (1) year extensions unless either Party gives written notice to the other Party, at least ninety (90) days prior to expiration, of its desire not to renew.

Work shall mean any documentation prepared for Riverside by MedAssets as part of the Services requested by Riverside.

**2. Agreement Attachments.** The following attachments are to be considered an integral part hereof, and are incorporated into the Agreement by this reference:

Facility #35800

Exhibit A: Sample SOW  
Schedule 1: Business Associates Agreement  
SOW 1: SCS SOW for the Group Purchasing Program  
SOW 2: MAS SOW for the Strategic Information for Pharmacy Services

3. **Scope of Services.** MedAssets, or a Participating Affiliate, and Riverside will develop and enter into one (1) or more SOW(s), incorporating a description of the specific services requested by Riverside. Each SOW will set forth, among other things, project scope, fees, various project activities and tasks to be performed by the Parties, deliverables and roles and responsibilities of the Parties. Each SOW shall specifically identify this Agreement and indicate that it shall be governed by the terms hereof. To the extent there are any conflicts or inconsistencies between this Agreement and any SOW, the provisions of the SOW shall govern and control.

4. **Compensation.**

4.1 **Payment for Services.** During the applicable Term, Riverside shall pay to MedAssets the fees set forth in the SOW(s) which have been executed by MedAssets, or a Participating Affiliate, and Riverside (collectively, the "Fees"), as consideration for the Services.

4.2 **Terms of Payment.** MedAssets may submit monthly invoices for Services performed for the prior month under this Agreement or pursuant to a valid SOW. Terms for payment on any undisputed amounts are net thirty (30) days from the invoice date. If requested by MedAssets, Riverside shall issue a purchase order (the "PO"), or alternative document acceptable to the Parties, on or before commencement of Services. MedAssets may deduct from Riverside's earned Shareback (as defined in SOW 1) any unpaid, undisputed Fees due from any agreement between Riverside and MedAssets or a Participating Affiliate.

Any undisputed amount owed by Riverside which is not paid when due will bear interest at the rate of one percent (1%) per month or the maximum amount allowable by law, whichever is less.

4.3 **Expenses.** Riverside agrees to reimburse MedAssets for all reasonable, pre-approved business expenses incurred by MedAssets in rendering Services hereunder, including, without limitation, reasonable travel expenses and reasonable lodging expenses (if out-of-town work is required by Riverside). All such expenses shall be approved by Riverside in advance and such approval shall not be unreasonably withheld.

4.4 **Taxes Excluded.** The Services Fees do not include any foreign, federal, state or local sales, use or other similar taxes, however designated, levied on the Services provided. Riverside shall pay, or reimburse MedAssets for, all such taxes imposed on Riverside or MedAssets; provided, however, that Riverside shall not be liable for any taxes based on MedAssets' net income. In the event that Riverside is a tax-exempt entity, the foregoing provisions shall not apply. In such case, Riverside shall provide its tax-exempt certificate to MedAssets within thirty (30) days of the Effective Date.

5. **Change Requests and Cooperation.**

5.1 **Project Changes.** Each SOW will set forth the projected schedule applicable to the Services. All statements and agreements concerning time are good faith estimates based upon information available and circumstances existing at the time made, and each SOW is subject to equitable adjustment upon any material change in such information or circumstances, the occurrence of an excusable delay (as provided herein) or upon modification of the scope, timing or level of work to be performed by MedAssets. Either Party will be entitled to propose changes in accordance with the change procedure provided in each SOW. It is mutually acknowledged that any such change may increase the fees or charges payable and/or the project schedule.

5.2 **Excusable Delays and Failures.** MedAssets, Riverside or the respective Participating Affiliate will be excused from delays in performing, or from its failure to perform, hereunder to the extent that such delays or failures result from causes beyond their reasonable control. Without limiting the generality of the foregoing, both Parties acknowledge that one (1) Party's failure or delay in furnishing necessary information, equipment or access to facilities, delays or failure by one (1) Party in completing tasks required of the one (1) Party or in otherwise performing the one (1) Party's obligations hereunder or under any SOW and any assumption contained in an SOW which is untrue or incorrect will be considered an excusable delay or failure to perform hereunder and may impede or delay completion of the Services. Both Parties further acknowledge that such delays or failures may result in a modification to the charges for the impacted Services.

6. **Ownership.** The Background Technology and MedAssets' Deliverables (and all other documents, deliverables and other materials generated by MedAssets pursuant to this Agreement or any SOW) shall be the exclusive property of MedAssets or the Facility #35800

respective Participating Affiliate, unless otherwise expressly specified in the applicable SOW. All Work or reports prepared by MedAssets for Riverside shall be the property of Riverside

Riverside hereby grants to MedAssets, and any Participating Affiliate which executes a valid SOW, a non-exclusive, fully-paid, royalty-free and irrevocable right and license to use, reproduce, display, modify, create derivative works and disclose in any manner (including the right to prepare and provide comparative pricing benchmarks) any data or information uploaded, provided, sent, transferred or otherwise transmitted by Riverside to MedAssets in connection with the Services (the "Riverside Data"); provided, however, that, other than in connection with the performance of the Services, MedAssets is prohibited from (and such right and license specifically excludes) the right: (i) to disclose the Data other than on a non-identifying (anonymous) basis; and, (ii) to use or otherwise disclose any protected health information or any other personally identifiable information.

