

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

273



FROM: Riverside County Regional Medical Center

SUBMITTAL DATE:
September 2, 2015

SUBJECT: MOU With Inland Empire Health Plan (IEHP) to provide regional strategic planning services for the EPIC Electronic Health Records System. Fifth District [\$6.6 million; Hospital Enterprise Fund].

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize expenditures not to exceed \$6,579,782 to be paid to IEHP as a part of the Board-approved three-year, \$53.1 million EPIC project budget;
2. Approve the attached Memorandum of Understanding (MOU) with IEHP to provide regional strategic planning services; and
3. Authorize the Chairman to execute the MOU and authorize the Assistant CEO – Health Systems to take any necessary actions to implement the MOU.

BACKGROUND:

Summary

On September 16, 2014 the Counties of Riverside and San Bernardino held a joint meeting to discuss the state of health care delivery in the inland empire and the impact of the Affordable Care Act, which included a presentation by Dr. Bradley Gilbert, CEO of Inland Empire Health Plan (IEHP), a joint powers authority between the two counties. The two counties formed a joint committee to continuing the planning and discussion.

Zareh Sarrafian,
Director, Health System

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-----------------|----------------------|-------------------|--------------|---------------|---|
| COST | \$ 3,289,891 | \$ 3,289,891 | \$ 6,579,782 | \$ | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ | \$ | \$ | \$ | |

| | |
|--|--------------------------------------|
| SOURCE OF FUNDS: Hospital Enterprise Fund (40050) | Budget Adjustment: none |
| | For Fiscal Year: 15/16, 16/17 |

C.E.O. RECOMMENDATION: **APPROVE**
BY: Christopher M. Hans
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

3-31

FORM APPROVED COUNTY COUNSEL
BY: Anita C. Willis 9/16/15
DATE

Departmental Concurrence

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

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: MOU With Inland Empire Health Plan (IEHP) to provide regional strategic planning services for the
EPIC Electronic Health Records System. Fifth District [\$6.6 million; Hospital Enterprise Fund].**

DATE: September 2, 2015

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

After further discussions and with input from the committee members (2 members from each Board), the IEHP Board, on behalf of itself, the two counties and Loma Linda Health Care, moved forward with a consulting engagement with Huron Consulting Group to perform a Regional Strategic Planning Effort. During this time, the county representatives along with IEHP and Loma Linda, began to strategize on a plan for integrated health care delivery systems, including the sharing of Electronic Health Records among the parties as an integral part of the proposed delivery model. RCRMC, along with the other parties, has received services from Huron in accordance with the underlying professional services agreement entered into by IEHP in furtherance of its partnership with the County and the other participating entities. The purpose of the MOU is for the parties to share in the costs associated with developing this new integrated health care delivery system.

On June 2, 2015 the Board of Supervisors approved in principle a three-year, \$53.1 million EPIC project budget in collaboration with Loma Linda University Hospital, and directed the Assistant CEO/Health Systems to return with final agreements. An important element of this conversion is the planned enhancement of service at and coordination between RCRMC, Arrowhead and LLUMC hospitals. IEHP supports these efforts both because of the direct benefit to their insured population, and to improve their own administrative process.

One clear benefit is that a shared electronic record system, properly designed will facilitate the transfer of clinical and service information between medical care, behavioral health care and social services between the providers of service and IEHP. More generally, this project will further the goals of total population health and a better organized and enhanced health care delivery system in the Inland Empire. These goals are critical given the growth of Medi-Cal enrollment in the region, as well as to meet the "triple aim" of improved population health, positive experience of care, and cost efficient care.

Included in the Huron engagement are the following components:

- Program One (CIN & Population Health Readiness Assessment)
- Program Two (Fixed Fees for Consulting Support Services related to GME, Clinical Service Line Business Planning & Strategic Advisory Services) and data acquisition
- Amendment Two (Information Technology Assessment)
- Amendment Three (Polsinelli Subcontractor CIN for Legal Planning)
- Amendment Four (Implementation Project)

Staff recommends approved of the MOU with IEHP to pay the County share of the Huron services.

Impact on Citizens and Businesses

As stated in the Medi-Cal 2020 concept paper, an "integrated whole patient management system using value driven patient clinical data to demonstrate that California is reimbursing for clinical outcomes in a value driven system" is integral in this clinical transformation To improve goals of interoperability, data management and technology that will support and scale to population health management for the Inland Empire, a single robust electronic health record to support the objectives of the clinically integrated network is recommended.

Contract History and Price Reasonableness

Costs associated with this agreement are a part of the in-principle budget approved by the Board on June 2, 2015.

MEMORANDUM OF UNDERSTANDING
BETWEEN
INLAND EMPIRE HEALTH PLAN
AND
COUNTY OF RIVERSIDE

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into by and between Inland Empire Health Plan ("IEHP") and County of Riverside (the "County") (collectively referred to herein as the "Parties," and individually as a "Party"), on this ___ day of September, 2015, with reference to the following facts:

RECITALS

WHEREAS, at the joint meeting of the Boards of Supervisors for Riverside and San Bernardino Counties, both counties, along with IEHP agreed to work together on enhancing delivery systems at both hospitals, and to work together to facilitate the transfer of clinical and service information between medical care, behavioral health care and social services between the providers of service and IEHP;

WHEREAS, IEHP retained Huron Consulting Group ("Huron") on behalf of IEHP, Riverside and San Bernardino Counties, Riverside County Regional Medical Center, Arrowhead Regional Medical Center, and Loma Linda University Medical Center (the "Interested Parties") for regional strategic planning services for certain programs as they relate to the Interested Parties (the "Project"), as outlined and specified in the Professional Service Agreement for Strategic Support Services between IEHP and Huron Consulting Services LLC, dated October 15, 2014, and any and all amendments thereto (the "PSA");

WHEREAS, the Interested Parties believe the Project will further the goals of total population health and a better organized and enhanced health care delivery system in the Inland Empire, which are critical given the growth of Medi-Cal enrollment in the region, as well as to meet the "triple aim" of improved population health, positive experience of care, and cost efficient care;

WHEREAS, the parties agree that the Project is of great benefit to each of the Interested Parties collectively, and independently; and

WHEREAS, the Parties wish to clearly identify the fiscal responsibilities of each Party as they relate to the Project;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto mutually agree as follows, and in any exhibits or attachments attached hereto and incorporated herein by reference.

1. COUNTY AND IEHP AGREE TO THE FOLLOWING PROVISIONS:

- A. County represents and agrees that IEHP has entered into the PSA on behalf of the Interested Parties, including Riverside County in relation to the Project. County further represents that the County has benefitted from the services provided by Huron. IEHP further represents and agrees that all payments made to Huron were proper and in accordance with the PSA terms. A true and correct copy of the PSA is attached hereto and incorporated herein as Exhibit 2 to the MOU.

- B. IEHP agrees to consult with the County on any and all services and/or issues which relate to the County or any County entity pursuant to the Huron PSA. IEHP and County agree that the PSA represents a collaborative arrangement among the parties, and that the County of Riverside is a third party beneficiary of the PSA.
- C. County represents and agrees that IEHP's retention of Huron and the services rendered by Huron under "Program One" of the Project, as described in Exhibits A and B of the PSA, were for the benefit of Riverside County and the Interested Parties.
- D. County represents and agrees that IEHP's retention of Huron and the services rendered by Huron under "Program Two" of the Project and the Implementation Project, as described in Exhibits A and B of the PSA, benefit Riverside County and the Interested Parties as referenced in this MOU.
- E. County agrees to reimburse IEHP the full cost (100%), including all fees and out-of-pocket expenses, of Huron's services relating to Program Two, as described in the PSA. The County further agrees to reimburse IEHP for its Twenty-Five Percent (25%) share of the cost paid by IEHP, including all fees and out-of-pocket expenses, of Huron's services (including subcontracted services) relating to Program One, Amendment Two, Amendment Three and the Implementation Project as described under the PSA. Such reimbursement shall cover all costs previously disbursed by IEHP as well as future costs to be paid by IEHP as required under Exhibit B of the PSA (see Exhibit 1, attached hereto and incorporated herein by this reference).
- F. County agrees that it is responsible for the full cost (100%) of Program Two and Twenty-Five Percent (25%) of Program One, Amendment Two, Amendment Three and the Implementation Project, regardless of any occurrence or nonoccurrence of an event that may impede or prevent obtaining a stated goal or goals, including but not limited to nonparticipation by an Interested Party (including the County), failure to fully develop the clinically integrated network, and failure to implement Epic electronic health records amongst and between the Interested Parties.
- G. County shall not be obligated or otherwise required to provide reimbursement pursuant to any future amendment of the PSA or for any additional costs or fees unless, and until County has agreed to such reimbursement by written amendment to this MOU executed by the respective parties.
- H. The total compensation pursuant to this MOU shall not exceed Six Million Five Hundred Seventy Nine Thousand Seventy Hundred Eighty Two Dollars and 0/100 (\$6,579,782.00).
- I. IEHP agrees that it shall require Huron to execute a Business Associate Agreement (BAA) that is compliant with federal and state law, with the County of Riverside, , with respect to the services provided pursuant to the PSA.

2. PAYMENT

- A. IEHP shall commence billing via invoice within two (2) months following execution of this MOU for reimbursement of past expenditures. IEHP shall bill County quarterly for its proper portion of the costs in accordance with Exhibit 1 and the PSA; IEHP's invoice shall contain corresponding documentation evidencing the related amount paid to Huron by IEHP as well as documentation of the work completed pursuant to the PSA.
- B. County agrees to pay invoices within 60 days of receipt of an invoice from IEHP.
- C. Once all past expenditures have been reimbursed, IEHP will continue to bill County quarterly as costs pursuant to the PSA are incurred.
- D. Notices and invoices shall be sent to County at the following address:

County of Riverside
Attention Zareh Sarrafian, Assistant CEO/Health Systems
4080 Lemon Street, Suite 400
Riverside, CA 92501

Copy to:

County Counsel
3960 Orange Street, Suite 500
Riverside, CA 92501

- E. Notices and payment shall be sent to IEHP at the following address:

Inland Empire Health Plan
Attn: Finance Department
10801 Sixth Street, Suite 120
Rancho Cucamonga, CA 91730

3. TERM AND TERMINATION

- A. This MOU is effective as of August 1, 2015 and shall continue in effect through completion of the Project or full reimbursement of IEHP for all funds expended on behalf of the County of Riverside, whichever is later.
- B. Either Party may terminate this MOU, without cause, upon sixty (60) days' written notice served upon the other Party.

4. COUNTERPARTS; SIGNATURE

This MOU may be executed in separate counterparts, each of which shall be deemed an original, and all of which shall be deemed one and the same instrument. County's faxed signatures, and/or signatures scanned into PDF format, shall be effective to bind County to this MOU.

5. CERTIFICATION OF AUTHORITY TO EXECUTE THIS MOU

The Parties certify that each individual signing below has authority to execute this MOU on behalf of each Party, and may legally bind each Party to the terms and conditions of this MOU, and any attachments hereto.

6. FINAL AGREEMENT OF THE PARTIES

This MOU is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. Any amounts to or clarification necessary to this MOU shall be in writing and acknowledged by all parties to the MOU. This MOU may be changed or modified only upon the written consent of the Parties

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SIGNATURES APPEAR ON FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this MOU in as set forth below.

COUNTY OF RIVERSIDE:

INLAND EMPIRE HEALTH PLAN:

By: _____
Marion Ashley, Chairman
Board of Supervisors

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

Date: _____

Date: _____

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:

COUNTY COUNSEL

September 16, 2015

By:  _____
ANITA C. WILLIS
Assistant County Counsel

EXHIBIT 1

As of [June 8, 2015]¹

The Parties agree that the below table captures the fees that have been agreed upon between Huron and IEHP, as the fiscal agent on behalf of the Interested Parties, for the consulting services related to the Project as of the date set forth above. The County is responsible and agrees to reimburse IEHP for Twenty Five Percent (25%) of all fees related to Program One, Amendment Two (IT Assessment), and Amendment Three (Polsinelli CIN planning), One Hundred Percent (100%) of all fees related to Program Two, and Twenty Five Percent (25%) of the Amendment Four (Implementation Project), as indicated below, pursuant to the terms of this MOU.

| Project Reference | Service Cost | Riverside's Share | Out of Pocket Expenses | Riverside's Share |
|--|---------------------|--------------------------|---|--------------------------|
| Program One (CIN & Population Health Readiness Assessment) | \$965,000 | \$241,250 | Estimated at 16% of service cost | \$38,600 |
| Program Two (Fixed Fees for Consulting Support Services related to GME, Clinical Service Line Business Planning & Strategic Advisory Services) and data acquisition | \$600,760 | \$600,760 | Estimated at 16% of service cost plus \$32,000 for data acquisition | \$128,122 |
| Amendment Two (Information Technology Assessment) | \$195,000 | \$48,750 | Estimated at 16% of service cost | \$7,800 |
| Amendment Three (Polsinelli Subcontractor CIN for Legal Planning) | \$50,000 | \$12,500 | Estimated at 16% of service cost | \$2,000 |
| Amendment Four (Implementation Project) | \$20,000,000 | \$5,000,000 | Estimated at 10% of Service Cost | \$500,000 |
| | | \$5,903,260 | | \$676,522 |

¹ 4th Amendment Approved by IEHP Board 6-8-15

VIII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

A. ADMINISTRATION

2. Approval To Execute An Agreement With Huron Consulting Group For Regional Strategic Planning

a. Recommended Action

That the Inland Empire Health Plan (IEHP) Governing Board authorize the Chief Executive Officer to negotiate and sign a contract, after legal review and approval, with Huron Consulting Group to perform regional strategic planning at a cost not to exceed \$1.8 million.

b. Contact

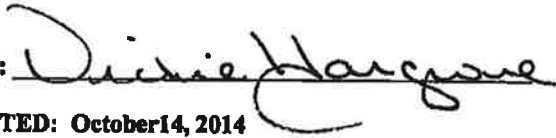
Brad Gilbert, M.D., Chief Executive Officer

c. Background

As previously presented to the Governing Board, the growth in Medi-Cal enrollment for our two county region and IEHP has been significantly greater than projected. IEHP is anticipated to reach 1 million members by December 2014/January 2015.

Organizing and enhancing the health care delivery system is critical to meet the "triple aim" of improved population health, positive experience of care and cost efficient care.

(continued on the next page.....)

| Minute Order of the Inland Empire Health Plan Governing Board | |
|--|--|
| <p>On motion of Member Tavaglione, seconded by Member Williams and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Anderson, Ashley, Ovitt, Rutherford, Tavaglione, Williams, Zorn Nays: 0 Absent: 0 Recused: 0 Vacancies: 0 Date: October 14, 2014 Prev. Agn. Ref.: New</p> | <p>VICKIE HARGROVE SECRETARY TO THE GOVERNING BOARD</p> <p>BY: </p> <p>DATED: October 14, 2014</p> <p>Agenda Number: A.2. (Policy) Ref. No. 14-241</p> |



VIII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

As I presented at the historic Riverside and San Bernardino joint Board of Supervisors meeting on September 16th, the following initiatives are key:

- Enhancing the delivery systems – primary care, specialty care, acute inpatient, post-discharge care, etc. – at both county hospitals
- Strengthening the relationships between both county hospitals and Loma Linda to facilitate organized, seamless specialty care for members served by these entities
- Facilitating the transfer of clinical and service information between medical care, behavioral health care and social services between providers of service and IEHP
- Continuing to grow and improve our positive relationships with our private physicians, private hospitals and other private providers to ensure access across our geography and membership.
- Increase the number of primary care and specialist physicians in the Inland Empire

d. Discussion

To accomplish the goals and initiatives noted above, IEHP has either initiated, is seeking approval today or will be seeking in the future from the Governing Board the following engagements:

- At the March 10, 2014 Governing Board meeting the Board approved a consulting engagement with MDS Consulting to do a Network Strategic Plan (MO 14-74). The engagement included working with private providers, the counties and private hospitals and will be presented to the Board at the November Board meeting.
- At the September 8, 2014 Board Meeting the Board approved a Network Expansion Fund designed to bring 75 new physicians into the IEHP network in partnership with our existing provider entities that employ or contract with physicians. (MO 14- 222)
- At this Board meeting I am requesting approval of a consulting engagement with Huron Consulting Group (Huron) to perform a Regional Strategic Planning effort involving both counties, Loma Linda and IEHP. More details are provided below.
- At the November 3, 2014 Board meeting I plan to present a consultant selected through a RFP process that will carefully analyze the barriers to the sharing of data between medical, behavioral health and social services providers within both counties and IEHP. The consultant will recommend solutions for overcoming any barriers noted.

These engagements will be coordinated and managed to ensure an organized approach to meeting the Triple Aim for our members and the population we serve, and our community as a whole.

VIII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

I am recommending Huron for the Regional Strategic Planning engagement because of their extensive previous work with the County of Riverside. They have been engaged with the County for over a year and have worked extensively with the county hospital and clinics, public health, mental health, Loma Linda and IEHP. They bring substantial fundamental knowledge of local healthcare delivery systems which can be applied to San Bernardino County.

The first part of the engagement with an estimated cost of \$965,000 will focus on the development of an integrated network of health care delivery linking both county health care systems, Loma Linda and IEHP. Key parts of this portion of the engagement include:

- Reviewing the needs of the populations that will be served by these entities from an access and delivery point of view
- Reviewing the delivery of care, access and specialty coordination of both county hospitals and Loma Linda
- Recommending the affiliations, linkages and contracting strategies to maximize delivery of services for these members served by the county hospitals, facilitating services needed to be provided at Loma Linda to ensure smooth transition of care
- Reviewing services provided by the counties to minimize overlap while monitoring access at both systems

I want to be clear with the Governing Board that our current network of private physicians and hospitals remain a critical part of the IEHP delivery systems and the intent of this engagement is not to diminish their role and importance, but rather to ensure a coordinated, organized system of care at the counties and with Loma Linda.

The second part of this engagement at an estimated cost of \$600,760 is focused specifically on the Riverside County Health System and will continue the planning that has already occurred with Huron.

The reason for combining the two scopes work is to ensure coordination between the two efforts to ensure common goals and outcomes.

Both parts of the engagement will be primarily paid for with funds that are already allocated for payments to the counties with appropriate allocations based on the scope of work for each part of the engagement (eg. only Riverside County funds will be used for the second part). IEHP will be responsible for one third of the regional planning portion of the engagement or approximately \$325,000.

Finally, the San Bernardino health system has engaged a consultant to do their internal strategic planning, Huron will coordinate with that consultant.

VIII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

- e. **Fiscal Impact**
IEHP will be responsible for one third of the required planning portion of the engagement or approximately \$325,000.

 N/A (For Board items which do not have any budgetary impact)

 Included in FY 14/15 Budget

 New Expenditure, Not Budgeted

 Revenue, Not Budgeted

- f. **Attachments**
None

- g. **Reviewed by Counsel**
Pending

Contract ID # _____

NOTICE: RECIPIENTS OF THIS DOCUMENT MUST TREAT IT AS CONFIDENTIAL AS THE FINAL COPY OF THE DOCUMENT RELEASED TO THE PUBLIC MAY/WILL HAVE CERTAIN INFORMATION IN THIS DOCUMENT REDACTED WHICH HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE CLAIMS TO BE CONFIDENTIAL AND PROPRIETY INFORMATION, AND WHICH HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE CLAIMS IS NOT SUBJECT TO PUBLIC RELEASE UNDER THE FREEDOM OF INFORMATION ACT AND/OR THE CALIFORNIA PUBLIC RECORDS ACT.

PROFESSIONAL SERVICE AGREEMENT

for

STRATEGIC SUPPORT SERVICES

between

INLAND EMPIRE HEALTH PLAN

and

HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE

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This Professional Service Agreement (the "Agreement") is made and entered into this 15th day of October, 2014, by and between HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE (herein referred to as "HURON"), and INLAND EMPIRE HEALTH PLAN, (herein referred to as "IEHP"). The parties agree as follows:

1. **Description of Services**

1.1 HURON shall provide strategic services (the "Services") for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project") as outlined and specified in Exhibit A, Scope of Services, at the prices stated in Exhibit B, Payment Provisions, and comply with Attachment 1 to the Agreement, HIPAA Business Associate Agreement.

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

HURON 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 HURON.

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

1.4 HURON will not be auditing any financial statements or performing attest procedures with respect to information in conjunction with this Project. HURON'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 HURON helps to prepare will be solely for use by management for internal decision making purposes. HURON'S Services shall not include, and IEHP 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, IEHP shall provide to HURON medically appropriate standards which may be referenced in any clinical process recommendations HURON makes or develops.

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

2. Mandatory Quarterly Performance Reviews

HURON shall meet quarterly with IEHP executive management to review the Project performance. If IEHP is not satisfied with the Project performance, IEHP will notify HURON 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 IEHP may terminate this Agreement upon thirty (30) days written notice served upon HURON 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 December 31, 2015 unless terminated earlier, and may be extended by written amendment to this Agreement. HURON shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter. The IEHP Governing Board is the only authority that may obligate the IEHP for a non-cancelable multi-year agreement.

4. Compensation

4.1 IEHP shall pay HURON for Services performed and products provided by HURON, and expenses incurred, in accordance with the terms of Exhibit B, Payment Provisions. The fixed fee for the Project that IEHP shall pay to HURON under this Agreement is One

Million, Five Hundred Ninety Seven Thousand, Seven Hundred Sixty Dollars (\$1,597,760.00) excluding Expenses, as defined in the Exhibit B. IEHP 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, IEHP shall not be responsible for payment of any of HURON's expenses related to this Agreement.

