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

846

FROM: Riverside University Health System (RUHS)

SUBMITTAL DATE:
May 24, 2016

SUBJECT: Approval and execution of the Agreement with Forward Health Group for Population Manager Analytics and Reporting Software Implementation without seeking competitive bids for four years. District 5 [$1,715,760]; Hospital Enterprise Funds.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and execute the Agreement with Forward Health Group, Inc. for software and professional services without seeking competitive bids for $1,715,760 total over four years effective May 18, 2016 to May 17, 2020; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved by County Counsel to: sign amendments that do not change the substantive terms of the Agreement; and sign amendments to the compensation provisions that do not exceed 10 percent annually.
3. Authorize the Purchasing Agent, as approved by County Counsel, to sign notice of termination should that be required during the contract term.

BACKGROUND:
<u>Summary</u>

Zareh H. Sarrafian
RUHS Chief Executive Officer

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	$ 103,500	$ 402,336	$ 1,715,760	$	Consent ☐ Policy ☒
NET COUNTY COST	$	$	$	$	

SOURCE OF FUNDS: Hospital Enterprise Fund - 40050	Budget **Adjustment:** No
	For Fiscal Year: 15/16-19/20

C.E.O. RECOMMENDATION: APPROVE

BY: _____
County Executive Office Signature Christopher M. Hans

MINUTES OF THE BOARD OF SUPERVISORS

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

3-33

BACKGROUND:
Summary (continued)

RUHS is seeking approval for the purchase of software essential to achieve cost of care and quality goals that satisfy state requirements for the new PRIME and GPP programs. Under the new programs, the medical center will be eligible for $380 million in revenue over five years. The cost of this software is already included in the hospital's current budget as well as the requested budget for next year. No budget adjustment is necessary.

Implementation of the Affordable Care Act (ACA) is shifting reimbursement for healthcare services toward performance based incentive structures. PRIME/GPP are both performance based incentive programs. Approved in March 2016, PRIME incentives are triggered based upon a demonstrable 10 percent improvement from the prior reported metrics.

RUHS, along with other public sector health systems in California, will participate in the California Public Hospital Redesign and Incentives in Medi Cal (PRIME) incentive program and the Global Payment Program (GPP). To earn approximately $380 million of performance incentive based payments over 5 years via PRIME and GPP, RUHS will require an analytics and reporting system capable of aggregating data from over a dozen disparate sources and computing complex metrics.

To participate in PRIME, RUHS must submit the first data report no later than September 30, 2016 for the annual period ending June 30, 2016, and then send updated reports every 6 months for the life of the program.

In order to meet the short PRIME reporting deadlines and capture the incentivized revenue, RUHS is requesting approval to purchase Forward Health Group's (FHG) analytics software program. Unlike other vendors in this space, FHG provides the unique capability to aggregate the medical records from multiple clinical systems, and various sources of clinical and cost data, to compute measures that will enable RUHS to monitor and measure improvement therefore qualifying for incentive based payments.

Participation in PRIME requires reporting on over 50 measures each with unique and complex requirements. FHG provides a defined process that will enable RUHS to develop the specific metrics and measures required to successfully meet the Prime reporting requirements in a timely manner. FHG will aggregate data from over a dozen sources (including IEHP, Molina, Vantage and internal RUHS systems) and allow RUHS staff to perform quality assurance testing on the results.

Impact on Citizens and Businesses
This software allows participation in PRIME and GPP, both designed to improve patient care. Additionally, it will help the Medical Center qualify for $380 million in revenue over five years
Contract History and Price Reasonableness

This is a 4-year agreement with "no cause" termination for convenience clause. RUHS and Forward Health Group, Inc. have negotiated price concessions saving the County over 42 percent a year on the annual subscription amount. Additionally, the vendor has also conceded to breaking the initial implementation costs up into a milestone based payment schedule.

Riverside University HEALTH SYSTEM

Date: May 20, 2016

From: Zareh Sarrafian, Chief Executive Officer

To: Board of Supervisors/Purchasing Agent

Via: Summer Cancel, Procurement Contract Specialist; 951-486-5505

Subject: Sole Source Procurement; Request for Analytics Software Population Manager Program

The below information is provided in support of my Department requesting approval for a sole source.

1. **Supplier being requested:** Forward Health Group

2. **Vendor ID:** to be determined

3. **Supply/Service being requested:** Analytics Software - Population Manager Program

4. **Alternative suppliers that can or might be able to provide supply/service and extent of market search conducted:** RUHS Information Services staff performed extensive market research as part of the selection process. From this research, RUHS identified Forward Health Group's (FHG) Analytics Software Population Manager Program as unique because this analytics software is proven capable of responding to the complex Public Hospital Redesign and Incentives in Medi-Cal (PRIME) metrics. KLAS Research Group (an independent third party healthcare IT research firm) was contacted and provided positive price and customer satisfaction feedback on Forward Health Group, and rated FHG's as the top vendor in their field. RUHS contacted several references, all of which responded extremely favorably when asked about the product and their business relationship with FHG.

5. **Unique features of the supply/service being requested from this supplier, which no alternative supplier can provide:**

   - Successful participation in the PRIME reimbursement program will require combining more than a dozen internal and external data sources.

   - FHG provides a unique methodology to quickly normalize disparate medical records and data from multiple clinical systems, and various sources of clinical and cost data, to compute measures that will enable RUHS to monitor and measure improvement therefore qualifying for incentive based payments.

   - FHG methodology will enable RUHS to quickly define the specific metrics and measures required to successfully meet the PRIME reporting requirements in a timely manner.

Form # 116-333 rev 7/23/15   1

- FHG information and security controls are SOC 2, Type II audit certified

6. **Reasons why my department requires these unique features and what benefit will accrue to the county:** Participation in the PRIME performance based incentive program requires reporting on over 50 measures each with unique and complex requirements. FHG provides a defined process that will enable RUHS to develop the specific metrics and measures required to successfully meet the PRIME reporting requirements in a timely manner. Additionally, FHG will aggregate data from over a dozen sources (including IEHP, Molina, Vantage and internal RUHS systems) and allow RUHS Staff to perform quality assurance testing on the results.

Through this program, RUHS could earn approximately $380 Million of performance incentive payments over 5 years via PRIME and the Medi-Cal Global Payment Program (GPP).

Period of Performance: From: May 25, 2016 to May 24, 2020

Is this an annually renewable contract?   No   X Yes
Is this a fixed-term agreement: X No   ☐ Yes
(A fixed- term agreement is set for a specific amount of time; it is not renewed annually. Ensure fixed-term agreements include a cancellation, non-appropriation of funds, or refund clause. If there is no clause(s) to that effect, than the agreement must be submitted to the Board for approval.)

7. **Identify all costs for this requested purchase. If approval is for multiple years, ongoing costs must be identified below. If annual increases apply to ongoing costs such as CPI or other contract increases, provide the estimated annual cost for each consecutive year. If the annual increase may exceed the Purchasing Agent's authority, Board approval must be obtained. (*Note: ongoing costs may include but are not limited to subscriptions, licenses, maintenance, support, etc.*)**

Description:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
One-time Costs:						
Ongoing Costs:	$103,500	$405,252	$402,336	$402, 336	$402,336	$1,715,760
Population Manager						
Total Costs	$103,500	$405,252	$402,336	$402,336	$402,336	$1,715,760

Note: Insert additional rows as needed

8. **Price Reasonableness:** This is a 5-year agreement with a cancellation clause. RUHS and Forward Health Group, Inc. have negotiated price concessions saving the County over 42% a year on the annual subscription amount. Additionally, the vendor has also conceded to breaking the initial implementation costs up into a milestone based payment schedule.

9. **Projected Board of Supervisor Date (if applicable):**   May 24, 2016

(Form 11s must accompany the sole source request for Purchasing Agent approval.)