7. **Riverside's Commitments.** Riverside will ensure that all of its personnel who may be necessary or appropriate for the successful implementation of the Services will, on reasonable notice: (i) be available to assist MedAssets' personnel by answering business, technical and operational questions and providing requested documents, guidelines and procedures in a timely manner; (ii) participate in the Services as outlined in the SOW; (iii) participate in progress and other Services related meetings; (iv) contribute to system testing and data integrity testing at the discretion of an Authorized Agent of Riverside County Regional Medical Center and, (v) be available to assist MedAssets or the respective Participating Affiliate with any other activities or tasks required to complete the Services in accordance with the SOW.

## 8. Confidentiality.

8.1 **Required Notices and Legends.** The Background Technology and Work are agreed to be Proprietary Information. Otherwise, no information shall be protected or treated as Proprietary Information hereunder, unless disclosed in accordance with the following procedures: (i) if disclosed information is written, recorded, graphical or otherwise in a tangible form, then it shall be labeled as "Proprietary," "Confidential," or with a similar legend denoting confidentiality, which legend shall indicate the identity of the disclosing Party; and, (ii) if information is orally disclosed, then it shall be identified as confidential at the time of its disclosure, and a written memorandum identifying such information in summary form and stating that such information is to be considered as confidential under the terms hereof shall be delivered to the recipient within thirty (30) days of the oral disclosure.

8.2 **Restrictions on Proprietary Information.** Each Party, as a recipient ("Recipient"), agrees that, with respect to any Proprietary Information that is disclosed to it within the scope hereof: (i) such Proprietary Information shall not be further disclosed to any person outside of the Recipient's business organization or the business organization of any Participating Affiliate (except to contractors and consultants of the Recipient who are provided access to the Proprietary Information by mutual agreement of the Parties on Recipient's business premises, and who are subject to appropriate nondisclosure obligations consistent with the obligations hereunder), and shall only be disclosed within the Recipient's organization on a "need-to-know" basis to individuals who have been apprised of the confidential nature of the information; (ii) such Proprietary Information shall be treated according to the same internal security procedures, and with the same degree of care regarding its secrecy and confidentiality, as similar information of the Recipient is treated within the Recipient's organization; and, (iii) such Proprietary Information shall remain the property of the disclosing Party, and its disclosure to the Recipient hereunder creates only a limited right of Recipient to use such information in furtherance of Recipient's obligations under this Agreement.

Riverside hereby grants to MedAssets and its Affiliates, a non-exclusive, fully-paid, royalty-free and irrevocable right and license to use, reproduce, display, modify, create derivative works and disclose (including the right to prepare and provide comparative pricing benchmarks) any data or information uploaded, provided, sent, transferred or otherwise transmitted by Riverside to MedAssets in connection with the Services (the "Riverside Data"); provided, however, that other than in connection with the performance of the Services, MedAssets is prohibited from (and such right and license specifically excludes) the right: (i) to disclose the Data other than on a non-identifying (anonymous) basis which is in full compliance with the Department of Justice Guidelines on the aggregation of pricing data; and, (ii) to use or otherwise disclose any protected health information or any other personally identifiable information.

8.3 **Exceptions.** Recipient's confidentiality and nondisclosure obligations, as set forth in this Agreement, will not apply to any information or any portion thereof which:

- (i) is or becomes publicly available by other than a breach of this Agreement (including, without limitation, any information filed with any governmental agency and available to the public);
- (ii) is disclosed to Recipient by a third party that is legally entitled to disclose such information;
- (iii) Recipient demonstrates through documented records was known by it prior to its receipt from disclosing Party;

- (iv) is developed by Recipient independently of any disclosures made by the disclosing Party of such information, as demonstrated by disclosing Party's documented records; or,
- (v) is required to be disclosed by subpoena, court order, or other legal or regulatory requirement provided disclosing Party is provided with prompt written notice so that it may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement.

8.4 HIPAA. The Parties agree to fully comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") pursuant to the terms of Schedule 1.

8.5 Duration of Obligations. This Section 8 shall govern any disclosures made during the term of the Agreement. The nondisclosure obligations of the Recipient under Section 8.2 shall remain in effect until 1 year after the disclosure thereof, and for as long thereafter as the information may qualify as a trade secret of the disclosing Party under applicable law.

## 9. Warranty.

9.1 Warranties of MedAssets. MedAssets represents and warrants that the Services provided hereunder: (i) will be performed in a professional manner; and, (ii) any Work provided hereunder will reasonably conform in all material respects to the specifications agreed to by the Parties in writing for a period of ninety (90) days following the completion of such Services. Riverside may only notify MedAssets during such ninety (90) day period of any deficiency in the performance of the Services. Notwithstanding the foregoing, Riverside's sole and exclusive remedy, and MedAssets' sole and exclusive liability, for a breach of the foregoing representations and warranties shall be: (i) the specific support services in the applicable SOW; (ii) repeating or reprocessing of the services by MedAssets, or a Participating Affiliate, at no additional charge; or, (iii) termination pursuant to Section 10. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS SECTION 9, MEDASSETS AND THE PARTICIPATING AFFILIATES HEREBY DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED REGARDING THE WORK AND SERVICES PROVIDED HEREUNDER, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE, OR TRADE PRACTICE. ADDITIONAL LIMITATIONS MAY BE PROVIDED FOR IN EACH SOW.

