

817

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



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
August 30, 2013

SUBJECT: Approve Agreement between IEHP, Riverside County Health System and i2i Systems for the assignment of i2i Tracks software, maintenance and hardware to the County

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the attached agreement between IEHP, i2i Systems and RCHS for the gift of i2i Tracks software, hardware and maintenance, and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise renewal options for software maintenance for up to four additional years, based on the availability of fiscal funding, and to sign amendments that do not change the substantive terms of the agreement, including amendments to the compensation provision that do not exceed the annual CPI adjustments, and;
3. Direct the Clerk of the Board to return 3 original signed agreements to Riverside County Regional Medical Center.

BACKGROUND:

Summary

Inland Empire Health Plan (IEHP) was awarded a grant to improve quality of life to their patients through preventative and comprehensive care. To comply with the objectives of the grant, IEHP has partnered with RCHS. As part of this partnership, IEHP has agreed to purchase the i2i Tracks Disease Registry System, 10 software licenses, and the first year of maintenance.

Continue on page 2.

FISCAL PROCEDURES APPROVED
PAUL ANGIULO, CPA, AUDITOR-CONTROLLER
BY: *[Signature]* 9/9/13

[Signature: Douglas D. Bagley]
Name: Douglas D. Bagley
Title: Hospital Director

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 30,000.	\$ 14,000	\$	\$ 14,000 annually	Consent <input type="checkbox"/> Policy <input type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: 90% funded by IEHP and 10% RCHS Revenue
Budget Adjustment: No
For Fiscal Year: 13/14

C.E.O. RECOMMENDATION:

APPROVE
BY: *[Signature: Debra Courmoyer]*
Debra Courmoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* DATE: 8/30/13
NEAL R. KIPNIS
Departmental Concurrence

[Signature]
Mark Seiler, Assistant Director
Purchasing:

- Positions Added
- Change Order
- A-30
- 4/5 Vote

2013 SEP 13 6W 5:57

Prev. Agn. Ref.: | District: | Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3-51

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

FORM 11: Approve Agreement between IEHP, Riverside County Health System and i2i Systems for the assignment of i2i Tracks software, maintenance and hardware to the County

DATE: August 30, 2013

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

BACKGROUND: Inland Empire Health Plan (IEHP) was organized as a joint powers agency for a local, not-for-profit, public health plan. Currently IEHP serves over 605,000 residents of Riverside and San Bernardino counties through government-sponsored programs including Medi-Cal (families, adults, seniors and people with disabilities), Healthy Kids, and a Medicare Advantage Special Needs Program. IEHP has partnered with providers to deliver high quality health care to members since September of 1996.

Riverside County Health System (RCHS) currently operates ten (10) geographically dispersed Community Health centers and one dental clinic. The RCHS is currently utilizing the Chronic Disease Management System (CDEMS) to track chronic diseases. This system is used to track patients with chronic conditions, such as diabetes, and ensures that they are staying in line with recommended regimens for their disease. RCHS's CDEMS is an older system that can no longer be supported by current technology.

The i2i Systems will be installed in all ten Community Health Centers' and will replace the existing application CDEMS. RCHS will be reimbursed by IEHP for the purchase of the hardware required. i2i Systems was awarded the contract as the selected vendor through IEHP's RFP process.

With the i2i Tracks® system the Community Health Center's care providers will be able to provide patients with preventative health care solutions, nutritional education and counseling, treatment and follow-up options, immunizations as needed. The system i2i Tracks®, will also enhance patient care, service delivery, maximize reimbursements opportunities, and improve operational efficiency. The system will also provide improved ability to comply with reporting requirements for the Uniform Data System (UDS), Meaningful use, and the National Committee for Quality Assurance (NCQA).

Impact on Citizens and Businesses

There is no impact on the NCC. RCHS needs to cover the Service Fee through revenue (patient fees). Implementation of i2i tracks will enhance patient care as expanded on the in the background summary of this document.

SUPPLEMENTAL:

Additional Fiscal Information

IEHP will reimburse for cost of Hardware and Software purchase

Contract History and Price Reasonableness

The agreement was reviewed by a negotiation team consisting of personnel from IEHP and RCHS. The evaluation team reviewed the agreement based on i2i Systems overall responsiveness to the requirements of the County's needs, the software capability, and the overall cost to the County, which will be paid by IEHP, and the County's cost is only for maintenance. Maintenance fees charged to the County are the same rates charged to all governmental customers.



"RUSH"

PR 2013 00155

RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM

To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for Internal Use Only

*Contract Approved.

REQUESTED PURCHASE: HP PROLIANT DL380P SERVER, VMWARE/SYMANTEC/SQL/WIN SOFTWARE	
DEPARTMENT/AGENCY: RIVERSIDE COUNTY HEALTH SYSTEM	
CONTACT NAME/PHONE: ANGELA HINES *8-7284/KRIS MONTOYA *8-6144/HELEN ORONA *8-3358	
PURCHASE REQUEST: <input checked="" type="checkbox"/> NEW EQUIPMENT/SERVICES <input type="checkbox"/> UPGRADE <input type="checkbox"/> REPLACEMENT	
PURCHASE TYPE: <input type="checkbox"/> PROFESSIONAL SERVICES <input checked="" type="checkbox"/> SOFTWARE <input checked="" type="checkbox"/> HARDWARE <input type="checkbox"/> RENEWAL	
DESCRIBE REQUESTED PURCHASE	<p>HP PROLIANT DL380P SERVER, VMWARE/SYMANTEC/SQL/WIN SOFTWARE</p> <p>UPON RECEIPT OF EQUIPMENT IEHP WILL BE INVOICED FOR REIMBURSEMENT</p> <p>Covers SHPR's # 7051, # 7052 and # 7053</p>
BUSINESS NEEDS ADDRESSED	<p>RCHS-AMBULATORY CARE CURRENTLY OPERATES 10 GEOGRAPHICALLY DISPERSED COMMUNITY HEALTH CENTERS, AND ONE DENTAL CLINIC; OUR CURRENT DISEASE REGISTRY (CDEMS) CAN NO LONGER BE SUPPORTED BY CURRENT TECHNOLOGY. WITH THIS NEW DISEASE REGISTRY SYSTEM OUR HEALTH CARE PROVIDERS WILL BE ABLE TO PROVIDE OUR PATIENTS WITH PREVENTATIVE HEALTH CARE SOLUTIONS, NUTRITIONAL EDUCATION AND COUNSELING, TREATMENT AND FOLLOW-UP OPTIONS, IMMUNIZATIONS NEEDED, ETC... THE SYSTEM I2I TRACKS, WILL ALSO ENHANCE PATIENT CARE, SERVICE DELIVERY, MAXIMIZE REIMBURSEMENTS OPPORTUNITIES, AND IMPROVE OPERATIONAL EFFICIENCY. THE SYSTEM WILL ALSO PROVIDE IMPROVED ABILITY TO COMPLY WITH REPORTING REQUIREMENTS FOR UDS, MEANINGFUL USE, AND NCQA.</p> <p>IEHP WAS AWARDED A GRANT TO IMPROVE QUALITY OF LIFE TO THEIR PATIENTS THROUGH PREVENTATIVE, AND COMPREHENSIVE CARE, TO ACHIEVE THE TERMS OF THIS GRANT THEY HAVE PARTNERED WITH RCHS AMBULATORY CARE. AS PART OF THIS PARTNERSHIP IEHP HAS AGREED TO PURCHASE I2I TRACKS DISEASE REGISTRY SYSTEM, 10 SOFTWARE LICENSES, AND 1ST YEAR OF MAINTENANCE. I2I WAS AWARDED THE CONTRACT AS THE SELECTED VENDOR THROUGH IEHP'S RFP PROCESS.</p>
ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES <input type="checkbox"/> UNKNOWN
BUSINESS CRITICALITY	BUSINESS IMPACT (SELECT ALL THAT APPLY)
<input type="checkbox"/> Run the business <input checked="" type="checkbox"/> Grow the business <input checked="" type="checkbox"/> Transform the business	<input type="checkbox"/> Support current operations <input type="checkbox"/> Reduce Expenses <input checked="" type="checkbox"/> Improve Customer Service <input checked="" type="checkbox"/> Improve Operational Efficiencies
BUSINESS RISKS	Financial: Operational: N/A Customer:
ALTERNATIVE SOLUTIONS	1. [Solution] 2. [Solution] N/A 3. [Solution]
TRANSACTION	<input checked="" type="checkbox"/> Cash Purchase <input type="checkbox"/> Lease Purchase Lease Years: _____



SHIPR'S #7051, 7052, 7053

PI2 2413 - 00155

RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FORM
To be completed for all departmental purchases of IT systems, services or renewals

Tracking Number for Internal Use Only

PURCHASE COSTS	COST BENEFIT ANALYSIS			
		ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE
Hardware: \$18616.49	Current Annual Cost			
Software: \$7482.62	Ongoing Annual Cost			
Labor: \$	Annual Cost Savings			
TOTAL COST: \$ 26099.11	Net Annual Savings			
	Project implementation Cost			
	Project Payback Period? yrs			

5/9

Department Head Signature: Please see attachment Date: ~~4/24/13~~ 5/8/13

RCIT RECOMMENDATION – for purchases and renewals under \$100,000

Recommended: Yes No (Non-recommended requests submit to TSOC)

By: **RCIT - APPROVED** Date:

Chief Information Officer Signature: Date:

RCIT explanation for non-recommended requests:

TSOC RECOMMENDATION: for purchases and renewals over \$100,000 and RCIT non-recommended purchases or renewals

Recommended: Yes No (In no, provide explanation below)

TSOC Chair Signature: Date:

TSOC explanation for denied requests:

ASSIGNMENT AGREEMENT

This Assignment Agreement is made this 6th day of August, 2013, by and between the Inland Empire Health Plan, a public entity, hereinafter "Assignor," having its principal office at 303 E. Vanderbilt Way, San Bernardino, California 92408, and Riverside County, through its Riverside County Regional Medical Center – Ambulatory Care, hereinafter "Assignee," having its principal place of business at 4065 County Circle Drive, Room 304, Riverside, California 92503.