4.2 No price increases will be permitted during the first year of this Agreement. IEHP requires written proof satisfactory to IEHP 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 IEHP. No retroactive price adjustments will be considered. Any price increases must be stated in a written amendment to this Agreement.

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

accountspayable@iehp.org

- a) Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; Project Name; item descriptions (Program); unit prices, extensions, sales/use tax if applicable, and an invoice total.
- b) Invoices shall be rendered monthly in arrears.

4.4 IEHP's obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of IEHP funding from which payment can be made. No legal liability on the part of IEHP 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, IEHP shall immediately notify HURON 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 IEHP Governing Board and the IEHP Chief Executive Officer and/or his designee are the only authorized IEHP representatives who may at any time, by written order, alter this Agreement on behalf of IEHP. 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 HURON for additional payment related to this Agreement shall be made in writing by HURON within thirty (30) days of when HURON has or should have notice of any actual or claimed change in the work, which results in additional and unanticipated cost to HURON. If IEHP's Chief Executive Officer, Dr. Brad Gilbert, decides that the facts provide sufficient justification, he may authorize additional payment to HURON pursuant to the claim. Nothing in this section 5.2 shall excuse HURON 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 HURON's material breach, IEHP may proceed with the work in any manner deemed proper by IEHP.

6.3 *Termination by HURON for Change of Status at IEHP, the Counties, RCRMC, ARMC, or LLUMC.* Except as provided in Section 6.3.1 below, HURON shall have the right to immediately terminate the Project and any relevant License Agreement with respect to the affected facility(ies) by delivering written notice upon a Change of Status at IEHP, the Counties, RCRMC, ARMC, or LLUMC if one of the following occurs: (a) all or a substantial portion of the assets 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(ies) for IEHP, the Counties, RCRMC, ARMC, or LLUMC; or (e) IEHP, the Counties, RCRMC, ARMC, or LLUMC or the facility(ies) 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 IEHP, the Counties, RCRMC, ARMC, or LLUMC 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.

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 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 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 IEHP, the Counties, RCRMC, ARMC, or LLUMC; 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 IEHP's obligations under this Agreement and all other agreements between IEHP 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 any relevant License 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 any 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 IEHP, the Counties, RCRMC, ARMC, or LLUMC during the Project and a Change of Status at IEHP, the Counties, RCRMC, ARMC, or LLUMC after Project completion, for so long as the License Agreement remains in effect.

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

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

6.5 After termination, IEHP shall make payment only for HURON'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 IEHP 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, HURON will provide transition assistance to IEHP 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 HURON in connection with the Project, all right, title and interest in the deliverables set out in the Exhibit A, created by HURON for which HURON has been compensated by IEHP pursuant to this Agreement shall be the sole property of IEHP except for those deliverables licensed to IEHP under a License Agreement. The deliverables may be used by IEHP as detailed in the Exhibit A. HURON agrees not to release or circulate in whole or part such materials, reports, or products without prior written authorization of IEHP.

Notwithstanding the foregoing, HURON will retain sole and exclusive ownership of all right, title and interest in HURON'S work papers, proprietary information, processes, methodologies, know-how and software ("HURON 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 HURON may discover, create or develop during the performance of Services. To the extent HURON'S deliverables contain HURON Property, upon full and final payment of all amounts due to HURON in connection with the Services, HURON grants IEHP 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 HURON'S express, prior written consent. If the deliverables are subject to any third party rights in software or intellectual property, HURON will notify IEHP of such rights. HURON'S assessment report contains HURON Property. Notwithstanding the foregoing, HURON may license certain proprietary deliverables under a separate License Agreement, and such License Agreement shall take precedence over this Section 7 with respect to IEHP's rights in such licensed proprietary deliverables.

8. Conduct of HURON

8.1 HURON 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 HURON'S performance under this Agreement. HURON further covenants that no person or subcontractor having any such interest shall be employed or retained by HURON under this Agreement. HURON agrees to inform IEHP of all HURON'S interests, if any, which are or may be perceived as incompatible with IEHP'S interests.

8.2 HURON 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 HURON is doing business or proposing to do business, in accomplishing the work under this Agreement.

8.3 HURON or its employees shall not offer gifts, gratuity, favors, and entertainment directly or indirectly to IEHP 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 IEHP or other regulatory agencies at all times. HURON shall provide adequate cooperation to any inspector or other IEHP representative to permit him/her to determine HURON's conformity with the terms of this Agreement. If any Services performed or products provided by HURON are not in conformance with the terms of this Agreement, IEHP shall have the right to require HURON to perform the Services or provide the products in conformance with the terms of the Agreement at no additional cost to IEHP. When the Services to be performed or the products to be provided are of such nature that the difference cannot be corrected, IEHP shall have the right to: (1) require HURON 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. IEHP may also terminate this Agreement for a material breach.

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

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

10. **Independent Contractor**

HURON is, for purposes relating to this Agreement, an independent contractor and shall not be deemed an employee of IEHP. It is expressly understood and agreed that HURON (including its employees, agents, and subcontractors) shall in no event be entitled to any benefits to which IEHP 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 HURON shall hold IEHP harmless from any and all claims that may be made against IEHP 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 HURON in the performance of this Agreement is subject to the control or direction of IEHP 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

HURON shall be permitted to subcontract the work or Services under this Agreement as reasonably appropriate, provided that HURON first provides IEHP 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. HURON 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 IEHP disallowing payment(s) made to HURON pursuant to Section 23.3 below, the parties shall be obligated to attend a mediation session in Riverside 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

HURON 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 IEHP. HURON 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 Counties and all other governmental agencies with jurisdiction, and shall maintain these throughout the term of this Agreement.

14. Non-Discrimination

HURON 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. S1210 et seq.) and all other applicable laws or regulations.

15. Records and Documents

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

16. Confidentiality

16.1 HURON 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; IEHP information or data which is not subject to public disclosure; IEHP operational procedures; and knowledge of selection of contractors, subcontractors or suppliers in advance of official announcement.

16.2 HURON 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. HURON shall not use such information for any purpose other than carrying out HURON’s obligations under this Agreement. HURON shall promptly transmit to IEHP all third party requests for disclosure of such information. HURON shall not disclose, except as otherwise specifically permitted by this Agreement or authorized in advance in writing by IEHP, any such information to anyone other than IEHP 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 HURON 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 HURON as confidential (“HURON Confidential Information”), IEHP agrees to protect HURON Confidential Information in a reasonable and appropriate manner, and use HURON 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. IEHP shall prevent the unauthorized disclosure of HURON’s Confidential Information to other consultants, accounting firms (including IEHP’s auditors), software vendors, or HURON’s competitors or potential competitors. Confidential Information may be disclosed to IEHP’s or HURON’s legal counsel. Confidential Information may be disclosed to IEHP’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 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 HURON uses a subcontractor to assist HURON in the performance of the Project, IEHP hereby grants HURON permission to disclose IEHP Confidential Information to HURON's subcontractors for the purpose of the subcontractors assisting HURON in the performance of the Project, provided that such subcontractors agree to the same restrictions and conditions on use and disclosure of IEHP Confidential Information to which HURON 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 IEHP shall promptly advise HURON 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 HURON. In the event any third party requests copies of such information which is proprietary and confidential to HURON, then IEHP will immediately inform HURON and, though IEHP and HURON will work together, the burden will be on HURON 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 IEHP by HURON, 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 HURON'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

IEHP Director of Health Administration, or designee, shall administer this Agreement on behalf of IEHP. The Purchasing Department is to serve as the liaison with HURON 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 HURON:

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 IEHP:

Inland Empire Health Plan
10801 Sixth Street, Suite 120
Rancho Cucamonga, CA 91730
Attention: Roger Uminski, Director of Health Administration

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, IEHP may be required to submit a Report of Independent Contractors(s) form DE 542 to the Employment Development Department. HURON agrees to furnish the required data and certifications to IEHP within ten (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 HURON 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 HURON 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 HURON has any questions concerning this reporting requirement, please call (916) 657-0529. HURON 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, Governing Board, 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, HURON's liability to IEHP 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 HURON. The foregoing limitation shall not apply to claims caused by HURON's breach of confidentiality of IEHP's protected health information. HURON shall not be liable to IEHP for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall HURON be liable to IEHP for special, consequential, incidental, or indirect damages except in the case of claims caused by HURON's breach of confidentiality of IEHP's protected health information.

21.4 Notwithstanding any other provision of this Agreement, IEHP'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 the total fees stated in the Exhibit B of Agreement to be paid to HURON. The foregoing limitation shall not apply to claims caused by IEHP's breach of confidentiality of HURON's Confidential Information. IEHP shall not be liable to HURON for any punitive or exemplary damages or loss, nor any lost profits, savings or business opportunity, nor shall IEHP be liable to HURON for special, consequential, incidental, or indirect damages except in the case of claims caused by IEHP's breach of confidentiality of HURON's Confidential Information.

21.5 The specified insurance limits required in this Agreement shall in no way limit or circumscribe HURON's obligations to indemnify and hold harmless the IEHP 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 HURON's obligation to indemnify or hold IEHP harmless, HURON 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. With respect

to the insurance section only, IEHP herein refers to IEHP, officers, Governing Board, employees, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

If HURON has employees as defined by the State of California, HURON 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 IEHP.

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 HURON'S performance of its obligations hereunder. Policy shall name IEHP 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 HURON 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 IEHP as Additional Insureds.

D. Professional Liability (ONLY TO BE INCLUDED IN CONTRACTS WITH SERVICE PROVIDERS INCLUDING BUT NOT LIMITED TO ENGINEERS, DOCTORS, AND LAWYERS). HURON shall maintain Professional Liability Insurance providing coverage for HURON'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 HURON'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 HURON shall purchase at its 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 HURON 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 IEHP Risk Manager. If IEHP'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) HURON 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 IEHP Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to IEHP, and at the election of IEHP's Risk Manager, HURON'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with IEHP, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) HURON shall cause HURON'S insurance carrier(s) to furnish IEHP 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 IEHP 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 IEHP 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 IEHP 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. HURON shall not commence operations until IEHP 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 HURON's insurance shall be construed as primary insurance, and IEHP'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; IEHP reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the IEHP Risk Manager's reasonable judgment, the amount or type of insurance carried by HURON has become inadequate.

6) HURON 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 IEHP.

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

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

23.5 HURON 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. HURON warrants that it has good title to all materials or products used by HURON or provided to IEHP pursuant to this Agreement, free from all liens, claims, or encumbrances.

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

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

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

23.9 HURON 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 HURON 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. IEHP may ask HURON to provide, and from time to time HURON may offer, comments, assessments, recommendations or other feedback (collectively "Feedback") regarding employees and contractors working for IEHP, including with regard to job performance, duties, and suitability for a job. IEHP acknowledges that IEHP is solely responsible for verifying such Feedback, for using it, and for any acts or omissions of IEHP based upon such Feedback. In particular, IEHP 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 IEHP, HURON may provide names of vendors or review proposals sent to IEHP from vendors of services or products. However, HURON's communication of such information does not constitute a recommendation of any particular vendor. IEHP should perform its own independent review of any such vendor before making a purchase decision.

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

23.18 Work Space. IEHP agrees to provide HURON personnel who are authorized to receive from IEHP 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 IEHP, meets HIPAA requirements, including but not limited to providing appropriate security and physical restrictions to PHI access.

23.19 Third Party Involvement. Neither IEHP nor HURON 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 HURON under the Agreement shall not include, and IEHP 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 HURON under the Agreement, IEHP shall provide to HURON medically appropriate standards, which may be referenced in any clinical process recommendations HURON makes or develops.

23.21 Violations of Law. HURON's primary role is to provide the services described in this Agreement and in the Exhibit A, and HURON has no obligation to seek out or otherwise attempt to identify any violations of applicable laws and regulations. However, it is expected that HURON and IEHP 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 HURON.

23.22 E-Mail. IEHP and HURON 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 or Exhibit B, the terms of the Exhibit A or Exhibit B 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 and B.

IEHP:

INLAND EMPIRE HEALTH PLAN
10801 6th Street, Suite 120
Rancho Cucamonga, CA 91730

HURON:

HURON CONSULTING SERVICES LLC
550 West Van Buren Street, 17th Floor
Chicago, IL 60607

Signature: 

Name: Bradley Gilbert, M.D.

Title: Chief Executive Officer

Dated: 10/15/14

Signature: 

Print Name: Curt B. Whelan

Title: Managing Director - Healthcare Sales

Dated: 10/23/14

By: 
Chairman, IEHP Governing Board

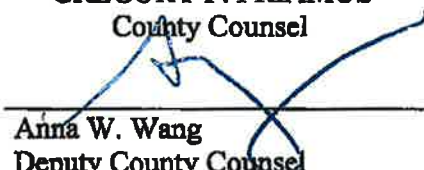
Date: 11-6-14

Attest: 
Vickie Hargrove, Secretary

Date: 11-6-14

Approved as to Form

GREGORY P. PRIAMOS
County Counsel

By: 
Anna W. Wang
Deputy County Counsel
Attorneys for Inland Empire Health Plan

**Inland Empire Health Plan (“IEHP”)/
Huron Consulting Services LLC d/b/a Huron Healthcare (“Huron”)
Strategic Support Services**

EXHIBIT A

SCOPE OF SERVICES

This Exhibit A outlines the scope and approach of the Services that Huron will perform for IEHP pursuant to the Professional Service Agreement (the “Agreement”). Any capitalized terms not expressly defined herein shall have the same meaning assigned to them in the Agreement.

Huron will provide strategic support services for IEHP, and by extension, the Counties of Riverside and San Bernardino (the “Counties”) for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center (“RCRMC”), Arrowhead Regional Medical Center (“ARMC”), and Loma Linda University Medical Center (“LLUMC”) (the “Project”).

Project Scope

The Project scope includes strategic support services for IEHP as provided by Huron. The entities within the scope of the Project include the following, with some variation in the level of detail supported by each entity:

- Inland Empire Health Plan
- The County of Riverside
- The County of San Bernardino
- Riverside County Regional Medical Center
- Riverside County Ambulatory Clinics
- Department of Public Health Riverside
- Department of Public Health San Bernardino
- Loma Linda University (“LLU”)
- Loma Linda University Medical Center
- Arrowhead Regional Medical Center
- Other area hospitals, Long Term Acute Care, Long Term Care/Skilled Nursing Facility, Home Health, Inpatient Rehabilitation Facility, clinics, related entities and insurance companies

Project Approach and Deliverables

The Project is comprised of two programs, Program One and Program Two, as detailed below.

Program One

During Program One, Huron will conduct the following activities over the course of approximately six months:

- Develop clinically integrated network (“CIN”) and conduct population health readiness assessments for the Counties (mainly in the areas of care coordination, physician/other provider education and adoption, IT enablement, connectivity and applied analytics, local entity workflows, system workflows and handoffs between the care continuum, including wellness) of

the Counties (including LLUMC, RCRMC and ARMC), initially focused on the Medi-Cal patient population.

- Identify key gaps in patient access and provide capabilities that need to be addressed in order to successfully develop a CIN for the Counties for patients, providers, payers, and physicians.
- Develop plans for the designation and coordination of service delivery between the Counties, including the appropriate care delivery of specialty services by LLUMC at the two County hospitals through the development and implementation of formal agreements (i.e. to avoid duplication of services, develop joint contracting and regional performance metrics).
- Develop implementation plans to enhance the delivery of population-based health care to the residents of the Counties (e.g., CIN assessment and initial development of key risk-stratified populations of patients, including those at low, medium and high risk).

Huron will provide IEHP with the following deliverables for Program One:

- A population health readiness assessment, including specific recommendations for implementation and a report with the following components:
 - IT Enablement and Applied Analytics
 - Local Workflows
 - System Workflows
 - Patient Wellness
- A CIN readiness assessment, including specific recommendations for implementation and a report with the following components:
 - Leadership & Governance
 - Provider Network
 - Care & Service Delivery
 - Information Technology
 - Finance
 - Contracting Capabilities
 - Clinical Performance
 - Legal Structure and Compliance
- A gap analysis report and an implementation plan which will be used as a foundation for creating a CIN for the Counties, RCRMC, LLUMC, and ARMC, with a focus on the Counties' population of managed Medi-Cal patients under IEHP.

For Program One, a population health executive steering committee (the "ESC") will be formed that will meet on a monthly basis. The ESC will include the leadership from IEHP, RCRMC, ARMC and LLUMC, and will include the chief executive officers of the Counties or their designees. Monthly progress reports will be provided for the ESC, the chief executive officers of the Counties, and each of the Counties' Board's representatives to the joint Riverside & San Bernardino Counties Strategic Planning Committee.

Program Two

During Program Two, Huron will conduct the following activities over the course of approximately twelve months:

- Assist the Assistant County Executive of the Health System for Riverside County and Riverside County Executive Leadership with strategy, priorities and selected projects related to the continued improvement of Riverside County's RCRMC and its affiliates by appropriately aligning the graduate medical education program, negotiating commercial payer insurance contracts, and developing program enhancement plans for key RCRMC clinical service lines.

During Program Two, Huron will provide IEHP with guidance and support in areas that affect RCRMC and its ambulatory clinics, and also have an impact on several of IEHP's priorities, such as improving its members' access, increasing quality of patient care, lowering costs, training doctors in its communities, and retaining healthcare dollars in the Inland Empire. These efforts will be focused in the following four areas:

1. Realigning RCRMC's graduate medical education ("GME") residency programs, including organizational structure redesign and reporting structure;
2. Designing and implementing payer mix and volume growth processes for RCRMC, including master fee schedule alignment and third party payer contract analysis and negotiation assistance for potential improvement opportunities;
3. Developing program enhancement plans for key clinical service lines recently developed by RCRMC (i.e., maternal and child health, neurology, cardiology, orthopedic surgery, gastroenterology, and vascular surgery); and
4. Providing leadership guidance to Riverside County leaders, including the Riverside Assistant County Executive Officer of the Health System.

For Program Two, Huron recommends a continuous engagement approach with scheduled monthly reports to the Riverside County Health Care Governance Committee ("HCGC"), which meets bi-monthly, in order to support and guide the new healthcare leadership during this transitional period.

Huron will provide IEHP with the following deliverables for Program Two:

- Development of GME programs, including the following:
 - Financial overview of funded/unfunded positions
 - Objective GME program needs by department
 - Residency training opportunities
 - Administrative and support staff
 - Program directorships
 - Reporting responsibilities within Riverside County and with partner institutions
- Development of Payer Strategy, including the following:
 - Comparative benchmarking analysis for strategic pricing for RCRMC against its peers for inpatient and outpatient services
 - Identify financial impact and revenue enhancement opportunities modeling for "what-if" analysis with potential adjustments to charges, volume, and payer mix
 - Negotiate select commercial managed care contracts
 - Modify CDM (Charge Description Master) to bring RCRMC CDM to appropriate levels
- Refinement and further development of Clinical Service Lines at RCRMC, including the following:
 - Current market analysis and growth opportunities
 - Expansion plans and capital growth needs
 - Staffing needs, physicians and non-clinicians
 - Clinical service line structure

- o Financial projections (revenue, costs, contribution margin)
- o Development timelines

Dr. Brad Gilbert, Chief Executive Officer for IEHP, will be the Executive Sponsor for the Project and have accountability for Program One. Jay Orr, Chief Executive Officer for Riverside County, will be the Executive Sponsor for Riverside County and will have accountability for Program Two. Greg Devereaux, Chief Administrative Officer for San Bernardino County, will be the Executive Sponsor for San Bernardino County for Program One. Other leaders including William Foley, the Chief Executive Officer for Arrowhead, Dr. John Heydt, the Assistant Executive Officer for Riverside County Health System, and Dr. Richard Hart, the President for Loma Linda University, will serve as supporting Executive Sponsors. These individuals will be responsible for the Project and will have the organizational authority to assemble and guide the necessary resources to support a successful Project. Huron will work collaboratively with John Adenschein, a consultant retained by ARMC (San Bernardino County) and LLUMC to confirm that this work is accomplished in an efficient manner.

Huron will work with IEHP to establish the logistics of the Project, including designated workspace, arranging for identification badges, parking, building access, etc. Huron will work with Executive Sponsors to identify specific strategies requiring assistance, support, analysis and designated individuals to be responsible for these strategies within each organization to help facilitate approval and implementation assistance. Finally, Huron will work with IEHP to develop a communication plan to inform key internal and external stakeholders involved in the Project.

Huron will not audit any financial statements or perform attest procedures with respect to information in conjunction with this engagement. Huron'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.

Project Timing

Huron anticipates twelve months will be required to complete the Project as logistics and availability of executive personnel dictate. A large portion of the work can be completed offsite, such as the analysis of data. Huron will plan to be on site based on meeting schedules, depending upon the finalized scope, to conduct interviews, complete observations, and review data. Huron will be onsite again at the conclusion of the Project to present the final report to IEHP leadership teams.

The timeline and activities for the Project are detailed in the table below:

| Areas of Strategic Focus | Project Month | | | | | | | | | | | |
|--|---------------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| PROGRAM 1 | | | | | | | | | | | | |
| Population Health Readiness | | | | | | | | | | | | |
| Clinically Integrated Network Assessment | | | | | | | | | | | | |
| PROGRAM 2 | | | | | | | | | | | | |
| Develop Program Enhancement Plans for Key Clinical Service Lines | | | | | | | | | | | | |
| Provide Commercial Payer Contracting Support | | | | | | | | | | | | |
| Realign Graduate Medical Education (GME) Residency Program and Staff | | | | | | | | | | | | |
| Leadership Guidance to County of Riverside Health System Executive | | | | | | | | | | | | |

Other

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 Huron, 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. Huron will provide the names and contact information of such individuals upon request by IEHP. For IEHP, the first point of such contact will be the Director of Health Administration, the second point of contact will be the Chief Medical Officer, the third point of contact will be the Chief of Medical Services, and the fourth point of contact will be the Chief 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 at 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 at 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 at 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.

