



**SUBMITTAL TO THE RIVERSIDE UNIVERSITY HEALTH SYSTEM MEDICAL CENTER GOVERNING BOARD  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 15.2  
(ID # 20192)

**MEETING DATE:**

Tuesday, October 18, 2022

**FROM :** RUHS-MEDICAL CENTER:

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM-MEDICAL CENTER: Ratification and Approval of the 5-Year Software Use Agreement with Strata Decision Technology, LLC to Provide a Cost Accounting and Performance Measurement Software System Services Without Seeking Competitive Bids Effective August 30, 2022, through August 29, 2027; All Districts. [Annual Cost \$443,732; Total Cost \$2,218,660; Up to \$221,866 in Additional Compensation]; 100% Hospital Enterprise Fund.

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify and approve the Software Use Agreement with Strata Decision Technology, LLC to provide a cost accounting and performance measurement software system services without seeking competitive bids, in the aggregate amount of \$2,218,660 for the period of performance of August 30, 2022, through August 29, 2027, and authorize the Chair of the Board to sign the Agreement on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459 and based on the availability of fiscal funding and as approved as to form by County Counsel to sign amendments that exercise the options of the agreement including modifications of the scope of services that stay within the intent of the Agreement; and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) annually.

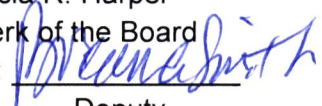
**ACTION:Policy**

  
 J. Cruikshank Chief Executive Officer - Health System 10/5/2022

**MINUTES OF THE GOVERNING BOARD**

On motion of Supervisor Jeffries, 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: October 18, 2022  
 xc: RUHS-MC

Kecia R. Harper  
 Clerk of the Board  
 By:   
 Deputy

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$443,732	\$443,732	\$2,218,660	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> 100% - Hospital Enterprise Fund 40050			<b>Budget Adjustment:</b> No	
			<b>For Fiscal Year:</b> 22/23- 27/28	

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

**BACKGROUND:**

**Summary**

The Riverside University Health System Medical Center (RUHS-MC) has engaged Strata Decision Technologies LLC (Strata) for cost accounting and performance measurement software system service since August of 2017 through a previous five-year Software Use Agreement. The forementioned Agreement terminated on August 28, 2022, and requires a new Software Use Agreement to be established to continue RUHS-MC use of Strata cost accounting and performance measurement software system services.

Through its software, Strata currently provides RUHS-MC with access to its StrataJazz system support modules: RUHS-MC utilizes these support modules in conjunction with Strata's cost accounting and performance measurement software system to perform budgeting and data analysis efficiently. RUHS-MC has a continued need for this software, as it is used to analyze costs across its physician, payor, labor, and product lines. Strata is unique in the feature of tracking continuous improvements. Its software has a pre-built algorithm that target key areas which helps to reduce the time and resources it would take to analyze specific data.

RUHS-MC analyzes current data and its partnership with Strata allows for efficient costing of this data and results in accurate patient cost data. Strata will allow the user to evaluate cost margins and formulate custom design reports. Additionally, this engagement with Strata will provide an efficient method of collecting and reporting cost accounting, performance measurements, productivity reporting, and financial forecasting. These metrics assist RUHS-MC in identifying opportunities for potential savings, measuring and managing labor productivity which can result in improved patient outcomes.

The requested board action will allow RUHS-MC to continue utilizing Strata's cost accounting and performance measurement system software via a new five-year Software Use Agreement without seeking competitive bids (SSJ#) effective August 30, 2022, through August 29, 2027, with maximum annual compensation of \$443,732.

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**Impact on Residents and Businesses**

These services are a component of RUHS's system of care aimed at improving the health and safety of its patients and the community.

**Additional Fiscal Information**

There are sufficient appropriations in the Department's FY21/22 budget. No additional County funds are required.

**Contract History and Price Reasonableness**

On August 16, 2017, the County of Riverside Purchasing and Fleet Department approved Sole Source Justification (#18-043). Subsequently, on August 29, 2017, (Agenda Item 3.89), the Board approved a five-year Software Use Agreement with Strata to provide a cost accounting and performance measurement software system, effective August 29, 2017, through June 30, 2022, for a total amount of \$2,491,960.

On December 17, 2019, (Agenda Item 15.4), the Board approved Addendum No. 1 to the Software Use Agreement, effective December 31, 2019 through June 30, 2022, to increase the total contract amount by \$168,113 from \$2,491,960 to \$2,660,073.

On April 2, 2020, Addendum No. 2 was executed under the Purchasing Agent's Authority to establish authorized uses of the Customer Data exchanged under this agreement.

On June 23, 2020, Addendum No. 3 was executed using the Purchasing Agent's Authority to purchase additional consulting services for StrataJazz Operating Budget.

On September 24, 2020, Addendum No. 4 was executed under the Purchasing Agent's Authority for additional consulting services for StrataJazz Data Integration.

On May 11, 2021, (Agenda Item 3.23), the Board approved Addendum No. 5 to the Software Use Agreement, effective March 2, 2021 through August 29, 2022, to increase the aggregate contract amount by \$96,048 from \$2,718,537 to \$2,814,585 and extend the contract term through August 29, 2022.

On October 22, 2021, Addendum No. 6 was executed under the Purchasing Agent's Authority to purchase additional consulting services for StrataJazz Operating Budgeting.


The agreement requires Board approval as the compensation provision exceeds the Purchasing Agent's authority for contracting with a single vendor for professional services per Ordinance 459.6.