WHEREAS, Assignor entered into a Software License Agreement on the 25th of May, 2013, and a Maintenance and Support Agreement with i2i Systems, Inc. ("Licensor"), collectively, the "Agreements;" and

WHEREAS, Assignor wishes to assign all of its rights and obligations under the Agreements and all attachments thereto, to Assignee, except as expressly provided herein;

NOW THEREFORE, in consideration of the covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as follows:

1. Assignor and Assignee hereby agree that the Assignor shall assign all its right, title, and interest, and delegate all its obligations, responsibilities and duties, in and to the Agreements, to Assignee, except as follows:
 - a. Assignor shall make the following payments under the Software License Agreement: total costs to implement Phases 1 and 2, as indicated on Schedule D of the Software License Agreement.
 - b. Assignor shall make the following payments under the Maintenance and Support Agreement (Schedule B of the Software License Agreement): support and maintenance fees in the amount of Thirteen Thousand Seven Hundred and Sixteen Dollars (\$13,716) for year 1 only, as indicated on Schedule D of the Software License Agreement. Support and maintenance fees for any subsequent years shall be the responsibility of Assignee.
 - c. Assignor shall make the following payments under the Service Agreement: Licenses, in the amount of Fifty-two Thousand Five Hundred Dollars (\$52,500), Interface Fees, in the amount of Thirty-one Thousand Seven Hundred Dollars (\$31,700) and Professional Fees in the amount of Four Thousand Dollars (\$4,000), as indicated in as indicated on Schedule D of the Software License Agreement.
2. Except as provided in Section 1 above, Assignee hereby accepts the assignment of all of Assignor's obligations responsibilities and duties under the Agreements and all of Assignor's right, title and interest in and to the Agreements.
3. Assignor agrees to indemnify and defend Assignee from any and all claims, actions, judgments, liabilities, proceedings and costs, including reasonable attorneys' fees and other costs of defense and damages, resulting from Assignor's performance prior to the assignment of the Agreements.
4. Assignee agrees to indemnify and defend Assignor from any and all claims, actions, judgments, liabilities, proceedings and costs, including reasonable attorneys' fees and other costs of

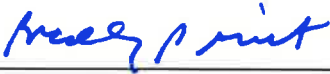
defense and damages, resulting from Assignee's performance after the assignment of the Agreements.

- 5. Any notice required to be sent to Assignee under the Agreements shall be sent to the attention of Laurie Bowers-Kane at the address indicated above.

IN WITNESS WHEREOF, the parties set their hands and seals as of the date first above written by their duly authorized representatives.

INLAND EMPIRE HEALTH PLAN

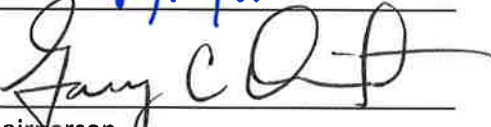
RIVERSIDE COUNTY

By: 
Bradley P. Gilbert, M.D.
Chief Executive Officer

By: _____
John J. Benoit
Chairman, Board of Supervisors

Date: 8/14/13

Date: _____

By: 
Chairperson
Inland Empire Health Plan Governing Board

Attest: _____
Kecia Harper-Ihem
Clerk of the Board

Date: 9/9/13

Date: _____

Attest: 
Secretary, Inland Empire Health Plan

Approved as to Form:
By: 
Neal Kipnis, Deputy County Counsel

Date: 9-9-13

Date: 9-9-13

Approved as to Form

PAMELA J. WALLS
County Counsel

i2i SYSTEM 
By: _____
Janice Nicholson, President, CEO

By: 
Deputy County Counsel
Attorneys for Inland Empire Health Plan

Date: August 6, 2013

Date: 9-9-13

VII. CONSENT AGENDA

A. ADMINISTRATION

4. Health Home Innovation Project; Authorizing Additional Funds; And Requesting Authority For The Chief Executive Officer Of The Inland Empire Health Plan To Execute A Professional Service Agreement With i2i Systems For A Registry System For The Riverside County Health System Community-Based Family Care Centers

a. Recommended Action

That the Governing Board of IEHP:

- 1) authorize the Chief Executive Officer to sign the Professional Services Agreement, after legal review and approval, with i2i Systems for the provision of a disease registry system for the Riverside County clinics.
- 2) authorize the use of \$25,000 of IEHP funds for the registry system.

b. Contact

Brad Gilbert, M.D., Chief Executive Officer

c. Background

The Community Clinics Initiative (CCI), a joint project of the Tides Foundation and The California Endowment, awarded \$500,000 to IEHP for the Health Home Innovation Project, developed in partnership with the Riverside County Health System's community-based Family Care Centers (FCCs). The Board accepted these funds and authorized this Project in Resolution 11-113.

The purpose of CCI's Health Home Innovation Fund is to provide flexible funding to support local partnerships among public safety net providers and local health plans that are committed to pursuing more effective, integrated systems of care for traditionally underserved populations in California.

Minute Order of the Inland Empire Health Plan Governing Board	
<p>On motion of Member Williams, seconded by Member Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Anderson, Ovitt, Stone, Tavaglione, Williams, Zorn Nays: 0 Absent: 0 Recused: 0 Vacancies: One (1) Date: January 14, 2013</p>	<p>VICKIE HARGROVE SECRETARY TO THE GOVERNING BOARD</p> <p>BY: <u><i>Vickie Hargrove</i></u></p> <p>DATED: January 14, 2013</p>
<p>Prev. Agn. Ref.: Partial funds through 11-113. Additional \$25,000 through this Minute Order.</p>	<p>Agenda Number: A.4. (Consent); Ref. No. 13-03</p>



VII. CONSENT AGENDA

d. Discussion

IEHP has worked collaboratively with the FCCs on the development of the Health Home model of care for the clinics. IEHP also engaged a consulting agency, HealthTeamWorks (HTW), to conduct clinic assessments and provide recommendations to improve components of the Health Home model in the FCCs. Key components of the Health Home model include:

- 1) **Team-based Care:** An important part of the Health Home model is increasing the use of a team approach, which involves training and empowering staff in a multidisciplinary approach, to collectively share responsibility for meeting patients' needs within clearly defined roles. The goal is to have everyone on the team functioning at the highest level of their knowledge, skills and abilities, and to free up Providers to do what only Providers can do.

Based on recommendations from the HTW consultants, the FCCs have implemented team-based care and assigned patients to a team that includes a Provider, Nurse, and Medical Assistant (MA). They have adopted morning "huddles" prior to the first appointment, where the team reviews the day's schedule and available staffing. Clinic flow has improved by allowing the MAs to discharge patients who do not need medication dispensed. This frees up time for the nursing and Provider staff and improves patient care.

- 2) **Care Coordination:** The Health Home model requires coordination of patient care across the extremely complex health system, the practice, and the patient's family and community. Coordination of care is dependent upon reliable, efficient, and effective communication systems across disciplines within the healthcare system in a way that benefits the patient.

As part of this Project, IEHP and the FCCs have implemented several activities to improve care coordination. First, IEHP has created reports, delivered to the FCCs, that include all patient-related data that the health plan has but the practice may be unaware of, such as recent hospital admissions and Emergency Department (ED) visits. The FCCs have also implemented a process to request medical records from ED visits prior to the patient's appointment. This prevents fragmented care and duplicate tests or procedures. Also, workflows were changed to support medical record review in advance of the patient's appointment to ensure that all Specialist consults, lab results, etc. are available for the Providers prior to the scheduled clinic visit.

- 3) **Population Management:** Provision of services to populations of patients and not only to those patients presenting for care, is a central part of the Health Home model. Using information systems such as registries to identify sub-groupings of patients with particular chronic conditions or those needing particular preventive services is vital for successful management of those patients. Population management allows practices to identify when particular

VII. CONSENT AGENDA

patients need to have an office visit, lab, or x-ray, and to do outreach to make sure those patients receive the care they need.

Currently, the FCCs are conducting this type of outreach based on targeted reports from IEHP. The reports contain a list of IEHP Members needing preventive services, such as a well-child exam, annual physical exam, or cancer screening. The reports also include information on Members with diabetes who need lab tests to manage their condition. As part of this Project, IEHP intends to use some of the grant funds to purchase a registry system for the FCCs. A registry system will allow the FCCs to electronically track all patients, not just IEHP Members, and quickly and easily identify patients who need care.

To support the goals of the Health Home Innovation Project, IEHP is working with i2i Systems to develop a registry system for the FCCs. The i2i Systems registry is used in many safety-net clinics throughout California to support population management activities. They are also working with other grant recipients of this Project. Total costs for the registry system are not to exceed \$140,000, most of which will be covered by the CCI grant funds. IEHP is requesting authority to provide \$25,000 of IEHP funds, in addition to the grant funds, to cover the cost of the registry system for the County's clinics.

A Professional Services Agreement (PSA) is being developed between IEHP and i2i Systems to provide licensure for the FCCs. The PSA is currently being reviewed by the legal counsels of IEHP, Riverside County, and the i2i Systems vendor. IEHP is requesting authority for the Chief Executive Officer to execute the PSA once completed.

The registry system, along with other activities of the Health Home Innovation Project will help to create more integrated systems of care for patients at the FCCs, and to ultimately improve the health of IEHP Members and other FCC patients. The lessons learned and best practices from this partnership will be used to help IEHP develop a strategic plan for the design and promotion of a Health Home model across the network of IEHP providers.

- e. Fiscal Impact
CCI grant funds approved in Resolution 11-113. Additional IEHP expenditures of \$25,000 through December 2013.
- f. Attachments
None
- g. Reviewed By Counsel
Pending

OWNERSHIP INFORMATION

Contractor's Name: i2i Systems, Inc.

Address: 3663 North Laughlin Road, Suite 200

City: Santa Rosa **State:** CA **Zip:** 95403

Phone: (707) 575-7100

President: Janice Nicholson, CEO **Contact Person:** Pete Castagnetta

Person Signing Contract: Janice Nicholson

Broker Representative: None

Please circle below how your organization is legally organized:

- Sole Proprietorship
- Partnership (LLC, etc.)
- Corporation
- Privately Held Company *
- Publicly Traded Company
- Non-Profit Entity
- Government Agency
- Other (please indicate):

* If Privately Held Company please indicate the names of the owners and their ownership % if over 10%.

Name

Ownership % (Greater than 10% interest)

Janice Nicholson

Major Shareholder



Authorized Signature

1/7/13
Date

i2i Systems

SOFTWARE LICENSE AGREEMENT

This Software License Agreement (the "Agreement") is made and entered into on this 8th day of May, 2013 (the "Effective Date"), between Inland Empire Health Plan, a public entity, having its principal place of business at 303 E. Vanderbilt Way, San Bernardino, California 92408 ("Licensee"), and i2i Systems, a California corporation, having its principal place of business at 3663 N. Laughlin Rd., Ste. 200, Santa Rosa, CA 95403 ("Licensor"). Either party may be referred to individually as the "Party" or collectively as "the Parties."

