

FORM APPROVED COUNTY COUNSEL
 10/15/14
 DATE
 BY: GREGORY P. PRAMOS
 Departmental Concurrence

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

918



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
 October 7, 2014

SUBJECT: Approval for the Professional Service Agreement with Consultants for Pathology and Laboratory Medicine, Medical Group, Inc. [All District; \$40,000, Hospital Enterprise Funds]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and authorize the Chairman of the Board to execute the Professional Services Agreement with Consultants for Pathology and Laboratory Medicine, Medical Group, Inc. effective July 1, 2014 through June 30, 2015 with the option to renew for four additional one-year periods, for an aggregate amount not to exceed \$40,000 annually; and;
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, to exercise annual renewal options, based on the availability of fiscal funding, to sign amendments that do not change the substantive terms of the agreement, and to allow the Purchasing Agent to increase the compensation amount not more than ten percent of the aggregate amount.

BACKGROUND:

Summary

Anatomic and renal pathology services are specialty lab services performed by specialized pathologist. These anatomic pathology laboratories are responsible for the handling, processing and diagnosis of tissue specimens.

[Signature]
 Zareh H. Sarrafian, Hospital CEO

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 40,000	\$ 40,000	\$ 200,000	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: Hospital Enterprise Fund 100%
 Budget Adjustment: No
 For Fiscal Year: FY2014/2015

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
 Debra Cournoyer

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

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

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3-21

Purchasing: *[Signature]*
 Mark Sailer, Assistant Director

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

FORM 11: Approval for the Professional Service Agreement with Consultants for Pathology and Laboratory Medicine, Medical Group, Inc. [All District; \$40,000, Hospital Enterprise Funds]

DATE: October 7, 2014

PAGE: Page 2 of 2

BACKGROUND:

Summary (continued)

A renal biopsy is a procedure used to extract kidney tissue for laboratory analysis. The tests helps physicians to identify the type of kidney disease a patient may have, how severe it is, and the best treatment for it. A renal biopsy can also be used to monitor the effectiveness of kidney treatments and see if there are any complications following a kidney transplant. It can identify problems that are interfering with normal kidney functions.

Consultants for Pathology and Laboratory Medicine is the group who analyzes and diagnoses the patients systems for renal disease in instances when a diagnosis is needed urgently to guide therapy, such as in acute renal failure, the biopsy can be processed rapidly by this facility and the diagnosis communicated within hours of receipt to Riverside County Regional Medical Center requesting physician.

Impact on Citizens and Businesses

This service impacts the patients residing in Riverside County receiving care from the hospital.

Contract History and Price Reasonableness

In February 2014, at the request of Huron Consulting, on behalf of the Department of Mental Health, Riverside County Regional Medical Center, Department of Public Social Services and Probation Department, County Purchasing released Request for Proposal (RFP) PUARC-1337 to obtain competitive proposals from qualified bidders for lab testing services. The RFP were sent to twenty-one (21) potential bidders and advertised on the County Purchasing website. On June 3, 2014, agenda item number 3.73, the Board of Supervisors approved the five year agreement between County of Riverside and Quest Diagnostics for various County departments for other than low bid for an annual amount of \$2,206,957.

It was the hope of laboratory and Huron Consulting to include the renal biopsies in the RFP for reference lab however, the County did not receive a response for this service. The awarded vendor, Quest Diagnostic did not bid on this service nor included this specific service in their contract—as they do not perform this specialized testing service.

Consultants for Pathology will bill the hospital separately for the professional and technical component based on appropriate Current Procedural Terminology (CPT) code. The total amount for this service shall not exceed \$40,000 annually to perform the required service.

ZHS:ns

Date: October 1, 2014

From: Zareh H. Sarrafian, Hospital CEO Department/Agency: RCRMC

To: Board of Supervisors/Purchasing Agent Via: Purchasing Agent

Subject: Sole Source Procurement; Request for Specimen Analysis and Diagnosis for Anatomic and Renal Pathology

The below information is provided in support of my Department requesting approval for a sole source. Outside of a duly declared emergency, the time to develop a statement of work or specifications is not in itself justification for sole source.

