

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

311A



FROM: Human Resources Department

SUBMITTAL DATE:
December 22, 2010

SUBJECT: Exclusive Care - Renewal EPO IPA Agreement with Vantage Medical Group, Inc.

RECOMMENDED MOTION: 1) Ratify and approve the attached EPO IPA Agreement from January 1, 2011 until December 31, 2014, with Vantage Medical Group, Inc., an independent physicians association located in Corona; 2) authorize the Chairperson to sign three (3) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement and return two (2) copies to Human Resources for distribution.

BACKGROUND: In 1999, the Board of Supervisors established the County's self-funded Exclusive Provider Option (EPO) health plan, Exclusive Care, to provide a value health plan option to the employees of Riverside County and their families. To provide services to its enrolled members, Exclusive Care has contracted with a variety of healthcare providers.

Barbara A. Olivier

Barbara A. Olivier
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ to be determined by claims	For Fiscal Year:	2010/11

SOURCE OF FUNDS: Premiums paid by members	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature BY: *Elizabeth J. Olson*

Elizabeth J. Olson

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: February 1, 2011
xc: HR

Kecia Harper-Ihem
Clerk of the Board
By: *Kecia Harper-Ihem*
Deputy

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

3.11

FORM APPROVED COUNTY COUNSEL
BY: *Neal R. Kipnis*
NEAL R. KIPNIS DATE: 1/7/11
Departmental Concurrence

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
Dep't Recomm: Policy Policy
Consent: Consent
Per Exec. Ofc.:

BACKGROUND continued:

This Provider has completed the Exclusive Care credentialing process which includes all appropriate medical licensure, public records, consumer complaints, business license, and lien verifications. The legal contracting entity has been verified with the W9 and/or the California Business Portal or Business License. This agreement continues participation in the Exclusive Care Provider Network under terms similar to other comparable providers under contract.

**RIVERSIDE COUNTY - EXCLUSIVE CARE
EXCLUSIVE PROVIDER ORGANIZATION
IPA AGREEMENT**

This Agreement is made by and between the County of Riverside, State of California (hereafter "County"), a public entity, and **Vantage Medical Group, Inc.** (hereafter "IPA"), with reference to the following facts:

WHEREAS, County has developed an Exclusive Provider Organization (EPO) to provide health care services to the employees of Riverside County and other area municipalities; and,

WHEREAS, IPA is a health care network that includes healthcare professionals who are capable of providing services for the EPO; and,

WHEREAS, the parties wish to entered into an agreement for County's use of IPA's network of healthcare professionals now, therefore,

IN CONSIDERATION of their mutual promises and covenants, the parties agree as follows:

1.0 DEFINITIONS

As used in this Agreement, the following terms shall have the meaning described below:

1.1 Agreement means this IPA Agreement for the provision of services for the EPO of County, and all attachments, addendums and amendments hereto.

1.2 Co-payment, Co-Insurance or Deductible means any nominal fee, approved by EPO, that may be charged to Members at the time of service for designated Health Care Services and/or Hospital Services.

1.3 Director means the Director of Human Resources for Riverside County, or his or her designee.

1.4 Emergency Medical Conditions means a medical condition which is manifested by acute symptoms of sufficient severity (including severe pain) such that a prudent lay person, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in one or more of the following conditions: placing the health or the individual or unborn child in serious jeopardy; serious impairment to bodily function; or serious dysfunction of any bodily organ or part.

1.5 Emergency Services means those health services needed to evaluate or stabilize an Emergency Medical Condition.

1.6 Exclusive Provider Organization (EPO) means the health care plan developed, and implemented by the County for the provision of health care services to County employees and their dependents - to be known as Exclusive Care.

1.7 Health Care Services means all Medically Necessary services to which Members are entitled under the EPO, including medical, preventive, ancillary, emergency, and health education services.

- 1.8 Hospital Day means any period in excess of twenty-four (24) hours, during which a Member receives inpatient services.
- 1.9 Hospital Services means those Hospital inpatient and outpatient services covered under the EPO, which Hospital agrees to make available to Member.
- 1.10 IPA means the Independent Physicians Association or Independent Practice Association. All references to IPA shall include the IPA's network providers.
- 1.11 Medically Necessary means all services which are reasonable and necessary to protect life, to prevent significant illness or significant disability or to alleviate severe pain and the diagnosis or treatment of disease, illness or injury.
- 1.12 Member means any eligible beneficiary who has enrolled in the County EPO for whom the County, by and through the EPO, provides Health Care Services.
- 1.13 Member Non-Physician Medical Practitioner means nurse practitioner, physician assistants or certified nurse midwives licensed to practice in the State of California and who are employees, subcontractors or who have written agreements with IPA to provide medical services to Members.
- 1.14 Member Physicians means physicians, surgeons and osteopaths licensed to practice medicine in the State of California and who have an ownership interest in, are employed by, or have written agreements with IPA to provide medical services to Members.
- 1.15 Outside Providers means licensed physicians, surgeons, osteopaths, paramedics, hospitals and other licensed health care facilities which provide Health Care Services to Members eligible to receive benefits under the EPO but do not have written agreements with IPA.
- 1.16 PCP means a physician who is the Primary Care Physician responsible for supervising, coordinating and providing initial, primary and preventive care to Members, for initiating referrals, maintaining continuity of Member care, and providing health counseling and education. This may include physicians who are in Family Practice, Pediatrics, Internal Medicine, Obstetrics, or General Practice.
- 1.17 Quality Assessment and Improvement Program (QAIP) means a program established by the EPO to oversee quality assessment and quality improvement reviews of services provided to Members.
- 1.18 Referrals means recommended directions of non primary care services of Members to physicians, including Outside Providers, or providers of ancillary services such as lab, x-ray and physical therapy, EKG, EEG, health education, medical social service, home health care, mental health, for the purposes of obtaining Health Care Services.
- 1.19 State means the State of California.
- 1.20 Surcharge means an additional fee which is charged to a Member for covered services of a health plan or the County or appropriate government agency and disclosed in the evidence of coverage or the disclosure form used as the evidence of coverage. For purposes of this Agreement, surcharges are not allowable charges.

