

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



217

**FROM:** Riverside County Regional Medical Center

**SUBMITTAL DATE:**  
December 13, 2011

**SUBJECT:** Professional Services Agreement for RightSourcing, Inc. a Division of Comforce

**RECOMMENDED MOTION:** Move that the Board of Supervisors:

- 1) Approve and authorize the Chairman of the Board to sign the Professional Services Agreement with RightSourcing, Inc. a Division of Comforce to provide comprehensive registry staffing management services for Riverside County Regional Medical Center, effective the date of final execution and continue for a consecutive twelve months, with the option to renew for four (4) additional one-year period not to exceed the aggregate amount of \$22,500,000 annually; and
- 2) Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise renewal options, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement up to ten percent the maximum contract amount.

**BACKGROUND:**

Riverside County Regional Medical Center (RCRMC) has contracted with various separate agencies and maintained a registry workforce of healthcare professionals. These registry staffing (cont'd pg 2)

*Ellie Bennett for Douglas D. Bagley*  
Ellie Bennett for Douglas D. Bagley, Hospital Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$11,250,000	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2011/2012

<b>SOURCE OF FUNDS:</b> 100% Hospital Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

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

APPROVE  
*Debra Cournoyer*  
BY Debra Cournoyer

**County Executive Office Signature**

FORM APPROVED BY COUNTY COUNSEL  
 DATE  
 BY: NEAL R. KIPNIS  
 Departmental Confidential  
 Purchasing: Mark Self, Assistant Director  
 Policy  Policy   
 Consent  Consent   
 ATTACHMENTS FILED WITH THE CLERK OF THE BOARD  
 Per Exec. Ofc.:

3.29

**SUBJECT:** Professional Services Agreement for RightSourcing, Inc. a Division of Comforce

**BACKGROUND (continued):** agreements are utilized to meet the volume of patients being served by RCRMC and function within an industry-wide specialty healthcare worker shortage. The management of these registry workforces is divided among managers and supervisors within the hospital departments that include nursing administration, nurse staffing, dietary services, pharmacy, radiology, respiratory, diagnostic services, rehabilitation services, and psychiatric unit. Management and administration of all registries requires substantial oversight and extensive time commitment from all managers in these departments. The effort put forth in requesting, scheduling, assigning, and monitoring the competencies and qualifications of these registry healthcare professionals, divert valuable time from their regularly scheduled clinical duties in care for our patients.

In an effort to improve and successfully identify qualified firms that can assist the hospital to manage the registry workforce vendors and coordinate registry staffing needs, the Board of Supervisors approved County Purchasing on behalf of RCRMC to release Request for Proposal (RFP MCARC159) initially on March 15, 2011; #3.39 and final approval on April 26, 2011; #3.40. Solicitations were sent to sixty-nine (69) prospective vendors specializing in this service and advertised on the County's Internet/Website. Twenty-two (22) bids were received and screened. Initial screening of the bids resulted in five (5) companies meeting the minimum requirements of the RFP. The five proposals were evaluated by five hospital employees. Subsequently, the evaluation team reviewed in detail and evaluated the proposals in which the evaluation team requested three (3) finalists to provide a one hour demonstration and interview of each company and their product. As a result of the demonstration and interview session, County Purchasing provided additional questions in writing to the 3 bidders and requested a "Best and Final Offer" (BAFO) bid. The evaluation team re-reviewed and provided their final score of each vendor based on the bidder's overall responsiveness to the RFP requirements, their experience, the ability to perform the services and overall cost. The BAFO scores ranged from 38.15 to 42.97 as the highest. RightSourcing, Inc. a Division of Comforce, received the highest score and was determined to be the most responsible/responsive bidder with the low bid of \$1,203,401.90 (\$1,204,000 rounded).

For the past 15 years, RightSourcing has successfully utilized people, process and technology to deliver innovative solutions to over 200+ clinical clients, nationally and globally. RightSourcing has been successfully implementing this specific service longer than any other company; assisting their clients streamline processes, decrease contract staffing costs and utilization. By implementing this service RCRMC would assert a nine percent (9%) annualized savings (reduction) in Travel Nurse Registry cost alone; which would represent significant savings. Therefore, the Director of RCRMC requests the Board to approve the recommended motions.

**PRICE REASONABLENESS:** Based on the BAFO results for best price and value to the County, the allocated amounts illustrated below from each bidder were derived from an eight (8) hour rate and an average number of hours the hospital used per month from FY 2010/2011 as follows: (listed in alphabetical order by vendor)

<b>Vendor</b>	<b>Allocated Amount</b>
Medical Staffing Network (MSN)	\$1,330,925.00
<b>RightSourcing_Comforce</b>	<b>\$1,203,401.90</b>
Supplemental Health Care (SHC)	\$1,290,433.50

**FINANCIAL IMPACT:** 100% - Hospital Enterprise Funding. \$11,250,000 will be applied to fiscal year 2011/2012. The amount for fiscal year 2012/2013 will be \$22,500,000.

**REVIEW/APPROVAL:** County Counsel and County Purchasing



**RIGHTSOURCING® SUPPLIER MANAGED SERVICES  
CLIENT TERMS AND CONDITIONS**

This agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2011, by and between RightSourcing, Inc., a Delaware corporation, (hereinafter "RightSourcing" or "Managing Supplier") and **COUNTY OF RIVERSIDE, Riverside County Regional Medical Center**, a political subdivision of the State of California with its principal place of business at **26520 Cactus Avenue, Moreno Valley, CA 92555** and its additional place of business at the **Arlington Campus, Inpatient Treatment Facility (ITF)** located at **9990 County Farm Road, Riverside, CA 92503** (hereinafter "Client" or "COUNTY"), for the purpose of RightSourcing providing services, known as RightSourcing® Supplier Managed Services (hereinafter "RightSourcing"), to Client ("Agreement").

**RECITALS**

**WHEREAS**, RightSourcing is a provider of contingent labor to Client, and RightSourcing will hold contracts with providers of contingent labor and manage contracts with providers of contingent labor (hereinafter "Supplier") to facilitate through those Suppliers the engagement of contingent labor in response to requisitions duly approved and submitted by Client to RightSourcing (hereinafter "Client Requirements") through a web-based system;

**WHEREAS**, pursuant to the terms and conditions described herein, Client has engaged to implement and maintain its Vendor Management program for all clinical and non-clinical contingent labor needs at Client, as well as any additional contract staff as requested by Client.

**WHEREAS**, Client intends that RightSourcing shall act as the managing supplier to Client's engagement of certain Suppliers and in a direct contractual relationship between RightSourcing and other Suppliers, to provide Supplier management and consolidated billing services to Client for all such entities ("Managing Supplier"). This program shall include the ongoing management of Supplier performance across a set of metrics to be mutually determined, as well as the generation of a select number of reports, the number and frequency to be mutually determined;

**NOW THEREFORE**, in consideration of the foregoing and the mutual covenants and conditions set forth below, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

**1. DUTIES AND RESPONSIBILITIES OF RIGHTSOURCING**

- (a) RightSourcing shall act as the Managing Supplier for all Client Requirements. RightSourcing holds the contracts with Supplier, distributes Client's Requirements to Supplier, awards placements based upon Client approval, collects and presents time records in a timely manner, generates a consolidated invoice and addresses all Client support concerns within a reasonable timeframe. Supplier is the employer of the contingent labor it sends to supplement Client's workforce (hereinafter "Supplier Employees"). The services to be provided by RightSourcing are set forth in Schedule A, Description of Services, which may be amended from time to time. Client rates for services provided by RightSourcing shall be agreed to between Client and RightSourcing, attached hereto as Schedule B, Payment and Pricing. A service fee will be collected by RightSourcing from all Suppliers billing as set forth in Supplier Agreement, as defined below.

