

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

384



FROM: Executive Office

SUBMITTAL DATE:
October 24, 2013

SUBJECT: Professional Services Agreement between the County of Riverside and Huron Consulting Services, LLC for implementation of hospital financial performance and health system strategic plan.
[Districts – All] [Total Cost \$25,856,000] [RCRMC Enterprise Fund]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to sign the Professional Services Agreement between the County of Riverside and Huron Consulting Services, LLC for implementation of hospital financial performance and health system strategic plan programs;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to sign amendments that do not change the substantive terms of the agreement; and,
3. Authorize the Purchasing Agent to sign sole source agreements for purchases that are based on GPO contracts as related to Huron's programs under this agreement.

BACKGROUND:

Summary

On May 7, 2013, item 3-4, the Board approved the agreement with Huron Consulting Services, LLC (Huron) to develop a strategic plan for the future direction of the Riverside County health and mental-health delivery system. In addition, an evaluation of the financial and operational performance of the hospital was to be performed.

Debra Cournoyer
Debra Cournoyer
Deputy County Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 18,082,528	\$ 7,773,872	\$ 25,856,400	\$	Consent <input type="checkbox"/> Policy X
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: RCRMC Enterprise Fund 4300100000

Budget Adjustment:

For Fiscal Year: FY13/14

C.E.O. RECOMMENDATION:

APPROVE

BY: *George A. Johnson*
George A. Johnson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.: 05/07/13 3-4,
09/23/13 4-0

District: ALL

Agenda Number:

3-10

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis* DATE: 10/24/13
NEAL R. KIPNIS

Departmental Concurrence

Robert Howdyshe
Robert Howdyshe, Director
PURCHASING & FLEET SERVICES

BACKGROUND:

Summary (continued)

After Huron conducted the health-system assessment, the Board of Supervisors approved a bridge agreement on September 23, 2013 to keep Huron working for the county while the staff and the company negotiated an implementation agreement for Board consideration. Since then, Huron has identified \$8 to \$10 million in savings that will be generated by pharmaceutical discounts available to the ten (10) family care FQHC look-alike clinics through the federal 340b discount program. On a monthly basis, throughout the term of the agreement, the attached cumulative benefit chart developed by Huron will be updated as the cumulative benefits of savings and revenue improvements are realized.

Prior to the Board's approval in September, Huron spent several months identifying changes needed to meet health-reform challenges and reduce the deficit at Riverside County Regional Medical Center (RCRMC). That deficit is expected to exceed \$50 million at the end of the fiscal year and equates to about \$1 million a week, unless corrective action is taken. Huron's assessment team consisted of 30 to 40 experts who met with and interviewed over 250 staff at RCRMC, Department of Public Health (DOPH), Department of Mental Health (DMH), other county departments and key stakeholders. Huron conducted interviews and analyzed extensive data and information to assess the existing health and mental-health system. Riverside County required the expertise of Huron to conduct such assessment with the deadlines looming for national health-care reform.

Interviews with officials in other public agencies that have hired Huron and research into media reports indicates strong satisfaction with Huron's work. Huron was hired by the University of California, Irvine's, UCI Health to implement changes in the physician billing cycle.

UCI spent about \$6 million over two years, paying 80 percent the first year and 20 percent the second year. The implemented changes completely covered the first-year costs. Revenue far exceeded costs in the second year and continued to increase in the third year. The return on investment matched Huron's oft-quoted ratio of 3-to-1 on the dollars invested. Huron changed processes, trained staff, and made sure staff could maintain the changes on its own.

At Natividad Medical Center in Monterey, Huron was brought in after the county-operated hospital lost \$25 million in 2005-06 and, according to news reports, was on the verge of closing. Two nearby hospitals contributed about \$10 million combined toward the consulting effort and provided expertise on the hospital's board of directors. Four years after implementing Huron's recommendation, Natividad reported an \$8 million profit in 2009-10, added employees, expanded its services and no longer requires a county subsidy. Natividad has remained profitable since, reporting a \$6.6 million profit for 2012-13.

Salinas Valley Memorial Health Care System is a public hospital district whose hospital see 44,000 patients per year, has more than 1,600 employees, and a medical staff of almost 300 physicians. In three phases, Huron was paid more than \$9 million and provided a return on investment of at least 4-to-1, according to district officials. Along with reducing costs by \$60 million, Huron trained 50 to 75 managers as part of an efficiency program to ensure staff would sustain the changes.

Huron found that Riverside County managers and the staff are committed to providing residents with high quality, cost-effective care. However, the county faces challenges that include a lack of an integrated health-care vision, lack of organizational structure that establishes accountability and incentives, and significant financial losses caused primarily by uncompensated detention and mental-health services. In addition, health reform will further stress a system that currently has capacity constraints due to space limitations, information technology challenges and the need for operational improvements.

SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Professional Services Agreement between the County of Riverside and Huron Consulting Services, LLC for implementation of hospital financial performance and health system strategic plan. [Districts – All]
[Total Cost \$25,856,000] [RCRMC Enterprise Fund]
DATE: October 24, 2013
PAGE: 3 of 3

Currently, Huron has approximately 20 experts in place at the hospital, as allowed per the extension of the original agreement, focusing on revenue cycle, labor and non-labor solutions.

Impact on Residents and Businesses

The hospital is an undervalued asset whose financial position will improve significantly over the next 12 to 18 months, with Huron's engagement. At the same time as the financial and operational improvements are implemented, the County and Huron will develop a strategic plan for the healthcare system, enabling the County to determine the best and most rational approach to strategic partnerships and future economic alignments with other healthcare providers or industry stakeholders. Business models will be developed for consideration and may include contractual affiliation, consortium, joint venture and mergers/acquisitions. Regardless of the county's ultimate plans for the facility, an improved financial standing makes the hospital a much more valuable and attractive asset and dramatically affects future choices regarding operations. Those improvements are intended to reduce, with the goal to eliminate, the hospital's need for general-fund support, allowing the Board to address other pressing countywide capital and operational needs.

SUPPLEMENTAL:

Additional Fiscal Information

The services provided under this agreement will occur in FY 13/14 and FY 14/15 for a fixed fee contract cost of \$22,900,000. In addition, actual out-of-pocket expenses such as airfare, ground transportation and lodging are estimated at \$3,566,400. Huron shall not exceed the rates established per Board of Supervisors Policy D-1. Total amount to be paid to Huron is estimated at \$25,856,400. Implementing Huron's recommendations is expected to generate savings and additional new revenue, producing a return on investment of three dollars for every dollar spent.

The Executive Office will work with the Waste Management District to formalize a loan to RCRMC for the specific purpose of payment to Huron for services per the terms of the agreement. The Executive Office will return with the agreement for Board consideration later this month.

Contract History and Price Reasonableness

Purchasing released Request for Proposal EOARC-026 on behalf of the Executive Office, sending solicitations to fourteen companies and advertising on the County's Internet site. Nine proposals were reviewed by an evaluation team consisting of personnel from the Executive Office, Public Health, Mental Health, Riverside County Regional Medical Center and Inland Empire Health Plan (IEHP). Through the evaluation process, four top vendors were selected and brought in for presentations to the evaluation team. Based on the interview/presentation Huron Consulting Services, LLC was selected to perform an assessment of the health and mental health care delivery system; and, the operational and financial performance of RCRMC and its outpatient and family care clinics.

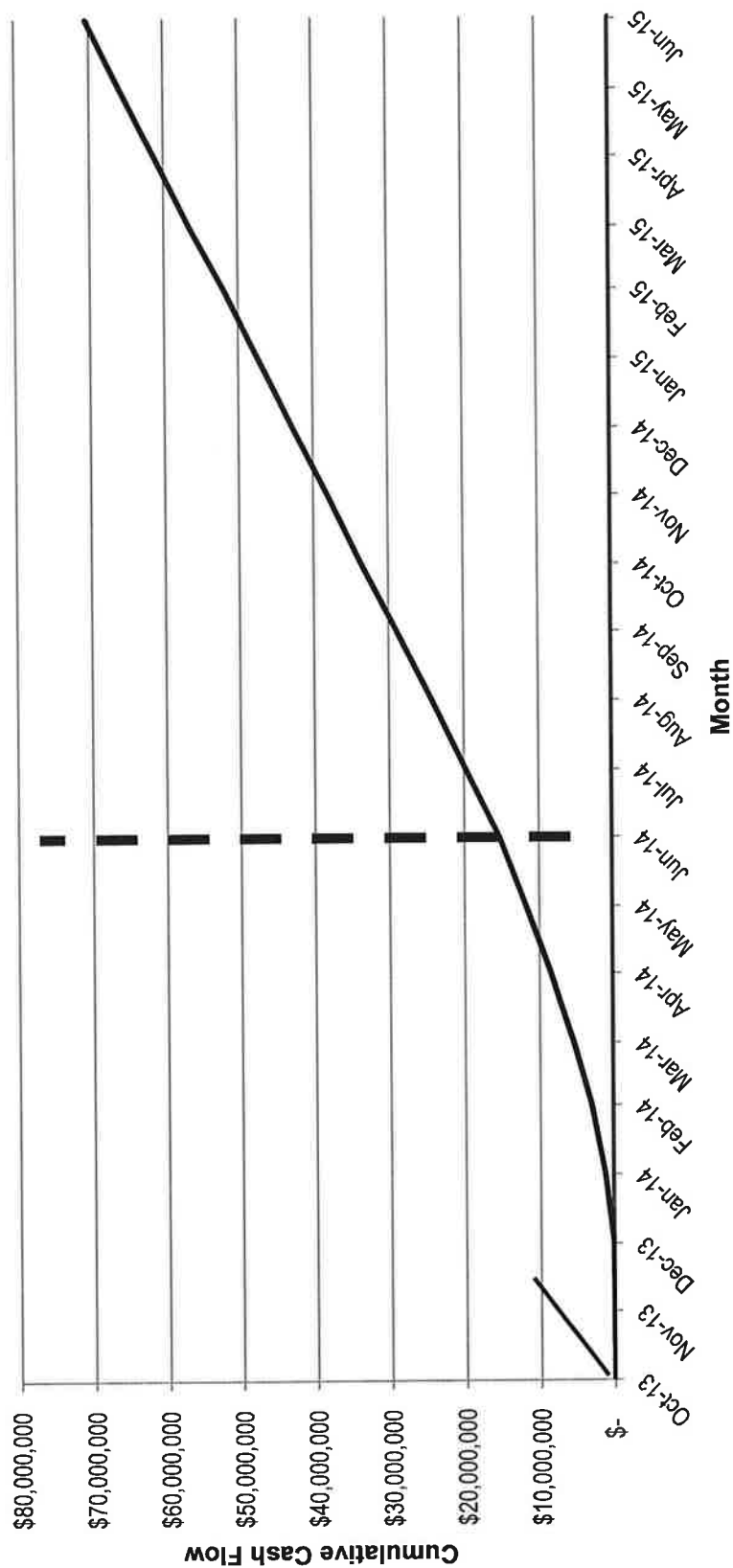
On September 23, 2013, the Board approved a one-month extension of the existing agreement and directed staff to negotiate an implementation agreement with Huron. Successful negotiations lead to a savings of \$1 million from the original proposal submitted by Huron. In addition, Huron has agreed to have the county withhold \$2.6 million in payments until the end of month 16, after the county verifies performance is consistent with the scope of services and milestones have been achieved.

The \$2,674,800 retention will be paid January 31, 2015, upon successful implementation of the milestones identified in Attachments 3 and 4. Milestones along with the anticipated month of achievement were identified in each of the programs areas Huron will address. Progress will be monitored and reported to the Board. It is anticipated that successful implementation will be achieved well in advance of the scheduled release of the retention.

RCRMC

HURON PROGRESS

Cumulative Annualized Implemented Benefit
Plan vs. Actual



— \$10.4MM Annualized Implemented (In the initial 30-day period the Huron Non-Labor team has implemented 340B)

Attachment 2

Huron Consulting Services LLC Payment Schedule

		Strategic	RCRMC	Combined
FY 13/14	Bridge		951,500	951,500
	October	68,207	23,334	91,541
	November	143,421	2,049,818	2,193,239
	December	136,908	1,956,716	2,093,624
	January	118,691	1,696,366	1,815,057
	February	112,861	1,613,041	1,725,902
	March	106,980	1,528,984	1,635,964
	April	125,735	1,797,033	1,922,768
	May	106,699	1,524,962	1,631,661
	June	99,863	1,427,267	1,527,130
	Subtotal	1,019,365	14,569,021	15,588,386
	Est. Expenses	163,098	2,331,043	2,494,142
	Total	1,182,463	16,900,064	18,082,528
FY 14/15	July	94,542	1,351,223	1,445,765
	August	52,219	746,325	798,544
	September	45,378	648,556	693,934
	October	32,683	467,117	499,800
	November	24,167	345,404	369,571
	December	14,334	204,866	219,200
Retention	January	174,912	2,499,888	2,674,800
	Subtotal	438,235	6,263,379	6,701,614
	Est. Expenses	70,118	1,002,141	1,072,258
	Total	508,353	7,265,520	7,773,872
	SUBTOTAL	1,457,600	20,832,400	22,290,000
	EST. EXPENSES	233,216	3,333,184	3,566,400
	TOTAL	1,690,816	24,165,584	25,856,400

Contract ID # _____

ATTACHMENT 1 TO EXHIBIT A
ESTIMATED TIMELINE FOR PROGRAM DELIVERABLES

*All deliverables dates are good faith estimates only.

Solution Programs	Deliverables	Estimated Time of Achievement By Project Month
Strategic Planning Program		
<i>Initiative 1: Strategic Priorities</i>	<ul style="list-style-type: none"> Establishment of an Executive Steering Committee, the Initiative Work Groups' membership, and their respective charters 	Month 2
	<ul style="list-style-type: none"> Delivery of a detailed implementation work-plan of the Steering Committee's strategic initiatives priorities 	Month 3
	<ul style="list-style-type: none"> Completion of the environmental and competitive market assessment 	Month 6
	<ul style="list-style-type: none"> Delivery of the affiliation/partnership evaluation criteria and assessment approach 	Month 7
	<ul style="list-style-type: none"> Establishment of the new organizational and governance structure 	Month 8
	<ul style="list-style-type: none"> Incorporating Steering Committee prioritization and work to date, develop strategic plans for high priorities; possible initiatives may include (TBD): <ul style="list-style-type: none"> ○ Patient satisfaction ○ Detention Health ○ Medical staff planning ○ Ambulatory network development 	TBD (pending ESC prioritization)
<i>Initiative 2: Academic Models Development</i>	<ul style="list-style-type: none"> Set of agreed upon guiding principles that support enhanced academic affiliation between County and its academic affiliates 	Month 5
	<ul style="list-style-type: none"> List and definition of key components (e.g., educational, clinical) that are necessary for successful academic affiliation and reflect the 	Month 5

	desire to maximize the commitment to the academic mission	
	<ul style="list-style-type: none"> 3-4 academic affiliation models for consideration and deliberation by all parties 	Month 5
	<ul style="list-style-type: none"> Evaluation criteria and framework to review, prioritize, and recommend future affiliation strategy(s) 	Month 5
	<ul style="list-style-type: none"> Five year pro forma outlining projected funds flow by mission/service category (e.g., GME, medical leadership, professional services) to/from County and its academic affiliates 	Month 5
	<ul style="list-style-type: none"> Implementation plan that integrates outcome of academic affiliation decisions with overall clinical strategy of County, including, if any, the investment costs to execute on the plan 	Month 13
	<ul style="list-style-type: none"> Executive summary of agreed-upon approach, terms and strategy(s) for County academic affiliation(s) 	Month 5
Initiative 3: Pediatric Unit Partnership	<ul style="list-style-type: none"> Review options and prioritize opportunities 	Month 6
	<ul style="list-style-type: none"> Provide recommendations and resulting implications 	Month 6
Initiative 4: Financial Forecast Update	<ul style="list-style-type: none"> Provide two updated financial forecasts including narrative on significant revenue and expenses categories. 	Month 7 and Month 13
	<ul style="list-style-type: none"> Provide Board presentation of the forecast. 	Month 13
	<ul style="list-style-type: none"> Provide a financial model in Excel format to RCRMC staff upon completion of the Project 	Month 16
Clinical Operations Program		
	<ul style="list-style-type: none"> Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 9
	<ul style="list-style-type: none"> Improvement initiative recommendations 	Month 9
	<ul style="list-style-type: none"> Dashboard and performance monitoring reporting 	Month 14
	<ul style="list-style-type: none"> Case Management model 	Month 11

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	<ul style="list-style-type: none"> • Physician Advisor role description 	Month 11
	<ul style="list-style-type: none"> • Patient Placement Matrix 	Month 11
	<ul style="list-style-type: none"> • PatientONTRAC reporting 	Month 14
	<ul style="list-style-type: none"> • Transition plan and training guide 	Month 15
	<ul style="list-style-type: none"> • Final recommendations and Program documentation 	Month 16
Physician Services Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis, and baseline metrics from which to measure improvement 	Month 3
	<ul style="list-style-type: none"> • Improvement initiative recommendations 	Month 5
	<ul style="list-style-type: none"> • Benefit tracking tool 	Month 5
	<ul style="list-style-type: none"> • Productivity score cards 	Month 3
	<ul style="list-style-type: none"> • Training and transition plan documentation 	Month 11
Revenue Cycle Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 5
	<ul style="list-style-type: none"> • Staffing level assessment findings 	Month 6
	<ul style="list-style-type: none"> • Department design and process improvement recommendations 	Month 5
	<ul style="list-style-type: none"> • Situation and response guidelines 	Month 6
	<ul style="list-style-type: none"> • TRAC/ONTRAC work drivers 	Month 6
	<ul style="list-style-type: none"> • Dashboard and performance monitoring reporting (Patient Access, Patient Accounting, Revenue Cycle-wide) 	Month 7
	<ul style="list-style-type: none"> • Vendor/agency performance scorecards 	Month 8
	<ul style="list-style-type: none"> • Transition and training documentation 	Month 10
Clinical Documentation Improvement Program		
	<ul style="list-style-type: none"> • Summary communication, education and program roll-out work plan 	Month 2

	<ul style="list-style-type: none"> • CDI Manual 	Month 3
	<ul style="list-style-type: none"> • DRG expert book 	Month 3
	<ul style="list-style-type: none"> • Pocket reference training materials 	Month 3
	<ul style="list-style-type: none"> • CDI Database, including dashboard and performance monitoring reporting 	Month 3
Labor Expense Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 9
	<ul style="list-style-type: none"> • Performance improvement plans and/or initiative recommendations 	Month 9
	<ul style="list-style-type: none"> • Position review process/model 	Month 3
	<ul style="list-style-type: none"> • Daily staffing management tools 	Month 9
	<ul style="list-style-type: none"> • Dashboard and productivity monitoring and key performance indicator reporting 	Month 2
	<ul style="list-style-type: none"> • Transition, training, and final recommendation documentation 	Month 12
Human Resources Expense Program		
	<ul style="list-style-type: none"> • Benefit plan design, cost sharing and health management improvement initiative recommendations 	Month 7
	<ul style="list-style-type: none"> • Integrated absence (leave, PTO, sick, workers compensation, disability) improvement initiative recommendations 	Month 8
	<ul style="list-style-type: none"> • Compensation strategy and premium pay improvement initiative recommendations 	Month 7
	<ul style="list-style-type: none"> • HR purchased services and process improvement initiative recommendations 	Month 4
Non-Labor Expense Program		
	<ul style="list-style-type: none"> • Summary of observations, analyses and baseline metrics from which to measure improvement 	Month 2

Contract ID # _____

	• Improvement initiative recommendations	Month 2
	• Benefit tracking tool	Month 1
	• Monitoring plan documentation	Month 1

[illegible]

FOR PUBLIC DISTRIBUTION

THIS COPY FOR PUBLIC DISTRIBUTION

NOTICE: THIS IS A REDACTED VERSION OF THE CONTRACT. HURON CONSULTING SERVICES LLC CONSIDERS CERTAIN INFORMATION IN THIS DOCUMENT, WHICH HAS BEEN REDACTED, TO BE PROPRIETY AND/OR TRADE SECRET INFORMATION AND NOT SUBJECT TO PUBLIC RELEASE UNDER THE FREEDOM OF INFORMATION ACT AND/OR THE CALIFORNIA PUBLIC RECORDS ACT.

PROFESSIONAL SERVICE AGREEMENT

for

IMPLEMENTATION OF HOSPITAL FINANCIAL PERFORMANCE IMPROVEMENT
AND HEALTH SYSTEM STRATEGIC PLAN

between

COUNTY OF RIVERSIDE

and

HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE



FORM APPROVED COUNTY COUNSEL
BY: Neal R. Kipnis 10/29/13
NEAL R. KIPNIS DATE

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This Professional Service Agreement (the "Agreement") is made and entered into this 1st day of November 2013, by and between HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE (herein referred to as "CONTRACTOR"), and the COUNTY OF RIVERSIDE, a political subdivision of the State of California, (herein referred to as "COUNTY"). The parties agree as follows:

1. Description of Services

1.1 CONTRACTOR shall provide all services (the "Services") for the Strategic Plan Implementation and Integrated Implementation of Operational/Financial Improvement for Riverside County Regional Medical Center, or RCRMC, (the "Project") as outlined and specified in Exhibit A, Scope of Services, at the prices stated in Exhibit B, Payment Provisions, and provide use of certain proprietary software and methodology pursuant the license agreements in Exhibit C, TRAC® and ONTRAC® Methodology/Software License Agreement (a "License"), and Exhibit D, PatientONTRAC® Software License Agreement (a "License Agreement"), and comply with Attachment 1 to the Agreement, HIPAA Business Associate Agreement.

1.2 The CONTRACTOR warrants that the Services will be performed with reasonable care in a diligent and competent manner, and in accordance with industry standards. The CONTRACTOR'S sole obligation will be to correct any non-conformance with this warranty, provided that the COUNTY gives the CONTRACTOR written notice within ninety (90) days after the Services are performed or delivered. The notice will specify and detail the non-conformance and the CONTRACTOR will have a reasonable amount of time, based on its severity and complexity, to correct the non-conformance.

The CONTRACTOR does not warrant and is not responsible for any third party products or services. The COUNTY'S sole and exclusive rights and remedies with respect to any third party products are against the third party vendor and not against the CONTRACTOR.

THIS WARRANTY IS CONTRACTOR'S ONLY WARRANTY CONCERNING THE SERVICES AND ANY DELIVERABLE EXCEPT THOSE PROVIDED UNDER A SEPARATE LICENSE AGREEMENT, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.

1.3 CONTRACTOR affirms that it is fully apprised of all of the work to be performed under this Agreement; and the CONTRACTOR agrees it will perform this work at the prices stated in Exhibit B. CONTRACTOR is not to perform services or provide products outside of the Agreement.

1.4 The CONTRACTOR will not be auditing any financial statements or performing attest procedures with respect to information in conjunction with this Project. The CONTRACTOR'S Services are not designed, nor should they be relied upon, to disclose weaknesses in internal controls, financial statement errors, irregularities, illegal acts or disclosure deficiencies. Any financial analysis the CONTRACTOR helps to prepare will be solely for use by management for internal decision making purposes. The CONTRACTOR'S Services shall not include, and the COUNTY shall not request, any service which may be considered the practice of medicine or the practice of nursing under any applicable laws or regulations. To the extent applicable for the performance of Services, the COUNTY shall provide to the CONTRACTOR medically appropriate standards which may be referenced in any clinical process recommendations the CONTRACTOR makes or develops.