2.0 DUTIES OF IPA

2.1 IPA RESPONSIBILITIES - IPA shall ensure that its network providers supply Members those Health Care Services, which are Medically Necessary when such services are authorized by EPO, and in accordance with this Agreement. IPA network providers shall assist in coordinating the provision of Health Care Services with the Member's PCP or EPO.

2.2 ACCESSIBILITY OF SERVICES - IPA ensure that it's network providers shall provide timely access to Health Care Services, and provide for reasonable hours of operations in compliance with EPO established standards for access and availability. Primary care, preventive care and education services shall be provided during normal working hours by a PCP designated for each Member.

2.3 INTRODUCTION OF EPO - IPA agrees to provide a general overview which is approved by the EPO in advance to those IPA providers accepting EPO participation.

2.4 PROVIDER LISTS - IPA shall submit to EPO a weekly report of all network changes applicable to EPO and in a format acceptable by EPO.

2.5 IPA TRANSFERS - IPA network provider agrees to make best efforts to notify EPO immediately and to assist in facilitating the transfer of Members requiring Health Care Services. IPA network provider agrees to cooperate and comply with EPO standards with respect to required referral systems for services to ensure continuity of care between EPO and the local health departments or other entities to which the Member is referred.

2.6 PROTECTION OF MEMBERS - IPA network providers may not impose any limitations on the acceptance of Members for care or treatment that it does not impose on other patients of the IPA. IPA network providers shall not request, demand, require or seek directly or indirectly the transfer, discharge or removal of any Member for reasons of Members need for or utilization of Health Care Services. IPA network providers shall not refuse or fail to provide Health Care Services to any Member.

2.7 REFUSAL BY PHYSICIAN - If IPA or any of its Member Physicians refuses Health Care Services to an EPO Member his EPO participation may be terminated immediately.

2.8 STANDARDS - IPA agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines developed by EPO and all applicable state and federal laws and regulations relating to the delivery of Health Care Services, and in accordance with community standards. Health Care Services shall be rendered by qualified medical providers. All Health Care Services shall be provided by professional personnel in a facility maintained in accordance with generally accepted industry standards in compliance with the standards developed by

EPO. IPA agrees to maintain and demonstrate to EPO, upon request, throughout the term of this Agreement, compliance with the following:

- A. Credentialing Information as provided herein.
- B. Credentialing Requirements as provided herein.

2.9 CREDENTIALING INFORMATION - IPA being delegated for Credentialing by EPO, shall maintain a credentialing process in accordance with NCQA standards.

2.10 CREDENTIALING REQUIREMENTS - IPA acknowledges and agrees that it shall report Member Physicians as required by the California Business and Professions Code Section 805 et. seq. (Section 805). IPA further agrees to maintain and demonstrate to EPO upon request, compliance with the following:

A. IPA shall ensure that its Member Physicians are licensed by the State of California, have current Drug Enforcement Agency (DEA) registration and adhere to other EPO credentialing requirements. IPA shall notify EPO in writing, immediately upon its knowledge, of any of the following actions taken by or against a Member Physician:

- 1. The surrendering, revocation, or suspension of a license;
- 2. The surrendering, revocation, or suspension of current DEA registration.
- 3. A change in hospital staff status or hospital clinical privileges, including any restrictions or limitations;
- 4. Loss of, or any material change or reduction in limits of malpractice insurance.

B. Furthermore, IPA agrees to notify EPO in writing within fifteen (15) days of its knowledge of any of the following:

- 1. Any filing pursuant to Section 805;
- 2. Any filing pursuant to the National Practitioner Data Bank;
- 3. The filing of any malpractice claim of more than ten thousand dollars (\$10,000).

C. If IPA fails to report the information, within the required time frames set forth herein when it has notice of such facts, IPA shall indemnify and hold harmless EPO from and against any claim, loss, damage, cost, expense or liability arising out of or related to such nonperformance by IPA, its Member Physician or employees. Failure to comply with this Section 2.13 may be considered material breach whereby EPO may terminate this agreement immediately in accordance with section 9.3.