The responsibilities and contractual expectations of all Suppliers shall be in accordance with Client's requirements and documented in a separate agreement between RightSourcing and Suppliers (hereinafter "Supplier Agreement"), including the requirement for each Supplier to maintain a paper or electronic file for each Supplier Employee assigned to Client as summarized below in Attachment I, the Supplier Employee Documentation Requirements, which shall be fully

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detailed in the Supplier Agreement(s). Each such Supplier Agreement shall specifically include Client as an intended third party beneficiary of such agreement.

- (b) RightSourcing shall require Suppliers to comply with the applicable terms herein as described in the Supplier Agreement. Where any Supplier does not or is unable to comply with the terms flowed down to Supplier from Agreement, a RightSourcing authorized designee may request a waiver from Client, which may be provided via e-mail or other verifiable electronic transmission by an authorized Client designee. If Client provides such a waiver, RightSourcing shall be waived from compliance regarding the applicable obligation with respect to such Supplier. However, RightSourcing may modify any terms of the Supplier Agreement that are not material to the services provided to Client without Client's approval.
- (c) RightSourcing will report to Client on all Client Requirements supported by RightSourcing and provide a single invoice for such contingent staffing services on a weekly basis for payment by Client. RightSourcing will be responsible for payment to all Suppliers providing contingent labor.
- (d) RightSourcing will require of all Suppliers evidence of insurance coverage compliant with the minimum limits specified by Client for Suppliers as further described below in Section 7, entitled "Insurance Requirements."

## 2. DUTIES AND RESPONSIBILITIES OF CLIENT

- (a) Client will ensure all Client Requirements for contingent staffing are submitted through the RightSourcing program. Client will support and augment publication of the program to maximize participation including, but not limited to, an annual announcement from Client's executive management reinforcing support of the program. Client will make available necessary resources to support the logistical and technical requirements for the RightSourcing on-site program, if applicable, as mutually agreed by the parties, including but not limited to reasonable office space and equipment sufficient to perform services required by on-site personnel.
- (b) An authorized representative of Client will approve either manually or electronically, on a weekly basis designated by RightSourcing, time records for each Supplier Employee assigned to provide services to Client. The time records will reflect all time worked by Supplier Employees for Client as well as any other hours that Client authorizes RightSourcing to pay and for which Client will be billed including, but not limited to, overtime. If Client fails to approve the time records weekly, unless Client notifies RightSourcing in writing of a valid reason for such failure, the time records submitted by Supplier Employee will be presumed accurate. The time records are the basis used by a Supplier to pay Supplier Employees and shall be considered conclusive as to the allowable, billable time RightSourcing may bill Client for each such Supplier Employee.
- (c) Client shall comply with all federal, state and local laws, rules, and regulations regarding employment including but not limited to those relating to hiring practices. RightSourcing acknowledges that all hospital environments contain hazardous substances standard to the industry, including, but not limited to agents used for sterilization, chemotherapeutic agents, and blood-borne pathogens. Client shall have no duty to report the presence of such hazards to RightSourcing, but shall inform Supplier Employee in the same manner as such information is provided to Client's own employees. Client agrees to assume and be responsible for compliance with all federal, state and local safety laws, rules, regulations and directives with regard to Supplier Employees and any of RightSourcing's on-site representatives and will indemnify and hold harmless RightSourcing from any violations of those requirements.
- (d) Supervision & Hospital Orientation. Client will retain responsibility for care of patients and will maintain administrative and professional supervision of Supplier Employees with respect to the provision of Clinical Services to Client's patients.
- (e) Department/unit Specific Orientation. Department/unit specific orientation is provided to the Supplier Employee during the first day of service and thereafter as necessary for the department.
- (f) Client's Unit Managers are responsible for:

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- Providing and documenting unit orientation;
- Assessing and documenting competency for the specific unit;
- Evaluating Supplier Employee after the first shift worked, after the first thirty (30) days of assignment and throughout the assignment or whenever a quality improvement issue arises and annually.

### 3. BILLING

RightSourcing shall be paid in accordance with an invoice submitted to Client within fifteen (15) days from the last day of each calendar month, and invoices for RightSourcing Supplier Managed Services are payable to RightSourcing within thirty (30) working days after receipt of invoice by Client's Accounts Payable department under the terms as set forth in Schedule B.

For this Agreement, RightSourcing shall send the invoices to:

Riverside County Regional Medical Center  
26520 Cactus Avenue  
Moreno Valley, CA 92555  
Attn: Accounts Payable

Client reserves the right to correct errors within fifteen (15) days from the date of receiving RightSourcing's invoices, after prior notification and discussion with RightSourcing, and pay to RightSourcing only corrected amounts.

For this Agreement, Client shall send payments/warrants to the following Remit to Address:

RightSourcing Inc.  
TAX ID: 20-0272619  
Remit Address:  
P.O. Box 31001-0893  
Pasadena, CA 91110-0893

### 4. IDEAS, DISCOVERIES AND INVENTIONS

RightSourcing agrees that, to the extent permitted by law, any and all ideas, discoveries, and/or inventions arising from the services provided by Supplier Employees to Client hereunder shall be the sole and exclusive property of Client. This provision shall survive termination of Agreement regardless of the cause of such termination.

### 5. CONFIDENTIALITY

RightSourcing, Client and Supplier shall each hold all information regarding each other's business operations or business systems in trust and confidence and not use or disclose such information to any person, unless required to do so by process of law or as permitted by this Agreement. The parties further agree as set forth below:

- (a) Client's Confidential Information. RightSourcing and Supplier may have access to confidential information and trade secrets of Client. During the term of Agreement and at any other time, RightSourcing shall not, and shall require Supplier not to directly or indirectly, disclose or use to the detriment of Client or for RightSourcing's or Supplier's own benefit or for the benefit of any other person or persons, or misuse in any way, any of Client's confidential information. For purposes of this section, "Confidential Information" shall include, but not be limited to, Client's customer lists, vendor lists, business plans, financial statements, marketing strategies or expansion plans, contracts, contract rates, and any other information regarding Client or its manner of operation.
- (b) RightSourcing is subject to and shall operate in compliance with all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the related laws and regulations promulgated

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subsequent thereto. RightSourcing agrees to the terms of Client's HIPAA Business Associate agreement attached hereto and incorporated herein, as Attachment II and shall require Suppliers to agree to the same terms and conditions of Client's HIPAA Business Associate agreement.

