

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



ITEM
17.1
(ID # 7824)

MEETING DATE:

Tuesday, September 11, 2018

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification of a Professional Service Agreement with De Anza Orthopedic Medical Group, Inc. to provide orthopedic services effective July 1, 2018 through June 30, 2021; 3 years; Districts- All; [Annual \$2,587,448]; Hospital Enterprise Fund.

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify the Professional Service Agreement with De Anza Orthopedic Medical Group, Inc. to provide orthopedic services effective July 1, 2018 through June 30, 2021, not to exceed an annual amount of \$2,587,448, 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 based on the availability of fiscal funding and 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 percent annually.


ACTION: Policy


Jennifer Cruikshank, Chief Executive Officer - Health System 8/24/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Washington, Perez and Ashley
Nays: None
Absent: Tavaglione
Date: September 11, 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**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 2,587,448	\$ 2,587,448	\$ 7,762,344	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Hospital Enterprise Fund 40050			Budget Adjustment: No	
			For Fiscal Year: 18/19-20/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary (continued)

Riverside University Health System (RUHS) – Medical Center has historically provided orthopedic physician services on site in Moreno Valley through a contracted physician group. As part of its general effort to continuously enhance service levels, RUHS negotiated a new contract with De Anza Orthopedic Medical Group, Inc. that allows for several changes if approved by the Board.

Some of the benefits of the new contract are described below:

- The group has agreed to measurement of its productivity by relative value units (RVU's) with a financial penalty if the group does not meet designated levels of productivity;
- The parties have also agreed to quality metrics related to the services provided, with monthly financial penalties if these metrics are not met and maintained.

De Anza Orthopedic Medical Group, Inc. has provided this service to RUHS-Medical Center since 2008. Patient volumes at RUHS continue to increase. The medical needs of RUHS patients necessitates the selection of a highly qualified and experienced group to care for them. In the past few years, RUHS has made significant improvement in the quality of care provided to patients in Riverside County. De Anza medical group has had a significant role in the Medical Center's ability to improve its services specifically for orthopedics and surgical spine.

Impact on Residents and Businesses

This Agreement improves patient care by increasing service providers and by fulfilling a key prerequisite for obtaining Level 1 trauma center status.

SUPPLEMENTAL

Additional Fiscal Information

The maximum amount for this contract is \$2,587,448 for annually. The fee schedule is set as a fixed amount of \$215,620 on a monthly basis. The source of funding will be Hospital Enterprise Fund at 100%.

Contract History and Price Reasonableness

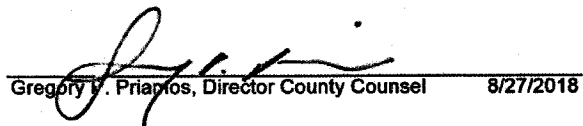
**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

On June 10, 2008, agenda item number 3.41 the Board of Supervisors approved the initial agreement with De Anza Orthopedic Medical Group, Inc. The current contract continues a series of contractual relationships between this medical group and RUHS Medical Center. The contract provides for seven point five (7.5) full-time equivalent physicians providing services either in person or on-call twenty-four hours per day, three hundred sixty-five days of the year. The physicians also can bill for the professional component of their services to patients. That income was included in assessing the fair market value of this arrangement against independent standards for these types of services.

ATTACHMENTS:

Attachment A: Professional Medical Service Agreement with De Anza Orthopedic Medical Group, Inc.


Teresa Summers, Director of Purchasing 8/24/2018


Gregory V. Priamos, Director County Counsel 8/27/2018

**AGREEMENT FOR
PROFESSIONAL MEDICAL SERVICES
BETWEEN
THE COUNTY OF RIVERSIDE
AND
DE ANZA ORTHOPEDIC MEDICAL GROUP, INC.
(Orthopedic 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 **De Anza Orthopedic Medical Group, Inc. (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 and competent to perform the services required;

WHEREAS, COUNTY desires to obtain professional medical services in the specialty of Orthopedic Surgery (SPECIALTY) 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 has the expertise, special skills, knowledge, and experience to perform the duties set out herein;

NOW THEREFORE the Parties hereto enter into 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 "COUNTY" shall mean County of Riverside.

1.2 "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 an 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.

- 1.3 "Department" shall mean the HOSPITAL's Department of Orthopedic Surgery.
- 1.4 "Division" shall mean the SPECIALTY Division within the Department.
- 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 physician(s) employed or subcontracted by CONTRACTOR who are experienced and qualified in the medical practice of SPECIALTY and are licensed to practice medicine in the State of California.
- 1.8 "Professional Services" shall mean professional medical services in the SPECIALTY provided by Physicians as more fully described in **Exhibit A** to this Agreement.
- 1.9 "SPECIALTY" shall mean Orthopedic Surgery and its subspecialties.
- 1.10 "State" shall mean the State of California.
- 1.11 "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 shall provide Professional Services for HOSPITAL in accordance with the services and duties described in this Agreement and **Exhibit A** hereto. A list of the Physicians who will provide services on behalf of CONTRACTOR is attached as **Exhibit B** (which list shall be promptly updated by CONTRACTOR and provided to COUNTY upon the departure or addition of any Physician). CONTRACTOR 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 and HOSPITAL Patients.

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 SPECIALTY 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 Professional Services as described in this Agreement and **Exhibit A** hereto.

3.2.2 Obligations as Employer

CONTRACTOR agrees it is responsible for all employer obligations for CONTRACTOR staff. COUNTY shall not be, or be construed to be, the employer of Physicians for any purpose whatsoever. CONTRACTOR shall be solely liable and responsible for all employer obligations, if any, with respect to such Physicians. Such obligations shall include, but are not limited to, any payment of salary and all other compensation and fringe benefits; responsibility for federal and State withholding taxes and Social Security taxes; compliance with and responsibility for all applicable federal and State wage/hour obligations; unemployment benefits; disability benefits; and all other applicable taxes, benefits, and contributions to employment-related insurance and similar programs. In the event that COUNTY is for any reason required to pay any such obligations, CONTRACTOR shall reimburse COUNTY for any and all amounts paid by COUNTY to meet such obligations.