9.2 Warranties of Riverside. Riverside warrants that it owns all right, title, and interest in and to, or has full and sufficient right and authority to use in the manner contemplated by this Agreement, any programming, materials, or data furnished by Riverside to MedAssets in connection with MedAssets' performance of the Services under this Agreement.

9.3 Limitation of Liability. Riverside acknowledges that MedAssets' and the Participating Affiliates' work is advisory in nature, and that should it desire to implement any recommendations made, Riverside is solely responsible for the results therefrom. Riverside shall be solely responsible for compliance with state and federal statutes, laws, regulations, policies or other governmental regulations including Medicare reimbursement, and accurate and complete code assignment, if any. Neither MedAssets nor any Participating Affiliate will be liable for any claims attributable to any errors, omissions, or other inaccuracies in the information or material contained in the data or Services provided. The maximum liability of MedAssets and the Participating Affiliates arising out of or related to this agreement, regardless of legal theory (WHETHER IN CONTRACT, TORT OR OTHERWISE), SHALL NOT EXCEED THE SUM OF FEES RECEIVED BY MEDASSETS OVER THE IMMEDIATELY PRECEDING SIX (6) MONTHS FOR THE SPECIFIC SERVICES IN THE SOW WHICH GAVE RISE TO THE LIABILITY.

IN NO EVENT SHALL ANY PARTY HERETO BE LIABLE FOR INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF SUCH INFORMATION, MATERIAL, AND/OR IMPORTED OR EXPORTED DATA (including, without limitation, any damages for lost or damaged files or data, lost profits, lost savings, or loss of business opportunity or goodwill), EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE.

The limitations of liability included in this Section 9 are fundamental to this Agreement and have been reviewed and bargained by the Parties, and neither Party would be willing to enter into this Agreement or the business relationship contemplated hereby, unless such limitations are given effect.

10. Term and Termination. This Agreement shall continue for the Term hereof unless terminated earlier by either Party pursuant to this Section 10. In the event Riverside or MedAssets breaches any material provision of this Agreement, the non-breaching Party shall provide written notice of such breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching Party has failed to cure the breach, the non-breaching Party may, in its sole discretion, terminate this Agreement by providing a letter of termination to the breaching Party which shall specify the exact date of termination. In the Facility #35800

event that an SOW contains a term different than the Term provided for in this Section 10, then the term of the SOW shall control only as it pertains to the services provided thereunder. Expiration of an SOW's term, or termination of such SOW, shall not terminate this Agreement, except if it is the last remaining SOW in effect.

## 11. General Provisions.

11.1 Independent Contractor. The Parties agree that the relationship of MedAssets to Riverside created by this Agreement is that of an independent contractor; there is no relationship of agency, partnership, joint venture, employment or franchise between the Parties. Neither Party has the authority to bind the other or to incur any obligation on its behalf. In this regard, MedAssets acknowledges that Riverside shall not be responsible for withholding any income taxes, paying any payroll taxes, providing other benefits or fulfilling other employer-type obligations for MedAssets' personnel.

11.2 Entire Agreement and Amendment. This Agreement contains the entire understanding between the Parties hereto with respect to the subject matter of this Agreement, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect to the subject matter of this Agreement including, but not limited to, the Participation Agreement between County of Riverside and MedAssets Supply Chain Systems, LLC (successor in interest to MedAssets Supply Chain Systems, Inc.) dated July 1, 2006. The express terms of this Agreement control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by both Parties.

11.3 Successors and Assigns; Assignment. Neither Party may assign any rights nor delegate any duties under this Agreement without the other Party's prior written consent. Any delegation or assignment in derogation of the foregoing provisions shall be void. This Agreement will bind and inure to the benefit of the Parties and their respective successors and permitted assigns.

11.4 Waiver. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.

11.5 Governing Law. This Agreement will be governed by, and construed and interpreted according to, the substantive laws of the State of California.

11.6 Survival. The provisions of Sections 6, 8, 9 and 11.13 hereof shall survive the termination or expiration of this Agreement. Additionally, undisputed obligations to pay for goods or services provided prior to the expiration or termination of this Agreement, or expiration or termination of an SOW, shall survive and be payable within thirty (30) days of the effective date of such expiration or termination.

11.7 Severability. In the event that any provision of this Agreement shall be held to be illegal, or otherwise unenforceable, such provision shall be severed and the entire Agreement shall not fail on account thereof and the balance of the Agreement shall continue in full force and effect; provided, however, that if the severing of such provision results in a material alteration of this Agreement, the remaining provisions of this Agreement shall be adjusted equitably so that no Party benefits disproportionately.

11.8 Notices. Any notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be delivered by personal delivery, overnight courier service, or registered or certified mail (return receipt requested, postage prepaid). Notices shall be deemed to have been given on the later of: (i) the date when personally delivered; (ii) the date which immediately follows the date of delivery to such overnight courier service; or, (iii) the date which is seven (7) days from the date of deposit in the United States Postal Service in the manner described above. Notices shall be addressed as indicated below, and either Party may change such address in accordance with this Section.