### 6. INDEMNIFICATION

- (a) Except as otherwise may be provided in Agreement, RightSourcing and Client shall indemnify, hold harmless and defend each other from any and all loss, liability, claim, lawsuit, injury, expense or damage whatsoever, including but not limited to, attorneys' fees and court costs, arising out of, incident to or in any manner occasioned by the performance or nonperformance by such indemnifying party, its agents, employees, servants, or subcontractors, of any covenant or condition of Agreement or by the gross negligence, improper conduct or intentional acts or omissions of such indemnifying parties, its agents, employees, servants or subcontractors. In the event of legal action to enforce or interpret this Agreement or any of its provisions, the prevailing party shall be entitled, in addition to any other form of relief, to recover its reasonable attorneys' fees and costs of suit.
- (b) In addition Client shall indemnify, defend and hold harmless RightSourcing from any and all third party liability or claims arising as a result of the acts or services of Supplier Employees provided that RightSourcing has ensured Supplier has conducted the required background checks on such Supplier Employees. In addition, RightSourcing shall not be held liable by Client for the acts and services of Supplier Employees provided that RightSourcing has ensured Supplier has conducted the required background checks on such Supplier Employees. RightSourcing will agree, however, to be held liable to Client for the negligent acts, omissions and services of its own employees including gross negligence or willful misconduct. In the event of a breach of contract by RightSourcing, Client may terminate Agreement and will only be responsible for payment of services provided up to the date of termination.
- (c) Suppliers shall indemnify, defend and hold harmless RightSourcing and Client from any and all liabilities arising from the actions of its employees and/or Supplier's failure to comply with its obligations to remit all withholding, income and Social Security taxes to the proper authorities, to pay state and federal unemployment insurance taxes, remit the employer's share of Social Security taxes and maintain all statutorily required insurance.
- (d) Supplier shall indemnify, defend and hold harmless RightSourcing and Client and their respective directors, officers, employees and agents from and against all demands, claims, actions, losses, judgments, costs and expenses (including reasonable attorneys' fees) imposed upon or incurred by RightSourcing or Client arising out of any actual or alleged negligent act or omission or intentional misconduct on the part of Supplier, its officers, employees (including its employees on assignment) or agents, within the scope of their employment but only in proportion to and to the extent that such liability loss, expense, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Supplier and its officers, employees or agents.
- (e) Client shall defend, indemnify and hold harmless Supplier, its officers, agents, and employees from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the negligent or intentional acts or omissions of Client, its officers, employees or agents but only in proportion to and to the extent that such liability, loss, expense, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Client and its officers, employees or agents.

Client specifically authorizes RightSourcing to include language in RightSourcing's agreements with each Supplier that provides the aforementioned indemnification of Supplier by Client. RightSourcing shall represent and warrant that it has authority to bind Supplier to the Client obligations set forth in this Agreement.

These indemnification provisions shall continue in full force and effect subsequent to and notwithstanding the termination of Agreement for any reason.

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RightSourcing's, Client's and Supplier's obligation to indemnify, defend and hold harmless under this Section 6 will not apply to the extent such damages arise from the negligence and/or intentional misconduct of the parties or their respective agents as finally so determined by a court of competent jurisdiction. In no event will RightSourcing or Client be liable to each other for any indirect, incidental, special or consequential damages, including but not limited to, lost profits, even if RightSourcing or Client have knowledge of the possibility of such damages.

### 7. INSURANCE REQUIREMENTS

(a) RightSourcing shall purchase and maintain during the duration of this Agreement as provided below, the following insurance coverage:

(i) Without limiting or diminishing the RightSourcing obligation to indemnify or hold the COUNTY harmless, RightSourcing shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

(ii) Workers' Compensation and employer's liability for RightSourcing's legal and statutory obligations as required by the laws of the jurisdiction in which the services are performed. If RightSourcing has employees as defined by the State of California, the RightSourcing shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of the County of Riverside.

(iii) Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of RightSourcing performance of its obligations hereunder. Policy shall name the COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

(iv) Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then RightSourcing shall maintain liability insurance for all , non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as Additional Insureds.

(v) Professional Liability: RightSourcing shall maintain Professional Liability Insurance providing coverage for their performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If RightSourcing Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and RightSourcing shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

(vi) General Insurance Provisions - All lines:

1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such

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requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

2) RightSourcing must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceed \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, RightSourcing carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) RightSourcing shall cause RightSourcing insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any cancellation, of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. RightSourcing shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

4) It is understood and agreed to by the parties hereto that RightSourcing insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by RightSourcing has become inadequate.

6) RightSourcing shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

7) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.

8) RightSourcing agrees to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

- (b) In accordance with the Insurance provision in the Supplier Agreement, RightSourcing shall require that each Supplier maintain coverage in full force and effect at all times including (i) Workers' Compensation insurance relative to claims under Workers' Compensation acts, (ii) coverage for Commercial General Liability and (iii) coverage for Professional Liability, in a policy with separate limits from the Commercial General Liability, to cover claims for which such Supplier may become liable under the terms of Agreement or such Supplier Agreement.

## 8. TERM AND TERMINATION

- (a) Term. This Agreement shall be effective upon signature of this Agreement by both parties and continue in effect for a consecutive twelve months, with the option to renew for four (4) years, renewable in one-year increments by written amendment, unless terminated earlier.

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- (b) Termination. Notwithstanding any other provisions of this Agreement, this Agreement may be terminated upon any of the following:
- (i) Without Cause. Either party may terminate this Agreement, without cause or penalty, by giving no fewer than ninety (90) days prior written notice to the other party.
  - (ii) For Breach. Either party may terminate this Agreement in the event of the other party's breach hereof by giving thirty (30) days' prior written notice of the general nature of such breach. Notwithstanding the foregoing, this Agreement shall not terminate in the event that the breaching party cures the breach to the satisfaction of the non-breaching party within thirty (30) days of the receipt of such notice.

### 9. NOTICE

Notices or other communications required or permitted hereunder, (with the exception of requests by Client for services or cancellations of services), shall be in writing and shall be personally delivered or mailed, certified mail, return receipt requested, in the United States postal system, addressed to the parties as follows:

To Client:

Riverside County Regional Medical Center  
26520 Cactus Avenue  
Moreno Valley, CA 92555  
Attn: Contracts Administration

To RightSourcing:

RightSourcing, Inc.  
999 Stewart Ave., Ste. 100  
P.O. Box 969  
Bethpage, NY 11714  
Attn: Legal Dept.

cc:

RightSourcing Inc.  
17682 Mitchell North, Suite 100  
Irvine, CA 92614  
Attn: Martha White, Vice President

### 10. LABOR DISPUTES

- (a) RightSourcing agrees that in the event of a strike or any other work stoppage, or job action, RightSourcing shall remain responsible for supplying contingent labor to Client, as contracted for by Client, either as the provider of direct labor, or as the Managing Supplier for other Suppliers who supply contingent labor to Client.
- (b) RightSourcing agrees that it will supply any additional labor as may be contracted for by Client as necessary during any strike, work stoppage or other job action and that it shall comply with all notice and other requirements as provided by law when supplying such labor.
- (c) RightSourcing agrees that, in the event of a strike, work stoppage or job action, Client may contract directly with any other company to supply whatever labor is necessary as determined by Client.

