

H61



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

FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
January 10, 2012

SUBJECT: Professional Medical Services Agreement between the County of Riverside and Faculty Physicians and Surgeons of Loma Linda University School of Medicine.

RECOMMENDED MOTION:

- 1) Ratify the Professional Medical Services agreement, effective December 1, 2011; and
- 2) Authorize the Chairperson to sign three (3) copies of the Agreement; and
- 3) Retain one (1) copy and return two (2) copies of the executed agreements to Riverside County Regional Medical Center for distribution.

BACKGROUND: Beginning in 1993 Dermatology Professional Services have been provided to Riverside County Regional Medical Center (RCRMC) by Hubert Watkins, M.D..one half-day clinic per week.

(continued on Page 2)

Douglas D. Bagley

 Douglas D. Bagley, Hospital Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 205,333.31	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ N/A	Budget Adjustment:	No
	Annual Net County Cost FY:	\$ 0	For Fiscal Year:	11/12

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

C.E.O. RECOMMENDATION:

APPROVE

BY: *Michael R. Shetler*

 Michael R. Shetler

County Executive Office Signature

FOR UNAPPROVED COUNTY COUNSEL
 BY: *Neal R. Kipnis* DATE: _____
 Departmental Concurrence

Consent Policy
 Consent Policy

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

Prev. Agn. Ref.:	District: All	Agenda Number:
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3.47

SUBJECT: Amendments to Professional Service Agreement(s) for RCHC

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BACKGROUND:

As of a result of the continually increasing backlog of requests for Dermatology Professional services, at the Hospital's outpatient clinics, along with the requirements of the Hospital's participation in the Low Income Health Program the expansion of dermatology services became a priority. The volume and complexity of the hospital caseload and the broad array of teaching programs required a fully integrated delivery service for dermatology care be increased at the Hospital. The agreement with the Faculty Physicians and Surgeons of Loma Linda University School of Medicine will provide the services of four Board Certified Dermatologists that will provide a full range of dermatology professional services five (5) days per week.

All of the required services, including teaching, oversight and administrative responsibilities have been incorporated into the agreement that clearly outlines the duties, obligations and responsibilities of the Contractor.

County Counsel has approved the agreement as to legal form.

FINANCIAL IMPACT:

100% Enterprise Funds -

Maximum annual compensation payable under this agreement shall not exceed three hundred fifty two thousand dollars (\$352,000).

DB:cg

**AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES**

This Agreement is entered into by and between the County of Riverside (COUNTY), a political subdivision of the State of California, on behalf of the Riverside County Regional Medical Center (HOSPITAL) and Faculty Physicians and Surgeons of Loma Linda University School of Medicine (LLUSM) (CONTRACTOR).

WHEREAS, Government Code Section 31000 authorizes the COUNTY to contract for professional services to be provided by persons who are specially trained, experienced and competent to perform the services required;

WHEREAS, COUNTY desires to obtain Dermatology professional services for the purpose of improving patient care and complying with requirements of Title 22 for acute care hospitals and Title 10 for managed care; and

WHEREAS, CONTRACTOR has the expertise, special skills, knowledge, and experience to perform the duties set out herein;

NOW THEREFORE the parties hereto enter into this Organized Health Care Arrangement (ORCA) under the terms of this Agreement, as a full statement of their respective responsibilities during the term of this Agreement, and in consideration of the representations made above and the covenants and conditions set forth herein, the parties agree as follows:

1.0 DEFINITIONS

1.1 "COUNTY" shall mean County of Riverside.

1.2 "HOSPITAL" shall mean Riverside County Regional Medical Center.

1.3 "JCAHO" shall mean the Joint Commission on Accreditation for Healthcare Organizations.

1.4 "Medical Staff Bylaws, Rules, and Regulations" shall mean HOSPITAL's Medical staff bylaws, rules and regulations, as amended from time to time.

1.5 "Department" shall mean the HOSPITAL Department of Medicine.

1.6 "COUNTY Patients" shall mean patients treated by the CONTRACTOR IN

1 ACCORDANCE WITH THIS agreement, and for the benefit of COUNTY, if: (1) the patients
2 receive professional services from CONTRACTOR in HOSPITAL or any COUNTY owned or
3 leased facility, regardless of the patients' payment source and whether or not CONTRACTOR
4 bills, collects and retains the charges for services rendered, or (2) the patients are
5 Uninsured/COUNTY Responsible Patients receiving professional services from
6 CONTRACTOR per this Agreement on behalf on COUNTY, regardless of where the services
7 are provided, or (3) the patients receive professional services from a COUNTY intern or
8 resident working for CONTRACTOR or under CONTRACTOR's supervision, on COUNTY's
9 behalf, in any facility, regardless of the patients' payment source and whether or not
10 CONTRACTOR bills, collects and retains the charges for services rendered.

11 **2.0 DESCRIPTION OF SERVICES**

12 2.1 COMPLIANCE WITH HOSPITAL MISSION, VISION, AND VALUES

13 Dermatology professional services shall be provided by CONTRACTOR in
14 compliance with the HOSPITAL Mission, Vision, and Values which reflect COUNTY's and
15 Contractor's commitment to providing quality health services to patients, regardless of their
16 ability to pay, as well as quality education and training programs to resident physicians and
17 other students of the HOSPITAL's teaching programs.

18 2.2 CONTRACTOR STAFFING

19 CONTRACTOR shall:

20 A. Provide adequate staffing to assume medical care responsibilities for
21 Dermatology professional services under the direction of the Chair of the HOSPITAL
22 Department of Medicine (DEPARTMENT) and the HOSPITAL Medical Director. This shall
23 include ensuring there are adequate number of qualified Dermatology professionals at
24 HOSPITAL to ensure proper operation of Dermatology services responsibilities which include,
25 but are not limited to, inpatient services, outpatient services, outpatient ambulatory care (half-
26 day) clinical services and surgical services for a minimum of five (5) days per week.
27 CONTRACTOR shall staff to adequately perform Dermatology surgical services both inpatient

1 and outpatient, inpatient and outpatient dermatology consultations, and on-call availability as
2 specified in Section 2.6 of this Agreement. All administrative issues shall be directed to the
3 HOSPITAL Medical Director for resolution.

4 B. Provide or recruit and maintain American Board of Medical Specialties
5 (ABMS) or American Osteopathic Association (AOA) board-certified or active candidate
6 Dermatology professionals to provide Dermatology services for the HOSPITAL in the following
7 areas: Ambulatory Care Outpatient Clinic(s), Inpatient Units, Operating and Recovery Rooms,
8 Same Day Surgery, Emergency Department and other areas as needed.

9 C. Provide suitable staff replacement coverage for any CONTRACTOR
10 Dermatology physician absent due to extended illness, vacation, seminar attendance, or
11 termination of employment with CONTRACTOR, who was assigned at HOSPITAL under the
12 terms of this Agreement.

13 D. Ensure that CONTRACTOR professionals have verifiable dermatology
14 experience and training and must obtain and remain credentialed at all times under the Term
15 of this Agreement. Such providers also shall be required by CONTRACTOR to meet
16 HOSPITAL teaching faculty credentialing requirements established in conjunction with
17 HOSPITAL teaching programs and affiliation agreements with teaching institutions.

18 2.3 CONTRACT COORDINATOR

19 CONTRACTOR agrees to provide the services of a physician who is
20 acceptable to HOSPITAL to serve as the CONTRACTOR contract coordinator
21 (COORDINATOR) for purposes of negotiation, implementation, and coordination of the
22 fulfillment of responsibilities under this Agreement. CONTRACTOR shall not replace the
23 approved CONTRACTOR physician COORDINATOR without the prior approval of the
24 HOSPITAL. Abel Torres, M.D. shall serve as COORDINATOR for all Dermatology
25 professional services, in this capacity, until such time as mutually agreeable.

26 2.4 STAFF REMOVAL

27 2.4.1 COUNTY shall reserve the right, exercisable in its discretion after

1 consultation with CONTRACTOR, to exclude any CONTRACTOR physician or other
2 CONTRACTOR staff from its premises in the event such person's conduct or state of health is
3 deemed objectionable or detrimental, having in mind the proper administration of COUNTY
4 facilities and according to HOSPITAL Medical Staff Bylaws, Rules, and Regulations as may be
5 amended from time to time.

6 2.4.2 Notwithstanding any other provision of the Agreement, CONTRACTOR
7 will ensure that any CONTRACTOR physician or healthcare professional assigned to
8 COUNTY, if charged with a felony, will be removed from COUNTY premises until said matter
9 is fully resolved to the satisfaction of COUNTY.