WHEREAS:

Licensor owns all right, title, and interest in the Licensed Product, and to the Copyrights and Technical Information covering such Licensed Product as described herein;

Licensee seeks to obtain a nonexclusive license for the use of the Licensed Product; and

The Parties have agreed to the following terms and conditions:

I. Definitions.

Terms used in this Agreement have the following meaning:

- a. "Authorized Users" shall be defined as Licensee and its employees, agents, and consultants.
- b. "Confidential Information" shall be defined as all of the proprietary, non-public information of either Party disclosed pursuant to or in furtherance of this Agreement including but not limited to all Technical Information as defined herein, information related to Licensee's business practices, and data processed by Licensee using the Licensed Product. Notwithstanding the foregoing, "Confidential Information" shall not include any information, that the recipient can demonstrate through competent evidence (i) was in its knowledge or possession prior to disclosure by the discloser, (ii) was in the public domain at the time of disclosure or subsequently entered the public domain through no fault of recipient, (iii) was disclosed to recipient by a third party with the right to make such a disclosure, or (iv) was developed independently by recipient.
- c. "Copyright" shall be defined as any rights under U.S. Copyright Law in the Licensed Product owned by Licensor.
- d. "Patient Demographic Data" shall be defined as data in the "PID" HL7 record defined in our PM/EHR interface specifications which may be downloaded from: <http://www.i2isys.com/minimumrequirements>.
- e. "License Installation Date" shall be defined as the first date the customer has access to Patient Demographic Data in the Licensed Product.
- f. "Interface Installation Date" shall be defined as the first date on which an interface is installed and configured in compliance with the description of the interface set forth in Schedule A.
- g. "Date of Delivery" shall be defined as the first date on which the Licensed Product is installed, configured, and used in training by Licensee.
- h. "Licensed Product" shall be defined as the object code version of the software program i2iTracks®, along with any Technical Information as defined herein or documentation relating to

- i. the software, which are created as of the Effective Date or during the term of this Agreement. The Licensed Product is an interoperable software program providing a unidirectional interface through which certain information from other systems can be accessed and utilized. The Licensed Product receives data from the other systems on a daily, "near time" basis, meaning that the Licensed Product receives daily data from such systems on either a real-time (continuous) or batch (data dump) basis; provided that, however, the frequency in which information is received depends not on the capabilities of the Licensed Product but on the third-party vendor's system interface capability. Each license applies to the installation of the Licensed Product and the set-up of a standard interface to operate with a single database. Attached hereto as Schedule A and incorporated by reference is the description of the specifications for the Practice Management System and Lab Company interfaces that will be installed pursuant to this Agreement.
- j. "Licensed Product Database" shall be defined as the database in the software program i2iTracks as further described in Schedule A attached and incorporated by reference.
- k. "Lab Company" shall be defined as Licensee's patient lab result data collected by the licensee's Laboratory.
- l. "Practice Management System" or "PMS" shall be defined as Licensee's patient billing system software.
- m. "Electronic Health Record" or "EHR" shall be defined as the electronic health record.
- n. "Technical Information" shall be defined as all proprietary or non-public information, know-how, trade secrets, data, materials, inventions, or discoveries owned by Licensor that are necessary or useful to the Licensed Product and in the possession of Licensor as of the Effective Date.

II. Rights Granted.

a. Grant of License.

Licensor grants to Licensee a perpetual, non-exclusive license solely for its internal business purposes to (i) use and install the Licensed Product on a single server for one Licensed Product Database; (ii) use and display the Licensed Product on the workstations of up to the designated number of concurrent Authorized Users set forth in Schedule D attached hereto and incorporated by reference; (iii) maintain a single, active replicated copy and unlimited non-active copies of the Licensed Product for archival and contingency purposes only; (iv) make unlimited copies of the Licensed Product documentation provided or made available to Licensee by Licensor; and (v) permit Authorized Users to use the written materials and documentation accompanying the Licensed Product. Licensee's rights in the Licensed Product shall be limited to those expressly granted in this Agreement. Any use that exceeds the scope of the license grant shall constitute a breach of this Agreement.

- b. Restrictions. Neither Licensee nor any third party on Licensee's behalf shall write to the Licensed Product Database. For the purposes of this Agreement, writing to the Licensed Product Database includes but is not limited to modifying the database, its structure, or algorithms but excludes uploading data through Licensor's standard user interface. Licensee may not distribute, rent, resell, lease, sublicense, or otherwise disclose or transfer the Licensed Product to any third party, or modify or create derivative works of the Licensed Product. Licensee will not use the Licensed Product in a computer service business, service bureau arrangement, network, time-sharing set-up, or any other multiple use arrangement that is not authorized by Licensor in advance in writing. The Licensed Product contains the trade secrets of Licensor and in order to protect such trade secrets and other interests that Licensor may have in the Licensed Product, Licensee agrees not to reverse engineer, decompile, modify, translate, or disassemble the Licensed Product in whole or in part, nor permit any third party to do so.

- c. Ownership. Licensee acknowledges that no title to the intellectual property in the Licensed Product is transferred to Licensee under this Agreement. Licensee further acknowledges that title and full ownership rights to the Licensed Product and all intellectual property rights therein will remain the exclusive property of Licensor. Licensee agrees not to remove any trademark, copyright, or other proprietary notices on or in any portion of the Licensed Product as delivered, and to reproduce all such notices on and in all authorized copies. Licensor acknowledges that Licensee will be the sole and exclusive owner of or have the right to use all data, specifications, and other information provided by Licensee to Licensor in conjunction with the use of the Licensed Product.
- d. The parties understand and acknowledge that this paragraph shall in no way limit the assignment of this Agreement as described in Section X.g., below.

III. Licensee Obligations.

- a. Licensee shall be responsible for facilitating communication regarding the interfaces between third-party vendors and licensor if needed.
- b. Licensee shall be obligated to know, prior to the Effective Date, any third-party vendor cost for a PMS, and shall have verified in writing with such third-party vendor that it is capable and willing to execute such interfaces as defined in Licensor's interface specifications if needed.
- c. Licensee is required to meet Licensor's standard hardware specifications. In the event that Licensee fails to obtain the specified hardware and requires migration support from Licensor to move the Licensed Product from one server to another server at any time following installation, such migration support will be made available only upon the payment of an additional fee as set forth in Section VI(e).
- d. Licensee is responsible for ensuring that any third-party host that is hired to provide hosting services is required by contract: (i) to meet all relevant terms and conditions of this Agreement and (ii) to enter into a third-party maintenance and support agreement with Licensor.

IV. Term and Termination. This Agreement shall commence as of the Effective Date and remain in effect perpetually, unless otherwise terminated. Licensee may elect to terminate this Agreement at any time by destroying all copies of the Licensed Product. This Agreement will automatically terminate upon prior written notice if Licensee breaches any term or condition of this Agreement. Upon such breach, Licensee shall return all copies of the Licensed Product, retaining no electronic copies of the Licensed Product on any server, workstation, or otherwise. For the avoidance of doubt, in the event Licensee elects to terminate or the Agreement automatically terminates as a result of a Licensee breach, Licensee shall not be entitled to a refund of any fees previously paid under this Agreement.

V. Maintenance and Support Services. These services shall be made available to Licensee pursuant to a separate Maintenance and Support Agreement, which is attached hereto as Schedule B and incorporated by reference.

VI. Payment.

- a. License Payments. Licensee agrees to pay a license fee as specified in Schedule D attached hereto and incorporated by reference, which shall be payable as set forth in Schedule D.
- b. Additional Training Fees. Licensee agrees to pay the additional training fees as set forth in Schedule C, which shall be payable as set forth in Schedule D.

- c. **Optional Services.** Licensee may elect to purchase the optional services for an additional fee, as further described in Schedule D.
- d. **Data Conversion.** Data conversions may be purchased pursuant to Schedule D.
- e. **Licensed Product Migration.** Product Migration is defined as follows: the i2iTracks database server needs to be moved to a new physical server. Product migration support may be purchased at the hourly development rate of One Hundred Seventy Dollars (\$170.00) an hour.
- f. **Payments.** Payments for all fees due shall be due and payable as specified in Schedule D. Failure to pay any fee due as set forth in this Section VI on or before the due date specified in Schedule D shall constitute a material breach under this Agreement.

VII. Confidential Information. Except as expressly provided herein, for the Term of this Agreement and for a period of five (5) years thereafter, both Parties shall keep completely confidential and shall not publish or otherwise disclose for any purpose the Confidential Information furnished pursuant to this Agreement. Each Party shall disclose Confidential Information only to those employees and consultants with a need to know, and then only to the extent that is necessary to accomplishing that “need to know” purpose. The parties agree that if the receiving party receives a request to disclose any Confidential Information through any legal, judicial, or administrative process, the receiving party shall provide written notice to the disclosing party within ten (10) days of receipt, when feasible, if not prohibited by applicable law, so that the disclosing party may seek an appropriate protective order. The receiving party agrees to assist and cooperate with the disclosing party, at the disclosing party’s expense, with respect to any such request for a protective order or other relief. If the disclosing party is unable to obtain or does not seek a protective order and the receiving party is legally compelled to disclose such Confidential Information, the receiving party may disclose such Confidential Information without liability. Notwithstanding the foregoing, Licensor understands and acknowledges that Licensee is a public entity, and subject to all limitations and requirements of the California Public Records Act and Ralph M. Brown Act.

VIII. Warranties and Limitation of Liability.

- a. **Limited Warranty.** Licensor warrants that (i) the Licensed Product will perform substantially in accordance with the accompanying documentation for a period of ninety (90) days from the Date of Delivery, and (ii) the accompanying documentation and the media containing the original copy of the Licensed Product, if any, shall be free from any physical defects for a period of ninety (90) days from the Date of Delivery.
- b. **Exceptions to Limited Warranty.** This limited warranty shall not extend to problems affecting the Licensed Product due to (i) electrical work or problems external to the Licensed Product, (ii) alterations to the Licensed Product other than those performed or authorized in writing by Licensor, including alterations that involve writing to the Licensed Product Database as described in Section II(b) set forth above, (iii) accident, negligence, or misuse of the Licensed Product, (iv) operation outside the specifications or other environmental requirements of the accompanying documentation, or (v) the importation of invalid data from the Practice Management System or any other Licensee database to be installed with the Licensed Product.
- c. **Licensee’s Remedies.** Upon receipt by Licensor of Licensee’s written notice of a material non-conformity of the Licensed Product to the accompanying documentation, Licensor’s entire liability and Licensee’s sole and exclusive remedy shall be to use reasonable commercial measures to correct the material non-conformity or to provide a work-around to avoid the non-conformity, taking into account the severity of the non-conformity. Any replacement Licensed Product will be warranted for the remainder of the original Limited Warranty Period.