### 11. FEDERAL & STATE PROGRAM ELIGIBILITY

RightSourcing represents and warrants to Client that during the term of Agreement, that RightSourcing and all of its owners, officers, directors and employees shall not have been (a) suspended or excluded from participation in any federal or state health care program (including, without limitation, Medicare, Medi-Cal, or CHAMPUS/Tricare), (b) convicted of any criminal offense related to the delivery of any good or service paid for by a federal or state health care program or to the neglect or abuse of patients, or (c) suspended, excluded or sanctioned under any other federal program, including the Department of Defense, the Department of Veterans Affairs. RightSourcing shall notify Client immediately if any event occurs which would make the foregoing representation untrue. Breach of this provision shall be grounds for immediate termination of Agreement.

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In the event RightSourcing subcontracts any of the services provided under this Agreement, RightSourcing shall require that each such subcontractor warrants that neither it nor its employees have been convicted of a criminal offense or is listed by a federal or state agency as debarred, excluded, or otherwise ineligible for participation in state or federal health care programs, or is currently under investigation by any federal or state agency under its current name or under any aliases.

### 12. LICENSING AND PERMITS

RightSourcing and Suppliers shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the Client. RightSourcing and Suppliers warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

RightSourcing and Suppliers hereby agrees to abide by the standards of medical practice of the profession when performing services hereunder.

### 13. JOINT COMMISSION CERTIFICATION

RightSourcing must provide a valid and current copy of their Joint Commission Certification. RightSourcing shall also require that each Supplier maintain a valid and current copy of their Joint Commission Certification. If the Supplier has applied for Joint Commission Certification, a copy of the application and a copy of the Joint Commission process letter of acknowledgment of application must be maintained at RightSourcing to validate that the registry is in the process of obtaining the Joint Commission Certification. Joint Commission Certification **must** be obtained within the first year of the Contract Agreement.

### 14. BOOKS AND RECORDS ACCESS

- (a) Until the expiration of four (4) years after the furnishing of the services provided under this contract, RightSourcing shall cooperate fully with Client by maintaining and making available all necessary records, or by executing any agreements, in order to assure that Client will be able to meet all requirements for participation and payment associated with public or private third party payment programs including, but not limited to, the Federal Medicare program. Consistent with the foregoing, RightSourcing agrees to comply with § 1861(v)(1)(I) of the Social Security Act, as amended, and any regulations promulgated pursuant thereto, under which RightSourcing agrees to maintain its books, documents and records that are necessary to certify the nature and extent of such services and payments under Agreement and to furnish such books, documents and records, upon written request to the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives. If RightSourcing is requested to disclose books, documents or records pursuant to this section for purpose of an audit, RightSourcing shall notify Client of the nature and scope of such request and RightSourcing shall make available, upon written request of Client, all such books, documents or records, during regular business hours of RightSourcing.
- (b) If RightSourcing carries out the duties of the contract through a subcontract worth \$10,000.00 or more over a twelve (12) month period with a related organization, the subcontract will also contain an access clause to permit access by the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives to the related organization's books and records.

RightSourcing shall permit a COUNTY representative and/or other regulatory official to monitor, assess or evaluate RightSourcing's performance under this Agreement at any time upon reasonable notice to RightSourcing.

### 15. DISPUTE RESOLUTION

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

The parties will make good faith efforts to resolve informally all disputes arising under Agreement. Before terminating agreement for initiating arbitration or litigation, each party will offer to make available one of its senior managers with authority to resolve the dispute without the consent of other persons to meet or otherwise act to resolve the dispute.

### 16. CONVERSION OF SUPPLIER EMPLOYEES

The Client recognizes and acknowledges that RightSourcing expends considerable time and effort and incurs substantial expense providing the services for registry staffing; therefore, the COUNTY agrees to refrain from employing either directly or through any source other than RightSourcing, any registry staff for the duration of the assignment.

Conversely, should the registry staff decide on their own to employ with the COUNTY, RightSourcing shall waive any fees for the employment transfer. RightSourcing would like to discuss.

### 17. SUPPLIERS CONFIDENTIAL INFORMATION

RightSourcing and Client shall keep confidential all Confidential Information (as defined below) of Supplier, and shall not use or disclose such Confidential Information either during or at any time after the term of Agreement, without Supplier's express written consent, unless required to do so by law, court order or subpoena in which case RightSourcing and Client shall not disclose such information until it has provided advance notice to Supplier such that Supplier may timely act to protect such disclosure. For purposes of this provision, "Confidential Information" means non-public information about Supplier and its employees that is disclosed or becomes known to RightSourcing or Client as a consequence of or through Supplier's activities under Agreement, including, but not limited to, matters of a business nature, such as Supplier Employees' and prospective Supplier Employees' names and information, bill rates, compensation and benefits packages and structure, hiring decision making process, hiring needs and for requests for placement, costs, profits, margins, markets, sales, business processes, information systems, and any other information of a similar nature. Notwithstanding the foregoing, Confidential Information does not include information which Client can demonstrate is (i) already in its possession; (ii) was or becomes generally available to the public other than as a result of disclosure by Client or its agents in violation of Agreement; or (iii) was independently developed by Client without access to, or benefit of, the Confidential Information.

### 18. THIRD-PARTY BENEFICIARY

Just as Client is a third-party beneficiary in the Supplier Agreements, Client agrees that Suppliers are an intended third-party beneficiary of Agreement. To the extent there are terms in Agreement that obligate Client to the Suppliers, examples of which are the terms of mutual confidentiality and indemnification, Client authorizes RightSourcing to provide a copy of any relevant portion of Agreement that contains any relevant Client obligation to any Supplier upon Supplier's request (including a copy of this provision).

### 19. GENERAL PROVISIONS

**Assignment.** The parties acknowledge that the services to be performed are unique and personal to the parties, hence no rights herein may be assigned or otherwise transferred without the express written consent of the other party, which consent shall not be unreasonably withheld; except that Client may assign Agreement to a majority owned subsidiary without the consent of RightSourcing.

**Complete Agreement.** Agreement and its Schedules express the complete and exclusive statement of the understanding between the parties regarding subject matter herein and supersede any prior or contemporaneous written or oral proposals and agreements, representation or courses of dealing.

**Choice of Law.** The parties hereby agree that jurisdiction and venue in any cause of action arising from Agreement shall be maintained in state and federal courts within the **State of California, County of Riverside**, and that Agreement shall be construed in accordance with the laws of such state.

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

**Independent Contractors.** It is understood that each party hereto is an independent contractor with respect to the other.

RightSourcing is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that RightSourcing (including its employees, agents and subcontractors) shall in no event be entitled to any benefits to which COUNTY employees are entitled, including but not limited to any retirement benefits, worker's compensation benefits, and injury leave or other leave benefits. There shall be no employer-employee relationship between the parties; and provided COUNTY has properly excluded RightSourcing, its' employees and agents from being eligible from any benefits offered by COUNTY to its employees, RightSourcing shall hold COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by a third party that an employer-employee relationship exists by reason of this Agreement. It is further understood and agreed by the parties that RightSourcing in the performance of this Agreement is subject to the control or direction of COUNTY merely as to the results to be accomplished and not as to the means and methods for accomplishing the results.