10 2.4.3 The professional services of CONTRACTOR shall be subject to the
11 HOSPITAL Medical Staff Appeals Provision of the Medical Staff Bylaws, Rules, and
12 Regulations, or other appropriate rule or regulation of HOSPITAL as may be amended from
13 time to time.

14 2.5 DERMATOLOGY SERVICES

15 2.5.1 Services to be provided for will include, but not be limited to, inpatient
16 consultations, dermatology outpatient clinic services, surgical dermatology, development of
17 treatment protocols, and supervision of diagnostic testing (as applicable).

18 2.5.2 CONTRACTOR will provide inpatient and outpatients consultations on a
19 routine and emergency basis, including trauma, as indicated.

20 2.6 ON-CALL COVERAGE

21 CONTRACTOR will provide on-call coverage fifty-two (52) weeks per year, five
22 (5) days per week, during normal business hours to ensure proper operation of all areas of the
23 Department responsibilities for inpatient and outpatient services, as coordinated by the Chief
24 of the Department of Medicine.

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1 3.0 RESPONSIBILITIES

2 3.1 CONTRACTOR AND COUNTY

3 Each party agrees to maintain an environment which is conducive to quality
4 medical care provision and training as it pertains to Dermatology professional services by
5 providing facilities to properly care for patients and by encouraging critical dialogue between
6 teaching staff and trainees through rounds, conferences, and patient care procedures.

7 3.2 CONTRACTOR

8 3.2.1 CONTRACTOR shall be obligated to:

9 A. Respond on-site at HOSPITAL for Dermatology services in
10 accordance with HOSPITAL Medical Staff Bylaws, Rules, and Regulations, and related
11 HOSPITAL policies and procedures.

12 B. Assume responsibility for the professional operation and
13 Professional services of the Dermatology subdivision of Department of Medicine. Any
14 esoteric, unusual, or other patient care procedures that cannot be reasonably performed
15 through the DEPARTMENT will be sent to an outside provider mutually agreeable to the
16 patient and parties hereto.

17 C. Include charting the progress of patients and updating the care
18 plan as needed in a timely fashion.

19 D. Provide complete medical records for all patients cared for no
20 later than fourteen (14) days after patient discharge in compliance with COUNTY Medical Staff
21 Bylaws, Rules and Regulations. CONTRACTOR agrees to dictate reports immediately after
22 completion of procedures.

23 3.2.3 **Employer Obligations**

24 CONTRACTOR agrees to all employer obligations for CONTRACTOR
25 staff. COUNTY shall not be, or be construed to be, the employer of CONTRACTOR
26 physicians for any purpose whatsoever. CONTRACTOR shall be solely liable and responsible
27

1 for all employer obligations, if any, with respect to such physicians. Such obligations shall
2 include, but are not limited to, any payment of salary and all other compensation and fringe
3 benefits; responsibility for federal and State withholding taxes and Social Security taxes;
4 compliance with and responsibility for all applicable federal and State wage/hour obligations;
5 unemployment benefits; disability benefits; and all other applicable taxes, benefits, and
6 contributions to employment-related insurance and similar programs. In the event that
7 COUNTY is for any reason required to pay any such obligations, CONTRACTOR shall
8 reimburse COUNTY for any and all amounts paid by COUNTY to meet such obligations.

9 **3.2.4 Administrative Obligations**

10 CONTRACTOR shall:

11 A. Assist to establish rules and regulations, development of
12 treatment protocols for the operation Dermatology services with its appropriate areas
13 including, but not limited to, Ambulatory Care Dermatology Clinics, Outpatient Consultative
14 Services, Emergency Department, inpatient consultative services and operating room
15 procedures.

16 B. Assist to establish criteria for issuing Dermatology clinical and
17 practice privileges and assist when requested to review the credentials of all physicians
18 applying for clinical privileges in the DEPARTMENT in all of its areas of service for making
19 appropriate recommendations for approval by the Chair of the DEPARTMENT, HOSPITAL
20 Medical Staff Credentials Committee for physicians, and by the Medical Executive Committee
21 for all.

22 C. Provide proctoring and review on a regular basis for the clinical
23 and educational performances of all Dermatology healthcare professionals working on-site at
24 HOSPITAL in accordance with any applicable HOSPITAL Medical Staff Bylaws, Rules, and
25 Regulations, and HOSPITAL policies and procedures, as well as Accreditation Council for
26 Graduate Medical Education (ACGME), American Board of Osteopathic Medicine, and Joint
27 Commission on Accreditation for Healthcare Organizations (JCAHO) standards, as applicable.

1 D. Provide HOSPITAL with annual performance objectives and
2 evaluations to include age-specific competency and job skills on each of its non-physician
3 employees who may work at HOSPITAL under this Agreement in accordance with JCAHO
4 standards and applicable HOSPITAL policies and procedures.

5 E. Establish and implement, in conjunction with HOSPITAL and
6 HOSPITAL affiliated medical schools or other teaching institutions, clinical training programs
7 at HOSPITAL designed to meet the educational requirements for the teaching of physician
8 residents, other medical staff, paramedical trainees, and medical students receiving training at
9 HOSPITAL. CONTRACTOR will ensure that such training programs are established and
10 presented on an ongoing basis and updated annually or more frequently as needed and that
11 all pertinent requirements are met and duties performed which are necessary to meet the
12 terms of affiliation agreements established between the HOSPITAL and medical schools,
13 universities, colleges, and other institutions or agencies in regard to training in Dermatology
14 professional services. CONTRACTOR's development of affiliation agreements shall be
15 coordinated and approved by HOSPITAL Administration.

16 F. Require each physician or other CONTRACTOR staff who
17 reports on-site at HOSPITAL to comply with COUNTY and HOSPITAL requirements for health
18 screening tests determined appropriate by COUNTY, to conform to all applicable HOSPITAL
19 Medical Staff Bylaws, Rules, and Regulations, COUNTY policies, procedures, and regulations,
20 and to all additional requirements and restrictions agreed upon by representatives of COUNTY
21 and CONTRACTOR.

22 G. Participate and cooperate in the HOSPITAL Performance
23 Improvement and Safety Programs.

24 H. Report to HOSPITAL the following information about each
25 physician or other staff or trainee at least two (2) weeks before start of work on-site:

- 26 1. Name, address, and telephone number.
- 27 2. Health care providers and/or health insurance.

1 3. All other reasonable information about the physicians, other
2 staff, or trainees as requested by COUNTY.

3 4. An "Application for Professional Liability Insurance for
4 Employed/Contract Physicians and Surgeons Affiliated with the Following Institutions" form
5 completed by each Physician assigned to work at HOSPITAL under the requirements of this
6 Agreement, submitted to the HOSPITAL Medical Director for review and signature prior to
7 submittal to County Risk Management for approval.

8 I. Cover any other appropriate administrative area of responsibility
9 as requested by the Chair of the DEPARTMENT and/or the HOSPITAL Medical Director and
10 accepted by CONTRACTOR.

11 J. Participate in all managed care programs contracted by,
12 sponsored by, or approved by HOSPITAL and all appropriate practice activities of the
13 HOSPITAL Medical Staff.

14 K. Require CONTRACTOR physicians and other healthcare staff
15 to attend any orientation program presented for them by HOSPITAL.

16 L. Provide residents and student trainee(s) with orientation
17 information about COUNTY facilities and operations in accord with any orientation presented
18 by HOSPITAL to CONTRACTOR physicians and/or other staff.

19 M. In coordination with the Chair of the Department of Medicine,
20 provide monthly schedules for physicians.

21 3.2.5 Additional Supervisory/Management Responsibilities

22 3.2.5.1 CONTRACTOR shall ensure that:

23 A. Those physicians designated by CONTRACTOR
24 pursuant to this Agreement shall be responsible for supervising and monitoring all inpatient
25 and outpatient Dermatology professional services provided by the Department of Medicine.

26 B. The clinical and educational activities of trainees on site
27 from HOSPITAL residency training programs and affiliated teaching institutions shall be

1 supervised according to the requirements of the training program and the terms of any
2 associated affiliation agreement, and in accordance with Medicare requirements.

3 3.2.5.2 CONTRACTOR agrees:

4 A. That responsibility for direct patient care and supervision of
5 Dermatology professional services includes attendance and participation in committee
6 meetings and ongoing quality improvement activities in accordance with the HOSPITAL
7 Performance Improvement and Patient Safety Plan, as approved by the Riverside County
8 Board of Supervisors.