- d. Disclaimer of Other Warranties. LICENSOR DOES NOT WARRANT THAT USE OF THE LICENSED PRODUCT WILL BE UNINTERRUPTED OR ERROR-FREE OR THAT THE SOFTWARE WILL MEET ALL OF LICENSEE'S NEEDS. WITH THE EXCEPTION OF THE EXPRESS WARRANTY SET FORTH IN SECTION VIII (a) ABOVE, LICENSOR EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES WITH RESPECT TO THE LICENSED PRODUCT, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- e. No Liability for Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES OF ANY KIND INCLUDING WITHOUT LIMITATION LOSS OF DATA OR PROFITS, COST OF PROCUREMENT OR REPLACEMENT GOODS AND SERVICES, COVER, OR RELIANCE DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE DELIVERY, USE OR PERFORMANCE OF THE LICENSED PRODUCT, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT THE PARTIES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE PARTIES AGREE THAT THESE LIMITATIONS WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.
- f. Limitation of Liability.
 - i. Licensor Liability. Except for Licensor's indemnification obligations, breach of its confidentiality obligations, or breach of its HIPAA obligations, Licensor's total cumulative liability to Licensee from all causes of action and under all theories of liability will be limited to and will not exceed the total amount of the fees paid pursuant to this Agreement. In the case of Licensor's indemnification obligations or breach of its confidentiality obligations, Licensor's total cumulative liability to Licensee will be limited to Five Hundred Thousand Dollars (\$500,000.00).
 - ii. Licensee Liability. Except for Licensee's breach of its confidentiality obligations, Licensee's total cumulative liability to Licensor from all causes of action and under all theories of liability will be limited to and will not exceed the total amount of the fees paid pursuant to this Agreement. In the case of the breach of its confidentiality obligations to Licensor, Licensee's total cumulative liability to Licensee will be limited to Five Hundred Thousand Dollars (\$500,000.00).

This limitation shall apply notwithstanding the failure of the essential purpose of any remedy hereunder.

IX. Indemnification

- a. Licensor shall indemnify and hold harmless and defend Licensee from and against any and all claims, liabilities, losses, expenses (including reasonable attorneys' fees), fines, penalties, taxes or damages (collectively "Liabilities") incurred by or asserted against Licensee to the extent such Liabilities result from a third party claim that the Licensed Product and associated Copyrights and Technical Information infringe upon that third party's trade secret, trademark, service mark, copyright, or patent ("Intellectual Property Rights"). It is understood that the duty of Licensor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

- b. The foregoing obligation shall not apply to any infringement to the extent caused by Licensee's (i) alterations to the Licensed Product other than those performed or authorized in writing by Licensor, including alterations that involve writing to the Licensed Product Database as described in Section II(b) set forth above, (ii) misuse of the Licensed Product, (iii) operation outside Licensor-provided specifications or other environmental requirements of the accompanying documentation, or (iv) failure to use or implement corrections or enhancements to the Licensed Product and associated Copyrights and Technical Information made available by Licensor.
- c. Licensor shall indemnify, hold harmless and defend Licensee and its directors, officers, employees and agents as specified above, provided that Licensee (i) promptly notifies Licensor of any claim subject to indemnification (provided that the failure to promptly notify shall only relieve Licensor of its indemnification obligation to the extent that such failure materially impacts Licensor's response or defense), (ii) gives Licensor the right to control and direct the defense and settlement of any such claim, as long as the settlement does not include any financial obligation or admission of liability for Licensee, and (iii) cooperates fully with Licensor for the defense of any such claims. Licensee will immediately stop using the Licensed Product upon receipt of any third party demand to cease and desist use of the Licensed Product. In any such case, Licensor will at its sole option without additional charge to Licensee, (i) replace the Licensed Product with compatible, functionally equivalent, and non-infringing code; (ii) modify the Licensed Product so as to provide Licensee with functionally equivalent, compatible code; (iii) obtain a license for Licensee to continue using the Licensed Product and pay any additional fees required for such license; or (iv) if none of the foregoing alternatives are possible, terminate this Agreement and refund to Licensee the unamortized portion of the license fee paid for the use of the Licensed Product, based upon a straight-line five (5) year depreciation commencing as of the date of receipt by Licensee of the Licensed Product.

X. General.

- a. Entire Understanding. This Agreement, along with the schedules attached hereto, contains the entire understanding of the Parties with respect to the subject matter contained herein, and shall supersede all prior agreements and understandings, whether written or oral. There are no restrictions, promises, covenants, or understandings other than those expressly set forth herein, and no rights or duties on the part of either Party are to be implied or inferred beyond those expressly provided for.
- b. Export Control. Licensee may not use or otherwise export or re-export the Licensed Product except as authorized by United States law and the laws of the jurisdiction in which the Licensed Product was obtained. In particular, but without limitation, the Licensed Product may not be exported or re-exported (a) into any U.S. embargoed countries or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Department of Commerce Denied Person's List or Entity List. By using the Licensed Product, Licensee represents and warrants that Licensee is not located in any such country or on any such list. Licensee also agrees that Licensee will not use the Licensed Product for any purposes prohibited by United States law, including, without limitation, the development, design, manufacture, or production of nuclear, missiles, or chemical or biological weapons.
- c. HIPAA Compliance. The Parties have agreed to adhere to the statutory requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the privacy regulations at 45 C.F.R. Part 160 and Part 164, Subparts A and E, the Standards for Privacy of Individually Identifiable Health Information, the security regulations at 45 C.F.R. Part 164, Subpart C, the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 (HITECH), Public Law 111-5, enacted February 17,

2009, and the Security Standards for the Protection of Electronic PHI, as set forth in the Business Associate Agreement attached hereto as Schedule E and incorporated by reference.

- d. **Governing Law/Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the counties of San Bernardino or Riverside, State of California.
- e. **Severance.** If any provision of this Agreement is held unenforceable or in conflict with the law of any jurisdiction, the validity of the remaining provisions shall not be affected by such holding. The Parties agree to negotiate and amend in good faith such provision in a manner consistent with the intentions of the Parties as expressed in the Agreement, if any invalid or unenforceable provision affects the consideration of either Party.
- f. **Modifications and Additions.** No modifications or additions to the terms and conditions of this Agreement shall be binding unless in writing and signed by both Parties.
- g. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, Licensee shall not assign this Agreement or any other duty, obligation, or right arising hereunder without the prior written approval of Licensor. Notwithstanding the foregoing, it is understood between the parties that Licensee is seeking this license on behalf of Riverside County through its Riverside County Health System (the "County"), and Licensor expressly agrees that Licensee may assign to the County all of the terms and conditions of this Agreement, except the payment obligations which will be specified in the forthcoming assignment, which copy shall be provided to Licensor. Upon completion of such assignment, Inland Empire Health Plan shall have no further liability for the obligations and responsibilities assigned to the County. Further, Licensor may transfer this Agreement to a successor in the event of a merger or a purchase of all of Licensor's assets or all or substantially all of the assets pertaining to a division or group of Licensor; provided, however, that such transfer may only occur if Licensor provides prompt written notice of such transfer and the assignee in each case agrees to be bound by each of the terms of this Agreement.
- h. **Notices.** All notices provided in connection with this Agreement will be in writing, and will be delivered by (i) certified or registered mail, postage prepaid and return receipt requested or (ii) courier and will be deemed effective upon receipt by the CEO and the address set forth above, or at such other addresses as the Parties may designate by written notice to each other.
- i. **Survival.** The following provisions shall survive any termination of this Agreement: Sections I, IV, VI, VIII, and IX.
- j. **Waiver.** No waiver by either Party of any breach of this Agreement, no matter how long continuing or how often repeated, shall be deemed a waiver of any subsequent breach thereof, nor shall any delay or omission on the part of either Party to exercise any right, power, or privilege hereunder be deemed a waiver of such right, power, or privilege.
- k. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

END OF CONTRACT TERMS

IN WITNESS WHEREOF, each of the Parties hereto has caused its duly authorized representatives to execute this Agreement.

"i2i Systems"

"Inland Empire Health Plan"

Licensors

Licensee

Name: 

Name: Bradley P. Gilbert

Printed Name: Janice Nicholson

Printed Name: Bradley P. Gilbert, MD, MPP

Title: President, CEO

Title: Chief Executive Officer

Date: 5/17/13

Date: 5/8/13

Schedule A

Description of Software Interfaces

1. Implementation and Installation

This purchase of i2iTracks[®] includes installation, implementation and an optional five (5) days of training. Installation of i2iTracks will include installing and configuring a unidirectional interface between i2iTracks and a single Patient Management System or Electronic Health Record (PMS/EHR) database so that upon installation, Licensee's data on that database will be accessible through i2iTracks.

2. Definitions of i2i Interfaces

i2iTracks supports interfaces to a number of Practice Management Systems ("PMS") and Electronic Health Records ("EHR"). Further details on the specifications for the PMS/EHR interfaces may be downloaded from: <http://www.i2isys.com/minimumrequirements>.

The i2iTracks PMS/EHR interfaces requires two stages of data reception:

a. First stage is the data dump or sometimes referred to as the database initialization. The data dump is further defined where all "i2iTracks Required Data" from the PMS/EHR is imported into the i2iTracks database.

b. The second stage is data maintenance. Data maintenance is required to keep the data current once the data dump has been completed.

PMS/EHR Data Dump

The PMS/EHR data that is required for i2iTracks includes any historical data such as patient charge or visit information and current and future data such as patient appointments. The HL7 format is better suited to maintain database flow, and less desirable for data dumps. i2i Systems has created a delimited file format for initializing the database quickly and efficiently. The "i2i Common" file format is development friendly for programmers to create the export files, as well as import friendly for SQL Bulk Inserts. The i2i Common format specification is outlined in the "i2iTracks Common Interface — PMS Record Spec.doc" that may be downloaded from the hyperlink above. All fields specified in the documentation are desirable for a complete PMS interface.

PMS/EHR Data Maintenance

Once the PMS/EHR data has been imported into i2iTracks database per the specifications from the "i2iTracks Common Interface — PMS Record Spec.doc" the next step is to maintain said data to keep it current. This process may be completed by incrementally sending updates of the PMS/EHR data utilizing the Common Interface format as data is added, edited, or deleted.

i2iTracks data may also be maintained by HL7 messaging as outlined in the "i2iTracks HL7 Interface — PMS Message Spec.doc." The i2iTracks HL7 document specifies the minimum requirement for receiving HL7 messages. If a health center/PMS vendor is able to meet the minimum HL7 requirements there is no need to "dumb down" or re-write an existing HL7 interface that meets the minimum i2iTracks HL7 minimum requirements. The HL7 requirements include all data points as specified in the "i2iTracks Common Interface — PMS Record Spec.doc" that may be downloaded from the hyperlink above.

The i2iTracks PMS data maintenance may include feeds from both the Common Interface and HL7 interface if needed. For instance, i2iTracks can receive HL7 for Patient Demographics (ADT), Charge (DFT) and Appointment (SCH), and the Common Flat file format for the library records such as Procedure/CPT libraries, Diagnosis (ICD9), Provider, Location libraries, etc.

