

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



ITEM  
3.35  
(ID # 7246)

MEETING DATE:  
Tuesday, July 31, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and approval of the Agreement for Professional Medical Services with Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group to provide faculty development services without seeking competitive bid for 4 years; District- All; [Total Cost: \$300,000]; Hospital Enterprise Fund.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Agreement for Professional Medical Services with Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group to provide faculty development services without seeking competitive bids effective July 1, 2017 through June 30, 2019 with the option to renew for an additional two years in an amount not to exceed \$75,000 annually, and authorize the Chairman of the Board to sign the Agreement on behalf of the County.
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 as approved by County Counsel to: a) sign amendments that do not change the substantive terms of the agreement and b) sign amendments to the compensation provisions that do not exceed ten 10 percent annually.

ACTION: Policy

  
Jennifer Cruikshank, Chief Executive Officer - Health System 7/16/2018


---

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Tavaglione and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington and Perez  
Nays: None  
Absent: Ashley  
Date: July 31, 2018  
xc: RUHS-Medical Center, Purchasing

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 75,000	\$ 75,000	\$ 300,000	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: Hospital Enterprise Fund - 40050</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 17/18-20/21</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The requested Board action will allow Riverside University Health System (RUHS) medical staff to enhance their clinical skills through Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group to provide faculty development services.

Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group has a specialized physician Dr. Lawrence Loo who has extensive knowledge, experience, and education in organizing clinical programs for faculty development. As a teaching hospital, RUHS faculty physicians will benefit from attending the faculty development sessions which Dr. Loo will present. Sessions include preceptoring, rounding, teaching and evaluation skills, and resident supervision. These sessions will help to enhance the current skills of RUHS faculty which consist of both clinical and administrative staff and help to facilitate educational inquiry and scholarship, as required by the Accreditation Council for Graduate Medical Education (ACGME).

**Impact on Residents and Businesses**

The local economy will experience positive benefits from the presence of a thriving regional health system that is served by a well-paid, educated workforce, and where patients of all incomes can obtain high quality healthcare services that now seek providers in neighboring counties.

**Contract History and Price Reasonableness**

On December 6, 2016, Agenda Item 3.33, the Board approved the Professional Services with Faculty Physicians & Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group to provide faculty development services without seeking competitive bids for one year not to exceed \$75,000. The contract ended June 30, 2017, with no additional renewal options. Therefore, a new contract is needed as RUHS desires to continue this service for additional fiscal years. The term and conditions of this new Professional Services Agreement mirrors the previously established Agreement and the same physician will continue to provide the services. However; this Agreement presents a longer period of performance to allow faculty development services to continue at RUHS with that same individual, Lawrence Loo, M.D. If Dr. Loo becomes unable to provide these services, the contract will terminate.

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

In early 2016, RUHS conducted a third party, fair market value analysis in an effort to negotiate appropriate economic terms for this type of Agreement. The contract provides for this 2/10<sup>th</sup> (.2) full-time equivalent amount of services RUHS will pay \$69,358 per year to support the salary and benefits paid to Dr. Loo by FPS LLUSM. RUHS will also pay up to \$4,500 per year for Dr. Loo's attendance at professional meetings related specifically to faculty development.

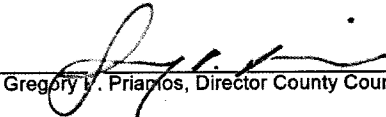
**ATTACHMENTS:**

**Attachment A:**  
**Physicians and**

**Agreement for Professional medical Services with Faculty**

**Surgeons of LLUSM**

  
Teresa Summers, Director of Purchasing 7/17/2018

  
Gregory V. Priamos, Director County Counsel 7/17/2018



Date: May 24, 2018  
From: Jennifer Cruikshank, RUHS CEO  
To: Board of Supervisors/Purchasing Agent  
Via: Naomi Santos, RUHS Contracts Administration / 951.486.4411  
Subject: Sole or Single Source Procurement; Request for Request for Medical Consulting Services

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

1. **Supplier being requested:** Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group
2. **Vendor ID:** 25701
3.  **Single Source**                       **Sole Source**
4. **Have you previously requested and received approval for a sole or single source request for this vendor for your department?**  
 **Yes**                                       **No**  
    SSJ# 17-150
- 4a. **Was the request approved for a different project?**  
 **Yes**                                       **No**
5. **Supply/Service being requested:**  
    Faculty Development Services
6. **Unique features of the supply/service being requested from this supplier.** Faculty Physicians and Surgeons of LLUSM, dba Loma Linda University Faculty Medical Group has a specialized physician Dr. Lawrence Loo who has extensive knowledge, experience, and education in organizing program for faculty development. Partnering with LLU would significantly benefit the clinical staff of RUHS.
7. **Reasons why my department requires these unique features from the vendor and what benefit will accrue to the county:** As a teaching hospital, RUHS faculty physicians will



benefit from attending the faculty development sessions which Dr. L. Loo will present. Sessions include preceptoring, rounding, teaching and evaluation skills, and resident supervision. These sessions will enhance the current skills of RUHS faculty.