3.2.3 CONTRACTOR Representations, Warranties, and Covenants

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

A. CONTRACTOR 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. With respect to any Physician providing services under this Agreement, his/her 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. Each Physician providing services under this Agreement has, and shall maintain throughout this Agreement, an unrestricted license to practice medicine or other appropriate licensure in the State and Medical Staff privileges at HOSPITAL and shall only provide services within the scope of his or her license.

D. With respect to any Physician providing Professional Services under this Agreement, his/her 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 any Physician providing Professional Services hereunder (a) is currently, or 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 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 any Physician hereunder 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 or any Physician providing services under this Agreement 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 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, from and after the Effective Date, ensure that each of the Physicians be and remain board certified in the SPECIALTY by the applicable medical specialty board approved by the American Board of Medical Specialties or American Osteopathic Association (either, the "Certifying Board"); provided, however, that if any of the Physicians is not certified in the SPECIALTY by the Certifying Board as of the Effective Date, such Physician shall have a reasonable amount of time to obtain such certification, provided that such Physician diligently pursues such certification in accordance with the rules of the Certifying Board, and is certified in the SPECIALTY by the Certifying Board.

H. Notwithstanding the foregoing, if any of the Physicians is so affected but not CONTRACTOR itself, this Agreement shall not terminate if CONTRACTOR immediately removes such affected Physician from providing any Professional Services hereunder, and replaces him/her with another physician acceptable to HOSPITAL.

I. The compensation formulas used by CONTRACTOR to pay its Physicians comply with applicable law and have no relationship to the volume or value of patient referrals to HOSPITAL or to CONTRACTOR.

J. 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.

3.2.4 Administrative Obligations

CONTRACTOR shall:

A. Provide high efficient, safe and quality care to patients, which will be monitored by the Chief Medical Officer utilizing data reported at Performance Improvement, Medical Executive and other staff committees.

B. Assist to establish rules and regulations for the operation of SPECIALTY services in COUNTY facilities including, but not limited to, HOSPITAL, the SPECIALTY clinic, Emergency Department, and consultative services.

C. Assist to establish criteria for issuing SPECIALTY clinical and practice privileges at HOSPITAL and assist when requested by HOSPITAL to review the credentials of all physicians applying for clinical privileges in the DEPARTMENT in all of its areas of service for making appropriate recommendations for approval by the Chief of the DEPARTMENT, HOSPITAL Medical Staff Credentials Committee for physicians, and by the Medical Executive Committee.

D. Provide proctoring and review on a regular basis for the clinical and educational performances of all SPECIALTY health care professionals working on-site at HOSPITAL in accordance with any applicable Medical Staff Bylaws, Rules, and Regulations, and HOSPITAL policies and procedures, as well as Accreditation Council for Graduate Medical Education (ACGME), American Osteopathic Association (AOA), American Association of Colleges of Osteopathic Medicine (AACOM), and TJC standards, as applicable.

E. Provide HOSPITAL with annual performance objectives and evaluations to include age-specific competency and job skills in accordance with TJC standards and applicable HOSPITAL policies and procedures for each of its advance care practitioners who may work at HOSPITAL under this Agreement.

F. Establish and implement, in conjunction with HOSPITAL and HOSPITAL affiliated medical schools or other teaching institutions, clinical training programs at HOSPITAL designed to meet the educational requirements for the teaching of physician residents, other medical staff, paramedical trainees, and medical students receiving training at HOSPITAL. CONTRACTOR will ensure that such training programs are established and presented on an ongoing basis and updated annually or more frequently as needed, and that all pertinent requirements are met and duties performed which are necessary to meet the terms of affiliation agreements established between the HOSPITAL and medical schools, universities, colleges, and other institutions or agencies in regard to training in SPECIALTY services. CONTRACTOR's development of affiliation agreements shall be coordinated and approved by HOSPITAL Administration.

G. Require each Physician who reports on-site at HOSPITAL to 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.

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

I. Report to HOSPITAL the following information about each Physician or other staff or trainee at least two (2) weeks before start of work on-site:

1. Name, address, and telephone number.
2. Health care providers and/or health insurance.
3. All other reasonable information about the Physicians other staff, or trainees as requested by COUNTY.

4. An "Application for Professional Liability Insurance for Employed/Contract Physicians and Surgeons Affiliated with the Following Institutions" form completed by each Physician assigned to work at HOSPITAL under the requirements of this Agreement, submitted to the HOSPITAL Medical Director for review and signature prior to submittal to County Risk Management for approval.

J. Cover any other appropriate administrative area of responsibility as requested by the Chief of the DEPARTMENT and/or the HOSPITAL Medical Director and accepted by CONTRACTOR.

K. Use best efforts to participate in all managed care programs contracted by, sponsored by, or approved by HOSPITAL and all appropriate practice activities of the HOSPITAL Medical Staff.

L. Require Physicians and other CONTRACTOR health care staff to attend any orientation program presented for them by HOSPITAL and complete Hospital's online compliance training modules.

M. Provide residents and student trainee(s) with orientation information about COUNTY facilities and operations in accord with any orientation presented by HOSPITAL to CONTRACTOR Physicians and/or other staff.

N. In coordination with the Chief of the Department of Orthopedics, provide monthly schedules for Physicians.

3.2.5 Additional Supervisory/Management Responsibilities

3.2.5.1 CONTRACTOR shall ensure that:

A. CONTRACTOR's Physicians shall be responsible for supervising and monitoring all inpatient and outpatient SPECIALTY services provided by the Division of SPECIALTY, as coordinated with the Department Chair.