1.5 Acceptance by the COUNTY of the CONTRACTOR's performance under this Agreement does not operate as a release of CONTRACTOR's responsibility for full compliance with the terms of this Agreement.

2. Mandatory Quarterly Performance Reviews.

CONTRACTOR shall meet quarterly with the COUNTY executive management to review the Project performance, including but not limited to, actual achievement versus expected achievement of Milestones, as defined in the Exhibit B, and Project performance compared to the estimated realization schedule, as provided to the COUNTY during the financial and operational assessment. If the COUNTY is not satisfied with the Project performance, the COUNTY will notify CONTRACTOR and both shall immediately participate in a mutually agreed upon thirty (30) day remediation work plan. Section 6.1 of this Agreement provides, in part, that the COUNTY may terminate this Agreement upon thirty (30) days written notice served upon CONTRACTOR stating the extent and effective date of termination.

3. Period of Performance

3.1 This Agreement shall be effective upon signature of this Agreement by both parties and continue in effect through September 30, 2015, unless terminated earlier, and may be extended by written amendment to this Agreement. CONTRACTOR shall commence

performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year agreement.

4. Compensation

4.1 The COUNTY shall pay the CONTRACTOR for Services performed and products provided by the CONTRACTOR, and expenses incurred, in accordance with the terms of Exhibit B, Payment Provisions. The fixed fee for the Project that the COUNTY shall pay to the CONTRACTOR under this Agreement is Twenty Two Million, Two Hundred Ninety Thousand Dollars (\$22,290,000.00) excluding Expenses, as defined in the Exhibit B. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of Services or products, unless otherwise agreed to pursuant to Section 5.2 below. Unless otherwise specifically stated in Exhibit B, the COUNTY shall not be responsible for payment of any of the CONTRACTOR's expenses related to this Agreement.

4.2 No price increases will be permitted during the first year of this Agreement. The COUNTY requires written proof satisfactory to the COUNTY of cost increases prior to any approved price adjustment. After the first year of the award, a minimum of thirty (30) days' advance notice in writing is required to be considered and approved by the COUNTY. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement.

4.3 CONTRACTOR shall be paid only in accordance with an invoice submitted to the COUNTY by CONTRACTOR within fifteen (15) days from the last day of each calendar month, and the COUNTY shall pay the invoice within thirty (30) working days from the date of receipt of the invoice. Payment shall be made to CONTRACTOR only for conforming Services. Prepare invoices in duplicate. For this Agreement, send the original and duplicate copies of invoices to:

**COUNTY OF RIVERSIDE
EXECUTIVE OFFICE
4080 LEMON STREET, 4TH FLOOR
RIVERSIDE, CA 92501
ATTN: DEBRA COURNOYER**

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; bill-to and ship-to addresses of ordering department/division; Agreement number _____;

quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and an invoice total.

b) Invoices shall be rendered monthly in arrears.

4.4 The COUNTY obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of the COUNTY funding from which payment can be made. No legal liability on the part of the COUNTY shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, the COUNTY shall immediately notify CONTRACTOR in writing; and this Agreement shall be deemed terminated, and have no further force and effect.

5. Alteration or Changes to the Agreement

5.1 The Board of Supervisors and the COUNTY Purchasing Agent and/or his designee are the only authorized COUNTY representatives who may at any time, by written order, alter this Agreement on behalf of the COUNTY. If any such alteration causes an increase or decrease in the cost of, or the time required for the performance under this Agreement, an equitable adjustment shall be made in the Agreement price or delivery schedule, or both, and the Agreement shall be modified by written amendment accordingly. Notwithstanding the foregoing, no alteration, modification, waiver, or amendment to this Agreement shall be binding unless executed in writing by both parties.

5.2 Any claim by the CONTRACTOR for additional payment related to this Agreement shall be made in writing by the CONTRACTOR within thirty (30) days of when the CONTRACTOR has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to the CONTRACTOR. If the COUNTY Purchasing Agent decides that the facts provide sufficient justification, he may authorize additional payment to the CONTRACTOR pursuant to the claim. Nothing in this section 5.2 shall excuse the CONTRACTOR from proceeding with performance of the Agreement even if there has been a change.

6. Termination

6.1. Either party may terminate this Agreement without cause upon thirty (30) days written notice served upon the other party stating the extent and effective date of termination.

6.2 Either party may, upon five (5) days written notice, terminate this Agreement for the other party's material breach of this Agreement, if the breaching party refuses or fails to comply with the terms of this Agreement or fails to make progress that may endanger performance and does not promptly cure such failure. In the event that such termination is due to CONTRACTOR's material breach, the COUNTY may proceed with the work in any manner deemed proper by the COUNTY.

6.3 *Termination by CONTRACTOR for Change of Status at the COUNTY.* Except as provided in Section 6.3.1 below, CONTRACTOR shall have the right to immediately terminate a Project and the relevant License Agreement with respect to the affected facility(ies) by delivering written notice upon a Change of Status at the COUNTY if one of the following occurs: (a) all or a substantial portion of the assets the facility(ies) at which CONTRACTOR is performing the Project is sold or otherwise transferred or assigned; or (b) the facility(ies) at which CONTRACTOR is performing the Project is merged or consolidated with another entity; or (c) a controlling ownership in the facility(ies) at which CONTRACTOR is performing the Project is sold, transferred or assigned to another party, whether in a single transaction or cumulatively; or (d) the facility(ies) at which CONTRACTOR is performing the Project is leased to another entity or another entity is brought in to manage the facility(ies) for the COUNTY; or (e) the COUNTY or the facility(ies) at which CONTRACTOR is performing the Project becomes insolvent, suspends business, assigns its assets for the benefit of its creditors, voluntarily dissolves, if a trustee for all or a substantial portion of its assets is appointed, or if it files or becomes subject to a petition in bankruptcy or a receivership. An internal reorganization of the COUNTY or the facility(ies) at which CONTRACTOR is performing the Project which does not involve one of the situations discussed in (a) through (e) above, will not constitute a Change in Status.

6.3.1 Notwithstanding Section 6.3 above, in the event of (i) a Change of Status involving the merger or consolidation of the facility(ies) at which CONTRACTOR is performing the Project into another entity, or (ii) the sale or assignment to another entity of all or a substantial portion of the facility(ies) at which CONTRACTOR is performing the Project, or (iii) the sale, transfer, or assignment of a controlling ownership the facility(ies) at which CONTRACTOR is performing the Project, or (iv) the lease to another entity of the facility(ies) at which CONTRACTOR is performing the Project,

or (v) another entity is brought in to manage the facility(ies) for the COUNTY; and if the surviving entity in a merger or consolidation, the acquiring entity after an acquisition of facilities, the entity acquiring controlling ownership after a change of control, or the entity to which a facility is leased or which is brought in to manage a facility affirms in writing to CONTRACTOR all of the COUNTY's obligations under this Agreement and all other agreements between the COUNTY and CONTRACTOR and agrees to restrict both the disclosure and the use of all CONTRACTOR's Confidential Information to those facilities for which the Confidential Information is licensed, then CONTRACTOR will not have any right to terminate the Project or the relevant License Agreement due to Change of Status. In the event that CONTRACTOR learns that a Change of Status has occurred, and CONTRACTOR has not received a written affirmation from the surviving entity, acquiring entity, lessee or managing party as described above, then CONTRACTOR shall have a right to terminate the Project and the relevant License Agreement. The foregoing will also apply in connection with a Change of Status after the completion of the Project.

6.3.2 The right to terminate a License Agreement shall exist both for a Change of Status at the COUNTY during the Project and a Change of Status at the COUNTY after Project completion, for so long as the License Agreement remains in effect.

6.4 After receipt of the notice of termination, CONTRACTOR shall:

- (a) Stop all work under this Agreement on the date specified in the notice of termination; and
- (b) Transfer to the COUNTY and deliver in the manner as directed by the COUNTY any deliverables which are complete as of the notice of termination.

6.5 After termination, the COUNTY shall make payment only for CONTRACTOR's performance up to the date of termination in accordance with this Agreement based on the terms set forth in Exhibit B, and for Expenses, as defined in Exhibit B, incurred up to the Termination Date.

6.6 The rights and remedies of the COUNTY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or this Agreement.

6.7 *Termination Date.* In each case of a termination pursuant to this Section 6, the “Termination Date” shall be the last day of any advance notification period, on which date the termination is effective.

6.8 *Transition Assistance.* In the event of early termination, Contractor will provide transition assistance to the COUNTY following termination at an additional cost and on such terms as may be mutually agreed upon by the parties.

7. Ownership/Use of Contract Materials and Products

Upon full and final payment of all amounts due to the CONTRACTOR in connection with the Project, all right, title and interest in the deliverables set out in the Exhibit A, created by CONTRACTOR for which CONTRACTOR has been compensated by the COUNTY pursuant to this Agreement shall be the sole property of the COUNTY except for those deliverables licensed to the COUNTY under a License Agreement. The deliverables may be used by the COUNTY as detailed in the Exhibit A. CONTRACTOR agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of the COUNTY.

Notwithstanding the foregoing, the CONTRACTOR will retain sole and exclusive ownership of all right, title and interest in the CONTRACTOR’S work papers, proprietary information, processes, methodologies, know-how and software (“CONTRACTOR Property”), including such information as existed prior to the delivery of the Services and, to the extent such information is of general application, anything which the CONTRACTOR may discover, create or develop during the performance of Services. To the extent the CONTRACTOR’S deliverables contain the CONTRACTOR Property, upon full and final payment of all amounts due to the CONTRACTOR in connection with the Services, the CONTRACTOR grants the COUNTY a non-exclusive, non-assignable, royalty-free, perpetual license to use it in connection with the deliverables and the subject of the Project and for no other or further use without the CONTRACTOR’S express, prior written consent. If the deliverables are subject to any third party rights in software or intellectual property, the CONTRACTOR will notify the COUNTY of such rights. The CONTRACTOR’S assessment report contains the CONTRACTOR Property.

Notwithstanding the foregoing, CONTRACTOR may license certain proprietary deliverables under a separate License Agreement, and such License Agreement shall take precedence over this Section 7 with respect to the COUNTY's rights in such licensed proprietary deliverables.

8. Conduct of Contractor

8.1 The CONTRACTOR covenants that it presently has no interest, including, but not limited to, other projects or contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with CONTRACTOR's performance under this Agreement. The CONTRACTOR further covenants that no person or subcontractor having any such interest shall be employed or retained by CONTRACTOR under this Agreement. The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR's interests, if any, which are or may be perceived as incompatible with the COUNTY's interests.

8.2 The CONTRACTOR shall not, under circumstances which could be interpreted as an attempt to influence the recipient in the conduct of his/her duties, accept any gratuity or special favor from individuals or firms with whom the CONTRACTOR is doing business or proposing to do business, in accomplishing the work under this Agreement.

8.3 The CONTRACTOR or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to COUNTY employees.

9. Inspection of Service; Quality Control/Assurance

9.1 All performance (which includes Services, workmanship, materials, supplies and equipment furnished or utilized in the performance of this Agreement) shall be subject to inspection and test by the COUNTY or other regulatory agencies at all times. The CONTRACTOR shall provide adequate cooperation to any inspector or other COUNTY representative to permit him/her to determine the CONTRACTOR's conformity with the terms of this Agreement. If any Services performed or products provided by CONTRACTOR are not in conformance with the terms of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform the Services or provide the products in conformance with the terms of the Agreement at no additional cost to the COUNTY. When the Services to be performed or the products to be provided are of such nature that the difference cannot be corrected, the COUNTY shall have the right to: (1) require the CONTRACTOR immediately to take all necessary steps to ensure future performance in conformity with the terms of the Agreement; and/or (2) reduce the Agreement price to reflect the reduced value of the Services

performed or products provided. The COUNTY may also terminate this Agreement for a material breach.

9.2 In all of the CONTRACTOR'S work performing the Services, the activities, conclusions, strategies and recommendations that the CONTRACTOR develops and implements represent the CONTRACTOR'S experienced judgment, based on the information supplied to the CONTRACTOR. The COUNTY will provide accurate and complete information to the CONTRACTOR, and the CONTRACTOR will rely upon the information received from the COUNTY. The COUNTY is responsible for reviewing and approving all work suggested, provided, or undertaken by the CONTRACTOR. The COUNTY acknowledges that the Services are consultative in nature and are offered as suggestions subject to the COUNTY'S approval. All Services provided by the CONTRACTOR shall be used by the COUNTY in a manner consistent with all applicable payer requirements, rules, regulations and laws.

9.3 CONTRACTOR shall establish adequate procedures for self-monitoring and quality control and assurance to ensure proper performance under this Agreement; and shall permit a COUNTY representative or other regulatory official to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement at any time upon reasonable written notice to the CONTRACTOR.

10. Independent Contractor

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

11. Subcontract for Work or Services

CONTRACTOR shall be permitted to subcontract the work or Services under this Agreement as reasonably appropriate, provided that CONTRACTOR first provides the COUNTY with written notice of subcontractor(s) to be used for the Project.

12. Disputes

12.1 The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. The CONTRACTOR shall proceed diligently with the performance of this Agreement pending the resolution of a dispute, unless the parties agree otherwise.

12.2 Prior to the filing of any legal action related to this Agreement or the COUNTY disallowing payment(s) made to CONTRACTOR pursuant to Section 23.3 below, the parties shall be obligated to attend a mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The parties shall share the cost of the mediations. The parties agree that any and all disputes or claims arising hereunder shall be settled by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. Any arbitration will be conducted in Riverside, California. Any arbitration award may be entered in and enforced by any court having jurisdiction thereof, and the parties consent and commit themselves to the jurisdiction of the courts of the State of California for purposes of any enforcement of any arbitration award. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. If any suit, action, arbitration or other proceeding is instituted in connection with this Agreement, the prevailing party shall be entitled to recover reasonable fees of attorneys and other professionals and all other costs and expenses actually incurred in connection therewith, including such fees, costs, and expenses of any appeal.

13. Licensing and Permits

CONTRACTOR shall comply with all State or other licensing requirements, including but not limited to the provisions of Chapter 9 of Division 3 of the Business and Professions Code. All licensing requirements shall be met at the time proposals are submitted to the COUNTY. CONTRACTOR warrants that it has all necessary permits, approvals, certificates, waivers and exemptions necessary for performance of this Agreement as required by the laws

and regulations of the United States, the State of California, the County of Riverside and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

14. Non-Discrimination

CONTRACTOR shall not be discriminate in the provision of Services, allocation of benefits, accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in the performance of this Agreement; and, to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment and Housing Act (Gov. Code 12900 et. seq), the Federal Civil Rights Act of 1964 (P.L. 88-352), the Americans with Disabilities Act of 1990 (42 U.S.C. §1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

CONTRACTOR shall make available, upon written request by any duly authorized Federal, State, or COUNTY agency, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the CONTRACTOR's costs related to this Agreement. All such books, documents and records shall be maintained by CONTRACTOR for at least five (5) years following termination or expiration of this Agreement and be available for audit by the COUNTY. CONTRACTOR shall provide to the COUNTY reports and information related to this Agreement upon written request by the COUNTY.

16. Confidentiality

16.1 The CONTRACTOR shall not use for personal gain or make other improper use of privileged or confidential information which is acquired in connection with this Agreement. The term "privileged or confidential information" includes but is not limited to: unpublished or sensitive technological or scientific information; medical, personnel, or security records; anticipated material requirements or pricing/purchasing actions; COUNTY information or data which is not subject to public disclosure; COUNTY operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 The CONTRACTOR shall protect from unauthorized disclosure names and other identifying information concerning persons receiving Services pursuant to this Agreement,

except for general statistical information not identifying any person. The CONTRACTOR shall not use such information for any purpose other than carrying out the CONTRACTOR's obligations under this Agreement. The CONTRACTOR shall promptly transmit to the COUNTY all third party requests for disclosure of such information. The CONTRACTOR shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by the COUNTY, any such information to anyone other than the COUNTY except as expressly provided herein. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

16.3 The CONTRACTOR is subject to and shall operate in compliance with all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996, and the related laws and regulations promulgated subsequent thereto. Please refer to Attachment 1 of this Agreement.

16.4 With respect to any information supplied in connection with the Project and designated by the CONTRACTOR as confidential ("CONTRACTOR Confidential Information"), the COUNTY agrees to protect CONTRACTOR Confidential Information in a reasonable and appropriate manner, and use CONTRACTOR Confidential Information only to perform its obligations under this Project and for no other purpose.

16.5 Neither party shall disclose, transfer, publish, or display Confidential Information belonging to the other party to any third parties, unless expressly permitted herein. Each party shall restrict access to the other party's Confidential Information to its own personnel with a need to know. The COUNTY shall prevent the unauthorized disclosure of CONTRACTOR's Confidential Information to other consultants, accounting firms (including COUNTY's auditors), software vendors, or CONTRACTOR's competitors or potential competitors. Confidential Information may be disclosed to the COUNTY's or CONTRACTOR's legal counsel. Confidential Information may be disclosed to the COUNTY's or CONTRACTOR's external financial statement auditors to the extent necessary for periodic financial statement auditing purposes only and on the condition that the disclosed Confidential Information is to be used only for the purpose of complying with generally accepted auditing procedures necessary for the certification of periodic financial statements. The exception in the prior sentence does not permit disclosure for the purpose of auditing Project processes or methodologies by third parties. If

CONTRACTOR uses a subcontractor to assist CONTRACTOR in the performance of the Project, the COUNTY hereby grants CONTRACTOR permission to disclose COUNTY Confidential Information to CONTRACTOR's subcontractor for the purpose of the subcontractor assisting CONTRACTOR in the performance of the Project, provided that such subcontractor agrees to the same restrictions and conditions on use and disclosure of COUNTY Confidential Information to which CONTRACTOR has agreed. This will not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) lawfully disclosed by a third party, (iv) independently developed, (v) disclosed pursuant to legal requirement or order, or (vi) disclosed to taxing authorities or to representatives and advisors in connection with tax filings, reports, claims, audits and litigation.

16.6 The COUNTY shall promptly advise CONTRACTOR in advance if it or any of its legal or business consultants is requested, pursuant to a public records law request, to disclose to a third party any of the Confidential Information belonging to the CONTRACTOR. In the event any third party requests copies of such information which is proprietary and confidential to CONTRACTOR, then the COUNTY will immediately inform CONTRACTOR and, though the COUNTY and CONTRACTOR will work together, the burden will be on CONTRACTOR to sufficiently establish that such information shall not be disclosed under applicable law. Each party shall promptly advise the other in advance if it or any of its legal or business consultants is legally required, pursuant to a subpoena, a court order or other legal process, to disclose to a third party any of the Confidential Information belonging to the other party, and shall cooperate with the other party to obtain a protective order pertaining to such Confidential Information.

16.7 A breach of any obligations in this Section 16 will cause irreparable harm to the owner of the Confidential Information and, therefore, in addition to any other remedy available in law, the owner shall be entitled to immediate injunctive relief, without showing any actual damages sustained, to prevent any further unauthorized disclosure or unpermitted use of its Confidential Information.

16.8 With respect to Confidential Information licensed to the COUNTY by CONTRACTOR, to the extent possible, this Section 16, other relevant provisions of this Agreement, and any License Agreement(s) shall be read together so as to best protect CONTRACTOR's Confidential Information. However, in the event of conflict between those provisions, the provisions of the License Agreement(s) shall govern.

16.9 These obligations regarding the protection of Confidential Information shall survive the termination of this Agreement and shall remain in effect perpetually.

17. Administration/Contract Liaison

The COUNTY Purchasing Agent, or designee, shall administer this Agreement on behalf of the COUNTY. The Purchasing Department is to serve as the liaison with CONTRACTOR in connection with this Agreement.

18. Notices

All correspondence and notices required or contemplated by this Agreement shall be in writing and be deemed duly given when personally delivered or when mailed by first class mail, registered or certified, return receipt requested and postage pre-paid, addressed to the respective parties at the addresses set forth below:

If to CONTRACTOR:

Huron Consulting Services LLC d/b/a Huron Healthcare
6000 SW Meadows Road, Suite 300
Lake Oswego, OR 97035
Attention: Contracting Department

With a copy to:

Huron Consulting Services LLC d/b/a Huron Healthcare
550 W. Van Buren Street
Chicago, IL 60607
Attention: Legal Department

If to COUNTY:

County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attention: Debra Cournoyer, Deputy CEO

19. Force Majeure

If either party is unable to comply with any provision of this Agreement due to causes beyond its reasonable control, and which could not have been reasonably anticipated, such as acts of God, acts of war, civil disorders, or other similar acts, such party shall not be held liable for such failure to comply.

20. EDD Reporting Requirements

In order to comply with child support enforcement requirements of the State of California, the COUNTY may be required to submit a Report of Independent Contractor(s) form

DE 542 to the Employment Development Department. The CONTRACTOR agrees to furnish the required data and certifications to the COUNTY within 10 days of notification of award of Agreement when required by the EDD. This data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders. Failure of the CONTRACTOR to timely submit the data and/or certificates required may result in the contract being awarded to another contractor. In the event a contract has been issued, failure of the CONTRACTOR to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of Agreement. If CONTRACTOR has any questions concerning this reporting requirement, please call (916) 657-0529. CONTRACTOR should also contact its local Employment Tax Customer Service Office listed in the telephone directory in the State Government section under "Employment Development Department" or access their Internet site at www.edd.ca.gov.

21. Hold Harmless/Indemnification/Limitation of Liability

21.1 Each party shall indemnify and hold harmless the other party, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, owners, employees, agents, contractors and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability related to or arising from the willful misconduct or negligent acts or omissions of the party's employees, contractors or agents in connection to the services under this Agreement.

21.2 With respect to any action or claim subject to indemnification herein by a party, the Indemnitee shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the other party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the other party's indemnification to Indemnitees as set forth herein. The other party and its employees and agents shall cooperate fully in any such defense. Excluded from the foregoing indemnification obligations are claims for which applicable law does not permit indemnification. These indemnification obligations shall survive termination of this Agreement for acts or omissions during any term of this Agreement.

21.3 Notwithstanding any other provision of this Agreement, the CONTRACTOR'S liability to the COUNTY under all theories shall be limited to a total amount for any and all

claims of any kind, in aggregate, of the total fees stated in the Exhibit B of the Agreement to be paid to CONTRACTOR. The foregoing limitation shall not apply to claims caused by the CONTRACTOR'S breach of confidentiality of the COUNTY'S protected health information. The CONTRACTOR shall not be liable to the COUNTY for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall the CONTRACTOR be liable to the COUNTY for special, consequential, incidental, or indirect damages except in the case of claims caused by the CONTRACTOR'S breach of confidentiality of the COUNTY'S protected health information.