**Non-Solicitation of Employees.** Except to the extent Client may hire a Supplier Employee as set forth in Schedule B, Supplier, Client, and RightSourcing, their respective officers, directors and employees, shall not, without the express written consent of the other party, directly employ or solicit for employment any person employed by the other party, whose job responsibilities include the administration of Agreement until twelve (12) months after such employment by the respective party has ceased. Except to the extent Client may hire a Supplier Employee as set forth in Schedule B, Client and RightSourcing, their respective officers, directors and employees, shall not, without the express written consent of the other party, directly solicit for employment, Supplier's Employees or healthcare staff of Client during the term of Agreement. The parties agree that direct solicitation shall not include broad based recruitment activities including, but not limited to, general advertising through mail, Internet, telephone campaigns, trade journals, state associations, etc.

**Non-Discrimination.** Each party agrees not to discriminate on the basis of religion, race, ethnicity, gender, color, national origin, sex, age, handicap, or any other basis deemed unlawful under federal, state or local law.

**CAL/OSHA.** Each party shall comply with all requirements of the Occupational Safety and Health Administration (OSHA) standards and codes as set forth by the U.S. Department of Labor and the State of California (Cal/OSHA).

**Force Majeure.** Neither party will be responsible or considered to be in default in respect to any obligation hereunder if delays in or failure of performance shall be due to any cause beyond the control of the other party affected and not due to its fault or negligence, including, but not limited to labor disputes and strikes, fire, riot, war, acts of God or any other causes beyond the control of RightSourcing or Client.

**Consent to Fax, Call, Email.** Each party hereby expressly grants permission to the other party to telephone and email the other party and to send any and all future facsimile communications to the other party's fax numbers as such communications apply to Agreement.

**Severability; Waiver.** If any term or provision of Agreement shall be held void, illegal, unenforceable or in conflict with any law of a federal, state or local government having jurisdiction over Agreement, the validity of the remaining portions or provisions of Agreement shall not be affected thereby. The failure of either party to enforce at any time, or from time to time, any provision of Agreement shall not be construed as a waiver thereof.

Agreement may not be amended or modified, except by written instrument signed by the parties hereto.

All references in Agreement to RightSourcing are intended to include its parent, subsidiaries, affiliates, local licensed offices, employer of record of the RightSourcing Employees, agents and/or

RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

representatives as applicable.

Intending to be legally bound, Agreement is executed by authorized representatives of both parties hereto.

**COUNTY OF RIVERSIDE**

**RightSourcing, Inc.**

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

Signature: Martha White

Printed Name: Bob Buster

Printed Name: Martha White

Title: Chairman, Board of Supervisors

Title: Vice President

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

Date: 11-9-11

FORM APPROVED COUNTY COUNSEL  
BY: Neal R. Kipnis DATE: 11/9/11  
NEAL R. KIPNIS

**DESCRIPTION OF SERVICES  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

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**RIGHTSOURCING SUPPLIER MANAGED SERVICES**

**1. ON-SITE STAFF**

Management of the program by on-site staff will be provided to Client from 3:30 a.m. to 8:00 p.m. Monday through Friday, excluding holidays. Off-site coverage will be 24 hours/day, 365 days/year by telephone based on the overall volume of the program.

Through on-site staff, RightSourcing shall manage the requisition, engagement and tracking of all contingent labor at Client. For on-site staff, Client will provide reasonable office space and equipment sufficient for RightSourcing to perform services, including office space for RightSourcing's designated onsite staffing team, internet access, computers, and phone with long-distance service, basic office supplies, and access/use of: printer, copier, fax, scanner and other equipment and items necessary for RightSourcing to support the technical requirements of Client as it pertains to this Agreement.

**2. SUPPLIER MANAGEMENT**

RightSourcing will perform the following services:

1. Conduct selection, assessment and monitoring of Suppliers including negotiation and execution of Supplier Agreements;
2. Conduct initial and quarterly training for Suppliers on the web-based RightSourcing system;
3. Require all Suppliers to carry and provide evidence of insurance coverage compliant with the minimum limits specified by Client for Suppliers as further described above;
4. Shall warrant that it is and will remain, in compliance with all State and Federal laws, and accredited by the Joint Commission.
5. Ensure all documentation requirements are met and provide evidence of meeting these requirements:
  - (i) All Supplier staff must have the legal right to practice and work in the United States without restriction and condition; with regard to Registered Nurses, these registry staff must have at least 2 (non-specialty) and 4 (specialty) years of experience working in an acute setting facility within the Continental United States including Alaska and Hawaii;
  - (ii) Conduct health and background screening which includes, but is not limited to criminal background, pre-employment, TB screening, and or Chest X-Ray (verifying absence of active disease), a record of vaccination for Measles, Mumps, Rubella, (MMR) series or record of positive MMR titer, proof of immunization of Diphtheria, Tetanus, Pertussis, Hepatitis B, a general physical examination clearance, drug screening, competencies/certification confirmation for all Supplier staff prior to assignment.
6. Distribute Clients Requirements to Supplier in a timely manner, ensure all Client requests are met and maintain web-based Supplier access to all applicable open Client Requirements;
7. Collect, present, and process time records in a timely manner;
8. Be responsible for verification of billable time and deliver to Client a weekly consolidated invoice with approved time;

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

9. Be responsible for making timely payment to all Suppliers providing contingent labor and for making confirmation to Client of said payment to Suppliers;
10. Report to Client on all Client Requirements supported by RightSourcing;
11. Provide to Client a monthly report of staffing utilization and associated costs, Supplier performance results and will prepare other reports as reasonably requested by Client;
12. Manage Supplier dispute resolutions and address all Client support concerns within a reasonable timeframe.

### 3. SUPPLIER EMPLOYEE SOURCING & ENGAGEMENT

RightSourcing will perform the following services:

1. Timely processing of all Client Requirements from internal users;
2. Evaluate Supplier Employees against Client Requirements;
3. Coordinate and schedule Supplier Employee interviews with Client manager;
4. Maintain a Supplier Employee resource pool with required documentation;
5. Confirm assignment with Supplier and Client manager;
6. Coordinate Supplier Employee orientation and track initial competency processes.

(i) General. All Supplier Employees are required to complete up to two (2) hours of general orientation with RightSourcing prior to working their first shift at Client location at no cost to RightSourcing or Client. Supplier Employees who have not worked at Client within the past year must be re-oriented at Supplier's expense. Supplier Employees receive orientation to include Client's infection control process; hospital safety management program including, but not limited to, location of emergency exits, how to call an emergency, the location of the emergency carts, safety requirements; quality improvement program; mission and values statement; service excellence and confidentiality and any unit specific training that Client requires.

(ii) Travelers Orientation. Department specific orientation is provided to the Supplier Employee during the first day of service. Supplier shall, at no cost to Client, allow new Supplier Employees to spend up to twelve (12) hours as "orientation shifts" at Client.

(iii) Registry Orientation. Department specific orientation is provided to the Supplier Employee. Supplier shall, at no cost to Client, allow new Supplier Employees to spend the first eight (8) hours or twelve (12) hours or more as an "orientation shift" at Client location.