B. The clinical and educational activities of trainees on-site from HOSPITAL residency training programs and affiliated teaching institutions shall be supervised according to the requirements of the training program and the terms of any associated affiliation agreement, and in accordance with Medicare requirements.

3.2.5.2 CONTRACTOR agrees:

A. That responsibility for direct patient care and supervision of SPECIALTY services includes attendance and participation in committee meetings and ongoing quality improvement activities in accordance with the HOSPITAL Performance Improvement and Patient Safety Programs, as approved by the Riverside County Board of Supervisors.

B. To timely attendance at SPECIALTY clinics and to cancel clinics only with advanced written notice and approval of the HOSPITAL Medical Director, and Hospital Director/Chief Executive Officer (CEO).

C. To use best efforts to serve as provider(s) of SPECIALTY services under the provisions of managed care contracts and other contracts entered into by HOSPITAL.

3.2.6 Projection of Needs

CONTRACTOR agrees to consult on projection of space, personnel, and equipment needs annually for the areas of responsibility by this Agreement for each COUNTY fiscal year, and consult on project needs for future years as required by HOSPITAL. Such evaluations and projections will be submitted in writing to HOSPITAL Medical Director.

3.2.7 Clinic Budget

CONTRACTOR at all times shall provide Professional Services at the SPECIALTY clinic(s) in a cost efficient and effective manner, subject to budgetary systems and constraints established by the HOSPITAL in consultation with the HOSPITAL Medical Director.

3.2.8 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 CONTRACTOR personnel are

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. CONTRACTOR personnel shall not perform any services hereunder if the personnel evidence symptoms of any infectious disease.

3.2.9 Miscellaneous

CONTRACTOR will:

A. Take no steps to recruit HOSPITAL staff for employment during the course of this Agreement and for ninety days thereafter.

B. Comply with all local, State, and federal ordinances, statutes, laws, rules, or regulations applicable to the employment by CONTRACTOR personnel assigned to HOSPITAL.

C. Be accountable for being in compliance with all billing regulations and laws regarding provision of SPECIALTY services and physician consultations as well as in conjunction with residency supervision. CONTRACTOR specifically acknowledges the requirements of the Centers for Medicare and Medicaid Services, including those limiting the supervision of residents to no more than two cases at a time with the attending surgeon present for the critical portion of the cases scheduled under him/her, and will meet those requirements whenever residents are involved in cases whether in the operating room or the Orthopedic clinic.

D. Follow protocols and procedures for inmates being served by the HOSPITAL and requiring SPECIALTY services.

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

F. CONTRACTOR agrees to assist HOSPITAL, upon request, in planning, developing, and establishing specialty care clinics for the effective management of SPECIALTY patient care.

G. 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. Should termination of this Agreement occur due to non-availability of COUNTY funds, any existing inpatient services being provided by CONTRACTOR at HOSPITAL shall continue until patient discharge. In the event of such termination, CONTRACTOR shall be entitled to reimbursement of costs in accordance with Section 4, Compensation, and as outlined in Section 5.3, 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 sufficient information about its specific needs so that CONTRACTOR may provide the appropriate staff with the necessary skills and experience.
- C. Assist CONTRACTOR, on a continuing basis, with the evaluation of CONTRACTOR staff by providing performance information to the CONTRACTOR Coordinator.
- D. Immediately notify CONTRACTOR of any particular problems regarding CONTRACTOR's staff or independent contractors.
- E. Provide necessary emergency health care or first aid required by CONTRACTOR personnel as a result of an accident occurring at COUNTY facilities.
- F. Retain ultimate professional and administrative accountability for all patient care at COUNTY facilities.
- G. Take no steps to recruit CONTRACTOR staff for employment during the term of this Agreement or for ninety days thereafter.

3.3.3 COUNTY shall be responsible for:

- A. Hiring, scheduling, promoting, compensating, disciplining, and terminating of 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 Professional Services at HOSPITAL and who are not providers employed by or contracted with CONTRACTOR.

3.3.4 HOSPITAL shall consult with CONTRACTOR as to the support elements HOSPITAL deems necessary for the proper operation of the SPECIALTY clinic(s), Professional Services and shall furnish, at its expense, for the use of CONTRACTOR, all such support elements, including but not limited to the following:

3.3.4.1 Space

HOSPITAL shall furnish and make available to CONTRACTOR space presently designated for the SPECIALTY clinic(s), together with such other 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. HOSPITAL agrees to provide CONTRACTOR access to space for five (5) full-time clinic days (Monday through Friday) including access to two (2) x-ray rooms during clinic hours, so long as use of that space meets mutually agreed upon volume and productivity levels.

3.3.4.2 Office Space and Support Staff

HOSPITAL shall provide to CONTRACTOR office space and the services of clerical staff to ensure appropriate clerical support for the Chief of the Division..

3.3.4.3 Utilities and Ancillary Departments

HOSPITAL shall furnish laundry service, housekeeping services (including hazardous, infectious, medical and radioactive waste disposal), mail and HOSPITAL courier service, and utilities including gas, water, heat electricity and all other types of utility services reasonably necessary for the proper operation of the SPECIALTY clinic(s) and

HOSPITAL. HOSPITAL shall also provide the services of its administrative and other support departments, including administration, accounting, engineering, medical transcription, and purchasing, as reasonably necessary for the proper operation of the SPECIALTY clinic(s) and HOSPITAL. HOSPITAL Administration shall assist the CONTRACTOR in the administrative management of the Division by (i) providing HOSPITAL policies and procedures, Medical Staff Bylaws, and the House Staff Manual to CONTRACTOR, and (ii) informing the CONTRACTOR of plans of HOSPITAL which pertains to the operation of the SPECIALTY clinic(s).