Inland Empire Health Plan ("IEHP")/
Huron Consulting Services LLC d/b/a Huron Healthcare ("Contractor")
Strategic Support Services

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.

Huron's fees for the Project consist of Fixed Fees.

Fixed Fees

Based on the scope, approach, deliverables, schedule, and staffing assumptions discussed in the Exhibit A, the Fixed Fees for the Project are \$965,000 for Program One, and \$600,760 plus a \$32,000 data acquisition fee for Program Two, collectively totaling \$1,597,760, to be billed in monthly payments according to the tables below:

Program One - Payment Schedule

| Payment No. | Due Date | Amount |
|--------------------|-------------------------------|------------------|
| 1 | October 15, 2014 | \$160,833 |
| 2 | November 15, 2014 | \$160,833 |
| 3 | December 15, 2014 | \$160,833 |
| 4 | January 15, 2015 | \$160,833 |
| 5 | February 15, 2015 | \$160,833 |
| 6 | Upon Delivery of Final Report | \$160,835 |
| | Total | \$965,000 |

Program Two - Payment Schedule

| Payment No. | Due Date | Amount |
|--------------------|---|---------------|
| 1 | October 15, 2014 | \$83,460 |
| 2 | <i>Data Acquisition Fee -</i> October 15, 2014 | \$32,000 |
| 3 | September 15, 2014 | \$83,460 |
| 4 | October 15, 2014 | \$83,460 |
| 5 | November 15, 2014 | \$83,460 |
| 6 | December 15, 2014 | \$83,460 |

| | | |
|----|-------------------|------------------|
| 7 | January 15, 2015 | \$83,460 |
| 8 | February 15, 2015 | \$16,667 |
| 9 | March 15, 2015 | \$16,667 |
| 10 | April 15, 2015 | \$16,667 |
| 11 | May 15, 2015 | \$16,667 |
| 12 | June 15, 2015 | \$16,667 |
| 13 | July 15, 2015 | \$16,665 |
| | Total | \$632,760 |

Huron's hourly rates are as follows:

| Position | Hourly Rate |
|-----------------------------------|-------------|
| Managing Director/Senior Director | \$630 |
| Director/Manager | \$430 |
| Associate/Analyst | \$220 |

Out of Pocket Expenses

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

Fees/Expenses Billing and Payment

The Fixed Fees will be invoiced in accordance with the tables above. Huron will bill monthly for Expenses in the month following the month in which they are incurred. All fees and Expenses paid by IEHP are non-refundable, except as expressly provided for otherwise in Section 23.3 of the Professional Service Agreement. IEHP 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, IEHP shall pay Huron: (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); and (c) reimbursement of all Expenses it incurred through the Termination Date, including non-refundable payments and deposits.

In the event Huron terminates for cause or due to Change of Status, or the IEHP terminates without cause, IEHP shall also pay Huron 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 IEHP and Huron, a suspension of Project activity is warranted due to a serious Project issue or other situation, IEHP or Huron may suspend the Project activity for a period of up to two weeks upon written notice to the other party, during which period Huron will be temporarily relieved of its Project obligations (a "Suspension"). No Fixed Fees will be earned by Huron 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 Huron during the extended term. Any incremental actual out-of-pocket expenses incurred by the Huron 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

IEHP 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 IEHP shall reimburse Huron hereunder shall include the income gross-ups required to ensure tax neutrality of Huron personnel. Huron shall use reasonable efforts to limit such Expenses, such as effecting Project roll-offs where practical, providing IEHP with reasonable advance notice of any personnel who will become subject to compensatory Expenses, and providing IEHP 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.

IEHP will be responsible for and pay all applicable sales, use, excise, value added, services, consumption and other taxes and duties associated with Huron's performance of Services or IEHP's receipt of Huron's Services or products, excluding taxes on Huron's income generally.

In the event IEHP fails to timely meet its payment obligations hereunder or as modified by an amendment, Huron 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.


VIII. CONSENT AGENDA

F. MEDICAL SERVICES DEPARTMENT - Operational

8. Approval to Execute a First Amendment to Exhibit B of the Agreement With Huron Consulting Group For Regional Strategic Planning
- a. Recommended Action
 That the IEHP Governing Board approve the First Amendment to Exhibit B of the Huron Consulting Group Agreement in order to make a technical adjustment to the payment schedule, effective February 9, 2015.
 - b. Contact
 Marcia Anderson, Chief of Medical Services
 - c. Background
 IEHP's two county region Medi-Cal enrollment growth has been significantly greater than projected as previously presented to the IEHP Governing Board. IEHP reached 1 million Members in January 2015.

Organizing and enhancing the health care delivery system is critical to meet the improved population health "triple aim", create positive care experiences and provide cost efficient care. As presented at the historic Riverside and San Bernardino joint Board of Supervisors meeting on September 16, 2014, the following initiatives are key:

- Enhance delivery systems at both county hospitals– primary care, specialty care, acute inpatient, post-discharge care, etc.
- Strengthen relationships between both county hospitals and Loma Linda to facilitate organized and seamless specialty care
- Facilitate clinical and service level medical care, behavioral health care and social services information transfer between service providers and IEHP

| Minute Order of the Inland Empire Health Plan Governing Board | |
|--|--|
| <p>On motion of Member Williams, seconded by Member Zorn and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Ashley, Anderson, Gonzales, Hagman, Tavaglione, Williams, Zorn Nays: 0 Absent: 0 Recused: 0 Vacancies: 0 Date: February 9, 2015</p> <p>Prev. Agn. Ref.: 14-241</p> | <p>VICKIE HARGROVE/ANNETTE TAYLOR SECRETARY TO THE GOVERNING BOARD</p> <p>BY: </p> <p>DATED: February 9, 2015</p> |
| | <p>Agenda Number: 8. (Consent); Ref. No. 15-30</p> |



**FIRST AMENDMENT TO EXHIBIT B
OF THE PROFESSIONAL SERVICE AGREEMENT**

DATED: February 1, 2015

BETWEEN:

HURON CONSULTING SERVICES LLC d/b/a HURON HEALTHCARE "Huron"
6000 SW Meadows Road, Suite 300
Lake Oswego, OR 97035

AND

INLAND EMPIRE HEALTH PLAN "IEHP"
10801 Sixth Street, Suite 120
Rancho Cucamonga, CA 91730

Recitals

- A. Huron and IEHP are parties to Exhibit B: Payment Provisions of the Professional Services Agreement dated October 15, 2014 ("Exhibit B"), which outlines the fees and expenses for the strategic services (the "Services") provided by Huron for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project").
- B. The purpose of this First Amendment is to correct the Program Two - Payment Schedule in the Exhibit B to reflect the correct months in the Due Dates column.

NOW, THEREFORE, the parties, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, do hereby agree, as follows:

Agreement

- 1. The Program Two - Payment Schedule is replaced and superseded in its entirety, as follows:

Program Two - Payment Schedule

| Payment No. | Due Date | Amount |
|-------------|--|----------|
| 1 | October 15, 2014 | \$83,460 |
| 2 | Data Acquisition Fee - October 15, 2014 | \$32,000 |
| 3 | November 15, 2014 | \$83,460 |
| 4 | December 15, 2014 | \$83,460 |
| 5 | January 15, 2015 | \$83,460 |
| 6 | February 15, 2015 | \$83,460 |

| | | |
|----|--------------------|------------------|
| 7 | March 15, 2015 | \$83,460 |
| 8 | April 15, 2015 | \$16,667 |
| 9 | May 15, 2015 | \$16,667 |
| 10 | June 15, 2015 | \$16,667 |
| 11 | July 15, 2015 | \$16,667 |
| 12 | August 15, 2015 | \$16,667 |
| 13 | September 15, 2015 | \$16,665 |
| | Total | \$632,760 |

The undersigned parties agree to the terms and conditions of the above First Amendment as of the day and year first written above. All other terms and conditions of the Exhibit B of the Professional Service Agreement shall remain in full force and effect.

CONTRACTOR:

DocuSigned by:
Curt B. Whelan
By: 9A5F3D0859D14EF...
Curt B. Whelan, Managing Director -
Healthcare Sales

Date: 1/19/2015

INLAND EMPIRE HEALTH PLAN:

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

Date: 2/4/15

By: Martin Ashley
Chair, IEHP Governing Board

Date: 2-9-15

Attest: Ronette M. Taylor
Secretary, IEHP Governing Board

Date: 2/9/15

Approved as to Form and Content:

By: Steve J. Sohn
Steve J. Sohn
Staff Counsel
Inland Empire Health Plan

Date: 2-9-15

SECOND AMENDMENT

IX. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

A. ADMINISTRATION

14. Professional Services Agreement with Huron Consulting Group For Regional Strategic Planning- Second Amendment

a. Recommended Action

That the IEHP Governing Board approve the Second Amendment to the Professional Services Agreement With Huron Consulting Group For Regional Strategic Planning effective March 9, 2015.

b. Contact



Brad Gilbert, M.D., Chief Executive Officer

c. Background

IEHP's two county Medi-Cal enrollment growth has been significantly greater than projected as previously presented to the IEHP Governing Board. IEHP reached 1 million Members in January 2015.

Organizing and enhancing the region's healthcare delivery system is critical to meet the improved population health "triple aim", create positive care experiences and provide cost efficient care. As presented at the historic Riverside and San Bernardino joint Board of Supervisors meeting on September 16, 2014, the following initiatives are key:

- Enhance both county hospital delivery systems– primary care, specialty care, acute inpatient, post-discharge care, etc.
- Strengthen relationships between both county hospitals and Loma Linda University Health (LLUH) to facilitate organized and seamless specialty care
- Facilitate clinical and service level medical care, behavioral healthcare and social services information transfer between service providers and IEHP
- Grow and improve IEHP's private physician, private hospital and other private provider relationships to ensure adequate Member access

| Minute Order of the Inland Empire Health Plan Governing Board | |
|---|---|
| <p>On motion of Member Williams, seconded by Member Gonzales and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Anderson, Ashley Gonzales, Hagman, Tavaglione, Williams, Zorn</p> <p>Nays: 0</p> <p>Absent: 0</p> <p>Recused: 0</p> <p>Vacancies: 0</p> <p>Date: March 9, 2015</p> <p>Prev. Agn. Ref.: 12-241, 15-30</p> | <p>VICKIE HARGROVE/ANNETTE TAYLOR SECRETARY TO THE GOVERNING BOARD</p> <p>BY: </p> <p>DATED: March 9, 2015</p> <p style="text-align: center;">  </p> <p>Agenda Number: 14 Ref. No. 15-52</p> |

- Increase the number of primary care and specialist physicians in the Inland Empire

The original Agreement was approved by the Governing Board in October 2014 under Resolution 14-241 and amended in February 2015 under Resolution 15-30.

d. Discussion

This Amendment expands Exhibit A: Scope of Services to assess extending LLUH's electronic health record (EHR) system (Epic) to Riverside County Regional Medical Center (RCRMC) and Arrowhead Regional Medical Center (ARMC) via a shared electronic record system (Epic Community Connect). Huron's assessment will include technical, operational, financial and cultural components and consist of the following activities with IEHP:

- Identify functional application gaps not fulfilled by LLUH
- Develop a high level budget including an analysis comparing LLUH's Epic Community Connect option compared to each systems current information technology strategy and costs (Epic compared to Siemens Sorian and Meditech)
- Assist in the establishment of an IT governance framework for a unified IT strategy across all three entities and IEHP
- Develop a preliminary implementation timeline with risks and key dependency considerations which can be used as a basis for creating an implementation plan
- Identify resource gaps to be mitigated before implementation and support ongoing provision of care and operation of hospitals and clinics for both legacy and new applications

e. Fiscal Impact

This Amendment expands Exhibit B: Payment Provisions to include \$195,000 in Assessment fixed fees. The Project's total fixed fees are now \$1,792,760.

N/A (For Board items which do not have any budgetary impact)

Included in FY 14/15 Budget

New Expenditure, Not Budgeted

Revenue, Not Budgeted

f. Attachments

Copy of the Second Amendment is attached to the Minute Order.

g. Reviewed by Counsel

Staff Counsel

**SECOND AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
INLAND EMPIRE HEALTH PLAN ("IEHP")
AND
HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE ("Huron")**

Recitals

1. Huron and IEHP are parties to the Professional Services Agreement dated October 15, 2014 (the "PSA"), its Exhibit A: Scope of Services which outlines the scope and approach of Huron's services (the "Exhibit A"), and its Exhibit B: Payment Provisions which outlines fees and expenses (the "Exhibit B") for the strategic services (the "Services") provided by Huron for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project").

NOW THEREFORE, the parties agree as follows:

- A. Paragraph 4.1 of Section 4, COMPENSATION, is hereby deleted in its entirety and replaced with the following:

"IEHP shall pay HURON for Services performed and products provided by HURON, and expenses incurred, in accordance with the terms of Exhibit B, Payment Provisions. The fixed fee for the Project that IEHP shall pay to HURON under this Agreement is One Million, Seven Hundred Ninety Two Thousand, Seven Hundred Sixty Dollars (\$1,792,760.00) excluding Expenses, as defined in the Exhibit B. IEHP 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, IEHP shall not be responsible for payment of any of HURON's expenses related to this Agreement."

- B. EXHIBIT A – SCOPE OF SERVICES is hereby deleted in its entirety and replaced by the new EXHIBIT A – SCOPE OF SERVICES attached hereto.
- C. EXHIBIT B – PAYMENT PROVISIONS is hereby deleted in its entirety and replaced by the new EXHIBIT B – PAYMENT PROVISIONS attached hereto.
- D. Notwithstanding the date of execution, unless otherwise referenced, this Second Amendment shall be effective as of March 9, 2015.
- E. All other terms and conditions of said Agreement are to remain in full force and effect.

(THE BALANCE OF THIS PAGE IS LEFT INTENTIONALLY BLANK)

The undersigned parties agree to the terms and conditions of the above Amendment as of the day and year first written above.

CONTRACTOR:

INLAND EMPIRE HEALTH PLAN:

DocuSigned by:
Curt B. Whelan
048F3D8859D14EF...
By: _____
Curt B. Whelan, Managing Director -
Healthcare Sales

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

Date: 2/24/2015

Date: 3/2/15

By: Marian Ashley
Chair, IEHP Governing Board

Date: 3/9/15

Attest: Annette M Taylor
Secretary, IEHP Governing Board

Date: 3/9/15

Approved as to Form and Content:

By: Steve J. Sohn
Steve J. Sohn
Staff Counsel
Inland Empire Health Plan

Date: 3-9-15

EXHIBIT A

SCOPE OF SERVICES

This Exhibit A outlines the scope and approach of the Services that Huron will perform for IEHP pursuant to the Professional Service Agreement (the "Agreement"). Any capitalized terms not expressly defined herein shall have the same meaning assigned to them in the Agreement.

Huron will provide strategic support services for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project").

Project Scope

The Project scope includes strategic support services for IEHP as provided by Huron. The entities within the scope of the Project include the following, with some variation in the level of detail supported by each entity:

- Inland Empire Health Plan
- The County of Riverside
- The County of San Bernardino
- Riverside County Regional Medical Center
- Riverside County Ambulatory Clinics
- Department of Public Health Riverside
- Department of Public Health San Bernardino
- Loma Linda University ("LLU")
- Loma Linda University Medical Center
- Arrowhead Regional Medical Center
- Other area hospitals, Long Term Acute Care, Long Term Care/Skilled Nursing Facility, Home Health, Inpatient Rehabilitation Facility, clinics, related entities and insurance companies

Project Approach and Deliverables

The Project is comprised of two programs, Program One and Program Two, as detailed below.

Program One

During Program One, Huron will conduct the following activities over the course of approximately six months:

- Develop clinically integrated network ("CIN") and conduct population health readiness assessments for the Counties (mainly in the areas of care coordination, physician/other provider education and adoption, IT enablement, connectivity and applied analytics, local entity workflows, system workflows and handoffs between the care continuum, including wellness) of the Counties (including LLUMC, RCRMC and ARMC), initially focused on the Medi-Cal patient population.
- Identify key gaps in patient access and provide capabilities that need to be addressed in order to successfully develop a CIN for the Counties for patients, providers, payers, and physicians.

- Develop plans for the designation and coordination of service delivery between the Counties, including the appropriate care delivery of specialty services by LLUMC at the two County hospitals through the development and implementation of formal agreements (i.e. to avoid duplication of services, develop joint contracting and regional performance metrics).
- Develop implementation plans to enhance the delivery of population-based health care to the residents of the Counties (e.g., CIN assessment and initial development of key risk-stratified populations of patients, including those at low, medium and high risk).

Huron will provide IEHP with the following deliverables for Program One:

- A population health readiness assessment, including specific recommendations for implementation and a report with the following components:
 - IT Enablement and Applied Analytics
 - Local Workflows
 - System Workflows
 - Patient Wellness
- A CIN readiness assessment, including specific recommendations for implementation and a report with the following components:
 - Leadership & Governance
 - Provider Network
 - Care & Service Delivery
 - Information Technology
 - Finance
 - Contracting Capabilities
 - Clinical Performance
 - Legal Structure and Compliance
- A gap analysis report and an implementation plan which will be used as a foundation for creating a CIN for the Counties, RCRMC, LLUMC, and ARMC, with a focus on the Counties' population of managed Medi-Cal patients under IEHP.

For Program One, a population health executive steering committee (the "ESC") will be formed that will meet on a monthly basis. The ESC will include the leadership from IEHP, RCRMC, ARMC and LLUMC, and will include the chief executive officers of the Counties or their designees. Monthly progress reports will be provided for the ESC, the chief executive officers of the Counties, and each of the Counties' Board's representatives to the joint Riverside & San Bernardino Counties Strategic Planning Committee.

Program Two

During Program Two, Huron will conduct the following activities over the course of approximately twelve months:

- Assist the Assistant County Executive of the Health System for Riverside County and Riverside County Executive Leadership with strategy, priorities and selected projects related to the continued improvement of Riverside County's RCRMC and its affiliates by appropriately aligning the graduate medical education program, negotiating commercial payer insurance contracts, and developing program enhancement plans for key RCRMC clinical service lines.

During Program Two, Huron will provide IEHP with guidance and support in areas that affect RCRMC and

its ambulatory clinics, and also have an impact on several of IEHP's priorities, such as improving its members' access, increasing quality of patient care, lowering costs, training doctors in its communities, and retaining healthcare dollars in the Inland Empire. These efforts will be focused in the following four areas:

1. Realigning RCRMC's graduate medical education ("GME") residency programs, including organizational structure redesign and reporting structure;
2. Designing and implementing payer mix and volume growth processes for RCRMC, including master fee schedule alignment and third party payer contract analysis and negotiation assistance for potential improvement opportunities;
3. Developing program enhancement plans for key clinical service lines recently developed by RCRMC (i.e., maternal and child health, neurology, cardiology, orthopedic surgery, gastroenterology, and vascular surgery); and
4. Providing leadership guidance to Riverside County leaders, including the Riverside Assistant County Executive Officer of the Health System.

For Program Two, Huron recommends a continuous engagement approach with scheduled monthly reports to the Riverside County Health Care Governance Committee ("HCGC"), which meets bi-monthly, in order to support and guide the new healthcare leadership during this transitional period.

Huron will provide IEHP with the following deliverables for Program Two:

- Development of GME programs, including the following:
 - Financial overview of funded/unfunded positions
 - Objective GME program needs by department
 - Residency training opportunities
 - Administrative and support staff
 - Program directorships
 - Reporting responsibilities within Riverside County and with partner institutions
- Development of Payer Strategy, including the following:
 - Comparative benchmarking analysis for strategic pricing for RCRMC against its peers for inpatient and outpatient services
 - Identify financial impact and revenue enhancement opportunities modeling for "what-if" analysis with potential adjustments to charges, volume, and payer mix
 - Negotiate select commercial managed care contracts
 - Modify CDM (Charge Description Master) to bring RCRMC CDM to appropriate levels
- Refinement and further development of Clinical Service Lines at RCRMC, including the following:
 - Current market analysis and growth opportunities
 - Expansion plans and capital growth needs
 - Staffing needs, physicians and non-clinicians
 - Clinical service line structure
 - Financial projections (revenue, costs, contribution margin)
 - Development timelines

Dr. Brad Gilbert, Chief Executive Officer for IEHP, will be the Executive Sponsor for the Project and have accountability for Program One. Jay Orr, Chief Executive Officer for Riverside County, will be the Executive Sponsor for Riverside County and will have accountability for Program Two. Greg Devereaux, Chief Administrative Officer for San Bernardino County, will be the Executive Sponsor for San Bernardino County for Program One. Other leaders including William Foley, the Chief Executive Officer for Arrowhead, Dr. John Heydt, the Assistant Executive Officer for Riverside County Health System, and Dr.

Richard Hart, the President for Loma Linda University, will serve as supporting Executive Sponsors. These individuals will be responsible for the Project and will have the organizational authority to assemble and guide the necessary resources to support a successful Project. Huron will work collaboratively with John Adenschein, a consultant retained by ARMC (San Bernardino County) and LLUMC to confirm that this work is accomplished in an efficient manner.

Huron will work with IEHP to establish the logistics of the Project, including designated workspace, arranging for identification badges, parking, building access, etc. Huron will work with Executive Sponsors to identify specific strategies requiring assistance, support, analysis and designated individuals to be responsible for these strategies within each organization to help facilitate approval and implementation assistance. Finally, Huron will work with IEHP to develop a communication plan to inform key internal and external stakeholders involved in the Project.