This Agreement presents a longer period of performance to allow faculty development services to continue at RUHS with that same individual, Lawrence Loo, M.D. If Dr. Loo becomes unable to provide these services, the contract will terminate

**4. Period of Performance: 07/01/17 – 06/30/19 (with option to renew for 2 additional years (4 years))**

Is this an annually renewable contract?       No       Yes  
 Is this a fixed-term agreement:               No       Yes

**8. Identify all costs for this requested purchase. In addition, please include any single or sole source amounts previously approved and related to this project and vendor in the section designated below for current and future fiscal years. You do not need to include previous fiscal year amounts. 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.**

Description:	FY17/18	FY18/19	FY19/20	FY20/21	Total
Monthly Cost representing .2 FTE	(rounded) \$70,000	(rounded) \$70,000	(rounded) \$70,000	(rounded) \$70,000	\$280,000
Monthly Director Cost	(rounded) \$5,000	(rounded) \$5,000	(rounded) \$5,000	(rounded) \$5,000	\$20,000
<b>Total Costs</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>\$300,000</b>

**9. Price Reasonableness:** In early 2016, RUHS conducted a third party, fair market value analysis in an effort to negotiate appropriate economic terms for this type of Agreement. The contract provides for this 2/10<sup>th</sup> (.2) full-time equivalent amount of services RUHS will pay \$69,358 per year to support the salary and benefits paid to Dr. Loo by FPS LLUSM. RUHS will also pay up to \$4,500 per year for Dr. Loo's attendance at professional meetings related specifically to faculty development.

**10. Projected Board of Supervisor Date (if applicable):** June 26, 2019



[Signature]  
Department Head Signature  
(or designee)

Jennifer Cruikshank  
Print Name

Date

The section below is to be completed by the Purchasing Agent or designee.

Purchasing Department Comments:

**Approve**

**Approve with Condition/s**

**Disapprove**

Condition/s:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Not to exceed:

One-time \$ \_\_\_\_\_

Annual Amount \$ 75,000 / per fiscal year through 2021 (date)  
(If Annual Amount Varies each FY)

FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_  
FY \_\_\_\_\_ : \$ \_\_\_\_\_

[Signature]  
Purchasing Agent

9/18/18  
Date

18-226  
Approval Number  
(Reference on Purchasing Documents)

**AGREEMENT FOR  
PROFESSIONAL MEDICAL SERVICES  
BETWEEN  
THE COUNTY OF RIVERSIDE, RIVERSIDE UNIVERSITY HEALTH SYSTEM  
AND  
FACULTY PHYSICIANS AND SURGEONS OF LLUSM  
(Faculty Development Services)**

This Agreement ("Agreement") is entered into by and between the County of Riverside (COUNTY), a political subdivision of the State of California, on behalf of the Riverside University Health System (HOSPITAL) and **Faculty Physicians and Surgeons of LLUSM**, a California nonprofit corporation, **dba Loma Linda University Faculty Medical Group** (CONTRACTOR), sometimes collectively referred to as the "Parties" or individually referred to as a "Party".

WHEREAS, Government Code Section 31000 allows the COUNTY to contract for special services, and such contracts shall be with persons who are specially trained, experienced, expert, and competent to perform the services required;

WHEREAS, COUNTY desires to obtain medical faculty development services for the purpose of improving patient care and complying with requirements of California Code of Regulations ("C.C.R.") Title 22 for acute care hospitals and C.C.R. Title 10 for managed care; and

WHEREAS, CONTRACTOR employs Lawrence Loo, M.D. who has the expertise, special skills, knowledge, and experience to perform the duties set out herein;

NOW THEREFORE the Parties hereto enter into this Agreement, as a full statement of their respective responsibilities during the term of this Agreement, and in consideration of the representations made above and the covenants and conditions set forth herein, the Parties agree as follows:

**1.0 DEFINITIONS**

1.1 "ACP(s)" shall mean an Advanced Care Provider – a mid-level provider supplied by CONTRACTOR, such as a nurse practitioner or a physician assistant.

1.2 "COUNTY" shall mean County of Riverside.

1.3 "COUNTY Patients" shall mean patients treated by the CONTRACTOR in accordance with this Agreement, and for the benefit of COUNTY, if: (1) the patients receive Professional Services from CONTRACTOR in HOSPITAL or any COUNTY owned or leased facility, regardless of the patients' payment source, or (2) the patients receive Professional Services from a COUNTY intern or resident

working under CONTRACTOR's supervision in HOSPITAL or any COUNTY owned or leased facility, on COUNTY's behalf, regardless of the patients' payment source.

1.4 "DIRECTOR" shall mean Lawrence Loo, M.D., who shall serve as HOSPITAL's Director of Faculty Development.

1.5 "HOSPITAL" shall mean Riverside University Health System Medical Center.

1.6 "Medical Staff Bylaws, Rules, and Regulations" shall mean HOSPITAL's Medical staff bylaws, rules and regulations, as amended from time to time.

1.7 "Physician(s)" shall mean employed or subcontracted by CONTRACTOR who are experienced and qualified in the medical practice and are licensed to practice medicine in the State of California.

1.8 "Professional Services" shall mean professional medical services.

1.9 "State" shall mean the State of California.

1.10 "TJC" shall mean The Joint Commission.

## **2.0 DESCRIPTION OF SERVICES**

### **2.1 COMPLIANCE WITH HOSPITAL MISSION, VISION, AND VALUES**

Professional Services shall be provided by CONTRACTOR in compliance with the HOSPITAL Mission, Vision, and Values, a copy of which shall be made available to CONTRACTOR, which reflect COUNTY's and CONTRACTOR's commitment to providing quality health services to COUNTY patients, regardless of their ability to pay, as well as quality education and training programs to resident Physicians and other students of the HOSPITAL's teaching programs.