_____   Zareh Sarrafian   5/23/16
Department Head Signature   Print Name   Date
(or designee)

Purchasing Department Comments:

(Approve)   Approve with Condition/s   Disapprove

Not to exceed: $ 1,715,760   One time   Annual Amount through 5/24/20
                                                                   (Date)

_____   5/24/16   16-556
Purchasing Agent   Date   **Approval Number**
                                                   (Reference on Purchasing Documents)

List Attachments:

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

PR2016-04093

Tracking Number for
Internal Use Only

4/28

REQUESTED PURCHASE:	FORWARD HEALTH GROUP – ANALYTICAL AND REPORTING SYSTEM
DEPARTMENT/AGENCY:	HOSPITAL ADMINISTRATION, RUHS – MC
CONTACT NAME/PHONE:	MARYGRACE HEDGE – EXT. 64973; JENNIFER SANDOVAL – EXT. 64392

PURCHASE REQUEST:	☒ NEW EQUIPMENT/SERVICES	☐ UPGRADE	☐ REPLACEMENT	
PURCHASE TYPE:	☒ PROFESSIONAL SERVICES	☐ SOFTWARE	☐ HARDWARE	☐ RENEWAL

DESCRIBE REQUESTED PURCHASE	RUHS Hospital Administration is requesting to purchase the services of Forward Health Group of an analytical and reporting system (Population Manager) to support reporting and performance improvement for GPP (Global Payment Program, Public Health System payment program for medically uninsured patients) and Medi-Cal (PRIME, pay for performance delivery system transformation and alignment). Forward Health Group will aggregate data from over 10 sources (including IEHP, Molina, Vangate and internal RUHS systems – health plan, clinical, behavioral health and administrative sources). The cost is $1.5 million.
BUSINESS NEEDS ADDRESSED	The potential value to RUHS and the County of Riverside over a five year period is $380 million.

ARE THERE ANY OTHER COUNTY SYSTEMS THAT PROVIDE THE SAME FUNCTIONALITY?	☒ NO ☐ YES ☐ UNKNOWN

BUSINESS CRITICALITY	BUSINESS IMPACT (SELECT ALL THAT APPLY)
☐ Run the business	☐ Support current operations
☐ Grow the business	☒ Reduce Expenses
☒ Transform the business	☒ Improve Customer Service
	☒ Improve Operational Efficiencies

BUSINESS RISKS	Financial:
	Operational:
	Customer:

ALTERNATIVE SOLUTIONS	1. [Solution]
	2. [Solution]
	3. [Solution]

TRANSACTION	☐ Cash Purchase	☐ Lease Purchase Lease Years: _____

PURCHASE COSTS	COST BENEFIT ANALYSIS				
Professional services: Total Cost: $1.5 million		ALTERNATIVE STATUS QUO	ALTERNATIVE	ALTERNATIVE
	Current Annual Cost			
	Ongoing Annual Cost			
	Annual Cost Savings			
	Net Annual Savings			

County of Riverside

RCIT RIVERSIDE COUNTY INFORMATION TECHNOLOGY PROCUREMENT FOR

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

Tracking Number for Internal Use Only

Is this Budgeted?	Project Implementation Cost			
☒ Yes ☐ No	Project Payback Period? yrs		.	

Department Head Signature: _Amy Graham_	Date: 4/15/2016

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

Recommended: ☑ Yes	☐ No (Non-recommended requests submit to TSOC)
By: _Steve Reneker_	Date: 4/6/16
Chief Information Officer Signature:	Date:

RCIT explanation for non-recommended requests:

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

Recommended: ☑ Yes	☐ No (In no, provide explanation below)
TSOC Chair Signature: _Steve Reneker_	Date: 5/2/16

TSOC explanation for denied requests:

County of Riverside

FORWARD HEALTH GROUP, INC.
AGREEMENT FOR SERVICES

This Services Agreement ("Agreement") is between the County of Riverside, California on behalf of Riverside University Health System, located at 26520 Cactus Avenue, Moreno Valley, CA 92555 ("Licensee") and Forward Health Group, Inc., a Delaware Corporation, located at 1 South Pinckney Street, Suite 301, Madison, WI 53703 ("FHG"). FHG and Licensee may be referred to herein individually as a "Party" or collectively as the "Parties."

WHEREAS, FHG is a leading-edge clinical informatics company whose software products allow clinicians, researchers, administrators, and other vested stakeholders to quickly, reliably and cost-effectively view population-based, quality-oriented measures of performance that can be compared to evidence-based standards;

WHEREAS, Licensee is a political subdivision of the State of California which owns and operates Riverside University Health System.

WHEREAS, FHG's software (the "Software") is web-based software, resident on FHG's server, Licensee's server or a third-party server, and is accessed through Licensee's web-browsing software over the internet;

WHEREAS, Licensee desires to use, and FHG is willing to provide, a license to use FHG's Software under the terms and conditions stated in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter expressed, and intending to be legally bound, Licensee and FHG agree as follows:

1. **Definitions.**

1.1 **"Annual Subscription Fee"** means the annual fee Licensee pays for the Software as described in the Statement of Work.

1.2 **"Group"** means a collection of Patients, defined and established by Licensee, that Licensee identifies for inclusion in the Software.

1.3 **"Measure"** means the calculation of a numerator for a Population.

1.4 **"Metric"** means the Participant Data used in the calculation of Measures.

1.5 **"Panel"** means the individual clinician, service team, clinic or any other grouping that Licensee identifies for inclusion in the Software.

1.6 **"Participant"** means individuals who are authorized by Licensee to use the Software and Services under this Agreement.

1.7 **"Participant Data"** means the Patient information accessed and used through the Service. To the extent Participant Data is Protected Health Information, or "PHI," it shall be treated by the parties in accordance with the terms of the attached Business Associate Agreement.

1.8   **"Patient"** means a client of Licensee, a potential client of Licensee, or an assigned client of Licensee that Licensee identifies for inclusion in the Software.

1.9   **"Population"** means an aggregate of Patients, defined and established by FHG, that Licensee identifies for inclusion in the Software.

1.10   **"Refresh"** means the periodic update of Participant Data, including [Groups] [Populations] [Measures] [Metrics] in the Software.

1.11   **"Service"** or **"Services"** means the right to access and use PopulationManager® under the terms of this Agreement and the attached Statement of Work.

1.12   **"Software"** means FHG's population health platform, PopulationManager®, and any other Software applications licensed by FHG under the terms of this Agreement.

2.   <u>License and Services</u>.

2.1   <u>Direction</u>. The Services to be provided hereunder by FHG will be directed by Licensee's manager (the **"Licensee Designated Manager"**) designated on <u>Schedule A</u>, attached hereto and incorporated herein by this reference.

2.2   <u>Scope of License</u>. Subject to the terms of this Agreement, FHG hereby grants to Licensee a limited, non-exclusive, non-sublicensable, non-transferable, revocable license to electronically access and use the Software for Licensee's use, solely for Licensee's implementation of the Software in the United States. FHG retains all rights not specifically granted to Licensee under this Agreement.

2.3   <u>Services</u>. FHG will provide to Licensee the Services at the location and as described on the Statement of Work, attached hereto as <u>Schedule B</u> which is incorporated herein, and which may from time to time be amended by the mutual written agreement of the Parties. The Services will be provided by the employees of FHG designated on <u>Schedule A</u>, or such other employees or subcontractors as FHG may reasonably appoint in good faith to perform such Services. FHG will provide written notice to Licensee if subcontractors are used, and Licensee may notify FHG if it disapproves of any such subcontractor. The Services will result in the production of certain deliverables as these are described on <u>Schedule B</u> (the **"Deliverables"**).

2.4   <u>Availability</u>. FHG shall inform Licensee of periods when the Services will not be available due to upgrades, maintenance or server management requirements. FHG will schedule

periods of Service unavailability outside of regular business hours to the extent feasible. FHG is not responsible for delays or performance failures with respect to the Services that are beyond FHG's reasonable control. Terms of availability are included in the Service Level Agreement.

2.5   Mutual Covenants. FHG covenants, represents and warrants that: (a) all Services provided under this Agreement will be provided in a good and conscientious, commercially reasonable and efficient manner; (b) such Services will be provided by employees or subcontractors who are competent and qualified to perform their responsibilities and to provide the Services; and (c) all Services provided under this Agreement will be provided in compliance with all applicable laws and regulations. Licensee covenants, represents and warrants that: (d) Licensee and each Participant will use the Software and Services in accordance with the terms of this Agreement and all applicable laws and regulations; and (e) in the event that approval of an institutional review board is necessary to disclose information to FHG, that Licensee has obtained such approval.

2.6   Restrictions. Except as expressly permitted under this Agreement, no part of the Software or Services may be copied, reproduced, distributed, republished, displayed or transmitted in any form or by any means. Licensee shall not (a) sell, license, sub-license, lease, assign, host, disclose or otherwise commercially exploit or make the Software or Services available to any unauthorized person or entity; (b) reverse engineer, decompile, disassemble, translate, or otherwise attempt to discover the source code for the Software, (c) copy, modify or create derivative works based on the Software, (d) remove from the Software, or alter or add, any copyright, trademarks, trade names, logos, notices, or markings; or (e) make screen shots of Software for other than internal use. All notices of FHG's property rights, including trademark and copyright notices, must appear on all permitted screen-shot views or print-outs.