Huron will not audit any financial statements or perform attest procedures with respect to information in conjunction with this engagement. Huron'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.

Project Timing

Huron anticipates twelve months will be required to complete the Project as logistics and availability of executive personnel dictate. A large portion of the work can be completed offsite, such as the analysis of data. Huron will plan to be on site based on meeting schedules, depending upon the finalized scope, to conduct interviews, complete observations, and review data. Huron will be onsite again at the conclusion of the Project to present the final report to IEHP leadership teams.

The timeline and activities for the Project are detailed in the table below:

| Areas of Strategic Focus | Project Month | | | | | | | | | | | |
|--|---------------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| PROGRAM 1 | | | | | | | | | | | | |
| Population Health Readiness | | | | | | | | | | | | |
| Clinically Integrated Network Assessment | | | | | | | | | | | | |
| PROGRAM 2 | | | | | | | | | | | | |
| Develop Program Enhancement Plans for Key Clinical Service Lines | | | | | | | | | | | | |
| Provide Commercial Payer Contracting Support | | | | | | | | | | | | |
| Realign Graduate Medical Education (GME) Residency Program and Staff | | | | | | | | | | | | |
| Leadership Guidance to County of Riverside Health System Executive | | | | | | | | | | | | |

Other

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 Huron, 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. Huron will provide the names and contact information of such individuals upon request by IEHP. For IEHP, the first point of such contact will be the Director of Health Administration, the second point of contact will be the Chief Medical Officer, the third

point of contact will be the Chief of Medical Operations, and the fourth point of contact will be the Chief 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 at 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 at 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 at 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.

Assessment of the potential extension of Epic to RCRMC and ARMC

Project Scope, Approach and Deliverables

Huron will conduct an assessment for IEHP with the objective of exploring the option of LLUH extending Epic to RCRMC and ARMC via Epic Community Connect including consideration for technical, operational, financial, and cultural components (the "Assessment").

Huron will provide the following activities in collaboration with IEHP:

- Identify functional application gaps not fulfilled by LLUH.
- Assist in the development of a high level budget including an analysis comparing LLUH's Epic Community Connect option compared to each systems current information technology strategy and costs (Epic compared to Siemens Sorian and Meditech).
- Assist in the establishment of an IT governance framework for a unified IT strategy across all three entities and IEHP.
- Develop a preliminary implementation timeline with risks and key dependency considerations which can be used as a basis for creating an implementation plan.
- Identify resource gaps which must be mitigated before implementation and to support ongoing provision of care and operation of hospitals and clinics for both legacy and new applications.

The deliverables for the Assessment will include the following:

- Articulation of the feasibility and implementation considerations of LLUH extending Epic EHR to RCRMC and ARMC

Project Timing

Huron anticipates the Assessment will take approximately eight to ten (8-10) weeks to complete from the last signature date of the Amendment as set forth below (the "Start Date"). Huron's ability to complete the Assessment is dependent upon the organizations providing key data points and information.

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.

Huron's fees for the Project consist of Fixed Fees.

Fixed Fees

Based on the scope, approach, deliverables, schedule, and staffing assumptions discussed in the Exhibit A, the Fixed Fees for the Project are \$965,000 for Program One, \$600,760 plus a \$32,000 data acquisition fee for Program Two, and \$195,000 for the Assessment, collectively totaling \$1,792,760, to be billed in monthly payments according to the tables below:

Program One - Payment Schedule

| Payment No. | Due Date | Amount |
|-------------|-------------------------------|------------------|
| 1 | October 15, 2014 | \$160,833 |
| 2 | November 15, 2014 | \$160,833 |
| 3 | December 15, 2014 | \$160,833 |
| 4 | January 15, 2015 | \$160,833 |
| 5 | February 15, 2015 | \$160,833 |
| 6 | Upon Delivery of Final Report | \$160,835 |
| | Total | \$965,000 |

Program Two - Payment Schedule

| Payment No. | Due Date | Amount |
|-------------|---|----------|
| 1 | October 15, 2014 | \$83,460 |
| 2 | <i>Data Acquisition Fee -</i> October 15, 2014 | \$32,000 |
| 3 | November 15, 2014 | \$83,460 |
| 4 | December 15, 2014 | \$83,460 |
| 5 | January 15, 2015 | \$83,460 |
| 6 | February 15, 2015 | \$83,460 |
| 7 | March 15, 2015 | \$83,460 |
| 8 | April 15, 2015 | \$16,667 |
| 9 | May 15, 2015 | \$16,667 |
| 10 | June 15, 2015 | \$16,667 |
| 11 | July 15, 2015 | \$16,667 |

| | | |
|----|--------------------|------------------|
| 12 | August 15, 2015 | \$16,667 |
| 13 | September 15, 2015 | \$16,665 |
| | Total | \$632,760 |

Assessment - Payment Schedule

| Payment No. | Due Date | Amount |
|-------------|----------------|------------------|
| 1 | March 15, 2015 | \$65,000 |
| 2 | April 15, 2015 | \$65,000 |
| 3 | May 15, 2015 | \$65,000 |
| | Total | \$195,000 |

Huron's hourly rates are as follows:

| Position | Hourly Rate |
|-----------------------------------|-------------|
| Managing Director/Senior Director | \$630 |
| Director/Manager | \$430 |
| Associate/Analyst | \$220 |

Out of Pocket Expenses

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

Fees/Expenses Billing and Payment

The Fixed Fees will be invoiced in accordance with the tables above. Huron will bill monthly for Expenses in the month following the month in which they are incurred. All fees and Expenses paid by IEHP are non-refundable, except as expressly provided for otherwise in Section 23.3 of the Professional Service Agreement. IEHP 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, IEHP shall pay Huron: (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); and (c) reimbursement of all Expenses it incurred through the Termination Date, including non-

refundable payments and deposits.

In the event Huron terminates for cause or due to Change of Status, or the IEHP terminates without cause, IEHP shall also pay Huron 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 IEHP and Huron, a suspension of Project activity is warranted due to a serious Project issue or other situation, IEHP or Huron may suspend the Project activity for a period of up to two weeks upon written notice to the other party, during which period Huron will be temporarily relieved of its Project obligations (a "Suspension"). No Fixed Fees will be earned by Huron 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 Huron during the extended term. Any incremental actual out-of-pocket expenses incurred by the Huron 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

IEHP 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 IEHP shall reimburse Huron hereunder shall include the income gross-ups required to ensure tax neutrality of Huron personnel. Huron shall use reasonable efforts to limit such Expenses, such as effecting Project roll-offs where practical, providing IEHP with reasonable advance notice of any personnel who will become subject to compensatory Expenses, and providing IEHP 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.

IEHP will be responsible for and pay all applicable sales, use, excise, value added, services, consumption and other taxes and duties associated with Huron's performance of Services or IEHP's receipt of Huron's Services or products, excluding taxes on Huron's income generally.

In the event IEHP fails to timely meet its payment obligations hereunder or as modified by an amendment, Huron 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.

VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

May 11, 2015

A. ADMINISTRATION

16. Approval Of The Third Amendment To The Professional Services Agreement With Huron Consulting Group For Regional Strategic Planning

a. Recommended Action

That the IEHP Governing Board approve the Third Amendment to the Professional Services Agreement (PSA) with Huron Consulting Group for Regional Strategic Planning effective May 11, 2015.

b. Contact

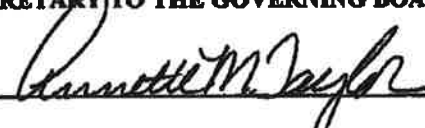
Brad Gilbert, M.D., Chief Executive Officer

c. Background

IEHP's two county region Medi-Cal enrollment growth has been significantly greater than projected as previously presented to the IEHP Governing Board. IEHP reached 1 million Members in January 2015.

Organizing and enhancing the health care delivery system is critical to meet the improved population health "triple aim", create positive care experiences and provide cost efficient care. As presented at the historic Riverside and San Bernardino joint Board of Supervisors meeting on September 16, 2014, the following initiatives are key:

- Enhance delivery systems at both county hospitals– primary care, specialty care, acute inpatient, post-discharge care, etc.
- Strengthen relationships between both county hospitals and Loma Linda to facilitate organized and seamless specialty care
- Facilitate clinical and service level medical care, behavioral health care and social services information transfer between service providers and IEHP

| Minute Order of the Inland Empire Health Plan Governing Board | |
|---|--|
| <p>On motion of Member Anderson, seconded by Member Williams and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Anderson, Gonzales, Hagman, Williams, Zorn Nays: Absent: Ashley, Tavaglione Recused: Vacancies: Date: May 11, 2015 Prev. Agn. Ref.: 12-241, 15-30, 15-52</p> | <p>ANNETTE TAYLOR SECRETARY TO THE GOVERNING BOARD</p> <p>BY: </p> <p>DATED: May 11, 2015</p> |
| | <p>Agenda Number: 16. (Pol Ref. No. 15-108</p> |



VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

- Grow and improve IEHP's private physician, private hospital and other private provider relationships to ensure adequate Member access
- Increase the number of primary care and specialist physicians in the Inland Empire

A key accomplishment for the Clinically Integrated Network (CIN) is a legal structure that creates a single entity, "NewCo", consisting of Loma Linda, both counties and possibly IEHP. Huron assisted all four entities in identifying a law firm that could assist with the CIN entity formation. Polsinelli, LLP was selected after a vetting and interview process. Polsinelli, LLP is a nationally recognized law firm with one of the largest concentrations of healthcare attorneys and professionals. IEHP recommended that the IEHP Chief Executive Officer approve a direct contract with Polsinelli, LLP to create "NewCo" at the April 2015 IEHP Governing Board Meeting.

The original Agreement was approved by the Governing Board in October 2014 under Resolution 14-241 and amended in February 2015 under Resolution 15-30 and March 2015 under Resolution 15-52.

d. Discussion

IEHP may not be a "NewCo" partner since the organization does not directly deliver healthcare services. IEHP and CIN legal counsels advised that attorney-client privileges may be an issue under this arrangement and suggested that Huron Consulting Group contract directly with Polsinelli, LLP to create "NewCo".

This Amendment allows Huron Consulting Group to contract with Polsinelli, LLP to create a CIN legal structure including the new legal entity, "NewCo". It expands the Agreement's Exhibit A: Scope of Services to include the following deliverables:

- An ownership model for the "NewCo" CIN
- A Membership/Operating Agreement for "NewCo"
- An organizational structure model for "NewCo"
- Initial startup recommendations for "NewCo"
- Recommendations for additional participants in "NewCo" programs and services

VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

e. **Fiscal Impact**

This Amendment adds an additional Fifty Thousand Dollars (\$50,000) in fixed fees. The Project's total fixed fees are now One Million Eight Hundred Forty-Two Thousand Seven Hundred Sixty Dollars (\$1,842,760.00).

N/A (For Board items which do not have any budgetary impact)

Included in FY 14/15 Budget

New Expenditure, Not Budgeted

Revenue, Not Budgeted

f. **Attachments**

Copy of the Third Amendment is attached to the Minute Order.

g. **Reviewed by Counsel**

County Counsel

**THIRD AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
INLAND EMPIRE HEALTH PLAN ("IEHP")
AND
HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE ("Huron")**

Recitals

1. Huron and IEHP are parties to the Professional Services Agreement dated October 15, 2014, as amended February 1, 2015 and March 9, 2015 (the "PSA"), its Exhibit A: Scope of Services which outlines the scope and approach of Huron's services (the "Exhibit A"), and its Exhibit B: Payment Provisions which outlines fees and expenses (the "Exhibit B") for the strategic services (the "Services") provided by Huron for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project").

NOW THEREFORE, the parties agree as follows:

- A. DESCRIPTION OF SERVICES, paragraph 1.1 is hereby deleted in its entirety and replaced with the following:

"HURON shall provide strategic and consulting services (the "Services") for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they related to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project") as outlined and as specified in Exhibit A, Scope of Services, at the prices stated in Exhibit B, Payment Provisions, and comply with Attachment 1 to the Agreement, HIPAA Business Associate Agreement."
- B. Paragraph 4.1 of Section 4, COMPENSATION, is hereby deleted in its entirety and replaced with the following:

"IEHP shall pay HURON for Services performed and products provided by HURON, and expenses incurred, in accordance with the terms of Exhibit B, Payment Provisions. The fixed fee for the Project that IEHP shall pay to HURON under this Agreement is One Million, Eight Hundred Forty Two Thousand, Seven Hundred Sixty Dollars (\$1,842,760.00) excluding Expenses, as defined in the Exhibit B. IEHP 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, IEHP shall not be responsible for payment of any of HURON's expenses related to this Agreement."
- C. EXHIBIT A – SCOPE OF SERVICES is hereby deleted in its entirety and replaced with the attached EXHIBIT A – SCOPE OF SERVICES.

D. EXHIBIT B – PAYMENT PROVISIONS is hereby deleted in its entirety and placed with the attached EXHIBIT B – PAYMENT PROVISIONS.

E. Notwithstanding the date of execution, unless otherwise referenced, this Third Amendment shall be effective as of May 11, 2015.

F. All other terms and conditions of said Agreement are to remain in full force and effect.

The undersigned parties agree to the terms and conditions of the above Amendment as of the day and year first written above.

CONTRACTOR:

DocuSigned by:
Curt B. Whelan
By: BA5F3DB869D14EF
Curt B. Whelan, Managing Director -
Healthcare Sales

Date: 5/26/2015

INLAND EMPIRE HEALTH PLAN:

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

Date: 5/28/15

By: Bileen Zoen
Vice Chair, IEHP Governing Board

Date: 5/11/15

Attest: Annette M Taylor
Secretary, IEHP Governing Board

Date: 5/11/15

Approved as to Form and Content:

By: Steve J. Sohn
Steve J. Sohn
Staff Counsel
Inland Empire Health Plan

Date: 5-11-15

EXHIBIT A
SCOPE OF SERVICES

This Exhibit A outlines the scope and approach of the Services that Huron will perform for IEHP pursuant to the Professional Service Agreement (the "Agreement"). Any capitalized terms not expressly defined herein shall have the same meaning assigned to them in the Agreement.

Huron will provide strategic support services for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside County Regional Medical Center ("RCRMC"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project").

Project Scope

The Project scope includes strategic support services for IEHP as provided by Huron. The entities within the scope of the Project include the following, with some variation in the level of detail supported by each entity:

- Inland Empire Health Plan
- The County of Riverside
- The County of San Bernardino
- Riverside County Regional Medical Center
- Riverside County Ambulatory Clinics
- Department of Public Health Riverside
- Department of Public Health San Bernardino
- Loma Linda University ("LLU")
- Loma Linda University Medical Center
- Arrowhead Regional Medical Center
- Other area hospitals, Long Term Acute Care, Long Term Care/Skilled Nursing Facility, Home Health, Inpatient Rehabilitation Facility, clinics, related entities and insurance companies

Project Approach and Deliverables

The Project is comprised of two programs, Program One and Program Two, as detailed below.

Program One

During Program One, Huron will conduct the following activities over the course of approximately six months:

- o Develop clinically integrated network ("CIN") and conduct population health readiness assessments for the Counties (mainly in the areas of care coordination, physician/other provider education and adoption, IT enablement, connectivity and applied analytics, local entity workflows, system workflows and handoffs between the care continuum, including wellness) of the Counties (including LLUMC, RCRMC and ARMC), initially focused on the Medi-Cal patient population.
- o Identify key gaps in patient access and provide capabilities that need to be addressed in order to successfully develop a CIN for the Counties for patients, providers, payers, and physicians.

- Develop plans for the designation and coordination of service delivery between the Counties, including the appropriate care delivery of specialty services by LLUMC at the two County hospitals through the development and implementation of formal agreements (i.e. to avoid duplication of services, develop joint contracting and regional performance metrics).
- Develop implementation plans to enhance the delivery of population-based health care to the residents of the Counties (e.g., CIN assessment and initial development of key risk-stratified populations of patients, including those at low, medium and high risk).

Huron will provide IEHP with the following deliverables for Program One:

- A population health readiness assessment, including specific recommendations for implementation and a report with the following components:
 - IT Enablement and Applied Analytics
 - Local Workflows
 - System Workflows
 - Patient Wellness
- A CIN readiness assessment, including specific recommendations for implementation and a report with the following components:
 - Leadership & Governance
 - Provider Network
 - Care & Service Delivery
 - Information Technology
 - Finance
 - Contracting Capabilities
 - Clinical Performance
 - Legal Structure and Compliance
- A gap analysis report and an implementation plan which will be used as a foundation for creating a CIN for the Counties, RCRMC, LLUMC, and ARMC, with a focus on the Counties' population of managed Medi-Cal patients under IEHP.

For Program One, a population health executive steering committee (the "ESC") will be formed that will meet on a monthly basis. The ESC will include the leadership from IEHP, RCRMC, ARMC and LLUMC, and will include the chief executive officers of the Counties or their designees. Monthly progress reports will be provided for the ESC, the chief executive officers of the Counties, and each of the Counties' Board's representatives to the joint Riverside & San Bernardino Counties Strategic Planning Committee.

Program Two

During Program Two, Huron will conduct the following activities over the course of approximately twelve months:

- Assist the Assistant County Executive of the Health System for Riverside County and Riverside County Executive Leadership with strategy, priorities and selected projects related to the continued improvement of Riverside County's RCRMC and its affiliates by appropriately aligning the graduate medical education program, negotiating commercial payer insurance contracts, and developing program enhancement plans for key RCRMC clinical service lines.

During Program Two, Huron will provide IEHP with guidance and support in areas that affect RCRMC and its ambulatory clinics, and also have an impact on several of IEHP's priorities, such as improving its members' access, increasing quality of patient care, lowering costs, training doctors in its communities, and retaining healthcare dollars in the Inland Empire. These efforts will be focused in the following four areas:

1. Realigning RCRMC's graduate medical education ("GME") residency programs, including organizational structure redesign and reporting structure;
2. Designing and implementing payer mix and volume growth processes for RCRMC, including master fee schedule alignment and third party payer contract analysis and negotiation assistance for potential improvement opportunities;
3. Developing program enhancement plans for key clinical service lines recently developed by RCRMC (i.e., maternal and child health, neurology, cardiology, orthopedic surgery, gastroenterology, and vascular surgery); and
4. Providing leadership guidance to Riverside County leaders, including the Riverside Assistant County Executive Officer of the Health System.

For Program Two, Huron recommends a continuous engagement approach with scheduled monthly reports to the Riverside County Health Care Governance Committee ("HCGC"), which meets bi-monthly, in order to support and guide the new healthcare leadership during this transitional period.

Huron will provide IEHP with the following deliverables for Program Two:

- Development of GME programs, including the following:
 - Financial overview of funded/unfunded positions
 - Objective GME program needs by department
 - Residency training opportunities
 - Administrative and support staff
 - Program directorships
 - Reporting responsibilities within Riverside County and with partner institutions
- Development of Payer Strategy, including the following:
 - Comparative benchmarking analysis for strategic pricing for RCRMC against its peers for inpatient and outpatient services
 - Identify financial impact and revenue enhancement opportunities modeling for "what-if" analysis with potential adjustments to charges, volume, and payer mix
 - Negotiate select commercial managed care contracts
 - Modify CDM (Charge Description Master) to bring RCRMC CDM to appropriate levels
- Refinement and further development of Clinical Service Lines at RCRMC, including the following:
 - Current market analysis and growth opportunities
 - Expansion plans and capital growth needs
 - Staffing needs, physicians and non-clinicians
 - Clinical service line structure
 - Financial projections (revenue, costs, contribution margin)
 - Development timelines

Dr. Brad Gilbert, Chief Executive Officer for IEHP, will be the Executive Sponsor for the Project and have accountability for Program One. Jay Orr, Chief Executive Officer for Riverside County, will be the Executive Sponsor for Riverside County and will have accountability for Program Two. Greg Devereaux, Chief Administrative Officer for San Bernardino County, will be the Executive Sponsor for San Bernardino County for Program One. Other leaders including William Foley, the Chief Executive Officer for

Arrowhead, Dr. John Heydt, the Assistant Executive Officer for Riverside County Health System, and Dr. Richard Hart, the President for Loma Linda University, will serve as supporting Executive Sponsors. These individuals will be responsible for the Project and will have the organizational authority to assemble and guide the necessary resources to support a successful Project. Huron will work collaboratively with John Adenschein, a consultant retained by ARMC (San Bernardino County) and LLUMC to confirm that this work is accomplished in an efficient manner.

Huron will work with IEHP to establish the logistics of the Project, including designated workspace, arranging for identification badges, parking, building access, etc. Huron will work with Executive Sponsors to identify specific strategies requiring assistance, support, analysis and designated individuals to be responsible for these strategies within each organization to help facilitate approval and implementation assistance. Finally, Huron will work with IEHP to develop a communication plan to inform key internal and external stakeholders involved in the Project.

Huron will not audit any financial statements or perform attest procedures with respect to information in conjunction with this engagement. Huron’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.

Project Timing

Huron anticipates twelve months will be required to complete the Project as logistics and availability of executive personnel dictate. A large portion of the work can be completed offsite, such as the analysis of data. Huron will plan to be on site based on meeting schedules, depending upon the finalized scope, to conduct interviews, complete observations, and review data. Huron will be onsite again at the conclusion of the Project to present the final report to IEHP leadership teams.