3.3.4.4 Equipment

HOSPITAL shall furnish equipment as HOSPITAL and medical staff mutually agree is necessary for the proper operation of the SPECIALTY clinic(s) and HOSPITAL. HOSPITAL shall keep and maintain said equipment in good order and repair and shall replace and upgrade such equipment as it may become worn or obsolete.

3.3.4.5 Supplies

HOSPITAL shall furnish all expendable and non-expendable supplies, such as drugs, chemicals, stationery, and similar supplies reasonably necessary for the proper operation of the clinic(s).

3.3.4.6 Other Personnel

All other personnel, including but not limited to physician, nursing, administrative or other non-medical personnel as HOSPITAL deems necessary for the proper operation of the SPECIALTY clinic(s) shall be either employed or contracted outside the Agreement as separate contractors, and compensated by HOSPITAL in consultation with the Medical Director of HOSPITAL. Furthermore, HOSPITAL shall give due consideration to removing any such person from the SPECIALTY clinic(s) upon request by the CONTRACTOR. In the performance of their duties in the SPECIALTY clinic(s), such personnel shall be subject to the supervision of the HOSPITAL Administration, or the Hospital Medical Director, as appropriate.

HOSPITAL shall have assigned staff for all surgical/pre-operative patients to coordinate the patient's care plan through the continuum of care; pre-op testing, scheduling and post-operative care, case management, discharge planning and follow up. These staff may not be assigned solely to the SPECIALTY.

HOSPITAL shall make available adequate support staff to ensure

timely registration, verification and confirmation of any necessary prior authorization or referral.

3.3.4.7 Operating Room (OR)

OR access based on designated blocks or open blocks will be available to accommodate the service's OR demands, according to the rules established by the OR committee and the Block Time sub-committee.

4.0 COMPENSATION

4.1 CONTRACTOR shall invoice HOSPITAL for the monthly payment due and shall be paid in accordance with **Exhibit C**, attached hereto 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 the Physicians who rendered services, the types of services provided, the date services were rendered, the hours worked, and patient encounter information.

4.2 Such payment by HOSPITAL shall be deemed to be made for, as provided by this Agreement, Professional Services only, and HOSPITAL shall not make, nor shall CONTRACTOR 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 as further set forth in **Exhibit C**.

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

5.0 TERM/TERMINATION

5.1 Term. This Agreement will be effective as of July 1, 2018 through June 30, 2021, unless terminated earlier. CONTRACTOR shall commence performance upon signature of this Agreement by both Parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the COUNTY for a non-cancelable multi-year Agreement.

5.2 Termination without cause. The COUNTY may terminate this Agreement, without cause, by giving one hundred eighty (180) days' prior written notice to CONTRACTOR, unless otherwise terminated in accordance with the provisions of Section 5 of this Agreement, or as otherwise specified herein.

5.3 Termination for cause. Either Party may terminate this Agreement for a breach of this Agreement. In this event, CONTRACTOR will finalize a plan with COUNTY to continue to provide services to patients admitted to the hospital at the time of termination until their discharge.

5.4 In the event this Agreement is terminated prior to the expiration of the Agreement, the parties shall not enter into a contract with each other pertaining to the subject matter hereof during the remainder of the Term of the Agreement.

5.5 On the Effective Date, this Agreement shall replace and supersede the prior Professional Medical Services Agreement for Orthopedic Services between COUNTY and CONTRACTOR approved by the Board of Supervisors on June 10, 2008, Agenda Item number 3.41 and any and all amendments thereto.

5.6 Notwithstanding any of the provisions of this Agreement, CONTRACTOR's rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) (a) upon CONTRACTOR's closure; i.e., failure to continue in business, or (b) in the event of fraud, dishonesty, or a willful or material breach of this Agreement by CONTRACTOR, or, (c) at HOSPITAL's election, in the event of CONTRACTOR's unwillingness or inability for any reason whatsoever to perform the duties hereunder. 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 C** only during such period that CONTRACTOR shall, in fact, be performing the duties hereunder.

5.7 In the event that there shall be a change in the Medicare or Medi-Cal Acts, regulations, or general instructions (or application thereof), the adoption of new regulation(s), or a change in any third-party payer reimbursement system, any of which materially affects the reimbursement which COUNTY may receive for services furnished to COUNTY Patients through this Agreement, either Party may by notice propose a new basis for compensation for the services furnished pursuant to this Agreement. If such notice of new basis of compensation is given and if CONTRACTOR and COUNTY are unable within thirty (30) days thereafter to agree upon a new basis for compensation, either Party may terminate this Agreement by sixty (60) days' notice to the other on any future date specified in such notice.

5.8 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 either Party, 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.

5.9 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, Compensation.

6.0 HOLD HARMLESS/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; however, this indemnification shall not apply to Professional medical services performed by CONTRACTOR or any of its subcontractors, independent contractors, or employees, on behalf of the COUNTY under this Agreement. Liability resulting from medical professional acts or omissions of the CONTRACTOR shall be subject to the terms of **Exhibit D**, attached hereto.

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

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

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 above.

A. WORKERS' COMPENSATION INSURANCE AND EMPLOYERS' LIABILITY

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 of not less than \$1,000,000 per person per accident. Policy shall be endorsed, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement and be endorsed to Waive Subrogation in favor of the COUNTY.

B. COMMERCIAL GENERAL LIABILITY INSURANCE

Commercial General Liability Insurance coverage including, but not limited to, premises liability, contractual liability, completed operations, personal and advertising injury covering claims which may arise from or out of CONTRACTOR's performance of its obligations hereunder. To the extent coverage is provided by a commercial insurance policy shall name the County as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. VEHICLE LIABILITY

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, non-owned, or hired vehicles so used in an amount not less than

\$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name the COUNTY as a Loss Payee.