### **2.2 SERVICES PROVIDED**

CONTRACTOR and DIRECTOR shall provide Professional Services for HOSPITAL in accordance with the services and duties described in this Agreement. CONTRACTOR and DIRECTOR shall not use, or knowingly permit any other person who is under its direction to use, any part of HOSPITAL's premises for (i) the private practice of medicine, or (ii) any purpose other than the performance of Professional Services for HOSPITAL.



### **3.0 RESPONSIBILITIES**

#### **3.1 CONTRACTOR AND COUNTY**

Each Party agrees to maintain an environment which is conducive to quality medical care provision and training as it pertains to medical services by providing facilities to properly care for patients and by encouraging critical dialogue between teaching staff and trainees through rounds, conferences, and patient care procedures.

#### **3.2 CONTRACTOR**

##### **3.2.1 Provision of Services**

CONTRACTOR agrees to provide Dr. Loo in order to carry out the Professional Services as described in Exhibit A. The Parties agree that Dr. Loo's individual and personal performance of the services described is essential to this Agreement and that if he should become unavailable to provide services this Agreement will terminate.

##### **3.2.2 CONTRACTOR Representations, Warranties, and Covenants**

CONTRACTOR represents and warrants to COUNTY, upon execution and while this Agreement is in effect, as follows:

A. CONTRACTOR and DIRECTOR shall comply with all applicable federal, State, and local laws, rules, regulations, ordinances, policies and procedures, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by this reference;

B. CONTRACTOR is not bound by any agreement or arrangement which would preclude CONTRACTOR from entering into, or from fully performing the Professional Services required under this Agreement;

C. DIRECTOR's license to practice medicine in the State of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way.

D. DIRECTOR's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction;

E. Neither CONTRACTOR nor DIRECTOR: (a) is currently, nor has ever been excluded, suspended or debarred from, or otherwise ineligible for, participation in any federal or State health care program including, without limitation, Medicare or Medi-Cal (Medicaid), (b) has not been convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or State health care program including, without limitation, Medicare or Medi-Cal (Medicaid), or (c) has received notice of or become aware of any notice of or threatened, proposed or actual exclusion, suspension or debarment, and/or any notice of an investigation or pending administrative or judicial proceeding regarding a criminal offense related to conduct that would or could trigger an exclusion of CONTRACTOR or DIRECTOR from any federal or State health care program.

F. Notwithstanding any other provision of this Agreement to the contrary, and as set forth below, if CONTRACTOR and DIRECTOR is (a) excluded, suspended, debarred from, or otherwise becomes ineligible for, participation in any federal or State health care program, or (b) convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or State health care program, at any time during the term of this Agreement, or (c) if at any time after the effective date hereof, COUNTY determines that CONTRACTOR has made a false representation and/or warranty under this Section or is in violation or breach of this Section, at COUNTY's election, this Agreement shall terminate: (1) as of the effective date of such exclusion, suspension, debarment from, or ineligibility for, any federal or State health care program and/or of such conviction of a criminal offense related to conduct that would or could trigger an exclusion from any federal or State health care program, or (2) as of the date of the breach of this Section.

G. CONTRACTOR shall notify COUNTY in writing within 24 hours of becoming aware of any occurrence that would render it unable to make any of the representations and warranties in this Section.

### 3.2.3 **Administrative Obligations**

CONTRACTOR and DIRECTOR shall:

A. Assist to establish rules and regulations and best practices for the operation of medical services in COUNTY facilities including, but not limited to, HOSPITAL.

B. Comply with COUNTY and HOSPITAL requirements for health screening tests determined appropriate by COUNTY, to conform to all applicable Medical Staff Bylaws, Rules, and Regulations, COUNTY policies, procedures, and regulations, and to all additional requirements and restrictions agreed upon by representatives of COUNTY and CONTRACTOR.

C. Participate and cooperate in the HOSPITAL Performance Improvement and Safety Programs.

D. Cover any other appropriate administrative area of responsibility as requested by the HOSPITAL Designated Institutional Officer and accepted by CONTRACTOR.

E. Attend any orientation program presented by HOSPITAL.

#### **3.2.4 Infectious Disease Certification**

CONTRACTOR shall, within ten (10) days of signing this Agreement, and annually thereafter, provide HOSPITAL Administration, a current written report, signed by the properly qualified Party performing the examination, verifying that DIRECTOR is able to perform the assigned duties and are free from symptoms indicating the presence of infectious disease. Said report shall initially contain the results of a skin test for tuberculosis using Purified Protein Derivative Intermediate Strength or a chest x-ray and Hepatitis B test. DIRECTOR shall not perform any services hereunder if he evidences symptoms of any infectious disease.

#### **3.2.5 Miscellaneous**

CONTRACTOR and DIRECTOR shall:

A. Comply with all local, State, and federal ordinances, statutes, laws, rules, or regulations applicable to the services provided.

B. Carry out all additional duties and functions of the HOSPITAL as delineated in the HOSPITAL Medical Staff Bylaws, Rules, and Regulations as appropriate.