The timeline and activities for the Project are detailed in the table below:

| Areas of Strategic Focus | Project/Month | | | | | | | | | | | |
|--|---------------|---|---|---|---|---|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| PROGRAM 1 | | | | | | | | | | | | |
| Population Health Readiness | | | | | | | | | | | | |
| Clinically Integrated Network Assessment | | | | | | | | | | | | |
| PROGRAM 2 | | | | | | | | | | | | |
| Develop Program Enhancement Plans for Key Clinical Service Lines | | | | | | | | | | | | |
| Provide Commercial Payer Contracting Support | | | | | | | | | | | | |
| Realign Graduate Medical Education (GME) Residency Program and Staff | | | | | | | | | | | | |
| Leadership Guidance to County of Riverside Health System Executive | | | | | | | | | | | | |

Other

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 Huron, 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. Huron will provide the names and contact information of such individuals upon request by IEHP. For IEHP, the first point of such contact will be the

Director of Health Administration, the second point of contact will be the Chief Medical Officer, the third point of contact will be the Chief of Medical Operations, and the fourth point of contact will be the Chief 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 at 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 at 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 at 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.

Assessment of the potential extension of Epic to RCRMC and ARMC

Project Scope, Approach and Deliverables

Huron will conduct an assessment for IEHP with the objective of exploring the option of LLUH extending Epic to RCRMC and ARMC via Epic Community Connect including consideration for technical, operational, financial, and cultural components (the "Assessment").

Huron will provide the following activities in collaboration with IEHP:

- Identify functional application gaps not fulfilled by LLUH.
- Assist in the development of a high level budget including an analysis comparing LLUH's Epic Community Connect option compared to each systems current information technology strategy and costs (Epic compared to Siemens Sorian and Meditech).
- Assist in the establishment of an IT governance framework for a unified IT strategy across all three entities and IEHP.
- Develop a preliminary implementation timeline with risks and key dependency considerations which can be used as a basis for creating an implementation plan.
- Identify resource gaps which must be mitigated before implementation and to support ongoing provision of care and operation of hospitals and clinics for both legacy and new applications.

The deliverables for the Assessment will include the following:

- Articulation of the feasibility and implementation considerations of LLUH extending Epic EHR to RCRMC and ARMC

Project Timing

Huron anticipates the Assessment will take approximately eight to ten (8-10) weeks to complete from the last signature date of the Amendment as set forth below (the "Start Date"). Huron's ability to complete the Assessment is dependent upon the organizations providing key data points and information.

Consulting Support Services

Huron will provide consulting support services (“Additional Services”) for IEHP, and by extension, the Counties of Riverside and San Bernardino (the “Counties”) related to the creation of NewCo, a company to be formed by ~~IEHP~~ for the purposes of integrating and coordinating the delivery of care to residents of California’s Inland Empire network, including the Counties, Riverside University Health System (“RUHS”), Arrowhead Regional Medical Center (“ARMC”), and Loma Linda University Medical Center (“LLUMC”) (the “Project”).

Project Scope, Approach, and Deliverables

The Project scope includes consulting services for IEHP as provided by Huron and its subcontractors. The entities within the scope of the Project include the following (collectively, the “Medical Centers,” and individually, each a “Medical Center”):

- Riverside University Health System
- Loma Linda University Medical Center
- Arrowhead Regional Medical Center

The Project approach includes the following activities:

- Assist in developing, structuring and implementing NewCo as a clinically integrated network initially involving the Medical Centers and IEHP; and
- Assisting NewCo in creating relationships with other network participants, negotiating agreements with IEHP and potential other third party payors and addressing other administrative and operational matters.

Huron will provide IEHP with the following deliverables for the Project:

- An ownership model for the NewCo clinically integrated network (“CIN”)
- A Membership/Operating Agreement for NewCo
- An organizational structure model for NewCo
- Recommendations for NewCo’s initial “start-up”
- Recommendations for additional participants in NewCo’s programs and services

Huron will use Polsinelli law firm as a subcontractor for this engagement.

Huron will not audit any financial statements or perform attest procedures with respect to information in conjunction with this engagement. Huron’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.

Project Timing

Huron anticipates this engagement will take approximately eight (8) weeks to complete from the last signature date of the Amendment as set forth below (the “Start Date”). Huron’s ability to complete this engagement is dependent upon the organizations providing key data points and information.

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.

Huron's fees for the Project consist of Fixed Fees.

Fixed Fees

Based on the scope, approach, deliverables, schedule, and staffing assumptions discussed in the Exhibit A, the Fixed Fees for the Project are \$965,000 for Program One, \$600,760 plus a \$32,000 data acquisition fee for Program Two, and \$195,000 for the Assessment, collectively totaling \$1,792,760, to be billed in monthly payments according to the tables below:

Program One - Payment Schedule

| Payment No. | Due Date | Amount |
|--------------------|-------------------------------|------------------|
| 1 | October 15, 2014 | \$160,833 |
| 2 | November 15, 2014 | \$160,833 |
| 3 | December 15, 2014 | \$160,833 |
| 4 | January 15, 2015 | \$160,833 |
| 5 | February 15, 2015 | \$160,833 |
| 6 | Upon Delivery of Final Report | \$160,835 |
| | Total | \$965,000 |

Program Two - Payment Schedule

| Payment No. | Due Date | Amount |
|--------------------|---|---------------|
| 1 | October 15, 2014 | \$83,460 |
| 2 | <i>Data Acquisition Fee -</i> October 15, 2014 | \$32,000 |
| 3 | November 15, 2014 | \$83,460 |
| 4 | December 15, 2014 | \$83,460 |
| 5 | January 15, 2015 | \$83,460 |
| 6 | February 15, 2015 | \$83,460 |
| 7 | March 15, 2015 | \$83,460 |
| 8 | April 15, 2015 | \$16,667 |
| 9 | May 15, 2015 | \$16,667 |
| 10 | June 15, 2015 | \$16,667 |
| 11 | July 15, 2015 | \$16,667 |

| | | |
|----|--------------------|------------------|
| 12 | August 15, 2015 | \$16,667 |
| 13 | September 15, 2015 | \$16,665 |
| | Total | \$632,760 |

Assessment - Payment Schedule

| Payment No. | Due Date | Amount |
|-------------|----------------|------------------|
| 1 | March 15, 2014 | \$65,000 |
| 2 | April 15, 2014 | \$65,000 |
| 3 | May 15, 2014 | \$65,000 |
| | Total | \$195,000 |

Huron's hourly rates are as follows:

| Position | Hourly Rate |
|-----------------------------------|-------------|
| Managing Director/Senior Director | \$630 |
| Director/Manager | \$430 |
| Associate/Analyst | \$220 |

Consulting Support - Additional Services

The Fixed Fees for the Project are \$50,000 to be billed upon project completion.

Out of Pocket Expenses

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

Fees/Expenses Billing and Payment

The Fixed Fees will be invoiced upon completion of the Project. Huron will bill monthly for Expenses in the month following the month in which they are incurred. All fees and Expenses paid by IEHP are non-refundable, except as expressly provided for otherwise in Section 23.3 of the Professional Service Agreement. IEHP 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, IEHP shall pay Huron: (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); and (c) reimbursement of all Expenses it incurred through the Termination Date, including non-refundable payments and deposits.

In the event Huron terminates for cause or due to Change of Status, or the IEHP terminates without cause, IEHP shall also pay Huron 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 IEHP and Huron, a suspension of Project activity is warranted due to a serious Project issue or other situation, IEHP or Huron may suspend the Project activity for a period of up to two weeks upon written notice to the other party, during which period Huron will be temporarily relieved of its Project obligations (a "Suspension"). No Fixed Fees will be earned by Huron 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 Huron during the extended term. Any incremental actual out-of-pocket expenses incurred by the Huron 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

IEHP 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 IEHP shall reimburse Huron hereunder shall include the income gross-ups required to ensure tax neutrality of Huron personnel. Huron shall use reasonable efforts to limit such Expenses, such as effecting Project roll-offs where practical, providing IEHP with reasonable advance notice of any personnel who will become subject to compensatory Expenses, and providing IEHP 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.

IEHP will be responsible for and pay all applicable sales, use, excise, value added, services, consumption and other taxes and duties associated with Huron's performance of Services or IEHP's receipt of Huron's Services or products, excluding taxes on Huron's income generally.

In the event IEHP fails to timely meet its payment obligations hereunder or as modified by an amendment, Huron 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.

VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

A. ADMINISTRATION

17. Approval of the Fourth Amendment to the Professional Services Agreement (PSA) with Huron Consulting Group for consulting services supporting a new Electronic Medical Record at the two County health systems and implementation of changes necessary at the two County health plan systems and Loma Linda to provide high quality population health care.

a. Recommended Action

That the Inland Empire Health Plan (IEHP) Governing Board authorize the Chief Executive Officer or his designee to negotiate and sign, after legal review and approval, a Fourth Amendment to the existing PSA with Huron Consulting Group for consulting services for Loma Linda, the two county health systems and IEHP over two years at the total cost of \$20 million with a financial impact to IEHP of \$5 million over two years.

b. Contact

Brad Gilbert, M.D., Chief Executive Officer

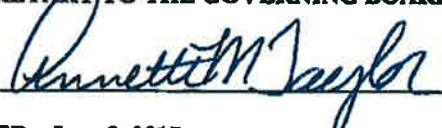
c. Background

As previously presented to the Governing Board, the growth in Medi-Cal enrollment for our two county region and IEHP has been significantly greater than projected. IEHP has reached 1.1 million members.

Organizing and enhancing the health care delivery system is critical to meet the "triple aim" of improved population health, positive experience of care and cost efficient care.

As I presented at the historic Riverside and San Bernardino joint Board of Supervisors meeting on September 16th, the following initiatives are key:

- Enhancing the delivery systems – primary care, specialty care, acute inpatient, post-discharge care, etc. – at both county hospitals

| Minute Order of the Inland Empire Health Plan Governing Board | |
|--|---|
| <p>On motion of Member Hagman, seconded by Member Williams and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.</p> <p>Ayes: Anderson, Ashley, Gonzales, Hagman, Williams Nays: 0 Absent: Tavaglione, Zorn Recused: 0 Vacancies: 0 Date: June 8, 2105</p> <p>Prev. Agn. Ref: 12-241, 15-30, 15-52, 15-108</p> | <p>ANNETTE M. TAYLOR SECRETARY TO THE GOVERNING BOARD</p> <p>BY: </p> <p>DATED: June 8, 2015</p> <p>Agenda Number: 17. (Policy) Ref. No. 15-135</p> |



- Strengthening the relationships between both county hospitals and Loma Linda to facilitate organized, seamless specialty care for members served by these entities
- Facilitating the transfer of clinical and service information between medical care, behavioral health care and social services between providers of service and IEHP
- Continuing to grow and improve our positive relationships with our private physicians, private hospitals and other private providers to ensure access across our geography and membership.
- Increase the number of primary care and specialist physicians in the Inland Empire

d. Discussion

The high quality delivery of population health care and the implementation of a common Electronic Medical Record between Loma Linda and the two county health systems is critical for improving the access, quality of care and member satisfaction for the IEHP members cared for within these three health care systems. Those three entities care for approximately 20% of the IEHP membership so they represent a significant amount of care for our members.

Huron Consulting Group has been involved with all four entities (including IEHP) for over a year including the production of a comprehensive population health assessment capability review for the three providers. This assessment has laid the groundwork for the creation of a CIN, the delivery of high quality population health care, and has led both county health systems to move towards a common electronic medical record.

Given the work Huron has already performed, it is critical that we retain them for implementation support for the common EHR, and to drive the changes necessary in all three health systems to deliver population health that provides timely access, high quality and high member satisfaction. The scope of work for this project is included in the amendment. This is an extensive project involving substantial resources from Huron interacting extensively with the three entities regarding implementation of the EHR, major practice transformation, population health management and redesigning of workflows and increased use of data analysis. The amendment includes the ability to suspend or terminate the project as needed if milestones are not met. This effort will be closely coordinated with the Behavioral Health Integration project described previously. IEHP staff will be responsible for ensuring that coordination occurs at the consultant level as well as the clinical level for both of these major projects.

All four entities have agreed to use Huron and we will be sharing in the cost on an equal basis through agreements between IEHP, Loma Linda and the Counties. IEHP will manage the contract and "bill" the other three entities for their share of

VII. POLICY AGENDA AND STATUS REPORT ON AGENCY OPERATIONS

the costs. Our financial exposure is therefore \$2.5 million per year over the two year agreement.

We are excited about the potential to significantly improve the care delivered to our members through these efforts.

e. Fiscal Impact

Contract cost is \$10 million per year paid by IEHP with \$7.5 million per year provided by the other three entities, resulting in an annual cost to IEHP of \$2.5 million.

N/A (For Board items which do not have any budgetary impact)

Included in FY 15/16 Budget

New Expenditure, Not Budgeted

Revenue, Not Budgeted

f. Attachments

None

g. Reviewed by Counsel

Pending

**FOURTH AMENDMENT
TO THE PROFESSIONAL SERVICES AGREEMENT
BETWEEN
INLAND EMPIRE HEALTH PLAN ("IEHP")
AND
HURON CONSULTING SERVICES LLC D/B/A HURON HEALTHCARE ("Huron")**

Recitals

1. Huron and IEHP are parties to the Professional Services Agreement dated October 15, 2014, as amended (the "PSA"), its Exhibit A: Scope of Services which outlines the scope and approach of Huron's services (the "Exhibit A"), and its Exhibit B: Payment Provisions which outlines fees and expenses (the "Exhibit B") for the strategic services (the "Services") provided by Huron for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, the Counties, Riverside University Health System, also known as Riverside County Regional Medical Center, an agency of the County of Riverside (on behalf of itself and its affiliates, "RUHS"), Arrowhead Regional Medical Center ("ARMC"), and Loma Linda University Medical Center ("LLUMC") (the "Project"); and
2. IEHP has been serving as the fiscal agent for the Project on behalf of all involved parties, which include the Counties and LLUMC, from the commencement of the PSA. IEHP shall continue to serve in this capacity for purposes of the Fourth Amendment; and
3. IEHP, the Counties, and LLUMC reaffirm the goal of total population health in the Inland Empire through continued support of the relevant implementations, which serve to further this goal, as outlined in this amendment.

NOW THEREFORE, the parties agree as follows:

- A. Paragraph 4.1 of Section 4, COMPENSATION, is hereby deleted in its entirety and replaced with the following:

"IEHP, as fiscal agent on behalf of IEHP, the Counties, and LLUMC, shall pay HURON for Services performed and products provided by HURON, and expenses incurred, in accordance with the terms of Exhibit B, Payment Provisions. The fixed fee for the Project that IEHP shall pay to HURON under this Agreement is Twenty Million Dollars (\$20,000,000) excluding Expenses, as defined in the Exhibit B. IEHP 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.
- B. EXHIBIT A – SCOPE OF SERVICES is hereby amended to include additional consulting services to further the goal of total population health through additional support to the development and implementation of a Clinically Integrated Network (to be defined by the parties through the completion of the engagement scope detailed below), uniform electronic health record, and population health management strategic capabilities detailed in the attached EXHIBIT A – SCOPE OF SERVICES, which shall be appended to the existing EXHIBIT A.
- C. EXHIBIT B – PAYMENT PROVISIONS is hereby amended to include fees for the additional services as detailed in the attached EXHIBIT B – PAYMENT PROVISIONS, which shall be appended to the existing EXHIBIT B.

- D. Notwithstanding the date of execution, unless otherwise referenced, this Fourth Amendment shall be effective as of May 1, 2015.**
- E. All other terms and conditions of said Agreement are to remain in full force and effect.**

(THE BALANCE OF THIS PAGE IS LEFT INTENTIONALLY BLANK)

The undersigned parties agree to the terms and conditions of the above Amendment as of the day and year first written above.

CONTRACTOR:

By: 
Curt B. Whelan, Managing Director -
Healthcare Sales

Date: 6/17/2015

INLAND EMPIRE HEALTH PLAN:

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

Date: 6/17/15

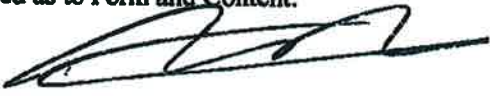

By: Chair, IEHP Governing Board

Date: 6/17/15

Attest: 
Secretary, IEHP Governing Board

Date: 6/17/15

Approved as to Form and Content:

By: 
Steve J. Sohn
Staff Counsel
Inland Empire Health Plan

Date: 6-17-15

EXHIBIT A

SCOPE OF SERVICES

This Exhibit A outlines the scope and approach of the additional Services that Huron will perform for IEHP pursuant to the Professional Service Agreement (the "Agreement"). Any capitalized terms not expressly defined herein shall have the same meaning assigned to them in the Agreement.

Huron will provide services to support the goal of total population health by development and implementation of a Clinically Integrated Network ("CIN") and population health strategic capabilities for IEHP, and by extension, the Counties of Riverside and San Bernardino (the "Counties") for certain programs as they relate to IEHP, Riverside University Health System, Arrowhead Regional Medical Center, and Loma Linda University Health to improve access, quality, efficiency, and cost-effectiveness for the residents of Riverside and San Bernardino communities (the "Implementation Project").

Huron will not be auditing any financial statements or performing attest procedures with respect to information in conjunction with this engagement. Huron'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.

Huron's services shall not include, and IEHP shall not request, any service which may be considered the practice of medicine or the practice of nursing under any applicable laws or regulations, or the provision of direct or indirect patient care by any Huron personnel. To the extent applicable for the performance of Huron's services, IEHP and the delivery system participants shall provide to Huron medically appropriate standards which may be referenced in any clinical process recommendations Huron makes or develops.

IEHP and the delivery system participants shall be responsible for reviewing and approving recommended changes to work processes, tools, and techniques prior to implementation.

Potential and/or Actual Conflicts of Interests

The parties recognize that an actual or potential conflict of interest may arise with respect to specified deliverables for the Implementation Project; particularly as it relates to IEHP and potential non-participating entities of the CIN, during the formation of the CIN and once the CIN is actually formed as a separate legal entity. The parties agree to work together to identify and protect IEHP and non-participating entities from such conflicts as they arise by using commercially reasonable efforts to keep all such information that constitutes the actual or potential conflict confidential from IEHP and the non-participating entities. For the Implementation Project deliverables relating to the CIN, IEHP will not participate in the event there is a conflict of interest, potential conflict of interest, or discussion of otherwise confidential or proprietary CIN information.

Planning Project Scope

The Planning Project scope includes services to support identification by each entity of the resources, organizational design, and leadership responsibilities required to implement the Implementation Project and support the Implementation Project. The parties will work together to create a detailed operational plan to support the broad plan and recommendations accepted from Huron's Regional Strategic Planning Final Report.

Implementation Project Scope

The Implementation Project scope includes services to support development and implementation of a CIN and population health management strategic capabilities for IEHP and each delivery-system-entity as provided by Huron.

The entities within the scope of the Implementation Project include the following, with some variation in the level of detail supported by each entity (the "Partner Institutions"), and only as they relate to the achievement of specific population health objectives:

- Inland Empire Health Plan
- The County of Riverside
 - Riverside University Medical Center
 - Riverside University Ambulatory Care Department
 - Riverside University Department of Behavioral Health
 - Riverside University Department of Public Health
 - Riverside County Information Technology
- The County of San Bernardino
 - Arrowhead Regional Medical Center
 - San Bernardino County Department of Public Health
 - San Bernardino County Department of Behavioral Health
 - San Bernardino County Information Technology
- Loma Linda University Health ("LLUH")
 - Loma Linda University Medical Center ("LLUMC")
 - Loma Linda Children's Hospital
 - Loma Linda University Heart and Surgical Hospital
 - Loma Linda University Medical Center East Campus Hospital
 - Certain designated LLUH clinics as determined during the Design Phase

Implementation Project Approach and Deliverables

Huron will support the development of a CIN and population health management processes as detailed below. In the event that an actual or potential conflict of interest exists with respect to IEHP's involvement in this aspect of the Scope of Work of the Agreement, IEHP will not participate in the below-outlined tasks, activities or goals. The approach, activities, and deliverables for the Implementation Project are as follows:

I. Leadership and Governance

The focus of the Leadership and Governance initiative is to create an institutional structure for strong leadership and successful management of the CIN.

Huron's work in this initiative will include the following in collaboration with the Partner Institutions:

- Provide advisory services to establish an ownership governance structure and define governance rules
 - Define the roles and responsibilities of the CIN governing board

- Develop roles and responsibilities for Governing Board members and CIN staff which may include a CIN Executive Officer, Finance Officer, IT Project Management Officer, PI Clinical Officer, and support staff to lead the CIN
 - Define, discuss, and seek agreement on strategic goals and success metrics for the CIN
 - Validate procedures for review of individual partners and group performance
 - Assist in the definition and development of a CIN Patient Management Governance structure to support the creation of CIN Centralized Patient Management
 - Develop and recommend appointment of CIN committees which may include: Finance/Payor Contracting, IT, Clinical Delivery Network, and others to be determined
 - Develop Service Level Agreements (“SLAs”) between the CIN support areas and the CIN participants
- Schedule monthly CIN Board and Committee meetings and provide guidance (as needed) in achieving the CIN’s goal and priorities for its first two years

II. Provider Network

The focus of the Provider Network initiative is to enable alignment of clinical resources to the needs of the communities and each Partner Institution.

Huron’s work in this initiative will include the following in collaboration with CIN participants:

- Develop and define requirements for physician participation in the CIN regarding membership criteria development and identification of who is to be included in the initial CIN
- Determine network expansion and priorities, based upon population projections and the continually changing dynamic of how care will be provided in the future
- Assess current utilization patterns and physicians alignment to understand provider preferences and disruption potential
- Identify any potential high alignment providers that are providing care outside of the Partner Institutions
- Assess network solutions to address the sizeable out of area populations (i.e., rental/wrap network required to serve these populations)
- Develop a communications plan including physician messaging and materials for potential participants

III. Care and Service Delivery (Clinical Transformation)

The focus of the Care and Service Delivery initiative is to enable patients to receive the right care at the right time in the right place.