**If to: MedAssets Supply Chain Systems, LLC**  
280 South Mount Auburn Road  
Cape Girardeau, MO 63703  
Attn: Corporate Contracting

**If to: County of Riverside Purchasing**  
2980 Washington Street  
Riverside, CA 92054  
Attn: Richard Strickland

11.9 Audit Rights. Each Party, or their authorized representative, shall have the right to inspect and audit at reasonable times and upon reasonable notice during the term of the Agreement all such books, records and accounts of the other Party as necessary to establish and verify each Party's compliance with this Agreement. All audits will be at the expense of the requesting Party.

11.10 Indemnification. Each Party agrees to defend, indemnify, and hold the other harmless against all claims, losses, damages and costs, including, but not limited to, attorneys' fees and expenses, asserted against, sustained or incurred in connection with any action brought by any third party in connection with any act, omission or breach of warranty or obligation under this Agreement by the indemnifying Party or by any of such Party's employees, officers or agents. Neither Party shall be responsible for losses incurred by reason of the other Party's negligence or willful misconduct.

11.11 Compliance with Law. The Parties mutually represent that throughout the term of this Agreement their respective performance under this Agreement shall be, and shall remain, in compliance with all applicable federal, state and local laws and regulations.

11.12 Publicity/Use of Marks. Riverside agrees that MedAssets may include Riverside in its listing of clients and may announce Riverside's selection of MedAssets in its marketing communications. Except as otherwise agreed to herein, neither Party shall: (i) use each other's trademarks or service marks; or, (ii) make any press release or other public disclosure regarding this Agreement or the transactions contemplated hereby without the other Party's express prior written consent, except as required under applicable law or by any governmental agency, in which case the Party required to make the press release or public disclosure shall use commercially reasonable efforts to obtain the approval of the other Party as to the form, nature and extent of the press release or public disclosure prior to issuing the press release or making the public disclosure.

11.13 Non-solicitation. Each Party to this Agreement agrees not to recruit or hire any employee of the other Party, either as an employee or consultant, or recruit any such person for another company, while such person is employed or retained by the other Party and for a period of twelve (12) months after the employee leaves the employ of the other Party, or for a period of twelve (12) months after the termination or expiration of this Agreement, whichever period ends at the earlier date. The preceding sentence does not, however, prohibit either Party from: (i) soliciting employment by placement of general advertisements for employees in newspapers or other media of general circulation which are not specifically directed at the employees of the other Party (or any hiring resulting therefrom); (ii) soliciting persons identified through employment search firms that have not been specifically directed at the employees of the other Party (or any hiring resulting therefrom); or, (iii) soliciting or hiring any such person who contacts such Party on his or her own initiative without any prior solicitation (other than solicitations of the type contemplated by the preceding clauses.

11.14 Facsimile/Electronic Mail. This Agreement may be executed by the exchange of faxed executed copies, or copies delivered by electronic mail in Adobe Portable Document Format or similar format, and any signature transmitted by such means for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one (1) and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement through their duly authorized representatives as of the Effective Date.

**MEDASSETS SUPPLY CHAIN SYSTEMS, LLC**  
On behalf of itself and the Participating Affiliates

**COUNTY OF RIVERSIDE**

Printed Name: Rand A. Ballard

Printed Name

Office of the Chief Executive  
SEVP, COO and CCO, MedAssets, Inc.

Title

Date

Title

Date

FORM APPROVED COUNTY COUNSEL

BY: S. T. Miller, Jr. 8/10/05  
BEAUFORD T. MILLER, JR. DATE

**EXHIBIT A  
SAMPLE STATEMENT OF WORK**

SOW \_\_\_\_\_  
SOW FOR \_\_\_\_\_  
(Pursuant to Master Services Agreement dated as of \_\_\_\_\_, 20\_\_)

THE UNDERSIGNED PARTIES ACKNOWLEDGE AND AGREE THAT THIS SOW IS MADE PART OF THE MASTER SERVICES AGREEMENT DATED AS OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_ (THE "AGREEMENT").

**1. Term and Termination.**

1.1 SOW Term. The \_\_\_\_\_ provided under this SOW shall commence upon the Effective Date and continue through the Term of the Agreement (the "\_\_\_\_ Term").

1.2 SOW Termination Rights. In the event Riverside or MedAssets breaches any material provision of this SOW, the non-breaching party shall provide written notice of such breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching party has failed to cure the breach, the non-breaching party may, in its sole discretion, terminate this SOW by providing a letter of termination to the breaching party which shall specify the exact date of termination. In the event that an SOW contains a term different than the Term provided for in the Agreement, then the term of the SOW shall control only as it pertains to the services provided thereunder. Expiration of an SOW's term, or termination of such SOW, shall not terminate the Agreement. In addition by written notice to the other party, either party may terminate this SOW in the event a change in the law causes material adverse affects to the economics of this SOW, and such changes in the law are not adequately addressed via an amendment hereto which is acceptable to the Parties.

2. **Covered Facilities.** The \_\_\_\_\_ shall be provided to \_\_\_\_\_.