7. Ensure all contractual and organization requirements, including but not limited to insurance requirements and HIPAA business agreements, are satisfied before being assigned to perform work for Client.
8. Assignment of Supplier Employees and Scheduling

#### (i) Long Term Clinical Services & Traveler Schedules

- Client will place Supplier Employees on unit schedule for agreed upon number of shifts per pay period with a confirmation in writing from RightSourcing, including, but not limited to, the length of the travel assignment, the assigned unit, the shift(s), bill rate and start date. The parties acknowledge that assignments are typically for thirteen (13) weeks in duration with a minimum of four (4) weeks.

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

- Client will typically schedule Supplier Employees for a total of three (3) twelve (12) hour shifts, four (4) twelve (12) hour shifts, four (4) ten (10) hour shifts, or five (5) eight (8) hour shifts in one week.
- Each Supplier Employee assigned by the Supplier to the Client shall work in the area/unit requested by the Client, subject to his/her qualifications. A Supplier Employee initially requested for a particular area/unit may be re-assigned to other areas/units by Client after arriving at COUNTY or during his/her shift, subject to his/her qualifications to meet Client's needs.
- **Housing and Travel Accommodations.** Supplier shall have the sole responsibility for housing and travel accommodations for Supplier Employees assigned to Client. Client will not be responsible for any fees related to Supplier employees housing and travel as it pertains to this Contract Agreement.
- **Cancellations.** For long term Traveler Supplier Employees with a specified start date, Supplier will give Client seven (7) days' prior notice if Supplier Employees are not be able to start on the agreed upon start date (due to lack of documentation or for any other reasons). If Client does not receive a seven (7) days' prior notification, Supplier will credit Client for three (3) shifts of fees at the Supplier Employee's current assignment bill rate. If the Supplier can fill the position with the same start date, then no penalty will be charged. Client may cancel an assignment prior to Supplier Employee's start date with seven (7) days' notice to Supplier.
  - After a Supplier Employee has started working on an assignment, either Client or Supplier may cancel a long term assignment provided that fourteen (14) days advance notice is given to the other party.
  - After a Supplier Employee has started working on an assignment, in case of low census or other call-offs, Client may cancel within a thirteen (13) week assignment one shift in every two (2) week period . Said shifts are defined as a regular shift (i.e., twelve (12) hours in one (1) workday or eight (8) hours in a day or as otherwise agreed to among Client, RightSourcing and Supplier). Client cannot break down the shift cancellations into hourly increments. Make up of lost time will be at the mutual agreement of Client and Supplier Employee. Client will not pay Supplier for shifts that are not made up or any penalties that Supplier may impose
  - For termination of assignment by Client for cause, Supplier will reimburse Client for three (3) shifts at the Supplier Employee's current assignment bill rate.
  - If Supplier Employee leaves assignment without notification and/or without cause, Supplier will reimburse Client for three (3) shifts at Supplier Employee's current assignment bill rate.
  - If Supplier Employee does not report to work for a scheduled shift due to illness or some other reason outside of their control, Supplier is required to contact RightSourcing and RightSourcing shall immediately notify Client and quickly find a suitable substitute to replace the requested scheduled shift with another Supplier Employee. Make up of lost time will be at the mutual agreement of Client and Supplier Employee.

### (ii) Short Term Clinical Services

- **Cancellations**

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

- RightSourcing shall immediately notify Client of all cancellations and make every effort to re-assign a suitable Supplier Employee to replace the cancelled Supplier Employee to ensure Client requirements/requests are met as scheduled.
- Prior to two (2) hours before the scheduled start of a shift, Client may change or cancel a request for Supplier Employees without incurring any liability to Supplier. It shall be Supplier's responsibility to contact Supplier Employees whenever Client changes or cancels any request for Clinical Services.
- If Client changes or cancels a request for Registry Supplier Employee services less than two (2) hours before the scheduled start of a shift or assignment, and Supplier Employee cannot be contacted by Supplier prior to reporting to Client for work, Client will reimburse RightSourcing for two (2) hours per the regular bill rate for that Supplier Employee's job classification in effect at time of cancellation. Supplier and RightSourcing shall use best efforts to re-assign the Supplier Employee, and if Supplier Employee is re-assigned, Client shall not be billed or liable for the payment of the two (2) hours. Supplier shall be solely responsible for satisfying any reporting time pay obligations due to Supplier Employee, under State and Federal wage and hour laws.
- Prior to two (2) hours before the scheduled start of a shift or assignment, Supplier may cancel Supplier Employee services without incurring any liability to Client. It shall be Supplier's responsibility to contact Client and Supplier Employer whenever Supplier cancels services. If Supplier cancels a scheduled shift less than two (2) hours prior to the start of the shift and Supplier is unable to replace Supplier Employee with a substitute acceptable to Client, a two (2) hour credit will be issued to Client by Supplier through RightSourcing.
- When Client requests Supplier Employees less than two (2) hours prior to the scheduled start of a shift ("**Late Call**"), Supplier will be reimbursed for the Supplier Employee from the scheduled start of the shift provided Supplier Employees actually reports to and commences work within one (1) hour of the start of the shift. If Supplier Employees actually reports to and commences work later than one (1) hour after the scheduled start of shift, Supplier will only receive reimbursement for the actual hours worked. Notwithstanding the foregoing, Client reserves the option to designate to the Supplier whether payment will be made for the full shift or for actual hours worked.
- Client may immediately cancel a Supplier Employee if Supplier Employee does not report to his or her assignment or reports to assignment and/or does not satisfy the criteria for the services, is physically or emotionally incapable of performing his/her duties, refuses an appropriate assignment, has previously been placed on a "do not send" list, fails to display a photo identification badge provided by Supplier, and/or fails to produce evidence of an original license or other appropriate credentials. Supplier shall pay to Client a "no show" fee of four (4) hours per the regular bill rate for that Supplier Employee's job classification in effect at the time. The determination that Supplier Employee does not satisfy the criteria for the services or is otherwise incapable of performing assigned work shall be made in good faith by and in the sole discretion of Client. Client shall immediately inform Supplier once such a determination is made, but Client shall incur no debt or liability to Supplier as a result of the determination.

## RIGHTSOURCING CONFIDENTIAL & PROPRIETARY

- If Client finds Supplier Employee is not qualified and notifies Supplier, Supplier shall use best efforts to find a replacement; and if Supplier finds a fully qualified replacement which meets Clients standard qualifications, Client will pay for the actual hours worked by the replacement.
- If Supplier Employee is no longer needed by Client after reporting for work and beginning his or her assignment, Supplier Employee may be "called-off" by Client. If Supplier Employee is "called-off" by Client, Supplier shall be paid for the actual hours worked by Supplier Employee or up to four (4) hours of the services, whichever is greater, per the regular bill rate for that Supplier Employee's job classification in effect at time of "call-off". Client reserves the right to utilize such Supplier Employee in an assignment reasonably consistent with his/her license and experience for up to four (4) hours of such paid time. If Supplier Employee refuses to perform services per Client's request, he or she will be paid only for the actually hours worked.
- Each Supplier Employee assigned by the Supplier to the Client shall work in the area/unit requested by the Client, subject to his/her qualifications. A Supplier Employee initially requested for a particular area/unit may be re-assigned to other areas/units by Client after arriving at COUNTY or during his/her shift, subject to his/her qualifications to meet Client's needs. If Supplier Employee refuses to perform services per Client's request, he or she will only be reimbursed for the actual hours worked.