2.11 ASSURANCE OF MEMBER CARE - Health Care Services shall be rendered by qualified medical providers, unhindered by fiscal and administrative management. IPAs fiscal and administrative concerns or any dispute with EPO and IPA concerning their respective obligations under this Agreement or otherwise shall not influence nor cause any delay in services provided by IPA to Members.

2.12 INSPECTION OF FACILITIES - Facilities used by IPA to provide Health Care Services shall comply with applicable state and/or federal law, and regulations. IPA agrees that it shall cooperate with inspections of IPA facilities, which are required to assure compliance with required facility standards.

2.13 CITATIONS - IPA shall notify EPO in writing of any legal or government action against any of its licenses, accreditations, or certifications; or any other situation that will materially impair the ability of IPA to carry out the duties and obligations under this Agreement. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect. Termination of the Agreement may occur as stipulated in Section 7.3.

2.14 UTILIZATION REVIEW (UR) - IPA agrees to participate in the UR program developed by EPO, upon invitation, and to abide by decisions resulting from that review, subject to any rights of reconsideration that may be available under EPOs UR program. IPA agrees to provide access to EPO utilization review and case management personnel for the purpose of conducting concurrent review and case management on Members who are receiving Health Care Services.

2.15 QUALITY ASSURANCE (QA) PROGRAM - IPA agrees to cooperate in the EPOs QA program, with regular EPO monitoring and evaluation of compliance with the QA standards and EPO policies and procedures, including participation in Member grievance resolutions and quality of care studies. IPA shall also implement its own ongoing quality assurance program which shall develop procedures for ensuring that the quality of care provided by IPA conforms with generally accepted IPA practices. IPA shall develop written procedures for remedial action whenever, as determined by the quality assurance program, inappropriate or substandard services have been furnished or services that should have been furnished have not been furnished.

2.16 SUBCONTRACTS - IPA shall identify those subcontracted providers that have chosen to participate in the EPO and shall ensure that the subcontracted provider's delivery health care services in accordance community and any additional standards required by EPO. IPA shall ensure that all subcontractors are bound by the provisions of this Agreement, and shall ensure that all subcontractors have not been excluded from participation in any state or federal program.

2.17 OTHER CONTRACTUAL COMMITMENTS - IPA represents and assures EPO and County that contractual commitments to other medical plans and/or other related entities do not restrict or impair IPA from performing its duties under this Agreement.

2.18 NONDISCRIMINATION - IPA represents and assures that Health Care Services are provided to Members in the same manner and quality as such services are provided to IPAs other patients. Members shall not be subject to any discrimination whatsoever by IPA in regard to access to Health Care Services.

IPA agrees to comply with the provisions of Title 2, CCR, Section 8107 et. seq., as may be amended from time to time, as incorporated by reference herein. IPA agrees to include this Nondiscrimination Clause in any and all subcontracts to perform services under this Agreement. The provisions of subsection (b) of Title 2, CCR, Section 8107 shall be applicable for this Agreement.

2.19 CONFORMANCE TO OTHER LAW - IPA certifies compliance with the Americans with Disabilities Act of 1990 (42 USC, Section 12100 et. seq.), Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, enacted August 21, 1996 and the Drug Free Workplace Act of 1990 (Government Code Section 8355 et. seq.). IPA certifies awareness of the Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor, the derivative Cal/OSHA standard and laws and regulations relating thereto and shall comply therewith as to all relative elements under this Agreement.

2.20 IDENTIFICATION OF OFFICERS, OWNERS, STOCKHOLDERS, CREDITORS
On an annual basis, IPA shall identify the names of the following persons by listing them on Attachment 1 of this Agreement, attached hereto and incorporated herein by this reference.

- A. IPA officers and owners;
- B. Stockholders owning greater than 10% of any stock issued by IPA;
- C. Major creditors holding more than 10% of any debts owed by IPA.

In addition, IPA shall notify EPO within thirty (30) days of any changes in the information in Attachment 1.

2.21 PROVISION OF INFORMATION - IPA shall provide EPO and/or governmental agencies with such data and other information regarding the rendition of services as may be reasonably requested or as may be otherwise required for compliance with applicable regulatory and disclosure requirements. IPA shall execute such additional verifications or documents as may be required by law or regulation.

2.22 OTHER REPORTING - IPA agrees to submit all information or reports, on a weekly basis, as may be required to enable EPO to fulfill its reporting and other obligations under the Agreement.

2.23 ADMINISTRATIVE GUIDELINES - IPA agrees to perform its duties under this Agreement in a manner consistent with the reasonable administrative guidelines provided by the EPO.

2.24 WITHDRAWAL OF AN IPA FACILITY/MEMBER PCP - In the event IPA seeks to withdraw one or more of the IPA providers listed on Attachment 2 or seeks to remove or limit a Member PCP from providing or arranging for Health Care Services to Members under this Agreement, IPA must make best efforts to notify EPO in writing at least sixty (60) days prior to the effective withdrawal date. IPA may be held responsible for Medical Services of members whose PCP has terminated by designating an alternate PCP for a 60 day period.