3. **Definitions.** The following definitions shall pertain to the SOW \_\_ Services:

**4. Fees and Expenses.**

4.1 Fee.

4.2 Expenses.

**5. Deliverables and Obligations of the Parties.**

5.1 Deliverables.

5.2 Obligations of Riverside.

5.2 Obligations of MedAssets.

**6. Additional Terms and Conditions.**

IN WITNESS WHEREOF, the Parties have executed this SOW through their duly authorized representatives as of the Effective Date.

**MEDASSETS SUPPLY CHAIN SYSTEMS, LLC**  
On behalf of itself and the Participating Affiliates

**Sample-Do Not Sign**

Printed Name: Rand A. Ballard

Office of the Chief Executive  
SEVP, COO and CCO, MedAssets, Inc.

Title \_\_\_\_\_ Date \_\_\_\_\_

Facility #35800

**COUNTY OF RIVERSIDE**  
On behalf of itself and its Facilities

**Sample-Do Not Sign**

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

Title \_\_\_\_\_ Date \_\_\_\_\_

**SCHEDULE 1  
BUSINESS ASSOCIATE AGREEMENT (THE "BAA")**

This Business Associate Agreement (the "BAA") is entered into by and between County of Riverside, a California corporation located at 2980 Washington Street, Riverside, CA 92504 ("Riverside") and MedAssets Analytical Systems LLC, a Delaware limited liability company located at 3211 McKelvey Road, Bridgeton, MO 63044 (the "Contractor").

WHEREAS, the parties hereto enter into this BAA in an effort to comply with the Health Insurance Portability and Accountability Act of 1996, and the rules and regulations published thereto, all as may be from time to time modified or amended (herein referred to as "HIPAA");

WHEREAS, the parties have entered into a separate agreement to which this BAA is attached, whereby the Contractor is performing an activity or function for or on behalf of Riverside (the "Agreement"), and the Contractor may receive Protected Health Information, including Individually Identifiable Health Information, from Riverside as part of performing such activity or function;

WHEREAS, the Agreement to which this BAA is attached, was entered into on the \_\_\_\_ day of \_\_\_\_\_, 2009, to be effective as of the \_\_\_\_ day of \_\_\_\_\_ 2009;

WHEREAS, Riverside is a Covered Entity under HIPAA;

WHEREAS, Contractor, as a recipient of Protected Health Information from Riverside, may be deemed a Business Associate of Riverside under HIPAA;

NOW, THEREFORE, in consideration of the foregoing and the covenants herein contained, the parties hereto agree as follows:

1. **Definitions.** The capitalized terms as used herein shall have the meanings as set forth under HIPAA, or as otherwise provided in this BAA.
2. **Scope.** Riverside may disclose Protected Health Information, including Individually Identifiable Health Information, to Contractor for the limited purpose of carrying out the services under the Contractor's SOWs attached to the Agreement, and Contractor hereby agrees that its respective use and disclosure of such Protected Health Information, including its agents, employees and subcontractors, shall be subject to the terms and conditions contained herein. Therefore use or disclosure of the Protected Health Information by Contractor (including, without limitation, its subcontractors, employees and agents) is limited to the same extent that Riverside's use or disclosure is limited by HIPAA as a Covered Entity.
3. **Term.** This BAA shall be effective as of the Effective Date and shall expire on the date the Agreement, or any renewal or amendment thereto, whichever is later, terminates or expires, unless earlier terminated by the parties.
4. **Disclosure of Protected Health Information.** Contractor hereby agrees not to use or disclose the Protected Health Information in a manner that would violate HIPAA if it were used or disclosed by Riverside as a Covered Entity. Contractor further agrees not to disclose any Protected Health Information to any third party without the prior written permission of Riverside. The foregoing notwithstanding, Contractor shall be permitted to disclose Protected Health Information without the prior written permission of Riverside to its employees whose assigned duties reasonably require such disclosure and use, and then only to the extent necessary to enable such employees to reasonably perform their assigned duties consistent with this BAA, the Agreement and the SOW pursuant to which the services are being performed. The parties also agree to make reasonable efforts to limit use and disclosure of Protected Health Information to the minimum necessary to accomplish the intended purpose of the use or disclosure of such Protected Health Information.
5. **Safeguards.** Contractor acknowledges that it is required by HIPAA, and hereby agree, to maintain safeguards as necessary to ensure that the Protected Health Information is not used or disclosed by it or its employees except in compliance with HIPAA, this BAA and any and all other applicable federal, state and local laws, rules and regulations. Contractor will maintain adequate safeguards.
6. **Termination.** Riverside may terminate this BAA if the Contractor breaches a material term of this BAA provided that Riverside has: (i) given the Contractor thirty (30) days written notice of the existence of an alleged material breach; and, (ii) the Contractor fails to cure said alleged material breach within said thirty (30) days. Failure to cure in the manner set forth in this paragraph is grounds for the immediate termination of the SOW pursuant to which services are being provided and/or this BAA. In the event termination is not feasible, Riverside shall report any such violation to the Secretary of Health and Human Services, or his/her designee, as required by HIPAA.
7. **Survival of Confidentiality.** The obligation to maintain the confidentiality of the Protected Health Information shall survive the termination of this BAA.
8. **Disclosure by Law or Court Order.** Protected Health Information may be disclosed to the extent required by law or Court Order, or as permitted under HIPAA. Contractor agrees to give Riverside maximum practical advance notice of such disclosure and to request confidential treatment of such disclosure from the recipient thereof as may be afforded by law.