3.   Compensation.

3.1   Fees. Licensee shall pay FHG for the Software, Services and expenses provided hereunder at the rate and on the periodic basis set forth in Schedule C, attached hereto and incorporated herein.

3.2   Invoicing. All payment obligations pursuant to this Section 3 are expressly subject to submission of a progress report, an itemized invoice and written approval of same by the Licensee Designated Manager, with such approval not to be unreasonably withheld or delayed.

3.3   Payment. Payment of invoices will be processed only when properly completed and approved invoices are received from FHG. Licensee will notify FHG in writing of invoices that cannot be processed within fifteen (15) days of receipt, including a description of any non-conformities or other reasons for such invoices being incomplete. After FHG provides client with new, conforming invoice, Licensee shall pay the invoice within thirty (30) days. If after FHG provides Licensee with three (3) invoices, FHG reserves the right to charge and collect a service fee for any unpaid, past-due fees in amounts equal to one and one-half percent (1.5%) per month.

4.   **Term**.

The term of this Agreement will commence as of the Effective Date set out on <u>Schedule A</u> and will continue until the Termination Date set out on <u>Schedule A</u>, unless otherwise earlier terminated as provided herein or extended by the mutual written agreement of the Parties. In the event the Software and Services are required beyond the Termination Date, the Parties shall enter into a separate agreement or an amendment to this Agreement for such services.

5.   **Confidential Information**.

5.1   Definition. For the purposes of this Agreement, "Confidential Information" means all information, data, files, systems, software, processes, documentation and other materials communicated to either Party or to which either Party has access relating to or arising in connection with the Services, whether oral, written, electronic or in any other form whatsoever. Each Party acknowledges and agrees that Confidential Information constitutes trade secrets and the proprietary and confidential information of the disclosing Party and its customers, suppliers or other persons, and that Confidential Information is and will

remain the property of the disclosing Party or such customers, suppliers or other persons during the provision of Services by FHG and for five (5) years thereafter.

5.2   <u>Exclusions.</u> Confidential Information shall not include information that (a) is publicly known or becomes publicly known through no unauthorized act of the receiving Party, (b) is rightfully received by the receiving Party on a non-confidential basis from a third party, provided that such third party is not, to the receiving Party's knowledge, bound by an obligation of confidentiality to the disclosing Party with respect to such Confidential Information, (c) is independently developed by a Party without use of the disclosing Party's Confidential Information so long as such independent development can be clearly documented and verified. Furthermore, the receiving Party may disclose Confidential Information of the disclosing Party if such disclosure is required to comply with applicable laws or regulations, or with a court or administrative order, provided that the receiving Party provides the disclosing Party with prompt notice of such request(s) in order to enable the disclosing Party to seek an appropriate protective order; the receiving Party will cooperate with the disclosing Party in such matters and will take all reasonable and lawful actions to obtain confidential treatment for such disclosure and, if possible, to minimize the extent of such disclosure.

5.3   **Covenants.** Each Party covenants that such Party and its employees shall:

(a) protect and maintain the confidentiality of the disclosing Party's Confidential Information in a manner no less stringent than its uses to protect similar confidential information which it owns, which in any event shall not be less than a reasonable degree of care;

(b) not disclose, or allow to be disclosed, the disclosing Party's Confidential Information to any person other than to employees who have a need-to-know in order to perform the Services;

(c) not use the disclosing Party's Confidential Information for any purpose other than to perform its obligations under this Agreement; and

(d) take all necessary precautions to restrict access to the disclosing Party's Confidential Information.

6.   **<u>HIPAA.</u>**

6.1   Business Associate. The Parties acknowledge and agree that in the provision of Services under this Agreement, Licensee is considered a "Covered Entity" and FHG is considered a "Business Associate" as defined by the Health Insurance Portability and Accountability Act ("HIPAA") and the Privacy and Security Regulations promulgated thereunder at 45 C.F.R. Parts 160 and 164. The relationship of the Parties shall be governed by the terms and conditions of the Business Associate Agreement, attached hereto as Exhibit A and incorporated herein by this reference.

6.2   Security. FHG shall implement appropriate administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic Participant Data that it creates, receives, maintains or transmits on behalf of Licensee as required by the Security Regulations. Licensee understands and acknowledges, however, that the Services provided by FHG hereunder are not a solution to nor substitute for Licensee's own compliance with the Privacy and Security Regulations, which remains the Licensee's sole responsibility. Licensee will administer the distribution and assignment of Participant authorization and is responsible for keeping and maintaining access security. FHG will have no responsibility or liability for unauthorized access to Participant Data that results from the failure of Licensee to control the actions of its Participants.

6.3   Backup. If FHG maintains Participant Data on a FHG server, the data will be backed up as set forth in the SOW. FHG will take commercially reasonable steps to maintain the integrity of the Participant Data in any backup of its servers, but is not responsible for loss or corruption of Participant Data on its servers unless resulting from FHG's gross negligence. FHG will attempt to restore any such lost or corrupted data within five (5) business days of discovery.

6.4   Limited Data Sets. Licensee acknowledges that in providing Services under this Agreement FHG will collect Participant Data from Licensee, which may include "Protected Health Information" or "PHI" as that term is defined by HIPAA. FHG will not disclose Licensee's PHI to any third party unless directed to do so by Licensee in writing. Any such disclosure of PHI by FHG will be in the form of a "Limited Data Set", as defined

by HIPAA. The Limited Data Set will include only such information as is minimally necessary to satisfy the purpose(s) of the disclosure.

7. **Marketing, References, Referrals**.

Upon the signing of this Agreement, FHG and Licensee agree that FHG may issue a press release announcing this Agreement. Subsequent press releases will require written prior approval by Licensee's marketing department. Licensee agrees to serve as a reference for potential FHG customers upon FHG's reasonable request and agrees to a minimum of four (4) site visits per year by prospective clients.

8. **Indemnification**.

8.1 <u>FHG Indemnity</u>. FHG agrees to indemnify, defend, and hold harmless Licensee from and against any claims, actions, or demands alleging that the Software licensed hereunder infringes any U.S. patent, copyright, or trade secret right of any third party (collectively, "Claims"). Notwithstanding the foregoing, in the event of any Claim, or in the event FHG believes that the Software is likely to become subject to a Claim, FHG may, at its sole option and expense and after FHG has notified the Licensee in writing, (a) modify the Software to render it non-infringing and functionally equivalent; (b) obtain a license for Licensee to continue to use the Software under the terms of this Agreement; or (c) terminate the Service and refund the prorated amount of the subscription fee paid by Licensee which is applicable to the remainder of the unexpired Term. Licensee agrees that this section represents FHG's sole obligation to Licensee and will be the sole and exclusive remedy of Licensee pursuant to this Agreement for any Claim of intellectual property infringement.

8.2 <u>Licensee Indemnity</u>. Licensee agrees to indemnify, defend, and hold FHG harmless from and against any Claims, actions, or demands related to (a) Licensee's use of the Service in combination with any hardware or software not provided or approved by FHG; (b) Licensee's use of other than the latest version of the Software if such Claim would have been avoided by the use of such later version; (c) the use of any portion of the Service not in accordance with the terms of this Agreement; or (d) Licensee's violation of any applicable laws or regulations.

8.3   Procedure. The indemnifying Party's obligations under this Section 8 are contingent upon the indemnified Party's (a) giving the indemnifying Party written notice of any Claim, action, or demand giving rise to the indemnification obligations promptly after the indemnified Party becomes aware of such Claim, action, or demand; (b) allowing the indemnifying Party to control any defense and related settlement negotiations; and (c) fully assisting, at the indemnifying Party's expense, in any defense.

9.   **Ownership of Intellectual Property**.

Each Party retains all ownership rights and interests associated with any and all pre-existing and independently developed intellectual property of that Party (for convenience, hereinafter, collectively, the "Pre-Existing Intellectual Property"), including but not limited to, patents, copyrights, trademarks, service marks, trade names, trade secrets, and other intellectual property rights relating thereto (including, but not limited to techniques, methodologies, procedures, processes, management tools, workshops, manuals and writings, whether published or not, documentation, report formats, report templates, software, algorithms, data files, concepts, ideas, discoveries, inventions, and know-how, the components thereof, in whole and in part) together with any editorial revisions, annotations, elaborations, or other modifications made to such Pre-Existing Intellectual Property during the Term hereof. For FHG, Pre-Existing Intellectual Property shall specifically include, but not be limited to, (a) the PopulationManager® Software application and other Software applications subsequently developed by FHG; and (b) FHG's proprietary methods, and techniques utilized to provide the Services and Deliverables under this Agreement. Licensee shall not reverse engineer, decompile or disassemble the FHG proprietary Software application.