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**ATTACHMENTS:**

**Attachment A: THE SOFTWARE USE AGREEMENT BETWEEN STRATA DECISION  
TECHNOLOGY LLC AND THE COUNTY OF RIVERSIDE**

**Attachment B: SINGLE SOURCE JUSTIFICATION (#23-059)**

  
Suzanna Huckley, Assistant Director of Purchasing and Fleet Service 10/5/2022

  
Jacqueline Ruiz, Sr. Management Analyst 10/12/2022

  
Gregg Gu, Chief Deputy County Counsel 10/5/2022



## SOFTWARE USE AGREEMENT

THIS SOFTWARE USE AGREEMENT ("Agreement") is made and entered into as of August 29, 2022 (the "Effective Date"), by and between Strata Decision Technology LLC, an Illinois Limited Liability Company with principal offices at 200 East Randolph Street, 49<sup>th</sup> Floor, Chicago, Illinois 60601 ("Strata") and the County of Riverside, a political subdivision of the State of California, on behalf of Riverside University Health System, having its principal offices at 26520 Cactus Avenue, Moreno Valley, California 92555 ("Customer").

### WITNESSETH:

WHEREAS, Strata desires to grant to Customer, and Customer desires to obtain from Strata, a non-exclusive right to use the computer software and related materials described below, all on the terms and conditions set forth in this Agreement.

### AGREEMENTS:

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Definitions. As used in this Agreement, the following definitions will apply:

"Annual Consulting Days" means the annual consulting support that will be provided to Customer to be used as Customer sees fit, including, but not limited to, training (on-site or web based), process support meetings, database rollovers or additional services that are not included in the project assumptions contemplated under this Agreement. Each Annual Consulting Day equals eight (8) hours;

"Authorized User" means a party granted the right to use the Program Assets at the Facilities, including and limited to only the following: (a) Customer and its employees and authorized agents; (b) nurses, physicians and technicians or staff otherwise affiliated with Customer, including, without limitation, the medical staff members; (c) Third Party consultants and other independent contractors performing services for Customer; and (d) any governmental bodies lawfully requesting or requiring access. Notwithstanding the foregoing, the entities listed in Exhibit D, their respective personnel, and their respective Facilities shall at no time be deemed to be an Authorized User;

"Contract Year" means each successive 12-month period after the Effective Date of this Agreement;

"Facility" means, with respect to either party, any person or entity which such party controls. For purposes of the preceding sentence, the term "Control" means the ownership of more than fifty percent (50%) of an entity's voting securities;

"Hospital" means a healthcare provider of inpatient and other healthcare services with a single National Provider Identifier (i.e., Medicare number) without regard for sub-provider identifiers which are identified in Exhibit B of this Agreement;

"Input Data" means all data entered into the Programs by the Customer and/or its Facilities;

"Programs" means the computer software identified in Exhibit A to this Agreement, which is hereby incorporated by reference and made a part of this Agreement, and also includes any subsequent upgrades provided by Strata;

"Program Assets" means the Programs and the User Documentation;



“Proprietary Assets” means the copyright, patent, trade secret and other proprietary rights of Strata included in the Program Assets, including, without limitation, Strata’s Confidential Information and materials identified in Section 9.2;

“Report User” means individual user of the Programs with a specified name with a unique Windows or network logon name or ID who has read only report viewing access to the Programs;

“System User” means an individual user of the Programs with a specified name with a unique Windows or network logon name or ID who has full access to the Programs;

“User Documentation” means the user documentation materials, including online help and PDF guides provided by Strata to Customer pursuant to the terms of this Agreement which embody, represent, describe or specify the Programs or their uses, operations or applications;

Other defined terms are contained in the body of this Agreement.

## 2. Customer Rights Under Agreement.

2.1 In accordance with the terms of this Agreement, Strata grants to Customer, and Customer accepts from Strata, a limited, non-transferable, non-exclusive right to use the Programs (or any version thereof provided to Customer pursuant to this Agreement) via Strata’s hosted application environment. Notwithstanding the foregoing, Strata acknowledges that part of Customer’s business may involve operating in a shared resource and/or service bureau environment, and in connection with such business, Customer will have, subject to the requirements set forth in this Agreement, the right to use the Programs for itself and its Facilities, such right of use will include a right of access and direct use of Customer’s Authorized Users.

2.2 Customer will have the right to modify the Program Assets and/or merge the same into other programs and materials to form an updated work for its own use.

2.3 Customer must obtain from Strata advance written approval, which will not be unreasonably withheld, before any changes are made to the Hospitals listed in Exhibit B. Customer recognizes the fees for the rights granted hereunder are based upon (1) the number of System Users for the Facilities and (2) the number of Hospitals listed in Exhibit B and an increase in either may result in an increase in fees.

2.4 Customer must not access the Program Assets from any location other than Customer’s Facilities and must prevent use or access of the Program Assets by anyone other than Customer or other Authorized Users. Customer acknowledges that any use of the Program Assets in violation of this Section constitutes a material breach of the terms of this Agreement. Customer and Authorized Users are permitted to access the software from remote sites, so long as such access conforms to the Customer’s policies for remote access to confidential information.

## 3. Term.

This Agreement will be effective on the date first written above and will be in effect through the Commitment Period outlined in Section 6.1, unless terminated pursuant to the express terms of this Agreement.

## 4. Delivery; Installation; Consulting Support.

4.1 Consulting Services: Strata shall provide consulting services related to StrataJazz Continuous Improvement Optimization in exchange for the fees outlined in Exhibit A of this Agreement. This will be a fixed fee service engagement for the services outlined in the project assumptions attached as Exhibit F.



Strata shall provide consulting services related to StrataJazz Data Integration As a Service and StrataJazz Cost Accounting As a Service in exchange for the fees outlined in Exhibit A of this Agreement. This will be a fixed fee service engagement for the services outlined in the project assumptions attached as Exhibit G.

4.2 Annual Consulting Days: Strata shall make its resources available to Customer for a specified number of ongoing Annual Consulting Days pursuant to the details outlined in Exhibit A to be used toward consulting engagements outside of the project assumptions. These Annual Consulting Days will be provided to Customer at no additional charge. The allotment of person-days for a given Contract Year is to be used within one year, and will not carry over from year to year.

5. Charges.

5.1 Customer will pay Strata the fees set forth in Exhibit A, in accordance with the Payment Schedule set forth therein. Any and all other charges due under this Agreement will be due and payable within thirty (30) days of Customer's receipt of the applicable invoice.