D. GENERAL INSURANCE PROVISIONS

Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and shall have an A.M. BEST rating of not less than an A-:VIII (A:8) unless waived, in writing, by the COUNTY Risk Management. If COUNTY's Risk Management waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

The CONTRACTOR must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceed \$500,000 per occurrence each such retention shall have the prior written consent of COUNTY Risk Management before the commencement of operations under this Agreement. Upon notification of deductibles or self-insured retentions unacceptable to COUNTY, and at the election of COUNTY Risk Management, 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.

CONTRACTOR shall cause CONTRACTOR's insurance carrier(s) to furnish the COUNTY with either; 1) a properly executed Certificate(s) of Insurance and copies of Endorsements affecting coverage as required herein, or 2) if requested to do so in writing by COUNTY Risk Management, provide 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. *If CONTRACTOR insurance carrier(s) policies does not meet the minimum notice requirement found herein, CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.*

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 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 Certificate(s) of Insurance. The original Certificate of Insurance shall be signed by an individual authorized by the insurance carrier to do so on its behalf.

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.

If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; the COUNTY reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if in COUNTY Risk Management's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has become inadequate.

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

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

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. The parties further agree that while CONTRACTOR physicians may participate in such studies as an incidental part of their activities at HOSPITAL, such participation is not required nor reimbursed under this Agreement.

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, provided, however, obligations undertaken by CONTRACTOR pursuant to this Agreement may be carried out by means of subcontracts with the prior written consent of COUNTY. No subcontract shall terminate or alter the responsibilities of CONTRACTOR to COUNTY pursuant to this Agreement. CONTRACTOR agrees that subcontracts developed to provide services or perform any investigational studies or research at HOSPITAL shall contain the same obligations contained in this Agreement regarding the performance of patient care services at HOSPITAL. 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.

12.3 CONTRACTOR agrees that each of its subcontracts or agreements with all of the Physicians and other health professionals providing services at HOSPITAL must contain a clause whereby said Physicians and health professionals who jeopardize the license or accreditation of HOSPITAL may be removed from HOSPITAL by CONTRACTOR and/or HOSPITAL without application of any provision of the Bylaws of the Medical Staff of the HOSPITAL or entitlement to

hearing thereunder

12.4 CONTRACTOR agrees that any development of physician residency training agreements wherein the resident(s) will be placed at HOSPITAL must be submitted at least sixty (60) days in advance to HOSPITAL Administration for review and processing prior to making any commitment to the resident(s) regarding such placement.

12.5 A change in the business structure of CONTRACTOR, including but not limited to a change in the majority ownership, change in the form of CONTRACTOR's business organization, management of CONTRACTOR, CONTRACTOR's business organization, CONTRACTOR's ownership of other businesses dealing with CONTRACTOR under this Agreement, or filing reorganization or bankruptcy by CONTRACTOR shall be deemed an assignment for purposes of this Section.

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 to monitor, assess, or evaluate CONTRACTOR's performance under this Agreement. To the extent applicable, monitoring shall include a quarterly assessment of the performance requirements listed in **Exhibit E**, Performance Requirements, attached hereto, and is hereby incorporated herein. The quarterly assessment reports shall be reviewed jointly by HOSPITAL and CONTRACTOR to evaluate CONTRACTOR's performance under this Agreement.

16.0 CONFIDENTIALITY

16.1 CONTRACTOR 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, including each of the Physicians, 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 of the U.S. Department of Health and Human Services 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 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. Notwithstanding the foregoing, if COUNTY determines that pursuant to federal and State law CONTRACTOR or any of its employees, subcontractors or independent contractors is an employee of COUNTY for purposes of income tax withholding, COUNTY shall upon two (2) weeks' notice to CONTRACTOR withhold from the payments hereunder to CONTRACTOR, federal and State income taxes and pay said sums over to the federal and State Governments.

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.

17.3 Neither COUNTY nor HOSPITAL shall have or exercise any control or direction over the methods by which CONTRACTOR or any of the Physicians shall perform his/her work functions. The sole interest of COUNTY is to assure that HOSPITAL is operated in a competent, efficient, safe and satisfactory manner, and that all applicable provisions of the law and other rules and regulations of any and all governmental authorities relating to licensure, accreditation and regulation of physicians and hospitals shall be fully complied with by all Parties hereto.

18.0 NONDISCRIMINATION

18.1 To the extent prohibited by applicable law, CONTRACTOR shall not unlawfully 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. CONTRACTOR shall submit an annual statement of economic conflict of interest disclosure form as designated by HOSPITAL.

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) 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

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.

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 Superior Court for the State of California, County of Riverside. 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 or any Physician 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:

De Anza Orthopedics
Medical Group, Inc.
4646 Brockton Avenue, Suite 302
Riverside, CA 92506
Attn: President

COUNTY:

Riverside University Health System -
Medical Center
26520 Cactus Avenue
Moreno Valley, CA 92555
Attn: CEO

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

DE ANZA ORTHOPEDICS MEDICAL GROUP, INC.

By: 

By: 

Name: Chuck Washington

Name: Rolf Drinkhaus

Title: Chairman, Board of Supervisors

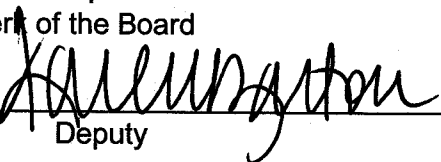
Title: President

Date: SEP 11 2018

Date: 8-20-18

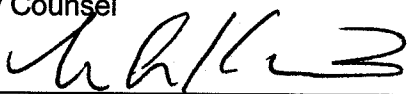
ATTEST:

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

CONTRACTOR shall provide the following:

1.0 STAFFING

CONTRACTOR shall provide adequate physician staffing to assume medical care responsibilities for SPECIALTY services under the direction of the Chief of the HOSPITAL Orthopedic Surgery Department (DEPARTMENT) and the HOSPITAL Medical Director as follows:

A. Provide 7.5 full-time equivalent orthopedic surgeons covering all the orthopedic subspecialties (including general, trauma, hip and joint, hand and pediatrics).