**9. Unauthorized Use or Disclosure.** Contractor agrees to report immediately to Riverside, and to take reasonable steps to determine, any use or disclosure of the Protected Health Information by Contractor, including, without limitation, its subcontractors, agents and employees, which is not provided for or permitted in the Agreement or this BAA of which Contractor becomes aware. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this BAA.

**10. Access to Internal Practices, Books and Records.** To the extent required by HIPAA, Contractor shall, upon proper request, allow the United States Department of Health and Human Services, and its duly authorized representatives, access to its internal practices and all agreements, books, documents, and records relating to the use and disclosure of Protected Health Information necessary to verify compliance with this BAA and HIPAA. If Contractor carries out any of their duties under the Agreement through an agreement between it and an individual or organization related to it, Contractor shall require that a clause be included in such agreement to the effect that the related organization will make available, upon written request of the Secretary of Health and Human Services, or any other duly authorized representatives, all agreements, books, documents, and records and internal practices of said related organization that are necessary to verify compliance with this BAA and HIPAA.

**11. Subcontractors.** In the event Contractor discloses Protected Health Information to any subcontractor or agent, Contractor shall require such subcontractor or agent to enter into a written agreement whereby such subcontractor or agent agrees to be bound by the same restrictions and conditions as contained in this BAA that apply to the Contractor with respect to use and disclosure of such Protected Health Information.

**12. Open Communication Channels; Encryption.** Contractor may not transmit Protected Health Information over the Internet or any other unsecure or open communication channel unless such information is encrypted or otherwise safeguarded using procedures no less stringent than those described in HIPAA or any other applicable federal, state or local law or regulation. If Contractor stores, maintains or transmits Protected Health Information in encrypted form, Contractor shall, upon request, provide Riverside with the key or keys to decrypt such information.

**13. Return of Protected Health Information.** Within one hundred eighty (180) days of termination of the Agreement for any reason whatsoever, Contractor shall return to Riverside, or, at Riverside's direction, destroy, all Protected Health Information in the Contractor's possession maintained in any form and shall retain no copies of such Protected Health Information. Contractor shall also require its subcontractors, employees and agents to return or destroy, as directed by Riverside, all Protected Health Information in such subcontractor's, employee's or agent's possession maintained in any form within one hundred eighty (180) days of termination of the Agreement, retaining no copies thereof. Contractor shall remain bound by the provisions of this BAA, even after termination of the Agreement or this BAA, until such time as all Protected Health Information has been returned or otherwise destroyed as provided in this paragraph.

In the event the return or destruction, as the case may be, of Protected Health Information disclosed to Contractor by Riverside is not feasible, including, without limitation, the record retention requirements set forth in Section 1861 of the Social Security Act, the terms of this BAA shall survive termination of this BAA and the Agreement and shall continue in full force and effect with respect to such Protected Health Information remaining in the possession of Contractor, including, without limitation, its subcontractors, agents and employees (the "Retained Information"). All further uses and disclosures of the Retained Information by Contractor or its subcontractors, agents or employees shall be limited to those purposes that make the return or destruction infeasible. At such time as the return or destruction of the Retained Information becomes feasible, Contractor shall immediately notify Riverside in writing and shall return or destroy such Retained Information as directed by Riverside.

**14. Access to Protected Health Information.** Contractor knows and understand that an individual has a right of access to, which includes a right to inspect and obtain a copy of, his or her Protected Health Information in a designated record set and shall cooperate fully and timely with Riverside, as required by HIPAA, in responding to any request made by any subject of such Protected Health Information to Riverside to inspect and/or copy such Protected Health Information in Contractor's possession.

**15. Amendments and Corrections.** Contractor shall incorporate any amendments or corrections to Protected Health Information in a designated record set disclosed to Contractor by Riverside when notified by Riverside that such Protected Health Information is inaccurate or incomplete.

**16. Effect on Agreement.** Except as specifically required to implement the purpose of this BAA or to the extent inconsistent with this BAA, all other terms of the Agreement shall remain in full force and effect.

**17. Construction.** This BAA shall be construed as broadly as necessary to implement and comply with HIPAA. The parties agree that any ambiguity in this BAA shall be resolved in favor of a meaning that complies and is consistent with HIPAA.

**SOW 1**  
**SCS SOW FOR GROUP PURCHASING PROGRAM (THE "GPO PROGRAM")**

THE UNDERSIGNED PARTIES ACKNOWLEDGE AND AGREE THAT THIS SOW IS MADE PART OF THE MASTER SERVICES  
AGREEMENT DATED AS OF THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ (THE "AGREEMENT").

**1. Term and Termination.**

**1.1 SOW 1 Term.** The GPO Program provided under this SOW shall commence upon the Effective Date (the "GPO Program Effective Date") and continue for a period of twelve (12) months therefrom (the "GPO Program Initial Term") and shall automatically renew for five (5) successive one (1) year extensions unless either Party gives written notice to the other Party, at least ninety (90) days prior to the expiration of the term or of any extensions or renewals thereof, of its desire not to renew (the "GPO Program Term").