5.2 Customer will be responsible for the payment of all taxes levied or based on this Agreement or the Program Assets, including state and local privilege or excise taxes; provided that Customer will not be responsible for the payment of taxes based on the net income of Strata.

6. Annual Fees / Renewals / Upgrades / Tech Support.

6.1 Customer has made a commitment to use the suite of Program Assets for a minimum of five (5) years from the Effective Date (i.e., the "Commitment Period"). This Agreement shall not auto renew, and any renewal term(s) may be negotiated by the parties at the end of the Commitment Period, however, in no case will the annual subscription fees outlined in Exhibit A increase by more than 10% per year for any renewal.

6.2 Customer must pay the annual fees outlined in Exhibit A for continued use of the suite of Program Assets beyond the first Contract Year. In the event that Customer fails to pay the annual fees outlined in Exhibit A, Customer's access to the Program Assets will be terminated, and Customer must immediately cease and desist from using the suite of Program Assets.

6.3 Payment of the subscription fees outlined in Exhibit A entitles Customer to receive upgrades of the Programs in use that are of the same software and analytics platform and free Technical Support for unlimited support incidents for resolving incidents where software functionality does not perform in accordance with User Documentation. Technical Support is defined to include, but not be limited to, the following: software system-related error messages, system performance issues, troubleshooting specific to system issues or error messages, software system errors. Support personnel will assist Customer in resolving issues with the use of the Program Assets and answer related general questions. For this Technical Support, Strata's hours of operation are Monday through Friday, 7:00 a.m. to 7:00 p.m. United States Central Time.

6.3(a) Technical Support is available to Customer in the following way through the following communication:  
Telephone: 312-726-1227 and select the technical support option.  
E-Mail: Send messages to [support@stratadecision.com](mailto:support@stratadecision.com)

6.3(b) Strata will enter Technical Support incident reports provided by Customer into Strata's call tracking system, and prioritize requests using the following categories:  
Category 1 – Program malfunction that prevent substantial numbers of Customer's users from using Programs for substantially all normal functions using normal procedures.  
Category 2 – Same as Category 1, except that malfunction prevents some of Customer's users from using some normal functions using normal procedures.



Category 3 – All normal functions of the Programs are operational and can be productively used, but one or more functions are degraded as a result of a malfunction.

Category 4 – Cosmetic issues and other minor issues that do not result in degraded performance or otherwise materially affect use or functionality of the Programs.

Strata will use commercially reasonable efforts to provide the following Response and Resolution times for the Categories. Response and Resolution times are measured from the time that the report is received by Strata Technical Support staff:

Category	Standard Business Hours	
	Response Time	Resolution Time
1	2 business hours	1 business day
2	4 business hours	2 business days
3	8 business hours	5 business days
4	8 business hours	15 business days

Strata will use commercially reasonable efforts to either fix or provide a workaround procedure for any material breach of functionality as described in the then current User Documentation as long as the Program Assets are used with software and operating systems that match then-current Strata technical standards. Resolution times are measured from the time a problem is reported until the time that Customer is sent notification that a solution has been tested and verified by Strata staff, and does not include time required for the Customer to verify that solution. Resolution times exclude any time waiting for completion of reasonable requests from Strata staff for testing, additional information, or completion of problem resolution procedures when those steps must be carried out by Customer’s employees or third-party product and service providers.

Strata will be in material breach pursuant to Section 10.1 of this Agreement should Customer report a software system-related error or issue which is classified as a Category 1 and Strata does not provide a fix or workaround procedure that addresses such system-related error or issues within 10 business days.

6.4 Except in instances where this Agreement is terminated as a direct result of Strata’s material breach, or as outlined in Section 7.1, nothing in this Agreement will relieve the Customer of its obligations to pay the fees outlined in Exhibit A for the full Commitment Period. Subject to the foregoing, Customer must remit to Strata the fees outlined in Exhibit A during the Commitment Period even if the Agreement terminates prior to the end of the Commitment Period. Customer further understands that all fees are distinct and separate payment obligations of the Customer under the terms of this Agreement and that no refunds will be issued for an early termination of this Agreement.

6.5 As part of the payment of the subscription fees outlined in Exhibit A, Strata will host one (1) production version of the Programs and provide access to the Programs to Customer’s System Users for the duration of the Commitment Period. Strata’s Hosting Service Level Agreement is attached as Exhibit E. Any increase in the number of System Users from what is outlined in Exhibit A will result in an increase in the fees set forth in Exhibit A. Strata reserves the right to periodically archive and/or purge all data after five (5) years. For any potential archive/purge involving Customer Data, Strata shall provide 90 days written notice to Customer. Should Customer need to store additional data after five (5) years, prior to an archive/purge, Customer may do so in exchange for an annual fee that will be mutually agreed upon by the parties.

6.6 As part of the subscription fee outlined in Exhibit A, Strata will provide Customer with eLearning to be used for end user training on the Programs for the duration of Customer’s Commitment Period for all System Users for the Programs.

7. Strata Warranties.





7.1 During the Commitment Period (the "Warranty Period"), Strata warrants that the Programs will operate properly when used in the manner specified in the User Documentation to be provided by Strata. The extent of Strata's obligations under the foregoing warranty will be limited to correcting or replacing defective Programs and User Documentation, so as to satisfy such warranties, provided that, if Strata fails to do so, at Customer's election, Customer may terminate this Agreement, and thereafter Customer will have no further obligations to make any payments under this Agreement and the parties will have no further rights or obligations under this Agreement except as set forth in Section 10.4 below. Notwithstanding anything to the contrary contained in this Agreement, the foregoing warranty will not apply to malfunctions not promptly reported by Customer during the Warranty Period or from: (i) unapproved alteration or modification of the Programs or any component thereof by Customer or others (any update provided by Strata is considered for this section an approved alteration or modification of the Programs), or (ii) use of the Programs in conjunction with software obtained from another source not indicated by Strata to be compatible with the Programs.