21.4 Notwithstanding any other provision of this Agreement, the COUNTY'S liability to CONTRACTOR under all theories shall be limited to a total amount for any and all claims of any kind, in aggregate, of the total fees stated in the Exhibit B of Agreement to be paid to CONTRACTOR. The foregoing limitation shall not apply to claims caused by the COUNTY'S breach of confidentiality of CONTRACTOR'S Confidential Information. The COUNTY shall not be liable to CONTRACTOR for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall the COUNTY be liable to CONTRACTOR for special, consequential, incidental, or indirect damages except in the case of claims caused by the COUNTY'S breach of confidentiality of CONTRACTOR'S Confidential Information.

21.5 The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY Indemnitees herein from third party claims.

21.6 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the party from indemnifying the other party's Indemnitees to the fullest extent allowed by law.

22. Insurance

22.1 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective

directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside.

B. Commercial General Liability:

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

C. Vehicle Liability:

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

D. Professional Liability (ONLY TO BE INCLUDED IN CONTRACTS WITH SERVICE PROVIDERS INCLUDING BUT NOT LIMITED TO ENGINEERS, DOCTORS, AND LAWYERS). Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting

Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

E. General Insurance Provisions - All lines:

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

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

3) CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance

required herein is in full force and effect. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

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

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

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

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

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

23. General

23.1 Neither party shall delegate or assign any interest in this Agreement, whether by operation of law or otherwise, without the prior written consent of the non-assigning party, which shall not be unreasonably withheld. Any attempt to delegate or assign any interest herein shall be deemed void and of no force or effect.

23.2 Any waiver of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other

term of this Agreement. Failure on the part of a party to require exact, full, and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing the party from enforcement of the terms of this Agreement.

23.3 In the event the CONTRACTOR receives payment under this Agreement, which is later disallowed by the COUNTY for nonconformance with the terms of the Agreement pursuant to Section 12.2 above, the CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request; or at its option the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR.

23.4 CONTRACTOR shall not provide partial delivery or shipment of Services or products unless specifically stated in the Agreement.

23.5 CONTRACTOR shall not provide any Services or products subject to any chattel mortgage or under a conditional sales contract or other agreement by which an interest is retained by a third party. The CONTRACTOR warrants that it has good title to all materials or products used by CONTRACTOR or provided to the COUNTY pursuant to this Agreement, free from all liens, claims, or encumbrances.

23.6 Nothing in this Agreement shall prohibit the COUNTY from acquiring the same type or equivalent equipment, products, materials or services from other sources, when deemed by the COUNTY to be in its best interest. The COUNTY reserves the right to purchase more or less than the quantities specified in this Agreement.

23.7 The COUNTY agrees to cooperate with the CONTRACTOR in the CONTRACTOR's performance under this Agreement, including, if stated in the Agreement, providing the CONTRACTOR with reasonable facilities and timely access to COUNTY data, information, and personnel.

23.8 CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations. CONTRACTOR will comply with all applicable COUNTY policies and procedures to the extent such COUNTY policies and procedures are provided by the COUNTY to the CONTRACTOR. In the event that there is a conflict between the various laws or regulations that may apply, the CONTRACTOR shall comply with the more restrictive law or regulation. If CONTRACTOR personnel are required to comply with the COUNTY compliance policies, and the CONTRACTOR'S compliance policies conflict with the COUNTY compliance policies, the parties will work to determine an appropriate solution to ensure that the CONTRACTOR'S personnel will not be subject to conflicting compliance requirements.

23.9 CONTRACTOR shall comply with all air pollution control, water pollution, safety and health ordinances, statutes, or regulations, which apply to performance under this Agreement.

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

23.11 During the term of this Agreement, and for a period of one year following its expiration or termination, neither party will directly or indirectly solicit, employ or otherwise engage any of the employees of the other party (including former employees) or contractors who were involved in the engagement. Notwithstanding the foregoing, neither party will be in breach of this provision due to hirings that are made solely as a result of general employment solicitation, such as employment ads placed in newspapers of general circulation or Internet job sites.

23.12 This Agreement shall be governed by the laws of the State of California. Any legal action related to the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. In the event any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

23.13 This Agreement shall not provide third parties with any remedy, cause, liability, reimbursement, claim of action or other right in law or in equity for any matter governed by or subject to the provisions of this Agreement.

23.14 This Agreement, including any attachments or exhibits, constitutes the entire Agreement of the parties with respect to its subject matter and supersedes all prior and contemporaneous representations, proposals, discussions and communications, whether oral or in writing. This Agreement may be changed or modified only by a written amendment signed by authorized representatives of both parties.

23.15 Review and Approval. The COUNTY may ask CONTRACTOR to provide, and from time to time CONTRACTOR may offer, comments, assessments, recommendations or other feedback (collectively "Feedback") regarding employees and contractors working for the COUNTY, including with regard to job performance, duties, and suitability for a job. The

COUNTY acknowledges that the COUNTY is solely responsible for verifying such Feedback, for using it, and for any acts or omissions of the COUNTY based upon such Feedback. In particular, the COUNTY is solely responsible for determining whether it may alter job descriptions, move an employee or contractor from one position to another, or terminate an employee or contractor, in light of applicable laws, contract provisions, policies and other factors based upon such Feedback.

23.16 At the request of the COUNTY, CONTRACTOR may provide names of vendors or review proposals sent to the COUNTY from vendors of services or products. However, CONTRACTOR's communication of such information does not constitute a recommendation of any particular vendor. The COUNTY should perform its own independent review of any such vendor before making a purchase decision.

23.17 Reference. The COUNTY agrees that CONTRACTOR may list the COUNTY and any facility in CONTRACTOR's reference list. CONTRACTOR may disclose in its marketing materials the names and phone numbers of the COUNTY contacts, and a summary description of the Project and Project results, subject to written approval of the COUNTY, which approval shall not be unreasonably withheld.

23.18 Work Space. The COUNTY agrees to provide CONTRACTOR personnel who are authorized to receive from the COUNTY Protected Health Information ("PHI") which is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") with work space which, in the judgment of the COUNTY, meets HIPAA requirements, including but not limited to providing appropriate security and physical restrictions to PHI access.

23.19 Third Party Involvement. Neither the COUNTY nor CONTRACTOR will bring a third party into the management or conduct of the Project or into a Project benefit or milestone measurement process as an observer, consultant, participant, auditor, or in any other way, without the express written permission of the other party, which permission may be withheld for any reason.

23.20 Limitations on Services. Services provided by CONTRACTOR under the Professional Services Agreement shall not include, and the COUNTY shall not request, any service, which may be considered the practice of medicine or the practice of nursing under any applicable laws or regulations. To the extent applicable for the performance of services by CONTRACTOR under the Professional Services Agreement, the COUNTY shall provide to

CONTRACTOR medically appropriate standards, which may be referenced in any clinical process recommendations CONTRACTOR makes or develops.

23.21 Violations of Law. CONTRACTOR's primary role is to provide the services described in this Agreement and in the Exhibit A, and CONTRACTOR has no obligation to seek out or otherwise attempt to identify any violations of applicable laws and regulations. However, it is expected that CONTRACTOR and the COUNTY will both take reasonable steps to act in accordance with all applicable laws and regulations and, therefore, both parties shall inform an appropriate person affiliated with the other party of any known violations of applicable laws and regulations that they determine exist and which relate to the work being undertaken by CONTRACTOR.

23.22 E-Mail. The COUNTY and CONTRACTOR acknowledge that they may correspond or convey documentation via Internet e-mail and that neither party has control over the performance, reliability, availability, or security of Internet e-mail. Therefore, neither party will be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail due to any reason beyond the party's reasonable control.

23.23 Precedence. This Agreement supersedes and replaces any prior discussions, representations or agreements, written or oral, as to its subject matter. Although all of the documents are intended to work together and be complementary, in the event an issue is addressed both in the Professional Services Agreement and its Exhibit A, Exhibit B, Exhibit C, Exhibit D, the terms of the Exhibit A, Exhibit B, Exhibit C, or Exhibit D shall govern to the extent they are inconsistent and in conflict with the terms of the Professional Service Agreement.

(Signature Page Follows.)

The undersigned parties agree to the terms, conditions and fees described in the foregoing Agreement and Exhibits A, B, C and D.

COUNTY:

BOARD OF SUPERVISORS
4080 Lemon Street, 5th Floor
Riverside, CA 92501

CONTRACTOR:

HURON CONSULTING SERVICES LLC
550 West Van Buren Street
Chicago, IL 60607

Signature: _____

Print Name: John J. Benoit

Title: Chairman of the Board of Supervisors

Dated: _____

Signature: 

Print Name: Rich Namerow

Title: Managing Director

Dated: 10/27/13

FORM APPROVED COUNTY COUNSEL

BY: _____

NEAL R. KIPNIS

DATE

County of Riverside ("COUNTY")/
Huron Consulting Services LLC d/b/a Huron Healthcare ("CONTRACTOR")
Strategic Plan and Operational/Financial Improvement Implementation

EXHIBIT A

CONTRACTOR SCOPE OF WORK REQUIREMENTS FOR THE COUNTY

This Exhibit A outlines the scope and approach of the Services CONTRACTOR will perform for the COUNTY pursuant to the Professional Service Agreement (the "Agreement"). This Exhibit A incorporates the Exhibit A-1 of the Amendment No.1 to the Professional Service Agreement dated September 27, 2013 as it relates to CONTRACTOR's work and the initial implementation activities.

CONTRACTOR will implement a health and mental health delivery system strategic plan for Riverside County Regional Medical Center ("RCRMC"), public and mental health, and other key stakeholders as identified. CONTRACTOR will also implement operational and financial improvements at RCRMC and the community health center (collectively, the "Project").

CONTRACTOR's work will be limited to the following facilities:

- Riverside County Regional Medical Center, including the following campuses:
 - Moreno Valley
 - Arlington
- Riverside Community Health Center

CONTRACTOR will work with the COUNTY to implement CONTRACTOR's solutions in the following areas:

- I. Strategic Planning Program
- II. Clinical Operations Program (Moreno Valley campus only)
- III. Physician Services Program (clinics only)
- IV. Revenue Cycle Program (RCRMC only)
- V. Clinical Documentation Improvement Program
- VI. Labor Expense Program
- VII. Human Resources Expense Program
- VIII. Non-Labor Expense Program

The work in each area referenced in this Exhibit A is a "Program."

The COUNTY shall be responsible for reviewing and approving recommended changes to work processes, tools, and techniques prior to implementation.

Additional Program-specific scope definition is provided in the portion of this Exhibit A describing the individual Programs.

Project Schedule and Staffing

The duration of the Project is expected to be twenty-four (24) months. A timeline for each Program will be developed in collaboration with the respective Program Steering Committee (defined below). CONTRACTOR will work with the COUNTY to arrange Project team workspace, telephones, voice mail, networking, and other logistics. It is critical that the Project workspace be operational by the beginning of the Project to ensure the effectiveness of the Project team. CONTRACTOR anticipates a ramp up of the Project team during the early stages of the Project and a corresponding ramp down during the later stages of the Project.

The Project will also require extensive involvement of COUNTY personnel. The requirements of the individual Programs are presented in the section of this Exhibit A that describes the Programs.

To ensure timely issue resolution of overall Project concerns and to facilitate COUNTY oversight of the Project, the COUNTY will form an Executive Steering Committee to exercise authority over the Project. The Executive Steering Committee will meet on a regular basis with CONTRACTOR Project management to review Project status and to resolve open issues.

Project Approach and Deliverables

For each Program, CONTRACTOR will work with the COUNTY to form a Program Steering Committee to oversee the implementation of the Program. The Program Steering Committees will be key to the review and approval of Program implementation plans, monitoring and supporting activity with respect to the Programs. CONTRACTOR leadership of each Program will meet regularly with the respective Program Steering Committee to review status of the Program and to discuss and resolve Program concerns.

At the outset of each Program, CONTRACTOR will work with the Program Steering Committee to schedule and execute a Program kickoff meeting with the appropriate COUNTY personnel.

For each Program, the COUNTY will designate a senior executive to act as the Program Sponsor, who will make or obtain all COUNTY decisions with respect to the Program on a timely basis.

CONTRACTOR will provide presentations to the Executive Steering Committee every two weeks during the Project in order to update the Executive Steering Committee on the status of the Project.

CONTRACTOR will provide presentations to the Board of Supervisors as requested by the Board of Supervisors or the Executive Steering Committee during the Project in order to update the Board of Supervisors on the status of the Project.

CONTRACTOR shall meet quarterly with the COUNTY executive management to review the Project performance, including but not limited to, actual achievement versus expected achievement of Milestones, as defined in the Exhibit B, and Project performance compared to the estimated realization schedule, as provided to the COUNTY during the financial and operational assessment. If the COUNTY is not satisfied with the Project performance, the COUNTY will notify CONTRACTOR and both shall immediately participate in a mutually agreed upon thirty (30) day remediation work plan. Section 6.1 of the Agreement provides, in part, that the

COUNTY may terminate the Agreement upon thirty (30) days written notice served upon CONTRACTOR stating the extent and effective date of termination.

CONTRACTOR will provide deliverables for the Programs, as detailed below, to the COUNTY pursuant to the Estimated Timeline for Program Deliverables attached to this Exhibit A, as Attachment 1. Upon CONTRACTOR's achievement of each Program deliverable for the Project, the parties will document their agreement on the achievement using the Deliverable Sign-Off Form attached to this Exhibit A, as Attachment 2.

The eight Programs for the Project are outlined as follows:

I. STRATEGIC PLANNING PROGRAM

Strategic Planning Program - Scope and Approach

CONTRACTOR will provide Project management, facilitation, and negotiation assistance in support of the COUNTY's high priority strategic initiatives at RCRMC over a twelve (12) month period, beginning November 1, 2013. CONTRACTOR's work in this area consists of four (4) initiatives:

1. Support for Execution of Strategic Priorities
2. Academic Models Development
3. Pediatric Unit Partnership: Comprehensive Review and Critical Analysis
4. Financial Forecast Update

Strategic Planning Program - Initiative 1: Support for Execution of Strategic Priorities - Scope and Approach

CONTRACTOR will conduct the following activities in collaboration with RCRMC:

- Establish a leadership Program Steering Committee charged with overseeing implementation planning efforts.
- Organize the strategic planning effort by establishing CONTRACTOR in a program management organizational ("PMO") role supporting the Program Steering Committee and RCRMC leadership. CONTRACTOR will work with RCRMC to provide Program organization, guidance, and support needed to provide RCRMC leadership with the information and guidance to execute on strategic priorities. This will likely include establishing various committees, workgroups and structured communications with key constituencies specific to each planning initiative.
- Develop an initial list of high priority strategies for implementation. Initial prioritization may include the following five initiatives that were raised during the initial planning period:
 - Redesign of the RCRMC health enterprise organization and governance, including development of a COUNTY healthcare advisory board in order to support effective collaboration and efficient decision-making;

- Conduct an environmental and competitive market assessment, including medical staff development plan in order to support subsequent strategic planning efforts;
- Develop a structured methodology to consider offers of strategic options/partnerships for RCRMC including for payors, physicians, and other health care providers;
- Identify, prioritize and implement clinical service line strategies that leverage RCRMC's many health enterprise assets and supports effective delivery across the care continuum (e.g., hospital, ambulatory network, public health, mental health); and
- Create management report cards and an executive level dashboard that provides the metrics, analytics, and business intelligence necessary to support informed and effective management decisions.
- Examine the economic and quality benefits, expenses, risks and organizational readiness for the development of Accountable Care programs, population health management and risk-based payor contracting
- Conduct a [REDACTED] to measure the risk/reward to RCRMC from a clinical and cost perspective if RCRMC desires to prioritize the exploration of advanced risk-based contracting models
- Work with RCRMC executives to better understand Population Management programs as a business model, stay informed on regional, state and national developments for the same, and identify potential partnerships with local and state providers
- Create a detailed work-plan for each initiative that identifies key milestones and accountabilities.

Strategic Planning Program- Initiative 1: Support for Execution of Strategic Priorities - Deliverables

- Establishment of an Executive Steering Committee, the Initiative Work Groups' membership, and their respective charters
- Delivery of a detailed implementation work-plan of the Steering Committee's strategic initiatives priorities
- Completion of the environmental and competitive market assessment
- Delivery of the affiliation/partnership evaluation criteria and assessment approach
- Establishment of the new organizational and governance structure
- Incorporating Steering Committee prioritization and work to date, develop strategic plans for high priorities; possible initiatives may include (TBD):
 - Patient satisfaction

- Detention Health
- Medical staff planning
- Ambulatory network development

Strategic Planning Program - Initiative 2: Academic Models Development - Scope and Approach

CONTRACTOR will conduct the following activities:

- Work with COUNTY to secure the interest and participation of all key academic affiliates in the collaborative planning effort
- Establish a leadership Steering Committee for this initiative charged with overseeing planning efforts and developing recommendations to COUNTY executive leadership
- Request additional data as necessary from COUNTY and the participating academic affiliates to support the assessment and planning efforts
- Establish set of shared guiding principles and goals for future academic collaboration along with current challenges
- Determine key components required of any affiliation model and the evaluation criteria to be used in prioritizing which model to pursue
- Identify affiliation models for assessment and prioritization
- Outline a financially sustainable transparent funds flow model in support of the recommended affiliation model

Strategic Planning Program - Initiative 2: Academic Models Development - Deliverables

- Set of agreed upon guiding principles that support enhanced academic affiliation between COUNTY and its academic affiliates
- List and definition of key components (e.g., educational, clinical) that are necessary for successful academic affiliation and reflect the desire to maximize the commitment to the academic mission
- 3-4 academic affiliation models for consideration and deliberation by all parties
- Evaluation criteria and framework to review, prioritize, and recommend future affiliation strategy(s)
- Five year pro forma outlining projected funds flow by mission/service category (e.g., GME, medical leadership, professional services) to/from COUNTY and its academic affiliates
- Implementation plan that integrates outcome of academic affiliation decisions with overall clinical strategy of COUNTY, including, if any, the investment costs to execute on the plan
- Executive summary of agreed-upon approach, terms and strategy(s) for COUNTY academic affiliation(s)

Strategic Planning Program - Initiative 3: Pediatric Unit Partnership: Comprehensive Review and Critical Analysis - Scope and Approach

CONTRACTOR will conduct the following activities:

- **Phase One – Initial Business Plan Evaluation:** CONTRACTOR will work with COUNTY to identify and rationalize an appropriate analysis from a clinical, strategic and financial perspective. CONTRACTOR will provide an initial gap analysis to identify necessary elements to be included in the proposed business offering.
- **Phase Two - Data Collection from Third-Party Development Partners:** CONTRACTOR will provide developers with a detailed data request that may include items for review that may be in addition the overall business plan, such as:

- [REDACTED]
- [REDACTED]
- † [REDACTED]
- † [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- **Phase Three - Perform Assessment:** CONTRACTOR will assess the proposed Pediatrics Unit Service Line Partnership as to strengths, weaknesses and opportunities by looking at the following market indicators and organizational readiness factors:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

- **Phase Four - Develop Recommendations:** CONTRACTOR will deliver a set of observations and recommendations for the COUNTY on the proposed COUNTY Pediatric Unit Service Line Partnership and meet with COUNTY leadership to refine the preliminary conclusions and discuss the recommendations. CONTRACTOR's recommendations will take into consideration and address such factors as:

- Service line mission
- Market position
- Organizational capabilities
- Community needs/support
- Access to service
- Regulatory compliance
- Financial performance
- Payor implications
- Political ramifications
- Partnership model

Strategic Planning Program – Initiative 3: Pediatric Unit Partnership: Comprehensive Review and Critical Analysis - Deliverables

- Review options and prioritize opportunities
- Provide recommendations and resulting implications

Strategic Planning Program - Initiative 4: Financial Forecast Update - Scope and Approach

CONTRACTOR will update the COUNTY financial forecast with more recent financial data including the final fiscal year end June 30, 2013 income statements. In addition, performance improvement opportunities and new strategies and initiatives will be included in the revised forecast. CONTRACTOR will request updated financial documents and work with COUNTY management and CONTRACTOR's performance improvement and strategy teams to determine the forecast revisions. CONTRACTOR will continue to work with COUNTY management in determining the various variables of the forecast and how these impact overall profitability.

Strategic Planning Program - Initiative 4: Financial Forecast Update - Deliverables

- Provide two updated financial forecasts including narrative on significant revenue and expenses categories
- Provide Board presentation of the forecast, as requested by the Board of Supervisors or the Executive Steering Committee.
- Provide a financial model in Excel format to RCRMC staff upon completion of the Project.

II. CLINICAL OPERATIONS PROGRAM

Clinical Operations Program - Scope and Approach

In the Clinical Operations Program, CONTRACTOR will implement new processes, tools and techniques that will help to provide the foundation for service, operational, care quality, and financial performance improvement. The scope of CONTRACTOR's involvement at RCRMC includes the design, implementation, and stabilization of a Clinical Operations solution. CONTRACTOR will work across multiple functional areas within RCRMC to address clinical operations processes and communication.

The scope of the Clinical Operations solution will consist of:

- Care Management
- Interdisciplinary Care Coordination
- Patient Placement
- Reporting and Performance Measurement Plan

The scope of the implementation of the components of the Clinical Operations solution regarding Care Management will be for patients receiving inpatient services at the RCRMC Moreno Valley campus. The scope of the implementation of the components of the Clinical Operations solution regarding Interdisciplinary Care Coordination will be for patients receiving inpatient services at the RCRMC Moreno Valley campus with the exception of the following units:

Acute Units

- 3200 (Obstetrics)
- 3300 (Labor and Delivery and Newborn Nursery)

Intensive Care Units

- 3300N (NICU)

The scope of the implementation of the components of the Clinical Operations solution regarding House Management will be for patients receiving inpatient services at the RCRMC Moreno Valley campus.

The scope of this Project does not include detailed assessment, redesign or implementation of improvements in RCRMC's psychiatry units, rehabilitation units, clinics or ancillary areas, any owned, leased, or operated units outside of RCRMC, ancillary test or treatment areas, or the Arlington campus. However, CONTRACTOR will work with representatives from the RCRMC clinics or ancillary areas to develop appropriate protocols to address communication and coordination with these key patient access points and key clinical operations functions.

CONTRACTOR will perform the following activities in collaboration with RCRMC:

- Observations/Interviews, Process Mapping, Data Analysis - Spend time with front-line staff to observe their daily work process and identify productivity barriers and process issues impacting performance. Conduct data analysis to identify and confirm opportunities for performance improvement.

- Baseline Key Metrics - Establish baselines for key operational metrics to be further defined during the implementation.
- Established Initiative Teams - Establish teams to meet regularly and frequently that will focus on achieving the agreed upon targets in these areas.
- Length of Stay (“LOS”) [REDACTED] - Develop [REDACTED] to track and monitor the impact of the improvement activities on LOS.
- Point of Entry Case Management - Implement improvements to Case Management in the Emergency Department.
- Case Management Model - Conduct staffing analyses, complete role refinement, realign staff, conduct training, and develop priority matrices and other documentation, as needed, to support the rollout of a new Case Management model.
- Physician Advisor Role - Define the Physician Advisor role, responsibilities, reporting structure, and coverage. Train the Physician Advisor on its role in [REDACTED] meetings, [REDACTED] protocols, and the [REDACTED] committee.
- [REDACTED] Meetings - Implement and refine [REDACTED] Meetings.
- [REDACTED] Meetings - Implement improvements to support appropriate participation from relevant [REDACTED] and effective follow-up.
- [REDACTED] Reviews - Introduce a formal [REDACTED] process for key implementation activities (e.g. [REDACTED] Meetings).
- Patient [REDACTED] - Implement a [REDACTED] Matrix to assist in identifying the [REDACTED].
- Bed Center/Patient Placement Function - Restructure the Patient Placement area and recommend caseloads to support responsibilities that include bed assignment, interface with nursing units, and timely interaction with nursing supervisors and the Physician Advisor.
- Operational Metrics and PatientONTRAC® Reporting - CONTRACTOR will implement its PatientONTRAC software to supplement existing RCRMC information systems to provide leadership and staff with tools to support proactive management of patient flow. RCRMC will provide data from RCRMC systems as required for input to PatientONTRAC. CONTRACTOR will work with RCRMC to configure and test system reporting and set target performance levels and implement PatientONTRAC reports.