10.   **Intellectual Property Warranty and Indemnity**.

10.1   FHG represents and warrants to Licensee that its performance of the Services and provision of the Deliverables and any other items delivered and provided to Licensee in the

performance of the Services will not directly or indirectly infringe any patent, copyrights, trademarks, trade secret rights, privacy rights or proprietary rights of any third party or contribute to any such infringement. FHG agrees to indemnify, defend and hold harmless Licensee, its affiliates and its and their customers from and against all Claims, suits, actions, losses, damages, liabilities, costs and expenses, including reasonable legal fees and expenses, arising out of any breach or claimed breach of FHG's warranties contained in this Section.

11. **Review of Deliverables**.

Licensee shall review each Deliverable prior to its publication, distribution, launch or dissemination. Licensee shall have sole discretion in deciding to accept or reject any Deliverable and shall consider the presence or absence of any errors or non-conformities and other criteria that Licensee selects in its sole discretion. Licensee shall accept or reject each Deliverable in writing, including a description of any non-conformities or other reasons for rejection, within ten (10) business days following delivery of such Deliverable. FHG shall use all commercially reasonable efforts to immediately correct any non-conformities specified by Licensee, but in no event more than ten (10) days following receipt by FHG of the rejection by Licensee. Subject to Licensee's other rights provided in this Agreement, the acceptance procedures pursuant to this Section 11 shall be repeated until the Deliverables are accepted by Licensee or until the Agreement is terminated pursuant to Section 17.

12. **Malicious Software**.

FHG represents, warrants and agrees that, in connection with the Services, neither FHG nor any of its employees will introduce any "malicious software" (including, but not limited to, disabling codes or instructions, time bombs, back doors, viruses, worms, or other contaminants) into the equipment, software, databases or networks of Licensee, Licensee's customers, or suppliers. If FHG or any of its employees introduce malicious software in violation of the foregoing sentence, FHG shall, if and as directed by Licensee, immediately

remove such malicious software from all infected equipment, software, databases and networks and restore such equipment, software, databases, and networks to their original state. FHG shall reimburse Licensee, Licensee's customers and/or suppliers, and other persons, as the case may be, for all reasonable costs and damages incurred as a result of such malicious software. FHG shall also indemnify, defend and hold harmless Licensee, its affiliates and its and their customers and suppliers from and against any and all claims, suits, actions, losses, damages, liabilities, costs and expenses, including reasonable legal fees and expenses, arising out of the introduction of malicious software by FHG or its employees.

13. **LIMITATIONS ON LIABILITY.** IN NO EVENT WILL FHG BE LIABLE TO LICENSEE FOR ANY LOSS OF PROFITS OR USE, OR, EXCEPT AS PROVIDED IN THE BUSINESS ASSOCIATE AGREEMENT, LOSS, DISCLOSURE OR MISUSE OF PARTICIPANT DATA. IN NO EVENT WILL FHG BE LIABLE FOR THE COST OF REPLACEMENT EQUIPMENT OR OTHER INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF LICENSEE'S USE OF OR INABILITY TO USE THE SERVICE. LICENSEE AGREES THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FHG'S AGGREGATE UNINSURED LIABILITY HEREUNDER RELATED TO LICENSEE'S USE OF THE SERVICE SHALL BE LIMITED TO ONE AND ONE HALF TIMES THE AMOUNT OF THE ANNUAL SUBSCRIPTION FEE ACTUALLY PAID TO FHG FOR THE YEAR OF THE CONTRACT WHEN THE FACTS UPON WHICH THE LIABILITY IS BASED OCCURRED.

14. **LIMITED WARRANTY.**

14.1 Performance Warranty. FHG hereby warrants to Licensee, and for Licensee's benefit only, that the Service shall be available to Licensee as set forth in subsection 2.4 and the Service Level Agreement . Such warranty does not apply if the Software or Service is used in breach of any provision of this Agreement, or is used, modified, altered, or operated in a form or manner other than as provided by FHG. FHG shall have no obligation with respect to a warranty claim unless notified in writing of such claim within thirty (30) days of the date the events giving rise to such claim occur.

14.2 No Other Warranties. EXCEPT FOR THE EXPRESS WARRANTY SET FORTH IN SECTION 14.1, FHG MAKES NO WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, WITH RESPECT TO THE SERVICE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, AND NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY FHG, ITS RESELLERS, AGENTS, OR EMPLOYEES WILL CREATE ANY WARRANTIES OR MODIFY THE WARRANTY SET FORTH IN SECTION 14.1.

15. Insurance.

Without limiting or diminishing the FHG'S obligation to indemnify or hold the COUNTY harmless, FHG shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents, or representatives as Additional Insureds.

A. Workers' Compensation:

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

B. Commercial General Liability:

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

C. CYBER / Date Breach Liability:

FHG shall maintain Cyber Liability Insurance, with limits not less than $2,000,000 per occurrence or claim, $2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Contractor in this agreement and shall include, but

not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

D. Professional Liability:

FHG shall maintain Professional Liability Insurance providing coverage for the FHG'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 FHG'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 FHG shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that FHG 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 AM BEST rating of not less than A unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

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

3) FHG shall cause FHG'S insurance carrier(s) to furnish the County of Riverside with (a) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and (b) if requested to do so orally or in writing by the County Risk Manager, original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverages set forth herein and the insurance required herein is in full force and effect. FHG shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier 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 FHG'S insurance shall be construed as primary insurance, and the COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

5) If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the

performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the FHG has become inadequate.

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

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

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

16. Independent Contractor Status.

The relationship between Licensee and FHG is that of independent contractors. Neither Licensee nor any employee of Licensee is an agent or employee of FHG, and neither FHG nor any employee of FHG is an agent or employee of Licensee. Neither this Agreement nor the provision of Services entitles, or shall be construed to entitle, either Party or any of their respective employees to any benefit, privilege or other amenities of employment of the other. Each Party shall be responsible for and shall pay the compensation and other benefits of its employees and shall pay all employment-related taxes and contributions required of employers. Licensee will not be deemed under any of the provisions of this Agreement or as a consequence of obtaining Services from FHG to have assumed, and Licensee does not assume, any liability or risk for the health, welfare or safety of FHG or any employee of FHG.

17. Termination.

a. For Cause. This Agreement may be terminated by either Party upon written notice to the other if the other Party breaches any material obligation under this Agreement and the breaching Party fails to cure such breach within fifteen (15) days of receipt of the notice. Upon termination, Licensee shall pay FHG for Services provided and accepted in accordance with Section 11 and expenses incurred in accordance with the terms and conditions of this Agreement prior to the date of termination.

b. For Insolvency. If a Party to this Agreement:

    i.   becomes or is declared insolvent or bankrupt;

    ii.   files, or is the subject of any proceedings or filings relating to, its liquidation, solvency, bankruptcy or for the appointment of a receiver or similar officer for it;

    iii.   makes a general assignment for the benefit of all or substantially all of its creditors; or

    iv.   enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations, then the other Party, within the conditions of applicable law, may, by giving written notice thereof to such Party, terminate this Agreement as of the date specified in such notice of termination.

c. For Convenience. With payment of 50% of all of the outstanding annual subscription and implementation fees due, Licensee can terminate the agreement upon180 days notice to FHG.

d. **Escrow.** In the event that FHG should become insolvent, make an assignment for the benefit of creditors, enter into an order for relief under any section of the United States Bankruptcy Code or any similar state law, or if a receiver or trustee is appointed for all or substantially all of the assets of FHG, or if FHG should cease operations, Licensee may terminate this Agreement immediately and FHG will place in escrow a full copy of the Software source code used by Licensee with FHG's independent escrow agent and will name Licensee as a beneficiary of the source code. The source code shall be made immediately available to Licensee for Licensee's continued use until such time as Licensee transfers its program to a successor entity.

18. Assignment.

Licensee may not assign its rights or obligations under this Agreement, or any of its rights hereunder, without FHG's prior written consent, which will not be unreasonably withheld. Any attempted assignment in violation of this Section 18 will be void and of no effect. FHG may not assign its rights or obligations under this Agreement, or any of its rights hereunder, without Licensee's prior written consent, which will not be unreasonably

withheld. Any attempted assignment in violation of this Section 18 will be void and of no effect.

19. **Notice**.