C. CONTRACTOR acknowledges that no investigational use of equipment, pharmaceuticals, or conduct of research may be undertaken at HOSPITAL without HOSPITAL Investigation Review Board approval according to requirements contained in the Medical Staff Bylaws, Rules and Regulations, and HOSPITAL Policies and Procedures.

### **3.3 COUNTY**

3.3.1 It is mutually agreed and understood that the HOSPITAL receives funds from the COUNTY, which, in aggregate, are used to support the clinical operations of HOSPITAL. In the event the COUNTY ceases to provide the HOSPITAL with funding to support clinical operations, this Agreement shall be deemed terminated and of no further force and effect immediately upon receipt of COUNTY'S notification to CONTRACTOR. The Parties understand that such event would require the complete withdrawal of all COUNTY funding to HOSPITAL. In the event of such termination, CONTRACTOR shall be entitled to reimbursement of costs in accordance with Section 4.0 COMPENSATION, of this Agreement.

3.3.2 COUNTY agrees to:

A. Maintain State licensure through the California Department of Public Health and accreditation status with TJC or a comparable accreditation organization.

B. Provide necessary emergency health care or first aid required by an accident occurring at COUNTY facilities.

C. Retain ultimate professional and administrative accountability for all patient care.

3.3.3 COUNTY shall be responsible for:

A. Hiring, scheduling, promoting, compensating, disciplining, and terminating all COUNTY personnel at COUNTY facilities. COUNTY shall consult with CONTRACTOR to the extent practicable regarding any necessary reductions, expansions, or changes in such staffing, although the Parties recognize COUNTY's right to make all final decisions with respect to such reductions, expansions, or changes.

B. Investigating complaints by CONTRACTOR regarding COUNTY personnel to determine the necessity for specific action. Whenever such complaint provides reasonable grounds to believe that the safety of any person or property in COUNTY facilities may be at risk, COUNTY shall make reasonable efforts consistent with COUNTY's established procedures, to reassign such personnel pending resolution of the complaint.

C. Compensating COUNTY personnel who provide services at HOSPITAL.

**3.3.4 Provisions by HOSPITAL**

HOSPITAL shall consult with CONTRACTOR as to the support elements HOSPITAL deems necessary for service and shall furnish, at its expense, for the use of DIRECTOR, all such support elements, including but not limited to the following:

3.3.4.1 Space

HOSPITAL shall furnish and make available such space as may be mutually agreed upon by the Parties; provided that HOSPITAL shall have the right to withdraw, relocate, or modify such space as it deems reasonably necessary.

3.3.4.2 Supplies

HOSPITAL shall furnish all expendable and non-expendable supplies, such as drugs, chemicals, stationery, and similar supplies reasonably necessary for the services

3.3.4.3 Support Services

Clerical and logistical support shall be available through HOSPITAL's graduate medical education office to arrange meetings and conferences.

**4.0 COMPENSATION**

4.1 CONTRACTOR shall invoice HOSPITAL for the monthly payment due and shall be paid in accordance with **Exhibit B**, attached hereto and incorporated herein. Invoices shall be submitted monthly. Payment shall be due thirty (30) working days from the date of receipt of the invoice. CONTRACTOR shall provide monthly reports identifying the services performed in the prior month, including Physicians or ACPs who rendered services, the types of services provided, the date services were rendered, the hours worked, and patient encounter information.

4.2 Payment by HOSPITAL shall be deemed to be made for Professional Services only, and HOSPITAL shall not make, nor shall CONTRACTOR or DIRECTOR claim, any reimbursement for time and expense in any manner connected with transportation to or from the site at which CONTRACTOR shall or may render services hereunder.

4.3 HOSPITAL reserves the right to correct errors on invoices, after prior notification and discussion with CONTRACTOR, and pay to CONTRACTOR the corrected amounts.

4.4 Maximum payments by HOSPITAL to CONTRACTOR shall be as specified in **Exhibit B**, attached hereto.

## 5.0 TERM/TERMINATION

5.1 This Agreement shall be effective July 1, 2017 (Effective Date) through June 30, 2019, with the option to renew for two (2) additional years in one-year increments through June 30, 2021, unless terminated earlier. Either party may terminate this Agreement, without cause, by giving one hundred eighty (180) days' prior written notice to the other Party, unless otherwise terminated in accordance with the provisions of this Section of, or as otherwise specified herein. Either Party may terminate this Agreement for a breach of this Agreement, provided such breach continues uncured for thirty (30) days after receipt by the breaching Party of written notice of such breach from the non-breaching Party.

5.2 Notwithstanding any of the provisions of this Agreement, CONTRACTOR's rights under this Agreement shall immediately terminate (except for fees accrued prior to the date of termination) (a) in the event of fraud, dishonesty, or a willful breach of this Agreement by CONTRACTOR, or, (b) at HOSPITAL's election, in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the duties hereunder, or (c) if CONTRACTOR is excluded, suspended, debarred from, or otherwise becomes ineligible for, participation in any federal or State health care program, or is convicted of a criminal offense related to conduct that would or could trigger an exclusion from any federal or State health care program, or (d) if CONTRACTOR engages in, or COUNTY has reasonable justification to believe that CONTRACTOR may be engaging in, a course of conduct that poses an imminent danger to the life or health of COUNTY Patients. In such event, CONTRACTOR shall be entitled to no further compensation under this Agreement, it being the intent that CONTRACTOR shall be paid as specified in **Exhibit B** only during such period that CONTRACTOR shall, in fact, be performing the duties hereunder.