B. Provide all SPECIALTY outpatient/clinical services, administrative duties, diagnostic procedures, consultations, supervisory duties, teaching services, inpatient care, development of treatment protocols, telehealth and supervision of Specialty services provided at HOSPITAL. Without limiting the foregoing, CONTRACTOR shall staff and provide SPECIALTY services at HOSPITAL's SPECIALTY clinics and for the Department of Orthopedics. Orthopedic clinic shall be operated at least thirty (30) hours per week.

2.0 GENERAL RESPONSIBILITIES

CONTRACTOR shall furnish professional staff to provide on-call availability as well as other services as specified in this Exhibit. All administrative issues shall be directed to the HOSPITAL Chief of Medical Staff for handling. CONTRACTOR shall:

A. Provide or recruit only physicians who have been approved by the HOSPITAL's Credentialing Committee.

B. Provide suitable staff replacement coverage for any Physician absent due to extended illness, vacation, seminar attendance, or termination of employment with CONTRACTOR, who was assigned at HOSPITAL under the terms of this Agreement.

C. Ensure that CONTRACTOR Physicians have verifiable SPECIALTY experience and training and must obtain and remain credentialed at all times under the term of this Agreement. Such providers also shall be required by CONTRACTOR to meet HOSPITAL teaching faculty credentialing requirements established in conjunction with HOSPITAL teaching programs and affiliation agreements with teaching institutions.

EXHIBIT A

D. Provide complete medical records for all patients cared for no later than fourteen (14) days after patient discharge in compliance with Medical Staff Bylaws, Rules and Regulations. CONTRACTOR agrees to dictate reports immediately after completion of procedures. Said medical records shall, at all times, be the property of HOSPITAL, but CONTRACTOR shall have reasonable access to such medical records and shall have the right to make copies thereof, at CONTRACTOR's sole cost and expense, upon reasonable notice to HOSPITAL to do so.

3.0 CONTRACT COORDINATOR

CONTRACTOR agrees to provide the services of a physician who is acceptable to HOSPITAL to serve as the CONTRACTOR contract coordinator (COORDINATOR) for purposes of negotiation, implementation, and coordination of the fulfillment of responsibilities under this Agreement. CONTRACTOR shall not replace the approved CONTRACTOR physician Coordinator without the prior approval of the HOSPITAL. **Wade Faerber, D.O.**, shall serve as Coordinator for SPECIALTY services in this capacity until such time as mutually agreeable.

4.0 STAFF REMOVAL

A. COUNTY shall reserve the right, exercisable in its discretion after consultation with CONTRACTOR, to exclude any Physician from HOSPITAL's premises in the event such person's conduct or state of health is deemed objectionable or detrimental, having in mind the proper administration of COUNTY facilities and according to Medical Staff Bylaws, Rules, and Regulations as may be amended from time to time.

B. Notwithstanding any other provision of the Agreement, CONTRACTOR will ensure that any physician assigned to COUNTY, if charged with a felony, will be removed from COUNTY premises until said matter is fully resolved to the satisfaction of COUNTY.

5.0 PROFESSIONAL SERVICES

A. The Professional Services of CONTRACTOR shall be subject to the Medical Staff Appeals Provision of the Medical Staff Bylaws, Rules, and Regulations, or other appropriate rule or regulation of HOSPITAL as may be amended from time to time.

B. Professional Services to be provided will include, but not be limited to,

EXHIBIT A

orthopedic services, ambulatory clinical services, development of treatment protocols, inpatient and outpatient consultations, and diagnostic testing (as applicable).

C. CONTRACTOR will provide inpatient and outpatient consultation for the SPECIALTY to HOSPITAL patients on a routine and emergency basis.

D. CONTRACTOR will provide administrative services as agreed upon by both parties.

E. CONTRACTOR will provide Professional Services in SPECIALTY clinic(s) as required under this Agreement.

F. CONTRACTOR will respond by phone consultation or on-site at HOSPITAL for SPECIALTY services in accordance with Medical Staff Bylaws, Rules, and Regulations, and related HOSPITAL policies and procedures.

G. CONTRACTOR will assume responsibility for the professional operation and professional services of the DEPARTMENT. Any esoteric, unusual, or other patient care procedures that cannot be reasonably performed through the DEPARTMENT will be sent to an outside provider mutually agreeable to the patient and parties hereto.

H. CONTRACTOR will include charting the progress of patients and updating the care plan as needed in a timely fashion.

I. CONTRACTOR will provide off site on-call coverage consisting of daily after-hours coverage (5 P.M. to 9 A.M.) and weekend coverage (24 hours/day), fifty-two (52) weeks per year, as coordinated by the Chief of the DEPARTMENT.

6.0 FACULTY SERVICES AND PROGRAM DIRECTOR

A. CONTRACTOR Physicians shall fulfill the Faculty teaching duties as described in the Accreditation Council for Graduate Medical Education (ACGME), American Osteopathic Association (AOA), and American Association of Colleges of Osteopathic Medicine (AACOM) Residency Program Requirements.

B. Physicians shall provide proctoring and review on a regular basis for the clinical and educational performances of all SPECIALTY health care professionals working on-site at HOSPITAL in accordance with any applicable MEDICAL STAFF BYLAWS, and HOSPITAL policies and procedures, as well as Accreditation Council for Graduate Medical Education (ACGME), American Board of Osteopathic Medicine, and TJC standards, as applicable.

EXHIBIT A

C. CONTRACTOR shall create, review and implement, in conjunction with HOSPITAL and HOSPITAL affiliated medical schools or other teaching institutions, clinical training programs at HOSPITAL designed to meet the educational requirements for the teaching of physician residents, other medical staff, paramedical trainees, and medical students receiving training at HOSPITAL.