2.25 HOSPITAL REQUIREMENTS - IPA agrees to require its Member Physicians to follow the reasonable operating procedures and administrative protocols of EPO and participating EPO Hospital medical staff regarding the obtaining of privileges, the

admission of patients, and the obtaining of services which are the financial responsibility of EPO.

2.26 SERVICES AT NON-PREFERRED EPO NETWORK FACILITIES - In every instance where Member Physician is performing Health Care Services for a Member at a non-preferred EPO network facility, before such Health Care Services are provided to Member, the Member Physician shall document that Member has been given full disclosure, and has accepted full disclosure that Member may have incurred additional charges not covered by EPO for those Health Care Services performed at a non-preferred EPO network facility.

3.0 DUTIES OF COUNTY AND EPO

3.1 ADMINISTRATION - County agrees to perform all necessary administrative, accounting and reporting requirements and other functions to state and federal regulators consistent with the administration of EPO and this Agreement.

3.2 MEMBER SERVICES - EPO agrees to provide Member Services, including, but not limited to, processing Member complaints and grievances, informing Members of EPO policies and procedures, providing Members with information about EPO and its network of IPAs, hospitals and PCPs.

3.3 IPA ASSISTANCE - County agrees to assist and cooperate with IPA in the development and initial implementation of procedures necessary to carry out the intent of this Agreement. EPO shall provide necessary training regarding EPO policies and procedures.

3.4 ADMINISTRATION OF PAYMENTS - County agrees to pay IPAs contracted providers in accordance with the terms and procedures set forth in this Agreement.

4.0 BILLING AND COMPENSATION

4.1 PAYMENT – EPO shall pay IPA in accordance with Attachment 3. EPO shall pay IPA network providers in accordance with EPO Participation Exhibit.

4.2 COLLECTION OF CHARGES FROM MEMBERS - IPA network providers agrees that the only charges for which a Member may be liable and be charged by IPA shall be for Co-payments, Co-Insurance or Deductibles, as established by EPO, or for services not covered under the EPO. IPA shall advise Member, in writing, of their payment responsibility, if any, prior to rendering non-authorized or non covered Health Care Services and or Hospital Services, or services that require Co-payments, Co-Insurance or Deductibles. IPA network providers shall notify the Member, in writing, that he or she will be responsible for the payment of any non-covered services that are

provided to Member. The right of IPA network providers to collect charges from Members for non-covered services, except as provided herein, shall not be affected by this Agreement or its termination.

4.3 SERVICE WAIVER - In the event Health Care Services are denied by EPO, as not being Medically Necessary, or as not a covered benefit under the EPO, IPA network providers shall not charge a Member unless IPA network provider has obtained a written waiver from Member. The waiver must be obtained in advance of rendering services and shall specify those services EPO has denied as not being Medically Necessary, or as not a covered benefit under the EPO, and shall clearly state that the Member is responsible for payment of those services denied by EPO.

4.4 SURCHARGES - Notwithstanding the provisions herein, IPA network provider shall in no event, including, without limitation, nonpayment by EPO, insolvency of EPO, or breach of the Agreement, bill, charge, collect and deposit, or attempt to bill, charge, collect or receive any form of payment from any Member for Health Care Services provided pursuant to this Agreement. IPA network provider also agrees it shall not maintain any action at law or equity against a Member to collect sums owed by County to IPA.

Upon notice of any such surcharge or action, County may terminate this Agreement consistent with the provisions contained herein and take all other appropriate action consistent with the terms of this Agreement to eliminate such activity. IPA network provider's obligations regarding the collection of surcharges from Members shall survive the termination of this Agreement.

Failure of IPA network provider to act in accordance with any of the provisions of this section shall constitute a material breach of the Agreement and the Agreement or EPO network participation may be subject to termination by County pursuant to the provisions herein. In addition, County may take any other appropriate administrative or legal action to enjoin and otherwise restrain IPAs violation of the provisions of this section, including offsetting the amount of said collections against any future payment, and/or reimbursement to Members or their representatives of any charges or surcharges collected by IPA from Members.

4.5 COLLECTION OF CHARGES FROM THIRD PARTIES - EPO shall coordinate the benefits covering tort liability of a third party, and estates from deceased Members, and EPO shall be entitled to any recovery under such coordination of benefits. IPA network provider shall cooperate with EPO coordination of benefits.

4.6 COMPENSATION - County shall pay IPA, in accordance with the rates as outlined in Attachment 3.

4.7 ADEQUACY OF COMPENSATION - IPA shall accept the payments specified in this Agreement as payment in full for network access, administrative services or other duties provided by IPA and listed herein. In the event County fails to make any payments to IPA as provided herein, whether from EPOs insolvency or otherwise,

Members shall not be liable to IPA, under any circumstances. IPAs prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

4.8 RE-NEGOTIATION OF RATES - After, December 31, 2006, County and IPA agree that the rates as outlined in Attachment 3 may be re-negotiated.