CONTRACTOR will conduct training for RCRMC staff in the effective use of the PatientONTRAC Software. CONTRACTOR will use one-on-one meetings and group meetings to educate RCRMC personnel on how to interpret critical PatientONTRAC reports and data.

CONTRACTOR will also train selected RCRMC staff on how to use the PatientONTRAC Software to generate reports and to maintain system parameter codes

and tables. RCRMC will provide the hardware and software necessary to support operation of the PatientONTRAC Software.

CONTRACTOR will provide technical specifications for required downloads and system interfaces to be developed by the COUNTY.

- Patient Flow Weekly Meeting - Implement a standing meeting to discuss PatientONTRAC reporting and other reporting.
- Stabilization - Measure and monitor daily, weekly, and monthly performance and [REDACTED], targeting industry best practice levels.
- Transition and Training - Complete the transfer of detailed day-to-day support and leadership to RCRMC management. Develop detailed transition plans for leadership and management.
- Program Documentation and Final Recommendations - At the end of the Program, complete a process to update and consolidate all final policies, procedures, and training documents for ongoing reference. Make final recommendations to include key performance management activities as well as additional implementation items.

Enhance Automated System Support

Improving patient flow processes requires the ability to effectively interface with existing RCRMC information systems, derive necessary data from them and install necessary tools. CONTRACTOR will always carefully consider the benefit of system modifications relative to the effort required by IS to make the changes. CONTRACTOR will work with IS personnel to implement automated system enhancements that will drive the Clinical Operations solution implementation. Specifically, CONTRACTOR will work with RCRMC IS personnel to:

- Develop download specifications and identify interfaces needed to effectively support patient flow tools from a variety of systems (e.g., admission, discharge, transfer, bed boards, Care Management, decision support)
- Identify and provide functional requirements for the addition of new screens or data elements in existing screen flows
- Assist in the assessment of the ability of existing technology to support Program goals as required
- Define metric priorities, capture needed data in workflow and identify potential changes to existing systems
- Create training material/schedules and to train staff

Additional mutually agreed upon system modifications may also be made. During this task, CONTRACTOR will use its combined functional and technical knowledge to develop high-level specifications for potential system enhancements. It will be the responsibility of existing RCRMC IS or RCRMC-contracted vendor personnel to program and implement enhancements in a timely manner that RCRMC approves. The scope of CONTRACTOR's work in this area

does not include direct involvement in health system information and/or system implementation activities (e.g., data repository, electronic patient records).

RCRMC IS Resources

To assist with the implementation of the PatientONTRAC software, RCRMC's IS department will provide appropriately dedicated analyst and programmer support, with the appropriate skills, to respond to information system requests. Typically, a PatientONTRAC implementation requires [REDACTED] of an IS project manager to coordinate IS resources for the Program, coordinate the hardware and networking resources required, and participate in weekly updates to resolve issues.

In addition, for each application with which the PatientONTRAC software will interface (most likely including ADT, Care Management, and bed board), RCRMC will provide a dedicated programmer/analyst resource for one month, with continuing, but less dedicated support for two to three additional months. In this context, "dedicated" means that the Program would be the highest priority for the programmer/analyst, but the Program may not require the full time of the programmer/analyst. CONTRACTOR would work with RCRMC's IS group to determine the required level of support for the Program.

If RCRMC chooses to implement a Care Management system and the implementation begins within ninety (90) days of the Program start, CONTRACTOR will assist RCRMC with training the staff to use the functionality of these systems to document utilization reviews, organize daily assignments, track extended authorizations, collect data in real time about care delays, and document discharge planning activity.

If RCRMC chooses to implement an electronic bed board suite, CONTRACTOR will assist RCRMC in the functional configuration of the bed board, provided that the bed board implementation begins within ninety (90) days of Program start.

RCRMC will make good faith and reasonable efforts to obtain timely and effective vendor involvement, so that:

- Software tools are configured, tested and rolled out to meet Program schedule requirements for use and/or enhancements;
- Access to required data is secured in a timely manner;
- Proprietary material of CONTRACTOR and other vendors is protected; and
- A designated contact is provided by the vendor to facilitate communication with the Program.

Clinical Operations Program - Deliverables

CONTRACTOR will provide the following deliverables in collaboration with RCRMC:

- Summary of observations, analysis and baseline metrics from which to measure improvement
- Improvement initiative recommendations

- Dashboard and performance monitoring reporting
- Case Management model
- Physician Advisor role description
- Patient Placement Matrix
- PatientONTRAC reporting
- Transition plan and training guide
- Final recommendations and Program documentation

Clinical Operations Program - Additional RCRMC Obligations

An implementation of CONTRACTOR's Clinical Operations solution requires actions by both parties in order to create an environment that is conducive to success. Additional RCRMC obligations include:

- Support the establishment of the facility [REDACTED] which are comprised of [REDACTED] who will work with CONTRACTOR to design and implement CONTRACTOR's recommended practices at RCRMC. RCRMC will provide [REDACTED] that will spend between ten and twenty (10-20) hours per week of time devoted to this work. Each [REDACTED] will also have a dedicated Project Lead.
- Provide staffing as needed in the Care Management and Bed Placement departments to match national standards in the [REDACTED] (7 days per week for 16+ hours per day), and other key personnel needed in these departments.
- Allow participation in all committees by the employed hospitalist group, other employed physicians, RCRMC Chief Medical Officer, Physician Advisor, and other key physicians within the facility both employed and non-employed. RCRMC will pay for participation by non-employed physicians, as needed, according to established RCRMC standards for physician payment.
- Support up to a full-time [REDACTED] position to support the work of the Care Management department.
- Agree to assist in reconfiguring hospital beds, as needed, based on LOS changes required.

CONTRACTOR will report Program progress weekly to the Program Sponsor.

The Program Steering Committee will appoint a Program Coordinator to support the Clinical Operations Program and assist with scheduling interviews and meetings, as well as assist with compiling the financial and statistical data that will be required.

RCRMC will provide sufficient staffing and assistance to perform the following:

- Work with CONTRACTOR to develop and track metrics

- Assist in development of additional future state process flows
- Develop/refine policies and procedures as needed
- Work with CONTRACTOR to create implementation plans
- Reprioritize workloads/change processes as required to meet goals

CONTRACTOR will identify and quantify those RCRMC internal resources that will be required to support implementation of each improvement initiative. RCRMC management will determine whether sufficient existing internal resources are available for completing implementation within the projected time frame. If RCRMC management determines that insufficient internal resources are available to support timely implementation, RCRMC will obtain additional resources as reasonably required to support timely implementation.

III. PHYSICIAN SERVICES PROGRAM

Physician Services - Scope and Approach

The functional scope of the Physician Services Program includes:

- Practice Financial Stability
- Operations Efficiency
- Capacity Management

The organizational scope of the Physicians Services Program is limited to the following:

- The ten (10) community clinics and the hospital- based ambulatory clinic

CONTRACTOR will perform the following activities, in collaboration with the designated physician leader and/or the Physician Task Force:

- Program Launch - Refresh data, as needed, and execute the Program kickoff meeting.
- Establish Workgroups - Set up workgroups for Capacity Management and Operations Efficiency. The Program Steering Committee will be the workgroup for Financial Stability. The Physician Task Force will provide key hospital and medical group administrators, along with key physician leaders, participation in the workgroups.
- Targets and Measurement - Establish baselines and targets for Capacity Management and Operations Efficiency.
- Operations Efficiency - Develop ambulatory throughput work plan and operations standards. Establish appropriate provider and non-provider staffing ratios by working with hospital and practice staff to improve work processes and modify to fit Patient Centered Medical Home and other practice models depending on practice clinical model.

- Financial Stability - Review and revise practice budgets and appropriate financial statements including implementation of a [REDACTED]
- Capacity Management - Establish/adjust productivity standards and group complement adjustments based on approved targets [REDACTED] and hospital/health system need. Measure performance achieved against performance targets.
- Program Monitoring - Measure and monitor monthly performance and outcomes. Drive metrics towards industry best practice levels.
- Program Completion, Transition and Training - Complete transfer of detailed support and leadership to Physician Task Force management. Develop transition plans, trackers and tools for leadership and management to help sustain long-term success.

Physician Services Program - Deliverables

CONTRACTOR will provide the following deliverables in collaboration with the Physician Task Force:

- Summary of observations, analysis, and baseline metrics from which to measure improvement
- Improvement initiative recommendations
- Benefit tracking tool
- Productivity score cards
- Training and transition plan documentation

IV. REVENUE CYCLE PROGRAM

Revenue Cycle Program – Scope and Approach

The Revenue Cycle Program is limited to the following facilities:

- Riverside County Regional Medical Center

The Revenue Cycle Program scope includes the design and implementation of new revenue cycle management processes, software, tools and techniques for services provided by RCRMC, the value of which is reflected on the RCRMC accounts receivable currently residing on the Siemens Invision system. The revenue cycle functions within the scope of this Program include, but are not limited to, insurance verification, financial counseling and eligibility, admitting, registration, utilization review, care management, health information management, and patient financial services. The scope of this Program does not include physical restructuring of patient access points nor does it include revenue cycle management processes related to non-hospital, physician-based services.

CONTRACTOR will perform the following activities in collaboration with RCRMC:

- Baselining - Establish baselines for key metrics, including [REDACTED]
[REDACTED]
[REDACTED] etc.
- Staff Shadowing - Observe daily work process of detail staff to identify productivity barriers and other process issues impacting representative performance.
- Staffing Level Assessment - Draft analysis to determine recommended staffing levels reflecting any reduction of one-time backlogs and staff performance ramp up. Work with RCRMC leadership and union leadership to determine permanent staffing levels.
- Initial Department/ Process Design - Conduct review and alignment of functions and processes based on principles of [REDACTED]
[REDACTED] with goals of enhancing patient service and improving performance.
- Management Team Updates - Implement standing meetings with the RCRMC management team to discuss issues, review performance and discuss team goals.
- [REDACTED] and Achievement of Quick Hit Opportunities - Begin focused efforts to eliminate backlogs, submit claims approaching filing deadlines, and fill process gaps.
- Situation and Response Guidelines - Draft training and job aid documentation to outline situations commonly found while performing revenue cycle activities and their appropriate response.
- Revenue Cycle Departmental Realignment(s) - Realign staff responsibilities for appropriate [REDACTED] activities, [REDACTED] of work, [REDACTED] etc. Organize training for staff taking on new responsibilities.
- Unit Meetings - Complete standing meetings with all detail staff and supervisors by area to discuss issues, review team performance, discuss team goals, continue staff training, and enhance communication.
- Tool Go-live - Deploy work drivers that evaluate the receivable for [REDACTED] and focus and assign associated tasks to individuals throughout the revenue cycle.
- Patient Accounts Reporting - Deliver enhanced Patient Accounts reporting package that measures [REDACTED]
[REDACTED] and other key performance indicators.

- Patient Access Reporting - Support the development of an enhanced patient access report package incorporating [REDACTED] key performance metrics, including measures for [REDACTED] percentages.
- Revenue Cycle Reporting - Configure [REDACTED] and other [REDACTED] data into reporting at the summary and drill down level.
- Vendor/Agency Assessment - Assess vendors and/or agencies utilized for third-party follow-up and self-pay collection. Quantify each entity's success rates and determine action steps.
- Revenue Cycle Meeting - Implement standing meeting to discuss current Patient Accounts, patient access and reporting.
- Case Management ("CM") Solution - Work with CM to institute [REDACTED] for extended authorizations and to improve the denial/appeal process. In addition, work to reduce Treatment Authorization Request ("TAR") backlogs and streamline the TAR free process.
- Daily Management Reports and Key Performance Indicator ("KPI") Tracking - Train managers and supervisors on daily reports, KPIs, and trending to monitor [REDACTED] accounts, [REDACTED] levels, portfolios, staff performance, [REDACTED], and to take appropriate action to resolve issues.
- Productivity Standards - Establish productivity standards for [REDACTED] subject to enabling technology considerations. Measure staff performance against standards and provide retraining as needed.
- Quality Improvements - Introduce a formal [REDACTED] process. [REDACTED] to assess compliance with situation and response guidelines and online account documentation, and to assess the overall quality of follow-up efforts.
- Stabilization - Measure and monitor daily, weekly, and monthly performance [REDACTED] to support driving metrics to industry leading practice levels.
- Transition and Training Documentation - Complete the transfer of detailed day-to-day support and leadership to RCRMC management. Develop detailed transition plans for leadership and management to support sustaining long-term success.

TRAC®/ONTRAC® Software and Methodology Implementation

CONTRACTOR will work with RCRMC to implement the TRAC/ONTRAC revenue cycle management and reporting system. CONTRACTOR holds sole copyright to the TRAC and

ONTRAC software and the revenue cycle methodology. CONTRACTOR will grant RCRMC a license to use this revenue cycle methodology and software as an integral part of its on-going revenue cycle management approach pursuant to CONTRACTOR's Methodology/Software License Agreement. The revenue cycle methodology and software is licensed to RCRMC to be used solely as contemplated by the Methodology/Software License Agreement.

RCRMC will provide focused, high priority information services ("IS") support for the RCRMC information systems (i.e. Siemens Invision) to make reasonable efforts to promptly implement RCRMC system modifications required to operate the revenue cycle solution and to provide appropriately skilled analyst and programmer support for hardware/network setup at the start of the Program, development and initial testing of data extracts, with continuing assistance with ongoing minor modifications of extracts during the course of the Program, and coordination throughout the Program to help navigate process/protocols, resource allocation and timelines. CONTRACTOR will work with RCRMC's IS group to determine the scope, nature, and extent of any modifications and to determine the required level of dedicated IS staffing.

Revenue Cycle Program - Deliverables

CONTRACTOR will provide the following deliverables in collaboration with RCRMC:

- Summary of observations, analysis and baseline metrics from which to measure improvement
- Staffing level assessment findings
- Department design and process improvement recommendations
- Situation and response guidelines
- TRAC/ONTRAC work drivers
- Dashboard and performance monitoring reporting (Patient Access, Patient Accounting, Revenue Cycle-wide)
- Vendor/agency performance scorecards
- Transition and training documentation

Revenue Cycle Program - Additional RCRMC Obligations

An implementation of CONTRACTOR's revenue cycle solution requires actions by both parties in order to create an environment that is conducive to success. The foregoing sections primarily described CONTRACTOR obligations. RCRMC also has obligations during the Program, as follows:

- RCRMC will, consistent with its business judgment and any legal or regulatory constraints, support the implementation of a comprehensive solution, consistent with the concepts and principles of CONTRACTOR's revenue cycle solution.
- RCRMC will make reasonable efforts to obtain appropriate support by the physician leaders and the physician community to achieve reduced physician WIP levels.

- RCRMC will make reasonable efforts to ensure a stable RCRMC computer systems environment with minimal downtime, throughout the implementation process.
- RCRMC will make reasonable efforts to provide prompt access to additional resources for [REDACTED] efforts. These resources may include:
 - Promptly filling all current vacant positions in key processing departments as quickly as practical.
 - Timely access to additional workspace, clerical and support personnel and equipment such as computer terminals, telephones and lines.
- RCRMC will make reasonable efforts, subject to the judgment of RCRMC management, to provide support for strategies and processes, as agreed between RCRMC and CONTRACTOR, to [REDACTED]. The overall approach employed by CONTRACTOR will be to evaluate all [REDACTED] from a revenue cycle management effectiveness, efficiency and operating expense perspective and to provide RCRMC with feedback in this area during the Program. This will provide RCRMC with information to assess the overall cost/benefit of [REDACTED]
- RCRMC will make reasonable efforts during the Program to obtain commitments from outside revenue cycle processing and systems vendors to support the requirements of the revenue cycle solution in a timely manner and maintain the necessary level of service.
- RCRMC will make reasonable efforts to provide a reasonably stable workforce throughout the revenue cycle, and in particular the staff in critical processing departments such as, but not limited to, admitting, registration, medical records, and patient financial services.

Revenue Cycle Program - Staffing

Extensive involvement and support from RCRMC personnel is required throughout the duration of this Program. The Patient Account Officer, his/her managers, and supervisors should expect to spend at least a combined 0.8 to 1.2 FTE on Program activities. In addition, directors, managers and supervisors of admitting, registration, utilization review, and medical records will spend significant portions of their time on Program activities on a weekly basis.

As RCRMC and CONTRACTOR have discussed, there may be a need for temporary resources for specific [REDACTED] efforts. CONTRACTOR will work with the appropriate department directors to plan, obtain and manage these resources.

To ensure timely issue resolution, it is essential for CONTRACTOR to have timely access to the RCRMC Chief Executive Officer and other RCRMC executives as necessary. Ideally, this would include a standing weekly meeting with the RCRMC Chief Executive Officer to discuss Program progress, issues and strategies, and regular updates (every two to four weeks) with the RCRMC Chief Executive Officer and the RCRMC Chief Financial Officer, and periodic updates

with other executive personnel as needed. In addition, the RCRMC Chief Executive Officer's time may be required for meetings to resolve specific issues, participate in revenue cycle steering committee meetings and activities to improve [REDACTED].

V. CLINICAL DOCUMENTATION IMPROVEMENT ("CDI") PROGRAM

CDI Program – Scope and Approach

CONTRACTOR will perform the following activities in collaboration with RCRMC:

- CDI Program Planning - CONTRACTOR will focus on the development of a high-level work plan to guide the Program, inclusive of key tasks, resources, dependencies, assignments and timeframes.
- CDI Program Implementation - CONTRACTOR will provide CDI training and mentoring for Clinical Documentation Specialist ("CDS"), Health Information Management ("HIM") coders, patient care team, and clinical staff.
- Medical Staff Education - CONTRACTOR will provide education to the medical staff [REDACTED]
[REDACTED]

Throughout the education and training, CONTRACTOR will assess the understanding and learning needs of the participants and provide [REDACTED] on an as-needed basis. There will be informal [REDACTED] and a [REDACTED] during the final week of training. While CONTRACTOR will provide training for RCRMC personnel on documentation principles and appropriate use of CONTRACTOR's Clinical Documentation tracking software provided with the CDI solution, CONTRACTOR is not responsible for inappropriate application of the documentation principles, including misinterpretation of the clinical conditions and coding assignments. It is also important to note that RCRMC must only apply the documentation guidelines that it fully understands and that its medical staff can fully support.

- CDI Database - Implement Access database software for monitoring and support of clinical documentation reviews. This software is CONTRACTOR Property as defined in the Professional Service Agreement.
Upon full and final payment of all amounts due to CONTRACTOR in connection with this Program, CONTRACTOR grants RCRMC a non-exclusive, non-assignable, royalty-free, and perpetual license to use the implemented software for the purposes intended by this Program. The software may not be disclosed, published or used in whole or in part for any other purpose without CONTRACTOR's express, prior written consent.
- Continuing Education and [REDACTED] - CONTRACTOR will provide an [REDACTED] in each of the four quarters during the

first year after completion of the CDI Program Implementation in conjunction with continuing education, using the CDI technology to provide the data needed to support this effort.

CDI Program - Deliverables

CONTRACTOR will provide the following deliverables in collaboration with RCRMC:

- Summary communication, education and program roll-out work plan
- CDI manual
- DRG expert book
- Pocket reference training materials
- CDI Database, including dashboard and performance monitoring reporting

CDI Program - Staffing

RCRMC will designate a process coordinator/initiative manager who will represent RCRMC in connection with the CDI Program. This person will oversee and coordinate the many facets of the initiative, including working as a liaison between the RCRMC organization's associates, medical staff and CONTRACTOR.

VI. LABOR EXPENSE PROGRAM

Labor Expense Program – Scope and Approach

The Labor Expense Program scope includes implementation of CONTRACTOR's Labor Expense solution. The areas within the scope of the Program include the following:

- Work load volumes
- Labor productivity
- Staffing management
- Work processes
- Management processes and development

CONTRACTOR will assist RCRMC management with the following:

- Perform Analytics, Establish Initial Productivity Goals/Targets and Launch Program - Refresh data, establish baselines for key metrics, establish working productivity targets and establish a governance structure to oversee and manage the program.
- Revise/Develop and Implement Position Review Process - Revise and/or develop a robust position review process.

- Create a Benefit Methodology & Benefits Tracking Tool - Establish a methodology for measuring Program benefit and implement a tool for monitoring and tracking benefit realization.
- Perform Focused Department Reviews and Analysis - Work with department staff to identify/observe daily work processes to identify productivity barriers and other process issues impacting performance.
- Develop Performance Improvement Plans - Based on improvement gaps identified, develop and obtain approval for Performance Improvement Plans designed to facilitate implementation of improvement opportunities.
- Implement Performance Improvement Plans - Work with department staff to implement actions outlined in Performance Improvement Plans.
- Finalize Productivity Standards - Establish/adjust productivity standards for each department based on approved Performance Improvement Plans. Periodically measure performance achieved against performance targets.
- Initiate Productivity Tracking and Validation - Develop and implement a process/method for evaluating productivity on a regular ongoing basis, including discussion of issues impacting achievement and potential remedial actions.
- Implement Daily Management Reports and Key Performance Indicator ("KPI") Tracking - Train managers and supervisors on daily reports, KPIs, and trending to monitor performance and to take appropriate action to resolve issues.
- Enable Stabilization - Measure and monitor daily, pay period, and monthly performance ██████████ Drive metrics towards industry-leading practice levels.
- Complete Program Wrap-up, Transition and Training - Complete the transfer of day-to-day support and leadership to RCRMC management. Develop transition plans for leadership and management to assist with long-term sustainability.
- Update Program Documentation and Final Recommendations - Update and consolidate final policies, procedures, and training documents for ongoing reference. Final recommendations will include key performance management activities, as well as additional implementation items to help support ongoing success.

Labor Expense Program - Deliverables

CONTRACTOR will provide the following deliverables in collaboration with RCRMC:

- Summary of observations, analysis and baseline metrics from which to measure improvement
- Performance improvement plans and/or initiative recommendations
- Position review process/model
- Daily staffing management tools

- Dashboard and productivity monitoring and key performance indicator reporting
- Transition, training, and final recommendation documentation

Labor Expense Program - Staffing

In addition to the personnel assigned to the Program Steering Committee, RCRMC will provide personnel to assist with Program Implementation as follows:

- Work with CONTRACTOR to develop and track metrics
- Assist in development of additional future state process flows to achieve metrics
- Develop/refine policies and procedures, as needed
- Work with CONTRACTOR to create implementation plans
- Implement changes and recommendations
- Reprioritize workloads/change processes, as required, to meet goals

The Program Steering Committee will appoint a Program Coordinator to support the Program and to assist with scheduling interviews and meetings, as well as to assist with compiling the financial and statistical data that will be required throughout the Project. In addition, RCRMC will appoint a person or persons who will be utilized and integrated within the Program to provide support and management of the overall initiative.