7.2 EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS AGREEMENT, STRATA MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY KIND WITH RESPECT TO THE PROGRAMS, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. STRATA DOES NOT WARRANT THE RESULTS OF ANY PROGRAM OR SERVICE OR THAT ANY ERRORS IN ANY PROGRAM WILL BE CORRECTED, OR THAT THE FUNCTIONALITY CONTAINED IN THE PROGRAMS WILL MEET CUSTOMER'S REQUIREMENTS.

7.3 EXCEPT AS SET FORTH IN SECTION 8 BELOW, STRATA'S TOTAL LIABILITY, IF ANY, INCLUDING BUT NOT LIMITED TO LIABILITY ARISING OUT OF CONTRACT, TORT, BREACH OF WARRANTY, INFRINGEMENT, PERSONAL INJURY, DAMAGE TO REAL PROPERTY OR PERSONAL PROPERTY OR OTHERWISE, SHALL NOT IN ANY EVENT EXCEED \$1,000,000. STRATA WILL NOT BE LIABLE UNDER ANY CIRCUMSTANCES FOR LOSS OR INACCURACY OF DATA, LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, THE COSTS OF ANY SUBSTITUTE PROCUREMENT) WHETHER OR NOT FORESEEABLE AND EVEN IF STRATA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

## 8. Indemnity.

8.1 Strata shall indemnify, defend, and hold harmless Customer against any claim asserted against Customer alleging that the Program Assets infringe a United States patent or copyright.. Strata's obligation under this Paragraph is subject to Customer promptly notifying Strata in writing of such claim and giving Strata full and complete authority, information and assistance in the defense of such claim. Strata shall have no liability or obligation to Customer with respect to any such claim if such claim is based upon: (i) modification of the Program Assets made at the request of or according to the specifications of Customer; (ii) use by Customer of the Program Assets with non-Strata software, data, or materials not indicated by Strata to be compatible with the Program Assets; or (iii) for alterations to the Program Assets not approved by Strata if such alleged infringement would not have occurred but for Customer's use of such non-Strata software, data, or materials in conjunction with the Program Assets, or but for such alterations. In addition, Strata shall not be responsible for the cost of any settlement of any such claim made without the prior written consent of Strata, which shall not be unreasonably withheld. In the event that any such claim of infringement is made or threatened, or injunctive relief is granted to the third-party claimant, Strata may, at its sole option, either: (a) secure the right for Customer to continue using the Program Assets, (b) substitute other software of like capability, or (c) refund to Customer an amount equal to the subscription fees paid by Customer per Exhibit A, whereupon Customer will discontinue its use of the Program Assets. This paragraph sets forth the complete liability of Strata with respect to infringement of intellectual property rights.

## 9. Ownership, Confidentiality and Protection of Proprietary Information.

9.1 It is agreed and understood by Customer that the Proprietary Assets are the sole property of Strata; provided however that all Input Data, in all file formats, will be the sole and exclusive property of Customer.



9.2 During the course of this Agreement, each party and its Authorized Users will have access to the other party's "Confidential Information," which includes, without limitation, the User Documentation, information pertaining to customer lists, services, methods, processes, prices, profits, contract terms, operating procedures, and any other information disclosed pursuant to this Agreement and in confidence. Each party will, to the extent and in accordance with its policies used to protect its own Confidential Information, use commercially reasonable efforts to refrain from and prevent the use or disclosure of any such Confidential Information disclosed or obtained by it while performing its obligations under this Agreement, except where such use or disclosure is for internal purposes, is required pursuant to the governmental authority listed in Exhibit A, or by any other governmental authority. Such commercially reasonable efforts will include, at a minimum: (a) preventing the removal of any Confidential Information from such party's premises without the other party's prior written approval; (b) prohibiting the copying or distribution of any Confidential Information without the other party's prior written consent; and (c) prohibiting use of any Confidential Information for any purpose other than those contemplated by this Agreement. Notwithstanding the foregoing, each party's obligations to protect the confidentiality of any such Confidential Information will terminate if the same falls into the public domain without breach by such party of its obligations under this Agreement and such materials, but only such materials, will thereupon cease being Confidential Information. In addition, the foregoing obligations of the parties will not apply to information which is disclosed to a party by a third party with the right to do so. Strata is aware that Customer is a government entity and is subject to the California Public Records Act, *Cal. Govt. Code §6250 et seq.*, the Brown Act, *Cal. Govt. Code §54950 et seq.*, and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation. Customer shall have sole discretion and authority in determining in its response to said disclosures.

#### 10. Termination and Remedies.

10.1 If either party materially breaches any provision of this Agreement and fails to cure the same within forty-five (45) calendar days of its receipt of written notice of such breach from the non-breaching party, then the non-breaching party may at its sole discretion declare this Agreement to be in default and all rights of Customer granted under this Agreement to be terminated.

10.2 Immediately following the termination of this Agreement pursuant to Section 10.1 above, Customer will cease to use the suite of Program Assets in the conduct of its business except to make an archival copy of data previously processed using the suite of Program Assets and to convert such data so that it may be processed by the software used to replace the Programs. Unless this Agreement otherwise provides, within five (5) calendar days of the termination of this Agreement, Customer will return to Strata all physical embodiments of the suite of Program Assets and will continue to maintain the confidentiality thereof.

10.4 Non-appropriation. Customer is a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. Customer's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, Customer will be released from any further financial obligation to Strata except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Strata will be given 30 days' prior written notice in the event that Customer requires such an action.

10.5 The provisions of Sections 6.4, 7.2, 7.3, 8, 9, and 10.2 will survive the termination of this Agreement.

#### 11. Data Security.

11.1 "Customer Data" means any data and information, that is stored in Strata's system or software, provided by Customer and its users to Strata, or otherwise obtained by Strata from Customer and its users in connection with this Agreement.