5.0 RECORDS MAINTENANCE, AVAILABILITY, INSPECTION AND AUDIT

5.1 IPA RESPONSIBILITY - IPA shall maintain and provide adequate records and information as reasonably necessary to County so that County may properly administer the EPO and consistent with state and federal law. Such records shall be retained by IPA for at least five (5) years from the close of County's fiscal year in which this Agreement is in effect. Records shall be maintained according to HIPAA guidelines. This obligation is not terminated upon a termination of the Agreement, whether by rescission or otherwise.

5.2 PROPRIETARY NATURE OF INFORMATION - County IPA network provider and IPA agree to treat all Member information as confidential and shall safeguard the confidentiality of Member health records and treatment in accordance with all applicable state and federal laws, and regulations.

5.3 RECORDS OPEN FOR INSPECTION - All books, records and papers of IPA or subcontractor of IPA relating to the performance of this Agreement must be open to inspection and copying during normal business hours by the EPO, or state and/or federal regulators. Records shall include, without limitation, Member patient records (subject to applicable state and federal law governing the confidentiality of medical records), and/or financial records pertaining to the cost of operations and income received for Health Care Services rendered to Members. Such records shall be made available at all reasonable times at the IPA upon reasonable request by County. IPA shall maintain its books and records in accordance with general standards for books and record keeping.

5.4 PUBLIC RECORDS - IPA acknowledges and agrees that information, communications, and documents given by or to County, and/or EPO and meetings involving County and/or EPO management may be subject to the public records and meetings laws and regulations of the State of California. Documents which are protected from disclosure by applicable law shall remain confidential.

5.5 QUALITY ASSURANCE AND UTILIZATION REVIEW RECORDS - IPA shall cooperate with EPOs QA and UR programs and, upon reasonable request, shall provide EPO with summaries of, or access to records maintained by IPA or IPA network provider and required in connection with such programs, subject to

applicable state and federal laws concerning the confidentiality of medical records.

6.0 INDEMNIFICATION AND INSURANCE

6.1 IPA LEVEL OF INSURANCE - IPA and IPA network providers shall maintain such insurance and Certificate(s) of Insurance as set forth in Attachment 4, attached hereto and incorporated herein by reference.

6.2 IPA ACTS OR OMISSIONS - IPA shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of IPA, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of IPA, its officers, agents, employees, subcontractors, agents or representatives from this Agreement;

IPA shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards, the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by IPA, IPA 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 County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes IPA'S indemnification to County as set forth herein.

IPA'S obligation hereunder shall be satisfied when IPA has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

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

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 IPA from indemnifying the County to the fullest extent allowed by law.

6.3 COUNTY ACTS OR OMISSIONS – County shall indemnify and hold harmless the IPA, its officers, agents, employees, subcontractors, agents or representatives from any liability whatsoever, based or asserted upon any services of County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees,

agents and representatives, arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from this Agreement. County shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards, the IPA of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by County, County 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 IPA; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes County's indemnification to IPA as set forth herein.

County's obligation hereunder shall be satisfied when County has provided to IPA the appropriate form of dismissal relieving IPA from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe County's obligations to indemnify and hold harmless the IPA herein from third party claims.

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 County from indemnifying the IPA to the fullest extent allowed by law.

6.4 LIABILITY FOR OBLIGATIONS - Nothing contained in this Agreement shall cause either party to be liable or responsible for any debt, liability, or obligation of the other party, or any third party, unless such liability or responsibility is expressly assumed by the party sought to be charged therewith. Each party shall be solely responsible for and shall indemnify and hold the other party harmless against any obligation for the payment of wages, salaries or other compensation (including all state, federal and local taxes and mandatory employee benefits), insurance and voluntary employment related or other contractual or fringe benefits as may be due or payable by the party to or on behalf of such party's employees, agents and representatives.

7.0 DISPUTE RESOLUTION

7.1 DISPUTES - EPO and IPA agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement, prior to the filing of a claim under the Government Claims Act (Government Code Section 900 et. seq.), and prior to the initiation of any litigation by either party.

7.2 CURE PERIOD PROVISIONS - In the event that either party defaults in the performance of any duties or obligations under this Agreement, the non-breaching party shall serve written notice of breach of contract on the breaching party. The breaching party shall have thirty (30) days from receipt of the notice of breach to cure said breach. If the breach is not cured within this time frame, the non-breaching party has sole discretion to extend such cure period. If the breach is not cured within this time frame, as may be extended at non-breaching party's sole discretion, this Agreement may thereafter be terminated as provided herein.

These cure period provisions shall not be applicable when the breach is of a nature where IPA has failed to provide services, or the safety, health and/or welfare of Members is at risk, at the reasonable determination of the Director.

7.3 ADVERSE GOVERNMENT ACTION - In the event any action of any department, branch or bureau of the federal, state, or local government has a material adverse effect on either party in the performance of their obligations hereunder, then that party shall notify the other of the nature of this action, including in the notice a copy of the adverse action. The parties shall meet within thirty (30) days and shall, in good faith, attempt to negotiate a modification to this Agreement that minimizes the adverse effect.