5.3 Notwithstanding anything to the contrary herein contained, in the event performance by either Party hereto of any term, covenant, condition or provision of this Agreement should jeopardize the license of the HOSPITAL, its participation in or reimbursement from the State or federal health care programs or other reimbursement or payment programs, or its full accreditation by TJC or any other State or nationally recognized accreditation organization, or if any other reason said performance should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the medical or hospital fields, the Parties shall use their best efforts to resolve the illegality through the renegotiation of the applicable portions of this Agreement. If the

Parties are unable to reach an agreement on such changes within thirty (30) days after initiating negotiations, COUNTY or CONTRACTOR may, at its option, terminate this Agreement upon thirty (30) days' prior written notice to the other Party.

5.4 In the event of non-availability of COUNTY funds, this Agreement shall be deemed terminated and of no further force and effect immediately on receipt of COUNTY's notification to CONTRACTOR. In the event of such termination, CONTRACTOR shall be entitled to reimbursement for Professional Services up to the date of termination, in accordance with Section 4.0 COMPENSATION.

#### **6.0 INDEMNIFICATION**

CONTRACTOR agrees to indemnify and hold harmless the COUNTY, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, agents, employees, representatives, and independent contractors from any and all liability, action, claim, or damage whatsoever, based or asserted upon any act or omission of CONTRACTOR, its directors, officers, agents, employees, independent contractors, or subcontractors arising out of or in any way related to this Agreement, or any breach of this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature. CONTRACTOR shall defend the COUNTY at its sole expense, including all costs and fees (including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards) in any claim or action based upon such acts or omissions of service or breach of this Agreement. The Parties recognize that, during the term of this Agreement and for a period thereafter, certain risk management issues, legal issues, claims or causes of action may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other when such issues, claims or causes of action arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or causes of action. The Parties shall, therefore, use reasonable efforts to address such risk management claims or causes of action in a cooperative manner.

#### **7.0 INSURANCE**

CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost and expense,

the following insurance coverages during the term of this Agreement. The procurement and maintenance of the insurance required below will not diminish or limit CONTRACTOR's obligation to indemnify or hold COUNTY harmless, as set forth in Section 6.0 above.

7.1 WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY

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

7.2 COMMERCIAL GENERAL LIABILITY INSURANCE

Commercial General Liability Insurance coverage including, but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONTRACTOR's performance of its obligations hereunder. Policy shall name the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, 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.

7.3 VEHICLE LIABILITY

7.3.1 If CONTRACTOR's vehicles or licensed mobile equipment are used in the performance of the obligations under this Agreement, then CONTRACTOR shall maintain vehicle liability insurance for all owned 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, elected and appointed officials, employees, agents, or representatives as additional insureds.

7.3.2 If CONTRACTOR owns no vehicles or licensed mobile equipment that could be



used on COUNTY property, or used in any manner on behalf of COUNTY, then CONTRACTOR shall provide COUNTY with evidence of liability coverage for non-owned or hired vehicles in an amount not less than \$1,000,000 per occurrence combined single limit. Such coverage may be included within the Commercial General Liability policy or as a separate coverage.

#### 7.4 PROFESSIONAL LIABILITY

Contractor shall maintain Professional Liability Insurance providing coverage for the Contractor's performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If Contractor's Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONTRACTOR shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also, known as Tail Coverage); or 2) Prior Dates Coverage from new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONTRACTOR has Maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2), or 3) will continue as long as the law allows.

#### 7.5 GENERAL INSURANCE PROVISIONS

7.5.1 Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California unless waived, in writing, by the COUNTY Risk Manager. Carrier(s) shall have an A.M. BEST rating of not less than an A:VIII (A:8).

7.5.2 Insurance deductibles or self-insured retentions must be declared by the CONTRACTOR's insurance carrier(s), and such deductibles and retentions shall have the prior written consent from the County Risk Manager. Failure of the CONTRACTOR's carriers to declare deductibles or self-insured retentions to the COUNTY shall waive any obligation of the COUNTY, as additional insured, to honor said deductibles or self-insured retentions in the event of CONTRACTOR's insolvency. Upon notification of deductibles or self-insured retentions unacceptable to COUNTY, and at the election of the COUNTY Risk Manager, CONTRACTOR's carriers shall either; 1) reduce or eliminate such deductibles or self-insured retentions 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.

7.5.3 CONTRACTOR shall cause CONTRACTOR's insurance carrier(s) to furnish the COUNTY with either; 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements affecting coverage as required herein, or 2) if requested to do so 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 with a covenant of the insurance carrier(s) that thirty (30) days' written notice shall be given to the COUNTY 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 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. CONTRACTOR shall not commence operations until the COUNTY has been furnished original Certificate(s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section. The original endorsements for each policy and the Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

7.5.4 It is understood and agreed to by the Parties hereto that Certificate(s) of Insurance and policies shall covenant and shall be construed as primary insurance, and COUNTY's insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.

7.5.5 The insurance requirements described herein may be met with a program of self-insurance or a combination of insurance and self-insurance.