Wherever under this Agreement one Party is required or permitted to give notice to the other, such notice will be in writing and will be deemed given the third day after its mailing, postage prepaid to the address of the recipient Party set out on Schedule A. Notices may also be delivered by hand or transmitted by facsimile or email and will be effective when received by the addressee. Either Party may change its address for notices upon giving ten (10) days written notice of the change to the other Party.

20. **Survival of Terms**.

Termination of this Agreement for any reason will not release either Party from any liabilities or obligation set forth in this Agreement which: (i) the Parties have expressly agreed shall survive any such termination; or (ii) by their nature would be intended to be applicable following any such termination, including without limitation, Sections 3 (Compensation), 5 (Confidential Information), 8 (Indemnification), 9 (Ownership of Intellectual Property), 10 (Intellectual Property Warranty and Indemnity), 12 (Malicious Software), 13 (Limitations on Liability), 14 (Limited Warranty) and 25 (Governing Law).

21. **Severability**.

In case any provision in this Agreement shall be held invalid, illegal or unenforceable by a court of competent jurisdiction in any respect in any jurisdiction, the validity, legality and enforceability of such provision in any other jurisdiction and the validity, legality and enforceability of the remaining provisions hereof in any jurisdiction will not in any way be affected or impaired thereby.

22. **Entire Agreement**.

This Agreement, together with its Schedules A, B and C and Exhibit A, incorporated herein by reference, constitute the entire understanding and agreement of and between the Parties with respect to the subject matter hereof and supersedes all prior representations, warranties, conditions, understanding and agreements, express or implied, statutory or otherwise, respecting such subject matter. This Agreement will not be varied by any oral agreements or representations or otherwise except by an instrument in writing subsequent to the date hereof duly executed by authorized representatives of the Parties. Any other terms or conditions included in any quotes, acknowledgements, confirmations, purchase orders or other similar forms utilized or exchanged by Licensee and FHG shall not be incorporated herein or be binding unless expressly agreed upon in writing by authorized representatives of the Parties. The section and paragraph headings herein are for convenience only and shall not limit in any way the scope of any provision of this Agreement.

23. **Compliance with Laws.**

Licensee agrees to use the Software and Services, and authorize the Participants to use the Service, in compliance will all applicable federal, state and local laws and regulations.

24. **Governing Law.**

This Agreement is governed by the laws of the State of California without reference to its conflicts of laws provisions. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from application to this Agreement. All disputes arising under this Agreement will be brought exclusively in either the State or Federal District Courts located in Riverside County, California and the Parties hereby unconditionally consent to the personal jurisdiction of such courts for such purpose. Notwithstanding any other provisions of this Agreement, the Parties acknowledge that a breach by a Party of Section 5 of this Agreement will cause the other Party irreparable harm for which the recovery of monetary damages would be inadequate, and in the event of a breach or threatened breach of such provisions, the non-breaching Party will be entitled to obtain injunctive relief in addition to any and all remedies available at law or equity in

any of the foregoing courts. The prevailing party shall be entitled to recover all costs, including attorneys' fees, incurred in the enforcement of this Agreement.

IN WITNESS WHEREOF, Licensee and FHG each have caused this Agreement to be signed and delivered by its duly authorized representative to be effective as of the Commencement Date set out in Schedule A.

EXHIBIT A

a.

Forward Health Group, Inc.:

By: _____

Name: Michael Barbouche

Title: CEO / Founder

Date: 17 MAY 2016

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____

Martha Knutson
Deputy County Counsel

County of Riverside on behalf of Riverside
University Health System:
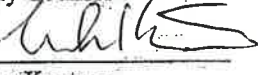
By: _____

Name: Zareh Sarrafian

Title: CEO

Date: 5/23/16

COUNTY OF RIVERSIDE

By: _____

Name: _____John J. Benoit_____

Title: ___Supervisor, Dist. 4___

Date: _____

Schedule A

Summary

1) FHG Address:		Forward Health Group, Inc. 1 South Pinckney Street Suite 301 Madison, WI 53703 Tel: 608-729-7530
2) Participating Site Address:		Riverside University Health System 26520 Cactus Ave Moreno Valley, CA 92555
3) FHG Contacts:		Stuart Hammond Vice President of Sales Tel: 608-729-2346 Email: Stuart.Hammond@forwardhealthgroup.com
4) Participant Contact:		Todd Christiansen Chief Clinical Officer Tel: (602) 206-7247 Email: tchristiansen@ruhealth.org
5) Effective Date:		June 7, 2016
6) Termination Date:		June 7, 2020

Schedule B

1 Introduction

This STATEMENT OF WORK ("SOW") specifies the services, deliverables, and responsibilities that define the scope of a project by and between Riverside University Health System ("RUHS" or "Licensee") and Forward Health Group, Inc. ("FHG" or "Licensor"). The Parties have executed an Agreement for Services ("Agreement"), and this SOW forms a part of, and is subject to, the terms and conditions contained therein and are incorporated herein by reference. In the event of any conflict or inconsistency between the Agreement and this SOW, the Agreement shall prevail.

2 Summary

Project Implementation Estimate:	**12-16 weeks**
Contract Duration:	**Four (4) years**
Data Sources:	**Clinical, Lab, Pharmacy, and Claims data from the following sources:**

- Techcare
- Invision
- Epic
- NextGen
- i2i
- Behavioral Health
- IEHP – Lab Results, Pharmacy, and Claims
- Molina/Vantage – Lab Results, Pharmacy, and Claims
- BCA
- Soarian

Refresh Cycle:	**Populations and Panels – Quarterly**
	Measures and Metrics – Monthly
Number of Measures:	**All selected California PRIME Measures**
	All selected California GPP Metrics and Measures
	Up to (10) licensee defined measures (does not include add'l data sources)
	+ Up to (120) professional service hours
	+ (1) Discharges scheduled within 7 days report
Hosting:	**Managed Hosting at www.rackspace.com**

3 Solution Overview

RUHS seeks a population health technology solution to measure the overall quality of care delivered across its provider network specifically as it relates to the effective management, coordination, and surveillance of its California Public Hospital Redesign and Incentives in Medi-Cal (PRIME) and Global Payment Program (GPP) program initiatives.

Clinical, claims, lab, pharmacy, and other relevant data from a host of RUHS technology applications will be extracted, aligned, and aggregated to meet the population health management goals of RUHS. FHG will install PopulationManager on its hosted server and populate it with metrics and measures derived from this data. FHG will configure the tool and provide the necessary training and support to designated RUHS users leveraging a train-the-trainer approach.

4 FHG Services

FHG will provide services under this SOW to include:

4.1 Program Management

1. Develop and maintain project master schedule.
2. Joint project planning prior to kickoff.
3. Validation of PRIME and GPP measure logic.
4. Kickoff meeting.
5. Finalize project charter and establish milestones.
6. Bi-weekly status reports.
7. Manage signoff of deliverables and key milestones.

4.2 PopulationManager Configuration

1. Establish data connections and configure site.
2. Definition and configuration of metrics.
3. Map claims data to FHG staging tables.
4. Complete process measures and claims data build.
5. Definition and configuration of Licensee measures.
6. Complete ETL process build for initial measures.
7. Implementation of Licensee measures.

4.3 Data Hosting, Load, and Transformation

1. Characterization report of Licensee data.
2. Hosting PopulationManager and the FHG Data Mart.
3. Backup of Licensee data.
4. Data transformation.

4.4 Testing and Quality Assurance (QA)

1. Provide QA environment for initial testing populations, measures, and metrics.
2. Once passed in the QA environment, release data in the production platform.

4.5 Deployment

1. Load data to production environment.
2. Release required prior year California PRIME benchmark measure results.
3. Develop go-live plan in coordination with Licensee project team.
4. Rollout additional clinical and operational measures via an iterative process defined during the Project Management phase. Provide additional training and ongoing technical and functional support.

5   Assumptions & Limitations

The following assumptions and limitations are noted for the project:

5.1   General

1. Project includes a PopulationManager install for measurement of RUHS' providers on the California PRIME and GPP quality measures.
2. Claims data feeds are already standardized, available, and include all necessary content.
3. Claims data feeds will include "all claims" for all Medicaid (Medi-Cal) and Medicaid Managed Care members seen (or referred to) RUHS.
4. CAHPs source data is available at either the provider or hospital level, or can be inferred from patients identified as "current, active" patients at RUHS.
5. Measures undefined ("Innovative Metrics") at the effective date of the agreement are out of scope.
6. Measures are only those that can be defined in terms of known nomenclatures such as HCPCS, CPT, ICD, etc., or otherwise use laboratory outcomes and or defined order-sets as metrics in their calculations. FHG will not perform chart abstractions for collection of data, and any measures based on chart abstraction will use data encoded by RUHS and sent to FHG in a standardized record format agreed to by RUHS and FHG.
7. Pharmacy data will be drug orders and prescription fulfillment.
8. Labs data comes in a single file format (but could be submitted as multiple files for size and file-transmission considerations).
9. RUHS shall make available the appropriate contacts to provide answers to technical, process, and clinical questions about the current state and future state environments.
10. RUHS shall have necessary personnel available to work with FHG to complete all activities, including data extraction and testing.
11. If required, RUHS shall provide FHG personnel with proper login access to the operating systems and network, including remote access as needed.
12. If required, RUHS shall provide FHG personnel access to RUHS facilities during configuration, implementation, and development.
13. RUHS shall be responsible for completion of tasks assigned to RUHS resources.