Notwithstanding the provisions herein, if the parties fail to reach a negotiated modification concerning the adverse action, then the affected party may terminate this Agreement by giving at least ninety (90) days notice or may terminate sooner if agreed to by both parties.

8.0 TERM OF AGREEMENT

8.1 TERM - The term of this Agreement shall become effective as of January 1, 2011 and shall continue in effect for two (2) years, until December 31, 2013 and may continue in effect for one (1) more year until December 31, 2014 unless sooner terminated as provided herein.

9.0 TERMINATION

9.1 TERMINATION FOR MATERIAL CAUSE - Either party, as appropriate, may terminate this Agreement immediately for cause as set forth herein upon written notice of termination stating the actions of the other party constituting cause for termination.

9.2 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY IPA - The following shall constitute cause for immediate termination of this Agreement by IPA:

- A. Breach of Material Term and Failure to Cure - County's breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.
- B. Insolvency of EPO - filing of bankruptcy by EPO.
- C. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.

9.3 CAUSE FOR IMMEDIATE TERMINATION OF AGREEMENT BY COUNTY - The following shall constitute cause for immediate termination of this Agreement by County:

- A. Breach of Material Term and Failure to Cure - IPAs breach of any material term, covenant, or condition and subsequent failure to cure such breach within thirty (30) days following written notice of such breach.
- B. Failure to Provide Services - Failure of IPA to provide Health Care Services to Members as authorized herein.
- C. Preservation of the Safety, Health and/or Welfare of Members - Determination by County that the safety, health and/or welfare of Members are placed in danger by IPA.
- D. Loss of State Licensing - Failure by IPA to ensure that Member Physicians secure and maintain the necessary governmental licenses, accreditation or certification required for the performance of duties hereunder.
- E. Loss of Insurance Coverage - Failure by IPA to maintain adequate general and professional liability insurance coverage, as provided herein.
- F. Insolvency of IPA - including the filing of bankruptcy of IPA
- G. Dissolution of EPO - dissolution of EPO by an act of the Board of Supervisors for Riverside County.
- H. Discontinuance of EPO Services by County - discontinuance of the offering of EPO as a health care benefits plan option for Riverside County employees.

9.4 TERMINATION WITHOUT CAUSE - Either party may terminate this Agreement without cause. In the event either party desires to terminate this Agreement without cause, the terminating party shall give the other party at least ninety (90) days written notice of termination.

10.0 CONTINUING CARE RESPONSIBILITIES

10.1 CARE OF MEMBERS - If this Agreement is terminated for any reason by either party, IPA and IPA network provider shall not be released of its obligation to continue to provide or arrange for Health Care Services during the phase-out period, and shall continue to provide and be compensated for Health Care Services under the terms of this Agreement to Members.

The phase out period shall end when EPO has directly contracted with IPA provider or secured the transfer of Members to another participating medical group, or physician for further treatment, and has notified IPA of such transfer in writing.

10. MEMBER RECORDS – Upon termination of this Agreement, IPA network provider agrees to assist EPO in the transfer of Member medical care by making available copies of medical records, patient files and other pertinent information necessary for efficient case management of Members.

10.3 PHASE-OUT PAYMENT - During the phase-out period, IPA may file a claim with EPO for services provided. Compensation during the phase-out period shall be at the agreed contract rate and applicable terms that are in effect for the last term of this Agreement.

10.4 NON-PAYMENT POLICY - Notwithstanding the above, or any other provisions to the contrary, IPA agrees that in the event EPO ceases operations for any reason, including insolvency, IPA network provider shall continue to provide Health Care Services to Members assigned to IPA and shall seek reimbursement under the Government Claims Act (Government Code Section 900 et seq). IPA shall not bill, charge, collect or receive any form of payment from any such Member or have any recourse against Member for Health Care Services provided after EPO ceases operation. This continuation of Health Care Services obligation shall continue until Member is transferred to another participating medical group or physician for further treatment. IPAs prohibition regarding the collection of payments from Members for services covered by EPO shall survive the termination of this Agreement.

11.0 CONFIDENTIAL AND PROPRIETARY INFORMATION

11.1 INFORMATION CONFIDENTIAL AND PROPRIETARY TO COUNTY - IPA acknowledges that all Members participating in the EPO receiving Health Care Services shall be Members of EPO. All such information shall follow the current HIPAA regulations. Member information shall include, without limitation, the names, addresses and telephone numbers of all Members, administrative service manuals and all forms related thereto, and records, files (other than patient medical files) and lists contained in IPA and EPO files. IPA acknowledges that County believes that all such information is confidential and proprietary to County and that such Member information contains valuable trade secrets of County.

11.2 IPA USE OF INFORMATION - IPA shall maintain all Member information as confidential and shall be protected under the current HIPAA guidelines. IPA shall not disclose or use any confidential and proprietary information for its own benefit or gain either during the term of this Agreement or after the date of termination of this Agreement, provided, however that IPA may use the name, address and telephone number or other medical information of a Member if medically necessary for the proper treatment of such Member or upon express prior written permission of EPO or the Member. Nothing contained herein abrogates the right of the Member to disenroll from EPO.