Huron has worked with RUHS and is currently working with LLUH on a number of performance improvement initiatives in the inpatient and clinic settings. For example, Huron worked with RUHS to improve inpatient throughput and care coordination, to remodel inpatient case management processes to support appropriate level of care and resource utilization, and to develop key metrics to monitor performance of the operational improvements.

To continue to support the performance improvement changes, Huron proposes addressing additional care and service delivery components concurrently with the electronic health record (“EHR”) conversion. These additional components may document previous and in-process clinical operations improvements in the new EHR system and provide supporting IT infrastructure for clinical integration and population health across IEHP and the Partner Institutions.

Huron’s work in this initiative will include the following in collaboration with the Partner Institutions:

- EHR Conversion Change Control and Retraining for Existing Inpatient Processes (for Partner Institutions that have completed Huron performance improvement work) which may include:

- Design the Care Progression Milestone Report in the new EHR system for integration into existing interdisciplinary rounds
- Convert existing inpatient Case Management tools to the new EHR platform and/or consider new EHR case management tools in maintaining process improvement workflow considerations
- Reinforce patient placement/capacity management protocols using bed management tools in the new EHR
- Re-educate inpatient care teams on aforementioned tool changes resulting from the EHR conversion
- **Patient Management – Scheduling, Referrals, and Authorization Procurement**
 - Partner with engagement sponsors and senior leadership to define key stakeholders to participate in the patient management solution design workgroup
 - Establish a collaborative design process to review current state workflows, define required changes, and simplify end user activities to support a patient-centered workflow
 - This activity will include primary care access, specialty and hospital department scheduling, referral management, and authorization procurement
 - Define staffing requirements for the CIN patient management team, including scheduling, referral management, and authorization procurement
 - Work with stakeholders to define required training materials to support core patient management staff with the necessary level of training
 - Review key variables associated with readiness for change across patient management departments; once completed, Huron will work with leadership to review these findings and define appropriate timelines/next steps for consolidation efforts
 - Work with leadership to develop implementation planning materials so that all required activities to roll-out the patient management solution are documented, which may include variables to support the integration of existing patient management personnel and the unique requirements for smooth transition of these employees into the new patient management solution
 - Solution Implementation Efforts – The items below will be the continuation of efforts started during solution design:
 - Work collaboratively with CIN leadership or the Project Executive Steering Committee to finalize specific department/specialty service areas to be included in Phase One of the Implementation Project; these efforts will align with the detailed scope outlined in the Phase One Timeline table found in the Implementation Project Schedule section below
 - Work with the CIN leadership team or the Project Executive Steering Committee to begin or continue to improve technologies (e.g., EHR functionality, automatic call distribution system, templates, scheduling workflows, etc.) without disrupting EHR projected timelines
 - Work with CIN patient management leadership or the Project Executive Steering Committee to support staff and management training using the material identified during design to drive effective staff onboarding, accountability, and workflow and technology understanding
 - Partner with CIN senior leadership or the Project Executive Steering Committee to define the necessary leadership positions that will be responsible for driving the accountability required to support a CIN patient management solution
 - Initiate Accountability Model for Patient Management Solution

- Provide reporting tools to be used to drive accountability across work functions to support transparency in patient management performance; this component will include definition of leading practice metric goals, metric calculations, and required data sources from information technology systems enabled by Huron's reporting tool
 - Huron's reporting tool is provided for use by the Partner Institutions subject to the terms of a Subscription Agreement
 - Work with Partner Institutions to develop expectations defined in Service Level Agreements to establish clear performance expectations for patient management functions
 - Implement a standing reporting meeting used to drive accountability for the patient management operation
 - Facilitate issue tracking and problem resolution to assist with improving operations and formulating tactics for removing barriers to enable improved patient management operations
- **Care Coordination**
 - Assess and refine primary care team roles and team structure to support the care coordination processes below (includes leveraging mid-level providers, consideration of inclusion of behavioral health providers, and consideration of the roles of community providers)
 - Provide recommendations and implementation support for approved components for medication management (e.g., electronic prescribing, medication reconciliation with every care transition, medication education (the standardized EHR supports these activities))
 - Provide notification of patients who have been seen in the emergency department ("ED") or hospitalized (the standardized EHR supports this activity) to the appropriate care teams
 - Design and implement daily patient huddles in the clinics designated during the Design Phase, attended by the care team with discussion focused on proactively coordinating care for patients coming in for appointments (e.g., determine teaching needs, ensure discharge summary is available for recently discharged patients), or those seen in the ED or hospitalized
 - Design and implement test tracking and follow-up (e.g., track tests until results are available and overdue, or abnormal results are flagged and sent to a work queue) assuming the standardized EHR supports this activity
 - Design and implement care transition management (e.g., timely sharing of information with care teams in other settings, identification of patients at high risk for poor transitions and proactive outreach)
 - Implement the EHR functionality for patient portal access to support patient/family engagement and self-management, aligned with the "guiding principles" that will be developed in the shared IT governance, including a single instance of MyChart for all three CIN delivery-system entities as part of the standardized EHR roll-out
 - **Complex Care Management**
 - Align Complex Care Management program, where appropriate, with the Health Homes for Patients with Complex Needs Program ("HHP"), implement criteria for complex case identification (e.g., multiple ED visits, multiple chronic diseases plus socioeconomic factors, one chronic disease and at risk for another, serious and persistent mental illness, prolonged hospitalization) and consider components for implementation of identification and routing of cases to a work queue in the EHR

- Design and make recommendations for implementation for the EHR functionality used to assess patients' needs, including clinical, psychosocial, and socioeconomic needs, and treatment barriers, including the potential to pull in all information that has been previously collected about the patient/family
- Design and make recommendations for implementation of the EHR functionality to create a single care plan for complex patients that can be accessed by caregivers across all settings and by the patient, including goals and interventions to achieve the goals and address treatment barriers, and assignment of responsibilities for completing interventions and tracking of completion status
- Redesign or align/reconcile any existing roles that are similar to a care manager role; provide tools and training to support this role in coordinating care for patients/families requiring complex care management; consider the value of having care managers embedded in medical home teams and the need for system care managers to manage care for patients who may not be part of a medical home
- Recommend reporting structure and caseloads for roles involved in care management, including determining reporting structure for medical-home-based, delivery-system-based, and IEHP-based care managers, as applicable
- Design and make recommendations for implementation in the foundational CIN EHR to provide data to support tracking of the decrease in cost for complex care to align with the projected 18-month timeframe, as proposed in the HHP goals, without disrupting the EHR implementation projected timelines
- Behavioral Health Integration
 - Assess behavioral health services in the delivery systems with alignment to IEHP's integration assessment and pilot initiatives; the assessment will include alignment to the findings of population segmentation, Community Health Home criteria, selected provider locations, access provider readiness, and pilot recommendations
 - Design and implement behavioral health infrastructure for implementation of care coordination and communication processes to coordinate and promote integration of behavioral and physical health for a more seamless care experience beyond co-location with consideration of assessment findings, as described above
 - Based on the infrastructure and design, align health system roles and IEHP proposed Multi-Disciplinary Health Home Team roles, integrate behavioral health specialists with the primary care team to achieve team-based care; consider cross-training across care team members so patients with lower-acuity behavioral health needs can have these needs addressed by the same caregiver providing their physical care; consider potential role of community providers such as peer support specialists
 - Design and make implementation recommendations for EHR functionality to achieve an integrated patient record, incorporating behavioral and physical healthcare information

These activities, conducted in conjunction with the EHR design and implementation, will lay the foundation for more advanced medical home organizational structure and processes.

Key metrics targeted for impact by this initiative may include:

- ED visits per 1,000 members
- Hospitalizations per 1,000 members
- Hospital days per 1,000 members
- 30-day readmission rate
- Provider and care team satisfaction

- Patient/family satisfaction, especially with access to care and provider/clinician communication
- Appointment utilization:
 - “Fail” rate (e.g., cancellations, no-shows)
 - Slot utilization rate
 - Appointment scheduling lag
- Referral management:
 - Referral conversion rate
 - Referral turnaround time and referral work in process

IV. Clinical Performance (Clinical Transformation)

The focus of the Clinical Performance initiative is to improve clinical outcomes by effectively operationalizing evidence-based chronic disease care models, including establishing a clinical performance management process and integrated dashboards with both process and outcome metrics.

Huron’s work in this initiative will include the following activities in collaboration with the Partner Institutions:

- **Chronic Disease Management**

The Partner Institutions will work together to develop and implement an evidence-based system-wide standard of care for diabetes and heart failure across settings and delivery systems. It is essential to begin development of a standard operational framework using a limited number of diseases (the framework may be applied to other targeted diseases during the next phase (“Implementation Phase Two” or “Phase Two”)).

 - Gather and review existing disease management program components used by Partner Institutions and established community programs, such as care standards, operational tools (e.g., any care maps), patient education materials, communication tools, etc.
 - Establish initiative teams for each targeted disease, including primary care providers (“PCPs”), specialists (e.g., endocrinologists, nurses, patient educators), and other relevant roles
 - Customize and adopt the Huron evidence-based disease program template for the Partner Institutions, as follows:
 - Criteria for inclusion in the population, hospitalization, and escalation/follow-up
 - Severity classification system
 - Care map with interventions by severity level (medications, frequency of visits, guidelines related to which severity levels should be followed by the endocrinologists versus PCPs, self-care interventions, etc.)
 - Self-care tools and education, including community-based resources
 - Obtain approval of the program from the appropriate CIN committee or the Project Executive Steering Committee
 - Redesign clinical processes in the related specialty clinics (e.g., endocrinology clinic) with a focus on referral management, coordination of care, and communication between the specialty and primary care teams
 - Redesign roles and teams in the specialty clinics as needed and determine any impacts or training for the roles/teams in the primary care clinics
 - Design and consider potential implementation of tools and modifications to the EHR to operationalize the program (e.g., track patients in a disease registry, automate severity classification determination, automate escalation criteria and develop worklists for patients who require follow-up)
- **Clinical Performance Management/Analytics**
 - Integrate performance-based metrics/standards into a comprehensive, standardized performance dashboard of key metrics and associated goals; deploy across the Partner Institutions

- Evaluate existing physician performance reports and enhance, as needed, based on CIN objectives and/or Project objectives
- Establish forums (e.g., periodic meetings) with key stakeholders, including clinicians, to share performance data and problem solve about how to address root causes of variance from targets/goals, considering current forum structures within the Partner Institutions

These activities conducted in conjunction with the EHR design and implementation will lay the foundation for more advanced medical home organizational structure and processes.

Key metrics targeted for impact by this initiative may include:

- ED visits per 1,000 members for diabetes and heart failure populations
- Hospitalizations per 1,000 members for diabetes and heart failure populations
- Hospital days per 1,000 members for diabetes and heart failure populations
- Outcome metrics for diabetes and heart failure populations
- HEDIS performance measures for diabetes and heart failure

V. Information Technology ("IT")

To enable the realization of value from the CIN, RUHS and ARMC will implement a new electronic medical record system ("Epic") provisioned by the CIN and/or LLUH. Based on Huron's assessment, Huron has identified gaps and opportunities to establish operational processes within IT that will support the Epic implementation and establish internal budget controls, IT governance, and IT strategy plans which will be the focus of the implementation activities detailed below.

Huron's work in the IT initiative will include the following in collaboration with the Partner Institutions:

- Provide project management support for the implementation of Epic
 - Coordinate with CIN and/or LLUH project management office to develop Project controls (e.g. reporting requirements, maintain and manage daily tasks for the Epic implementation), which will include coordination of design and implementation responsibilities with the CIN, RUHS and ARMC contributions to configure the CIN-provisioned Epic applications, and coordinate user acceptance testing ("UAT"), training and implementation/go-live activities
 - Identify tasks and milestones to prepare the hospital and clinic infrastructure implementation and coordinate implementation of new workflows necessary for Epic implementation
 - Coordinate the design, implementation, and operations of a shared IT governance model for the Epic implementation and preparation for post go-live/operational operations
 - Develop and manage the communication plan in coordination with the CIN leadership or the Project Executive Steering Committee
 - Coordinate Epic design and implementation activities with care coordination and patient management activities such that Project tasks and milestones align
- Provide advisory operational support for revenue cycle applications
 - Work with the revenue cycle director at RUHS, and provide knowledge and guidance for continuity of revenue cycle processes from pre-implementation to post Epic implementation.
- Provide advisory operational and implementation support for clinical EHR applications
 - Support the preparation for the implementation of new workflows in the RUHS and ARMC clinics that will lay the foundation for care coordination across the continuum of healthcare delivery as outlined in the *Care and Service Delivery* and *Clinical Performance* sections above
- Develop IT department process improvement
 - Establish and manage Epic project budget and budget control process for RUHS and ARMC

- o Develop an application portfolio management process for RUHS and ARMC for future state Epic implementation
- o Design, implement, and support health system shared IT governance structure, process, and management systems for RUHS and ARMC that complements the Epic technology and business process shared governance to preserve an Epic Foundation design

VI. Contracting Capabilities

The focus of the Contracting Capabilities initiative is to develop effective contracting approaches for the Partner Institutions.

Huron's work in this initiative will include advising on the following in collaboration with the CIN leadership:

- Develop plan designs that promote consumer and physician behaviors necessary under a CIN (e.g., incentivize healthy patient behaviors and standardized clinical practice and quality outcomes)
- Recommend selective investment in products (e.g., Medicare Advantage, bundle payments, other innovative and/or risk products) that the market will pay a premium for
- Define the "pricing strategy" for the CIN
- Assess and prioritize bundled payment pilot initiative
- Identify potential self-funded employers to participate in the CIN
- Explore new CIN products with selected carriers to understand what plan design elements can be successfully incorporated into a CIN offering

VII. Legal Structure and Compliance

The focus of the Legal Structure and Compliance initiative is to establish a legally compliant institutional structure.

Huron's work in this initiative will include the following in collaboration with Partner Institutions:

- Work with CIN legal counsel to formalize the legal structure with a focus on the following:
 - o Develop configurations within the entity allowing for the Partner Institutions to have ownership, control, physician engagement, and the ability to develop alternative relationships down the road if/when the CIN seeks to expand
 - o Adopt an objective application and selection process, based on quality, for providers to become participants in the CIN
- Develop guidelines for physician/other provider participation agreements

Due to the nature of the CIN, it is recognized by Huron and the Partner Institutions that IEHP may not be able to participate in the CIN. As such, Huron and the Partner Institutions recognize that an actual or potential conflict of interest may likely exist with respect to IEHP's involvement in the development of the legal structure and compliance of the CIN entity.

Implementation Project Schedule

Based on the gaps identified during the assessment, Huron has developed a 5-year timeline detailed in the Attachment 1, as attached, for Implementation Project initiatives to be completed by the Partner Institutions in collaboration with external resources as needed. The 5-year timeline requires periodic reevaluation as implementation work progresses and may be modified, as necessary, in conjunction with the Project Executive Steering Committee.

The Implementation Project approach and fees outlined in this Exhibit A are focused on the Huron-enabled components during the first two years of the implementation ("Implementation Phase One" or "Phase One"). The timeline for Phase One is detailed in the Attachment 2, as attached.

Key aspects of the Implementation Project execution for the CIN components are detailed below. In the event that an actual or potential conflict of interest exists with respect to IEHP's involvement in this aspect of the Scope of Work of Exhibit A, IEHP will not participate in the below-outlined tasks, activities or goals.

I. CIN Infrastructure

- Huron will provide advisory guidance for developing the required Leadership and Governance, Provider Network, Finance, and Legal and Compliance infrastructure during the first nine (9) months of the Implementation Project
- Huron will provide advisory guidance to develop the required Contracting Capabilities for the CIN beginning at the start of the Implementation Project and continuing through its completion

II. Patient Management Component of Care and Service Delivery

Given the magnitude of implementing a consolidated patient management solution across the Partner Institutions aligned with the CIN, this work is defined in a subset of phases to align design and implementation efforts with technical milestones, as well as adoption timelines for the CIN model by entity. Below are the proposed sub-phases of work for Patient Management:

- Design Phase (target duration: four months)
 - Partner Institutions aligned with the CIN will participate actively in the design efforts so that the designed future state workflows account for the functional and technical needs of the Partner Institutions
- Implementation Phase One (target duration: eight months)
 - Phase One will include Partner Institutions currently using the Epic revenue cycle modules and RUHS, as it will be the first to adopt the Epic system
 - Phase One will include the creation of a consolidated patient management solution for four (4) departments between Partner Institutions included in Phase One; in scope departments will be determined during the Design Phase by the Partner Institutions
- Implementation Phase Two (target duration: nine months)
 - Phase Two will include Partner Institutions from Phase One with the addition of ARMC
 - Phase Two will include the expansion of five additional departments into the consolidated patient management solution; the five additional departments will be mutually defined by the Partner Institutions before the end of Phase One
 - Implementation Phase Two will also include the training and transition of implementation efforts to the central patient management leadership team to allow this group to continue the roll-out and include all remaining departments/service lines within all Partner Institutions
- Ongoing Implementation (CIN leadership or Project Executive Steering Committee owned)
 - The CIN Leadership team or Project Executive Steering Committee will be provided a long-term implementation roadmap and workplanning materials to assist the group in expanding the patient management solution

III. Remaining Care and Service Delivery and Clinical Performance (Clinical Transformation) Capabilities

- Design (target duration: six months)
 - System-wide design of the functional capabilities (e.g., Care Coordination) will occur over a six-month period in parallel with the three-month EHR design; close coordination across both design efforts will be critical
 - Functional requirements to enable the process design will be prioritized as high, medium, or low; while high-priority functional requirements that are not part of the base version of the EHR will be evaluated for inclusion in the EHR build, short-term manual workarounds may be identified as the best solution to facilitate timely implementation of the EHR
- Implementation Planning (target duration: one month)

- Following the Design Phase, delivery-system-specific implementation plans will be developed over a one-month period outlining the phased roll-out of new capabilities (in consideration of the timing of EHR go-lives), implementation activities, timeline, necessary short-term workarounds to support new processes based on timing/functionality in the EHR, education plan, communication plan, and identification of risks and strategies for mitigating these to enable a smooth and successful transition to the future state
- Delivery system implementation plans will be coordinated with the timing of the EHR go-lives, as applicable
- Implementation plans will specify enablement by the base EHR or short-term workarounds necessary for key aspects of each functional capability, such as Care Coordination
- Implementation during Phase One may be targeted at specific care structures (e.g., certain clinics) based on considerations such as the timing of EHR go-lives and resource capacity and availability
- **Implementation and Phased Go-lives (target duration: twelve to fourteen months)**
 - During an approximately two-month period, procedures will be created/enhanced, coordination with the Epic build will occur, short-term manual tools will be developed, job descriptions will be refined, filling of roles will be completed, and training will be provided to prepare for go-live in the specified care structures
 - Go-lives will occur in phases based on schedules developed during in planning
- **Clinical Performance Management/Analytics and Sustainability (begins at EHR go-live for each delivery system and extends to the end of Phase One)**
 - The focus will be on implementing the standardized performance dashboards to measure results and a performance management process to manage and sustain the new capabilities
 - CIN leadership and governance processes focused on accountability and ownership for results will be solidified and reinforced
- **Initiative Teams**
 - Design activities will be completed by Huron-facilitated initiative teams with representation from all appropriate Partner Institutions
 - Initiative Teams will be established such as:
 - Patient Management
 - Care Coordination and Complex Care Management
 - Diabetes Management
 - Chronic Heart Failure Management
- Implementation leads from each CIN delivery system will be identified and will be responsible for helping to facilitate the initiative teams, participating in development of the implementation plan for their delivery system, and managing implementation activities with support from Huron
- The bulk of the implementation work will be completed by resources of the Partner Institutions, with Huron providing advisory assistance; the advisory assistance will include a mix of onsite and remote support as the care structures go live with the changes, based on mutual determination of the level of change required within each care structure
- Resources from one delivery system may assist another delivery system with implementation activities to promote a collaborative and standardized approach (e.g., ARMC resources may assist RUHS with implementation work)

IV. Information Technology

- **At RUHS**
 - EHR design, build/test, and training/go-live will occur over the first 16 months of the Implementation Project
 - IT department process improvement and IT strategic planning will occur through month six

- **At ARMC**
 - EHR design will occur during the first three months in conjunction with RUHS; build/test and training/go-live will occur over months 16-28
 - IT department process improvement and IT strategic planning will occur through month six

V. Behavioral Health Assessment and Implementation

- An IEHP pilot will begin during the first quarter of the first year of the Implementation Project - this pilot planning and its execution is not part of the scope of the Huron Implementation Project, although Huron will evaluate the assessment and IEHP pilot sites during the assessment, as stated above.
- The Huron behavioral health assessment will occur during months two to four
- Huron implementation work will start in month five, building on the pilot work

Additional IEHP and Delivery System Obligations

An implementation of Huron's performance improvement solutions requires contributions from all parties. Much of this Exhibit A describes Huron obligations, but IEHP and the Partner Institutions have obligations in order to support effective implementation and adherence to agreed upon timelines. IEHP and the Partner Institutions will make reasonable efforts to:

- Proactively support the goals, execution, and activities that have been approved for implementation throughout the Partner Institutions (leadership, management, and supervisors).
- Identify an executive Project Sponsor within each Partner Institution who is empowered to make or obtain approval for all management decisions with respect to the Implementation Project on a timely basis and will champion key opportunities. (Huron will regularly report Implementation Project progress to the Project Sponsors.)
- Provide timely access to individuals and information/data needed to meet Implementation Project objectives through the duration of the Implementation Project.
- Reprioritize workloads and/or change processes as required to meet goals.
- Support the implementation and use of tools and technologies, as appropriate.
- Provide full and active Executive Team support across all Partner Institutions.
- Identify physician champions who will liaise with their colleagues on key decision points.
- Identify physical space as needed for teams.
- Support appropriate job responsibilities and adequate staffing volumes of qualified employees to maintain enhanced operations.
- Invest in required technologies to support implementation and enhanced operations where necessary and justifiable.
- Support consistent and standard adoption of enhanced workflow and technology utilization to ensure system-wide utilization of the enhanced operational solutions.
- Complete ARMC Inpatient Throughput Improvements (not included herein)
- Adhere to the following timeframes for critical activities/decisions:
 - June 30, 2015: Appointment of participants for initiative teams and Implementation Coordinators
 - September 30, 2015: Approved CIN legal/ownership structure with formal adoption in required leadership forums (Counties/Board of Directors)

- **September 30, 2015: Creation of CIN Board and key committees to manage the CIN (needs to be in place to begin approving design deliverables)**
- **Change the physical plant (add more exam rooms) and change the number of physicians and/or mid-level providers practicing at the Partner Institutions as needed to address increases in covered lives (given that medical staff functions of credentialing, peer review, quality committee participation remain local to the Partner Institutions).**
- **Manage the stakeholder physicians and changes to their management/operating/legal structures as required to support the CIN (e.g., create sufficient incentives for the physicians to join, change behavior as needed, and meet the CIN performance expectations for quality and efficiency).**
- **Huron will identify and quantify internal resources within each Partner Institution that will be required to support design and implementation of each improvement initiative. Each Partner Institution will provide the identified resources as reasonably required to support timely implementation. Huron, IEHP, and the Partner Institutions will conduct bi-weekly monitoring meetings during the first six months of the Implementation Project, and monthly monitoring meetings thereafter, to review resource hours to ensure Huron and the Partner Institutions are meeting the availability and expertise requirements of resources to appropriately support implementation of all components. Examples of resources that will be required include:**
 - **Initiative team participants for design activities**
 - **Implementation resources to support go-lives within each delivery system, including process improvement resources to support the process/role changes and technical resources to support the EHR implementation**
 - **Partner Institutions delivery system EHR design and training resources, such as subject matter experts**
 - **Qualified resources to develop/track metrics and develop and manage implementation plans**

Special Performance Obligations

IEHP and the Partner Institutions will provide resources and support for the Implementation Project, as follows:

- **Implementation Coordinators for each delivery system**
- **Implementation resources to support go-lives within each delivery system, including process improvement resources to support the process/role changes and technical resources to support the EHR implementation**
- **Affiliate delivery system EHR design and training resources, with the exception of subject matter experts**
- **Qualified resources to develop/track metrics and develop and manage implementation plans**
- **Dedicated Information Technology support**

If IEHP or the Partner Institutions do not provide the resources or support detailed above, Huron will provide these for the Supplemental Fees, as detailed in the Exhibit B.