11.2 Strata shall not gather, retrieve or utilize Customer Data for any purpose other than as expressly authorized by the Agreement or in writing by an authorized official of Customer. Notwithstanding anything to the contrary, Customer (1) authorizes Strata to use Customer Data for use in Strata developed or integrated software enhancements, algorithms, models, or analytics products or services (collectively, "Strata Products") and (2) agrees that Strata will own all right, title, and interest in such Strata Products and any derivative works created therefrom. Strata agrees that the Strata Products offered by Strata will only utilize Customer Data and Input Data on an anonymous basis, unless so authorized by Customer in writing, thus not allowing users, other than Customer, of such data, analytics product or service to attribute such data to Customer. If Strata utilizes third-party services to deidentify any PHI within Customer Data for use in Strata Products, Strata will only do so pursuant to a valid Business Associate Addendum. Strata will not export any Customer Data outside of the United States or its territories. Notwithstanding anything to the contrary, the outputs of any Strata Products (including any results, analysis or derivative works of such outputs) contain Confidential Information of Strata and may only be used internally by Customer and may not be publicly shared or used for the benefit of a third party.

11.3 With respect to system security as it pertains to Customer and Customer Data, Strata agrees to:

- (a) segment Customer Data away from Strata's internal users, so that only authorized employees of Strata with a need to know such information can access it;
- (b) encrypt all back-up media, laptops, and similar devices that interact with and/or store Customer Data ("Devices"), and keep audit logs of such Devices to verify, in the event of the loss of a Device, that such Device was encrypted;
- (c) put into place all other external controls on Customer Data necessary to prevent such data from being obtained, viewed, altered, or otherwise accessed by unauthorized users, and to prevent its systems from being compromised or breached (i.e., electronic defenses, Access Control Lists (ACLs) on routers, firewalls, etc.);
- (d) not use or permit generic account logins for multiple persons or generic root access to its information systems; i.e., all of Strata's system administrators of information systems must have their own logins so they can be tracked and audited individually;
- (e) have adequate physical security controls in place at its data center and in all other areas or locations (physical or virtual) where Customer Data is stored or processed (voice, video, data, logs, etc.);
- (f) have company security policies documented and all of those policies implemented, and require that any subcontractors of Strata adhere to such security policies;
- (g) use adequate logical security controls to separate Customer Data from other customers' data;
- (h) encrypt data transmissions between Strata and Customer using HTTPS, VPN, Secure FTP or other mutually approved method of encryption;
- (i) permit any and all off-site storage or backups of Customer Data only in a secure storage facility that meets industry standard requirements; and
- (j) ensure that its agents, subcontractors, third party providers, and users who have access to Customer Data are bound at least as stringent as those applicable to Strata under this Agreement, with respect to data security and protection and non-use of Customer Data.

11.4 Destruction of Data Standards. Upon termination of this Agreement, Strata will destroy all identifiable Customer Data. If Strata believes it is not feasible to destroy all identifiable Customer Data, Strata will promptly



notify Customer and propose a plan for safeguarding the confidentiality and security of retained identifiable Customer Data. Upon Customer's agreement that the destruction of identifiable Customer Data is infeasible and its consent to Strata's plan, Strata may retain such identifiable Customer Data for a mutually agreeable period of time. For the avoidance of doubt, any Customer Data or derivatives thereof which have been de-identified or anonymized in conjunction with this Agreement shall still be available for Strata's use beyond termination of this Agreement and consent for further use is not required.

## 12. Data Submission.

12.1 Customer agrees to forward all data files to Strata using secure file transfer protocol (SFTP) to Strata's SFTP server. A unique SFTP account will be provided to the Customer. Strata shall assume no responsibility for any data file until receipt and unless sufficient security is maintained to protect the confidentiality and integrity of all data.

12.2 The parties will execute a mutually acceptable Business Associate Agreement ("BAA") that complies with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Both parties agree that no work on StrataJazz Cost Accounting Implementation can begin until this BAA is executed by both parties. Attachment I, HIPAA Business Associate Attachment to the Agreement.

## 13. General Provisions.

13.1 Except as specifically provided in this Agreement, neither this Agreement nor Customer's rights or duties under this Agreement may be assigned or delegated by Customer without Strata's prior written consent; provided that, Customer may, upon written notice to Strata, assign the rights granted under Section 2 to any entity which acquires all or substantially all of the assets of Customer if, in each instance, the party to whom Customer's rights under this Agreement are assigned agrees in writing to assume Customer's obligations under this Agreement.

13.2 Customer specifically recognizes that (i) Strata owns the Proprietary Assets, (ii) the Proprietary Assets are of value to Strata, and (iii) any unauthorized disclosure or use of the Program Assets will cause irreparable injury to Strata and that actual damages may be difficult to ascertain, and in any event, may be inadequate. Accordingly, Customer agrees that in the event of any such unauthorized disclosure or use, Strata will be entitled to injunctive relief, without bond, in addition to such other legal and equitable remedies that may be available.

13.3 This Agreement and the exhibits attached hereto constitute the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether written or oral, and may only be modified by a written instrument signed by both parties hereto.

13.4 This section has been intentionally deleted.

13.5 This Agreement will be binding upon and inure to the benefit of the parties and their permitted successors and assigns.

13.6 If any provision of this Agreement is not enforceable in whole or in part, the remaining provisions of this Agreement shall not be affected. No failure or delay in exercising any right, power or privilege under this Agreement shall operate as a waiver of it, nor shall any single or partial exercise of such right, power or privilege preclude any other or further exercise of it or the exercise of any other right, power or privilege under this Agreement.

13.7 Any litigation based on or arising out of this Agreement may be brought and maintained in any Federal or State court of competent jurisdiction located in Chicago, Illinois, or Riverside County, California.

13.8 The parties acknowledge and agree that nothing in this Agreement can be construed to create an employer/employee, agency or joint venture relationship between the parties.



13.9 Customer agrees to have at least one (1) Customer employee complete the following online surveys related to their experience with Strata: (i) one post-implementation survey and (ii) semi-annual customer satisfaction surveys throughout the length of the Commitment Period.

13.10 The prices in this Agreement reflect discounts. To the extent required by 42 C.F.R. § 1001.952(h) (the Anti-Kickback Statute discount safe harbor regulations) or other applicable laws and regulations, Customer must fully and accurately reflect in cost reports or other submissions to federal healthcare programs all such discounts and, upon request by the Secretary of the U.S. Department of Health and Human Services or a state agency, must make available information provided to Customer by Strata concerning the discounts.