11.3 TERMINATION AGREEMENT - Upon the effective date of termination of this Agreement, IPA shall provide and return to County all confidential and proprietary information and trade secrets in its possession in a reasonable manner to specified by County.

11.4 NON-SOLICITATION OF MEMBERS - IPA shall not directly or indirectly engage in the solicitation of Members without County's prior written consent. Solicitation shall mean conduct by an officer, agent, employee or subcontractor of IPA or its assignee or successor during the term of this Agreement and continuing for a period of one (1) year after the effective date of termination of this Agreement, which may be reasonably interpreted as designed to persuade Members to discontinue their enrollments with EPO or to encourage Members to participate in another health services plan.

11.5 DISSEMINATION OF INFORMATION - IPA agrees that County may use IPA's name, address, and telephone number in any informational and marketing material routinely distributed to Members and for other purposes related to the administration of EPO as an indication of IPAs willingness to provide Health Care Services to Members.

11.6 IPA ADVERTISING - Prior to listing or otherwise referencing EPO or County in any promotional or advertising brochures, media announcements or other advertising or marketing material, IPA shall first obtain the prior written consent of the Director, except that IPA does not need approval to list EPO or County in any informational material distributed, displayed or advertised, listing EPO and/or County as a participating health plan at IPA.

11.7 USE OF NAMES AND TRADEMARKS - County, EPO and IPA each reserve the right to control the use of its name, symbols, trademarks, or other marks currently existing or later established. However, either party may use the other party's symbol, trademarks, or other marks with the prior written approval of the other party. County shall be allowed to use the name of IPA in its promotional activities and marketing campaign as described in section 11.5 herein.

12.0 GENERAL PROVISIONS

12.1 NOTICES - Any notice required to be given hereunder shall be in writing either delivered personally or sent by registered or certified mail, return receipt requested, to either County or IPA at the addresses listed below, or at such other address as either County or IPA may hereafter designate to the other:

COUNTY:

**HUMAN RESOURCES DEPARTMENT
Inc.**

County Administrative Center
4080 Lemon Street, 7th Floor
Riverside, CA 92501
Attn: Barbara A. Olivier
Asst. County Executive Officer/
Human Resources Director

IPA:

Vantage Medical Group,

2115 Compton Ave.
Corona, CA 92881

All notices shall be deemed given on the date of delivery if delivered personally or on the third business day after such notice is deposited in the United States mail, addressed and sent as provided above.

12.2 ASSIGNMENT AND DELEGATION - This Agreement and the rights, interests, and benefits hereunder shall not be assigned, transferred, pledged, or hypothecated in any way by IPA or County, and shall not be subject to execution, attachment or similar process, nor shall the duties imposed herein be subcontracted or delegated without the prior written consent of the other party. Any assignment or delegation of this Agreement by IPA to a third party shall be void unless prior written approval is obtained from County.

12.3 INVALIDITY AND SEVERABILITY - If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be in effect only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions hereof.

12.4 LIMITATIONS OF SEVERABILITY - In the event the removal of a provision rendered invalid or unenforceable or declared null and void had the effect of materially altering the obligations of either party in such manner as to cause serious financial hardship to such party, the party so affected shall have the right to terminate this Agreement upon providing thirty (30) days prior written notice to the other party.

12.5 CAPTIONS - Captions in this Agreement are descriptive only and do not affect the intent or interpretation of the Agreement.

12.6 HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT (HIPAA)- The Contractor in this Agreement is subject to 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 laws and regulations promulgated subsequent thereto. The Contractor hereto agrees to cooperate in accordance with the terms and intent of this Agreement for implementation of relevant law(s) and/or regulations(s) promulgated under this Law. The Contractor further agrees that it shall be in compliance, and shall remain in compliance with the requirements of HIPAA, and the laws and regulations promulgated subsequent hereto, as may be amended from time to time.

12.7 ENTIRE AGREEMENT - This Agreement (together with all attachments hereto), and any requirements promulgated by EPO or the Director, shall constitute the entire agreement between the parties related to the rights herein granted and the obligations herein assumed. It is the express intention of IPA and County that any and all prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Agreement which are not expressly set forth herein, or are not promulgated by EPO or the Director, shall be

of no further force, effect or legal consequence after the effective date hereunder.

12.8 AMENDMENT - This Agreement may be amended or modified only by mutual written consent of the parties.

12.9 ATTORNEYS FEES - If any action at law or in equity is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys fees and reasonable costs, in addition to any other relief to which such party may be entitled.

12.10 TIME IS OF THE ESSENCE - Time shall be of the essence of each and every term, obligation, and condition of this Agreement.

12.11 GOVERNING LAW - County, IPA and this Agreement are subject to the laws of the State of California and the United States of America, and regulations promulgated thereto. Any provision required to be in this Agreement by any of applicable federal or state law, and regulations thereto shall bind County and IPA, whether or not expressly provided in this Agreement. This Agreement shall be construed pursuant to the laws of the State of California.