5.2   Refresh Definitions

5.2.1   Population Refresh:

A population refresh updates the denominator in population health measurement. A quarterly population refresh is generally adequate, as patients do not routinely shift in populations.

5.2.2   Panel Refresh:

A panel refresh fine-tunes patient attribution as patients may change providers, patients may leave the system, or new patients establish care. Similar to a population refresh, a panel refresh adds and removes physicians or other clinicians who have a status change with the organization. New patients are attributed to panels, and others are removed, as appropriate. A quarterly panel refresh is generally adequate, as patients do not regularly switch their primary provider.

5.2.3   Measure Refresh:

A measure refresh updates the numerators in population health measurement. FHG collects new metrics and recalculates the measures based on those metrics. The frequency with which FHG calculates measures dictates how quickly the system will see movement in performance. Depending on the approach and pace of the system's improvement journey, quarterly, monthly or weekly refreshes may be appropriate.

6 Proposed Project Schedule

Upon receiving a signed copy of this SOW, FHG will establish a timeframe for the implementation.

Task	Week
Project Kickoff	1
Map Claims Data to FHG Staging Tables	2
Finalize Project Charter & Establish Milestones	3
Establish Data Connections & Configure Site	4
Complete Process Measures & Claims Data Build	5
Complete ETL Process Build for Initial Measures	8
Testing & Quality Assurance	10
Training & Go-Live	12
Continue Rollout*	12+

*Includes RUHS additional clinical & operational measures based on EMR, Labs, & other. The standard 12-week build includes the initial measures agreed to during the Project Planning phase followed by the iterative introduction of additional measures in weeks 12+.

7 Project Change Control

If changes to project scope are introduced over the course of the project, FHG will work closely with RUHS to manage the change. Changes may incur additional service fees. Additional services can be purchased from FHG by execution of a written Change Order (CO) under this SOW or through a separate SOW. FHG will proceed with changes only as authorized by an executed CO or additional SOW.

Schedule C

8 PopulationManager Fees

Term of Agreement: Four (4) year term. If FHG increases the Annual Subscription Fee for a renewal period, FHG will provide 60 days prior written notice of fee changes.

Item	Year 1	Year 2	Year 3	Year 4
Installation Fee	$257,000	-	-	
Annual Subscription Fee	$487,200	$487,200	$487,200	$487,200
Installation Fee Discount	($50,000)			
Annual Subscription Fee Discount	($185,448)	($84,864)	($84,864)	($84,864)
Total	**$508,752**	**$402,336**	**$402,336**	**$402,336**

- Fees above reflect consideration provided to RUHS for agreeing to be first PRIME/GPP client for FHG

9 Payment Schedule

Installation Fee (one-time)

The one-time Installation Fee will be paid as follows:

- 50% upon signature of this agreement.
- 15% upon Licensee acceptance of initial measure definitions and build.
- 15% upon Licensee acceptance of completed validation and testing of initial measures in the QA environment.
- 20% upon Licensee acceptance of prior year benchmark measure results displayed in the Production platform.

Annual Subscription Fees

Annual Subscription Fees will be paid as follows:

- Year 1: $301,752 due upon load of data to Production platform necessary to produce a mutually agreed upon subset of PRIME benchmark measures ("initial measures") as agreed upon by both parties during the Project Planning phase.
- Year 2: $402,336 due on the first anniversary of the Contract Effective Date.
- Year 3: $402,336 due on the second anniversary of the Contract Effective Date.
- Year 4: $402,336 due on the third anniversary of the Contract Effective Date

10 Additional Services

10.1 Professional Services

1. Licensee may request additional Professional Services to complete custom work beyond the scope of this contract. Such work will be billed at $200 per hour and will be addressed in a separate SOW.

10.2 Additional Measures

1. Licensee may request additional licensee-defined measures. The scope, timeline, and fees associated with this work will be described in a separate SOW.

11 Expiration

This offer expires May 25, 2016.

12 Signatures

Forward Health Group, Inc.

By: _____

Printed Name: Michael Barbouche

Title: CEO / Founder

Date: 25 MAY 2016

Riverside University Health System

By: _____

Printed Name: Zareh Sarrafian

Title: CEO

Date: _____

APPROVED AS TO FORM:
Gregory P. Priamos
County Counsel

By: _____

Martha Knutson
Deputy County Counsel

COUNTY OF RIVERSIDE

By: _____

Name: John J. Benoit

Title: Supervisor, Dist. 4

Date: _____

EXHIBIT B
Service Level Agreement

1. Definitions. The following definitions shall apply to the Service Level Agreement. All terms not defined herein shall have the meaning set forth in the Agreement.
   a. "Downtime" means, for the Software and Services, if there is more than a five percent user error rate. Downtime is measured based on server side error rate.
   b. "Downtime Period" means, for the Covered Services and Deliverables, a period of ten consecutive minutes of Downtime. Intermittent Downtime for periods of less than ten consecutive minutes will not be counted towards any Downtime Periods; provided that intermittent Downtime during the same 24-hour period shall be aggregated into a single Downtime Period.
   c. "Covered Services and Deliverables" means the System as defined in Exhibit C and components of the Software and Services.
   d. "Quarterly Uptime Percentage" means the total number of business day minutes in a calendar quarter minus the number of business day minutes of Downtime resulting from all unscheduled Downtime Periods in a calendar quarter, divided by the total number of business minutes in a calendar quarter.
   e. "Scheduled Downtime" means those times where FHG notifies Licensee at least two (2) days in advance of periods of Downtime. There will be no more than twelve hours of Scheduled Downtime per calendar year. Scheduled Downtime is not considered Downtime for purposes of this Service Level Agreement, and will not be counted towards any Downtime Periods.
   f. "Software" and "Services" shall have the meaning as defined in the Agreement.
   g. "Processing Fee Reduction" means the following:

Quarterly Uptime Percentage	Hosting Fee Reduction for each Quarter with <99.9% Quarterly Uptime Percentage
< 95.0% - ≥ 94.0%	10%
< 93..9% - ≥ 92.5%	22%
< 92.4% - ≥ 90.0%	50%
< 90.0%	Licensee may elect to terminate and receive prorate refund of upload and hosting fees.

2. Service Levels. During the Term of the Agreement, the Covered Services and Deliverables will be operational and available to Licensee at least 95.0% of the time in any calendar quarter. FHG is responsible for meeting the Service Levels, whether or not it outsources hosting and other related services to another entity. The order of priority in interpreting these agreements shall be (1) the Agreement, (2) this Exhibit B, (3) Attachment C, (4) the Statement of Work.

3. Not later than ten (10) business days after the end of any calendar quarter, FHG shall provide the Quarterly Uptime Percentage for such quarter to Licensee.

4. Service Level Agreement Exclusions. The Service Level Agreement does not apply to any products or services that expressly exclude this Service Level Agreement (as stated in the documentation for such products or services) or any performance issues: (i) caused by factors outside of hosting services' reasonable control; (ii) that resulted from Licensee's equipment or third party equipment outside of FHG's reasonable control; or both; or (iii) that resulted from internet service providers or telecommunications service providers or their equipment or services.

EXHIBIT C
Security Standards

Beginning on the Effective Date of this Agreement and continuing for a long as FHG controls, possesses, stores, or transmits Participant Data, FHG will comply with the Security Standards set out in this Exhibit C. This enumeration of FHG's Security practices does not limit its liability or responsibilities under the terms of its Business Associate Agreement with COUNTY.

1. Definitions

When used in this Agreement and in each schedule or exhibit hereto, the capitalized terms listed in this Section shall have the following meanings:

Business Hours means 7 AM to 7 PM Central Time.