9 B. To timely attendance at clinics and to cancel clinics only
10 with advanced written notice and approval of the HOSPITAL Medical Director, and Hospital
11 Director/Chief Executive Officer (CEO).

12 C. To serve as provider(s) of specialty services under the
13 provisions of managed care contracts and other contracts entered into by HOSPITAL.

14 3.2.6 Projection of Needs

15 CONTRACTOR agrees to assist in projection of space, personnel, and
16 equipment needs annually for the areas of responsibility by this Agreement for each County
17 fiscal year and project needs for future years as required by HOSPITAL. Such evaluations
18 and projections will be submitted in writing to HOSPITAL Medical Director.

19 3.2.7 Use of Premises

20 CONTRACTOR shall use the HOSPITAL premises solely for the
21 provision of the services specified herein. No part of the premises of HOSPITAL shall be used
22 at any time by CONTRACTOR as an office for the practice of medicine or for any purpose(s)
23 other than as expressed in this Agreement.

24 3.2.8 Clinic Budget

25 CONTRACTOR at all times shall conduct the Department in a cost
26 efficient and effective manner, subject to budgetary systems and constraints established by
27

1 the HOSPITAL in consultation with the HOSPITAL Medical Director.

2 3.2.9 License and/or Certification

3 3.2.9.1 CONTRACTOR verifies upon execution of this Agreement
4 possession of a current and valid license in compliance with any local, State, and federal laws
5 and regulations relative to the scope of services to be performed under this Agreement.

6 3.2.9.2 CONTRACTOR verifies that services shall be performed at all
7 times by qualified, properly trained, and licensed or certificated staff in the field(s) Dermatology
8 services.

9 3.2.10 Infectious Disease Certification

10 CONTRACTOR shall, within ten (10) days of signing this Agreement,
11 and annually thereafter, provide HOSPITAL Administration, a current written report, signed by
12 the properly qualified party performing the examination, verifying that CONTRACTOR
13 personnel are able to perform the assigned duties and are free from symptoms indicating the
14 presence of infectious disease. Said report shall initially contain the results of a skin test for
15 tuberculosis using Purified Protein Derivative intermediate strength or a chest x-ray.
16 CONTRACTOR personnel shall not perform any services hereunder if the personnel evidence
17 symptoms of any infectious disease.

18 3.2.11 Miscellaneous

19 CONTRACTOR will:

20 A. Take no steps to recruit HOSPITAL staff for employment during
21 the course of this Agreement or during the three-month period after termination of this
22 Agreement.

23 B. Comply with all local, State, and federal ordinances, statutes,
24 laws, rules, or regulations applicable to the employment of the personnel assigned to
25 HOSPITAL.

26 C. Be accountable for being in compliance with all billing
27

1 regulations and laws regarding provision of Dermatology professional services and physician
2 consultations as well as in conjunction with residency supervision.

3 D. Follow protocols and procedures for inmates being served by the
4 HOSPITAL and requiring Dermatology professional services, as applicable.

5 E. Carry out all additional duties and functions of the HOSPITAL
6 as delineated in the HOSPITAL Medical Staff Bylaws, Rules, and Regulations as appropriate.

7 F. CONTRACTOR agrees to assist HOSPITAL, upon request, in
8 planning, developing, and establishing dermatology specialty care clinics for the effective
9 management of Dermatology services patients care.

10 G. CONTRACTOR acknowledges that no investigational use of
11 equipment, pharmaceuticals, or conduct of research may be undertaken at HOSPITAL without
12 HOSPITAL Investigation Review Board approval according to requirements contained in the
13 Medical Staff Bylaws and HOSPITAL Policies and Procedures.

14 **4.0 COUNTY**

15 4.1 It is mutually agreed and understood that the Hospital receives funds from the
16 COUNTY, which, in aggregate, are used to support the clinical operations of HOSPITAL. In
17 the event the COUNTY ceases to provide the Hospital with funding to support clinical
18 operations, this Agreement shall be deemed terminated and of no further force and effect
19 immediately in receipt of COUNTY'S notification to CONTRACTOR. The parties understand
20 that such event would require the complete withdrawal of all COUNTY funding to Hospital.
21 Should termination of this Agreement, occur due to non-availability of COUNTY funds, any
22 existing inpatient services being provided by CONTRACTOR at HOSPITAL shall continue until
23 patient discharge. In the event of such termination, CONTRACTOR shall be entitled to
24 reimbursement of costs in accordance with Section 3, Compensation, of this Agreement.

25 4.2 COUNTY agrees to:

26 A. Maintain State licensure through the California Department of
27

1 Health Services and accreditation status with the Joint Commission on Accreditation of
2 Healthcare Organizations.

3 B. Provide sufficient information about its specific needs so that
4 CONTRACTOR may provide the appropriate staff with the necessary skills and experience.

5 C. Assist CONTRACTOR, on a continuing basis, with the
6 evaluation of CONTRACTOR staff by providing performance information to the
7 CONTRACTOR COORDINATOR.

8 D. Immediately notify CONTRACTOR of any particular problems
9 regarding staff.

10 E. Provide necessary emergency health care or first aid required by
11 an accident occurring at COUNTY facilities.

12 F. Retain ultimate professional and administrative accountability for
13 all patient care.

14 G. Take no steps to recruit CONTRACTOR staff for employment
15 during the Term of this Agreement or for ninety days thereafter.

16 4.3 COUNTY shall be responsible for the:

17 A. Hiring, scheduling, promotion, compensation, discipline, and
18 termination of all COUNTY personnel at COUNTY facilities. COUNTY shall consult with
19 CONTRACTOR to the extent practicable regarding any necessary reductions, expansions, or
20 changes in such staffing, although the parties recognize COUNTY's right to make all final
21 decisions with respect to such reductions, expansions, or changes.

22 B. Discipline of COUNTY personnel, and COUNTY shall
23 investigate complaints by CONTRACTOR regarding COUNTY personnel to determine the
24 necessity for specific action. Whenever such complaint provides reasonable grounds to
25 believe that the safety of any person or property in COUNTY facilities may be at risk, COUNTY
26 shall make reasonable efforts consistent with COUNTY's established procedures, to reassign
27 such personnel pending resolution of the complaint.

1 C. Compensation of COUNTY personnel who provide Dermatology
2 professional services at HOSPITAL and who are not providers of CONTRACTOR.

3 4.4 Provisions by HOSPITAL

4 HOSPITAL shall consult with CONTRACTOR as to the elements
5 HOSPITAL deems necessary for the proper operation of the clinic(s), and Dermatology
6 professional services and shall furnish, at its expense, for the use of CONTRACTOR, all such
7 elements, including but not limited to the following:

8 4.4.1 Space

9 HOSPITAL shall furnish and make available to CONTRACTOR
10 space presently designated for the Division, together with such other space as may be
11 mutually agreed upon by the parties; provided that HOSPITAL shall have the right to withdraw,
12 relocate, or modify such space as it deems reasonably necessary, provided, however,
13 HOSPITAL shall at all times furnish and make available space reasonably required by
14 CONTRACTOR to provide the professional services for which it is obligated under this Agreement.

15 4.4.2 Office Space and Support Staff

16 HOSPITAL shall provide to CONTRACTOR office space and the
17 services of clerical staff to insure appropriate clerical support for the Chair of the Department.

18 4.4.3 Utilities and Ancillary Departments

19 HOSPITAL shall furnish laundry service, housekeeping services
20 (including hazardous, infectious, medical and radioactive waste disposal), mail and HOSPITAL
21 courier service, and utilities including gas, water, heat electricity and all other types of utility
22 services reasonably necessary for the proper operation of the Clinic(s), the Department and
23 the HOSPITAL. HOSPITAL shall also provide the services of its administrative and other
24 support departments, including administration, accounting, engineering, medical transcription,
25 and purchasing, as reasonably necessary for the proper operation of the Clinic(s), the
26 Department and the HOSPITAL. HOSPITAL Administration shall assist the CONTRACTOR in
27 the administrative management of the Department by (i) providing HOSPITAL policies and

1 procedures, Medical Staff Bylaws, and the House Staff Manual to CONTRACTOR, and (ii)
2 informing the CONTRACTOR of plans of HOSPITAL which pertains to the operation of the
3 Department.

4 4.4.4 Equipment

5 HOSPITAL shall furnish equipment as HOSPITAL and medical
6 staff, including the HOSPITAL Projects and Priorities Committee and the HOSPITAL Product
7 Evaluation Committee, mutually agree is necessary for the proper operation of the
8 Department, Clinic(s) and HOSPITAL. HOSPITAL shall keep and maintain said equipment in
9 good order and repair and shall replace and upgrade such equipment as it may become worn
10 or obsolete.