**1.2 SOW 1 Termination Rights.** In the event Riverside or MedAssets breaches any material provision of this SOW, the non-breaching party shall provide written notice of such breach to the other Party. If, within sixty (60) days after receiving written notice, the breaching party has failed to cure the breach, the non-breaching party may, in its sole discretion, terminate this SOW by providing a letter of termination to the breaching party which shall specify the exact date of termination. In the event that an SOW contains a term different than the Term provided for in the Agreement, then the term of the SOW shall control only as it pertains to the services provided thereunder. Expiration of an SOW's term, or termination of such SOW, shall not terminate the Agreement. In addition by written notice to the other party, either party may terminate this SOW in the event a change in the law causes material adverse affects to the economics of this SOW, and such changes in the law are not adequately addressed via an amendment hereto which is acceptable to the Parties.

**2. Covered Facilities.** The GPO Program shall be provided to the Members (as defined below) identified on SOW 1, Schedule 1 attached hereto.

**3. Definitions.** The following definitions shall pertain to the GPO Program:

Administrative Fee shall mean a payment from Participating Vendors to MedAssets based upon purchases by Members through the GPO Program.

Group Purchasing Organization shall mean a business, company, enterprise, joint venture, association, partnership, limited partnership, limited liability company or corporation; organized as a cooperative, for profit or not-for-profit, owned separate and apart of its Members; to provide commodity GPO Program and/or programs, group contract negotiations and/or ancillary professional, technical or managerial services, or some similar combination of services thereof to its Members.

Member shall mean any healthcare provider organization which is owned by Riverside. A list of the current Members is attached as Schedule 1 hereto. Riverside represents and warrants it has the legal authorization to execute this Agreement on behalf of those Members.

Participating Vendor shall mean any manufacturer, wholesaler or distributor which has executed a Vendor Agreement to sell products or services through the GPO Program.

Rebate shall refer to any payment by a Participating Vendor to MedAssets based upon a reduction in price of a product or service sold through the GPO Program identified as a rebate.

Vendor Agreement shall mean the contracts executed between MedAssets and Participating Vendors pursuant to which Members may purchase products and services.

**4. Fee(s).** The GPO Program shall be provided in consideration of the Administrative Fees retained by MedAssets under the terms of this SOW.

**5. Deliverables and Obligations of the Parties.**

**5.1 Deliverables.** MedAssets shall provide the GPO Program to Riverside in accordance with the terms provided in this SOW. The GPO Program shall consist of the following:

- **The Materials Management Program** - A portfolio of contracts of medical, surgical and capital equipment products consisting of manufacturers and distributors;
- **The Pharmacy Program** - A portfolio of contracts of pharmaceutical and pharmacy related products consisting of manufacturers and wholesalers;
- **The Clinical Pharmacy Support Services** - A portfolio of services consisting of medication information services, disease management programs, formulary management support, clinical pharmacy training, educational programs, assistance with government and Joint Commission on the Accreditation of Healthcare Organizations issues, preferred pricing of clinical pharmacy software, and programs for documenting cost-effectiveness of clinical pharmacy initiatives;
- **The Laboratory Program** - A portfolio of contracts of laboratory products and services consisting of manufacturers, distributors and reference laboratories;
- **The Dietary Program** - A portfolio of contracts of food and food service products (including beverages, capital equipment, small wares and chemicals) consisting of manufacturers, prime vendor distribution and rebate agreements; and,
- Any other contracts between MedAssets and Participating Vendors added during the Term hereof.

## 5.2 Obligations of Riverside.

- 5.2.1 Exclusivity. Riverside hereby designates MedAssets as the sole, national Group Purchasing Organization authorized to provide any of the services comprising the Pharmacy Program to Riverside Members during the term hereof. Riverside agrees to neither contract for nor promote the services of any other Group Purchasing Organization to provide any of the services offered through the Pharmacy Program.
- 5.2.2 New Members. Riverside may amend its Schedule 1 of Members with written notice to and approval of MedAssets, which such approval shall not be unreasonably withheld. Each new Member must comply with the terms hereof including providing a valid DEA number in order to access the Pharmacy Program. Information about new Members must be provided to MedAssets forty-five (45) days in advance of the month in which purchases are to commence.
- 5.2.3 Own Use. Riverside hereby represents to and covenants with MedAssets that all purchases made through the GPO Program by any Member shall be made for such Member's "own use" and consumption. Riverside and its Members shall comply with the restrictions on use and resale of products set forth in Abbott Laboratories vs. Portland Retail Druggists Assn., Inc. 425 U.S. 1 (1976) and its successor line of cases and further shall comply with the Prescription Drug Marketing Act of 1987, as applicable. Riverside shall indemnify and hold MedAssets harmless from any and all manner of liability including, but not limited to, costs of defense resulting from any breach by Riverside or any of its Members of this Section 5.2.

