

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



ITEM: 3.7
(ID # 19149)

MEETING DATE:
Tuesday, June 07, 2022

FROM : COUNTY COUNSEL:

SUBJECT: COUNTY COUNSEL: Approve the Legal Service Agreement between Inland Empire Health Plan (IEHP) and Riverside County Office of County Counsel for the Period of July 1, 2022, through June 30, 2027. All Districts, [\$0], 100% IEHP

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Legal Service Agreement with Inland Empire Health Plan (IEHP) for provision of legal services by the Office of County Counsel and authorize the Chairman to execute the agreement.

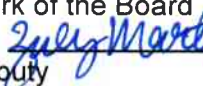
ACTION:Policy


Ronak Patel, Deputy County Counsel 5/19/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 7, 2022
xc: CoCo

Kecia R. Harper
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	\$	\$	\$	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: 100% Inland Empire Health Plan			Budget Adjustment: No	
			For Fiscal Year: 22/23 – 26/27	

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

Pursuant to Section 7 (f) of the Joint Powers Agreement between the Counties of San Bernardino and Riverside creating the Inland Empire Health Plan (IEHP), the Riverside County Counsel serves as lead Counsel for the Agency and the Board of Directors. Since IEHP's creation, Riverside County Counsel has served as lead counsel for the agency, particularly for the Board of Directors, while continuing to provide additional legal services and having a presence at IEHP by maintaining office hours. The proposed Agreement is for five (5) years, effective on July 1, 2022, and expires June 30, 2027. Agreement shall renew for successive one-year periods. County Counsel recommends approval of the agreement.

Additional Fiscal Information

As set forth in the Agreement, IEHP would compensate County Counsel for all attorney and paralegal services rendered at an hourly rate established by the Board of Supervisors and such other costs as may be directly related to the services provided.

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LEGAL SERVICES AGREEMENT
BETWEEN INLAND EMPIRE HEALTH PLAN (IEHP) AND RIVERSIDE COUNTY OFFICE
OF COUNTY COUNSEL

This Legal Services Agreement (AGREEMENT) is entered into this 7th day of June, 2022 by and between Inland Empire Health Plan (IEHP), a local public entity of the State of California, and the County of Riverside, a political subdivision of the State of California, on behalf of the Office of County Counsel (COUNSEL).

RECITALS

WHEREAS, COUNSEL serves as lead counsel to IEHP pursuant to section 7, subdivision (f) of the Joint Powers Agreement between the Counties of San Bernardino and Riverside Creating a Medi-Cal Managed Care System to be known as the Inland Empire Health Plan ("JPA"); and

WHEREAS, it is the desire of IEHP and COUNSEL to define and clarify how legal services are provided to IEHP by COUNSEL and to clarify the basis and procedures for IEHP'S payment of said services; and

WHEREAS, said legal services are generally described as the provision of as-needed general legal services to the IEHP Governing Board and to IEHP, as needed and requested, in conformity with the terms of this Agreement; and

WHEREAS, IEHP is currently served in the Office of County Counsel by one full-time Deputy County Counsel and IEHP will be billed hourly and will pay directly for such legal services on an as needed basis as set forth in this Agreement.

NOW, THEREFORE, it is agreed by IEHP and COUNSEL as follows:

1. **TERM OF AGREEMENT.** This AGREEMENT is for five (5) years, effective on July 1, 2022 and expires June 30, 2027. Agreement shall renew for successive one-year periods by written amendment, unless terminated or otherwise modified as provided herein.

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1 2. **COMPENSATION.** In consideration of all attorney and paralegal services provided by
2 COUNSEL under this Agreement, IEHP shall be billed at the hourly rate established by the
3 Board of Supervisors as set forth in Section 6 herein commencing on July 1, 2022.

4 Current agreement states that on an annual basis, IEHP agrees to adjust the annual
5 compensation costs to accommodate for any increased costs of providing legal services. In
6 fiscal year 2021 the agreed annual compensation costs where of \$246,948.24. For fiscal
7 year 2022 the annual compensation costs are of \$252,039.95 as a result there is an increase
8 of \$5,091.71 that requires a true up payment.