D. CONTRACTOR will ensure that such training programs are established and presented on an ongoing basis and updated annually or more frequently as needed, and that all pertinent requirements are met and duties performed which are necessary to meet the terms of affiliation agreements established between the HOSPITAL and medical schools, universities, colleges, and other institutions or agencies in regard to training in SPECIALTY services. All affiliation agreements shall be coordinated with and subject to approval by HOSPITAL Administration.

E. CONTRACTOR shall provide residents and student trainee(s) with orientation information about COUNTY facilities and operations in accord with any orientation presented by HOSPITAL to CONTRACTOR PHYSICIANS and/or other staff.

F. The clinical and educational activities of trainees on-site from HOSPITAL residency training programs and affiliated teaching institutions shall be supervised by CONTRACTOR physicians according to the requirements of the training program and the terms of any associated affiliation agreement, and in accordance with Medicare requirements.

G. CONTRACTOR shall ensure and guarantee that any documentation of professional services delivered by CONTRACTOR physicians and resident physicians in Anesthesia and any associated professional billing will meet all payor requirements related to such billing including, but not limited to, the Medicare Physician Fee Schedule requirements for anesthesia services furnished in teaching settings.

H. CONTRACTOR shall provide a PROGRAM DIRECTOR, who will fulfill the Program Director administrative duties as described in the ACGME AOA and AACOM Residency Program Requirements. CONTRACTOR may replace the person designated as PROGRAM DIRECTOR using the procedure set forth in Section 4.0 of this Exhibit A.

EXHIBIT B

LIST OF CONTRACTOR PHYSICIANS

De Anza Orthopedic Medical Group-Participating Providers

Roy J. Caputo, MD	1003886029
Bret C. Powers, DO	1457377202
Wade Faerber, DO	1700856713
Matthew D. Robinson, DO	1275740102
Christopher L. Sherman, DO	1639234826
Rolf R. Drinhaus, MD	1972530137
John A. Schlechter, DO	1043379092
John G. Ellis, MD	1750351771
Michael H. French, DO	1053674606
Kelly M. Miranda, PA-C	1578671558

EXHIBIT C

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:

1.0 Compensation

A. Subject to the conditions set forth in this Agreement, HOSPITAL shall pay CONTRACTOR an annual amount not to exceed Two Million five hundred eighty-seven thousand four hundred forty-eight dollars (\$2,587,448.00) per year, payable in monthly increments in the amount of two hundred fifteen thousand six hundred twenty dollars (\$215,620.00).

B. The Parties acknowledge that all amounts paid under this Agreement have been determined to be fair market value and commercially reasonable and an essential part of that determination is the minimum amount of effort that will be made by CONTRACTOR Physicians under this Agreement. The parties have agreed that such effort shall be measured by relative value units (RVUs) associated with the professional services billed by CONTRACTOR physicians. CONTRACTOR physicians will provide and bill for services representing at least 62,217 work RVUs per year. RVUs will be reported by CONTRACTOR to HOSPITAL monthly and if less than 62,217 work RVUs are provided within a twelve-month period HOSPITAL will withhold from the twelfth, twenty-fourth and third-sixth monthly payments an amount equal the percentage of RVUs not billed as follows:

RVUs actually billed for 12 months

$$62,217 \text{ work RVUs} \quad \times \quad \$862,482 = \text{amount withheld}$$

C. Payments to CONTRACTOR shall be made on a monthly basis during the term of this Agreement. HOSPITAL shall pay CONTRACTOR payments by the invoice method specified below.

2.0 Professional Fees

The Parties agree that CONTRACTOR shall continue to bill and collect professional fees for its Professional Services under CONTRACTOR's tax identification number and provider numbers. CONTRACTOR agrees to extend to HOSPITAL'S patients the same financial assistance policies as HOSPITAL. HOSPITAL will share with CONTRACTOR its determinations

EXHIBIT C

relating to the qualification of individuals for financial assistance and underlying submissions relating thereto.

3.0 Right to audit

COUNTY shall have the right to audit CONTRACTOR's billings and collections during normal business hours upon reasonable notice.

4.0 Maximum Annual Compensation

Maximum annual compensation payable under this Agreement to CONTRACTOR by COUNTY shall not exceed the amount of two million five hundred eighty-seven thousand four hundred forty-eight dollars (\$2,587,448).

EXHIBIT D

PROFESSIONAL LIABILITY INDEMNITY

1.0 As an additional element of compensation to the CONTRACTOR, the COUNTY shall indemnify the CONTRACTOR and provide Professional Liability insurance to the CONTRACTOR (upon approval of County Risk Management) as provided hereunder solely and exclusively to the extent that it pertains to the Professional Services performed under this Agreement on behalf of COUNTY, including administrative services on behalf of the County, and so long as the CONTRACTOR (as defined below) follows and does not intentionally ignore COUNTY policies and procedures and other regulatory agencies' rules, laws, and standards of care or commit willful or wanton acts of negligence.

2.0 For purposes of this Exhibit, the term "CONTRACTOR" shall include:

2.1 The CONTRACTOR itself;

2.2 The CONTRACTOR's Physician employees and independent Physician contractors; and

3.0 The COUNTY shall, subject to the terms, limitations, exclusions, and conditions of this Agreement, including this Exhibit, indemnify, defend, and hold harmless the CONTRACTOR for any and all sums which the CONTRACTOR shall by law be held liable to pay for damages arising out of any demand for money or services by any patient or anyone claiming damages on account of bodily injury or mental injury to or death of any patient caused by or alleged to have been caused by error, omission, or negligence, active or passive, so long as it is not deemed a willful or wanton omission, error, or negligence, nor for punitive damage awards in professional services rendered or that should have been rendered by CONTRACTOR exclusively at HOSPITAL or on behalf of COUNTY, provided always that:

3.1 Such malpractice results in a claim being made or legal action commenced against the CONTRACTOR, and notice of such claim or action has been given in accordance with the provisions contained in Section 8 of this Exhibit.