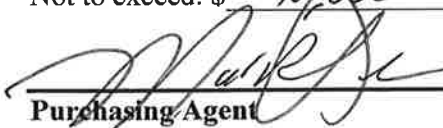
1. **Supply/Service being requested:** Anatomic and Renal Pathology.
2. **Supplier being requested:** Consultants for Pathology and Laboratory Medicine, Medical Group, Inc.
3. **Alternative suppliers that can or might be able to provide supply/service:** It was the hope of laboratory and Huron Consulting to include the renal biopsies in the Request for Proposal (RFP) for reference lab which County Purchasing conducted. However, the awarded vendor (Quest Diagnostic) did not bid on this service nor included this specific service in their contract—as they do not perform this specialized testing service.
4. **Extent of market search conducted:** See response above to question 3. This service was released through a Request for Proposal facilitated by County Purchasing.
5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:** Consultants for Pathology is the group who analyzes and diagnoses the patients systems for renal disease, Cedar Sinai Hospital is the facility that prepares the specimens for Consultants for Pathology.
6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** This process begins with RCRMC physician's requests—the slides are then prepared for interpretation for the pathology consultants at Consultants for Pathology. Results are then returned to RCRMC physicians. This is a physician preferred provider for renal biopsy consults and tests. The hospital pathology service does not have enough staff and is not equipped to provide this specialized testing service. Currently, the hospital performs approximately two to three biopsies per month.
7. **Price Reasonableness including purchase price and any ongoing maintenance or ancillary costs from the supplier:** The hospital is billed separately for the professional and technical component based on appropriate Current Procedural Terminology (CPT) code. Total amount for this service shall not exceed \$40,000 annually to perform the required service.
8. **Does moving forward on this product or service further obligate the county to future similar contractual arrangements or any ongoing costs affiliated with this sole source? (Maintenance, support, or upgrades, if so, please explain).** No.
9. **Period of Performance:** July 1, 2014 through June 30, 2015 to be renewed annually for up to four (4) years [aggregate end date through June 30, 2019].



Department Head Signature **Date**

Purchasing Department Comments:
Approve Approve with Condition/s Disapprove

Not to exceed: \$ 40,000 One time Annual Amount through 6-30-2019



Purchasing Agent **Date** **Approval Number**
10-8-14 15-244
(Reference on Purchasing Documents)

PROFESSIONAL LABORATORY SERVICES AGREEMENT
for
Anatomic & Renal Pathology
Between
Consultants for Pathology and Laboratory Medicine, A Medical Group, Inc.
And
County of Riverside, Riverside County Regional Medical Center

PROFESSIONAL LABORATORY SERVICES AGREEMENT ("Agreement") is made and entered into as of the 1st day of July, 2014 (the "Commencement Date"), by and between County of Riverside, through its Medical Center (RIVERSIDE COUNTY REGIONAL MEDICAL CENTER), a political subdivision of the State of California, ("Referring Provider"), and CONSULTANTS FOR PATHOLOGY AND LABORATORY MEDICINE, A MEDICAL GROUP, INC., a California professional medical corporation (together, "CPLM"), with reference to the following facts:

RECITALS

- A. Referring Provider desires to retain the pathology services of CPLM to provide the Services described in this Agreement.
- B. Referring Provider and CPLM wish to enter into this Agreement in order to set forth the terms and conditions upon which Referring Provider will engage CPLM to provide the services.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Contact and License Information

- 1.1 CPLM's telephone contact under this Agreement is (310) 423-5322
- 1.2 Referring Provider's telephone contact under this Agreement is: (951) 486-4463

2. Services

2.1 Laboratory Tests and Services. During the term of this Agreement, CPLM shall perform and provide the renal biopsy services and procedures listed on Exhibit "A" attached to this Agreement (collectively the "Lab Tests"). Except as specifically set forth in this Agreement, CPLM, at its sole cost and expense shall provide or arrange for the provision of all equipment, supplies, personnel and other items or services necessary for the performance of the Lab Tests and interpretation of results.

2.2 Specimen Requirements. CPLM shall provide Referring Provider, at CPLM's cost, with specimen collection kits and instructions. Referring Provider shall, at its cost, be responsible for preparing specimens, including, but not limited to, processing, sorting, and documenting specimens in accordance with the instructions provided by CPLM. Referring Provider shall give CPLM five (5) business days-notice that it needs additional specimen collection kits.