3. EHR Interface definitions

- a. The interface is a unidirectional (one way) interface where i2iTracks can receive vitals, allergies, medications, problems and lab data from the EHR if the data exists in the EHR.
- b. Should you choose to interface medications, problems or allergies each will need to be mapped to the corresponding indicator in the appropriate libraries in i2iTracks.
- c. Vitals, if available, will appear in the "Visit Note" section of the history screen in a read-only view that cannot be edited. It will be identified as data coming from the EHR interface.
- d. All data coming in i2iTracks through your EHR interface will not be editable.

4. Lab Interface

If a Lab interface is purchased the Lab result interface is a unidirectional interface of lab result data coming into i2iTracks. The lab interface is HL7 V2.3 and details of interface requirements "i2iTracks HL7 Interface Lab Messages" can be found at the following link: <http://www.i2isys.com/minimumrequirements>. Because patient labs are not ordered through i2iTracks we use the following criteria to match lab results that originate from external sources (e.g., Quest, Labcorp or other lab company) into the patient's record in i2iTracks.

- a. Patient lab results are first matched to i2iTracks by patient ID (account number or unique identifier in the PMS system), patient date of birth, patient First Name (first 3 characters), Last Name (first 12 characters).
- b. If no match is found i2iTracks will match by patient Medical Record Number, patient date of birth, patient First Name (first 3 characters), Last Name (first 12 characters).
- c. If no match is found then Partial ID is searched (anything left of space), patient date of birth, First Name (first 3 characters), Last Name (first 12 characters).
- d. If no match is found i2iTracks will match by patient date of birth, all characters of patient First Name, and all characters of Last Name AND there are not two patients with the same demographics in the i2iTracks table.
- e. If no match is found after the last matching criteria performed in step "d" above, then the patient's lab results will not be linked in i2iTracks.

The "Patient Lab Report" that can be printed in i2iTracks is not the official report of record and the laboratory cannot verify that the test results have transmitted accurately. It is a summary of the medical report and it cannot be used as a legal medical document to make decisions about patient care. By signing this agreement you acknowledge the data in i2iTracks is a summary and you wish to use it knowing it is not an official lab/pathology report and cannot be used as a legal medical document and understand that the laboratory cannot verify the accuracy of the results transmission.

Any request to modify the scope of work described above would be considered a customization request. Should we decide to accept the customization request you would be charged our hourly development rate applicable at the time of the request.

For all interfaces, Licensee is responsible for verifying that all data is accurate prior to and during the first training, and for performing any additional testing to identify data issues.

Schedule B

Maintenance and Support Agreement

The following Software Support and Maintenance Agreement (“the Agreement”) is entered into and effective on this 8th day of May, 2013 (the “Effective Date”) sets forth the terms and conditions by which i2i Systems with a principal place of business at 3663 N. Laughlin Rd., Ste. 200, Santa Rosa, CA 95403 (“Company”) shall provide support and/or maintenance to Inland Empire Health Plan, a public entity, with a principal place of business at 303 E. Vanderbilt Way, San Bernardino, CA 92408 (“Customer”) for the software program covered by this Agreement. Either Party may be referred to individually as the “Party” or collectively as “the Parties.”

WHEREAS:

Customer has entered into a software license agreement with Company for use of the object code version of the software program i2iTracks® (“Software”); the agreement shall be referred to as the “Software License Agreement”;

Customer seeks to enter into an agreement with Company to procure Software support and maintenance services; and

The Parties have agreed to the following terms and conditions:

I. Definitions.

Terms used in this Agreement have the following meaning:

- a. “After Hours Support” shall be defined as support requested after the close of any Business Day as defined below.
- b. “Business Day” shall be defined as Monday through Friday, excluding holidays recognized by Company, during the hours of 8 a.m. and 5 p.m. PST. A list of the recognized Company holidays are attached hereto as Schedule B-1 and incorporated by reference.
- c. “Confidential Information” shall be defined as all of the proprietary, non-public information of either Party disclosed pursuant to or in furtherance of this Agreement, including but not limited to all specific proprietary information relating to Bugs, Errors, and Incidents with the Software, since such information would be helpful to competitors of the Company in trying to design a competing software product; provided that, however, general information that Bugs, Errors, and Incidents arose with the Software shall not constitute Confidential Information. Notwithstanding the foregoing, “Confidential Information” shall not include any information, which the recipient can demonstrate through competent evidence (i) was in its knowledge or possession prior to disclosure by the discloser, (ii) was in the public domain at the time of disclosure or subsequently entered the public domain through no fault of the recipient, (iii) was disclosed to the recipient by a third party with the right to make such a disclosure, or (iv) was developed independently by the recipient.
- d. “Customization” shall be defined as modifications and/or enhancements to the Software to incorporate Customer’s specifications.
- e. “Error” shall be defined as an Incident as defined below reported by Customer to Company as a result of reproducible behavior that deviates from the Software specifications.
- f. “Incident” shall be defined as a single support question relating to the Software that cannot be broken down into subordinate questions.

- g. "Installation Date" shall be defined as the first date on which the Software is installed, configured, and interfaced with Customer's production data. For the avoidance of doubt, this shall constitute "being in a production environment."
- h. "Off-Site Support" shall be defined as telephone and email portal inquiries from Customer concerning problems, questions, or assistance regarding the operation of the Software, which is available during the Business Day as defined above. In addition, Company makes available to Customer a support desk portal through which Customer can make inquiries. The support desk portal is available twenty-four (24) hours a day, seven (7) days per week, three hundred sixty-five (365) days per year at no additional charge.
- i. "Start Date" shall be the date ninety (90) days following the Installation Date.
- j. "Update" shall be defined as a modification, correction, or addition to the Software or documentation, including maintenance releases, and enhancements that Company makes available to its customers without additional charge. The definition of "Update" excludes Upgrades but includes new versions of the Software and releases to address new government-required certifications supported by the Company.
- k. "Upgrade" shall be defined as an enhancement or addition to the Software other than the Update, which Company does not make available to all of its commercial Customers as part of the standard support services under a Software support and maintenance agreement but is only made commercially available subject to a payment of a separate charge.
- l. "Workaround" shall be defined as a series of instructions, procedural steps, or usage clarifications to avoid an Error or circumvent its effects. A Workaround does not involve issuance of new programming code.

II. Support Services.

- a. Company will perform the following services on behalf of Customer:
 - i. Updates. Company will deliver to Customer one (1) copy of any Software Updates in object code format and one (1) set of documentation Updates for the Software when Company makes each Update available for general release. For the avoidance of doubt, any Updates shall be automatically treated as part of the Software, and Customer shall be authorized to use the Updates in accordance with the original license grant set forth in the Software License Agreement.
 - ii. Errors. Company will use reasonable commercial efforts to remedy programming errors that prevent the Software from substantially conforming to the specifications and documentation.
 - 1. Telephone and E-mail Support. Company will provide reasonable Off-Site Support during Company's Business Day as follows:
 - a. Company will provide assistance to Customer as set forth in Schedule B-2 attached hereto and incorporated by reference, in order to determine if a problem Customer is encountering is attributable to an Error, and will address Errors in accordance with Section II(a)(ii) above.
 - b. Company will provide reasonable assistance to resolve Customer problems that occur during the normal usage of the Software.

- d. Customer has failed to comply with any of its expressly stated obligations under the Agreement pertaining to the use and operation of the Software;
- e. Software has been used for a purpose other than the specific purpose for which it is designed;
- f. Customer has failed to incorporate any Updates previously provided by Company that corrected such Error;
- g. Software is being hosted by a third party who has not signed a third-party maintenance and support agreement with Company.

IV. Incident Reporting and Obligations. Customer shall report all Incidents to Company. Information to be reported may include the following:

- a. The name(s) and version of the Software, including all maintenance releases if applicable;
- b. The hardware system (including model and serial number);
- c. A general description of the operating environment in which the Software is being used;
- d. Where a reproducible test case that demonstrates the specific sequence of events that causes the Error to be reported;
- e. Exact wording of all related Error messages, if applicable;
- f. A full description of the Incident and expected results;
- g. Any special circumstances surrounding the discovery of the Incident for which Customer is seeking technical support;
- h. Software logs, where applicable; and
- i. Configuration details, where applicable.

Incident Reports should be submitted to the support desk portal at the following website: www.i2isys.com or by telephone at (866) 820-2212.

V. Payment.

- a. Service Fee.

Customer agrees to pay a service fee in five (5) annual installments, the first of which is set forth in Schedule D to the Software License Agreement attached hereto and incorporated by reference, which shall be due and payable on the Start Date of the Agreement and on any subsequent one (1) year anniversaries of the Start Date (the "Service Fee").

- b. Customization/New Interface Fee Increases. Company may increase the Service Fee at any time upon receipt of a request by Customer for Customizations or a New Interface. Fees related to the Renewal Period(s) shall increase based on the Consumer Price Index for the Los Angeles County/ Orange County/ Riverside County areas.
- c. After Hours Support: The charge for after hours support shall be One Hundred Seventy Dollars (\$170.00) per hour. Also, a minimum one (1) hour charge will be incurred for each request.

- d. **Special Errors Support.** Customer agrees to pay an additional charge for any support required by Customer in order to fix Errors caused by an act or omission of a third-party host.

VI. Ownership. Company shall retain all right, title, and interest to all maintenance releases, Updates, Upgrades and Workarounds, which will be provided to Customer for its internal use in accordance with the terms of the Software License Agreement. Customer shall retain all right, title, and interest to all data, specifications, and other information provided by Customer to Company in using the Software.

VII. Confidential Information. Except as expressly provided herein, for the Term of this Agreement and for a period of five (5) years thereafter, both Parties shall keep completely confidential and shall not publish or otherwise disclose for any purpose the Confidential Information furnished pursuant to this Agreement. Each Party shall disclose Confidential Information only to those employees and consultants with a need to know, and then only to the extent that is necessary to accomplishing that "need to know" purpose. The parties agree that if the receiving party receives a request to disclose any Confidential Information through any legal, judicial, or administrative process, the receiving party shall provide written notice to the disclosing party within ten (10) days of receipt, when feasible, if not prohibited by applicable law, so that the disclosing party may seek an appropriate protective order. The receiving party agrees to assist and cooperate with the disclosing party, at the disclosing party's expense, with respect to any such request for a protective order or other relief. If the disclosing party is unable to obtain or does not seek a protective order and the receiving party is legally compelled to disclose such Confidential Information, the receiving party may disclose such Confidential Information without liability. Notwithstanding the foregoing, Company understands and acknowledges that Customer is a public entity, and subject to all limitations and requirements of the California Public Records Act and Ralph M. Brown Act.