Other

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 Huron, the first point of such contact will be the Project Senior Director and/or the Project Managing Director; the second point of contact will be the Managing Director - Healthcare Sales and/or the Executive Vice President, Healthcare Consulting, as necessary. Huron will provide the names and contact information of such individuals upon request by

IEHP. For IEHP, the first point of such contact will be the Director of Health Administration; the second point of contact will be the appropriate Chief Officer and/or the Chief Executive Officer, as necessary.

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 at resolving the concern(s), then the parties' second 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. Thereafter, the Disputes provision of the Professional Services Agreement shall apply to any unresolved issues.

EXHIBIT B
PAYMENT PROVISIONS

This Exhibit B outlines the fees and expenses for the Additional Services for the Implementation 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.

Huron's fees for the Implementation Project consist of Fixed Fees and Contingent Fees. These fees pertain to the provision of services by Huron as outlined in the Exhibit A.

Fixed Fees

Based on the scope, approach, deliverables, schedule, and staffing assumptions discussed in the Exhibit A, the Fixed Fees for the Implementation Project are \$12,000,000 to be billed in monthly payments according to the table below (the attached "Schedule 1: Fixed Fees Payment Schedule").

Contingent Fees

Milestone Contingent Fees

IEHP will pay Milestone Contingent Fees up to \$8,000,000 upon Huron achieving the following milestones:

1. In the first quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$960,000 if the following milestones are achieved on or before September 30, 2015, as allocated below:
 - Development of a defined CIN operating agreement - \$480,000
 - Documentation of considerations across partner institution workflows related to patient management and clinical transformation based on the outcomes of Epic system validation sessions - \$480,000

IEHP will pay the Milestone Contingent Fee portion attributed to a milestone if achieved by September 30, 2015. If a milestone is not achieved by September 30, 2015, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for that milestone will be due in the associated quarter for the Implementation Project.

2. In the second quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$960,000 if the following milestones are achieved on or before December 31, 2015, as allocated below:
 - Development of CIN governing board structure, roles, and responsibilities - \$480,000
 - Documentation of complex care management patient identification criteria - \$480,000

IEHP will pay the Milestone Contingent Fee portion attributed to a milestone if achieved by December 31, 2015. If a milestone is not achieved by December 31, 2015, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for that milestone will be due in the associated quarter for the Implementation Project.

3. In the third quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$1,440,000 if the following milestones are achieved on or before March 31, 2016, as allocated below:
 - Documentation of core future state workflows as developed during Huron-led initiative team design sessions - \$480,000

- Documentation of a detailed implementation roadmap to support phase one Patient Management Go-live - \$480,000
- Completion of Behavioral Health assessment including documentation of the coordination with the IEHP Behavioral Health Integration project to ensure no duplicative or non-coordinated interventions are being recommended - \$480,000

IEHP will pay the Milestone Contingent Fee portion attributed to a milestone if achieved by March 31, 2016. If a milestone is not achieved by March 31, 2016, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for that milestone will be due in the associated quarter for the Implementation Project.

4. In the fourth quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$1,440,000 if the following milestones are achieved on or before June 30, 2016, as allocated below:
- Documentation of analytics to define staffing recommendations for (\$480,000):
 - CIN Patient management department
 - Care management
 - Development of performance management accountability forum design including supporting documentation - \$480,000
 - Documentation of recommendations for a CIN based central appointment solution including scheduling technical setup as well as organizational structure to support oversight of IEHP patient scheduling across all CIN entities - \$480,000

IEHP will pay the Milestone Contingent Fee portion attributed to a milestone if achieved by June 30, 2016. If a milestone is not achieved by June 30, 2016, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for that milestone will be due in the associated quarter for the Implementation Project.

5. In the fifth quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$1,600,000 if the following milestones are achieved on or before September 30, 2016, as allocated below:
- Documentation of Service Level Agreement (“SLA”) templates for the CIN patient management department - \$533,334
 - Documentation of key performance metric definition, calculations, and recommended data source for disease management (diabetes and heart failure) - \$533,333
 - Implementation of Daily Patient Huddles at three clinics - \$533,333

IEHP will pay the Milestone Contingent Fee portion attributed to a milestone if achieved by September 30, 2016. If a milestone is not achieved by September 30, 2016, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for that milestone will be due in the associated quarter for the Implementation Project.

6. In the sixth quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$533,333 if the following milestone is achieved on or before December 31, 2016, as allocated below:
- Implementation of Daily Patient Huddles at three additional clinics - \$533,333

IEHP will pay the Milestone Contingent Fee portion attributed to the milestone if achieved by December 31, 2016. If the milestone is not achieved by December 31, 2016, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after the milestone has been achieved, and the payment for the milestone will be due in the associated quarter for the Implementation Project.

7. In the seventh quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$533,333 if the following milestone is achieved on or before March 31, 2017, as allocated below:
- Documentation of data dictionary for core patient management and clinical transformation performance metrics including definition, calculation, data source, and goal recommendations
Implementation of Daily Patient Huddles at three clinics - \$533,333

IEHP will pay the Milestone Contingent Fee portion attributed to the milestone if achieved by March 31, 2017. If the milestone is not achieved by March 31, 2017, the milestone will be moved to the next scheduled Milestone Contingent Fee that occurs on or after these milestones have been achieved, and the payment for the milestone will be do it the associated quarter for the Implementation Project.

8. In the eighth quarter of the Implementation Project, IEHP will pay a Milestone Contingent Fee of \$533,333 if the following milestone is achieved on or before May 31, 2017, as allocated below:
- Documentation of operational and technical final recommendations based on engagement progress outcomes and next steps - \$533,333

IEHP will pay the Milestone Contingent Fee portion attributed to the milestone when the milestone is achieved.

In no event shall Milestone Contingent Fee payments be unreasonably withheld by IEHP unless Huron fails to achieve the milestone(s).

Special Performance Obligations

Special Performance Obligations on the part of IEHP and the Partner Institutions are set forth in the Exhibit A. In the event that IEHP or the Partner Institutions fail to perform their Special Performance Obligations and Huron performs these in place of IEHP and the Partner Institutions, as provided for in the Exhibit A, then supplemental fees ("Supplemental Fees") will be incurred on an hourly basis at the following rates:

| Position | Hourly Rate |
|-----------------------------------|-------------|
| Managing Director/Senior Director | \$630 |
| Director/Manager | \$430 |
| Associate/Analyst | \$220 |

Out of Pocket Expenses

During the course of the Implementation Project, Huron will incur reasonable out-of-pocket expenses ("Expenses") on behalf of IEHP. Out-of-pocket expenses include items such as coach airfare, ground transportation, lodging, and usual and customary per diems. IEHP will reimburse Huron for these reasonable Expenses in addition to the Fixed Fees and Contingent Fees earned by Huron. Expenses are billed at actual. IEHP shall have the right to review all supporting documentation regarding Expenses. Expenses are estimated at ten percent (10%) of the total fees (inclusive of Fixed Fees and Contingent Fees, i.e., \$2,000,000). Expenses shall not exceed the estimated amount without prior written approval from IEHP. Huron will not exceed the established rates in Riverside County's Reimbursement for General Travel and Other Actual and Necessary Expenses, Policy D-1, dated February 26, 2013.

IEHP 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 IEHP shall reimburse Huron hereunder shall include the income gross-ups required to ensure tax neutrality of Huron personnel. Huron shall use reasonable efforts to limit such expenses, such as effecting Project roll-offs where practical, providing IEHP with reasonable advance notice of any personnel who will become subject to compensatory expenses, and providing IEHP the option to retain such personnel or to accept a substitute.

Fees/Expenses Billing and Payment

Huron will bill monthly for Expenses in the month following the month in which they are incurred. IEHP will pay Fixed Fees to be billed in monthly payments according to the table below (the "Schedule 1: Fixed Fees Payment Schedule"). Huron will bill Contingent Fees monthly, in the month following the month in which they are earned. Supplemental Fees, if any, will be billed monthly in the month following the month in which they are incurred. Huron will bill monthly for Expenses in the month following the month in which they are incurred. All fees and Expenses paid by IEHP are non-refundable, except as expressly provided for otherwise in Section 23.3 of the Professional Service Agreement. IEHP 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.

Implementation Project Termination

In the event of termination for any reason, IEHP shall pay Huron: (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 Contingent Fees earned through the Termination Date; and (c) reimbursement of all Expenses it incurred through the Termination Date, including non-refundable payments and deposits. Notwithstanding Section 6.1 of the Professional Services Agreement, the notice period for termination without cause shall be sixty (60) days for the Implementation Project outlined under Exhibit A.

In the event Huron terminates for cause or IEHP terminates without cause, IEHP shall also pay Huron: (a) its Fixed Fees for one month after the Termination Date, and (b) its Contingent Fees earned through the month-end of 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.

Implementation Project Suspension

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

Other

IEHP 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 IEHP shall reimburse Huron hereunder shall include the income gross-ups required to ensure tax neutrality of Huron personnel. Huron shall use reasonable efforts to limit such Expenses, such as effecting Implementation Project roll-offs where practical, providing IEHP with reasonable advance notice of any personnel who will become subject to compensatory Expenses, and providing IEHP 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 Implementation Project, prior to them being subject to compensatory Expenses.

IEHP will be responsible for and pay all applicable sales, use, excise, value added, services, consumption and other taxes and duties associated with Huron's performance of Services or IEHP's receipt of Huron's Services or products, excluding taxes on Huron's income generally.

In the event IEHP fails to timely meet its payment obligations hereunder or as modified by an amendment, Huron retains the right to: (a) suspend its services until payment is made; (b) terminate the Implementation 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 Implementation Project, Contractor will not be liable for any resulting loss, damage or expense connected with such suspension.

In the event that IEHP is not able to participate in the CIN or participate in any of the tasks, activities or goals for the Implementation Project as detailed under Exhibit A, this in no way will affect IEHP's fiscal agent obligations under this Exhibit B.

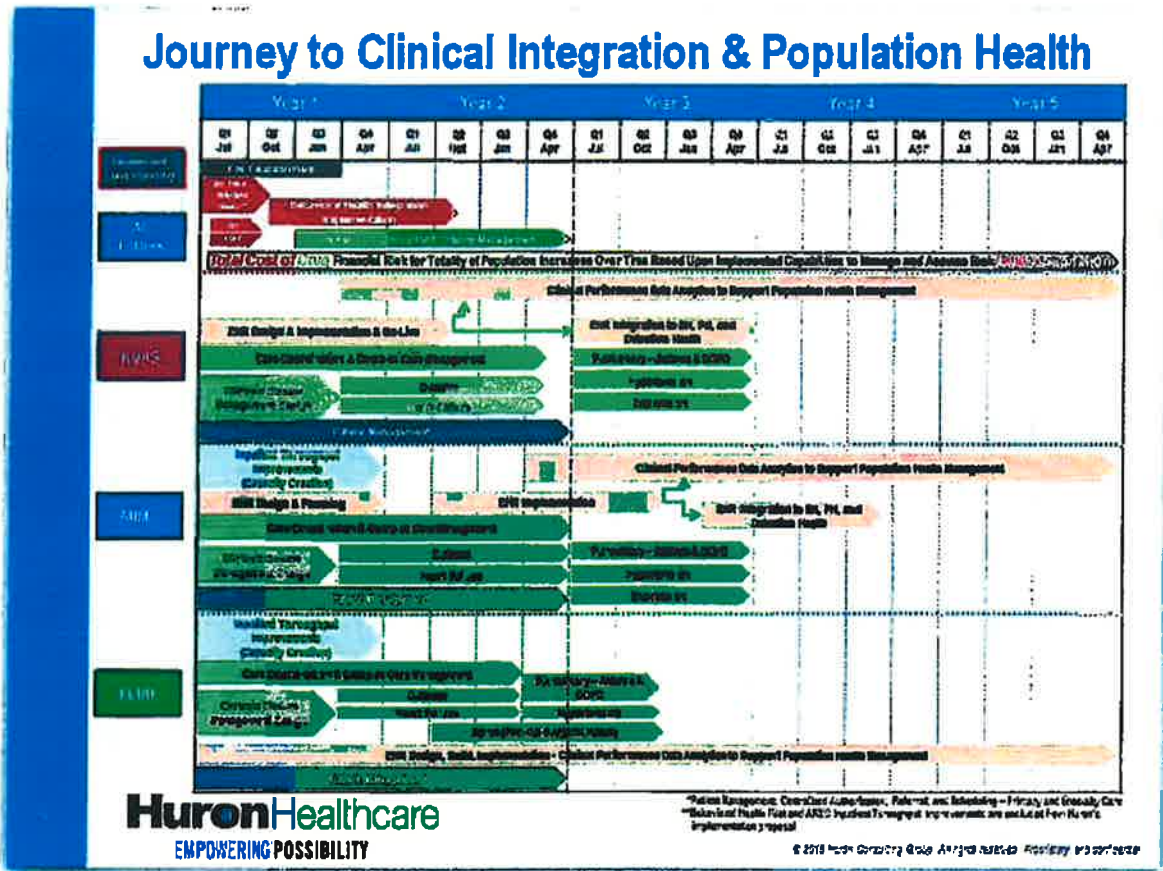
SCHEDULE 1

Fixed Fees Payment Schedule

| Due Date | Amount |
|--------------------|---------------------|
| June 30, 2015 | \$250,000 |
| July 31, 2015 | \$600,000 |
| August 31, 2015 | \$600,000 |
| September 30, 2015 | \$600,000 |
| October 31, 2015 | \$600,000 |
| November 30, 2015 | \$600,000 |
| December 31, 2015 | \$600,000 |
| January 31, 2016 | \$600,000 |
| February 29, 2016 | \$600,000 |
| March 31, 2016 | \$600,000 |
| April 30, 2016 | \$600,000 |
| May 31, 2016 | \$600,000 |
| June 30, 2016 | \$600,000 |
| July 31, 2016 | \$550,000 |
| August 31, 2016 | \$400,000 |
| September 30, 2016 | \$400,000 |
| October 31, 2016 | \$400,000 |
| November 30, 2016 | \$400,000 |
| December 31, 2016 | \$400,000 |
| January 31, 2017 | \$400,000 |
| February 28, 2017 | \$400,000 |
| March 31, 2017 | \$400,000 |
| April 30, 2017 | \$400,000 |
| May 31, 2017 | \$400,000 |
| Total | \$12,000,000 |

ATTACHMENT 1

CIN and Population Health Overall Timeline

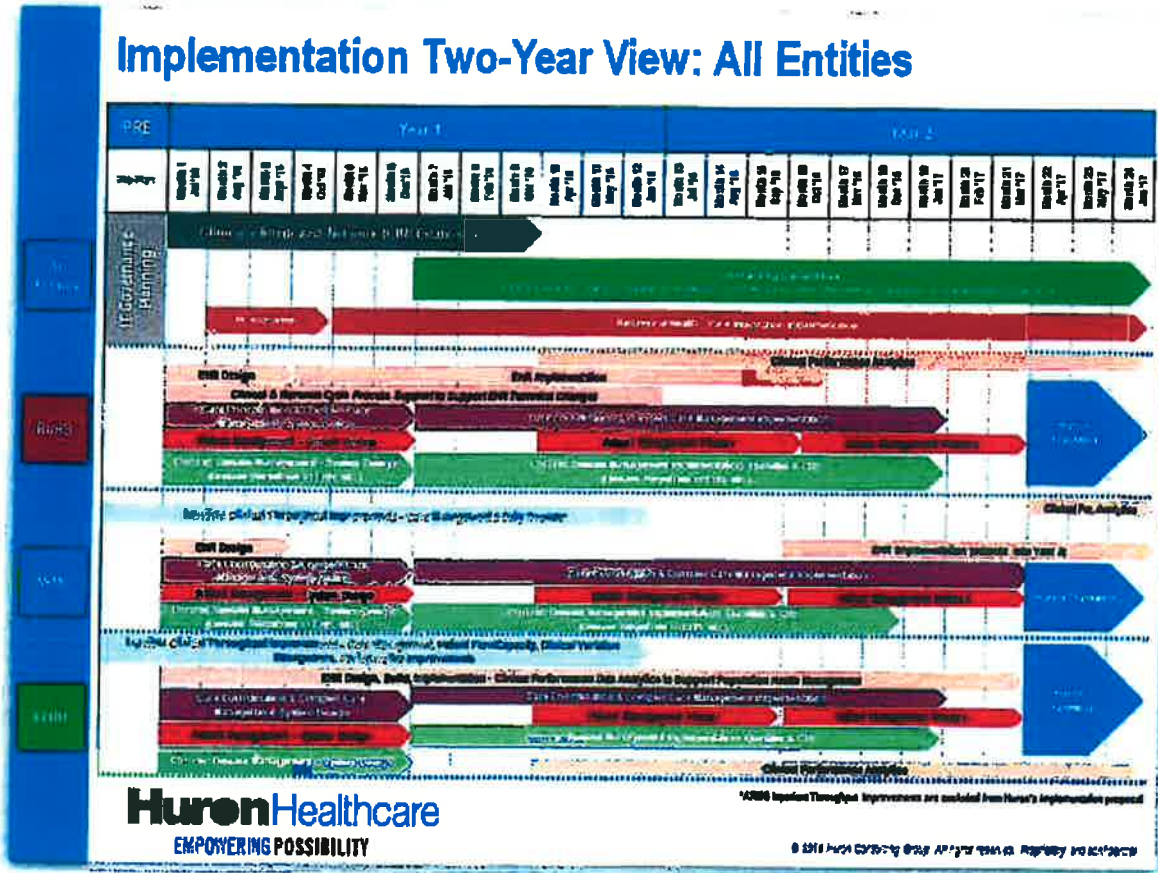


*Patient Management: Centralized Authorization, Referral, and Scheduling – Primary and Specialty Care

**Behavioral Health Pilot and ARMC Inpatient Throughput Improvements are excluded from Huron’s implementation proposal

ATTACHMENT 2

Implementation Phase One Timeline



*ARMC Inpatient Throughput Improvements are excluded from Huron's implementation proposal

ATTACHMENT 1
HIPAA BUSINESS ASSOCIATE AGREEMENT
ATTACHMENT TO CONTRACT

Between Inland Empire Health Plan and Huron Consulting Services LLC d/b/a Huron Healthcare

This HIPAA Business Associate Agreement (the "Agreement") is an attachment to the Professional Service Agreement (the "Underlying Agreement") between the Inland Empire Health Plan ("IEHP") and Huron Consulting Group LLC d/b/a Huron Healthcare ("Business Associate").