## 5.3 Obligations of MedAssets.

- 5.3.1 Access. MedAssets shall provide access to the GPO Program to Riverside and its Members pursuant to the terms and subject to the conditions hereof. Riverside hereby represents and warrants to MedAssets that it is authorized to enter into this Agreement on behalf of the Members listed on Schedule 1. The terms and conditions received from Participating Vendor under the GPO Program are dependent upon each Member's respective eligibility.
- 5.3.2 Implementation and Utilization. MedAssets shall assist Riverside and its Members in implementing and utilizing the GPO Program, and shall monitor performance of the Participating Vendors. Upon request, Riverside shall assist MedAssets in securing access to invoices, payment and/or receiving documents to resolve any question of Participating Vendor compliance.
- 5.3.3 Administrative Fee Disclosure. MedAssets discloses and Riverside acknowledges that during the term of this Agreement MedAssets will receive Administrative Fees from Participating Vendors which are based on purchases made by Riverside and its Members. Riverside acknowledges that this Administrative Fee is not fixed at the same amount in each Vendor Agreement, and that the Vendor Agreements provide for Administrative Fees equal to three percent (3%) or less of the purchase price of the goods or services purchased by Members under the Vendor Agreements.

MedAssets will report to Riverside and each Member, in writing, on a basis not less frequently than annually, and to the Secretary of Health and Human Services, on request, the amount received from Participating Vendors with respect to purchases made by or on behalf of Members, sorted by Member and by Participating Vendor.

Riverside understands that the discounted pricing provided as part of the GPO Program, as well as the value of any Services provided at less than full price, is a "discount" within the meaning of 42 U.S.C. Section 1320a-7b(b)(3)(A) of the Social Security Act and the regulations promulgated hereunder at 42 C.F.R. Section 1001.952(h) and that Riverside and its Members may have an obligation to report this discount to any state or federal program which provides cost or charge-based reimbursement to Riverside or a Member, as the case may be, for the items to which the discount applies.

- 5.3.4 **Rebates.** MedAssets shall remit to Riverside and its Members one hundred percent (100%) of all Participating Vendor rebates received on purchases made by Riverside and its Members. Notwithstanding the foregoing, in no event shall MedAssets process any rebate which value is less than \$1.00.
- 5.3.5 **Reporting.** MedAssets shall provide the Report to Riverside with the Shareback. MedAssets will maintain a sales information database that is based on reports received from Participating Vendors. The database, and all data within it, shall be and remain the property of MedAssets.
- 5.3.6 **Revenue Sharing.** For purchases made subsequent to the Effective Date, MedAssets shall pay Riverside a percent of the Administrative Fees MedAssets receives from Participating Vendors which are derived from Members' purchases through the Program during each quarter calendar year period of the Term (the "Shareback"). The Shareback shall be calculated per the table below.

Administrative Fees Collected During the Period	Percent of Shareback
\$0 to \$150,000	25%
\$150,001 and above	40%

As each tier of Administrative Fees is reached, the higher percent shall be applicable to the amount above the tier in the scale. By way of example and not limitation, if Administrative Fees collected in the first period are \$120,000 the Shareback percentage shall be Twenty-five percent (25%) of \$120,000 for a total due of \$30,000. If in the next period the Administrative Fees collected are \$160,000, the Shareback percentage shall be Twenty-Five percent (25%) of \$150,000 and Forty Percent (40%) of \$10,000 for a total due of \$41,500. At the close of each period, MedAssets shall determine the amount of Shareback earned based upon Riverside's participation in the Program. In the event this Agreement is terminated for any reason whatsoever, any and all obligations to pay Shareback shall immediately terminate.

Notwithstanding anything to the contrary stated herein, effective January 1, 2009 MedAssets shall not be obligated to pay Shareback to Riverside in the event that: (i) a Participating Vendor contractually prohibits MedAssets from sharing Administrative Fees with MedAssets' Members; or, (ii) a change in law or regulation occurs subsequent to the Effective Date which MedAssets' legal counsel reasonably believes prohibits MedAssets from sharing such Administrative Fees with its Members.

## 6. Additional Terms and Conditions.

6.1 **Vendor Obligations.** It is understood that MedAssets negotiates all Vendor Agreements and facilitates communication between Members and Participating Vendors. MedAssets agrees to use commercially reasonable efforts: (i) to obtain the most advantageous terms and conditions for Members in its Vendor Agreements; (ii) to promote competition among vendors for the business of the GPO Program; (iii) to enforce the terms of Vendor Agreements, and to resolve, as practicable, any issues related to Vendor compliance or performance; and, (iv) to assign and to otherwise pass through, for the benefit of the Members, any such Vendor provisions.

6.2 **Additional Limitation of Liability.** Riverside acknowledges that MedAssets neither purchases nor sells products. Accordingly Riverside agrees, for itself and the Members, that any and all claims with respect to any product or service purchased pursuant to any Vendor Agreement, including any warranty or product liability claim, shall be made directly to and against the applicable Participating Vendor; and that MedAssets shall not be joined in any such claim. MedAssets shall not be

liable for any damages whatsoever from any and all claims which arise from, or are related to, any product or service purchased pursuant to any Vendor Agreement, nor will MedAssets be liable for any claims attributable to any errors, omissions, or other inaccuracies in the information or material contained therein.

6.3 Schedules and Exhibits. The following Schedules and Exhibits are attached thereto and are to be considered an integral part hereof and are incorporated into the Agreement by this reference:

SOW 1, Exhibit A: Sample Shareback Report  
SOW 1, Schedule 1: List of Riverside Members