9 3. **SCOPE OF LEGAL SERVICES.** Services by COUNSEL shall be rendered by any
10 attorney within COUNSEL'S office with the requisite expertise with respect to any issues
11 raised by the below Scope of Legal Services. COUNSEL services to be rendered may
12 include, but are not limited to the following:

- 13 a. Serve as IEHP Governing Board legal counsel, provide advice to the IEHP
14 Governing Board, and attend IEHP Governing Board meetings.
- 15 b. Assist in preparation of and review of the agenda and materials for the IEHP
16 Governing Board meetings as needed and requested. Attend in-person meetings with
17 the IEHP Governing Board and IEHP's employees when requested.
- 18 c. Provide general advice to the Board members, officers and employees as requested
19 by IEHP.
- 20 d. Prepare legal opinions as necessary and requested by IEHP.
- 21 e. Prepare and/or review contracts, agreements, resolutions, ordinances, or any legal
22 matter as requested by IEHP.
- 23 f. Prepare occasional reports and present information at public hearings as requested.
- 24 g. Negotiate, represent, and render advice on transactional matters as requested by
25 IEHP.

1 h. Prepare and give training sessions or other presentations when requested.

2 i. Any other legal services requested by IEHP.

3 j. Provide advice and consultation on risk management issues including litigation
4 matters in conjunction with IEHP as requested.

5 k. Maintain office hours, at IEHP as necessary and upon request by IEHP.

- 6 4. **REQUESTS FOR SERVICES.** IEHP and COUNSEL shall designate appropriate
7 personnel who shall serve as the contact persons for their respective agency and office, for
8 the purpose of coordinating, and also addressing issues or problems, regarding the delivery
9 of legal services.

10 IEHP shall have the right to select COUNSEL personnel who will provide legal
11 services to IEHP.

- 12 5. **CIVIL LITIGATION AND OTHER SIGNIFICANT MATTERS.** In the event civil
13 litigation is filed against IEHP or its employees, IEHP shall confer with COUNSEL. IEHP
14 is not obligated to engage or obtain permission of COUNSEL to engage outside counsel for
15 any matter. If it is determined that COUNSEL will provide services, IEHP shall be
16 separately charged for the legal services provided in connection with the litigation.

- 17 6. **INVOICES, RATES, AND PROCEDURES FOR REIMBURSEMENT FOR LEGAL**
18 **SERVICES.** COUNSEL shall bill IEHP for all attorney and paralegal services rendered at
19 an hourly rate established by the Board of Supervisors and such other costs as may be
20 directly related to the services provided. COUNSEL shall submit an invoice with a
21 Summary of Legal Services Rendered each month. Monthly billing invoices shall be
22 submitted to IEHP within fifteen (15) days after the end of each month in which services
23 are provided.

1 For informational purposes only, IEHP shall also receive monthly billing invoices to
2 account for services rendered with hourly units of service rounded to the nearest 1/10th of
3 an hour. Billing invoices shall also list a description of the activity for which payment is
4 requested, including case name, activity types, and outcome of the activity as applicable.
5 Monthly billing invoices shall be submitted to IEHP within twenty-one (21) days after the
6 end of each month in which services are provided.

7 IEHP shall notify COUNSEL within fifteen (15) working days of any dispute
8 concerning individual charges in writing and shall include a basis for the dispute. In the
9 event COUNSEL determines that a charge was billed incorrectly, an addendum to the
10 invoice in question shall be provided and IEHP shall be reimbursed or credited for the
11 amount incorrectly charged.

12 COUNSEL invoice estimates for June are due no later than June 30th of each year.
13 Accordingly, actual COUNSEL invoices for June are due no later than July 15th of each
14 year.

15 The original billing statement(s) and one copy shall be submitted to:

16 Inland Empire Health Plan
17 10801 6th Street Suite 120
18 Rancho Cucamonga, CA 91730
19 Attn: Legal Department

- 20 7. **REIMBURSEMENT RECORDS AND AUDITS.** COUNSEL shall maintain auditable
21 books, records, documents and other evidence pertaining to costs and expenses in this
22 AGREEMENT. COUNSEL shall maintain these records for three (3) years after final
23 payment has been made or until all pending County, state and federal audits, if any, are
24 completed, whichever is later.