11 4.4.5 Supplies

12 HOSPITAL shall furnish all expendable and non-expendable
13 supplies, such as drugs, chemicals, stationary, and similar supplies reasonably necessary for
14 the proper operation of the Department.

15 4.4.6 Other Personnel

16 All other personnel, including but not limited to physician,
17 nursing, administrative or other non-medical personnel as HOSPITAL deems necessary for
18 the proper operation of the Department shall be either employed or contracted outside the
19 Agreement as separate contractors, and compensated by HOSPITAL in consultation with the
20 Medical Director of the Hospital. Furthermore, HOSPITAL shall give due consideration to
21 removing any such person from the Clinic(s) upon request by the CONTRACTOR. In the
22 performance of their duties in the Clinic(s), such personnel shall be subject to the supervision
23 of the HOSPITAL Administrators, HOSPITAL Administration, or the Hospital Medical Director,
24 as appropriate.

25 **5.0 COMPENSATION**

26 5.1 CONTRACTOR shall bill HOSPITAL for its services in accordance with the Fee
27 Schedule in Exhibit A, attached hereto and thereby incorporated herein. All billings of

1 CONTRACTOR shall clearly reflect the services for which the billing is made, including the
2 physicians who rendered services, the date services were rendered, the rates charged, and
3 the hours worked.

4 5.2 The rates contained in the Fee Schedule shall remain in effect for the Term of
5 this Agreement.

6 5.3 Invoices shall be submitted monthly. Payment shall be due thirty (30) working
7 days from the date of receipt of the invoice.

8 5.4 Such payment by HOSPITAL shall be deemed to be made for, as provided by
9 this Agreement, services only, and HOSPITAL shall not make, nor shall CONTRACTOR claim,
10 any reimbursement for time and expense in any manner connected with transportation to or
11 from the site at which CONTRACTOR shall or may render services hereunder.

12 5.5 HOSPITAL reserves the right to correct errors on invoices, after prior
13 notification and discussion with CONTRACTOR, and pay to CONTRACTOR the corrected
14 amounts.

15 5.6 Maximum payments by HOSPITAL to CONTRACTOR shall be as specified in
16 Exhibit A, attached hereto.

17 **6.0 TERM/TERMINATION**

18 6.1 This Agreement will be effective for an "Initial Term" from December 1, 2011,
19 through June 30, 2012 and automatically continue on a year-to-year basis. Either party may
20 terminate this Agreement, without cause, at the end of the Initial Term by giving one hundred
21 eighty days (180) days prior written notice to the other party, unless otherwise terminated in
22 accordance to the provisions of Section 11 of the Agreement, or as otherwise specified herein.

23 Either party may terminate this Agreement immediately for a breach of this Agreement, by
24 giving written notice to the other parties. Failure to abide by the agreed terms and conditions
25 may result in immediate termination of the Agreement.

26 6.2 Either party may terminate this Agreement, after the Initial Term of the
27 Agreement, at any time, without cause, by giving one hundred eighty (180) days prior written

1 notice to the other party.

2 6.3 Notwithstanding any of the provisions of this Agreement, CONTRACTOR's
3 rights under this Agreement shall terminate (except for fees accrued prior to the date of
4 termination) upon CONTRACTOR's closure; i.e., failure to continue in business, or in the
5 event of fraud, dishonesty, or a willful or material breach of this Agreement by CONTRACTOR,
6 or, at HOSPITAL's election, in the event of CONTRACTOR's unwillingness or inability for any
7 reason whatsoever to perform the duties hereunder. In such event, CONTRACTOR shall be
8 entitled to no further compensation under this Agreement, it being the intent that
9 CONTRACTOR shall be paid as specified in Exhibit A only during such period that
10 CONTRACTOR shall, in fact, be performing the duties hereunder.

11 6.4 In the event that there shall be a change in the Medicare or Medi-Cal Acts,
12 regulations, or general instructions (or application thereof), the adoption of new regulation(s),
13 or a change in any third-party payer reimbursement system, any of which materially affects the
14 reimbursement which CONTRACTOR or COUNTY may receive for services furnished to
15 patients through this Agreement, either party may by notice propose a new basis for
16 compensation for the services furnished pursuant to this Agreement. If such notice of new
17 basis is given and if CONTRACTOR and COUNTY are unable within thirty (30) days thereafter
18 to agree upon a new basis for compensation, either party may terminate this Agreement by
19 sixty (60) days notice to the other on any future date specified in such notice.

20 6.5 In the event of non-availability of COUNTY funds, this Agreement shall be
21 deemed terminated and of no further force and effect immediately on receipt of COUNTY's
22 notification to CONTRACTOR. In the event of such termination, CONTRACTOR shall be
23 entitled to reimbursement of costs in accordance with Section 5, Compensation.

24 **7.0 INDEMNIFICATION**

25 CONTRACTOR agrees to indemnify and hold harmless the COUNTY of Riverside, its
26 Agencies, Districts, Special Districts and Departments, their respective directors, officers,
27 Board of Supervisors, elected and appointed officials, agents, employees, and representatives

1 from any and all liability whatsoever, based or asserted upon any services of CONTRACTOR,
2 its officers, employees, subcontractors, agents or representatives resulting from this
3 Agreement, including but not limited to, property damage, bodily injury, or death or any other
4 element of any kind or nature whatsoever resulting from the performance of CONTRACTOR ,
5 its officers, agents, employees, subcontractors, or representatives from this Agreement.
6 CONTRACTOR shall defend, at its sole expense, all costs and fees including, but not limited
7 to, attorney fees, cost of investigation, defense and settlements or awards, the County of
8 Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors,
9 officers, Board of Supervisors, elected and appointed officials, employees, agents and
10 representatives in any claim or action based upon such alleged liability.

11 With respect to any action or claim subject to indemnification herein by
12 CONTRACTOR, CONTRACTOR shall, at their sole cost, have the right to use counsel of
13 their own choice and shall have the right to adjust, settle, or compromise any such action of
14 claim without the prior consent of COUNTY; provided however, that any such adjustment,
15 settlement or compromise in no manner whatsoever limits or circumscribes CONTRACTOR's
16 indemnification to COUNTY as set forth herein.

17 CONTRACTOR's obligation hereunder shall be satisfied when CONTRACTOR has
18 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for
19 the action or claim involved.

20 The specified insurance limits required in this Agreement shall in no way limit or
21 circumscribe CONTRACTOR's obligation to indemnify and hold harmless the COUNTY herein
22 from third party claims.

23 In the event there is a conflict between this clause and California Civil Code Section
24 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall
25 not relieve the CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by
26 law.

27 Liability resulting from Professional acts of the CONTRACTOR shall be subject to the

1 terms of Exhibit C, attached hereto.

2 **8.0 INSURANCE**

3 Without omitting or diminishing the CONTRACTOR 's obligation to indemnify or hold
4 the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be
5 maintained, at its sole cost and expense, the following insurance coverage's during the term
6 of this Agreement.

7 8.1 WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY

8 If the CONTRACTOR has employees as defined by the State of California, the
9 CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A)
10 and/or program of self-insurance as prescribed by the laws of the State of California. Policy
11 shall include Employers' Liability (Coverage B) including Occupational Disease with limits not
12 less than \$1,000,000 per person per accident. This policy shall be endorsed to waive
13 subrogation in favor of The County of Riverside, and if applicable to provide a Borrowed
14 Servant/Alternate Employer Endorsement.

15 8.2 COMMERCIAL GENERAL LIABILITY INSURANCE

16 Commercial General Liability Insurance and/or program of self-insurance
17 coverage including, but not limited to, premises liability, contractual liability, products and
18 completed operations liability, personal and advertising injury covering claims which result
19 from or out of CONTRACTOR's performance of its obligations hereunder. Policy shall name
20 the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their
21 respective directors, officers, Board of Supervisors, employees, elected or appointed officials,
22 agents, or representatives as Additional Insureds. Policy's limit of liability shall not be less
23 than \$1,000,000 per occurrence combined single limit. If such insurance contains a general
24 aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the
25 occurrence limit.