VII. HUMAN RESOURCES EXPENSE PROGRAM

Human Resources Expense Program - Scope and Approach

The Human Resources Expense Program will focus on benefits, absence/leave and compensation. CONTRACTOR will work with the COUNTY and RCRMC to implement “working teams” to address initiatives and develop recommendations for the Human Resources Expense Program Steering Committee. CONTRACTOR will provide direction and collaborate with the working teams to accomplish the following activities:

Benefits

- Evaluate current benefit vendors and program offerings to ensure alignment with RCRMC’s overall population health strategy
- Extend current and emerging RCRMC [REDACTED] including pharmacy, mental health and substance abuse and ancillary services into overall employee health program strategy and design, where feasible
- Redesign and consolidate plan options with clearer distinction in plan provisions, pricing and utilization of RCRMC services
- Develop an [REDACTED] to increase participation and accountability within RCRMC for individual health management, leverage preferred service delivery models, and support short-term and long-term

measurable improvement in health plan population that is in line with legislative and market changes

- Evaluate the pharmacy program to provide for [REDACTED] and [REDACTED] and favorable pricing arrangements
- Explore 340B pharmacy opportunities within the health plan and what could be achieved with changing RCRMC provider structure and 340B regulation changes
- Review medical, pharmacy and other benefit vendor/providers' service delivery models, contracts, financial structure and technology/reporting capabilities needed to manage emerging care delivery and reimbursement models, participant engagement and satisfaction, provider quality metrics, legislative changes and financial/clinical reporting needs

Absence and Leave

- Assess paid time off ("PTO") policies (including sick day provisions), accrual schedules, maximum accrual and cash-out provisions to deliver a new program aligned with current industry standards
- Design and implement family and medical leave administrative improvements and process improvements to support management of intermittent and longer term leaves
- Develop an integrated [REDACTED] and employee safety initiative to help to reduce the cost of occupational and non-occupational disability absences
- Review disability programs as part of total absence offerings

Compensation and Premium Pay

- Review eligibility of positions for charge pay, and eliminate ineligible positions
- Review bonus pay items paid within earning codes, understand the business need and eliminate usage where it no longer meets business needs
- Review incentive pay items paid within earning codes, understand the business need and eliminate usage where it no longer meets business needs
- Review market benchmarks for clocking evening and night shift time, evening and night shift differential eligibility and pay practices, and modify to reduce spend and align with competitive market
- Review market benchmarks for weekend programs, clocking weekend shift time, weekend shift differential eligibility and pay practices, and modify to reduce spend and align with competitive market
- Review other pay items paid within earning codes, understand the business need and eliminate usage where it no longer meets business needs

- Review on call pay utilization within each department, and eliminate the practice where it no longer meets business needs
- Review call back and call worked utilization within each department, and eliminate the practice where it no longer meets business needs

Human Resources Purchased Services

- Redesign and consolidate contingent labor vendors and scheduling programs within RCRMC to support obtaining favorable provisions, pricing and utilization
- Evaluate RCRMC HR processes and purchased services for standardization and streamlined opportunities including recruitment, onboarding and training

Human Resources Expense Program - Deliverables

The following are deliverables of the Human Resources Expense Program:

- Benefit plan design, cost sharing and health management improvement initiative recommendations
- Integrated absence (leave, PTO, sick, workers compensation, disability) improvement initiative recommendations
- Compensation strategy and premium pay improvement initiative recommendations
- HR purchased services and process improvement initiative recommendations

Human Resources Expense Program - Additional RCRMC Obligations

- COUNTY Labor Relations will be responsible for negotiating approved HR changes with RCRMC unions

VIII. NON-LABOR EXPENSE PROGRAM

Non-Labor Expense Program – Scope and Approach


The Program scope includes implementation of CONTRACTOR's Non-Labor solution. The areas within the scope of the Program include the following:

Supplies

- Perioperative Supplies – surgical services supplies including orthopedic implants, custom packs, and reprocessing of single use devices and other supplies
- Medical Surgical Supplies – medical surgical supplies including kits, linen, pulse oximeter probes, cardiology supplies, sequential compression devices and other supplies
- Pharmacy – indigent drug cost recovery program, IV to PO conversion, clinical protocols, automation and operational efficiencies and other areas

- Laboratory – laboratory supplies, services and equipment, including reference lab contracts, blood bank products and supplies, donor management programs, equipment leases, and outreach operations
- Food and Nutrition – management agreement, retail revenue enhancement, cafeteria break-even, food supplies, giveaways and other areas

Purchased Services

- Costs for various purchased services including:
 - Management services or outsourced services (if present) – typical examples can include food services, environmental services, security and others
 - Clinical purchased services - sleep lab, inpatient dialysis, perfusion and lithotripsy and other areas
 - Information Technology - telecommunications, software, hardware, maintenance, storage and other areas
 - Administrative and General Services - health information management, document management and destruction, transcription, insurance, printing services and others
 - Agency services – temporary and permanent staffing
 - Equipment maintenance – service contracts including parts and labor
 - Facilities/Real Estate – leases and rentals, energy, landscaping and other areas
- 

CONTRACTOR will conduct the following activities in collaboration with RCRMC:

- Project Setup, Project Launch, Communication - Refresh data, establish baselines for key metrics, establish team targets.
- Team Formation and Training - Conduct team meetings, establish charters, roles and responsibilities, review targets and overall implementation process.
- Benefit Methodology & Benefits Tracking Tool - Establish a methodology for measurement of Program benefit and a tool for monitoring and tracking benefit realization.
- Identify Opportunities - Work with teams to review and prioritize opportunities, assign initiative champions, collect additional data, and analytics.
- Implement Opportunities - Implement Program management and tracking tools, develop implementation strategies and tactics, develop clinician buy-in approach, develop vendor RFIs/RFPs and conduct negotiations, develop staff training and education, and modify/implement new processes and policies.

- Monitor Initiatives - Gather evidence of initiative implementation, calculate financial benefits, present to Finance, and identify steps to monitor going forward.
- Sustainability - Identify data elements, sources, analysis and frequencies to assist with maintaining the implemented benefits.

Non-Labor Expense Program - Deliverables

- Summary of observations, analyses and baseline metrics from which to measure improvement
- Improvement initiative recommendations
- Benefit tracking tool
- Monitoring plan documentation

Non-Labor Expense Program - Additional RCRMC Obligations

An implementation of CONTRACTOR's Non-Labor solution requires actions by both parties in order to create an environment that is conducive to success. The foregoing sections primarily described CONTRACTOR obligations. RCRMC also has obligations during the Program, as follows:

- RCRMC senior management will actively support all savings initiatives once approved by the Program Steering Committee and will in good faith consider for implementation all savings ideas that will result in bottom line impact [REDACTED]
[REDACTED]
- RCRMC senior management will support trying new things including: receiving bids from new vendors, considering new concepts, keeping an open mind for the staff, and trialing alternate products. Notwithstanding the foregoing, there is no expectation of approval by RCRMC of an initiative for which:
 - [REDACTED] is negatively impacted in a demonstrable way
 - [REDACTED] is negatively impacted in a demonstrable way
 - Savings are minimal relative to effort and risk/political sensitivity (e.g., an initiative that would generate \$5,000 in savings, requiring 80 hours of time, and causing employee dissatisfaction)
- RCRMC will include achievement of Non-Labor improvement targets in [REDACTED] if possible.
- RCRMC will ensure that functional working groups are staffed with appropriate staff who have knowledge in the working group scope. CONTRACTOR and RCRMC will discuss and appoint a working group leader from the organization for each working group.
- RCRMC will spend capital needed to realize savings as approved by the Program Steering Committee. [REDACTED]
[REDACTED]



Non-Labor Expense Program - Staffing

In addition to the personnel assigned to the functional working groups and the Program Steering Committee, RCRMC will provide the following personnel to assist with the Program:

- An administrative support contact to assist with scheduling and data analysis activities
- A part-time communication staff member to incorporate Program communication needs into existing communication venues
- A part-time financial representative to review implemented savings calculations
- Periodic Materials Management staff support to assist with supporting each working group including meeting attendance, data collection, vendor research, product changes, etc.

ALL PROGRAMS

All Programs - Additional RCRMC Obligations

An implementation of CONTRACTOR's performance improvement solutions requires contributions of both parties. Much of this Exhibit A describes CONTRACTOR obligations, but RCRMC also has obligations in order to support effective implementation. RCRMC will make reasonable efforts to:

- Ensure RCRMC leadership, management and supervisors proactively support the goals of the Project and the execution and activities that are approved by the respective Program Steering Committees.
- Quickly incorporate reasonable time sensitive items that allow Program benefits to be acquired.
- Comply with all of CONTRACTOR's reasonable requests and provide CONTRACTOR with timely access to all information and locations reasonably necessary to the performance of the Project.
- Approach the Project from a RCRMC-wide perspective, decisively selecting options and approving recommendations.
- Provide executive involvement and leadership to the Project, including:
 - Attendance, participation and leadership at the Executive Steering Committee and various Program Steering Committees
 - Attendance, participation and leadership in the various Program working groups

- Active support of meeting overall Project targets and targets of the various Program working groups
- Providing a safe environment for the staff to take risks and try new things
- Requesting and supporting physician involvement and leadership, as necessary
- Focusing on implementation of savings
- Hold executive sponsors and working group leads accountable for exceeding targets and take action if a working group is not meeting targets. RCRMC will support the improvement process in good faith, including not engaging in “end-arounds” to the executive team and not revoking earlier decisions.
- Ensure senior management actively supports all savings initiatives once approved by the appropriate Program Steering Committee and in good faith considers for implementation all savings initiatives that will result in bottom line impact [REDACTED]
- Include performance improvement goals in [REDACTED] if possible.
- Ensure appropriate staffing of working groups, with personnel who have knowledge of the Program scope.
- Ensure that the Project is viewed by physicians and staff as a RCRMC initiative that has full support of the executive and medical staff leadership.
- Assist in scheduling and coordinating all interviews and observations reasonably requested by CONTRACTOR.

OTHER

Subcontractors

[REDACTED]

Escalation Process

Each party will communicate in a timely manner any concerns regarding performance under the terms of this Agreement to the appropriate management personnel of the other party. For CONTRACTOR, the first point of such contact will be the Project Senior Director, the second point of contact will be the Project Managing Director, the third point of contact will be the Managing Director - Healthcare Sales, and the fourth point of contact will be Executive Vice President, Healthcare Consulting. CONTRACTOR will provide the names and contact information of such individuals upon request by the COUNTY. For the COUNTY, the first point of such contact will be the Department Director, the second point of contact will be the RCRMC Chief Executive Officer, the third point of contact will be Debbie Cournoyer, Deputy

County Executive Officer, and the fourth point of contact will be George Johnson, Assistant County Executive Officer.

Upon first receiving written notice from a party, the parties' first points of contact shall in good faith and for seven (7) working days attempt to resolve any concerns regarding performance under the terms of this Agreement. In the event the parties' first points of contact are unsuccessful in resolving the concern(s), then the parties' second points of contact shall in good faith and for three (3) working days attempt to resolve any concerns regarding performance under the terms of this Agreement. In the event the parties' second points of contact are unsuccessful in resolving the concern(s), then the parties' third points of contact shall in good faith and for three (3) working days attempt to resolve any concerns regarding performance under the terms of this Agreement. In the event the parties' third first points of contact are unsuccessful in resolving the concern(s), then the parties' fourth points of contact parties shall in good faith and for three five (5) working days attempt to resolve any concerns regarding performance under the terms of this Agreement. Thereafter, the Disputes provision of the Professional Services Agreement shall apply to any unresolved issues.

ATTACHMENT 1 TO EXHIBIT A
ESTIMATED TIMELINE FOR PROGRAM DELIVERABLES

*All deliverables dates are good faith estimates only.

Solution Programs	Deliverables	Estimated Time of Achievement By Project Month
Strategic Planning Program		
<i>Initiative 1: Strategic Priorities</i>	<ul style="list-style-type: none"> Establishment of an Executive Steering Committee, the Initiative Work Groups' membership, and their respective charters 	Month 2
	<ul style="list-style-type: none"> Delivery of a detailed implementation work-plan of the Steering Committee's strategic initiatives priorities 	Month 3
	<ul style="list-style-type: none"> Completion of the environmental and competitive market assessment 	Month 6
	<ul style="list-style-type: none"> Delivery of the affiliation/partnership evaluation criteria and assessment approach 	Month 7
	<ul style="list-style-type: none"> Establishment of the new organizational and governance structure 	Month 8
	<ul style="list-style-type: none"> Incorporating Steering Committee prioritization and work to date, develop strategic plans for high priorities; possible initiatives may include (TBD): <ul style="list-style-type: none"> ○ Patient satisfaction ○ Detention Health ○ Medical staff planning ○ Ambulatory network development 	TBD (pending ESC prioritization)
<i>Initiative 2: Academic Models Development</i>	<ul style="list-style-type: none"> Set of agreed upon guiding principles that support enhanced academic affiliation between County and its academic affiliates 	Month 5
	<ul style="list-style-type: none"> List and definition of key components (e.g., educational, clinical) that are necessary for successful academic affiliation and reflect the 	Month 5

	desire to maximize the commitment to the academic mission	
	<ul style="list-style-type: none"> 3-4 academic affiliation models for consideration and deliberation by all parties 	Month 5
	<ul style="list-style-type: none"> Evaluation criteria and framework to review, prioritize, and recommend future affiliation strategy(s) 	Month 5
	<ul style="list-style-type: none"> Five year pro forma outlining projected funds flow by mission/service category (e.g., GME, medical leadership, professional services) to/from County and its academic affiliates 	Month 5
	<ul style="list-style-type: none"> Implementation plan that integrates outcome of academic affiliation decisions with overall clinical strategy of County, including, if any, the investment costs to execute on the plan 	Month 13
	<ul style="list-style-type: none"> Executive summary of agreed-upon approach, terms and strategy(s) for County academic affiliation(s) 	Month 5
Initiative 3: Pediatric Unit Partnership	<ul style="list-style-type: none"> Review options and prioritize opportunities 	Month 6
	<ul style="list-style-type: none"> Provide recommendations and resulting implications 	Month 6
Initiative 4: Financial Forecast Update	<ul style="list-style-type: none"> Provide two updated financial forecasts including narrative on significant revenue and expenses categories. 	Month 7 and Month 13
	<ul style="list-style-type: none"> Provide Board presentation of the forecast. 	Month 13
	<ul style="list-style-type: none"> Provide a financial model in Excel format to RCRMC staff upon completion of the Project 	Month 16
Clinical Operations Program		
	<ul style="list-style-type: none"> Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 9
	<ul style="list-style-type: none"> Improvement initiative recommendations 	Month 9
	<ul style="list-style-type: none"> Dashboard and performance monitoring reporting 	Month 14
	<ul style="list-style-type: none"> Case Management model 	Month 11

	<ul style="list-style-type: none"> • Physician Advisor role description 	Month 11
	<ul style="list-style-type: none"> • Patient Placement Matrix 	Month 11
	<ul style="list-style-type: none"> • PatientONTRAC reporting 	Month 14
	<ul style="list-style-type: none"> • Transition plan and training guide 	Month 15
	<ul style="list-style-type: none"> • Final recommendations and Program documentation 	Month 16
Physician Services Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis, and baseline metrics from which to measure improvement 	Month 3
	<ul style="list-style-type: none"> • Improvement initiative recommendations 	Month 5
	<ul style="list-style-type: none"> • Benefit tracking tool 	Month 5
	<ul style="list-style-type: none"> • Productivity score cards 	Month 3
	<ul style="list-style-type: none"> • Training and transition plan documentation 	Month 11
Revenue Cycle Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 5
	<ul style="list-style-type: none"> • Staffing level assessment findings 	Month 6
	<ul style="list-style-type: none"> • Department design and process improvement recommendations 	Month 5
	<ul style="list-style-type: none"> • Situation and response guidelines 	Month 6
	<ul style="list-style-type: none"> • TRAC/ONTRAC work drivers 	Month 6
	<ul style="list-style-type: none"> • Dashboard and performance monitoring reporting (Patient Access, Patient Accounting, Revenue Cycle-wide) 	Month 7
	<ul style="list-style-type: none"> • Vendor/agency performance scorecards 	Month 8
	<ul style="list-style-type: none"> • Transition and training documentation 	Month 10
Clinical Documentation Improvement Program		
	<ul style="list-style-type: none"> • Summary communication, education and program roll-out work plan 	Month 2

	<ul style="list-style-type: none"> • CDI Manual 	Month 3
	<ul style="list-style-type: none"> • DRG expert book 	Month 3
	<ul style="list-style-type: none"> • Pocket reference training materials 	Month 3
	<ul style="list-style-type: none"> • CDI Database, including dashboard and performance monitoring reporting 	Month 3
Labor Expense Program		
	<ul style="list-style-type: none"> • Summary of observations, analysis and baseline metrics from which to measure improvement 	Month 9
	<ul style="list-style-type: none"> • Performance improvement plans and/or initiative recommendations 	Month 9
	<ul style="list-style-type: none"> • Position review process/model 	Month 3
	<ul style="list-style-type: none"> • Daily staffing management tools 	Month 9
	<ul style="list-style-type: none"> • Dashboard and productivity monitoring and key performance indicator reporting 	Month 2
	<ul style="list-style-type: none"> • Transition, training, and final recommendation documentation 	Month 12
Human Resources Expense Program		
	<ul style="list-style-type: none"> • Benefit plan design, cost sharing and health management improvement initiative recommendations 	Month 7
	<ul style="list-style-type: none"> • Integrated absence (leave, PTO, sick, workers compensation, disability) improvement initiative recommendations 	Month 8
	<ul style="list-style-type: none"> • Compensation strategy and premium pay improvement initiative recommendations 	Month 7
	<ul style="list-style-type: none"> • HR purchased services and process improvement initiative recommendations 	Month 4
Non-Labor Expense Program		
	<ul style="list-style-type: none"> • Summary of observations, analyses and baseline metrics from which to measure improvement 	Month 2

	<ul style="list-style-type: none"> • Improvement initiative recommendations 	Month 2
	<ul style="list-style-type: none"> • Benefit tracking tool 	Month 1
	<ul style="list-style-type: none"> • Monitoring plan documentation 	Month 1

ATTACHMENT 2 TO EXHIBIT A
SAMPLE DELIVERABLES SIGN-OFF FORM

SAMPLE

PROJECT DELIVERABLES SIGN-OFF FORM

The signatures below indicate that the County of Riverside (the "County") and Huron Consulting Services LLC d/b/a Huron Healthcare (the "Contractor") agree that the Contractor has successfully completed the following Deliverables(s), as each Deliverable is defined in the Exhibit A of the Professional Service Agreement between the County and the Contractor, dated November 1, 2013.

Deliverable	Date Completed
<insert deliverable name and description here, as shown in contract>	<insert date here>

COUNTY OF RIVERSIDE

HURON CONSULTING SERVICES LLC

Signature of Authorized Representative
(as designated in writing by Debra
Cournoyer, Deputy County Executive
Officer, Riverside County Executive
Office)

Signature of Authorized Representative

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

County of Riverside ("County")/
Huron Consulting Services LLC d/b/a Huron Healthcare ("Contractor")
Strategic Plan and Operational/Financial Improvement Implementation

EXHIBIT B

PAYMENT PROVISIONS

This Exhibit B outlines the fees and expenses for the Project, as outlined in the foregoing Exhibit A of the Professional Service Agreement. Any capitalized terms not expressly defined herein shall have the same meaning assigned to them in the Exhibit A.

Contractor's fees for the Project consist of Fixed Fees, subject to a credit and a retention amount.

Fixed Fees

Based on the scope, approach, deliverables, schedule, and staffing assumptions discussed in the Exhibit A, the Fixed Fees for the Project are (1) \$1,457,600 for the Strategic Planning Program and (2) \$20,832,400 for the "Performance Improvement Services," consisting of the Clinical Operations Program, Physician Services Program, Revenue Cycle Program, Clinical Documentation Improvement Program, Labor Expense Program, Human Resources Expense Program, Non-Labor Expense Program, for a total Fixed Fee of \$22,290,000 (collectively, the "Fixed Fees").

The Fixed Fees are subject to a credit of \$951,500 to the County for fees paid for the Bridge Period of the Project ("Bridge Credit"), pursuant to Amendment No.1 to the Professional Service Agreement dated September 27, 2013 and its exhibits. The Bridge Credit will be applied to the first month's Fixed Fee payment, as detailed in the attached Schedule 1: Fixed Fees Payment Schedule.

Retention

A retention amount of twelve percent (12%) of the total Fixed Fees in the amount of \$2,674,800 (the "Retention") is payable at the end of month sixteen (16) of the Project subject to its release from the Retention upon Contractor achieving and the parties signing-off on various Milestones, as detailed below.

The Fixed Fee Retention release amounts for each Program listed below are equal, in aggregate, to the total Retention amount (\$2,674,800). These release amounts are for the purpose of determining the amount of the Retention that will be paid to Huron at the end of month sixteen (16) of the Project, as described above. Additionally, they would be used as described herein in the event of early termination of the Project or early departure of the interim Chief Executive Officer for the Riverside County Regional Medical Center.