### 4. COMPLIANCE MANAGEMENT

RightSourcing will perform the following services:

1. Track all pertinent data on each Supplier Employee including name, specialty, SSN, rates, availability and do-not-use (DNU) status;
2. Track Supplier Employee compliance documentation using Clients Documentation Requirements;
3. Coordinate periodic Performance Evaluations and ongoing competency assessments with Client management;
4. Coordinate active, inactive or DNU status of Supplier Employees.

### 5. REPORTING

RightSourcing will provide the following:

Web-based on-line summary reports including Department Profiles, Supplier Profiles, Supplier Employee Profiles, Supplier Employee License & Certifications, Supplier Employee availability, Documentation Status and Expirations, Client Requirements by Department, Client Requirements by Trend, Standard Rate Schedules, Expenditures by Department, Shifts Open and Filled by Department, Shift Trend by Department and Supplier Employee, Time to Fill by Department and any other reports requested by Client, as needed.

### 6. CLIENT RELATIONS

RightSourcing will coordinate and manage the following:

1. Weekly, monthly and/or quarterly Client meetings;
2. Annual meetings/reviews/presentations with Client's management.

**PRICING AND PAYMENT  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

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**RIGHTSOURCING SUPPLIER MANAGED SERVICES**

**1. Payment**

(a) Consolidated Billing – RightSourcing shall submit to Client’s Accounts Payable department the consolidated weekly invoice detailed by department which includes a breakdown of Client approved hours per Supplier Employee and the associated billing per the hours the Supplier Employee worked. RightSourcing will pay Supplier in accordance with the Supplier Agreement provided that RightSourcing shall have no obligation to pay Supplier unless and until Client pays RightSourcing for the invoiced services. RightSourcing’s shall be paid in accordance with an invoice submitted to Client within fifteen (15) days from the last day of each calendar month, and invoices for RightSourcing Supplier Managed Services are payable to RightSourcing within thirty (30) working days after receipt of invoice by Client’s Accounts Payable department. Payment will be made to RightSourcing only after services have been rendered. For this Agreement, RightSourcing shall send the original invoices to:

Riverside County Regional Medical Center  
26520 Cactus Avenue  
Moreno Valley, CA 92555  
Attn: Accounts Payable

(b) Billing Inquiries – RightSourcing will only be paid for time properly reflected and authorized by Client as described in the Consolidated Billing process. Within sixty (60) days of receipt of payment, RightSourcing must give notice of any errors or omissions relating to payment. Payment issues not raised within sixty (60) days are deemed waived, except to the extent resulting from fraud.

**2. Pricing**

(a) Client Rates as follows are all inclusive of fees for services provided by RightSourcing and are mutually agreed upon during implementation and will remain constant throughout the term of this Agreement:

<b>Classification</b>	<b>Rate per Hour</b>
Registered Nurse	\$49.50
Registered Nurse (Specialty)	\$53.00
Licensed Vocation Nurse	\$32.50
Certified Nurse Assistant	\$20.00
Surgical Technician	\$31.00
Travel Registered Nurse	\$55.62
Travel Registered Nurse (Specialty)	\$57.71
Pharmacist	\$90.00
Pharmacy Technician	\$22.00
Pharmacy Assistant	\$18.00
Registered Dieticians	\$47.00

**RIGHTSOURCING CONFIDENTIAL & PROPRIETARY**

Radiology Technologist	\$46.00
Computerized Axial Tomography Technologist	\$62.00
Ultrasound Technologist	\$60.00
MRI Technologist	\$61.00
Nuclear Medicine Technologist	\$65.00
Angio Technologist	\$50.00
Respiratory Care Practitioner	\$48.00
Cardiac Sonographer (Echocardiography Tech)	\$60.00
Electroencephalographer (EEG)	\$46.00
Physical Therapist	\$66.00
Physical Therapist Assistant	\$52.00
Occupational Therapist	\$65.00
Occupational Therapist Assistant	\$52.00
Speech Therapist	\$69.00
Psychologist	\$56.18
Miscellaneous... Travel Registered Nurse (Specialty) - Level II	\$60.00

**(b) Existing Supplier Traveler Pricing.**

Client Rates for existing Supplier Travelers will remain at the same bill rate prior to the RightSourcing Agreement for the duration of their guaranteed travel contracts. These bill rates will change to the RightSourcing rates upon renewal and extension of their travel contract. RightSourcing will process all Suppliers' billing for the existing Supplier travelers as soon as a RightSourcing Supplier Agreement is fully executed.

**(c) Travel Extension Discount.**

If a Traveler is renewed or extended past the original thirteen (13) week assignment, Supplier will discount the extension by 1.0% as no additional recruiting is involved.

**(d) Regular and Overtime**

- (i) Regular 1 – Calculated at 1.0 times the Client Rate for hours worked (excluding holidays) by Supplier Employees up to eight (8) hours per day not to exceed forty (40) Regular hours in one (1) work week. A work week is defined as: Thursday through Wednesday from 12:00 a.m. to 11:59 p.m. (PST).
- (ii) Overtime 1 – Calculated at 1.5 times the Client Rate and applies to hours worked in excess of eight (8) hours per day and forty (40) Regular Hours per week as well as Holidays. The above rates are based on an 8 hour work day.
- (iii) Overtime 2 – Calculated at 1.75 times the Client Rate and applies to hours worked in excess of twelve (12) hours in a day. All overtime must be approved by an authorized Client representative prior to overtime being worked.

(e) **Unapproved Overtime (“Excess Time”)**

Neither RightSourcing nor Client has a duty to pay any Excess Time. Examples of Excess Time include:

- (i) Time resulting from a Supplier Employee reporting to work early or working late (except as requested and approved in writing by Client prior to the Supplier Employee's working during that time);
- (ii) Time resulting from an Supplier Employee's failure to take a required meal break (except as requested and approved in writing by Client prior to the Supplier Employee's working during that time), or noted on a written or electronic timecard or any timekeeping record submitted by Client to Supplier; and/or
- (iii) Time resulting from a Supplier Employee's failure to take any other required break (except as requested and approved in writing by Client prior to the Supplier Employee's working during that time) or noted on a written or electronic timecard or any timekeeping record submitted by Client to Supplier.

**3. Break and Meal Time**

RightSourcing and Supplier employee providing services under this Agreement shall adhere to the guidelines set forth, and in accordance with, California Labor law and Riverside County policy for break time and meal time.

**4. Holidays**

Holidays worked are paid at the rate of 1.5 times the Client Rate. Holidays begin at 12:00 a.m. on the date of the recognized holiday and end at 11:59 p.m. (PST). This shall be applicable for the following holidays only:

New Year's Day (January 1)  
Christmas Day (December 25)  
Thanksgiving Day (4<sup>th</sup> Thursday in November)  
Memorial Day (4<sup>th</sup> Monday in May)  
Independence Day (July 4th)  
Labor Day (1<sup>st</sup> Monday in September)

**6. Conversion of Temporary Employees**

Should Client wish to hire (“convert”) on a full or part time basis a Supplier Employee assigned to Client, Client may do so without a fee after a minimum number of hours/weeks has been worked. RightSourcing will have no responsibility for payment of any conversion fee. The requirements are as follows:

➤ **NURSING AND ALLIED**

Local – After 468 Hours no fee applicable  
Traveler – After completion of one (1) thirteen (13) week travel assignment – no fee applicable

➤ **CLERICAL, ADMINISTRATIVE and TECHNICAL**

After 520 Hours – no fee is applicable.