26 8.3 VEHICLE LIABILITY

27 8.3.1 If vehicles or mobile equipment are used in the performance of the

1 obligations under this Agreement, then CONTRACTOR shall maintain vehicle liability
2 insurance for all owned, non-owned, or hired vehicles so used in an amount not less than
3 \$1,000,000 per occurrence combined single limit. If such insurance contains a general
4 aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the
5 occurrence limit. Policy shall name the County of Riverside, its Agencies, Districts, Special
6 Districts, and Departments, their respective directors, officers, Board of Supervisors, elected
7 officials, employees, elected or appointed officials, agents, or representatives as Additional
8 Insureds.

9 8.4 GENERAL INSURANCE PROVISIONS

10 8.4.1 Any insurance carrier providing insurance coverage hereunder shall be
11 admitted to the State of California and have an A.M. BEST rating of not less than an A:VIII
12 (A:8) unless the requirements are waived, in writing, by the County Risk Manager. If the
13 County's Risk Manager waives a requirement for a particular insurer such waiver is only valid
14 for that specific insurer and only for one policy term.

15 8.4.2 The CONTRACTOR's Insurance carrier(s) must declare its insurance
16 deductibles or self-insured retentions. If such deductibles and retentions exceed \$500,000 per
17 occurrence such deductibles or self-insured retentions shall have the prior written consent
18 from the County Risk Manager before the commencement of operations under this
19 Agreement. Upon notification of deductibles or self-insured retentions unacceptable to
20 COUNTY, and at the election of the County Risk Manager, CONTRACTOR's carriers shall
21 either; 1) reduce or eliminate such deductibles or self-insured retentions as respects this
22 Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and
23 related investigations, and defense costs and expenses.

24 8.4.3 CONTRACTOR shall cause CONTRACTOR's insurance carrier(s) to
25 furnish the County of Riverside with either; 1) a properly executed original Certificate(s) of
26 Insurance and certified original copies of Endorsements affecting coverage as required herein,
27 or 2) if requested to do so orally or in writing by the County Risk Manager, provide original

1 Certified copies of policies including all Endorsements and all attachments thereto, showing
2 such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance
3 shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall
4 be given to the County of Riverside prior to any material modification, cancellation, expiration
5 or reduction in coverage of such insurance. In the event of a material modification,
6 cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith,
7 unless the County of Riverside receives, prior to such effective date, another properly
8 executed original Certificate of Insurance and original copies of endorsements or certified
9 original policies, including all endorsements and attachments thereto evidencing coverage's
10 set forth herein and the insurance required herein is in full force and effect. CONTRACTOR
11 shall not commence operations until the County of Riverside has been furnished original
12 Certificate(s) of Insurance and certified original copies of endorsements and if requested,
13 certified original policies of insurance including all endorsements and any and all other
14 attachments as required in this Section. An individual authorized by the insurance carrier to
15 do so on its behalf shall sign the original endorsements for each policy and the Certificate of
16 Insurance.

17 8.4.4 It is understood and agreed to by the parties hereto and the insurance
18 company(s) that the Certificate(s) of Insurance and policies shall so covenant and shall be
19 construed as primary insurance, and COUNTY's insurance and/or deductibles and/or self-
20 insured retentions or self-insured programs shall not be construed as contributory.

21 8.4.5 The COUNTY's Reserved Rights-Insurance. If, during the term of this
22 Agreement or any extension thereof, there is a material change in the scope of services; or,
23 there is a material change in the equipment to be used in the performance of the scope of
24 work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.);
25 or, the term of this Agreement, including any extensions thereof, exceeds five (5) years the
26 COUNTY reserves the right to adjust the types of insurance required under this Agreement
27 and the monetary limits of liability for the insurance coverage's currently required herein, if, in

1 the County Risk Manager's reasonable judgment, the amount or type of insurance carried by
2 the CONTRACTOR has become inadequate.

3 8.4.6 CONTRACTOR shall pass down the insurance obligations contained
4 herein to all tiers of subcontractors working under this Agreement

5 8.4.7 The insurance requirements described herein may be met with a
6 program of self-insurance or a combination of insurance and self-insurance.

7 8.4.8 CONTRACTOR agrees to notify COUNTY of any claim by a third party
8 or any incident or event that may give rise to a claim arising from the performance of this
9 Agreement.

10 **9.0 OSHA REGULATION**

11 CONTRACTOR certifies awareness of the Occupational Safety and Health
12 Administration (OSHA) of the U.S. Department of Labor regulations, the derivative Cal/OSHA
13 standards, and laws and regulations relating thereto, and shall comply therewith as to all
14 relative elements under this Agreement.

15 **10.0 JCAHO STANDARDS**

16 CONTRACTOR certifies awareness of the Joint Commission on Accreditation of
17 Healthcare Organizations (JCAHO) Standards for Acute Care Hospitals and Ambulatory Care
18 Clinics and shall comply therewith as to all relative elements, including competency
19 requirements under this Agreement.

20 **11.0 WORK PRODUCT**

21 All reports, preliminary findings, or data assembled or compiled by CONTRACTOR
22 under this Agreement become the property of the COUNTY. The COUNTY reserves the right
23 to authorize others to use or reproduce such materials. Therefore, such materials may not be
24 circulated in whole or in part, nor released, to the public without the direct authorization of the
25 Hospital Director or an authorized designee.

26 **12.0 RESEARCH/INVESTIGATIONAL STUDIES**

27 CONTRACTOR agrees, in compliance with COUNTY Medical Staff Bylaws, Rules and

1 Regulations, that any investigational study protocols or planned research to be done at
2 Riverside County Regional Medical Center (RCRMC) will be submitted to the RCRMC
3 Institutional Review Board (IRB) for approval and coordination of final approval from the
4 RCRMC Medical Executive Committee (MEC) prior to implementation of any part of the
5 protocol or research at RCRMC. CONTRACTOR agrees that no patients enrolled in research
6 studies will be admitted to, or registered as an outpatient at, RCRMC for provision of care
7 under the procedures of the research protocol or study design until final IRB and MEC
8 approvals of the research have been granted.

9 **13.0 ASSIGNMENT/DELEGATION**

10 13.1 This Agreement shall not be delegated or assigned by CONTRACTOR, either
11 in whole or in part, without prior written consent of COUNTY, provided, however, obligations
12 undertaken by CONTRACTOR pursuant to this Agreement may be carried out by means of
13 subcontracts if approved by COUNTY. No subcontract shall terminate or alter the
14 responsibilities of CONTRACTOR to COUNTY pursuant to this Agreement. CONTRACTOR
15 agrees that subcontracts developed to provide services or perform any investigational studies
16 or research at RCRMC shall contain the same obligations contained in this Agreement
17 regarding the performance of patient care services at RCRMC. Any attempted assignment or
18 delegation in derogation of this paragraph shall be void. It is acknowledged and agreed that
19 this paragraph is not intended to limit the use of independent contractors by CONTRACTOR
20 under this Agreement.

21 13.2 CONTRACTOR shall indemnify and hold harmless COUNTY from the acts of
22 any subcontractor in accordance with Section 7, Indemnification.

23 13.3 CONTRACTOR agrees that each of its subcontracts or agreements with all of
24 the physicians and health professionals providing services at HOSPITAL must contain a
25 clause whereby said physicians and health professionals who jeopardize the license or
26 accreditation of HOSPITAL may be removed from HOSPITAL by CONTRACTOR and/or
27 HOSPITAL.

1 13.4 CONTRACTOR agrees that any development of physician residency training
2 agreements wherein the resident(s) will be placed at RCRMC must be submitted at least sixty
3 (60) days in advance to RCRMC Administration for review and processing prior to making any
4 commitment to the resident(s) regarding such placement.

5 13.5 A change in the business structure of CONTRACTOR, including but not limited
6 to a change in the majority ownership, change in the form of CONTRACTOR's business
7 organization, management of CONTRACTOR, CONTRACTOR's business organization,
8 CONTRACTOR's ownership of other businesses dealing with CONTRACTOR under this
9 Agreement, or filing reorganization or bankruptcy by CONTRACTOR shall be deemed an
10 assignment for purposes of this Section.

11 **14.0 COVENANTS NOT TO COMPETE**

12 14.1 During the term of this Agreement, CONTRACTOR shall not for any reason
13 enter into an agreement with any entity or person to serve as director of, or otherwise
14 perform services in any facility within the County of Riverside and extending for a ten (10)
15 mile radius from HOSPITAL. COUNTY acknowledges CONTRACTOR's current
16 participation with sites and various hospital facilities in existence prior to this Agreement
17 that does not conflict with the performance of services required under this Agreement.

18 14.2 Any exceptions to the above can only be permitted upon the prior written
19 approval of the Hospital Director/CEO.