## **8.0 OSHA REGULATION**

CONTRACTOR certifies awareness of the Occupational Safety and Health Administration (OSHA) of the U.S. Department of Labor regulations, the derivative Cal/OSHA standards, and laws and regulations relating thereto, and shall comply therewith as to all required elements under this Agreement.

## **9.0 TJC STANDARDS**

CONTRACTOR certifies knowledge of TJC Standards for Acute Care Hospitals and Ambulatory

Care Clinics and shall comply therewith as to all required elements under this Agreement.

**10.0 WORK PRODUCT**

All reports, preliminary findings, or data assembled or compiled by CONTRACTOR under this Agreement become the property of the COUNTY. The COUNTY reserves the right to authorize others to use or reproduce such materials. Therefore, such materials may not be circulated in whole or in part, nor released, to the public without the direct authorization of the HOSPITAL Director/CEO or an authorized designee.

**11.0 RESEARCH/INVESTIGATIONAL STUDIES**

CONTRACTOR agrees, in compliance with Medical Staff Bylaws, Rules and Regulations, that any investigational study protocols or planned research to be done at HOSPITAL will be submitted to the HOSPITAL Institutional Review Board (IRB) for approval and coordination of final approval from the HOSPITAL Medical Executive Committee (MEC) prior to implementation of any part of the protocol or research at HOSPITAL. CONTRACTOR agrees that no patients enrolled in research studies will be admitted to, or registered as an outpatient at, HOSPITAL for provision of care under the procedures of the research protocol or study design until final IRB and MEC approvals of the research have been granted.

**12.0 ASSIGNMENT/DELEGATION**

12.1 This Agreement shall not be delegated or assigned by CONTRACTOR, either in whole or in part, without the prior written consent of COUNTY. Any attempted assignment or delegation in derogation of this paragraph shall be void. It is acknowledged and agreed that this paragraph is not intended to limit the use of independent contractors by CONTRACTOR under this Agreement.

12.2 CONTRACTOR shall indemnify and hold harmless COUNTY from the acts of any subcontractor in accordance with Section 6.0 INDEMNIFICATION.

**13.0 WAIVER OF PERFORMANCE**

Any waiver by COUNTY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term thereof. Failure on the part of the COUNTY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms or preventing COUNTY from enforcement hereof.

#### **14.0 RECORDS AND REPORTS**

14.1 CONTRACTOR shall prepare and maintain accurate and complete records of its services and activities performed under this Agreement. CONTRACTOR shall also maintain accurate and complete personnel time records and other records of all services provided hereunder. All such records shall include supporting documentation and other information sufficient to fully and accurately reflect CONTRACTOR's provision of services hereunder, including, but not limited to, its cost of providing such services and all charges billed to COUNTY. CONTRACTOR agrees to provide to COUNTY such reports as may be required by the HOSPITAL Director/CEO, or designee, with respect to the services set forth under this Agreement.

14.2 To the extent necessary to prevent disallowance of reimbursement under 42 U.S.C. 1395x(v)(1)(1), and regulations promulgated pursuant thereto, until the expiration of five (5) years after the furnishing of services under this Agreement, CONTRACTOR shall make available, upon written request to the Comptroller General of the U.S. General Accounting Office, or any of their duly authorized representatives, a copy of this Agreement and such books, documents, and records as are necessary to certify the nature and extent of the cost of the services provided by CONTRACTOR.

14.3 COUNTY agrees to provide CONTRACTOR with access to all reports, records and other applicable patient information as may be needed by CONTRACTOR to provide patient care services in accordance with this Agreement.

#### **15.0 PERFORMANCE EVALUATION**

CONTRACTOR hereby agrees to permit an appropriate official of the HOSPITAL, State or federal government or ACGME to monitor, assess, or evaluate CONTRACTOR's and DIRECTOR's performance under this Agreement.

#### **16.0 CONFIDENTIALITY**

16.1 CONTRACTOR and DIRECTOR shall maintain the confidentiality of any and all patient records and information which may be reviewed under the terms and intent of this Agreement, including protection of names and other identifying information from unauthorized disclosure, except for statistical information which shall not identify any patient and which shall be used only for carrying out the obligations of CONTRACTOR under this Agreement.

16.2 CONTRACTOR shall not disclose, except as specifically permitted by this Agreement, or as authorized by the patient(s), any oral or written communication, information, or effort of cooperation between HOSPITAL and CONTRACTOR, or between HOSPITAL and CONTRACTOR and any other Party.

16.3 CONTRACTOR, its officers, employees, and agents, shall comply with all federal, State and COUNTY laws and regulations, including, but not limited to, the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320 through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Part 164, and the federal security standards as contained in 45 C.F.R. Part 142 (collectively, the "Regulations"). CONTRACTOR shall not use or further disclose any protected health information, as defined in 45 C.F.R. § 164.504, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively, the "Protected Health Information"), of HOSPITAL patients, other than as permitted by this Agreement, HOSPITAL policies and procedures, and the requirements of HIPAA or the Regulations. CONTRACTOR shall implement appropriate safeguards to prevent the use or disclosure of Protected Health Information other than as contemplated by this Agreement. CONTRACTOR shall promptly report to HOSPITAL any use or disclosures, of which CONTRACTOR becomes aware, of Protected Health Information in violation of HIPAA or the Regulations. In the event that CONTRACTOR contracts with any agents to whom CONTRACTOR provides Protected Health Information, CONTRACTOR shall include provisions in such agreements pursuant to which CONTRACTOR and such agents agree to the same restrictions and conditions that apply to CONTRACTOR with respect to Protected Health Information. CONTRACTOR shall make CONTRACTOR's internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary to the extent required for determining compliance with HIPAA and the Regulations. No attorney-client, accountant-client or other legal or equitable privilege shall be deemed to have been waived by CONTRACTOR or HOSPITAL by virtue of this Section. The provisions set forth herein shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