Participant Data has the meaning given to it in the Agreement

Personally Identifiable Information (PII) means names of individuals, including first name, middle initial or name, and last name; social security numbers; dates of birth; addresses, zip codes, demographic information for the individuals; bank account numbers or credit card numbers; medical or health information; phone numbers; email addresses; and any other information, which used alone or in combination with other information, may identify an individual.

Protected Health Information (PHI) as defined in 45 C.F.R. § 160.103 under HIPAA, and any applicable state law.

Security means technological, physical, administrative and procedural safeguards, including but not limited to policies, procedures, standards, controls, hardware, software, firmware and physical security measures the function or purpose of which is, in whole or part, to:
1) protect the confidentiality, integrity or accessibility of Participant Data and FHG's Systems;
2) prevent the unauthorized use or unauthorized access to FHG's Systems; or
3) prevent a breach of malicious code infection of FHG's System; and is consistent with all applicable federal and state privacy and data security laws and regulations and relevant industry standards.

Security Incident means (i) actual or reasonably suspected unauthorized use of or access to FHG's Systems or FHG's service provider's systems (ii) unauthorized access to or theft of the Participant Data, (iii) an inability to access FHG's Systems or the Participant Data due to malicious code, use, attack or exploitation of Participant Data or Systems, (iv) unauthorized use of Participant Data by a person for purposes of theft, fraud, identity theft, (v) unauthorized disclosure or alteration of information and/or transmission of malicious code.

SOC 2 Report means Service Organization Control reporting option report SOC2, performed in accordance with AICPA Standards that includes the following trust services and criteria: security, confidentiality, availability, privacy and processing integrity.

Vulnerability Scan means a scan of Internet facing environments of merchants and service providers conducted in accordance with Data Security Standards by an Approved Scanning Vendor as designated by PCI Security Standards Council.

System(s) means hardware, software, and processes, whether virtual or physical, including but not limited to servers, storage, firewalls, backup and business continuity processes and procedures, controls around data availability, accessibility, integrity, and operational and technology controls related to services provided to the Licensee, whether located in or affecting FHG's facilities or provided to FHG by its contractors or vendors.

Subcontractor means a subcontractor or other third party retained or hired by FHG to provide services or products to FHG.

HIPAA means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as it may be amended from time to time, and all rules and regulations issued pursuant to this act including but not limited to the Privacy Rule and Security Rule.

2. **Information Security Programs, Backup Systems, System Redundancies, Protection of Participant Data in Transit, and Complying with Foreign Government Privacy Laws**

   a. Information Security Programs: FHG will implement, maintain and monitor security for its Systems and all co-location sites that contain commercially reasonable administrative, technical and physical safeguards to protect Participant Data from unauthorized use, alteration, access, or disclosure and to protect the confidentiality, integrity and availability of Participant Data and Systems. The Information Security Programs will include, at a minimum, implementation of the following:

      i. Designated employees with experience and training who will maintain the Security programs such that the Security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of PII;

      ii. Background checks on employees and Subcontractors with access to Participant Data and FHG's Systems and upon the Licensee's request, will provide certification to the Licensee that the background checks were completed;

      iii. Immediate termination of access for terminated FHG employees and Subcontractors when the contract terminate or other permissions to access are terminated;

      iv. Personnel controls to protect against unauthorized access and use of Participant Data and Systems and validation that any persons it authorizes to have access to the Participant Data will maintain the confidentiality and Security of the Participant Data and Systems;

      v. Network security to ensure secure capture, storage and distribution of Participant Data including secure user authentication protocols and access control measures for Systems;

      vi. Physical security to protect against theft, tampering or damage at FHG or its Subcontractor facilities where hardware is located including access restrictions, monitoring of buildings, security guards, physical enclosure of hardware, as appropriate;

      vii. Electronic access controls, audit trails to document access, use and modification of Licensee Data, secure user authentication protocols, firewall protection, malware protection that includes antiviral software, updating of virus definitions, and stringent practices concerning incoming email, logging of access to Systems, use of encryption, assessment, monitoring and auditing procedures to prevent unauthorized use of FHG's Systems, a Security Incident, or malicious code infection of Systems;

      viii. Annual audit/assessment to identify and assess reasonably foreseeable internal and external risks to the security, confidentiality and integrity of electronic, paper and other records containing PII and evaluate and improve, where necessary, the effectiveness of safeguards for limiting those internal and external risks;

      ix. If FHG retains third party service providers, they must be capable of maintaining appropriate security measures to protect PII and PHI consistent with applicable laws and regulations, including requiring service providers by contract to implement and maintain such security measures;

      x. FHG will encrypt all records and files containing PII and PHI stored on FHG's Systems, that travel across public networks or that will be transmitted wirelessly and will encrypt any PII and PHI that is stored on portable devices;

      xi. FHG will collect, process and store all Participant Data in compliance with:

         1) notice, consent or other requirements of all relevant privacy and data security laws and regulation applicable to the type of PII and PHI that is collected and stored and will maintain Security processes at all time at not less than the level set out in this Agreement or as required by applicable law.

      xii. FHG will notify Licensee of the locations where Participant Data is located. FHG will store Participant Data on FHG's servers and at facilities owned or under contract to FHG in the United States. Any collection, storage, or data processing outside the United States requires the Licensee's prior written approval;

      xiii. If requested, FHG may transfer Participant Data to different servers as necessary if FHG deletes all Participant Data from the original server so that the Participant Data is no longer readable, maintains the integrity of Participant Data during the transfer, protects the Participant Data from unauthorized access during the transfer and validates that the transfer was completed successfully. FHG will give the Licensee thirty days advance notice of transfer of the Participant Data. FHG will deliver certification of destruction or removal of Participant

Data from the servers from which the Participant Data is transferred. Any Participant Data that is required to be encrypted per applicable Security standards or this Agreement will be transferred in encrypted form;

    xiv. FHG will segregate the Participant Data from FHG's Data and data of other of FHG's clients;

    xv. FHG will deliver annually to the Licensee's Security Officer within in ten (10) business days of its receipt, a SOC 2 report that includes controls objectives and related controls of Subcontractors, description of Systems, the controls that are used to effectively monitor the Subcontractors including control objectives and related controls of Subcontractors. Failure by FHG to provide an acceptable SOC 2 Report will be a material breach of this Agreement; and

    xvi. FHG will perform all activities hereunder in compliance with all applicable federal, state, local health authority and institutional laws, regulations and guidelines, including, without limitation, HIPAA, and all requirements imposed by legally constituted Institutional Review Boards (IRBs). FHG will receive PII and PHI for Licensee Programs as allowed by law, subject to a Business Associate Agreement with each vendor or site. FHG will maintain the confidentiality of all such PII and PHI, unless specifically allowed to disclose such information by law..

c.   <u>System Redundancies</u>: FHG will maintain redundancies of its Systems and the Participant Data so that the System and Participant Data will be available to the Licensee as outlined below in the event service is disrupted in any manner. FHG will notify the Licensee if the primary location of any Participant Data and Participant Data processing should be relocated. FHG will report outages based on the following classifications:

    i.   Green: Outage that occurs with no impact to customer. Criteria include, but are not limited to:
       1) Off Hours outage;
       2) Support System outage during business hours;
       3) Test system outage;
       4) RAID Disk failure; and
       5) Communications: Reporting will be at the discretion of FHG's management.

    ii.   Yellow: Outage occurs with impact to customer for two hours or less. Criteria include, but are not limited to:
       1) Occurs during business hours;
       2) Occurs during off-business hours, but extends into business hours; and
       3) Communications: FHG will designate an employee ("Incident Manager") who will notify the affected customer(s) via e-mail upon determination of the existence of an outage. The Incident Manager will notify the affected customer(s) via e-mail when the effected system(s) are functioning as expected. The Incident Manger will notify the affected customer(s) via e-mail with a post-outage report. The report will include the cause of the outage, the solution to the outage and future mitigation steps to prevent the cause of the outage in the future.

    iii. Red: Outage occurs with impact to customer for more than two hours and less than twenty-four (24) hours. Criteria include, but are not limited to:
       1) Occurs during business hours;
       2) Occurs off-business hours, but extends into business hours; and
       3) Communications: The Incident Manager will notify the affected customer(s) via e-mail upon determination of the existence of an outage. The Incident Manager will notify the affected customer(s) via e-mail when the effected system(s) are functioning as expected. The Incident Manger will notify the affected customer(s) via e-mail with a post-outage report. The report will include the cause of the outage, the solution to the outage and future mitigation steps to prevent the cause of the outage in the future.