2.3 No Volume or Capacity Guaranties. Referring Provider makes no representations, warranties or covenants to CPLM about the volume of cases to be referred to CPLM. CPLM shall not be obligated under this Agreement to perform work in excess of the reasonable capacity of its laboratory facilities as existing from time to time.

2.4 Reporting Results of Lab Tests. Following completion of any case, CPLM shall provide a verbal report within twenty-four (24) hours and a written report consistent with professionally accepted timeframes following CPLM's receipt of a viable and adequate specimen to be tested from Referring Provider. Unless prohibited by any applicable federal or state laws, rules or regulations, Referring

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Provider shall report under its name to the relevant clients the results of the procedure performed by CPLM. Where required by applicable federal or state laws, rules or regulations, Referring Provider's report to clients shall contain a clear statement that the Lab Tests were performed by CPLM or its designated laboratory.

2.5 Shipment. Referring Provider shall at its cost, be responsible for shipping specimens to CPLM. All risk of loss or damage to such specimens shall remain with Referring Provider until they have been delivered to CPLM.

2.6 Independent Contractor. CPLM and Referring Provider are each at all times acting as independent contractors with respect to the performance of their respective duties and obligations under and pursuant to this Agreement, and nothing in this Agreement is intended or shall be construed to create between CPLM and Referring Provider with respect to the subject matter of this Agreement a partnership, employer/employee relationship, joint venture, or any other similar relationship. Referring Provider shall not have nor exercise any control or direction over the methods by which CPLM performs and processes specimens, nor shall CPLM have any control over the methods by which Referring Provider performs the services which it is to render pursuant to this Agreement.

3. Fees and Payment for Lab Tests; Confidentiality of Fees

3.2 Billing for Technical and Professional Component. CPLM shall bill Referring Provider for the renal and other pathology services the technical Fees listed on Exhibit "A" for any hospital patient. Referring Provider shall provide CPLM with the patient and insurance-specific information necessary for CPLM to bill the patient or the patient's insurance, as applicable, for pathology professional Fees. CPLM shall be solely responsible for the collection of said professional fees and shall not look to Referring Provider for payment of such fees. CPLM shall bill patient or patient's insurance global or professional fees if patient is not a hospital patient for renal pathology and for all other pathology services. CPLM shall be solely responsible for the collection of said fees and shall not look to Referring Provider for payment of such fees.

3.3 Payment. Referring Provider shall pay CPLM the Fees within sixty (60) Calendar days of receipt of a completed invoice.

3.4 Changes in Fees. CPLM may not change the Client Fees on Exhibit "A" at any time during the initial two (2) year term of this Agreement. That notwithstanding, CPLM may adjust its standard fees charged to third party payers and patients as its obligations and agreements with these carriers change from time to time.

4. Insurance

4.1 CPLM's Insurance. CPLM shall procure and maintain, at CPLM's sole cost and expense, comprehensive general liability insurance coverage and professional liability (malpractice) insurance coverage for the Lab Tests to be performed by CPLM pursuant to this Agreement (or maintain an equivalent funded self-insurance retention program) in a form and with coverage as is customary in type and amount for prudent business organizations providing services similar to those of CPLM.

4.2 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 coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

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4.2.1 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.

4.2.2 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.

4.2.3 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.

4.2.4 Professional Liability: 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.

4.2.5 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 exceed \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the COUNTY, and at the election of the County's Risk Manager, 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.

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

4.3 Referring Provider's Insurance. Referring Provider shall procure and maintain, at its cost and expense, comprehensive general liability insurance coverage and professional liability (malpractice) insurance coverage for the services and activities rendered by or on behalf of Referring Provider in a form and with coverage as are customary in type and amount for prudent business organizations providing services similar to Referring Provider.

5. Retention of Records; Confidentiality

5.1 . General. CPLM shall prepare and maintain or cause the preparation and maintenance of complete and accurate books and records with respect to all Lab Tests performed and provided by it pursuant to this Agreement, and Referring Provider shall have the opportunity, upon reasonable notice to CPLM, to review such books and records onsite at CPLM's facility during normal business hours. Except as otherwise provided in this Agreement, the parties shall safeguard all records maintained by them pursuant to this Agreement for a period of not less than five (5) years from the date of the last activity recorded in such records or such longer period as may be required by law. CPLM agrees that during and after the term of this Agreement, CPLM and its employees and agents shall maintain all medical records and patient information obtained in connection with its performance under this Agreement in confidence and shall not disclose such information except to the extent such information is permitted or required to be disclosed by law or by any federal, state or local governmental agency.