RECITALS

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

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), more specifically the regulations found in Title 45, C.F.R., Parts 160 and 164, Subparts A and E (the "Privacy Rule") and/or 45 C.F.R. Part 164, Subpart C (the "Security Rule"), as may be amended from time to time, which are applicable to the protection of any disclosure or use of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, the provisions of Subtitle D entitled "Privacy" of the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and the implementing regulations adopted thereunder, as may be amended from time to time, impose certain requirements on business associates; and

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

WHEREAS, Business Associate, when on behalf of IEHP, creates, receives, maintains or transmits PHI and/or ePHI, is a business associate as defined in the Privacy Rule; and,

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

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

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

1. Definitions

- A. Unless otherwise provided in this Agreement, or specifically defined in Paragraph B of this Section 1, the capitalized terms shall have the same meanings as set forth in the Privacy Rule, Security Rule, and/or HITECH, as may be amended from time to time.
- B. **Specific Definitions**
- (1) "Breach," when used in connection with Unsecured PHI, means, as defined in 45 C.F.R. § 164.402, the acquisition, access, use or disclosure of PHI in a manner not permitted under the Privacy Rule (45 C.F.R. Part 164, Subpart E), which compromises the security or privacy of the PHI. Except as otherwise excluded under 45 C.F.R. § 164.402, such acquisition, access, use or disclosure is presumed to be a Breach unless the Covered Entity or Business Associate, as applicable, demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following 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 PHI has been mitigated.
 - (2) "Discovered" means the first day on which such Breach is known to such Covered Entity or Business Associate, respectively, (including any person, other than the individual committing the Breach, that is an employee, officer or other agent of such entity or associate, respectively) or should reasonably have been known to such Covered Entity or Business Associate (or person) to have occurred.
 - (3) "Electronic Protected Health Information" ("ePHI") means, as defined in 45 C.F.R. § 160.103, PHI transmitted by or maintained in electronic media, and for purposes of this Agreement, is limited to the ePHI that Business Associate creates, receives, maintains or transmits on behalf of IEHP.
 - (4) "Protected Health Information" ("PHI") shall generally have the meaning given such term in 45 C.F.R. § 160.103, which includes ePHI, and for purposes of this Agreement, is limited to PHI, including ePHI, that Business Associate creates, receives, maintains or transmits on behalf of IEHP.
 - (5) "Secretary" means the Secretary of the U.S. Department of Health and Human Services or his/her designee.
 - (6) "Subcontractor" 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.

- (7) "Unsecured PHI" means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by the Secretary in the guidance issued under 42 U.S.C. § 17932(h)(2).

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

- A. Business Associate shall be permitted to use PHI and/or ePHI disclosed to it by IEHP:
 - (1) On behalf of IEHP, or to provide services to IEHP for the purposes contained herein, if such use or disclosure would not violate the applicable provisions of the Privacy Rule, the Security Rule, and/or HITECH.
 - (2) As necessary to perform any and all of its obligations under the Underlying Agreement.
- B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or required by this Agreement or required by law, Business Associate may:
 - (1) Use the PHI and/or ePHI in its possession for its proper management and administration and to fulfill any legal obligations.
 - (2) Disclose the PHI and/or ePHI in its possession to a third party for the purpose of Business Associate's proper management and administration or to fulfill any legal responsibilities of Business Associate, only if:
 - a) The disclosure is required by law; or
 - b) Business Associate obtains written assurances from any person or organization to which Business Associate will disclose such PHI and/or ePHI that the person or organization will:
 - (i) Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose of which Business Associate disclosed it to the third party, or as required by law; and
 - (ii) Notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.
 - (3) Use the PHI and/or ePHI to provide Data Aggregation services relating to the Health Care Operations of IEHP if authorized by the Underlying Agreement or pursuant to the written request of IEHP.
 - (4) De-identify any and all PHI and/or ePHI of IEHP received by Business Associate under this Agreement provided that the De-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.

C. Business Associate shall not:

- (1) Use or disclose PHI and/or ePHI it receives from IEHP, nor from another business associate of IEHP, except as permitted or required by this Agreement, or as required by law.
- (2) Disclose PHI and/or ePHI not authorized by the Underlying Agreement or this Agreement without patient authorization or De-identification of the PHI and/or ePHI as authorized in writing by IEHP.
- (3) Make any disclosure of PHI and/or ePHI that IEHP would be prohibited from making.
- (4) Use or disclose PHI for fundraising or marketing purposes.
- (5) Disclose PHI, except as otherwise required by law, to a health plan for payment or healthcare operations purposes if the individual has requested this restriction, and the PHI solely relates to a health care item or service that is paid in full by the individual or person (other than the health plan) on behalf of the individual (45 C.F.R. § 164.522(a)(1)(vi)).
- (6) Directly or indirectly receive remuneration in exchange for PHI nor engage in any acts that would constitute a Sale of PHI, as defined in 45 C.F.R. § 164.502(a)(5)(ii), except with the prior written consent of IEHP and as permitted by and in compliance with 45 C.F.R. § 164.508(a)(4); however, this prohibition shall not affect payment by IEHP to Business Associate for services provided pursuant to the Underlying Agreement.
- (7) Use or disclose PHI that is Genetic Information for Underwriting Purposes, as those terms are defined in 45 C.F.R. §§ 160.103 and 164.502(a)(5)(i), respectively.

D. Business Associate agrees that in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA and/or HITECH (including but not limited to prohibiting the disclosure of mental health, and/or substance abuse records), the more stringent laws and/or regulations shall control the disclosure of PHI.

3. Obligations of IEHP

- A. Notification of Restrictions to Use or Disclosure of PHI. IEHP agrees that it will make its best efforts to promptly notify Business Associate in writing of any restrictions, limitations, or changes on the use, access and disclosure of PHI and/or ePHI agreed to by IEHP in accordance with 42 U.S.C. § 17935(a), that may affect Business Associate's ability to perform its obligations under the Underlying Agreement, or this Agreement.
- B. Proper Use of PHI. IEHP shall not request Business Associate to use, access, or disclose PHI and/or ePHI in any manner that would not be permissible under the Privacy Rule, Security Rule, and/or HITECH.

- C. **Authorizations.** IEHP will obtain any authorizations necessary for the use, access, or disclosure of PHI and/or ePHI, so that Business Associate can perform its obligations under this Agreement and/or the Underlying Agreement.
- D. **Actions in Response to Business Associate Breach.** IEHP shall complete the following in the event that IEHP has determined that Business Associate has a Breach:
- (1) Determine appropriate method of notification to the patient/client(s) regarding a Breach as outlined in 45 C.F.R. § 164.404(d).
 - (2) Send notification to the patient/client(s) without unreasonable delay but in no case later than sixty (60) days of Discovery of the Breach with at least the minimal required elements as follows:
 - a) Brief description of what happened, including the date of the Breach and the date of Discovery;
 - b) Description of the types of Unsecured PHI involved in the Breach (such as name, date of birth, home address, Social Security number, medical insurance, etc.);
 - c) Steps patient/client(s) should take to protect themselves from potential harm resulting from the Breach;
 - d) Brief description of what is being done to investigate the Breach, to mitigate harm to patient/client(s) and to protect against any further Breaches; and
 - e) Contact procedures for patient/client(s) to ask questions or learn additional information, which must include a toll-free telephone number, an E-Mail address, website or postal address.
 - (3) Determine if notice is required to the Secretary.
 - (4) If required, submit Breach information to the Secretary within the required timeframe, in accordance with 45 C.F.R. § 164.408(b).

E. **Contract Violations by Business Associate.** Pursuant to 45 C.F.R. § 164.504(e)(1)(ii), if IEHP knows of a pattern of activity or practice of the Business Associate that constitutes a material breach or violation of the Business Associate's obligations under this Agreement, IEHP must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, IEHP shall terminate the Agreement, if feasible.

4. Obligations of Business Associate

- A. **Minimum Necessary.** Business Associate shall request, use, access or disclose only the minimum amount of PHI and/or ePHI as permitted or required by this Agreement and as

necessary to accomplish the intended purpose of the request, use, access or disclosure in accordance with the Privacy Rule (45 C.F.R. §§ 164.502(b)(1)).

- B. **Appropriate Safeguards.** Business Associate shall use reasonable and 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 Agreement. Business Associate shall implement administrative, physical and technical safeguards in accordance with the Security Rule under 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316:
- (1) Business Associate shall issue and change procedures from time to time to improve electronic data and file security as needed to comply with the measures that may be required by the Privacy Rule or the Security Rule, as applicable, and at all times use an NIST-Approved Technology for all PHI and/or ePHI that is in motion, stored or to be destroyed.
 - (2) Business Associate shall extend such policies and procedures, if applicable, for the protection of physical PHI to prevent, detect, contain and correct security violations, as well as to limit unauthorized physical access to the facility or facilities in which the PHI is housed.
- C. **Mitigation.** Business Associate shall have procedures in place to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, access or disclosure of PHI and/or ePHI by Business Associate in violation of this Agreement.
- D. **Access to Records.** Business Associate shall make internal practices, books, and records including policies and procedures, relating to the use, access, disclosure, and privacy protection of PHI received from IEHP, or created or received by Business Associate on behalf of IEHP, available to the Secretary, for purposes of determining, investigating or auditing Business Associate's and/or IEHP's compliance with the Privacy and Security Rules and/or HITECH, subject to any applicable legal restrictions. Business Associate shall also reasonably cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis related to this Agreement.
- E. **Carrying Out IEHP's Obligations.** To the extent Business Associate is to carry out one or more of IEHP's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that applies to IEHP in the performance of such obligations.
- F. **Subcontractors.** In accordance with 45 C.F.R. 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, Business Associate shall require Subcontractors that create, receive, maintain or transmit PHI and/or ePHI on behalf of Business Associate, to agree to the same restrictions, conditions and requirements that apply to Business Associate with respect to the PHI and/or ePHI, including the restrictions, conditions and requirements set forth in this Agreement.
- G. **Contract Violations by Subcontractors.** Pursuant to 45 C.F.R. § 164.504(e)(1)(iii), if Business Associate knows of a pattern of activity or practice of the Subcontractor that constitutes a material breach or violation of the Subcontractor's obligations under the business associate contract between Business Associate and Subcontractor, Business Associate must take

reasonable steps to cure the Breach or end the violation. If the steps are unsuccessful, Business Associate shall terminate the business associate contract with the Subcontractor if feasible.

- H. Workforce Training. Business Associate warrants that all employees who use, access or disclose PHI and/or ePHI shall be properly trained to comply with applicable provisions of the Privacy Rule, Security Rule, HITECH, or other such applicable law.
- I. Patient Confidentiality Laws and Regulations. Business Associate agrees to obtain and maintain knowledge of the applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.
- J. Reporting of Improper Access, Use or Disclosure Breach. Business Associate shall report to IEHP any unauthorized use, access or disclosure of Unsecured PHI and/or ePHI or any other Security Incident with respect to PHI no later than fifteen (15) days after Discovery of the potential Breach ("Notice Date"). The IEHP Compliance Department can be reached via Facsimile: (909) 890-2973, or through the Compliance Hotline: (866) 355-9038. Upon Discovery of the potential Breach, Business Associate shall complete the following actions:
 - (1) Provide IEHP's Compliance Department with the information required by 45 C.F.R. sections 164.410, 164.404, which shall include, but not be limited to:
 - a) The identification of each individual (IEHP Members) whose Unsecured PHI has been, or is reasonably believed by Business Associate, to have been accessed, acquired, used or disclosed;
 - b) Date(s) of Breach: MM/DD/YYYY;
 - c) Date(s) of Discovery of Breach: MM/DD/YYYY;
 - d) Approximate number of individuals (IEHP Members) affected by the Breach;
 - e) Type of Breach, i.e., theft, loss, improper disposal, unauthorized access, hacking/IT incident (for additional selections, see U.S. Department of Health & Human Services, Health Information Privacy);
 - f) Location of breached information, i.e., laptop, desktop computer, network server, E-Mail, other portable electronic device (see U.S. Department of Health & Human Services, Health Information Privacy);
 - g) Type of PHI involved in the Breach, i.e., demographic information, financial information, clinical information (see U.S. Department of Health & Human Services, Health Information Privacy);
 - h) Safeguards in place prior to Breach, i.e., firewalls, packet filtering (router-based), encrypted wireless (see U.S. Department of Health & Human Services, Health Information Privacy);

- i) Actions taken in response to Breach, i.e., mitigation, protection against any further Breaches, policies and procedures (see U.S. Department of Health & Human Services, Health Information Privacy); and
 - j) Any steps individuals should take to protect themselves from potential harm resulting from the Breach.
- (2) Conduct and document a risk assessment by investigating, without reasonable delay and in no case later than twenty (20) calendar days of Discovery, the potential Breach to determine the following:
- a) Whether there has been an impermissible use, acquisition, access or disclosure of PHI and/or ePHI under the Privacy Rule;
 - b) Whether an impermissible use or disclosure compromises the security or privacy of the PHI and/or ePHI, including whether it can be demonstrated that there is a low probability that PHI and/or ePHI has been compromised based on a risk assessment of at least four (4) factors specified in Section 1.B(1) defining Breach; and
 - c) Whether the incident falls under one of the Breach exceptions.
- (3) Provide the completed risk assessment and investigation documentation to IEHP's Compliance Department within twenty-five (25) calendar days of Discovery of the potential Breach, and collaborate with IEHP on making a decision on whether a Breach has occurred.
- a) If a Breach has not occurred, notification to patient/client(s) is not required;
 - b) If a Breach has occurred, notification to the patient/client(s) is required and Business Associate must provide IEHP with affected patient/client(s) names and contact information, if known, so that IEHP can provide notification.
- (4) Make available to governing State and Federal agencies in a time and manner designated by such agencies, any policies, procedures, internal practices and records relating to a potential Breach for the purposes of audit; reasonably cooperate with IEHP should IEHP elect to conduct its own such investigation and analysis related to this Agreement.
- (5) Should the Breach of Unsecured PHI be caused solely by Business Associate's failure to comply with one or more of its obligations under this BAA, or the applicable provisions of the Privacy Rule, the Security Rule and/or HITECH Provisions, Business Associate shall pay for any and all reasonable costs associated with providing all legally required notifications to individuals, media outlets and the Secretary.
- (6) Should the Breach of Unsecured PHI involve more than 500 residents of a single State or jurisdiction, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to media outlets as set forth in 45 C.F.R. § 164.406.

- (7) Should the Breach of Unsecured PHI involve 500 or more individuals, Business Associate shall provide to IEHP, no later than the Notice Date, the information necessary for IEHP to prepare the notice to the Secretary as set forth in 45 C.F.R. § 164.408.
- (8) Should the Breach of Unsecured PHI involve less than 500 individuals, Business Associate shall maintain a log of such Breaches and provide such log to IEHP, for submission to the Secretary, on an annual basis and not later than forty-five (45) days after the end of each calendar year.

5. Access to PHI, Amendment and Disclosure Accounting

Business Associate agrees to:

- A. Provide access, at the written request of IEHP, within five (5) days, to PHI, including ePHI if maintained electronically, in a Designated Record Set, to IEHP, or to an individual or individual's designee as directed by IEHP, as necessary for IEHP to satisfy its obligations under 45 C.F.R. 164.524. Any denials of access to the Protected Health Information by Covered Entity as requested by an Individual shall be the responsibility of Covered Entity.
- B. Make any amendment(s) to PHI in a Designated Record Set that IEHP directs or agrees to, at the written request of IEHP or an individual, pursuant to 45 C.F.R. 164.526, within thirty (30) days of the written request of IEHP.
- C. Assist IEHP in meeting its disclosure accounting under HIPAA:
 - (1) Business Associate agrees to document such disclosures of PHI and information related to such disclosures, as would be required for IEHP to respond to a request by an individual for an accounting of disclosures of PHI.
 - (2) Business Associate agrees to provide to IEHP, within thirty (30) days of a written request, information collected in accordance with this section to permit IEHP to make an accounting of disclosures of PHI by Business Associate in accordance with 45 C.F.R. § 164.528 and HITECH.
 - (3) Business Associate shall have available for IEHP the information required by this section for the six (6) years preceding IEHP's request for information.

6. Term and Termination.

- A. Term. This Agreement shall commence upon the Effective Date and terminate upon the termination of the Underlying Agreement.
- B. Termination for Cause. IEHP may terminate the Underlying Agreement, effective immediately, if IEHP, in its sole discretion, determines that Business Associate has breached a material provision of this Agreement relating to the privacy and/or security of the PHI. Alternatively, IEHP may choose to provide Business Associate with notice of the existence of an alleged material breach and afford Business Associate with an opportunity to cure the alleged material breach. IEHP agrees to offer a cure period to the extent the material breach by Business

Associate is not so egregious that immediate termination is the only way to mitigate further issues with regard to the privacy and/or security of such PHI. In the event Business Associate fails to cure the breach to the satisfaction of IEHP in a timely manner, IEHP reserves the right to immediately terminate the Underlying Agreement

(i) If Business Associate becomes aware of a pattern of activity or practice of IEHP that constitutes a material breach or violation of IEHP's obligations under this Agreement, Business Associate shall give IEHP notice of the material breach or violation and IEHP shall have thirty (30) days to cure such breach. If the breach is not cured within such time frame, Business Associate may immediately terminate this Agreement.

(ii) Upon termination of this Agreement, Business Associate shall, if feasible, either return or destroy all Protected Health Information received from IEHP or created or received by Business Associate on behalf of IEHP which Business Associate still maintains in any form. Business Associate shall not retain any copies of such Protected Health Information.

(iii) Upon termination or expiration of the Underlying Agreement, Business Associate shall either return or destroy all Protected Health Information received from IEHP or created or received by Business Associate on behalf of IEHP pursuant to that Underlying Agreement, which Business Associate still maintains in any form. Business Associate shall not retain any copies of such Protected Health Information.

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

(2) Destruction not Feasible. IEHP agrees that it is not feasible for Business Associate to return those documents necessary for Business Associate's internal management and administration, including internal memoranda, and any data or other materials necessary to respond to future IEHP inquiries or to assess the nature of the services provided pursuant to the Underlying Agreement. Business Associate shall extend the protections, limitations, and restrictions of this Agreement to such PHI and/or ePHI retained by Business Associate, its subcontractors, employees or agents, and to limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as such PHI and/or ePHI is maintained.

7. Hold Harmless/Indemnification

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

The parties agree to indemnify and hold harmless each other and each other's respective employees, directors, officers, agents or other members of its workforce, each of the foregoing hereinafter

referred to as "indemnified party" against all actual and direct losses suffered by the indemnified party and all liability to third parties arising from or in connection with and to the extent of any breach of this Agreement or of any warranty hereunder or from any negligence or wrongful acts or omissions including failure to perform its obligations under the Privacy Rule, by the indemnifying party or its employees, directors, officers, subcontractors, agents or other members of its workforce. Accordingly, on demand, the indemnifying party shall reimburse any indemnified party for any and all actual and direct losses, liabilities, fines, penalties, costs or expenses (including actual attorneys' fees reasonably incurred) which may be imposed upon any indemnified party by reason of any suit, claim, action, proceeding or demand by any third party which results from the indemnifying party's breach hereunder. The parties' obligation to indemnify any indemnified party shall survive the expiration or termination of this Agreement for any reason.

With respect to any action or claim subject to indemnification herein by an indemnifying party, indemnifying party shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of the indemnified party, 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 the indemnified party; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes the indemnifying party's indemnification to the indemnified party as set forth herein. Indemnifying party's obligation to defend, indemnify and hold harmless the indemnified party shall be subject to the indemnified party having given the indemnifying party 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 the indemnifying party's expense, for the defense or settlement thereof. Indemnifying party's obligation hereunder shall be satisfied when Indemnifying party has provided to the indemnified party the appropriate form of dismissal relieving the indemnified party from any liability for the action or claim involved.

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

Notwithstanding the foregoing, Business Associate shall not be liable to Covered Entity for exemplary or punitive damages, except to the extent that such damages are assessed or enforceable against Covered Entity as a result of Business Associate's breach of this Agreement.

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

8. General Provisions.

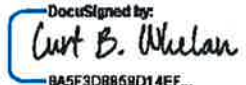
- A. **Amendment.** The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the parties to comply with the Privacy Rule, Security Rule, HITECH, and HIPAA generally.
- B. **Survival.** Notwithstanding Section 6.A of this Agreement, the respective rights and obligations of this Agreement shall survive the termination or expiration of this Agreement.

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the Effective Date.

BUSINESS ASSOCIATE:

By: 
9A5F3D8859D14EF...

(Business Associate)

Curt B. Whelan

(Typed or Printed Name)

Managing Director

(Title)

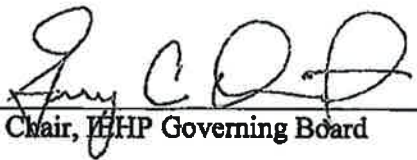
Date: 11/6/2014

INLAND EMPIRE HEALTH PLAN:

By: 

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

Date: 11/5/14

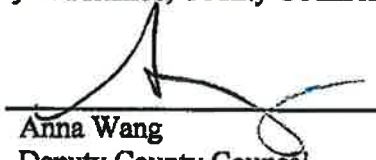
By: 
Chair, IEHP Governing Board

Date: 11-5-14

Attest: 
Secretary, IEHP Governing Board

Date: 11-5-14

Approved as to Form and Content:
Gregory P. Priamos, County Counsel

By: 

Anna Wang
Deputy County Counsel
Attorneys for Inland Empire Health Plan

Date: 11/5/14