12.12 VENUE - All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state and federal (if permitted by law and a party elects to file an action in federal court) courts located in the County of Riverside, State of California.

12.13 GOVERNMENT CLAIMS ACT - The provisions of the Government Claims Act (Government Code section 900 et. seq.) must be followed first for any disputes arising under this Agreement.

12.14 INDEPENDENT CONTRACTOR - The relationship between County and IPA is an independent contractor relationship. Neither IPA nor its employee(s) and/or agent(s) are or shall be considered to be an employee(s), and/or agent(s) of County, and neither County nor any employee(s) and/or agent(s) of County are or shall be considered to be an employee(s) and/or agent(s) of IPA. IPA is solely responsible for all Health Care Services provided to Members by IPA, its employees, agents or assigns. None of the provisions of this Agreement shall be construed to create a relationship of agency, representation, joint venture, ownership, control or employment between the parties other than that of independent parties contracting for the purposes of effectuating this Agreement.

12.15 CONFLICT OF INTEREST - The parties hereto and their respective employees or agents shall have no interest, and shall not acquire any interest, direct or indirect, which shall conflict in any manner or degree with the performance of services required under this Agreement.

12.16 EXHIBITS - All exhibits attached to this Agreement, and referenced herein, are incorporated into and made part of this Agreement.

12.17 CERTIFICATION OF AUTHORITY TO EXECUTE THIS AGREEMENT - IPA certifies that the individual signing herein has authority to execute this Agreement on behalf of IPA, and may legally bind IPA to the terms and conditions of this Agreement, and any attachments hereto.

(Rest of page intentionally blank)

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Agreement.

ATTEST:

Clerk to the Board
Kecia Harper-Ihem

By [Signature]
Deputy

Date FEB 01 2011

COUNTY OF RIVERSIDE:

By [Signature]
Chairman, Board of Supervisors

BOB BUSTER

Date FEB 01 2011

Approved as to form and content:

Pamela J. Walls
County Counsel

By: [Signature]
Deputy County Counsel

CONTRACTOR: Vantage Medical Group, Inc.

By: [Signature]

Printed Name: MAUREEN B. TYSON

Title: CEO

Date: 11/30/10

Attachment 1

Officers, Owners, Stockholders, and Creditors Listing

Maureen Amber Tyson, MD
Board of Directors

Walter Jayasinghe, MD
Board of Directors

Rafael Abraham, MD
Board of Directors

Maureen Tyson
Acting Chief Executive Officer

Doy Valero
Chief Financial Officer

Kevin Tyson, MD
Chief Medical Officer

Attachment 2

Compensation

COMPENSATION FOR IPA ADMINISTRATIVE EXPENSES. County agrees to pay IPA ten thousand (\$10,000.00) per quarter for the following services:

- Access to IPA participating network providers
- Credentialing of IPA/EPO participating providers
- Weekly submission of add, change and delete reports
- Participation in EPO committees as needed

Performance guarantee:

In the event EPO is not notified weekly of changes in network participation, a performance guarantee deduction equal to 10% of the quarterly reimbursement amount shall be assessed for each report that is two (2) weeks in arrears.

Attachment 3

Insurance

Without limiting or diminishing the IPA'S obligation to indemnify or hold the COUNTY harmless, IPA 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.

A. Workers' Compensation:

If the IPA has employees as defined by the State of California, the IPA 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, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury, cross liability coverage and employment practices liability, covering claims which may arise from or out of IPA'S performance of its obligations hereunder. Policy shall name 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. 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 IPA'S vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then IPA shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name the County 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.

D. Professional Liability Insurance:

1. IPA'S REQUIREMENT - IPA shall maintain Professional Liability Insurance (Errors and Omissions Insurance) providing coverage for the IPA'S performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$3,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this

Agreement and IPA 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 IPA has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

2. IPA WILL REQUIRE OF ALL PHYSICIAN GROUPS - IPA shall maintain require physician groups to maintain Professional Liability Insurance (Medical Malpractice Insurance) providing coverage for the Physician Groups performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$3,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and IPA 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 IPA has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue for a period of five (5) years beyond the termination of this Agreement.

E. General Insurance Provisions - All lines:

- 1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- 2) The IPA'S insurance carrier(s) must declare its insurance deductibles or self-insured retentions. If such deductibles or self-insured retentions exceed \$500,000 per occurrence such deductibles and/or retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of deductibles or self insured retention's unacceptable to the COUNTY, and at the election of the Country's Risk Manager, IPA'S carriers shall either; 1) reduce or eliminate such deductibles or self-insured retention's 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) IPA shall cause IPA'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, and 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies

of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. IPA shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.

- 4) It is understood and agreed to by the parties hereto and the insurance company(s), that the Certificate(s) of Insurance and policies shall so covenant and 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) The COUNTY'S Reserved Rights--Insurance. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; 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 required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if; in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the IPA has become inadequate.
- 6) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.
- 7) IPA 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.