5.2 Federal Retention Requirements. CPLM shall comply with all applicable federal, state and local laws regarding the retention and availability of its books and records. Such compliance shall include, without limitation, Section 1861 (v)(l)(1) of the Social Security Act, as more particularly provided hereunder:

(a) Until the expiration of four (4) years after furnishing the Services, CPLM agrees to make available to Referring Provider, upon request by the Secretary of the Department of Health and Human Services ("Secretary") or upon request of the Comptroller General or any of their duly authorized representatives, any contracts, books, documents and records that are deemed necessary to verify the nature and extent of the costs relating to this Agreement.

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(b) If CPLM carries out any of the duties of the Agreement through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization [as that term is defined by Federal Regulation], such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available to Referring Provider, upon request by the Secretary or upon request of the Comptroller General or any of their duly authorized representatives, the subcontract, books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

5.3 HIPAA Compliance. The parties hereby agree to respect and maintain (and shall cause all their employees and agents to respect and maintain) the confidentiality of all Protected Health Information related to the services provided hereunder, in compliance with all state and federal laws and regulations concerning confidential patient health information including, without limitation the Health Insurance Portability and Accountability Act of 1996, Public Law No.1 04-191. and the regulations promulgated thereunder, as amended from time to time (collectively, "HIPAA"). CPLM shall adhere to all terms and conditions as outlined and specified in **Exhibit B**, attached hereto and provided herein.

6. Term and Termination

6.1 Term. The term of this Agreement shall commence as of the Commencement Date and continue through June 30, 2015, with the option to renew for four (4) additional fiscal years, ending June 30, 2019, renewable in one-year increments, unless terminated earlier. This Agreement may be terminated as provided in Section 6.2. below.

6.2 Termination. This Agreement may be terminated upon the following events:

(a) Referring Provider may terminate this agreement without cause upon 30 days written notice served upon CPLM stating extent and effective date of termination;
or

(b) Ten (10) days after the date that written notice of termination is given by either party to the other by virtue of a breach or failure to fully perform or satisfy any of the obligations of the party in breach under this Agreement (a summary of which will be included in such notice) unless the breach or failure is cured to the reasonable satisfaction of the non-breaching party prior to the end of such thirty (30) days;

or

(c) Immediately, by either party, in the event it believes that this Agreement would jeopardize its tax-exempt status, result in any of issues of bonds heretofore or hereafter issued and then outstanding which are then exempt from federal or state income tax losing that tax exempt status, result in it being disqualified from its eligibility to participate in government reimbursement programs in which it is then participating, including Medicare or Medi-Cal/Medicaid, result in it losing any accreditations that it then holds which are material to its operations or status; or expose it or any of its affiliates, directors, officers or employees to criminal prosecution.

6.3 Effect of Termination. Unless otherwise expressly provided in this Agreement, upon termination, neither party shall have any further obligations hereunder, except for (a) obligations arising prior to the date of termination which remain unsatisfied as of the date of termination, and (b) obligations or covenants which expressly or necessarily extend beyond the term of this Agreement, including obligations to pay and the obligation to maintain professional liability insurance.

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7. General Provisions

7.1 Licenses, Permits, Accreditations and Certificates. The parties hereto shall each obtain and maintain in full force and effect during the term of this Agreement all licenses, permits, accreditations and certificates required by federal, state or local law which are applicable to the performance of their respective obligations pursuant to this Agreement.

7.2 Delegation and Assignment; Binding on Successors. Except as expressly permitted in this Agreement, no party shall delegate its duties or assign its rights under this Agreement, in whole or in part, without the prior written consent of the other party. Subject to the foregoing, the provisions of this Agreement and the obligations arising hereunder shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective heirs, successors, assigns and legal representatives.