**SUPPLIER EMPLOYEE DOCUMENTATION REQUIREMENTS  
RIVERSIDE COUNTY REGIONAL MEDICAL CENTER**

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Prior to any Supplier Employee performing services for Client, Supplier will ensure that all Supplier Employee files are in compliance with State of California employment laws. Suppliers will maintain all documents required by this Schedule in the personnel files for each Supplier Employee. The Supplier agrees to have Supplier Employee files available for periodic on-site or off-site audits by RightSourcing or by Client.

Supplier must scan these documents for all Supplier Employees into RightSourcing's web-based system before Supplier Employees work at the Client site and ensure maintenance of these requirements are up-to-date throughout the term of this Agreement.

1. Credentials.
2. Primary Source On-Line verification of licensure.
3. Current CPR (BLS), ACLS, PALS/ENPC, TNCC/ATCN/CEN, AACN, MAB, NRP, Neonatal Resuscitation, Fetal Monitoring, California State Licensing Board I.V. Certifications, etc.
4. Alcohol and Drug Screen Results.
5. Background Result shall include, but not limited to, criminal history report, past employment, licenses, education and skills; and background reference checks, criminal record and or significant job-related problems in prior employment.
6. Annual Health Screen report shall include, but not limited to, Tuberculosis Testing, Chest X-Ray, a record of vaccination for Measles, Mumps, Rubella (MMR) series or record of positive MMR titer, proof of immunization of Diphtheria, Tetanus, Trivalent Polio, Hepatitis B, and general physical examination clearance.

The following documentation is to be provided by Supplier through RightSourcing web-based system prior to Supplier Employee reporting for a Client assignment.

1. **Confirmation Form**
2. **Profile/Resume**
3. **Professional References**
4. **Skills Checklist**
5. **Annual TJC In-Service**
6. **HIPAA**
7. **Pre-Employment Testing**
8. **Physical Exam**
9. **MMR & Varicella**
10. **Flu Vaccination**

11. **Hepatitis B**
12. **Photo Identification**
13. **Fingernail Hygiene Policy**
14. **Job Description**

**HIPAA Business Associate Agreement  
Addendum to Contract Between the  
County of Riverside and RightSourcing, Inc.**

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the **Supplier Managed Services** (the "Underlying Agreement") between the County of Riverside ("County") and **RightSourcing, Inc.** ("Contractor") and shall be effective as of the date the Underlying Agreement is approved by both Parties (the "Effective Date").

**RECITALS**

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, Contractor when a creator or recipient of, or when they have access to, PHI and/or ePHI of County, is a business associate as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing services on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

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

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.
  - A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402. For purposes of this definition, "compromises the security or privacy of PHI" means poses a significant risk of financial, reputational, or

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other harm to the individual, unless a use or disclosure of PHI does not include the identifiers listed at 45 CFR §164.514(e)(2), date of birth and zip code. Breach excludes:

- (1) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.
  - (2) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.
  - (3) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
- B. "Data aggregation" has meaning given such term in 45 CFR §164.501.
- C. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.
- D. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.
- E. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).
- F. "Health care operations" has the meaning given such term in 45 CFR §164.501.
- G. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.
- H. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- I. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- J. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.
- K. "Required by law" has the meaning given such term in 45 CFR §164.103.
- L. "Secretary" means the Secretary of the Department of Health and Human Services ("HHS").
- M. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.

N. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized individuals through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2) on the HHS web site.

**2. Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.**

A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.

B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:

(1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,

(2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:

(a) The disclosure is required by law; or,

(b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:

(i) Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,

(ii) Notify Contractor of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,

(3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,

(4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.

**3. Prohibited Uses and Disclosures.**

A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.

B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.

- C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.
- D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §§17935 and 17936. Contractor agrees:
  - (1) Not to use or disclose PHI for fundraising or marketing purposes, unless pursuant to the Underlying Agreement and as permitted by and consistent with the requirements of 42 USC §17936;
  - (2) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,
  - (3) Not to receive, directly or indirectly, remuneration in exchange for PHI, unless permitted by 42 USC §17935(d)(2) and with the prior written consent of County. This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. **Obligations of County.**

- A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.
- D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.
- E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

- A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.
- B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.
- C. Use appropriate safeguards to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

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- D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.
  - E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware.
  - F. Require any subcontractors or agents to whom Contractor provides PHI and/or ePHI to agree to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.
  - G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.
  - H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).
  - I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.
  - J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.
  - K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.
  - L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.
6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:
- A. **Access to PHI and electronic health record.** Provide access to PHI in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524. If Contractor uses or maintains electronic health records, Contractor shall, at the request of County, provide electronic health records in electronic format to enable County to fulfill its obligations under 42 USC §17935(e).
  - B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.
  - C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

- (1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.
  - (2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.
  - (3) Make available for County information required by this section for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.
7. **Security of ePHI.** In the event Contractor needs to create, receive, or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §§164.314(a)(2)(i), and 164.306, Contractor shall:
- A. Implement the administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County as required by the Security Rule, including without limitations, each of the requirements of the Security Rule at 45 CFR §§164.308, 164.310, and 164.312;
  - B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;
  - C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;
  - D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;
  - E. Ensure compliance by Contractor's workforce;
  - F. Ensure that any agent, including a subcontractor, to whom it provides ePHI agrees to implement reasonable appropriate safeguards to protect it;
  - G. Report to County any security incident of which Contractor becomes aware; and,
  - H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.
8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.
- A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.
    - (1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the

breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

- (2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:
- (a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;
  - (b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
  - (c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;
  - (d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;
  - (e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,
  - (f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.
- B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §§ 164.404, 164.406 and 164.408.
- C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.
- D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.
- F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to

demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach.

9. **Hold Harmless/Indemnification.**

- A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.
- B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.
- C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.
- D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.
- E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.

11. **Termination.**

- A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:



- (1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.
- (2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.
- (3) If termination of the Underlying Agreement is not feasible, the non-breaching party may report the problem to the Secretary, and upon the non-breaching party's request, the breaching party at its own expense shall implement a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.

**B. Effect of Termination.**

- (1) Upon termination of this Addendum, for any reason, Contractor shall return or destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
- (2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

**12. General Provisions.**

- A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.
- B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.
- C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.
- D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.
- E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.
- F. **Interpretation of Addendum.**

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- (1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
- (2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

G. **Notices to County.** All notifications required to be given by Contractor pursuant to the terms of this Addendum shall be in writing and delivered to the County by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability at the address listed below, or at such other address as County may hereafter designate. All notices provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

Name: Riverside County Regional Medical Center, Compliance Department  
Title: Compliance and Privacy Officer  
Address: 26520 Cactus Avenue, Moreno Valley, CA 92555