## **17.0 INDEPENDENT CONTRACTOR**

17.1 The CONTRACTOR is, for purposes arising out of this Agreement, an Independent Contractor and DIRECTOR shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the CONTRACTOR and each of its employees, subcontractors or independent contractors shall in no event, as a result of this Agreement, be entitled to any benefits to which COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, Workers' Compensation benefits and injury leave or other leave benefits. CONTRACTOR hereby indemnifies and holds COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by any third Party that an employer-employee relationship exists by reason of this Agreement.

17.2 It is further understood and agreed by the Parties hereto that CONTRACTOR, in the performance of its obligations hereunder, is subject to the control or direction of HOSPITAL merely as to the result to be accomplished by the services hereunder agreed to be rendered and performed and not as to the means and methods for accomplishing the results, provided always that the services to be performed hereunder by CONTRACTOR shall be provided in a manner consistent with all regulatory, including federal, State, and local agencies, accrediting and licensing agencies, Medical Staff Bylaws, Rules, and Regulations, and policies and procedures, as may be amended from time to time, as well as community standards governing such services and the provisions of this Agreement.

## **18.0 NONDISCRIMINATION**

18.1 To the extent prohibited by applicable law, CONTRACTOR shall not discriminate in the provision of Professional Services, allocation of benefits, accommodation in facilities, or employment of personnel, on the basis of ethnic group identification, race, color, creed, ancestry, religion, national origin, sexual preference, sex, age, marital status, medical condition, or physical or mental handicap, and shall comply with all other applicable requirements of law regarding nondiscrimination and equal opportunity employment including those laws pertaining to the prohibition of discrimination against qualified handicapped persons in all programs or activities, and to the extent they shall be found to be applicable hereto, shall comply with the provisions of the California Fair Employment Practices Act (commencing with Section 12990 et seq. of the Government Code) and Federal Civil Rights Act of 1964 (P.L. 88-352).

18.2 For the purpose of this Agreement, distinctions on the grounds of race, religion, color, sex, nationality, age, or physical or mental handicap include, but are not limited to, the following:

A. Denying an eligible person or providing to an eligible person any services or benefit which is different, or is provided in a different manner or at a different time from that provided to other eligible persons under this Agreement.

B. Subjecting an eligible person to segregation or separate treatment in any matter related to receipt of any service, except when necessary for infection control.

C. Restricting an eligible person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving a similar service or benefit.

D. Treating an eligible person differently from others in determining whether he/she satisfied any eligibility, membership, or other requirement or condition which individuals must meet in order to be provided a similar service or benefit.

E. The assignment of times or places for the provision of services on the basis of race, religion, color, sex, national origin, age, or physical or mental handicap of the eligible person to be served.

**19.0 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 will conflict in any manner or degree with the performance of services required under this Agreement.

**20.0 COMPLIANCE PROGRAM**

It is acknowledged that the HOSPITAL's Compliance Program applies to the services and obligations described herein. The Compliance Program is intended to prevent compliance concerns such as fraud, abuse, false claims, and inappropriate patient referrals. CONTRACTOR agrees to cooperate with HOSPITAL's Compliance Program, including any audits, reviews and investigations which relate to any services provided hereunder. The Compliance Program requires, and it is hereby agreed, that any regulatory compliance concerns shall be promptly reported to the Chief Compliance Officer (951-486-6471; [r.compliance@ruhealth.org](mailto:r.compliance@ruhealth.org)) or reported anonymously through the HOSPITAL's Compliance Hotline (844-760-5832).

**21.0 SEVERABILITY**

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

**22.0 ADMINISTRATION**

The HOSPITAL Director/CEO (or designee) shall administer this Agreement on behalf of the COUNTY.

**23.0 HOSPITAL ACCREDITATION/LICENSE**

23.1 Any action or failure to act on the part of CONTRACTOR that results in the threatened loss of accreditation or licensure of the HOSPITAL will be considered a material breach of this Agreement.

23.2 In the event of breach of Agreement pursuant to this Section, COUNTY may terminate this Agreement upon the basis of cause as set forth in Section 5.0 TERM/TERMINATION.

**24.0 JURISDICTION, VENUE, AND ATTORNEY FEES**

This Agreement is to be construed under the laws of the State of California. The Parties agree to the jurisdiction and venue of the appropriate courts in the County of Riverside, State of California. Should action be brought to enforce or interpret the provisions of the Agreement, the prevailing Party shall be entitled to attorney's fees in addition to whatever other relief is granted.

**25.0 PROHIBITION OF PAYMENT OF FUNDS TO INFLUENCE LEGISLATION**

CONTRACTOR shall not use any funds provided hereunder to pay the salary or expenses of any person or entity who, while on the job, is engaging in activities designed to influence legislation or appropriations pending before Congress of the United States, California State Legislature, or Riverside County Board of Supervisors.