7.3 Notices. All notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be given to the party for whom the notice is intended either (a) by personal delivery to the address for that party to which notices are to be addressed (in which case such notice shall be deemed given on the date of delivery), (b) consigning the same for prepaid next-day delivery with a responsible national courier service (e.g., Federal Express or other similar service) (in which case such notice shall be deemed given on the business day next following the date of consignment with the courier service), or (c) by telefax or teletype followed by a copy sent in either other manner specified in this section (in which case such notice shall be deemed given on the date on which such telefax or teletype is sent), and properly sent to the following addresses and/or teletype or telefax numbers:

If to CPLM:
Consultants for Pathology and Laboratory
Medicine, a Medical Group, Inc.
8700 Beverly Boulevard, Suite 8707
Los Angeles, California 90048-1865
Attention: Administrator
Fax No.: (310) 657-6232

If to Referring Provider:
Riverside County Regional Medical Center
Attn: Contracts Administration
26520 Cactus Avenue
Moreno Valley, CA 92555
Fax No.: (951) 486-4463

A party to this Agreement may change its address for purposes of this section by giving written notice to the other parties in the manner specified in this section.

7.4 Entire Agreement. This Agreement and all exhibits referred to herein constitutes the full and complete agreement and understanding between the parties hereto with respect to the subject matters hereof and supersedes any and all prior written and oral agreements concerning the subject matter hereof. This Agreement may be modified or amended only by a written instrument executed by the parties hereto.

7.5 No Third-Party Beneficiary. None of the provisions herein contained are intended by the parties, nor shall they be deemed to confer any benefit on any person not a party to this Agreement.

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7.6 Governing Law/Dispute Resolution. This Agreement and all rights, duties and obligations hereunder shall be construed and interpreted in accordance with the laws of the State of California. Any dispute arising between the parties concerning the subject matter of this Agreement shall be submitted to binding arbitration for resolution. Such arbitration shall be final and binding, shall be conducted in the City of Los Angeles, California before an arbitrator mutually selected by the parties from the American Arbitration Association Panel and shall be conducted in accordance with the rules and regulations of the American Arbitration Association then in effect. The parties to the arbitration shall share the costs of arbitration, although the parties agree that the arbitrator shall have the discretion to award costs and reasonable attorney's fees to the prevailing party.

7.7 Use of Names. Neither party shall make any written use of or reference to the other party's name for any marketing, public relations, advertising, display or other business purpose under this Agreement without the prior written consent of such party, which consent may be withheld or granted in the sole and absolute discretion of such party.

7.8 Counterparts. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

7.9 Compliance with law/No Debarment or Exclusion. The parties agree to comply with all applicable federal, state and local laws, regulations, ordinances and orders. By executing this Agreement, CPLM represents and warrants that neither it nor any of its employees or agents: (i) has, in the past ten (10) years, been debarred, excluded or otherwise made ineligible by any Federal governmental agency from participating in Federally reimbursed health care programs; (ii) has, in the past ten (10) years, been sanctioned or convicted by any Federal governmental agency; or (iii) is listed in any Federal governmental agency's list of sanctioned, debarred, excluded or ineligible contractors.

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7.10 Compliance Obligations. The parties to this Agreement certify that they shall not violate the Anti-Kickback Statute and the Stark Law, and shall abide by the Deficit Reduction Act of 2005, as applicable, in providing services to Referring Provider.

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

RIVERSIDE COUNTY REGIONAL MEDICAL CENTER

By: _____

Name: _____

Date: _____

FORM APPROVED COUNTY COUNSEL

BY: Neal R. Kipnis DATE: 9/25/14

CONSULTANTS FOR PATHOLOGY AND
LABORATORY MEDICINE, A MEDICAL
GROUP, INC.

By: Mahul B Amin

Name: MAHUL B. AMIN, MD

Date: 9/25/2014

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EXHIBIT A
RENAL LAB TESTS AND FEES

Technical Client	
CPT	Client Fee
88305	\$ 69.23
88346	\$ 13.79
88348	\$ 181.66
88313	\$ 71.07
88342	\$ 61.97
88347	\$ 13.79
88314	\$ 62.00
88355	\$ 166.00
88360	\$ 113.07
88365	\$ 176.16

Professional Client	
CPT	Client Fee
88305	\$ 153.00
88346	\$ 41.11
88348	\$ 302.01
88313	\$ 21.00
88342	\$ 103.29
88347	\$ 41.11
88321	\$ 116.00
88323	\$ 149.00
88325	\$ 205.00
88314	\$ 77.00
88355	\$ 115.00
88360	\$ 76.04
88365	\$ 83.58

Typically, technical client bill is 88346x9, 88313x3, 88305, 88348 for a total of \$588.21

Typically, professional client bill is 88346x9, 88313x3, 88305, 88348 for a total of \$888.00

Billing Information

Consultants for Pathology and Lab Medicine, Inc.