Strategic Planning Program

Fixed Fees of \$172,862 will be released from Retention, to be paid as provided herein, upon achievement of the following Strategic Planning Program Milestones:

- Establishment of an Executive Steering Committee, the Initiative Work Groups' membership, and their respective charters (achievement anticipated in month 2 of the Project)
- Delivery of a detailed implementation work-plan of the Steering Committee's strategic initiatives priorities (achievement anticipated in month 3 of the Project)
- Completion of the environmental and competitive market assessment (achievement anticipated in month 6 of the Project)
- Delivery of the affiliation/partnership evaluation criteria and assessment approach (achievement anticipated in month 7 of the Project)
- Establishment of the new organizational and governance structure (achievement anticipated in month 8 of the Project)

Clinical Operations Program

Fixed Fees of \$368,657 will be released from Retention, to be paid as provided herein, upon achievement of the following Clinical Operations Program Milestones:

- Finalization of the role of case managers in the new Case Management model (achievement anticipated in month 14 of the Project)
- Implementation of the process to refine Clinical [REDACTED] (achievement anticipated in month 12 of the Project)
- Going-live with [REDACTED] meetings including participants, discussion content and meeting logistics (achievement anticipated in month 14 of the Project)
- Completion of PatientONTRAC system configuration and implementation of the first report (achievement anticipated in month 14 of the Project)

Physician Services Program

Fixed Fees of \$243,744 will be released from Retention, to be paid as provided herein, upon achievement of the following Physician Services Program Milestones:

- Implementation of a provider productivity monitoring and management model which includes working with the County personnel to develop appropriate data sources, tools and related comparative metrics and staff training as required to establish an annual productivity plan for providers (achievement anticipated in month 6 of the Project)
- Implementation of an ambulatory practice demand management model which includes developing appropriate work standards, non-clinical staffing model, non-physician staffing model and related management tools and relevant metrics that are consistent with

the County and California regulatory and statutory requirements applicable to the ambulatory facilities (achievement anticipated in month 6 of the Project)

- Implementation of a standard physician management contract and related staffing model that is consistent with the County needs and requirements including any regulatory or statutory issues for these contracts (achievement anticipated in month 7 of the Project)

Revenue Cycle Program

Fixed Fees of \$560,708 will be released from Retention, to be paid as provided herein, upon achievement of the following Revenue Cycle Program Milestones:

- Activation of the TRAC software. Activation is considered complete when TRAC has been implemented and applicable workdrivers, productivity and [REDACTED] reporting, [REDACTED] measurement and/or management reporting are live and in use in a production environment (achievement anticipated in month 7 of the Project)
- Activation of the ONTRAC software. Activation is considered complete when ONTRAC has been implemented and applicable workdriver, [REDACTED] measurement and/or management reporting are live and in use in a production environment (achievement anticipated in month 7 of the Project)
- Development of Situation and Response Guidelines, staff-level productivity and quality measures across core revenue cycle departments (achievement anticipated in month 6 of the Project)
- Development of training materials and completion of appropriate one-on-one and group training for front-line staff, supervisors, and managers in new revenue cycle processing methods, including use of the TRAC or ONTRAC software (achievement anticipated in month 9 of the Project)

Clinical Documentation Improvement Program

Fixed Fees of \$47,948 will be released from Retention, to be paid as provided herein, upon achievement of the following Clinical Documentation Improvement Program Milestones:

- Completion of pre-planning activities, including the following:
 - Development of a work plans and process map (achievement anticipated in month 1 of the Project)
 - Administration of [REDACTED] to validate clinical knowledge of the current Riverside County Regional Medical Center CDI staff (achievement anticipated in month 1 of the Project)
 - Finalization of an implementation calendar (achievement anticipated in month 2 of the Project)
- Completion of the installation of and education regarding the CDI Tool for the CDI Team (achievement anticipated in month 2 of the Project)

- Completion of didactic education on 26 Major Diagnostic Categories (achievement anticipated in month 3 of the Project)
- Completion of five weeks of concurrent clinical mentoring to the Clinical Documentation Specialists (achievement anticipated in month 4 of the Project)

Labor Expense Program

Fixed Fees of \$416,546 will be released from Retention, to be paid as provided herein, upon achievement of the following Labor Expense Program Milestones:

- Completing a data refresh, if required, and facilitating productivity training (achievement anticipated in month 2 of Project)
- Development of the initial productivity goals for in scope areas, and implementation of Contractor's Excel-based Productivity Tracker (achievement anticipated in month 3 of Project)
- Implementation of a position review process (achievement anticipated in month 3 of Project)
- Development of performance improvement plans for areas with opportunity (achievement anticipated in month 9 of Project)
- Implementation of a productivity variance reporting process and strategy (achievement anticipated in month 2 of Project)
- Delivery by Contractor of the transition, training, and final recommendations documentation, including final productivity goals and the Productivity Tracker (achievement anticipated in month 12 of Project)

Human Resources Expense Program

Fixed Fees of \$143,139 will be released from Retention, to be paid as provided herein, upon achievement of the following Human Resources Expense Program Milestones:

- Consolidation of existing contingent labor vendors (achievement anticipated in month 4 of Project)
- Completion of mapping of return to work processes and procedures, and determination of efficiency opportunities (achievement anticipated in month 6 of Project)

Non-Labor Expense Program

Fixed Fees of \$721,196 will be released from Retention, to be paid as provided herein, upon achievement of the following Non-Labor Expense Program Milestones:

- Completion of the 340B registration for federally qualified health clinic(s) (achievement anticipated in month 1 of the Project)
- Establishment of the Value Analysis Team charter (achievement anticipated in month 3 of the Project)

Milestone Sign-Off

Within the first sixty (60) days of the Project, Debra Cournoyer, Deputy County Executive Officer, will designate an appropriate authorized individual to be responsible for signing-off for the Milestones for the Project on behalf of the County. Contractor highly recommends that this individual be the interim Chief Executive Officer. Upon Contractor's achievement of each Milestone for the Project, the parties will document their agreement on the achievement using the Milestone Sign-Off Form attached to this Exhibit B, as Attachment 1.

Out of Pocket Expenses

During the course of the Project, Contractor will incur reasonable out-of-pocket expenses ("Expenses") on behalf of the County. Out-of-pocket expenses include items such as coach airfare, ground transportation, lodging, and usual and customary per diems. The County will reimburse Contractor for these reasonable Expenses in addition to the fees earned by Contractor. Expenses are billed at actual. The County shall have the right to review all supporting documentation regarding Expenses. Expenses are estimated at sixteen percent (16%) of the total Fixed Fee. In the event Contractor anticipates that it will exceed the estimated Expenses amount, Contractor will first notify the County and the parties will mutually agree on how to adjust the amount (e.g., cutting back on resources/expenses, etc.). Contractor may not exceed the estimated Expenses amount without first reaching a mutual agreement with the County on a revised Expenses dollar amount. Contractor will not exceed the established rates in the County's Reimbursement for General Travel and Other Actual and Necessary Expenses, Policy D-1, dated February 26, 2013.

Fees and Expense Billing and Payment

The Fixed Fees will be invoiced in accordance with Schedule 1, as attached. Contractor will bill monthly for Expenses in the month following the month in which they are incurred. All fees and Expenses paid by the County are non-refundable, except as expressly provided for otherwise in Section 23.3 of the Professional Service Agreement. The County will pay all invoices for fees and Expenses when due, which shall be within thirty (30) working days from the date of receipt of the invoice.

Project Termination

In the event of termination for any reason, the County shall pay Contractor: (a) its Fixed Fees through the Termination Date, as defined in the Professional Service Agreement (in the event the Termination Date was before the last day of the month, the Fixed Fee for that month would be prorated according to the calendar days of the month); (b) its released Retention Fees through the Termination Date (for clarification, released Retention Fees are Retention Fees associated with Milestones that have been achieved and signed off by the parties); and (c) reimbursement of all Expenses it incurred through the Termination Date, including non-refundable payments and deposits.

In the event Contractor terminates for cause or due to Change of Status, or the County terminates without cause, the County shall also pay Contractor its Fixed Fees for one month after the Termination Date.

With the exception of the payment amounts outlined above, in the event of termination all other conditions outlined in the Professional Service Agreement will apply, including without limitation those addressing termination.

Project Suspension

In the event that, in the judgment of the County and Contractor, a suspension of Project activity is warranted due to a serious Project issue or other situation, the County or Contractor may suspend the Project activity for a period of up to two weeks upon written notice to the other party, during which period Contractor will be temporarily relieved of its Project obligations (a "Suspension"). No Fixed Fees will be earned by Contractor during the period of the Suspension; however, the overall term of the Project will be extended by the length of the Suspension, and Fixed Fees will be earned by Contractor during the extended term. Any incremental actual out-of-pocket expenses incurred by the Contractor Project team as a result of the Suspension will be paid by the party that initiates the Suspension. Either party may initiate a Project Suspension up to two times during the Project.

Other

The County acknowledges that where out-of-town personnel are assigned to any location on a long-term basis (as defined from time to time in the applicable provisions of the Internal Revenue Code and related IRS regulations, and currently defined, under IRC Section 162, as a period of time reasonably expected to be one year or more), the associated costs of out-of-town travel and living expenses are compensatory to such personnel. In such cases, the Expenses for which the County shall reimburse Contractor hereunder shall include the income gross-ups required to ensure tax neutrality of Contractor personnel. Contractor shall use reasonable efforts to limit such Expenses, such as effecting Project roll-offs where practical, providing the County with reasonable advance notice of any personnel who will become subject to compensatory Expenses, and providing the County the option to retain such personnel or to accept a substitute. In the event such Expenses are imminent, the parties will confer and mutually agree regarding whether or not to retain the personnel on the Project, prior to them being subject to compensatory Expenses.

The parties acknowledge that an early departure of the interim Chief Executive Officer for the Riverside County Regional Medical Center will cause additional costs to Contractor. As such, and notwithstanding the foregoing, due to the current financial status of the Riverside County Regional Medical Center and potential uncertainties related to executive turnover, in the event the employment of the interim Chief Executive Officer of Riverside County Regional Medical Center is terminated prior to month sixteen (16) of the Project, the parties will mutually agree on an immediate pro-rata payment of the Retention amounts that have been released for each Program (a Program must have achieved all of its Milestones and the parties must have signed-off on such Program Milestones for the Retention amount for such Program to be payable under this special cause for an early Retention payment) at the time of the interim Chief Executive Officer's departure.

The County will be responsible for and pay all applicable sales, use, excise, value added, services, consumption and other taxes and duties associated with Contractor's performance of

Services or County's receipt of Contractor's Services or products, excluding taxes on Contractor's income generally.

In the event County fails to timely meet its payment obligations hereunder or as modified by an amendment, Contractor retains the right to: (a) suspend its services until payment is made; (b) terminate the Project pursuant to the applicable termination-for-cause provisions of the Professional Service Agreement; (c) charge interest at the rate of one percent per month from the due date until paid; and (d) pursue all other remedies available at law or in equity. In the event of suspension of the Project, Contractor will not be liable for any resulting loss, damage or expense connected with such suspension.

Optional Support Services

Upon conclusion of the Project, the County may elect to purchase optional support services from Contractor for Contractor's software and methodology. Estimated support costs for the Project solutions that incorporate Contractor's software/tools are:

- 1) Annual basic technical support fees for software are estimated to be [REDACTED]
[REDACTED]
[REDACTED] This support would include remote configuration and software maintenance services for the Contractor software products.
- 2) Other optional post-Project costs could include ongoing Sustained Performance Services ("SPS"), a comprehensive solution support offering accomplished through offsite data request, metric monitoring, and onsite observation, interviews and in-depth data analysis to help to drive solution sustainability. Fees for these services are dependent on the scope and types of services contracted for post-Project.

Escrow Option

At the County's request and expense, the County and Contractor shall enter into an escrow service agreement with a mutually agreeable third party, whereby Contractor will deposit its software code as licensed to the County into a software escrow account with the third party.

SCHEDULE 1 TO EXHIBIT B

FIXED FEES PAYMENT SCHEDULE
(Inclusive of Retention)

Fixed Fees for Strategic Planning Program:

Invoice Date	Amount
October 31, 2013	\$68,207
November 30, 2013	\$143,421
December 31, 2013	\$136,908
January 31, 2014	\$118,691
February 28, 2014	\$112,861
March 31, 2014	\$106,980
April 30, 2014	\$125,735
May 31, 2014	\$106,699
June 30, 2014	\$99,863
July 31, 2014	\$94,542
August 31, 2014	\$52,219
September 30, 2014	\$45,378
October 31, 2014	\$32,683
November 30, 2014	\$24,167
December 31, 2014	\$14,334
January 31, 2015 (Retention)	\$174,912
TOTAL	\$1,457,600

Fixed Fees for Performance Improvement Services:

Invoice Date	Fixed Fees	Bridge Credit	Net Amount
October 31, 2013	\$974,834	(\$951,500)	\$23,334
November 30, 2013	\$2,049,818		\$2,049,818
December 31, 2013	\$1,956,716		\$1,956,716
January 31, 2014	\$1,696,366		\$1,696,366
February 28, 2014	\$1,613,041		\$1,613,041
March 31, 2014	\$1,528,984		\$1,528,984

April 30, 2014	\$1,797,033		\$1,797,033
May 31, 2014	\$1,524,962		\$1,524,962
June 30, 2014	\$1,427,267		\$1,427,267
July 31, 2014	\$1,351,223		\$1,351,223
August 31, 2014	\$746,325		\$746,325
September 30, 2014	\$648,556		\$648,556
October 31, 2014	\$467,117		\$467,117
November 30, 2014	\$345,404		\$345,404
December 31, 2014	\$204,866		\$204,866
January 31, 2015 (Retention)	\$2,499,888		\$2,499,888
TOTAL	\$20,832,400	(\$951,500)	\$19,880,900

ATTACHMENT 1 TO EXHIBIT B
SAMPLES MILESTONE SIGN-OFF FORM

SAMPLE

PROJECT MILESTONE SIGN-OFF FORM

The signatures below indicate that the County of Riverside (the "County") and Huron Consulting Services LLC d/b/a Huron Healthcare (the "Contractor") agree that the Contractor has successfully completed the following Milestone(s), as each Milestone is defined in the Exhibit B of the Professional Service Agreement between the County and the Contractor, dated November 1, 2013.

Milestone	Date Completed
<insert milestone name and description here, as shown in contract>	<insert date here>

COUNTY OF RIVERSIDE

HURON CONSULTING SERVICES LLC

Signature of Authorized Representative
(as designated in writing by Debra
Cournoyer, Deputy County Executive
Officer, Riverside County Executive
Office)

Signature of Authorized Representative

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

County of Riverside ("Licensee")/
Huron Consulting Services LLC d/b/a Huron Healthcare ("Huron")
Strategic Plan and Operational/Financial Improvement Implementation

EXHIBIT C
METHODOLOGY/SOFTWARE LICENSE AGREEMENT
for
Revenue Cycle Solution
(Revenue Cycle Methodology, TRAC® and ONTRAC® Software)

DATED: November 1, 2013

BETWEEN:

HURON CONSULTING SERVICES LLC D/B/A
HURON HEALTHCARE
6000 SW Meadows Road, Suite 300
Lake Oswego, OR 97035

"Huron"

AND

COUNTY OF RIVERSIDE
4080 Lemon Street, 4th Floor
Riverside, CA 92501

"Licensee"

Recitals

- A. Pursuant to a Professional Service Agreement dated November 1, 2013 (the "PSA"), its Exhibit A: Scope of Work and Exhibit B: Payment Provisions (collectively, the "Consulting Agreement"), Huron is performing certain consulting services (the "Services") for Licensee involving the implementation of Huron's revenue cycle solution at Licensee's facility(ies) described in Section 1.1 below. Under the Consulting Agreement, Huron will (i) use and disclose certain confidential information developed by and belonging to Huron relating to the revenue cycle solution, provide training to Licensee's personnel in aspects of Huron's revenue cycle methodology, and deliver to Licensee for its use copies of written materials reflecting or incorporating that methodology; and (ii) use certain computer software developed by and belonging to

Huron (including Huron's TRAC® ("TRAC") and ONTRAC® ("ONTRAC") software), or licensed to Huron, and deliver to Licensee for its use, copies of such software.

- B. In the Consulting Agreement, Licensee agreed that it would not disclose, and that it would protect from unauthorized use or disclosure, information confidential or proprietary to Huron, and that its use of such information would be strictly limited. In the Consulting Agreement, Huron and Licensee agreed that the revenue cycle methodology and the software would be delivered to Licensee pursuant to Huron's Methodology/Software License Agreement.
- C. All tangible elements of the revenue cycle methodology that Huron has used or otherwise disclosed, or uses or otherwise discloses to Licensee during the provision of the Services, or in the provision of revenue cycle solution support services pursuant to any future support agreement, and all tangible materials delivered by Huron to Licensee in connection with the performance of the Services, including all training materials, manuals, instructions and forms, and specifically including the project documentation binders, and provided that such tangible elements or materials are marked as proprietary or confidential to Huron, shall hereinafter be collectively referred to as the "Revenue Cycle Methodology."
- D. All Huron software (including all versions of the TRAC and ONTRAC software provided to Licensee pursuant to this Methodology/Software License Agreement, or any supporting software, all updates, enhancements, and new releases ("Updates") provided to Licensee pursuant to the terms of any future support agreement or otherwise, and all related tangible instructions, manuals, materials, forms, and other documentation, provided that such tangible instructions, manuals, materials, forms, and other documentation are marked as proprietary or confidential to Huron) that Huron has used or supplied, or uses or supplies, in connection with the Services shall hereinafter be collectively described as the "Software." The Software can be used to generate lists, reports, and other documentation (collectively "Reports").
- E. Huron and Licensee intend that the rights of Licensee with respect to the Revenue Cycle Methodology, the Software and the Reports shall be limited to the right to make use of them for certain purposes and subject to certain limitations as described in this Agreement, and that Huron's rights as sole owner of the Revenue Cycle Methodology and the Software be protected.

NOW, THEREFORE, in consideration of the delivery by Huron to Licensee of the Software and Revenue Cycle Methodology subject to this Methodology/Software License Agreement ("Agreement"), and in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

Agreement

1. Grant of License. Huron grants Licensee a nonexclusive, nontransferable, perpetual license to use the Revenue Cycle Methodology and the Software, subject to the terms and conditions of this Agreement. Except as explicitly granted in this Agreement, Licensee shall have no rights with respect to the Revenue Cycle Methodology and the Software.

1.1 Licensee shall have the right to use the Revenue Cycle Methodology and the Software on its own premises only to assist in the management or operation of Riverside County Regional Medical Center, Moreno campus ("RCRMC") in its present form (individually, a "Facility" and collectively, the "Facilities"). The reference to a Facility "in its present form" shall include that Facility as it is expanded or moved in the normal course of business, but shall not include expansion due to material mergers or acquisitions. Licensee shall have no right to use the Revenue Cycle Methodology and the Software to manage or operate, or assist in the management or operation of, any other entity or facility, whether or not affiliated with Licensee, or at any other location now or in the future operated by Licensee.

1.1.1 Notwithstanding Section 1.1, in the event that Licensee adds or acquires an additional facility(ies) for which the Revenue Cycle Methodology and the Software would reasonably be considered to be appropriate for use, and provided that the addition or acquisition is not a Change of Status under Section 4.2.3 below, then the parties shall negotiate in good faith to provide the facility(ies) with the right to use the Revenue Cycle Methodology and the Software and to provide for such Huron implementation services as may reasonably be required, with terms and fees reasonably acceptable to Huron and Licensee. Pricing for Huron implementation services and licensing fees shall be commensurate with Huron's then current typical pricing for such licensing fees and implementation services.

1.2 Licensee shall have no right to allow any other party to use the Revenue Cycle Methodology or the Software, including on behalf of Licensee, except that Licensee may allow employees of third party physician organizations to log in to use worklists on the Software with the specific approval of Licensee and to assist in the management or operation of the Facility(ies), if such third party physician organizations agree to abide by the terms of this Agreement.

1.3 Licensee acknowledges that (a) Huron owns all rights, title and interest in and to the Revenue Cycle Methodology, (b) Huron owns all rights, title and interest in and to the Software except for certain components of the Software that are owned by third parties and licensed to Huron, and (c) Licensee shall not have any rights to sublicense, assign or transfer the Revenue Cycle Methodology, the Software, or any of Licensee's rights under this Agreement.

1.4 The parties anticipate that, from time to time at the request of Licensee, Huron may incorporate into the Revenue Cycle Methodology or the Software certain modifications, further developments, techniques, methods, tools, know-how, materials, documents, or other elements created or owned by Licensee ("Licensee's Contributions"). Licensee warrants that it owns all such Licensee's Contributions and has the authority to license them to Huron. Licensee agrees to grant a non-exclusive, perpetual, irrevocable, transferable, sublicensable, world-wide license in Licensee's Contributions, including all copyright, trademark, patent, trade secret or other intellectual property rights, to Huron, and Huron agrees that the license of the Revenue Cycle Methodology and the Software to Licensee pursuant to this Agreement includes Licensee's Contributions.

1.5 [REDACTED] Licensee acknowledges and agrees that the Software is not intended nor designed to be utilized to [REDACTED]. If Licensee uses the Software to [REDACTED], Licensee shall indemnify and hold Huron harmless from and against any claims, damages or expenses arising from Licensee's use of the Software to [REDACTED]. Licensee agrees that under no circumstances shall Licensee use the Software to produce [REDACTED] reports. Licensee acknowledges and agrees that Huron takes no responsibility for determining how Licensee makes decisions to [REDACTED].

1.6 Import of Data from Software. Licensee acknowledges and agrees that the Software is designed to be the recipient of a one-way data interface and is not designed to provide data for import to other information systems. While Huron will not directly assist Licensee to import data from the Software into Licensee information systems (due to Huron's lack of familiarity with Licensee systems), the Software is able to provide a file of data that may be useful for importation by Licensee into Licensee's information systems. If Licensee imports data from the Software into another Licensee information system, Licensee shall indemnify and hold Huron harmless from and against any claims, damages or expenses arising from Licensee's import of data from the Software or use of data from the Software in Licensee's information systems.

2. Limited Warranties/Liability.

2.1 Huron represents and warrants that it owns the Revenue Cycle Methodology and the Software, except for certain components of the Software that are owned by third parties and licensed to Huron, that the Revenue Cycle Methodology and the Software do not infringe third party copyright, trademark, patent or other third party intellectual property rights, and that Huron has the authority to license the Revenue Cycle Methodology and the Software to Licensee. Huron will defend, indemnify, and hold Licensee, its directors, officers, employees and agents harmless against any claims arising from a claim that the Revenue Cycle Methodology or the Software violates another party's copyright, trademark, patent or other third party intellectual property rights, so long as Licensee gives Huron prompt written notice of such a claim. In addition, if due

to an infringement claim Licensee is prevented from using the Software, Revenue Cycle Methodology, or related documentation (each, an "Infringing Item"), Huron will at its expense, and at its option: (a) procure for Licensee the right to continue using the Infringing Item; or (b) replace and modify the Infringing Item so that it becomes non-infringing and it has at least equal functions and levels of performance.

2.2 Huron represents and warrants that it will not knowingly and intentionally use any software routine or any device, including, but not limited to any "time bomb," "key lock," "lockup," "worm," or "virus" device or program, or disabling code, to interfere or attempt to interfere with the proper working of the Software. If Licensee identifies what it believes to be a breach of this warranty, it shall notify Huron, and Huron shall use commercially reasonable efforts to provide an update to correct such breach of warranty.

2.3 Huron warrants that upon implementation and during the Project, the TRAC and ONTRAC software shall comply in all material respects with its documentation for the implemented functionality. In the event of a breach of this warranty, Huron shall use commercially reasonable efforts to provide an update to correct such breach of warranty.

2.4 In the event that Huron is unable to remedy a breach of the warranty provided in Sections 2.1, 2.2, or 2.3, and the lack of remedy renders some or all of the Revenue Cycle Methodology or Software unusable by Licensee, Huron shall pay a refund to Licensee ("Refund"). The Refund shall be calculated as follows: (i) if the lack of remedy renders the entire Revenue Cycle Methodology and Software unusable by Licensee, the Refund shall be \$250,000 (the "Refund Base"), less accumulated amortization at a five-year, straight line rate; (ii) if the lack of remedy causes less than 100% of the Revenue Cycle Methodology and Software to be unusable by Licensee, the parties shall negotiate in good faith to determine the percentage of the Refund Base that reasonably and proportionately applies to the unusable portion, and the Refund shall be that portion of the Refund Base, less accumulated amortization at a five-year, straight line rate.

2.5 The remedies described in Sections 2.1 through 2.4 shall constitute Licensee's exclusive remedy for any breach of those warranties. Except as expressly provided in Sections 2.1 through 2.4 above, Huron supplies the Revenue Cycle Methodology and the Software "AS IS." HURON MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT THE REVENUE CYCLE METHODOLOGY AND THE SOFTWARE OR ANY UPDATES ARE ERROR-FREE.