VIII. Term and Termination.

- a. **Term.** This Agreement shall commence as of the Start Date and expire five (5) years following the Start Date, unless earlier terminated ("Term"). Customer may renew the Agreement for up to two (2) additional five-year periods ("Renewal Period(s)") upon notice within sixty (60) days prior to any expiration of the Agreement. Any such Renewal Period shall commence as of the expiration date of this Agreement and may be renewed successively upon expiration. Termination for Breach. This Agreement shall terminate upon thirty (30) days prior written notice and opportunity to cure in the event that either Party materially breaches any term or condition of this Agreement.

IX. Warranties; Limitation of Liability.

- a. **Limited Warranty for Services.** Company warrants that the support services will be performed in a professional and workmanlike manner consistent with generally accepted industry standards.
- b. **Disclaimer of Warranties.** EXCEPT FOR THE LIMITED WARRANTY FOR SERVICES SET FORTH ABOVE, COMPANY MAKES NO REPRESENTATIONS, WARRANTIES, CONDITIONS, OR GUARANTEES, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, ORAL OR WRITTEN, WITH RESPECT TO THE SUPPORT SERVICES AND/OR UPDATES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OR CONDITION (1) OF MERCHANTABILITY OR (2) OF MERCHANTABLE OR SATISFACTORY QUALITY, (3) OF FITNESS FOR A PARTICULAR PURPOSE, (4) OF NONINFRINGEMENT, OR (5) ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE. COMPANY DOES NOT WARRANT THAT ALL ERRORS OR DEFECTS IN THE SOFTWARE CAN OR WILL BE CORRECTED UNDER THIS AGREEMENT OR THAT THE SOFTWARE WILL OPERATE ERROR FREE OR UNINTERRUPTED.

- c. Remedy. For any breach of warranty set forth in Section IX(a) above, Customer's exclusive remedy and Company's entire liability, shall be the re-performance of the non-compliant support services at Company's expense.
- d. No Liability for Consequential Damages. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES OF ANY KIND INCLUDING WITHOUT LIMITATION LOSS OF DATA OR PROFITS, COST OF PROCUREMENT OR REPLACEMENT GOODS AND SERVICES, COVER, OR RELIANCE DAMAGES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE DELIVERY, USE OR PERFORMANCE OF SOFTWARE, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, OR OTHERWISE, AND WHETHER OR NOT COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE PARTIES AGREE THAT THESE LIMITATIONS WILL SURVIVE AND APPLY EVEN IF ANY LIMITED REMEDY SPECIFIED IN THIS AGREEMENT IS FOUND TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.
- e. Limitation of Liability.
 - i. Company Liability. Except for breach of its confidentiality obligations, or breach of its HIPAA obligations, Company's total cumulative liability to Customer from all causes of action and under all theories of liability will be limited to and will not exceed the total amount of the fees paid pursuant to this Agreement. In the case of Company's breach of its confidentiality obligations, Company's total cumulative liability to Customer will be limited to Five Hundred Thousand Dollars (\$500,000.00).
 - ii. Customer Liability. Except for Customer's breach of its confidentiality obligations, Customer's total cumulative liability to Company from all causes of action and under all theories of liability will be limited to and will not exceed the total amount of the fees paid pursuant to this Agreement. In the case of the breach of its confidentiality obligations to Company, Customer's total cumulative liability to Company will be limited to Five Hundred Thousand Dollars (\$500,000.00).

This limitation shall apply notwithstanding the failure of the essential purpose of any remedy hereunder.

- f. Cease and Desist Orders. Customer will immediately stop using the Software upon receipt of any third party demand to cease and desist use of the Software.

X. General.

- a. Entire Understanding. This Agreement, along with the schedules attached hereto, contains the entire understanding of the Parties with respect to the subject matter contained herein, and shall supersede all prior agreements and understandings, whether written or oral. There are no restrictions, promises, covenants, or understandings other than those expressly set forth herein, and no rights or duties on the part of either Party are to be implied or inferred beyond those expressly provided for.
- b. Governing Law/Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the counties of San Bernardino or Riverside, State of California.

- c. Severance. If any provision of this Agreement is held unenforceable or in conflict with the law of any jurisdiction, the validity of the remaining provisions shall not be affected by such holding. The Parties agree to negotiate and amend in good faith such provision in a manner consistent with the intentions of the Parties as expressed in the Agreement, if any invalid or unenforceable provision affects the consideration of either Party.
- d. Modifications and Additions. No modifications or additions to the terms and conditions of this Agreement shall be binding unless in writing and signed by both Parties.
- e. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, Customer shall not assign this Agreement or any other duty, obligation, or right arising hereunder without the prior written approval of Company. Notwithstanding the foregoing, it is understood between the parties that Customer is seeking the services under this Agreement on behalf of Riverside County through its Riverside County Health System (the "County"), and Company expressly agrees, by its signature of this Agreement, that Customer may unilaterally and immediately assign to the County all of the terms and conditions and benefits (including but not limited to full use of the software/system and the ability to purchase maintenance and support) of this Agreement, except the payment obligations which will be specified in the forthcoming assignment, which copy shall be provided to Company. Upon completion of such assignment, Inland Empire Health Plan shall have no further liability for the obligations and responsibilities assigned to the County. Further, Company may transfer this Agreement to a successor in the event of a merger or a purchase of all of Company's assets or substantially all of the assets pertaining to a division or group of Company, provided that such transfer may only occur if Company provides prompt written notice of such transfer and the assignee agrees to be bound by each of the terms of this Agreement.
- f. Force Majeure. If either Party is delayed or prevented from fulfilling any of its obligations under this Agreement by reason of any cause beyond its reasonable control, including but not limited to acts of God, fire, strike, flood, riot, war, delay of transportation, or inability to obtain necessary raw materials through normal commercial channels, then that Party shall not be liable under this Agreement for damages as a result of said delay or failure.
- g. Notices. All notices provided in connection with this Agreement will be in writing, and will be delivered by (i) certified or registered mail, postage prepaid and return receipt requested or (ii) courier and will be deemed effective upon receipt by the CEO and the address set forth above, or at such other addresses as the Parties may designate by written notice to each other.
- h. Survival. The following provisions shall survive any expiration or termination of this Agreement: Sections I, V, VI, VII, IX and X.
- i. Waiver. No waiver by either Party of any breach of this Agreement, no matter how long continuing or how often repeated, shall be deemed a waiver of any subsequent breach thereof, nor shall any delay or omission on the part of either Party to exercise any right, power, or privilege hereunder be deemed a waiver of such right, power, or privilege.
- j. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument.

END OF CONTRACT TERMS

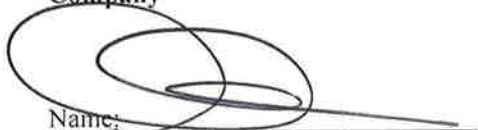
IN WITNESS WHEREOF, each of the Parties hereto has caused its duly authorized representatives to execute this Agreement.

“i2i Systems”

“Inland Empire Health Plan”

Company

Customer


Name: _____

Name: Bradley P. Gilbert

Printed Name: Janice Nicholson

Printed Name: Bradley P. Gilbert, MD, MPP

Title: President, CEO

Title: Chief Executive Officer

Date: 5/17/13

Date: 5/8/13

SCHEDULE B-1

Company Holidays

The following are the holidays recognized by the Company:

- New Year's
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Eve – half-day; close at noon (full-day Friday if Christmas on Saturday)
- Christmas – If Christmas falls on Saturday, day before is a holiday, if Christmas falls on Sunday the day after Christmas is a holiday

SCHEDULE B-2

Company Response Goals

Company's response goals are as follows:

Priority	Description	Response Time	Resolution Goal
P1 – Critical	A P1 support issue is described as critical—i2iTracks is inoperable. Support personnel will begin working on your problem immediately. P1 examples include all users unable to log into i2iTracks, the system is down, or users are receiving a fatal error.	2 hours	Assuming that the issue is related directly to i2iTracks, then Company will assign support staff to triage and resolve the issue and provide Updates or Workarounds within forty-eight (48) business hours of receipt of notice of the issue.
P2 – Urgent	A P2 support issue is described as urgent—a problem causing an inconvenience, but the customer can still access i2iTracks. Support personnel will begin working on your problem within four hours. A P2 example includes interface errors or interface data issues.	4 hours	Assuming that the issue is related directly to i2iTracks, then Company will assign support staff to triage and identify the problem. Company will exercise commercially reasonable efforts to resolve the issue.
P3 – Non-Urgent	A P3 support issue is described as non-urgent—an enhancement request or intermittent issue that may require research to resolve. Support personnel will log the call and the customer can follow the progress on-line. P3 examples include general questions, password issues, training request.	1 business day	Assuming that the issue is related directly to i2iTracks, Company will address request and work to establish a mutually acceptable time frame for resolution. Company will use commercially reasonable efforts to resolve the issue in the next Update.

Schedule C

Description of Training Services

- I. Licensee may request up to five (5) days of training at no charge; provided, however, that (i) Licensee must request and schedule any complimentary training days to occur on or before the nine (9) month anniversary of the Effective Date and (ii) Licensee will be responsible for all reasonable travel expenses incurred in each training visit.
- II. Additional Training Days. Additional training days can be purchased by Licensee at any time; provided, however, that Licensee must request and schedule the purchased training to take place on a date on or before the two-year anniversary of such purchase. The cost is Fifteen Hundred Dollars (\$1,500) per day plus reasonable travel expenses, which shall include airfare, mileage, hotel, airport parking, car rental or other ground transportation, and food. Training days are defined as on-site training at the licensee's facility. Customer must provide an appropriate training environment. Licensee is purchasing in this Agreement zero (0) days additional days of training, which shall cost Zero Dollars (\$0) plus reasonable travel expenses.
- III. Cancelled or Delayed Training Sessions. Once the implementation plan has been established and approved in writing by both parties, then all non-refundable expenses incurred prior to or as a result of any subsequent cancellation shall be reimbursed by the canceling party. Additionally, if the cancellation occurs within seven (7) days prior to the scheduled date, then: (a) if Licensee cancels, Licensee shall incur a cancellation charge equal to one half of the day rate at the current training price for training services; and (b) if Licensor cancels, Licensor owes a credit to Licensee in the same amount. Licensee should note that canceling or rescheduling training sessions may result in higher expenses due to a lack of discounts for airfare, car rental, and hotel availability.