File 1390

1801 W. Olympic Blvd.

Pasadena, CA 91199-1390

Renal panels may also include 88347 if the kidney is a transplanted kidney, or 88342 for certain conditions

CPLM will bill third party payors, health plans, and patients at then current CPLM outreach fees for all other procedures

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Renal CPT Codes and Descriptions

CPT	Description
88305	Level IV - Surgical pathology, gross and microscopic examination
88313	Special Stain Interpretation, group II all others
88314	Special stains, histochemical stain with frozen section
88321	Outside consult
88323	Outside consult requiring slide preparation
88325	Outside comprehensive consult
88342	Immunohistochemistry, each antibody
88346	Immunofluorescent study, each antibody, direct method
88347	Pathology, Immuno FL, Indirect
88348	Electron microscopy; diagnostic
88355	Analysis skeletal muscle
88360	Morphometric analysis, manual quantitation, IHC
88365	In-Situ hybridization (eg FISH, CISH) Interpretation

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EXHIBIT B

HIPAA Business Associate Agreement
Addendum to Contract
Between the County of Riverside and Consultants for Laboratory Medicine

This HIPAA Business Associate Agreement ("Exhibit B") supplements, and is made part of the LABORATORY SERVICES AGREEMENT (the "Underlying Agreement") between the County of Riverside ("County") and Consultants for Pathology and Laboratory Medicine ("Contractor") and shall be effective as of the date the Underlying Agreement is approved by both Parties (the "Effective Date").

RECITALS

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

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

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

WHEREAS, to the extent County discloses PHI and/or ePHI 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:

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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,

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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.
 - 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

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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;
 - (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;
 - (5) Use or disclose PHI for data analysis, data maintenance and storage; and
 - (6) To the extent that Business Associate is tasked with carrying out any of Covered Entity's obligations under the Privacy Rule at Covered Entity's request, Business Associate shall comply with the requirements applicable to the obligation in the performance of any such obligations.
- 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..

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- 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.

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5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:
- A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.
 - B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.
 - C. Use appropriate safeguards 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 County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule. Upon County's request, any documents Contractor provides to the Secretary may also be provided to County.
 - H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).
 - I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.
 - J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.
 - K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.

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- 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 or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.
 - (3) Make available for County information required by this Section 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;

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- B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;
 - C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;
 - D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;
 - E. Ensure compliance with 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 requirements 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;

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- (d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - (e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,
 - (f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.
- B. Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, 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 not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.
- D. Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- E. Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary.
- 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.

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- (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 five (5) business days after Contractor detects 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 from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.
- B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.
- C. Notwithstanding Sections A and B, in the event either party is negligent, that negligent party will be responsible for paying their proportionate share of damages
- D. 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.
- E. 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.
- F. 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.

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

11. **Termination.**

A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement. However, Contractor shall be allowed the opportunity to cure the breach. Either party, upon written notice to the other party describing the breach, may take any of the following actions:

- (1) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.
- (2) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-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.

B. **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) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.

12. **General Provisions.**

- A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.
- B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.

PROFESSIONAL LABORATORY SERVICES AGREEMENT
for
Anatomic & Renal Pathology
Between
Consultants for Pathology and Laboratory Medicine, A Medical Group, Inc.
And
County of Riverside, Riverside County Regional Medical Center

- C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.
- D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.
- E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.
- F. **Interpretation of Addendum.**
 - (1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
 - (2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.
- G. **Notices to County.** All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both 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 County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by 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

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----- TO BE COMPLETED BY COUNTY PERSONNEL ONLY -----

County Departmental Officer: _____
County Departmental Officer Title: _____
County Department Address: _____
County Department Fax Number: _____

IN WITNESS WHEREOF, authorized representatives of the Parties have executed this Addendum.

CONTRACTOR

County of Riverside

BY: Maqul B Amin
NAME: MAQUL B. AMIN, MD
TITLE: President & CEO
DATE: 9/25/2014

BY: _____
NAME: _____
TITLE: _____
DATE: _____

FORM APPROVED COUNTY COUNSEL
BY: Neal R. Kipnis
NEAL R. KIPNIS DATE 10/1/14