13.11 Strata shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

13.12 Customer understands that Strata is subject to the U.S. Foreign Corrupt Practices Act of 1977 (as amended) (the "FCPA") and therefore risks serious civil and criminal penalties if Strata becomes involved in making payments in cash or in kind to foreign government officials, political candidates or political parties to obtain and maintain business. Customer acknowledges that it has reviewed and understands the FCPA as it relates to the Programs. Accordingly, Customer shall not offer, promise, or pay any money, gift or any other thing of value to any person for the purpose of influencing official governmental actions or decisions in obtaining or retaining business for Strata or take any other action which would violate the FCPA. If Customer becomes aware of any violation of the FCPA related to the Programs, Customer hereby covenants and agrees to promptly report the details of such violation to Strata.

13.13 The parties agree that they will conduct an executive level call at least once every six (6) months during the Commitment Period to discuss project goals, objectives and expectations to the organization.

#### 13.14 Insurance

Without limiting or diminishing the STRATA'S obligation to indemnify or hold the CUSTOMER harmless, STRATA 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 CUSTOMER 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.

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

B. Commercial General Liability: Commercial General Liability insurance coverage covering claims which may arise from or out of STRATA'S performance of its obligations hereunder. Policy shall include the CUSTOMER as Additional Insured. Policy's limit of liability shall not be less than \$1,000,000 per occurrence. 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 vehicles or mobile equipment is used in the performance of the obligations under this Agreement, then STRATA shall maintain liability insurance for all owned, non-owned, or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall include the CUSTOMER as Additional Insureds.



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

E. Cyber Liability. STRATA shall procure and maintain for the duration of the Agreement cyber liability insurance with limits not less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

F. General Insurance Provisions - All lines:

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

2) STRATA has declared its insurance self-insured retention for General Liability to be \$200,000; Professional Liability to be \$150,000 and Cyber Liability to be \$150,000. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the CUSTOMER Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention unacceptable to the CUSTOMER, and at the election of the CUSTOMER's Risk Manager, STRATA'S carriers shall either; 1) reduce or eliminate such self-insured retention as respects this Agreement with the CUSTOMER, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

3) STRATA shall provide the CUSTOMER of Riverside with properly executed original Certificate(s) of Insurance and original copies of Endorsements effecting coverage as required herein. Further, Strata agrees to provide thirty (30) days written notice to the CUSTOMER of Riverside prior to cancellation or expiration in coverage. STRATA shall not commence operations until the CUSTOMER has been furnished original Certificate (s) of Insurance and original copies of endorsements.

4) It is understood and agreed to by the parties hereto that the STRATA'S insurance shall be construed as primary insurance when added as an additional insured, and the CUSTOMER'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

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

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

7) STRATA agrees to notify CUSTOMER 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.

13.15 Should Customer wish to purchase additional services, additional products, or require additional travel expenses above what is contemplated in Exhibit A from Strata, then the parties must execute an addendum to this Agreement which outlines the terms and conditions for the purchase of these programs or services.

13.16 **Electronic Signatures.** This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all counterparts together shall constitute a single agreement. Each party to this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the



requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signature(s) included herein are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.



IN WITNESS WHEREOF, the parties have executed this Agreement on the dates listed below. The undersigned each individually represents that he or she is duly authorized to execute this Agreement.

STRATA DECISION TECHNOLOGY, LLC:

By: [Signature]  
Authorized Signature  
Name: John Martino  
Title: CEO  
Date: September 2, 2022

CUSTOMER:  
COUNTY OF RIVERSIDE, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, ON BEHALF OF RIVERSIDE UNIVERSITY HEALTH SYSTEM

By: [Signature]  
Authorized Signature  
Name: JEFF HEWITT  
Title: CHAIR, BOARD OF SUPERVISORS  
Date: 10/18/22

ATTEST:  
Kecia R. Harper  
Clerk of the Board

By: [Signature]  
Deputy

APPROVED AS TO FORM  
COUNTY COUNSEL

Esen Sainz  
By: \_\_\_\_\_  
Authorized Signature  
Name: ESEN SAINZ  
Title: DEPUTY COUNTY COUNSEL  
Date: Sep 20, 2022

OCT 18 2022 15.2





EXHIBIT A

Programs:

- StrataJazz Operating Budgeting for 150 System Users
- StrataJazz Management Reporting for 150 System Users
- StrataJazz Capital Budgeting & Tracking for 100 System Users
- StrataJazz Productivity Reporting for 100 System Users
- StrataJazz Equipment Replacement for 10 System Users
- StrataJazz Long Range Financial Planning & Rolling Forecasting for 50 System Users
- StrataJazz Cost Accounting (Hospitals) for 50 System Users and 50 Report Users
- StrataJazz Contract Analytics (Hospitals) for 50 System Users
- StrataJazz Continuous Improvement for 50 System Users
- StrataJazz eLearning for Unlimited System Users

Fee Summary:

Description	Due 8/29/2022	Due 8/29/2023	Due 8/29/2024	Due 8/29/2025	Due 8/29/2026
Continuous Improvement Services Fee*	\$56,000	\$0	\$0	\$0	\$0
Data Integration As a Service Services Fee**	\$24,499	\$24,499	\$24,499	\$24,499	\$24,499
Cost Accounting As a Service Services Fee**	\$48,998	\$48,998	\$48,998	\$48,998	\$48,998
Renewal Programs Annual Fees	\$308,235	\$364,235	\$364,235	\$364,235	\$364,235
Travel Expenses – <i>Billed as incurred and not to exceed annual amount.</i> ***	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
<b>TOTAL</b>	<b>\$443,732</b>	<b>\$443,732</b>	<b>\$443,732</b>	<b>\$443,732</b>	<b>\$443,732</b>

\*Strata shall provide consulting services related to StrataJazz Continuous Improvement as outlined in Exhibit F in exchange for the fees outlined above.

\*\*Strata shall provide consulting services related to StrataJazz Data Integration As a Service and StrataJazz Cost Accounting As a Service as outlined in Exhibit G in exchange for the fees outlined above.