Schedule D
Fees

Description	Qty	Unit Cost	Total
Licenses:			
i2iTracks Base Software License - includes bundle of 5 users	1	\$42,500.00	\$42,500.00
i2iTracks User Bundle	1	\$10,000.00	\$10,000.00
Licenses Total			\$52,500.00
Interfaces Services:			
i2iLinks - PMS Interface:BCA PM System	1	\$12,000.00	\$12,000.00
i2iLinks - PMS Interface:IEHP Database	1	\$8,200.00	\$8,200.00
5 Custom Data Elements	1	\$3,500.00	\$3,500.00
Custom Programming: Consulting with Riverside County IT staff on BCA interface development	40	\$200.00	\$8,000.00
Interfaces Total			\$31,700.00
Professional Services			
i2i Professional Services: - Basic Database Conversion - PECS Conversion	1	\$4,000.00	\$4,000.00
Services Total			\$4,000.00
**TOTAL COST			\$88,200.00
<p>Payment Schedule for Licenses and Services:</p> <p>**Licensee agrees to pay the Total Cost for all fees listed above in two installments. The first installment is due upon the execution of this Agreement. The second installment shall be due on the first occurrence of either of the following: (a) The Installation Date or (b) four (4) months following the Effective Date of this Agreement.</p> <p align="right">First Installment: \$44,100.00</p> <p align="right">Second Installment: \$44,100.00</p>			
Support & Maintenance Service Fee			
<p>*Annual Installment of the Service Fee : \$13,716.00</p> <p>*Payable as set forth in the Maintenance and Support Agreement</p>			

Schedule E

Business Associate Agreement

1.

This HIPAA Business Associate Agreement (the "Agreement") is an Attachment to the **Software License Agreement** (the "Underlying Agreement") between the Inland Empire Health Plan ("IEHP") and **i2i Systems, Inc., a California corporation** ("Business Associate") as of the date on Section IV (the "Effective Date"), of the Underlying Agreement.

RECITALS

WHEREAS, IEHP and Business Associate entered into the Underlying Agreement pursuant to which Business Associate provides services to IEHP, and in conjunction with the provision of such services certain Protected Health Information ("PHI") and/or certain electronic Protected Health Information ("ePHI") may be made available to Business Associate for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act, Pub. L. No. 104-161 of 1996 ("HIPAA"), more specifically the regulations found in Title 45, C.F.R., Parts 160 and 164, Subparts A and E (the "Privacy Rule") and/or 45 C.F.R. Part 164, Subpart C (the "Security Rule"), as may be amended from time to time, which are applicable to the protection of any disclosure or use of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, the provisions of Subtitle D entitled "Privacy" of the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009 ("ARRA") and the implementing regulations adopted thereunder, as may be amended from time to time, impose certain requirements on Business Associates; and

WHEREAS, IEHP is a Covered Entity, as defined in the Privacy Rule; and,

WHEREAS, Business Associate, when a recipient of PHI and/or ePHI from IEHP, is a Business Associate as defined in the Privacy Rule; and,

WHEREAS, the parties intend to enter into this Agreement to address the requirements of HIPAA, HITECH, Privacy Rule, and Security Rule as they apply to Business Associate as a business associate of IEHP, including the establishment of permitted and required uses and disclosures (and appropriate limitations and conditions on such uses and disclosures) of PHI and/or ePHI by Business Associate that is created or received in the course of performing services on behalf of IEHP, and to incorporate the business associate obligations set forth in HITECH; and,

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

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

1. Definitions.

- A. Unless otherwise provided in this Agreement, or specifically defined in Paragraph B of this Section 1, the capitalized terms shall have the same meanings as set forth in the Privacy Rule, Security Rule, and/or HITECH as may be amended from time to time.

B. Specific Definitions

- (1) "Breach" shall mean the acquisition, access, use or disclosure of unsecured Protected Health Information in a manner not permitted under HIPAA (45 CFR Part 164, Subpart E), which compromises the security or privacy of the Unsecured PHI, unless such acquisition, access, use or disclosure is otherwise excluded under 45 C.F.R. § 164.402. For this purpose, "compromises the security or privacy" of the Unsecured PHI means poses a significant risk of financial, reputational or other harm to the individual.
- (2) "Discovered" means the first day on which such Breach is known to such Covered Entity or Business Associate, respectively, (including any person, other than the individual committing the Breach, that is an employee, officer or other agent of such entity or associate, respectively) or should reasonably have been known to such Covered Entity or Business Associate (or person) to have occurred.
- (3) "Secretary" shall mean the Secretary of the U.S. Department of Health and Human Services ("DHHS") or his/her designee.
- (4) "Unsecured PHI" shall mean PHI that is not secured through the use of a technology or methodology specified by the Secretary.

2. Scope of Use and Disclosure by Business Associate of IEHP Disclosed PHI and/or ePHI.

A. Business Associate shall be permitted to use PHI and/or ePHI disclosed to it by IEHP:

(1) On behalf of IEHP, or to provide services to IEHP for the purposes contained herein, if such use or disclosure would not violate the Privacy Rule, Security Rule, and/or HITECH;

(2) As necessary to perform any and all of its obligations under the Underlying Agreement.

B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Agreement or required by law, Business Associate may:

- (1) Use the PHI and/or ePHI in its possession for its proper management and administration and to fulfill any legal obligations.
- (2) Disclose the PHI and/or ePHI in its possession to a third party for the purpose of Business Associate's proper management and administration or to fulfill any legal responsibilities of Business Associate. Business Associate may disclose PHI and/or ePHI as necessary for Business Associate's operations only if:
 - (a) The disclosure is required by law; or
 - (b) Business Associate obtains written assurances from any person or organization to which Business Associate will disclose such PHI and/or ePHI that the person or organization will:
 - (i) Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose of which Business Associate disclosed it to the third party, or as required by law; and,

- (ii) The third party will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached (42 U.S.C. § 17932; 45 C.F.R. 164.504(e)).
 - (3) Aggregate the PHI and/or ePHI and/or aggregate the PHI and/or ePHI with that of other data for the purpose of providing IEHP with data analyses related to the Underlying Agreement, or any other purpose, financial or otherwise, as requested by IEHP.
 - (4) De-identify any and all PHI and/or ePHI of IEHP received by Business Associate under this Agreement 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. Business Associate shall not:
- (1) Use nor disclose PHI and/or ePHI it receives from IEHP, nor from another business associate of IEHP, except as permitted or required by this Agreement, or as required by law, or as otherwise permitted by law.
 - (2) Disclose PHI and/or ePHI disclosed to Business Associate by IEHP not authorized by the Underlying Agreement or this Agreement without patient authorization or De-identification of the PHI and/or ePHI as authorized in writing by IEHP.
 - (3) Use or disclose PHI for fundraising or marketing purposes. Business Associate shall not disclose PHI and/or ePHI to a health plan for payment or healthcare operations purposes if the patient has requested this special restriction, and has paid out-of-pocket in full for the healthcare item or service to which the PHI solely relates (42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(1)(i)(A)). Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of IEHP and as permitted by HITECH (42 U.S.C. Section 17935(d)(2)); however, this prohibition shall not affect payment by IEHP to Business Associate for services provided pursuant to the Underlying Agreement.
- D. Business Associate warrants that all employees who use, access or disclose PHI and/or ePHI shall be properly trained to comply with the Privacy Rule, Security Rule, HITECH, or other such applicable law.
- E. Business Associate shall require sub-contractors or agents to whom Business Associate provides PHI and/or ePHI to agree to the same restrictions and conditions that apply to Business Associate pursuant to this Agreement.
- F. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are stricter in their requirements than the provisions of HIPAA and/or HITECH and prohibit the 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. Obligations of IEHP.

- A. Notification of Restrictions to Use or Disclosure of PHI. IEHP agrees that it will make its best efforts to promptly notify Business Associate in writing of any restrictions, limitations, or changes on the use, access and disclosure of PHI and/or ePHI agreed to by IEHP in accordance with 42 U.S.C. 17935(a), that may affect Business Associate's ability to perform its obligations under the Underlying Agreement, or this Agreement.

- B. Proper Use of PHI. IEHP shall not request Business Associate to use, access, or disclose PHI and/or ePHI in any manner that would not be permissible under the Privacy Rule, Security Rule, and/or HITECH.
- C. Authorizations. IEHP will obtain any authorizations necessary for the use, access, or disclosure of PHI and/or ePHI, so that Business Associate can perform its obligations under this Agreement and/or the Underlying Agreement.
- D. Actions in Response to Business Associate Breach. IEHP shall complete the following in the event that IEHP has determined that Business Associate has a Breach:
 - (1) Determine appropriate method of notification to the patient/client(s) regarding a Breach as outlined under Section 13402(e) of HITECH.
 - (2) Send notification to the patient/client(s) without unreasonable delay but in no case later than sixty (60) days of Discovery of the Breach with at least the minimal required elements as follows:
 - a) Brief description of what happened, including the date of the Breach and the date of Discovery;
 - b) Description of the types of Unsecured PHI involved in the Breach (such as name, date of birth, home address, Social Security number, medical insurance, etc.);
 - c) Steps patient/client(s) should take to protect themselves from potential harm resulting from the Breach;
 - d) Brief description of what is being done to investigate the Breach, to mitigate harm to patient/client(s) and to protect against any further Breaches; and
 - e) Contact procedures for patient/client(s) to ask questions or learn additional information, which must include a toll-free telephone number, an E-Mail address, website, or postal address.
 - (3) Determine if notice is required to the Secretary.
 - (4) If required, submit Breach information to the Secretary within the required timeframe, in accordance with 45 C.F.R. § 164.408(b).
- E. Breach Pattern or Practice by Business Associate. Pursuant to 45 C.F.R. § 164.504(e), if IEHP knows of a pattern of activity or practice of the Business Associate that constitutes a material Breach or violation of the Business Associate's obligations under this Agreement, IEHP must take reasonable steps to cure the Breach or end the violation. If the steps are unsuccessful, IEHP shall terminate the Agreement if feasible, or if termination is not feasible, report the problem to the Secretary.

4. Obligations of Business Associate.

- A. Permitted Uses. Business Associate shall use, access, or disclose only the minimum amount of PHI and/or ePHI as permitted or required by this Agreement or as required by law.
- B. HITECH Provisions Applicable to Business Associate. The provisions of HITECH that apply to Business Associate as a business associate and are required to be incorporated by reference in a business associate agreement are hereby incorporated into this Agreement as of their respective

applicable effective dates, including, without limitation, those referenced in 42 U.S.C. §§ 17931(a) and 17934(a).