1 Any authorized representative of IEHP, the State of California, and the federal
2 government shall have access to any documents, papers, electronic data, and other records,
3 which may be determined to be pertinent to this AGREEMENT, for the purposes of
4 performing an audit, evaluation, inspection, review, assessment, or examination. These
5 representatives are authorized to obtain excerpts, transcripts, and copies, as they deem
6 necessary. Further, these authorized representatives shall have the right at all reasonable
7 times to inspect or otherwise evaluate the work performed, or being performed, under this
8 AGREEMENT and the premises in which it is being performed.

9 This access to records includes, but is not limited to, service delivery, referral,
10 financial, and administrative documents for three (3) years after final payment is made, or until
11 all pending County, state, and federal audits are completed, whichever is later.

12 **8. GENERAL PROVISIONS.**

- 13 a. COUNSEL and IEHP will continue to work cooperatively to support the core mission
14 of the other. To this end, COUNSEL and IEHP may meet twice (or more often, as
15 necessary) during the County's fiscal year to address any topic or issue of concern to
16 either party regarding the purposes or administration of the AGREEMENT if
17 requested by either party.
- 18 b. Nothing in this AGREEMENT shall be construed to set the level of resources
19 committed by IEHP or COUNSEL to each other. Nor shall this AGREEMENT be
20 construed to constrain IEHP's or COUNSEL's authorized discretion as to the use and
21 expenditure of funding and resources.
- 22 c. This AGREEMENT may be amended in writing with the written consent of both
23 parties.
- 24 d. This AGREEMENT may be terminated by either party at least one hundred and twenty
25 (120) days prior to the end of the fiscal year.

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- e. Each party shall maintain the confidentiality of information and records of the other and comply with all applicable statutes, rules, regulations, and County policies relating thereto.
- f. This AGREEMENT is not in effect or enforceable until executed by both parties. Upon execution, each party shall be responsible for informing their line staff of this AGREEMENT and issuing any necessary directive for its implementation.
- g. All notices and correspondence concerning this AGREEMENT shall be addressed as follows:

TO IEHP:

Jarrod McNaughton, MBA, FACHE , CEO
Inland Empire Health Plan
Attn: Legal Department
10801 6t Street Suite 120
Rancho Cucamonga, CA 91730
(909) 890-2000

TO COUNSEL:

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

9. **REPRESENTATIONAL CONFLICTS.** IEHP acknowledges that COUNSEL serves as Riverside County’s legal advisor and representative on all matters. COUNSEL also serves as the legal advisor for a number of other separate legal entities that are governed by the

1 same five individuals who sit as the Board of Supervisors for the County (“Related Public
2 Entities”). COUNSEL must preserve its ability to represent the County and Related Public
3 Entities on matters that may arise in the future, including matters in which the County’s
4 and/or Related Public Entities’ interests are adverse to IEHP’S interest. COUNSEL is not
5 willing to undertake representation of IEHP in the absence of IEHP’S consent as set forth
6 in this section because COUNSEL must preserve the ability to represent its primary client,
7 the County, and Related Public Entities. IEHP’S engagement of COUNSEL with respect to
8 any particular matter includes IEHP’S consent to COUNSEL’S ongoing representation of
9 its primary client, the County, and Related Public Entities, in all matters, including
10 transactions and litigation, in which the interests of the County and/or Related Public
11 Entities are potentially or actually adverse to the interests of IEHP and notwithstanding that
12 COUNSEL may have obtained confidential information from IEHP subject to the
13 conditions below.

14 At the time IEHP engages the services of COUNSEL for a particular matter, COUNSEL
15 will inform IEHP based on the available facts of any specific matters in which the County’s
16 interests and the IEHP’S interests are then actually or potentially adverse. As of the date
17 this Agreement is signed by IEHP, COUNSEL is not aware of any actual or potential conflict
18 of interest.

19 COUNSEL is governed by specific rules relating to representation of clients when present
20 or potential conflicts of interest exist. Those rules are outlined in Rule 1.7 of the Rules of
21 Professional Conduct of the State Bar of California.