3.2 There shall be no liability coverage provided hereunder for any claim or action against the CONTRACTOR for malpractice committed or alleged to have been committed prior to the effective date of the Agreement nor following termination of this Agreement except for services provided during the term of the Agreement and/or for the CONTRACTOR or physician rendering service hereunder as described in Section 2 of this Exhibit.

EXHIBIT D

4.0 The indemnification promised hereby shall include all theories of liability against the CONTRACTOR regardless of whether said liability is founded on negligence or strict liability or any other rule or law attributing liability to the CONTRACTOR. Such indemnification as is afforded by this Agreement is extended to include the CONTRACTOR only while it is acting within the scope of duty pursuant to the terms of this Agreement (i.e., for patients of COUNTY performed in COUNTY facilities) and shall not apply to intentional acts or acts committed with malice. In addition, the indemnification promised hereby shall not include any exemplary or punitive damages levied against the CONTRACTOR, any act committed in violation of any laws or ordinances resulting in a criminal conviction (including professional services rendered while under the influence of intoxicants or narcotics, or any practice) or service at a non-COUNTY facility not required by the terms of this Agreement.

5.0 In providing for such indemnification, it is not the intent of either Party to waive any applicable statutory or other immunity from liability or of any claims requirements of the Government Code. For purposes of this Exhibit, said operating year shall begin with the date on which this Agreement is executed by the COUNTY Board of Supervisors and shall conclude on June 30 of that fiscal year; thereafter, each operating year shall run from July 1 to June 30.

6.0 The COUNTY may provide the indemnification referred to above through a program of self-insurance. The CONTRACTOR shall follow the guidelines and procedures contained in any risk management and HOSPITAL plan, which may be established by COUNTY, and applicable federal and State law.

7.0 As respects the indemnity afforded by this Agreement, the COUNTY shall, in the name of and on behalf of the CONTRACTOR, diligently investigate and defend any and all claims or suits made or brought against CONTRACTOR, shall retain legal counsel (attorney[ies]) skilled in investigation, defense, and settlement of medical malpractice claims, and shall pay all costs and expenses incurred in any such investigation and defense, including, but not limited to, attorney's fees, expert witness fees, and court costs. In addition to, and not inconsistent with any other provision of this Exhibit, the CONTRACTOR shall cooperate at the discretion of the COUNTY in the investigation, settlement, or defense of any claim or suit against the CONTRACTOR.

8.0 The following are conditions precedent to the right of the CONTRACTOR to be defended and/or indemnified under this Exhibit, provided that the COUNTY may not disclaim such defense and/or indemnification if it has not been materially prejudiced by the nonperformance of such conditions:

EXHIBIT D

8.1 During the term of this Agreement, the CONTRACTOR shall promptly, but no less than within two (2) business days, after receiving knowledge of any event described in this subsection (8.1) of this Section 8, give to the persons or persons designated by the COUNTY notice in writing of:

- A. Any conduct or circumstances which the CONTRACTOR believes to give rise to a claim for malpractice being made against the CONTRACTOR; or
- B. Any claim for malpractice made against the CONTRACTOR; or
- C. The receipt of notice from any person of any intention to hold the CONTRACTOR responsible for any malpractice.

8.2 The CONTRACTOR shall at all times without charge to the COUNTY:

- A. Give to the COUNTY or its duly appointed representative any and all information, assistance, and signed statements as the COUNTY may require; and
- B. Assist, without cost to the CONTRACTOR, in the COUNTY's defense of any claim, including without limitation, cooperating timely with the COUNTY; and, upon the COUNTY's request, attend hearings and trials, assisting in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, and to provide current home and work contact numbers until the full and final settlement of payment and all cases involving persons mentioned in Sections 1 and 2 of this Exhibit.

8.3 The CONTRACTOR shall not, without the written consent of COUNTY's duly appointed representative, admit liability for, or settle any claim, or:

- A. Incur on behalf of the COUNTY any cost or expense in connection with such claim, or
- B. Give any material or oral or written statements to anyone in connection with admitting or settling such claim.

EXHIBIT E

PERFORMANCE EVALUATION

- 1.0 CONTRACTOR shall meet patient care performance requirements (including but not limited to, providing patient and family education in accordance with TJC standards, timely completion of medical records, Medi-Cal managed care patient-access standards, and on-time attendance for scheduled Professional Physician Services).
 - 2.0 CONTRACTOR shall adhere to full compliance with Medi-Cal managed care access requirements for availability of specialist care services to Medi-Cal managed care members shall be required.
 - 3.0 In addition, CONTRACTOR shall meet and or exceed the following quality metrics:
 - A. HOSPITAL's Department of Orthopedic Surgery will develop a Joint Commission Certified Total Hip and Total Knee Replacement program by June 31, 2019.
 - B. HOSPITAL's Department of Orthopedic Surgery will operate at the levels needed to obtain advanced certification from TJC in the following quality standards:
 - 3.B.1 THKR-1 Regional Anesthesia
 - 3.B.2 THKR-2 Postoperative ambulation on the day of surgery
 - 3.B.3 THKR-3 Discharged to home
 - 3.B.4 THKR-4 Preoperative functional/health status assessment
- HOSPITAL may deduct from CONTRACTOR's compensation due for that month five percent (5 %) of the total due each month that the DEPARTMENT does not meet the metrics outlined in 3.B.1 – 3.B.4; In addition, HOSPITAL may deduct an additional five percent (5 %) of the total annual amount due for July 2018- June 2019 if the metric outlined in 3.0 A is not met.
- 4.0 CONTRACTOR and HOSPITAL agree to review and discuss quarterly reports of Performance Standards data as monitored by HOSPITAL before deduction in the monthly amount of reimbursement occurs. Report format and data collection will be mutually agreed by the Parties hereto.