- C. Appropriate Safeguards. Business Associate shall use reasonable and appropriate safeguards to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Agreement. Business Associate shall implement the following administrative, physical and technical safeguards in accordance with the Security Rule under 45 C.F.R. Sections 164.308, 164.310, 164.312 and 164.316:
- i. Business Associate shall issue and change procedures from time to time to improve electronic data and file security as needed to comply with the measures that may be required by the Privacy Rule or the Security Rule, as applicable, and at all times use an HHS-Approved Technology for all PHI and/or ePHI that is in motion, stored or to be destroyed.
 - ii. Business Associate shall extend such policies and procedures, if applicable, for the protection of physical PHI to prevent, detect, contain, and correct security violations, as well as to limit unauthorized physical access to the facility or facilities in which the PHI is housed.
- D. Mitigation. Business Associate shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, access, or disclosure of PHI and/or ePHI by Business Associate in violation of this Agreement.
- E. Reporting of Improper Access, Use, or Disclosure Breach. Business Associate shall report to IEHP any unauthorized use, access or disclosure of Unsecured PHI and/or ePHI or any other security incident with respect to PHI no later than fifteen (15) days after Discovery of the potential Breach (“Notice Date”). The IEHP Compliance Department can be reached via Facsimile: (909) 890-2973, or through the Compliance Hotline: (866) 355-9038. Upon Discovery of the potential Breach, Business Associate shall complete the following actions:
- i. Provide IEHP’s Compliance Department with the information required by 45 C.F.R. sections 164.410, 164.404, which shall include, but not be limited to:
 - a) The identification of each individual (IEHP Members) whose Unsecured PHI has been, or is reasonably believed by Business Associate, to have been accessed, acquired, used or disclosed;
 - b) Date(s) of Breach: MM/DD/YYYY;
 - c) Date(s) of Discovery of Breach: MM/DD/YYYY;
 - d) Approximate number of individuals (IEHP Members) affected by the Breach;
 - e) Type of Breach, i.e., theft, loss, improper disposal, unauthorized access, hacking/IT incident (for additional selections, see U.S. Department of Health & Human Services, Health Information Privacy);
 - f) Location of breached information, i.e., laptop, desktop computer, network server, E-Mail, other portable electronic device (see U.S. Department of Health & Human Services, Health Information Privacy);
 - g) Type of PHI involved in the Breach, i.e., demographic information, financial information, clinical information (see U.S. Department of Health & Human Services, Health Information Privacy);

- h) Safeguards in place prior to Breach, i.e., firewalls, packet filtering (router-based), encrypted wireless (see U.S. Department of Health & Human Services, Health Information Privacy);
 - i) Actions taken in response to Breach, i.e., mitigation, protection against any further Breaches, policies and procedures (see U.S. Department of Health & Human Services, Health Information Privacy); and
 - j) Any steps individuals should take to protect themselves from potential harm resulting from the Breach.
- ii. Conduct and document a risk assessment by investigating, without reasonable delay and in no case later than twenty (20) calendar days of Discovery, the potential Breach to determine the following:
- a) Whether there has been an impermissible use, acquisition, access or disclosure of PHI and/or ePHI under the Privacy Rule;
 - b) Whether an impermissible use or disclosure compromises the security or privacy of the PHI and/or ePHI by posing a significant risk of financial, reputational or other harm to the patient/client; and
 - c) Whether the incident falls under one of the Breach exceptions.
- iii. Provide the completed risk assessment and investigation documentation to IEHP's Compliance Department within twenty-five (25) calendar days of Discovery of the potential Breach, and collaborates with IEHP on making a decision on whether a Breach has occurred.
- a) If a Breach has not occurred, notification to patient/client(s) is not required;
 - b) If a Breach has occurred, notification to the patient/client(s) is required and Business Associate must provide IEHP with affected patient/client(s) names and contact information so that IEHP can provide notification.
- iv. Make available to governing State and Federal agencies in a time and manner designated by such agencies, any policies, procedures, internal practices and records relating to a potential Breach for the purposes of audit; cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis.
- v. Should the Breach of Unsecured PHI be caused solely by Business Associate's failure to comply with one or more of its obligations under this BAA, Privacy Rule, Security Rule and/or HITECH Provisions, Business Associate shall pay for any and all costs associated with providing all legally required notifications to individuals, media outlets and the Secretary.
- vi. Should the Breach of Unsecured PHI involve more than 500 residents of a single State or jurisdiction, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to media outlets as set forth in 45 C.F.R. § 164.406.
- vii. Should the Breach of Unsecured PHI involve 500 or more individuals, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to the Secretary as set forth in 45 C.F.R. § 164.408.

viii. Should the Breach of Unsecured PHI involve less than 500 individuals, Business Associate shall maintain a log of such Breaches and provide such log to IEHP, for submission to the Secretary, on an annual basis and not later than forty-five (45) days after the end of each calendar year.

- F. Breach Pattern or Practice by IEHP. Pursuant to 42 U.S.C. § 17934(b), if the Business Associate knows of a pattern of activity or practice of IEHP that constitutes a material Breach or violation of IEHP's obligations under this Agreement, Business Associate must take reasonable steps to cure the Breach or end the violation. If the steps are unsuccessful, Business Associate shall terminate the Agreement, if feasible, or if termination is not feasible, report the problem to the Secretary.
- G. Access to Records. Business Associate shall make internal practices, books, and records including policies and procedures, relating to the use, access, disclosure, and privacy protection of PHI received from IEHP, or created or received by Business Associate on behalf of IEHP, available to the Secretary, for purposes of determining, investigating or auditing Business Associate's and/or IEHP's compliance with the Privacy and Security Rules and/or HITECH, subject to any applicable legal restrictions. Business Associate shall also cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis.
- H. Patient Confidentiality Laws and Regulations. Business Associate further agrees to obtain and maintain knowledge of the applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

5. **Access to PHI, Amendment, and Disclosure Accounting**. Business Associate agrees to:

- A. Provide access, at the request of IEHP, within five (5) days, to PHI in a Designated Record Set, to IEHP, or to an individual as directed by IEHP, as required by 45 C.F.R. 164.524.
- B. Make any amendment(s) to PHI in a Designated Record Set that IEHP directs or agrees to, at the request of IEHP or an individual, pursuant to 45 C.F.R. 164.526, within thirty (30) days of the request of IEHP.
- C. Assist IEHP in meeting its disclosure accounting under HIPAA:
 - (1) Business Associate agrees to document such disclosures of PHI and information related to such disclosures, as would be required for IEHP to respond to a request by an individual for an accounting of disclosures of PHI.
 - (2) Business Associate agrees to provide to IEHP, within thirty (30) days, information collected in accordance with this section to permit IEHP to make an accounting of disclosures of PHI by Business Associate in accordance with 45 C.F.R. § 164.528 and HITECH.
 - (3) Business Associate shall have available for IEHP the information required by this section for the six (6) years preceding IEHP's request for information.
- D. Not make any disclosure of PHI that IEHP would be prohibited from making.

6. **Term and Termination**.

- A. Term. This Agreement shall commence upon the Effective Date and terminate upon the termination of the Underlying Agreement.
- B. Termination for Breach. IEHP may terminate the Underlying Agreement, effective immediately, without cause, if IEHP, in its sole discretion, determines that Business Associate has breached a material provision of this Agreement. Alternatively, IEHP may choose to provide Business

Associate with notice of the existence of an alleged material breach and afford Business Associate with an opportunity to cure the alleged material breach. In the event Business Associate fails to cure the breach to the satisfaction of IEHP in a timely manner, IEHP reserves the right to immediately terminate the Underlying Agreement.

- (1) Effect of Termination. Upon termination of the Underlying Agreement, for any reason, Business Associate shall return or destroy all PHI and/or ePHI received from IEHP, or created or received by Business Associate on behalf of IEHP, no later than sixty (60) days after the date of termination. Business Associate shall certify such destruction, in writing, to IEHP. This provision shall apply to all PHI and/or ePHI which are in possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI and/or ePHI.

- (2) Destruction not Feasible. In the event that Business Associate determines that returning or destroying the PHI and/or ePHI is not feasible, Business Associate shall provide written notification to IEHP of the conditions which make such return or destruction not feasible. Upon determination by Business Associate that return or destruction of PHI and/or ePHI is not feasible, Business Associate shall extend the protections, limitations, and restrictions of this Agreement to such PHI and/or ePHI retained by Business Associate, its subcontractors, employees or agents, and to 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 such PHI and/or ePHI is maintained.

7. Hold Harmless/Indemnification

With respect to the subject matter in this Agreement, the following shall be applicable:

Business Associate shall indemnify and hold harmless IEHP, its respective directors, officers, Governing Board, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Business Associate, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever including fines, penalties or any other costs and resulting from any reason whatsoever arising from the performance of Business Associate, its officers, agents, employees, subcontractors, agents or representatives from this Agreement. Business Associate 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 IEHP, its respective directors, officers, Governing Board, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

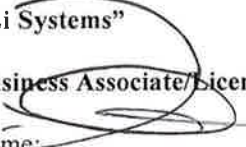
With respect to any action or claim subject to indemnification herein by Business Associate, Business Associate shall, at their sole cost, have the right to use counsel of their choice, , shall have sole control over the defense, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of IEHP. Business Associate's obligation to defend, indemnify and hold harmless IEHP shall be subject to IEHP having given Business Associate 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 Business Associate's expense, for the defense or settlement thereof. Business Associate's obligation hereunder may be satisfied by providing to IEHP the appropriate form of dismissal or relieving IEHP from liability.

In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement, this indemnification shall only apply to the subject issues included within this Agreement.

8. General Provisions.

- A. Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for IEHP to comply with the Privacy Rule, Security Rule, HITECH, and HIPAA generally.
- B. Survival. Notwithstanding Section 6. (A). of this Agreement, the respective rights and obligations of this Agreement shall survive the termination or expiration of this Agreement.
- C. Regulatory References. A reference in this Agreement to a section in the Privacy Rule, Security Rule, and/or HITECH means the section(s) as in effect or as amended.
- D. Interpretation. This Attachment shall be construed to be a part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of HIPAA and HITECH. Any ambiguity in this Agreement and the Underlying Agreement shall be resolved to permit IEHP to comply with the Privacy Rule, Security Rule, HITECH, and HIPAA generally.
- E. Remedies. Business Associate agrees that IEHP shall be entitled to seek immediate injunctive relief as well as to exercise all other rights and remedies which IEHP may have at law or in equity in the event of an unauthorized use, access, or disclosure of PHI by Business Associate or any agent or subcontractor of Business Associate that received PHI from Business Associate.
- F. Ownership. The PHI shall be and remain the property of IEHP. Business Associate agrees that it acquires no title or rights to the PHI.
- G. Headings. Paragraph headings contained in this Agreement are for convenience only and shall not be interpreted to limit or otherwise affect the provisions of this Agreement.

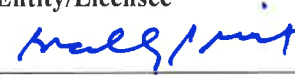
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

"i2i Systems"
Business Associate/Licensors
Name: 

Printed Name: Janice Nicholson

Title: President and CEO

Date: 5/17/13

"Inland Empire Health Plan"
Covered Entity/Licensee
Name: 

Printed Name: Bradley P. Gilbert, MD, MPP

Title: Chief Executive Officer

Date: 5/15/13