22 COUNSEL represents other public entities in the County. In the event that an
23 unanticipated actual or potential conflict of interest arises between or among two or more
24 non-County public entity clients represented by COUNSEL during the course of
25 representation of IEHP, COUNSEL will immediately notify IEHP of the actual or potential

1 conflict and either (1) IEHP will acknowledge and waive the actual or potential conflict, in
2 which case COUNSEL will erect an ethical wall between the attorney representing IEHP
3 and the attorney representing the other non-County public entity client; or (2) if IEHP
4 declines to waive the actual or potential conflict, COUNSEL will withdraw from
5 representing all non-County public entity clients in that matter. If COUNSEL withdraws
6 from representing all non-County public entity clients in a matter, IEHP acknowledges that
7 it is free to hire substitute COUNSEL of its own choosing and at its own expense.

8 Neither the County, Related Public Entities, IEHP nor COUNSEL intends to provide for
9 COUNSEL'S continuing representation of both IEHP and the County in matters where the
10 interests of IEHP and the County or Related Public Entities are actually adverse or where a
11 dispute arises between IEHP and County or Related Public Entities, but the parties anticipate
12 that any such instances are likely to be very rare. In the event that either a dispute or an
13 actual conflict of interest arises during the course of representation, COUNSEL will
14 promptly inform IEHP that a conflict or dispute has arisen and will discontinue representing
15 IEHP and will continue to represent the County and/or Related Public Entities, and further
16 provided that COUNSEL shall not disclose the reason for the conflict to IEHP if the County
17 and/or Related Public Entities has requested that those reasons remain confidential. IEHP
18 acknowledges that in such a circumstance it is free to hire substitute counsel of its own
19 choosing and at its own expense.

20 IEHP acknowledges that its consent to COUNSEL'S ongoing representation of the
21 County and Related Public Entities in matters where the interests of the County (and/or
22 Related Public Entities) and IEHP are potentially or actually adverse has significant
23 implications that IEHP has considered. By signing this Agreement, IEHP acknowledges that
24 it has been advised of the potential conflicts associated with concurrent representation; that
25 it has been advised of COUNSEL'S present and continuing relationship with the County and

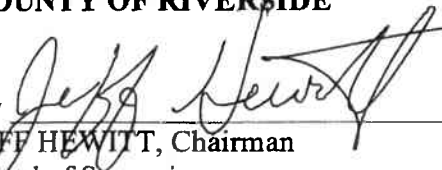
1 Related Public Entities; and that IEHP, upon requesting assistance from COUNSEL on a
2 particular matter, and having been presented with the information about potential and actual
3 conflicts of interest as required by this section, provides its consent under Rule 1.7 of the
4 Rules of Professional Conduct of the State Bar to Counsel's ongoing representation of the
5 County and Related Public Entities, notwithstanding any potential or actual conflict of
6 interest between the County (and/or Related Public Entities) and IEHP that may develop.
7 IEHP waives any and all rights to disqualify COUNSEL from representing the County
8 (and/or Related Public Entities) based on a conflict of interest arising out of concurrent
9 representation of the County (and/or Related Public Entities) and IEHP'S consent and waiver
10 extends to "subsequent representation," where by reason of COUNSEL'S former
11 representation of IEHP in a matter, COUNSEL has confidential information material in any
12 matter in which the County's (and/or Related Public Entities') interests are adverse to
13 IEHP'S interests, and COUNSEL no longer represents IEHP in any matter.

1 IN WITNESS WHEREOF, IEHP and COUNSEL have caused this Agreement to be executed by
2 their duly authorized representatives as of the last date opposite the respective signatures below.

3
4 **INLAND EMPIRE HEALTH PLAN**

COUNTY OF RIVERSIDE

5 By _____
6 JARROD MCNAUGHTON, MBA, FACHE
7 Chief Executive Officer


By 
JEFF HEWITT, Chairman
Board of Supervisors

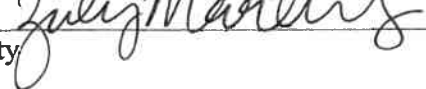
8 APPROVED AS TO FORM:

ATTEST:

9
10 County Counsel

KECIA HARPER
Clerk of the Board

11
12 By 
13 Amy County Counsel Ronke Patel

By 
Deputy

14 Dated 6/13/22

(SEAL)