**26.0 NO REFERRALS**

No term, covenant or condition of this Agreement shall be construed as requiring or inducing CONTRACTOR to refer any patients to HOSPITAL. CONTRACTOR's rights under this Agreement are not and shall not be dependent in any way or manner upon the number of inpatients or outpatients referred to HOSPITAL. Any payment, fee, or consideration of any kind provided for in this Agreement to be made or given by COUNTY to CONTRACTOR shall be made or given only as fair market value consideration in



return for the performance of the services provided in accordance with this Agreement and shall not constitute, or be deemed to constitute, consideration in return for the referral of any patient.

**27.0 FORCE MAJEURE**

Neither Party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement or other interruption of service or employment deemed resulting, directly or indirectly, from acts of God.

**28.0 ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and all prior or contemporaneous agreements of any kind or nature relating to the same shall be deemed to be merged herein. Any modifications to the terms of this Agreement must be in writing and signed by the Parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto. COUNTY and CONTRACTOR may be Parties to other, separate and unrelated agreements. In accordance with 42 C.F.R. § 411.357(d)(ii), these agreements are identified in HOSPITAL's centralized master list of physician contracts, which is maintained and updated and available for review by the Secretary of the U.S. Health and Human Services upon request.

**29.0 NOTICES**

Any notice required or authorized under this Agreement shall be in writing. If notice is given by United States mail, it shall be sent registered or certified mail, return receipt requested, addressed as follows:

**CONTRACTOR:**  
Faculty Physicians & Surgeons of LLUSM  
11175 Campus St., Suite 11120  
Loma Linda, CA 92354  
Attn: President

**COUNTY:**  
Riverside University Health System  
26520 Cactus Avenue  
Moreno Valley, CA 92555  
Attn: CEO – Health System

Notice delivered personally is effective upon delivery. Notice given by mail is effective upon date of mailing.

**30.0 HEADING**

Headings are for the purpose of convenience and ease of reference only and shall not limit or otherwise affect the meaning of a provision.

**31.0 COUNTERPARTS**

This Agreement may be executed simultaneously in two or more counterparts, each of which shall

be an original, but all of which together shall constitute one and the same Agreement.

*[Remainder of page left blank; signature page follows]*

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

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

By: 

Name: Chuck Washington

Title: Chairman, Board of Supervisors

Date: JUL 31 2018

**Faculty Physicians & Surgeons of LLUSM**, a California nonprofit corporation

By: 

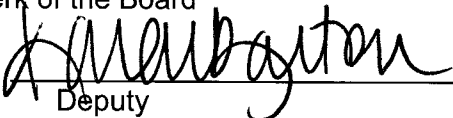
Name: Ricardo Peverini, M.D.

Title: President

Date: 07/05/2018

**ATTEST:**

Kecia Harper-Ihem  
Clerk of the Board

By:   
Deputy

**APPROVED AS TO FORM:**

Gregory P. Priamos  
County Counsel

By: 

Name: Martha Knutson

Title: Deputy County Counsel

**EXHIBIT A**  
**SCOPE OF SERVICES**

**1.0 CONTRACTOR shall provide the services of DIRECTOR to:**

- A. Perform a periodic needs assessment through faculty survey and/or focus groups;
- B. Participate as an advisor of the Riverside University Health System – Medical Center's Graduate Medical Education Committee;
- C. Develop a Faculty Development Program for RUHS with a plan for the academic year based upon the needs assessment;
- D. Organize quarterly Faculty Development 1 – 2 hour presentations aimed to educate faculty and residents from all the RUHS residency programs;
- E. Meet with individual RUHS residency programs to provide advice in faculty development for that particular residency.
- F. Plan a yearly retreat of one day for all RUHS residency programs to present pertinent topics to develop the educational skills of RUHS faculty; and
- G. Facilitate educational inquiry and scholarship, as required by the ACGME, through poster and workshop presentations at local, regional and national meetings and peer-reviewed publications related to residency teaching and evaluation.

**EXHIBIT B**  
**PAYMENT PROVISIONS**

In consideration of services provided by CONTRACTOR pursuant to this Agreement, CONTRACTOR shall be entitled to receive payment by HOSPITAL in accordance with HOSPITAL policy and procedures as follows:

**2.0 Compensation**

HOSPITAL shall pay to CONTRACTOR each month 1 / 12<sup>th</sup> of the total sum of \$69,358, representing .2 FTE support for the salary and benefits CONTRACTOR pays to DIRECTOR and a budget of \$4,500 for DIRECTOR attendance at professional meetings related to the faculty development services that he will be providing.

**3.0 Billing Cycle**

No later than the fourteenth (14<sup>th</sup>) working day of each month during the term hereof, CONTRACTOR shall submit to HOSPITAL an invoice for the monthly payment due and payable, in arrears of completion of each month of service. Any bill not timely submitted shall be deemed submitted with the next billing cycle for payment by HOSPITAL. CONTRACTOR agrees to ensure that Dr. Loo completes and submits a monthly report, in a form agreed to by the parties, documenting the date(s) of service and activities during the month for which compensation is requested.

**4.0 Maximum Annual Compensation**

Maximum compensation payable under this Agreement to CONTRACTOR by COUNTY shall not exceed seventy-five thousand dollars (\$75,000) annually.