    iv. Black: Outage occurs with impact to customer for more than twenty-four (24) hours. Criteria Include:
       1) Occurs during business hours;
       2) Occurs off-business hours, but extends into business hours; and
       3) Communications: The Incident Manager will notify the affected customer(s) via e-mail upon determination of the existence of an outage. Should the outage be expected to last three or more days, the Incident Manager will schedule a conference call with the affected customer(s) for the third day. If necessary, update calls will be scheduled every three days. Additional calls may be scheduled at the discretion of the Incident Manager. The Incident Manager will notify the affected customer(s) via e-mail when the effected system(s) are functioning as expected. The Incident Manger will notify the affected customer(s) via e-mail with a post-outage report. The report will include the cause of the outage, the solution to the outage and future mitigation steps to prevent the cause of the outage in the future.

d. FHG will comply with the following:
    i.   Maintain commercially reasonable backup systems and disaster recovery procedures intended to safeguard Participant Data, applications and other data from being lost, damaged or destroyed in the event of a disaster,

power failure, equipment failure or other event or occurrence that interferes with the normal conduct of FHG's business. FHG will test, at least annually, its disaster recovery procedures.

ii. Will notify Licensee of the locations where Participant Data is located. FHG will store Participant Data on FHG's servers and at facilities owned or under the control of FHG and at other locations approved by the Licensee. Any collection, storage, or data processing outside the United States requires the Licensee's prior written approval.

iii. Transfer Participant Data to different servers as necessary. If FHG deletes all Participant Data from the original server so that the Participant Data is no longer readable, maintains the integrity of Participant Data during the transfer, protects the Participant Data from unauthorized access during the transfer and validates that the transfer was completed successfully. FHG will give the Licensee reasonable advance notice, but not less than thirty (30) days notice, of transfer of the Participant Data. Provide protection of Participant Data in transit, including event/log storage. FHG will deliver certification of destruction or removal of Participant Data from the servers from which the Participant Data is transferred. Any Participant Data that is required to be encrypted per applicable Security standards or this Agreement will be transferred in encrypted form.

3. **Document Production/Response to Subpoena and Inquiries**
   a. In the event FHG should receive a subpoena or other request or demand from a third party, including any law enforcement agency, regulatory agency, or congressional inquiry for access to FHG's Systems, demand to copy, review or take possession of FHG's Systems or the Participant Data, or any part of the Participant Data, FHG will immediately notify the Licensee and will cooperate with the Licensee in granting access to Participant Data by the third party or in any effort by Licensee to prevent or restrict access by the third party to Participant Data at the Licensee's sole discretion.
   b. FHG will cooperate with the Licensee in responding to any subpoena or inquiry or discovery request received by the Licensee and will provide resources as needed for the Licensee to conduct appropriate searches, retrieve, or copy the Participant Data or take other action in response to the subpoena, inquiry or discovery request as needed for the Licensee to comply with the request.
   c. In the event the Licensee notifies FHG to protect Participant Data, including any related metadata, from deletion or destruction or modification, pursuant to a legal hold, subpoena or other judicial, congressional or regulatory agency instruction or request, FHG will immediately take appropriate steps to protect and maintain the identified Participant Data.

4. **Security Incident**
   a. FHG will promptly notify the Licensee of any loss of Participant Data, Security Incident, breach or possible breach of its Systems that might result in the disclosure of Participant Data to third parties not authorized to receive or use such Participant Data whether caused by malicious use, attack or exploitation of Systems, unauthorized use of Participant Data by a person for purposes of theft, fraud, identify theft, or alteration of information and/or transmission of malicious code. FHG will immediately take appropriate action to correct any deficiency in its security systems in order to prevent further disclosure of information and to determine the extent of PII or PHI has that been accessed.
   b. FHG will conduct an investigation of the reasons for and circumstances surrounding the Security Incident and take necessary actions to prevent, contain, and mitigate the impact of the Security Incident. FHG will collect and preserve evidence concerning the Security Incident, including documentation regarding incident response and remedial actions taken so that the documentation will meet the requirement for forensic evidence for law enforcement, criminal and civil legal proceedings.

6. **Subcontractors**

If any Participant Data is collected or stored on servers or at facilities not owned or under the control of FHG or if Subcontractors may have access to the Participant Data pursuant to a written agreement with FHG, FHG represents and warrants that it has disclosed the identity of those Subcontractors to the Licensee prior to execution of this Agreement and further represents and warrants that all Subcontractors will comply with the Confidentiality, Security Standards and Security Incident requirements of this Agreement. FHG will require the Subcontractors to allow access by the Licensee, its representative or auditors to FHG's Systems maintained by a Subcontractor for the purpose of conducting examinations, as set out in this Agreement. FHG will further require all Subcontractors to provide evidence of compliance with the Security Standards set out in this Agreement, including providing an annual SOC 2 (or more stringent certification, at the discretion of the Subcontractor) Report. All Participant Data will be stored on Subcontractor's servers in the United States unless the Licensee gives prior written approval for storage outside the U.S. In the event FHG enters into an agreement after execution of this Agreement with a Subcontractor who will have access to Participant Data, FHG will give written notice to the Licensee prior to entering into any agreement with the Subcontractor and prior to allowing the Subcontractor to access Participant Data or Licensee Confidential Information and will require the Subcontractor to comply with the terms of this Agreement as set out above._

7. **Performance Measures**

a. <u>Key Performance Indicators</u>: FHG will build and maintain the infrastructure to meet Licensee business requirements. To ensure proper levels of performance FHG agrees to measure and report specific Key Performance Indicators (KPIs). These KPIs will be reported to Licensee on a quarterly basis and will be divided into three categories: green, yellow, and red. KPIs in the green category will be reported on a quarterly basis. KPIs in the yellow category will be reported monthly until either:

   i. the KPI returns to green for two successive months; or
   ii. the KPI degrades to red.

   KPIs in the red category will be mitigated within fifteen (15) business days. Following mitigation, the KPI performance will be reported following the above procedures.

b. <u>KPI Categories</u>:

   i. User response time: FHG will perform load testing on a quarterly basis. User response time will be measured and reported using the following categories:
      1) Green: response time <6 seconds;
      2) Yellow: response time ≥ 6 seconds but < 10 seconds; and
      3) Red: response time ≥ 10 seconds.

   ii. Server load: FHG will report average server load on a quarterly basis for all machines that make up the Licensee production infrastructure using the following categories:
      1) Green: average load <75%;
      2) Yellow: average load ≥75% but <85%; and
      3) Red: average load ≥85%.

   iii. Server disk usage: FHG will report disk usage on a quarterly basis using the following categories:
      1) Green: <65% full;
      2) Yellow: ≥65% full but <75% full; and
      3) Red: ≥75% full.

   iv. System availability: The level of system availability will depend on the underlying infrastructure using the following:
      1) All planned downtime including scheduled maintenance will be performed outside the above hours. In the event that a downtime is required during normal business hours to ensure the availability and security of the system, no fewer than forty-eight (48) hours' notice will be given to Licensee and the main contact of each participating site.

8. **Threat Detection and Alerting**

FHG will use two systems to provide threat detection and alerting.

a. <u>Threat detection and management</u>. These products detect external and internal threats. When an incident is detected, the service provides expert guidance from the security operations center ("SOC"), staffed round the clock by security analysts. Integrated vulnerability scanning helps identify possible points of entry and correct them, and assists Licensee with meeting regulatory compliance requirements.

b. <u>Log manager</u>. This product automatically aggregates, normalizes, and stores log data -simplifying log searches, forensic analysis, and report creation through real time or scheduled analysis. An additional service provides daily event log monitoring and review by a team of security professionals.

9. **<u>Routine Business Continuity / Disaster Recovery Testing</u>**
   FHG will conduct an annual Business Continuity / Disaster Recovery ("BC/DR") tabletop exercise. The scenario for this tabletop will be planned by designated staff and approved by FHG management. Upon completion of the BC/DR exercise, an after-action report will be created that identifies at a minimum:
   a. Current BC/DR strengths;
   b. Current BC/DR weaknesses;
   c. List of items or processes to remedy weaknesses; and
   d. Any identified improvements will be added to appropriate FHG documentation. Any changes to application functionality or infrastructure will be documented through the change management process.

10. **<u>Backup Restoration and Recovery Testing</u>**
    FHG will at a minimum, once per year, test its backup restoration and recovery process. This is to ensure that files and data that are backed up are recoverable. Designated IT staff will develop a step-by-step plan for conducting this test. An after-action report will be created that identifies at a minimum:
    e. Current BR strengths;
    f. Current BR weaknesses;
    g. List of items or processes to remedy weaknesses; and
    Any identified improvements will be added to appropriate FHG documentation. Any changes to application functionality or infrastructure will be documented through the change management process.