20 14.2 In the event of any breach or threatened breach of this provision,
21 HOSPITAL shall be entitled to injunctive or other equitable relief. Such relief shall be in
22 addition to, but not in lieu of, any other remedies that may be available to HOSPITAL,
23 including an action for the recovery of damages. If a court of competent jurisdiction
24 determines that the scope of this provision is too broad in any respect, the scope shall be
25 deemed to be reduced and/or narrowed to such scope as is found lawful and reasonable
26 by such court. However, the parties acknowledge that this provision has been negotiated
27 by the parties and that the geographical limitations as well as the limitation on activities are

1 reasonable in light of the circumstances surrounding this Agreement.

2 **15.0 WAIVER OF PERFORMANCE**

3 Any waiver by COUNTY of any breach of any one or more of the terms of this
4 Agreement shall not be construed to be a waiver of any subsequent or other breach of the
5 same or of any other term thereof. Failure on the part of the COUNTY to require exact, full
6 and complete compliance with any terms of this Agreement shall not be construed as in any
7 manner changing the terms or stopping COUNTY from enforcement hereof.

8 **16.0 RECORDS AND REPORTS**

9 16.1 CONTRACTOR agrees to provide to COUNTY such reports as may be
10 required by the Hospital Director, or designee, with respect to the services set forth under this
11 Agreement.

12 16.2 To the extent necessary to prevent disallowance of reimbursement under 42
13 U.S.C. 1395x(v)(I)(1), and regulations promulgated pursuant thereto, until the expiration of five
14 (5) years after the furnishing of services under this Agreement, CONTRACTOR shall make
15 available, upon written request to the Comptroller General of the U.S. General Accounting
16 Office, or any of their duly authorized representatives, a copy of this Agreement and such
17 books, documents, and records as are necessary to certify the nature and extent of the cost of
18 the services provided by CONTRACTOR.

19 16.3 COUNTY agrees to provide CONTRACTOR with access to all reports, records
20 and other applicable patient information as may be needed by CONTRACTOR to provide and
21 (if applicable) bill for patient care services.

22 **17.0 PERFORMANCE EVALUATION**

23 CONTRACTOR hereby agrees to permit an appropriate official of the HOSPITAL,
24 State or federal government to monitor, assess, or evaluate CONTRACTOR's performance
25 under this Agreement. Monitoring shall include a quarterly assessment of the performance
26 requirements listed in Exhibit A, Section 1.2 Performance Requirements, attached hereto, and
27 is hereby incorporated herein. The quarterly assessment reports shall be reviewed jointly by

1 HOSPITAL and CONTRACTOR to evaluate CONTRACTOR's performance under this
2 Agreement.

3 **18.0 CONFIDENTIALITY**

4 18.1 CONTRACTOR shall maintain the confidentiality of any and all patient records
5 and information which may be reviewed under the terms and intent of this Agreement,
6 including protection of names and other identifying information from unauthorized disclosure,
7 except for statistical information which shall not identify any patient and which shall be used
8 only for carrying out the obligations of CONTRACTOR under this Agreement.

9 18.2 CONTRACTOR shall not disclose, except as specifically permitted by this
10 Agreement, or as authorized by the patient(s), any oral or written communication, information,
11 or effort of cooperation between HOSPITAL and CONTRACTOR, or between HOSPITAL and
12 CONTRACTOR and any other party.

13 18.3 CONTRACTOR shall observe all Federal, State, and COUNTY laws and
14 regulations, including, but not limited to, the Health Insurance Portability and Accountability Act
15 of 1996 and any subsequent revisions thereto, concerning the security and privacy of patient
16 records and information.

17 **19.0 INDEPENDENT CONTRACTOR**

18 19.1 The CONTRACTOR is, for purposes arising out of this Agreement, an
19 Independent Contractor and shall not be deemed an employee of the COUNTY. It is
20 expressly understood and agreed that the CONTRACTOR shall in no event, as a result of this
21 Agreement, be entitled to any benefits to which COUNTY employees are entitled, including but
22 not limited to overtime, any retirement benefits, Workers' Compensation benefits and injury
23 leave or other leave benefits. CONTRACTOR hereby holds COUNTY harmless from any and
24 all claims that may be made against COUNTY based upon any contention by any third party
25 that an employer-employee relationship exists by reason of this Agreement. Notwithstanding
26 the foregoing, if COUNTY determines that pursuant to federal and State law CONTRACTOR
27 is an employee for purposes of income tax withholding, COUNTY shall upon two (2) weeks

1 notice to CONTRACTOR withhold from the payments hereunder to CONTRACTOR, federal
2 and State income taxes and pay said sums over to the federal and State Governments.

3 19.2 It is further understood and agreed by the parties hereto that CONTRACTOR in
4 the performance of its obligations hereunder is subject to the control or direction of HOSPITAL
5 merely as to the result to be accomplished by the services hereunder agreed to be rendered
6 and performed and not as to the means and methods for accomplishing the results, provided
7 always that the services to be performed hereunder by CONTRACTOR shall be provided in a
8 manner consistent with all regulatory, including federal, State, and local agencies, accrediting
9 and licensing agencies, HOSPITAL Medical Staff Bylaws, Rules, and Regulations, and
10 policies and procedures, as may be amended from time to time, as well as community
11 standards governing such services and the provisions of this Agreement.

12 **20.0 NONDISCRIMINATION**

13 20.1 To the extent prohibited by applicable law, CONTRACTOR shall not unlawfully
14 discriminate in the provision of services, allocation of benefits, accommodation in facilities, or
15 employment of personnel, on the basis of ethnic group identification, race, color, creed,
16 ancestry, religion, national origin, sexual preference, sex, age (over 40), marital status,
17 medical condition, or physical or mental handicap, and shall comply with all other applicable
18 requirements of law regarding nondiscrimination and equal opportunity employment including
19 those laws pertaining to the prohibition of discrimination against qualified handicapped
20 persons in all programs or activities, and to the extent they shall be found to be applicable
21 hereto, shall comply with the provisions of the California Fair Employment Practices Act
22 (commencing with Section 12990 et seq. of the Government Code) and Federal Civil Rights
23 Act of 1962 (P.L. 88-352).

24 20.2 For the purpose of this Agreement, distinctions on the grounds of race, religion,
25 color, sex, nationality, age, or physical or mental handicap include, but are not limited to, the
26 following:

27 A. Denying an eligible person or providing to an eligible person any

1 services or benefit which is different, or is provided in a different manner or at a different time
2 from that provided to other eligible persons under this Agreement.

3 B. Subjecting an eligible person to segregation or separate treatment in
4 any matter related to receipt of any service, except when necessary for infection control.

5 C. Restricting an eligible person in any way in the enjoyment of any
6 advantage or privilege enjoyed by others receiving a similar service or benefit.

7 D. Treating an eligible person differently from others in determining
8 whether he/she satisfied any eligibility, membership, or other requirement or condition which
9 individuals must meet in order to be provided a similar service or benefit.

10 E. The assignment of times or places for the provision of services on the
11 basis of race, religion, color, sex, national origin, age, or physical or mental handicap of the
12 eligible person to be served.

13 **21.0 CONFLICT OF INTEREST**

14 The parties hereto and their respective employees or agents shall have no interest,
15 and shall not acquire any interest, direct or indirect, which will conflict in any manner or degree
16 with the performance of services required under this Agreement. CONTRACTOR shall submit
17 an annual statement of economic conflict of interest disclosure form as designated by the
18 HOSPITAL.

19 **22.0 SEVERABILITY**

20 If any provision in this Agreement is held by a court of competent jurisdiction to be
21 invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force
22 without being impaired or invalidated in any way.

23 **23.0 ADMINISTRATION**

24 The Hospital Director/CEO (or designee) shall administer this Agreement on behalf of the
25 COUNTY.

26 **24.0 HOSPITAL ACCREDITATION/LICENSE**

27 24.1 Any action or failure to act on the part of CONTRACTOR that results in the

1 threatened loss of accreditation or licensure of the HOSPITAL will be considered a material
2 breach of this Agreement.

3 24.2 In the event of breach of Agreement pursuant to this Section, COUNTY may
4 terminate this Agreement upon the basis of cause as set forth in Section 6,
5 TERM/TERMINATION.

6 **25.0 JURISDICTION, VENUE, AND ATTORNEY FEES**

7 This Agreement is to be construed under the laws of the State of California. The
8 parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside,
9 State of California. Should action be brought to enforce or interpret the provisions of the
10 Agreement, the prevailing party shall be entitled to attorney's fees in addition to whatever other
11 relief is granted.