\*\*\*Contingency fees outlined in this Agreement are included in the fee summary above. Contingency Fees shall be billed as necessary but shall not exceed \$30,000 through the term of this Agreement. Expenses, which may include mileage, lodging meal, parking and other out of pocket expenses will not exceed the following amounts annually:

- Year 1: \$6,000
- Year 2: \$6,000
- Year 3: \$6,000
- Year 4: \$6,000
- Year 5: \$6,000

These travel expenses will remain consistent with and not exceed the Customer travel policy limits.

MAXIMUM ANNUAL COMPENSATION: The maximum annual compensation authorized under this Agreement by Customer to Strata is four hundred forty-three thousand seven hundred thirty-two dollars (\$443,732).

Annual Consulting Days:



Customer is entitled to the following consulting days on an annual basis by Program:

<u>Description</u>	<u>Number of Days</u>
Operating Budgeting	3 Days
Management Reporting	1 Day
Capital Budgeting & Tracking	2 Days
Productivity Reporting	1 Day
Equipment Replacement	1 Day
Long Range Financial Planning & Rolling Forecasting	1 Day
Cost Accounting (Hospitals)	4 Days
Contract Analytics (Hospitals)	2 Days
Continuous Improvement	2 Days

Billing Information:

Invoices over thirty (30) days past due will be assessed a monthly interest charge based on a rate of twelve percent (12%) per annum (1% per month).

Implementation and Subscription Fees will be due and payable on the dates shown in the table above.

Charges for travel and other direct expenses will be invoiced as they are incurred, terms net thirty (30) days.

Strata will send invoices related to this Agreement to the following email address:

[AP@ruhealth.org](mailto:AP@ruhealth.org)

**Access to Books and Records.**

Notwithstanding any other terms of this Agreement, Customer and Strata will make available to the Secretary, U.S. Department of Health and Human Services, the U.S. Comptroller General, and their representatives, this Agreement and all books, documents, and records necessary to certify the nature and extent of the costs of the services rendered hereunder to the full extent required by the Centers for Medicare and Medicaid Services implementing Section 952 of the Omnibus Reconciliation Act of 1980 at 42 U.S.C. Section 1395 (x)(v)(1)(I). If Strata carries out its duties under this Agreement through a subcontract worth \$10,000 or more over a 12-month period with a related organization, the subcontract will also contain an access clause to permit access by the Secretary, Comptroller General, and their representatives to the related organizations books and records.

If any service under this Agreement is in furtherance of a U.S. Government contract or subcontract or is otherwise subject to the provisions of the Equal Opportunity Clause as promulgated by Section 202 of Executive Order 11246, dated September 24, 1965, or to 41 C.F.R. 60-250 (requiring affirmative action to employ certain handicapped veterans), or to 41 C.F.R. 60-741 (requiring affirmative action to employ certain handicapped individuals) or to any other federal law, rule or regulation applicable to Customer or its Facilities as U.S. Government contractors or subcontractors (including but not limited to any applicable Section of 48 C.F.R. Chapter 1), the contract provisions required therein are hereby incorporated by reference. Strata also agrees to comply with all applicable local, state and federal laws and executive orders and regulations that are applicable to Customer and Facilities as U.S. Government contractors or subcontractors.



EXHIBIT B  
HOSPITALS

Hospitals:

Riverside University Health System – Medical Center  
26520 Cactus Avenue  
Moreno Valley, California 92555

Inpatient Treatment Facility (ITF) / Emergency Treatment Services (ETS)  
9990 County Farm Road  
Suite 4  
Riverside , CA 92503



EXHIBIT C  
STRATAJAZZ TECHNICAL REQUIREMENTS

Please see: <http://www.stratadecision.com/TechRequirements> for the latest StrataJazz Technical Requirements.



EXHIBIT D  
EXCLUDED ENTITIES

The following entities, their respective personnel, and their respective parents, subsidiaries, and affiliates shall at no time be deemed to be an Authorized User:

- 1) Adaptive Insights, Inc.
- 2) Attainia, Inc.
- 3) Avant-Garde Health
- 4) Chartis Group
- 5) Change Healthcare
- 6) Cognos, Inc., a subsidiary of IBM Inc.
- 7) CostFlex Systems, Inc.
- 8) Craneware, Inc.
- 9) Harris Healthcare
- 10) Health Catalyst, LLC
- 11) Kaufman Hall Inc./ Axiom / Kreg Information Systems
- 12) Kronos Inc.
- 13) Lawson Software Inc.
- 14) McKesson Corporation
- 15) MedAssets, Inc
- 16) MedAnalytics
- 17) Medical Information Technology, Inc. (Meditech)
- 18) Med-Metrix, LLC
- 19) MD Buyline, Inc.
- 20) Microsoft Inc.
- 21) nThrive
- 22) Oracle Corp.
- 23) Organizational Intelligence (OI Health)
- 24) Pamplona Capital Management LLP
- 25) Parallon
- 26) Premier, Inc. / Healthcare Insights, LLC
- 27) PMMC
- 28) SAP AG
- 29) Syntellis
- 30) VFA, Inc.
- 31) Vizient, Inc.
- 32) Workday, Inc.
- 33) Any person or entity that Strata subsequently designates and Customer approves in writing, which approval shall not be unreasonably withheld or delayed



## EXHIBIT E

### Strata Technology Hosting Service Level Agreement

#### Business Hours

Strata's servers are available 24 hours a day, 7 days a week, 365 days a year excluding scheduled downtime for maintenance. The standard business week for Strata is defined as Monday through Friday, 7:00 a.m. – 7:00 p.m. United States Central Time, excluding national holidays.

#### Scheduled Maintenance & Software Upgrades

Scheduled maintenance shall mean any maintenance in the Strata data center at which the Customer's data is located (a) of which the Customer is notified at least 24 hours in advance, or (b) that is performed during the standard maintenance window of Tuesday from 8pm to 12am US Central Time (this time is subject to change with advance notice). Notice of scheduled maintenance will be provided to the Customer's account contact(s) via email, fax, or phone.