2.6 Huron's liability to Licensee shall, in all events, be limited by the provisions of Section 5 below. Licensee acknowledges that it assumes sole responsibility for any consequences of using the Revenue Cycle Methodology or the Software improperly, or using the Revenue Cycle Methodology or the Software for improper purposes, or purposes for which the Software was not designed to be used, including those set forth in Sections 1.5 and 1.6.

3. Protection of Huron's Proprietary Rights.

3.1 The Software and Revenue Cycle Methodology constitute "Huron Confidential Information." All Huron Confidential Information shall remain the property of Huron, although the data contained in the Reports shall belong to Licensee.

3.2 Licensee agrees to protect Huron Confidential Information in a reasonable and appropriate manner. Licensee shall not use Confidential Information, except as is necessary to accomplish the objectives of the Services and for ongoing Licensee internal monitoring and reporting purposes only for the specific physical Facility covered by the scope of the Services. Licensee shall not disclose, transfer, publish, or display Huron Confidential Information to any third parties, unless expressly permitted herein. Licensee shall restrict access to Huron's Confidential Information to its own personnel with a need to know. Licensee shall prevent the unauthorized disclosure of Huron's Confidential Information to other consultants, accounting firms (including Licensee's auditors), software vendors, or Huron's competitors or potential competitors. Huron Confidential Information may be disclosed to Licensee's or Huron's legal counsel. Huron Confidential Information may be disclosed to Licensee's or Huron's external financial statement auditors to the extent necessary for periodic financial statement auditing purposes only and on the condition that the disclosed Huron Confidential Information is to be used only for the purpose of complying with generally accepted auditing procedures necessary for the certification of periodic financial statements. The obligations of this Section 3.2 shall not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) lawfully disclosed by a third party, (iv) independently developed, (v) disclosed pursuant to legal requirement or order, or (vi) disclosed to taxing authorities or to representatives and advisors in connection with tax filings, reports, claims, audits and litigation.

3.3 Licensee shall promptly advise Huron in advance if it or any of its legal or business consultants is legally required, pursuant to a subpoena, court order or other legal process, to disclose any Huron Confidential Information to a third party. In addition, if Licensee is legally required to disclose any Huron Confidential Information, Licensee shall cooperate with Huron to obtain a protective order pertaining to such Huron Confidential Information.

3.4 A breach of any obligations in this Section 3 will cause irreparable harm to Huron and, therefore, in addition to any other remedy available in law, Huron shall be entitled to immediate injunctive relief, without showing any actual damages sustained, to prevent any further unauthorized disclosure or unpermitted use of Huron Confidential Information.

3.5 Except as provided below, Licensee may disclose Reports only to third-party payers, or organizations, directly involved in the claims-payment process as is necessary to assist in the management of the accounts receivable of the Facility(ies). If Licensee discloses Reports pursuant to the foregoing sentence, it shall take reasonable precautions

to protect Huron's rights, including notifying such third parties of Huron's proprietary rights therein and obtaining their agreement to protect these rights. Notwithstanding the above, Licensee, shall not disclose the Software, the Revenue Cycle Methodology, or the Reports to other consultants, system vendors, outsourcers, or to any party that it should reasonably be aware may compete with Huron, except as expressly permitted by this License Agreement.

3.6 In the event that Licensee determines it is necessary in the course of its business to disclose the Software, the Revenue Cycle Methodology, or the Reports to a third party, such disclosure shall be permitted only if the third party shall enter into a confidentiality and non-use agreement with Huron that is acceptable to Huron, which agreement may include a requirement for employees of the third party to be individually bound with Huron to confidentiality and non-use obligations.

3.7 Licensee acknowledges that if it distributes Reports in electronic form, all of the limitations on their use, and all of Licensee's obligations to protect those Reports shall apply to the Reports in electronic form just as they would if the Reports were on paper. Licensee agrees that it is responsible for taking whatever precautions are necessary to observe all of those limitations and fulfill all of those obligations.

3.8 Except as expressly provided in Section 8 below, or as clearly permitted by Huron in writing under a separate agreement, Licensee shall not undertake any effort to, and shall not assist anyone else to: (1) copy the Software except as reasonably required for the purposes of testing, backup, or disaster recovery, or copy any aspect of the functionality of the Software or the Revenue Cycle Methodology to another computer system; (2) create derivatives of, decompile, reverse engineer or recreate the Software, or create new software embodying or replicating any aspect of the functionality of the Software or the Revenue Cycle Methodology; or (3) otherwise use the Revenue Cycle Methodology, the Software, or the Reports in a manner beyond what is expressly contemplated herein in regard to Licensee's management and operation of the Facility(ies), or so as to expand on the rights expressly granted in this Agreement. In the event that any effort that would otherwise be prohibited by the foregoing sentence is permitted by Huron in writing: (a) Huron may impose whatever conditions to its permission it deems necessary to protect its interests; and (b) unless the written permission from Huron expressly grants Licensee broader rights, the products (both tangible and intangible) of such an effort may only be used by Licensee in connection with the management of the accounts receivable of the Facility(ies) in their present form, and Licensee shall have no rights to use those products in connection with any of Licensee's other facilities.

3.9 Licensee shall not remove any notices or legends that appear in the Software, on Reports, or on the Revenue Cycle Methodology, that either serve to identify Huron as the owner, or that provide notice of the confidential and/or proprietary nature of such materials, and/or their contents, including without limitation copyright notices, trademark symbols and notices, and notices that such materials are "confidential" or "proprietary."

Licensee's obligation not to remove such notices shall apply in all circumstances, including without limitation when Licensee copies or distributes Reports or other materials as permitted by this Agreement.

3.10 Licensee shall prevent disclosure of the Revenue Cycle Methodology, the Software, and the Reports to third parties in the event that: (i) another organization, such as a potential Huron Licensee, requests a site visit to Licensee facilities to investigate Huron services, or requests extensive information regarding implementation services or results, except that if such site visit by another organization is requested by Huron, Licensee shall be permitted to disclose the Revenue Cycle Methodology, the Software, and the Reports as is necessary to demonstrate and describe the revenue cycle solution implemented at Licensee, and the results of the implementation; (ii) a software vendor or consultant reviews or otherwise is exposed to functional areas in which Huron's the Revenue Cycle Methodology, the Software, and the Reports have been implemented; (iii) Licensee contemplates a Change of Status as defined in Section 4.2.3 below, and allows another party to conduct due diligence; or (iv) Licensee brings third parties on-site to provide patient access management and/or accounts receivable securement, management or processing activities.

3.11 These obligations regarding the protection of Huron Confidential Information shall survive the termination of this Agreement and shall remain in effect perpetually.

4. Term and Termination.

4.1 This Agreement is effective during the performance of the Services so long as it is not terminated as provided in Section 4.2. Upon completion of the Services, this Agreement shall remain in effect only if the Licensee has paid to Huron all fees and expenses due to Huron under the Consulting Agreement, and at all times this Agreement shall terminate upon the occurrence of the events described in Section 4.2.

4.2 The license granted by this Agreement shall terminate upon the earlier of (a) the agreement of the parties, (b) termination of the Project under the Consulting Agreement for which the Revenue Cycle Methodology and the Software is licensed hereunder, prior to completion of the Project and payment of all fees due to Huron pursuant to the Consulting Agreement, or (c) termination pursuant to Sections 4.2.1 through 4.2.3 below.

4.2.1 Licensee may terminate this license at any time by destroying all materials relating to the Revenue Cycle Methodology and all copies of the Software, including all backup copies and related materials and documents, and providing written notice to Huron of the termination of this license and certification to Huron of the destruction of the materials and Software described in this sentence.

4.2.2 This license shall terminate automatically if Licensee does not remedy a failure to comply with a material term or condition of this Agreement, or Section 16 of the PSA with respect to the Software or Revenue Cycle Methodology,

within fifteen (15) days of receiving written notification by registered mail to the Licensee's Chief Executive Officer with regard to being out of compliance with such a term or condition, and shall terminate immediately upon written notice to Licensee's Chief Executive Officer with regard to a breach of Section 1, 1.1, 1.2, 1.3, 3, 3.1, 3.2, 3.3, 3.4 or 3.5.

4.2.3 Termination for Change of Status at Licensee.

4.2.3.1 Huron shall have the right to immediately terminate this Agreement by delivering written notice upon a Change of Status at Licensee with respect to the affected facility(ies) if one of the following occurs: (a) all or a substantial portion of the assets of the facility(ies) at which Huron is performing the Project is sold or otherwise transferred or assigned; or (b) the facility(ies) at which Huron is performing the Project is merged or consolidated with another entity; or (c) a controlling ownership in the facility(ies) at which Huron is performing the Project is sold, transferred or assigned to another party, whether in a single transaction or cumulatively; or (d) the facility(ies) at which Huron is performing the Project is leased to another entity or another entity is brought in to manage the facility for Licensee; or (e) Licensee or the facility at which Huron is performing the Project becomes insolvent, suspends business, assigns its assets for the benefit of its creditors, voluntarily dissolves, if a trustee for all or a substantial portion of its assets is appointed, or if it files or becomes subject to a petition in bankruptcy or a receivership. An internal reorganization of Licensee or the facility(ies) at which Huron is performing the Project which does not involve one of the situations discussed in (a) through (e) above, will not constitute a Change in Status.

4.2.3.2 Notwithstanding Section 4.2.3.1 above, in the event of (i) a Change of Status involving the merger or consolidation of the facility(ies) at which Huron is performing the Project into another entity, or (ii) the sale or assignment to another entity of all or a substantial portion the facility(ies) at which Huron is performing the Project, or (iii) the sale, transfer, or assignment of a controlling ownership in the facility(ies) at which Huron is performing the Project, or (iv) the lease to another entity of the facility(ies) at which Huron is performing the Project, or (v) another entity is brought in to manage the facility(ies) for Licensee; and if the surviving entity in a merger or consolidation, the acquiring entity after an acquisition of facilities, the entity acquiring controlling ownership after a change of control, or the entity to which a facility is leased or which is brought in to manage a facility affirms in writing to Huron all of Licensee's obligations under this Agreement and all other agreements between Licensee and Huron and agrees to restrict both the disclosure and the use of all Huron's Confidential Information to those Facilities for

which the Confidential Information is licensed, then Huron will not have any right to terminate the Project or this Agreement due to Change of Status. In the event that Huron learns that a Change of Status has occurred, and Huron has not received a written affirmation from the surviving entity, acquiring entity, lessee or managing party as described above, then Huron shall have a right to terminate the Project and this Agreement. The foregoing will also apply in connection with a Change of Status after the completion of a Project.

4.2.3.3 The right to terminate this license shall exist both for a Change of Status at Licensee during the Project and a Change of Status at Licensee after the Project completion, for so long as the license remains in effect.

4.3 Licensee agrees that, upon the termination of the license for any reason: (i) it will immediately cease all use of the Revenue Cycle Methodology and the Software; (ii) it will return or destroy all copies of all materials relating to the Revenue Cycle Methodology and all copies of the Software and all related materials and documents, including all Reports except those that must be retained to support external audit, and will certify to Huron in writing compliance with (i) and (ii); and (iii) Licensee shall continue to be bound by the remaining terms of this Agreement.

5. Hold Harmless/Indemnification/Limitation of Liability.

5.1 Each party shall indemnify and hold harmless the other party, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, owners, employees, agents, contractors and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability related to or arising from the willful misconduct or negligent acts or omissions of the party's employees, contractors or agents in connection to the products and services under the this Methodology/Software License Agreement.

5.2 With respect to any action or claim subject to indemnification herein by a party, the Indemnatee shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the other party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the other party's indemnification to Indemnitees as set forth herein. The other party and its employees and agents shall cooperate fully in any such defense. Excluded from the foregoing indemnification obligations are claims for which applicable law does not permit indemnification. These indemnification obligations shall survive termination of this Agreement for acts or omissions during any term of this Agreement.

5.3 Notwithstanding any other provision of this Agreement, the Huron's liability to the Licensee under all theories shall be limited to a total amount for any and all claims of any kind, in aggregate, of total fees paid for the Project that results in the claim (unless

otherwise provided in this Agreement or its exhibits). The limits on Contractor's liability in this Section 5.3 shall be read together with the limits on Huron's liability pursuant to the PSA, so that Huron's combined liability for claims related to the services pursuant to the PSA and for claims related to Huron's obligations under this Methodology/Software License Agreement shall not exceed the greater of the limits prescribed in the PSA or this Methodology/Software License Agreement. The foregoing limitation shall not apply to claims caused by the Huron's breach of confidentiality of Licensee's protected health information. The Huron shall not be liable to the Licensee for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall the Huron be liable to the Licensee for special, consequential, incidental, or indirect damages except in the case of claims caused by the Huron's breach of confidentiality of Licensee's protected health information.

5.4 Notwithstanding any other provision of this Agreement, Licensee's liability to Huron under all theories shall be limited to a total amount for any and all claims of any kind, in aggregate, of total fees paid for the Project that results in the claim (unless otherwise provided in this Agreement or its exhibits). The limits on Contractor's liability in this Section 5.4 shall be read together with the limits on Licensee's liability pursuant to the PSA, so that Licensee's combined liability for claims related to the services pursuant to the PSA and for claims related to Licensee's obligations under this Methodology/Software License Agreement shall not exceed the greater of the limits prescribed in the PSA or this Methodology/Software License Agreement. The foregoing limitation shall not apply to claims caused by Licensee's breach of confidentiality of Huron's Confidential Information. Licensee shall not be liable to Huron for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall Licensee be liable to Huron for special, consequential, incidental, or indirect damages except in the case of claims caused by Licensee's breach of confidentiality of Huron's Confidential Information.

6. Entire Agreement/Waiver. This Agreement, the relevant Business Associate Agreement, and the relevant portions of the Consulting Agreement constitute the entire agreement of the parties with respect to the subject matter of this Agreement. This Agreement supersedes conflicting portions of the Consulting Agreement and any other prior agreements, except for relevant Business Associate Agreements. The failure of either party to exercise any right, remedy or power given to it in this Agreement, or to insist upon strict compliance with the terms hereof shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. No modification, waiver, or amendment to this Agreement shall be binding unless executed in writing by both parties. No waiver shall be deemed a waiver of any other provision or a continuing waiver.

7. Injunctive Relief. Licensee acknowledges that any unauthorized use or disclosure of the Revenue Cycle Methodology or the Software would cause Huron irreparable harm, and therefore, in addition to any other remedy available in law, Huron would be entitled to immediate injunctive relief, without showing any actual damages sustained, to prevent such

disclosure or unauthorized use. Huron shall have no obligation to post a bond or other security in connection with obtaining an injunction, specific performance or other relief.

8. Binding Agreement. Except as may be expressly permitted in writing by Huron in the event of a Change of Status of Licensee, as defined in the in Section 4.2.3 above, Licensee shall not transfer or assign any of its rights or obligations under this Agreement. Subject to the restrictions on the ability of Licensee to assign its rights as provided herein, this Agreement shall bind and inure to the benefit of the parties, their legal representatives, successors, and assigns. Huron retains the right to assign or transfer its rights, privileges, obligations, and duties under this Agreement to an entity that continues the business of Huron and which assumes its obligations and duties hereunder. In addition, in the event Huron engages in a reorganization of its corporate structure, Huron may assign its rights and delegate its responsibilities under this Agreement to another entity controlled by, or under common control with, Huron or its then-current owners.

9. Right to Maintain Software. If Huron ceases to do business, and does not transfer its rights, privileges, obligations, and duties to an entity that continues the business of Huron, Licensee will have the right to maintain and upgrade the Software at its own discretion and expense.

10. Support Services. Support obligations may be provided under a separate agreement between the parties. Huron has no support obligations pursuant to this Agreement.

(Signature Page Follows.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LICENSEE (COUNTY):

Signature: _____

Print Name: John J. Benoit

Title: Chairman of the Board of Supervisors

Dated: _____

HURON:

Signature: Rich Namerow

Print Name: Rich Namerow

Title: Managing Director

Dated: 10/29/13

FORM APPROVED COUNTY COUNSEL

BY:

NEAL R. KIPNIS

DATE

County of Riverside ("Licensee")/
Huron Consulting Services LLC d/b/a Huron Healthcare ("Huron")
Strategic Plan and Operational/Financial Improvement Implementation

EXHIBIT D
SOFTWARE LICENSE AGREEMENT
for
Clinical Operations Solution
(PatientONTRAC® Software)

DATED: November 1, 2013

BETWEEN:

HURON CONSULTING SERVICES LLC D/B/A
HURON HEALTHCARE
6000 SW Meadows Road, Suite 300
Lake Oswego, OR 97035

"Huron"

AND

COUNTY OF RIVERSIDE
4080 Lemon Street, 4th Floor
Riverside, CA 92501

"Licensee"

Recitals

- A. Pursuant to a Professional Service Agreement dated November 1, 2013 (the "PSA"), its Exhibit A: Scope of Work and Exhibit B: Payment Provisions (collectively, the "Consulting Agreement"), Huron is performing certain consulting services (the "Services") for Licensee involving the implementation of Huron's clinical operations solution at Licensee's facility(ies) described in Section 1.1 below. Under the Consulting Agreement, Huron will use and disclose certain confidential computer software developed by and belonging to Huron (including Huron's PatientONTRAC® ("PatientONTRAC") software), or licensed to Huron, and deliver to Licensee for its use, copies of such software.
- B. In the Consulting Agreement, Licensee agreed that it would not disclose, and that it would protect from unauthorized use or disclosure, information confidential or proprietary to Huron, and that its use of such information would be strictly limited. In the Consulting Agreement, Huron and Licensee agreed that the clinical operations software would be delivered to Licensee pursuant to Huron's Software License Agreement.

- C. All Huron software (including all versions of the PatientONTRAC software provided to Licensee pursuant to this Software License Agreement, or any supporting software, all updates, enhancements, and new releases (“Updates”) provided to Licensee pursuant to the terms of any future support agreement or otherwise, and all related tangible instructions, manuals, materials, forms, and other documentation, provided that such tangible instructions, manuals, materials, forms, and other documentation are marked as proprietary or confidential to Huron) that Huron has used or supplied, or uses or supplies, in connection with the Services shall hereinafter be collectively described as the “Software.” The Software can be used to generate lists, reports, and other documentation (collectively “Reports”).
- D. Huron and Licensee intend that the rights of Licensee with respect to the Software and the Reports shall be limited to the right to make use of them for certain purposes and subject to certain limitations as described in this Agreement, and that Huron’s rights as sole owner of the Software be protected.

NOW, THEREFORE, in consideration of the delivery by Huron to Licensee of the Software subject to this Software License Agreement (“Agreement”), and in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

Agreement

- 1. **Grant of License.** Huron grants Licensee a nonexclusive, nontransferable, perpetual license to use the Software, subject to the terms and conditions of this Agreement. Except as explicitly granted in this Agreement, Licensee shall have no rights with respect to the Software.
 - 1.1 Licensee shall have the right to use the Software on its own premises only to assist in the management or operation of Riverside County Regional Medical Center, Moreno campus (“RCRMC”) in (individually, a “Facility” and collectively, the “Facilities”). The reference to a Facility “in its present form” shall include that Facility as it is expanded or moved in the normal course of business, but shall not include expansion due to material mergers or acquisitions. Licensee shall have no right to use the Software to manage or operate, or assist in the management or operation of, any other entity or facility, whether or not affiliated with Licensee, or at any other location now or in the future operated by Licensee.
 - 1.1.1 Notwithstanding Section 1.1, in the event that Licensee adds or acquires an additional facility(ies) for which the Software would reasonably be considered to be appropriate for use, and provided that the addition or acquisition is not a Change of Status under Section 4.2.3 below, then the parties shall negotiate in good faith to provide the facility(ies) with the right to use the Software and to provide for such Huron implementation services as may reasonably be required, with terms and fees reasonably acceptable to Huron and Licensee. Pricing for Huron implementation services and licensing fees shall be commensurate with Huron’s then current typical pricing for such licensing fees and implementation services.

- 1.2 Licensee shall have no right to allow any other party to use the Software, including on behalf of Licensee.
- 1.3 Licensee acknowledges that (a) Huron owns all rights, title and interest in and to the Software except for certain components of the Software that are owned by third parties and licensed to Huron, and (b) Licensee shall not have any rights to sublicense, assign or transfer the Software, or any of Licensee's rights under this Agreement.
- 1.4 The parties anticipate that, from time to time at Licensee's request, Huron may incorporate into the Software certain modifications, further developments, techniques, methods, tools, know-how, materials, documents, or other elements created or owned by Licensee ("Licensee's Contributions"). Licensee warrants that it owns all such Licensee's Contributions and has the authority to license them to Huron. Licensee agrees to grant a non-exclusive, perpetual, irrevocable, transferable, sublicensable, world-wide license in Licensee's Contributions, including all copyright, trademark, patent, trade secret or other intellectual property rights, to Huron, and Huron agrees that the license of the Software to Licensee pursuant to this Agreement includes Licensee's Contributions.
- 1.5 Import of Data from Software. Licensee acknowledges and agrees that the Software is designed to be the recipient of a one-way data interface and is not designed to provide data for import to other information systems. While Huron will not directly assist Licensee to import data from the Software into Licensee information systems (due to Huron's lack of familiarity with Licensee systems), the Software is able to provide a file of data that may be useful for importation by Licensee into Licensee's information systems. If Licensee imports data from the Software into another Licensee information system, Licensee shall indemnify and hold Huron harmless from and against any claims, damages or expenses arising from Licensee's import of data from the Software or use of data from the Software in Licensee's information systems.

2. Limited Warranties/Liability.

- 2.1 Huron represents and warrants that it owns the Software, except for certain components of the Software that are owned by third parties and licensed to Huron, that the Software does not infringe third party copyright, trademark, patent or other third party intellectual property rights, and that Huron has the authority to license the Software to Licensee. Huron will defend, indemnify, and hold Licensee, its directors, officers, employees and agents harmless against any claims arising from a claim that the Software violates another party's copyright, trademark, patent or other third party intellectual property rights, so long as Licensee gives Huron prompt written notice of such a claim. In addition, if due to an infringement claim Licensee is prevented from using the Software or related documentation (each, an "Infringing Item"), Huron will at its expense, and at its option: (a) procure for Licensee the right to continue using the Infringing Item; or (b) replace and modify the Infringing Item so that it becomes non-infringing and it has at least equal functions and levels of performance.
- 2.2 Huron represents and warrants that it will not knowingly and intentionally use any software routine or any device, including, but not limited to any "time bomb," "key lock," "lockup," "worm," or "virus" device or program, or disabling code, to interfere

or attempt to interfere with the proper working of the Software. If Licensee identifies what it believes to be a breach of this warranty, it shall notify Huron, and Huron shall use commercially reasonable efforts to provide an update to correct such breach of warranty.

2.3 Huron warrants that upon implementation and during the Project, the PatientONTRAC software shall comply in all material respects with its documentation for the implemented functionality. In the event of a breach of this warranty, Huron shall use commercially reasonable efforts to provide an update to correct such breach of warranty.