12 **26.0 PROHIBITION OF PAYMENT OF FUNDS TO INFLUENCE LEGISLATION**

13 CONTRACTOR shall not use any funds provided hereunder to pay the salary or
14 expenses of any person or entity who, while on the job, is engaging in activities designed to
15 influence legislation or appropriations pending before Congress of the United States,
16 California State Legislature, or Riverside County Board of Supervisors.

17 **27.0 FORCE MAJEURE**

18 Neither party shall be liable nor deemed to be in default for any delay or failure in
19 performance under this Agreement or other interruption of service or employment deemed
20 resulting, directly or indirectly, from acts of God.

21 **28.0 ENTIRE AGREEMENT**

22 This Agreement constitutes the entire agreement between the parties hereto with
23 respect to the subject matter hereof and all prior or contemporaneous agreements of any kind
24 or nature relating to the same shall be deemed to be merged herein. Any modifications to the
25 terms of this Agreement must be in writing and signed by the parties hereto, and no oral
26 understanding or agreement not incorporated herein shall be binding on any of the parties
27 hereto.

IN WITNESS WHEREOF, THE UNDERSIGNED HAVE EXECUTED THIS AGREEMENT

EFFECTIVE AS OF December 1, 2011.

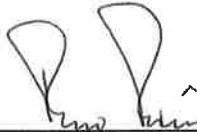
COUNTY:

CONTRACTOR:

Approved:

County of Riverside

By: _____
Bob Buster
Chairman, Board of Supervisors

By: _____

President

Date: _____

Date: 11/22/2011

By: _____

Douglas Bagley
Hospital Director/CEO

Date: 12/12/11

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5 **29.0 NOTICES**

Any notice required or authorized under this Agreement shall be in writing. If notice is given by United States mail, it shall be sent registered or certified mail, return receipt requested, addressed as follows:

6 **CONTRACTOR:**

Faculty Physicians and Surgeons of LLUSM
Faculty Medical Offices
11175 Campus Street
Coleman Pavilion, Room 11120
Loma Linda, CA 92354

COUNTY:

Riverside County Regional Medical Center
26520 Cactus Avenue
Moreno Valley, CA 92555
Attention: Hospital Director/CEO

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10 Notice delivered personally is effective upon delivery. Notice given by mail is effective upon
11 date of mailing.

12 **30.0 HEADING**

Headings are for the purpose of convenience and easy reference only and shall not limit or otherwise affect the meaning of a provision.

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15 **31.0 COUNTERPARTS**

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same Agreement.

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1 IN WITNESS WHEREOF, THE UNDERSIGNED HAVE EXECUTED THIS AGREEMENT
2 EFFECTIVE AS OF December 1, 2011.

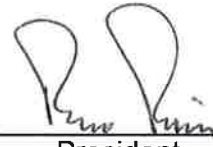
3 COUNTY:

CONTRACTOR:

4 **Approved:**

5 County of Riverside

6 By: _____
7 Bob Buster
8 Chairman, Board of Supervisors

By:  _____
President

9 Date: _____

Date: 11/22/2011

10
11
12 By:  _____
13 Douglas Bagley
Hospital Director/CEO

14 Date: 12/12/11

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17 FORM APPROVED COUNTY COUNSEL
18 BY:  _____
19 NEAL R. KIPNIS DATE

1 EXHIBIT A
2 TO
3 AGREEMENT BETWEEN RIVERSIDE COUNTY
4 AND
5 FACULTY PHYSICIANS AND SURGEONS OF LLUSM (CONTRACTOR)
6 PAYMENT PROVISIONS

7 In consideration of services provided by CONTRACTOR, pursuant to this Agreement,
8 CONTRACTOR shall be entitled to receive payment by HOSPITAL in accordance with
9 HOSPITAL policy and procedures as follows:

10 1.0 Subject to the conditions set forth below, HOSPITAL shall pay CONTRACTOR a total
11 of three hundred fifty two thousand (\$352,000) dollars per year for the services of an adequate
12 number of Dermatology specialist physicians from the CONTRACTOR'S Medical Group to
13 provide outpatient dermatology clinical services (1/2 day clinics), inpatient and outpatient
14 surgical procedures, inpatient and outpatient services and consultations, administrative duties,
15 supervisory duties, teaching services, development of treatment protocols and supervision of
16 all Dermatology professional services provided at HOSPITAL. At a minimum, there must be
17 one (1) full time equivalent (FTE) physician available five (5) days per week to oversee the
18 dermatology clinic, provide half-day dermatology clinic(s), consultations, and dermatological
19 surgical services. Payments to CONTRACTOR shall be made on a monthly basis during the
20 Term of this Agreement. HOSPITAL shall pay CONTRACTOR payments by the invoice
21 method specified below:

22 1.1 **Compensation for Direct Patient Care**

23 1.1.1 Inpatient Care

24 Except as otherwise noted in this Agreement, HOSPITAL shall not
25 compensate CONTRACTOR for the rendering of direct inpatient care to hospitalized
26 patients. CONTRACTOR shall be entitled to obtain payment for said inpatient care,
emergency room care, outpatient care, or outpatient/inpatient diagnostic professional

1 services from the patient receiving the care and/or any third party payer in accordance with
2 the laws and regulations of the State of California, the United States, and any appropriate
3 governmental agency. Non-compensated care (including but not limited to any COUNTY
4 financial obligation for patient care as identified in Section 1.3, below) shall be considered
5 covered under the payment from HOSPITAL to CONTRACTOR. CONTRACTOR shall be
6 responsible at its own expense for billing and collecting amounts owed for direct patient
7 care. CONTRACTOR shall not bill patients or HOSPITAL for services and responsibilities
8 rendered by CONTRACTOR as specified in Section 1.3, below. HOSPITAL shall use its
9 best efforts to provide CONTRACTOR or its billing agents with all records and data
10 necessary to accomplish inpatient billing in an efficient and timely manner.

11 1.1.2 Outpatient Care

12 CONTRACTOR shall bill Medicare, Medi-Cal and all other thirty party
13 payers for the professional fees for outpatient services performed in the HOSPITAL
14 Outpatient Clinic(s), using the appropriate place of service code, on such billed item as
15 required by federal regulation to designate that the service is being provided in an
16 "outpatient hospital based clinic."

17 1.2 Performance Requirements

18 1.2.1 CONTRACTOR shall meet patient care performance requirements
19 (including but not limited to, providing patient and family education in accordance with JCAHO
20 standards, timely completion of medical records, Medi-Cal managed care patient-access
21 standards, and on-time attendance for scheduled Dermatology Surgical Specialty Care and
22 Dermatology half-day clinic services). The following performance requirements will have
23 penalties deducted as indicated for failure to perform:

24 1.2.1.1 HOSPITAL may deduct five percent (5%) of the monthly amount
25 owed to CONTRACTOR if more than ten percent(10%) of surgical services are cancelled
26 because of inadequate work-up or lack of signed medical releases ninety-five percent (95%)
of the time per month.

1 1.2.1.2 HOSPITAL may deduct five percent (5%) of the monthly amount
2 owed to CONTRACTOR if CONTRACTOR provider is more than fifteen (15) minutes late to
3 scheduled appointment/procedure, greater than ninety-five percent (95%) of the time per
4 month.

5 1.2.1.3 Full compliance with Medi-Cal managed care access requirements for
6 availability of specialist care services to Medi-Cal managed care members.

7 1.2.1.4 CONTRACTOR agrees to dictate reports immediately after completion
8 of procedures and to sign the dictated report no later than fourteen (14) days after patient
9 discharge.

10 On a weekly basis each attending will go to medical records for
11 completion of all the records pending under his or her name. This will include signatures or
12 dictation not completed by residents. This will avoid having to call residents from other
13 hospitals to come back and complete the charts. CONTRACTOR agrees to complete medical
14 records for all patient cared for no later than fourteen (14) days after patient discharge in
15 compliance with COUNTY Medical Staff Bylaws, Rules and Regulations. CONTRACTOR
16 agrees to dictate reports immediately after completion of procedures.

17 HOSPITAL may deduct five (5%) percent of the monthly amount owed
18 to CONTRACTOR if more than five (5%) percent of Medical Records completion and dictation
19 of reports is not maintained during the month.

20 1.2.2 CONTRACTOR and HOSPITAL agree to review and discuss quarterly
21 reports of Performance Standards data as monitored by HOSPITAL before deduction in the
22 monthly amount of reimbursement occurs. Report format and data collection will be mutually
23 agreed by the parties hereto.