2.4 In the event that Huron is unable to remedy a breach of the warranty provided in Sections 2.1, 2.2, or 2.3, and the lack of remedy renders some or all of the Software unusable by Licensee, Huron shall pay a refund to Licensee ("Refund"). The Refund shall be calculated as follows: (i) if the lack of remedy renders the entire Software unusable by Licensee, the Refund shall be \$400,000 (the "Refund Base"), less accumulated amortization at a five-year, straight line rate; (ii) if the lack of remedy causes less than 100% of the Software to be unusable by Licensee, the parties shall negotiate in good faith to determine the percentage of the Refund Base that reasonably and proportionately applies to the unusable portion, and the Refund shall be that portion of the Refund Base, less accumulated amortization at a five-year, straight line rate.

2.5 The remedies described in Sections 2.1 through 2.4 shall constitute Licensee's exclusive remedy for any breach of those warranties. Except as expressly provided in Sections 2.1 through 2.4 above, Huron supplies the Software "AS IS." HURON MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR THAT THE SOFTWARE OR ANY UPDATES ARE ERROR-FREE.

2.6 Huron's liability to Licensee shall, in all events, be limited by the provisions of Section 5 below. Licensee acknowledges that it assumes sole responsibility for any consequences of using the Software improperly, or using the Software for improper purposes, or purposes for which the Software was not designed to be used, including those set forth in Section 1.5.

3. Protection of Huron's Proprietary Rights.

3.1 The Software constitutes "Huron Confidential Information." All Huron Confidential Information shall remain the property of Huron, although the data contained in the Reports shall belong to Licensee.

3.2 Licensee agrees to protect Huron Confidential Information in a reasonable and appropriate manner. Licensee shall not use Confidential Information, except as is necessary to accomplish the objectives of the Services and for ongoing Licensee internal monitoring and reporting purposes only for the specific physical Facility covered by the scope of the Services. Licensee shall not disclose, transfer, publish, or display Huron Confidential Information to any third parties, unless expressly permitted herein. Licensee

shall restrict access to Huron's Confidential Information to its own personnel with a need to know. Licensee shall prevent the unauthorized disclosure of Huron's Confidential Information to other consultants, accounting firms (including Licensee's auditors), software vendors, or Huron's competitors or potential competitors. Huron Confidential Information may be disclosed to Licensee's or Huron's legal counsel. Huron Confidential Information may be disclosed to Licensee's or Huron's external financial statement auditors to the extent necessary for periodic financial statement auditing purposes only and on the condition that the disclosed Huron Confidential Information is to be used only for the purpose of complying with generally accepted auditing procedures necessary for the certification of periodic financial statements. The obligations of this Section 3.2 shall not apply to information which is: (i) publicly known, (ii) already known to the recipient, (iii) lawfully disclosed by a third party, (iv) independently developed, (v) disclosed pursuant to legal requirement or order, or (vi) disclosed to taxing authorities or to representatives and advisors in connection with tax filings, reports, claims, audits and litigation.

3.3 Licensee shall promptly advise Huron in advance if it or any of its legal or business consultants is legally required, pursuant to a subpoena, court order or other legal process, to disclose any Huron Confidential Information to a third party. In addition, if Licensee is legally required to disclose any Huron Confidential Information, Licensee shall cooperate with Huron to obtain a protective order pertaining to such Huron Confidential Information.

3.4 A breach of any obligations in this Section 3 will cause irreparable harm to Huron and, therefore, in addition to any other remedy available in law, Huron shall be entitled to immediate injunctive relief, without showing any actual damages sustained, to prevent any further unauthorized disclosure or unpermitted use of Huron Confidential Information.

3.5 Licensee, shall not disclose the Software or the Reports to other consultants, system vendors, outsourcers, or to any party that it should reasonably be aware may compete with Huron, except as expressly permitted by this License Agreement.

3.6 In the event that Licensee determines it is necessary in the course of its business to disclose the Software or the Reports to a third party, such disclosure shall be permitted only if the third party shall enter into a confidentiality and non-use agreement with Huron that is acceptable to Huron, which agreement may include a requirement for employees of the third party to be individually bound with Huron to confidentiality and non-use obligations.

3.7 Licensee acknowledges that if it distributes Reports in electronic form, all of the limitations on their use, and all of Licensee's obligations to protect those Reports shall apply to the Reports in electronic form just as they would if the Reports were on paper. Licensee agrees that it is responsible for taking whatever precautions are necessary to observe all of those limitations and fulfill all of those obligations.

3.8 Except as expressly provided in Section 8 below, or as clearly permitted by Huron in writing under a separate agreement, Licensee shall not undertake any effort to, and shall not assist anyone else to: (1) copy the Software except as reasonably required for the purposes of testing, backup, or disaster recovery, or copy any aspect of the functionality of

the Software to another computer system; (2) create derivatives of, decompile, reverse engineer or recreate the Software, or create new software embodying or replicating any aspect of the functionality of the Software; or (3) otherwise use the Software or the Reports in a manner beyond what is expressly contemplated herein in regard to Licensee's management and operation of the Facility(ies), or so as to expand on the rights expressly granted in this Agreement. In the event that any effort that would otherwise be prohibited by the foregoing sentence is permitted by Huron in writing: (a) Huron may impose whatever conditions to its permission it deems necessary to protect its interests; and (b) unless the written permission from Huron expressly grants Licensee broader rights, the products (both tangible and intangible) of such an effort may only be used by Licensee in connection with the management of the clinical operations of the Facility(ies) in their present form, and Licensee shall have no rights to use those products in connection with any of Licensee's other facilities.

3.9 Licensee shall not remove any notices or legends that appear in the Software or on Reports that either serve to identify Huron as the owner, or that provide notice of the confidential and/or proprietary nature of such materials, and/or their contents, including without limitation copyright notices, trademark symbols and notices, and notices that such materials are "confidential" or "proprietary." Licensee's obligation not to remove such notices shall apply in all circumstances, including without limitation when Licensee copies or distributes Reports or other materials as permitted by this Agreement.

3.10 Licensee shall prevent disclosure of the Software and the Reports to third parties in the event that: (i) another organization, such as a potential Huron Licensee, requests a site visit to Licensee facilities to investigate Huron services, or requests extensive information regarding implementation services or results, except that if such site visit by another organization is requested by Huron, Licensee shall be permitted to disclose the Software and the Reports as is necessary to demonstrate and describe the clinical operations solution implemented at Licensee, and the results of the implementation; (ii) a software vendor or consultant reviews or otherwise is exposed to functional areas in which Huron's Software and the Reports have been implemented; or (iii) Licensee contemplates a Change of Status as defined in Section 4.2.3 below, and allows another party to conduct due diligence.

3.11 These obligations regarding the protection of Huron Confidential Information shall survive the termination of this Agreement and shall remain in effect perpetually.

4. Term and Termination.

4.1 This Agreement is effective during the performance of the Services so long as it is not terminated as provided in Section 4.2. Upon completion of the Services, this Agreement shall remain in effect only if the Licensee has paid to Huron all fees and expenses due to Huron under the Consulting Agreement, and at all times this Agreement shall terminate upon the occurrence of the events described in Section 4.2.

4.2 The license granted by this Agreement shall terminate upon the earlier of (a) the agreement of the parties, (b) termination of the Project under the Consulting Agreement for which the Software is licensed hereunder, prior to completion of the Project and

payment of all fees due to Huron pursuant to the Consulting Agreement, or (c) termination pursuant to Sections 4.2.1 through 4.2.3 below.

- 4.2.1 Licensee may terminate this license at any time by destroying all copies of the Software, including all backup copies and related materials and documents, and providing written notice to Huron of the termination of this license and certification to Huron of the destruction of the Software described in this sentence.
- 4.2.2 This license shall terminate automatically if Licensee does not remedy a failure to comply with a material term or condition of this Agreement, or Section 16 of the PSA with respect to the Software, within fifteen (15) days of receiving written notification by registered mail to the Licensee's Chief Executive Officer with regard to being out of compliance with such a term or condition, and shall terminate immediately upon written notice to Licensee's Chief Executive Officer with regard to a breach of Section 1, 1.1, 1.2, 1.3, 3, 3.1, 3.2, 3.3, 3.4 or 3.5.

4.2.3 Termination by Huron for Change of Status at Licensee.

- 4.2.3.1 Huron shall have the right to immediately terminate this Agreement by delivering written notice upon a Change of Status at Licensee with respect to the affected facility(ies) if one of the following occurs: (a) all or a substantial portion of the assets of the facility(ies) at which Huron is performing the Project is sold or otherwise transferred or assigned; or (b) the facility(ies) at which Huron is performing the Project is merged or consolidated with another entity; or (c) a controlling ownership in the facility(ies) at which Huron is performing the Project is sold, transferred or assigned to another party, whether in a single transaction or cumulatively; or (d) the facility(ies) at which Huron is performing the Project is leased to another entity or another entity is brought in to manage the facility for Licensee; or (e) Licensee or the facility at which Huron is performing the Project becomes insolvent, suspends business, assigns its assets for the benefit of its creditors, voluntarily dissolves, if a trustee for all or a substantial portion of its assets is appointed, or if it files or becomes subject to a petition in bankruptcy or a receivership. An internal reorganization of Licensee or the facility(ies) at which Huron is performing the Project which does not involve one of the situations discussed in (a) through (e) above, will not constitute a Change in Status.
- 4.2.3.2 Notwithstanding Section 4.2.3.1 above, in the event of (i) a Change of Status involving the merger or consolidation of the facility(ies) at which Huron is performing the Project into another entity, or (ii) the sale or assignment to another entity of all or a substantial portion of the facility(ies) at which Huron is performing the Project, or (iii) the sale, transfer, or assignment of a controlling ownership in the facility(ies) at which Huron is performing the Project, or (iv) the lease to another entity of the facility(ies) at which Huron is performing the Project, or (v) another

entity is brought in to manage the facility(ies) for Licensee; and if the surviving entity in a merger or consolidation, the acquiring entity after an acquisition of facilities, the entity acquiring controlling ownership after a change of control, or the entity to which a facility is leased or which is brought in to manage a facility affirms in writing to Huron all of Licensee's obligations under this Agreement and all other agreements between Licensee and Huron and agrees to restrict both the disclosure and the use of all Huron's Confidential Information to those Facilities for which the Confidential Information is licensed, then Huron will not have any right to terminate the Project or this Agreement due to Change of Status. In the event that Huron learns that a Change of Status has occurred, and Huron has not received a written affirmation from the surviving entity, acquiring entity, lessee or managing party as described above, then Huron shall have a right to terminate the Project and this Agreement. The foregoing will also apply in connection with a Change of Status after the completion of a Project.

4.2.3.3 The right to terminate this license shall exist both for a Change of Status at Licensee during the Project and a Change of Status at Licensee after the Project completion, for so long as the license remains in effect.

4.3 Licensee agrees that, upon the termination of the license for any reason: (i) it will immediately cease all use of the Software; (ii) it will return or destroy all copies of the Software and all related materials and documents, including all Reports except those that must be retained to support external audit, and will certify to Huron in writing compliance with (i) and (ii); and (iii) Licensee shall continue to be bound by the remaining terms of this Agreement.

5. Hold Harmless/Indemnification/Limitation of Liability.

5.1 Each party shall indemnify and hold harmless the other party, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, owners, employees, agents, contractors and representatives (individually and collectively hereinafter referred to as Indemnitees) from any liability related to or arising from the willful misconduct or negligent acts or omissions of the party's employees, contractors or agents in connection to the products and services under the this Software License Agreement.

5.2 With respect to any action or claim subject to indemnification herein by a party, the Indemnatee shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of the other party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the other party's indemnification to Indemnitees as set forth herein. The other party and its employees and agents shall cooperate fully in any such defense. Excluded from the foregoing indemnification obligations are claims for which applicable law does not permit

indemnification. These indemnification obligations shall survive termination of this Agreement for acts or omissions during any term of this Agreement.

5.3 Notwithstanding any other provision of this Agreement, the Huron's liability to the Licensee under all theories shall be limited to a total amount for any and all claims of any kind, in aggregate, of total fees paid for the Project that results in the claim (unless otherwise provided in this Agreement or its exhibits). The limits on Contractor's liability in this Section 5.3 shall be read together with the limits on Huron's liability pursuant to the PSA, so that Huron's combined liability for claims related to the services pursuant to the PSA and for claims related to Huron's obligations under this Software License Agreement shall not exceed the greater of the limits prescribed in the PSA or this Software License Agreement. The foregoing limitation shall not apply to claims caused by the Huron's breach of confidentiality of Licensee's protected health information. The Huron shall not be liable to the Licensee for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall the Huron be liable to the Licensee for special, consequential, incidental, or indirect damages except in the case of claims caused by the Huron's breach of confidentiality of Licensee's protected health information.

5.4 Notwithstanding any other provision of this Agreement, Licensee's liability to Huron under all theories shall be limited to a total amount for any and all claims of any kind, in aggregate, of total fees paid for the Project that results in the claim (unless otherwise provided in this Agreement or its exhibits). The limits on Contractor's liability in this Section 5.4 shall be read together with the limits on Licensee's liability pursuant to the PSA, so that Licensee's combined liability for claims related to the services pursuant to the PSA and for claims related to Licensee's obligations under this Software License Agreement shall not exceed the greater of the limits prescribed in the PSA or this Software License Agreement. The foregoing limitation shall not apply to claims caused by Licensee's breach of confidentiality of Huron's Confidential Information. Licensee shall not be liable to Huron for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall Licensee be liable to Huron for special, consequential, incidental, or indirect damages except in the case of claims caused by Licensee's breach of confidentiality of Huron's Confidential Information.

6. Entire Agreement/Waiver. This Agreement, the relevant Business Associate Agreement, and the relevant portions of the Consulting Agreement constitute the entire agreement of the parties with respect to the subject matter of this Agreement. This Agreement supersedes conflicting portions of the Consulting Agreement and any other prior agreements, except for relevant Business Associate Agreements. The failure of either party to exercise any right, remedy or power given to it in this Agreement, or to insist upon strict compliance with the terms hereof shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof. No modification, waiver, or amendment to this Agreement shall be binding unless executed in writing by both parties. No waiver shall be deemed a waiver of any other provision or a continuing waiver.

7. Injunctive Relief. Licensee acknowledges that any unauthorized use or disclosure of the Software would cause Huron irreparable harm, and therefore, in addition to any other remedy available in law, Huron would be entitled to immediate injunctive relief, without showing any actual damages sustained, to prevent such disclosure or unauthorized use. Huron shall have no obligation to post a bond or other security in connection with obtaining an injunction, specific performance or other relief.

8. Binding Agreement. Except as may be expressly permitted in writing by Huron in the event of a Change of Status of Licensee, as defined in Section 4.2.3 above, Licensee shall not transfer or assign any of its rights or obligations under this Agreement. Subject to the restrictions on the ability of Licensee to assign its rights as provided herein, this Agreement shall bind and inure to the benefit of the parties, their legal representatives, successors, and assigns. Huron retains the right to assign or transfer its rights, privileges, obligations, and duties under this Agreement to an entity that continues the business of Huron and which assumes its obligations and duties hereunder. In addition, in the event Huron engages in a reorganization of its corporate structure, Huron may assign its rights and delegate its responsibilities under this Agreement to another entity controlled by, or under common control with, Huron or its then-current owners.

9. Right to Maintain Software. If Huron ceases to do business, and does not transfer its rights, privileges, obligations, and duties to an entity that continues the business of Huron, Licensee will have the right to maintain and upgrade the Software at its own discretion and expense.

10. Support Services. Support obligations may be provided under a separate agreement between the parties. Huron has no support obligations pursuant to this Agreement.

(Signature Page Follows.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

LICENSEE (COUNTY):

HURON:

Signature: _____

Signature: Rich Namerow

Print Name: John J. Benoit

Print Name: Rich Namerow

Title: Chairman of the Board of Supervisors

Title: Managing Director

Dated: _____

Dated: 10/29/13

FORM APPROVED COUNTY COUNSEL

BY:

NEAL R. KIPNIS

DATE

ATTACHMENT 1
HIPAA Business Associate Agreement
Addendum to Contract

Between the County of Riverside and Huron Consulting Services LLC d/b/a Huron Healthcare

This HIPAA Business Associate Agreement (the "Addendum") is attached to the Professional Services Agreement (the "Underlying Agreement") between the County of Riverside ("County") and Huron Consulting Group LLC d/b/a Huron Healthcare ("Contractor") (individually, a "Party" and collectively, the "Parties") and shall be effective as of the date the Underlying Agreement is approved by both Parties (the "Effective Date").

RECITALS

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

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

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

WHEREAS, to the extent County discloses PHI (defined below) and/or ePHI (defined below) to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

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

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

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

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

1. Definitions. Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.
 - A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of the PHI, and shall have the meaning given such term in 45 CFR §164.402.
 - (1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a Breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:
 - (a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;
 - (b) The unauthorized person who used the PHI or to whom the disclosure was made;
 - (c) Whether the PHI was actually acquired or viewed; and
 - (d) The extent to which the risk to the PHI has been mitigated.
 - (2) Breach excludes:
 - (a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.
 - (b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at

the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

- (c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.
- B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.
- C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.
- D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.
- E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.
- F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).
- G. "Health care operations" has the meaning given such term in 45 CFR §164.501.
- H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.
- I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI. For the purposes of this Addendum the terms PHI and

ePHI are limited to the PHI and ePHI received by Business Associate from, or created by Contractor on behalf of, County.

- L. "Required by law" has the meaning given such term in 45 CFR §164.103.
 - M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").
 - N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
 - O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.
 - P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.
 - Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).
2. Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.
- A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.
 - B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:
 - (1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,
 - (2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:
 - (a) The disclosure is required by law; or,

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

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

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

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

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

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

3. Prohibited Uses and Disclosures.

- A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.
- B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.
- C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.
- D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:

(1) Not to use or disclose PHI for fundraising, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;

(2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);

(3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,

(4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.

4. Obligations of County.

A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.

C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.

D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.

E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

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

A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.

B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI, unless notification is legally prohibited.

C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.

D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.

E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including Breaches of unsecured PHI as required by 45 CFR §164.410.

F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.

G. Make available to the Secretary, in the time and manner designated by Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.

H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).

I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI. Contractor shall promptly

forward such request to County upon Contractor's receipt of such request from a third party.

J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.

K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.

M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.

N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.

6. Access to PHI, Amendment and Disclosure Accounting. Contractor agrees to:

A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.

B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.

C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:

(1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.

(2) Within fifteen (15) days of receiving a written request from County, provide to County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

(3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.

7. Security of ePHI. In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:

A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;

B. Comply with each of the applicable requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;

C. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;

D. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;

E. Ensure compliance with the applicable provisions of the Security Rule by Contractor's workforce;

F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and conditions contained in this Addendum and comply with the applicable requirements of the Security Rule;

G. Report to County any Security Incident of which Contractor becomes aware, including Breaches of unsecured PHI as required by 45 CFR §164.410; and,

H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.

8. Breach of Unsecured PHI. In the case of Breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.

A. **Discovery and notification**. Following the discovery of a Breach of unsecured PHI, Contractor shall notify County in writing of such Breach without unreasonable delay and in no case later than 60 calendar days after discovery of a Breach, except as provided in 45 CFR §164.412.

(1) **Breaches treated as discovered**. A Breach is treated as discovered by Contractor as of the first day on which such Breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person committing the Breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

(2) **Content of notification**. The written notification to County relating to Breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

(a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the Breach;

(b) A brief description of what happened, including the date of the Breach and the date of the discovery of the Breach, if known;

(c) A description of the types of unsecured PHI involved in the Breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;

(d) Any steps individuals should take to protect themselves from potential harm resulting from the Breach;

(e) A brief description of what Contractor is doing to investigate the Breach, to mitigate harm to individuals, and to protect against any further Breaches; and,

(f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

B. Cooperation. With respect to any Breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information required by HIPPA to be provided or reasonably requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.

C. Breach log. To the extent Breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such Breaches and provide such log or other documentation on an annual basis to County, as requested, not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.

D. Delay of notification authorized by law enforcement. If Contractor delays notification of Breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.

E. Payment of costs. With respect to any Breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the applicable provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify and hold harmless County under Section 9 of this Addendum.

F. Documentation. Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a Breach, including Contractor's completed risk assessment and investigation documentation.

G. Additional State Reporting Requirements. The Parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California

Health & Safety Code §1280.15(j)(2).

(1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.

(2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than three (3) business days after Contractor becomes aware of such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "Breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.

9. Hold Harmless/Indemnification.

A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives against all actual and direct losses, liabilities, damages, claims, costs or expenses (including reasonable attorney's fees) County may suffer as the result of third party claims, demands, actions, investigations, settlements or judgments against County arising from or in connection with a material breach of this Addendum.

B. Contractor's obligation to indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be.

C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.

D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.

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

10. Term. This Addendum shall commence upon the Effective Date and shall continue in effect until termination or expiration of the Underlying Agreement, subject to the provisions of Section 12.C, unless terminated as provided in Section 11.

11. Termination.

A. If either Party becomes aware of a pattern of activity or practice of the other Party that constitutes a material breach or violation of such Party's obligations under this Addendum, the non-breaching Party shall give the breaching Party notice of the material breach or violation and the breaching Party shall have thirty (30) days to cure the breach. If the breach is not cured within such time frame, the non-breaching Party may immediately terminate this Addendum or, if termination is not feasible, report the problem to the Secretary of the Department of Health and Human Services.

B. Termination for Breach of Contract. An uncured material breach of any provision of this Addendum by either Party will provide grounds for terminating this Addendum and the non-breaching Party, upon written notice to the breaching Party, may take any of the following actions:

(1) Terminate this Addendum, effective immediately; or

(2) If termination is not feasible, the non-breaching Party may report the problem to the Secretary, and upon the request of the non-breaching Party, the breaching Party shall implement, at its own expense, a plan to cure the Breach and report regularly on its compliance with such plan to the non-breaching Party.

C. Effect of Termination.

(1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.

(2) Notwithstanding the foregoing, to the extent that it is not feasible to return or destroy such PHI and/or ePHI, the terms and provisions of this Addendum shall survive termination of this Addendum and/or termination or expiration of the Underlying Agreement and such PHI and/or ePHI shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such PHI and/or ePHI. County agrees that it is not feasible for Contractor to return those documents necessary for Contractor's internal management and administration, including internal memoranda, and any data or other materials

necessary to respond to future County inquiries or to assess the nature of the services provided pursuant to the Underlying Agreement.

12. General Provisions.

A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for six (6) years from the date of its creation or as otherwise prescribed by law, whichever is later.

B. **Amendment.** The Parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County and Contractor to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

C. **Survival.** The obligations of County and Contractor under Sections 3, 4, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.

D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.

E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.

F. **Interpretation of Addendum.**

(1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose of this Addendum is to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.

(2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County and Contractor to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.

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

If to County:

County HIPAA Privacy Officer:
HIPAA Privacy Manager

County HIPAA Privacy Officer Address:

P.O. Box 1569
Riverside, CA 92502

County HIPAA Privacy Officer Fax Number:
(951) 955-HIPAA or (951) 955-4472

If to Contractor:

Huron Consulting Services LLC d/b/a Huron Healthcare
6000 SW Meadows Road, Suite 300
Lake Oswego, OR 97035
Attention: Contracting Department

With a copy to:
Huron Consulting Services LLC d/b/a Huron Healthcare
550 W. Van Buren Street
Chicago, IL 60607
Attention: Legal Department