24 1.3 Exclusion Billing

25 CONTRACTOR shall not be entitled to bill or be reimbursed separately for any
26 COUNTY patient care (inpatient or outpatient) for Juvenile Hall patients, Riverside County jail

1 patients, or patients of the Medically Indigent Services Program (MISP) or patients of the
2 Riverside County HealthCare (RCHC) program. Such claims shall be considered paid in full
3 from the HOSPITAL monthly payment to CONTRACTOR, specified in Section 1.0, above.

4 **2.0 Billing Cycle**

5 No later than the fourteenth (14th) working day of each month during the Term hereof,
6 CONTRACTOR shall submit to HOSPITAL a monthly billing, in arrears of completion of each
7 month/unit of service. Any bill not timely submitted shall be deemed submitted with the next
8 billing cycle for payment by HOSPITAL.

9 **3.0 Maximum Annual Compensation**

10 Maximum annual compensation payable under this Agreement shall not exceed three
11 hundred fifty two thousand (\$352,000) dollars.

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1 EXHIBIT C
2 TO
3 AGREEMENT
4 BETWEEN RIVERSIDE COUNTY
5 AND
6 FACULTY PHYSICIANS AND SURGEONS OF LLUSM (CONTRACTOR)

7 PROFESSIONAL LIABILITY INDEMNITY

8 1.0 As an additional element of compensation to the CONTRACTOR, the COUNTY shall
9 indemnify the CONTRACTOR and provide Professional Liability insurance to the
10 CONTRACTOR (upon approval of County Risk Management) as provided hereunder solely
11 and exclusively to the extent that it pertains to the professional medical services performed
12 under this Agreement on behalf of COUNTY, in so long as the CONTRACTOR follows and
13 does not intentionally ignore COUNTY policies and procedures and other regulatory agencies'
14 rules, laws, and standards of care or commit willful or wanton acts of negligence.

15 2.0 For purposes of this Exhibit, the term "CONTRACTOR" shall include:

16 2.1 The CONTRACTOR itself;

17 2.2 The CONTRACTOR's physician employees and independent physician
18 contractors; and

19 2.3 Physician extenders employed under this Agreement.

20 3.0 The COUNTY shall, subject to the terms, limitations, exclusions, and conditions of this
21 Agreement, including this Exhibit, indemnify, defend, and hold harmless the CONTRACTOR
22 for any and all sums which the CONTRACTOR shall by law be held liable to pay for damages
23 arising out of any demand for money or services by any patient or anyone claiming damages
24 on account of bodily injury or mental injury to or death of any patient caused by or alleged to
25 have been caused by error, omission, or negligence, active or passive, so long as it is not
26 deemed a willful or wanton omission, error, or negligence, nor for punitive damage awards in
professional services rendered or that should have been rendered by CONTRACTOR

exclusively at HOSPITAL or on behalf of COUNTY, provided always that:

1 3.1 Such malpractice results in a claim being made or legal action commenced
2 against the CONTRACTOR, and notice of such claim or action has been given in accordance
3 with the provisions contained in Section 8 of this Exhibit.

4 3.2 There shall be no liability coverage provided hereunder for any claim or action
5 against the CONTRACTOR for malpractice committed or alleged to have been committed
6 prior to the effective date of the Agreement nor following termination of this Agreement except
7 for services provided during the Term of the Agreement and/or for the CONTRACTOR or
8 physician rendering service hereunder as described in Section 2 of this Exhibit.

9 4.0 The indemnification promised hereby shall include all theories of liability against the
10 CONTRACTOR regardless of whether said liability is founded on negligence or strict liability or
11 any other rule or law attributing liability to the CONTRACTOR. Such indemnification as is
12 afforded by this Agreement is extended to include the CONTRACTOR only while it is acting
13 within the scope of duty pursuant to the terms of this Agreement and shall not apply to acts or
14 omissions by or at the direction of the CONTRACTOR or if intentionally committed or
15 committed with malice. In addition, the indemnification promised hereby shall not include any
16 exemplary or punitive damages levied against the CONTRACTOR, any act committed in
17 violation of any laws or ordinances resulting in a criminal conviction, professional services
18 rendered while under the influence of intoxicants or narcotics, or any practice or service not
19 required by the terms of this Agreement.

20 5.0 In providing for such indemnification, it is not the intent of either party to waive any
21 applicable statutory or other immunity from liability or any of claims requirements of the
22 Government Code. Such indemnification shall not exceed one million dollars (\$1,000,000) for
23 any single act or omission indemnifiable hereunder, or the sum of three million dollars
24 (\$3,000,000) aggregate for all acts or omissions indemnifiable hereunder per each physician
25 member which occur in any single year of this Agreement. CONTRACTOR acknowledges and
26 agrees that for any claims that exceed one million dollars (\$1,000,000) or three million dollars

1 dollars (\$3,000,000) in the aggregate, CONTRACTOR shall not seek indemnification from
2 COUNTY, and CONTRACTOR shall assume all financial responsibility for such claims. For
3 purposes of this Exhibit, said operating year shall begin with the date on which this Agreement
4 is executed by the COUNTY Board of Supervisors and shall conclude on June 30 of that fiscal
5 year; thereafter, each operating year shall run from July 1 to June 30.

6 6.0 The COUNTY may provide the indemnification referred to above through a program of
7 self-insurance. The CONTRACTOR shall follow the guidelines and procedures contained in
8 any risk management and HOSPITAL plan, which may be established by COUNTY, and
9 applicable federal and State law.

10 7.0 As respects the indemnity afforded by this Agreement, the COUNTY shall, in the name
11 of and on behalf of the CONTRACTOR, diligently investigate and defend any and all claims or
12 suits made or brought against CONTRACTOR, shall retain legal counsel (attorney[ies]) skilled
13 in investigation, defense, and settlement of medical malpractice claims, and shall pay all costs
14 and expenses incurred in any such investigation and defense, including, but not limited to,
15 attorney's fees, expert witness fees, and court costs. In addition to, and not inconsistent with
16 any other provision of this Exhibit, the CONTRACTOR shall cooperate at the discretion of the
17 COUNTY in the investigation, settlement, or defense of any claim or suit against the
18 CONTRACTOR. If the CONTRACTOR in any such claim or suit refuses to consent to any
19 settlement recommended in writing by the COUNTY and elects to contest or continue any
20 legal proceedings, the liability of the COUNTY shall not exceed the amount for which the claim
21 or suit could have been so settled, plus reasonable costs with its consent up to the date of
22 such refusal. Any judgment rendered against the CONTRACTOR in excess of the settlement
23 amount recommended in writing by the COUNTY shall be the sole responsibility of the
24 CONTRACTOR, including all costs and all attorneys' fees relating to such excess amount.

25 8.0 The following are conditions precedent to the right of the CONTRACTOR to be
26 defended and/or indemnified under this Exhibit, provided that the COUNTY may not disclaim
such defense and/or indemnification if it has not been materially prejudiced by the

nonperformance of such conditions:

1 8.1 During the Term of this Agreement, the CONTRACTOR shall promptly, but no
2 less than within two (2) business days, after receiving knowledge of any event described in this
3 subsection (8.1) of this Section 8, give to the persons or persons designated by the County
4 notice in writing of:

5 A. Any conduct or circumstances which the CONTRACTOR believes to
6 give rise to a claim for malpractice being made against the CONTRACTOR; or

7 B. Any claim for malpractice made against the CONTRACTOR; or

8 C. The receipt of notice from any person of any intention to hold the
9 CONTRACTOR responsible for any malpractice.

10 8.2 The CONTRACTOR shall at all times without charge to the COUNTY:

11 A. Give to the COUNTY or its duly appointed representative any and all
12 information, assistance, and signed statements as the COUNTY may require; and

13 B. Assist, without cost to the CONTRACTOR, in the COUNTY's defense or
14 any claim, including without limitation, cooperating timely with the COUNTY; and, upon the
15 COUNTY's request, attend hearings and trials, assisting in effecting settlements, securing and
16 giving evidence, obtaining the attendance of witnesses and in the conduct of suits, and to
17 provide current home and work contact numbers until the full and final settlement of pay and
18 all cases involving persons mentioned in Section 2 of this Exhibit.

19 8.3 The CONTRACTOR shall not, without the written consent of COUNTY's duly
20 appointed representative, admit liability for, or settle any claim, or:

21 A. Incur on behalf of the COUNTY any cost or expense in connection with
22 such claim, or

23 B. Give any material or oral or written statements to anyone in connection
24 with admitting or settling such claim.