As part of the Hosting Service, Strata shall install, at no additional cost, any Updates to the Software, including code changes, which are developed or published by Strata and which Customer is entitled to receive under Customer's Software Use Agreement.

#### Network Uptime

Strata's network experience over the last twelve months has been the following: network uptime has been approximately 99.8% during Strata business hours excluding scheduled maintenance. Downtime is defined as a period of time or a percentage of a timespan that the hosted application is offline or not functioning as a result of failure of software, servers, or network systems controlled and maintained by Strata (such as a crash or malfunction). Downtime does not include times when the system is unavailable for Scheduled Maintenance, provided that Strata announces the scheduled maintenance period at least 24 hours in advance. Downtime does not include times when the hosted application is unavailable due to circumstances or conditions that arise on systems or networks controlled and maintained by the Customer or third parties, including widespread Internet failures.

Network uptime includes functioning of all Strata network infrastructure, including routers, switches and cabling, but does not include applications or services running on Customer's servers nor does it include general Internet outages beyond Strata's ISP's local points of presence. Network downtime exists when (1) the Customer's server is unable to transmit and receive data due to a problem with the Strata network infrastructure; (2) Strata determines in its reasonable commercial judgment that a network outage does indeed exist; and (3) the Customer has opened a support incident with Strata's Customer Support. Network downtime is measured from the time a support incident is opened by the Customer to the time the network outage is resolved.

#### Hardware Guarantee

Strata represents the operability of all hardware components and will replace at no cost to the Customer any failed components. Hardware replacement for critical failures will begin upon identification of the problem. Hardware replacement for non-critical failures may be delayed until a Scheduled Maintenance period, at Strata's sole discretion.

#### Force Majeure



Neither party shall be in default of this Agreement or be liable for any delay or failure in performance resulting directly or indirectly from any cause beyond its reasonable control; provided however, that either party who fails because of force majeure to perform its obligations hereunder shall, upon the cessation of the force majeure, take all reasonable steps within its power to resume compliance under this Agreement with the least possible delay.



EXHIBIT F

PROJECT ASSUMPTIONS – CONTINUOUS IMPROVEMENT

Standard	
1.	Strata will update and maintain the configuration on a yearly basis to the most current baseline period for all algorithms.
2.	<p>Strata will conduct a cost improvement effectiveness assessment which will include on-site interviews with key process improvement stakeholders and a report out on current state strengths and gaps. As part of the cost improvement effectiveness assessment, if possible, Strata will observe existing governance structure in place.</p> <p>a. Design, implementation, and/or support of the margin improvement program will be out of scope but can be provided through additional add-on services.</p> <p>b. Time allocated to opportunity analysis may be reallocated to help support design and/or implementation of a program.</p>
3.	<p>Strata will support initial opportunity analysis for a maximum of twelve (12) opportunities total or forty-eight (48) hours through the first (1) year of the contract.</p> <p>a. The number of opportunities will also vary based on additional support needed beyond the initial presentation of the opportunity (e.g., Strata taking lead in discussing opportunities with key stakeholders or further analyzing an opportunity beyond initial presentation).</p> <p>b. Support will be based upon if twelve (12) opportunities or forty-eight (48) hours are completed first.</p> <p>c. Customer will be responsible for final vetting of the validity of the opportunity which can include: confirmation of data with relevant source systems and confirmation of clinical validity with subject matter experts.</p> <p>d. Report creation that doesn't support the opportunity analysis for the twelve (12) projects is out of scope.</p> <p>e. Strata can provide further opportunity analysis support through additional add-on services.</p>
4.	<p>Strata will enable organizational defined initiative creation and tracking functionality. Then, Strata will own the reconfiguration of the existing initiatives within Continuous Improvement and aid in the creation of up to ten (10) additional projects that are underway for the organization.</p> <p>a. Customer will be responsible for loading the rest of the projects into the tool beyond the ten (10). However, support/assistance will still be provided if needed.</p>
5.	<p>Strata will conduct a one (1) day, eight (8) hour, on-site or virtual administrator/advanced user training session.</p> <p>a. Users typically include Performance Improvement, Quality Improvement, and Finance team members</p> <p>b. Any additional end user training support is considered out of scope but Strata can provide through additional add-on services.</p>
6.	<p>Strata will conduct one (1) hour biweekly working sessions for year one.</p> <p>a. Additional working sessions will be out of scope but can be purchased.</p> <p>b. Support on margin program design and execution will be out of scope but can be purchased.</p>
7.	Strata will deliver monthly CI utilization reports to senior leadership via a half hour (30 minute) meeting for the first (1) year of the contract, which will include updates on new opportunities analyzed, tracked savings and program management.
8.	Strata CI team will own technical support cases and issues and will provide responses to Customer email and voicemail within two (2) business days or as soon as possible depending on the criticality of the communication.





9. Customer project responsibilities (in addition to general Customer project responsibilities listed on the SOW overview):
  - a. Validating Strata cost Savings Engines
  - b. Identifying users for CI module
  - c. Developing processes and execution of the cost reduction activities
  - d. Executive sponsorship and engagement of cost reduction goals, project selection, and holding team accountable to producing project results



EXHIBIT G

PROJECT ASSUMPTIONS – STRATAJAZZ DATA INTEGRATION AS A SERVICE  
AND STRATAJAZZ COST ACCOUNTING AS A SERVICE

I. StrataJazz Data Integration: Data Maintenance

*Maintenance of financial, patient, management reporting and productivity data feeds including integration reconciliation and StrataJazz dimension maintenance. Excludes 1) Daily time and attendance and statistics data sets used in productivity reporting 2) Extract File Ownership/Maintenance.*

**DURATION: 5 years**

**DATA SET SCOPE:**

- **Financial Data** (Monthly) – General Ledger, Payroll, Statistics
- **Patient Data – Hospital** (Daily) – Patient Detail (demographics, encounter, payment, billing, DX)

**DELIVERABLES:**

For each of the services outlined below patient data will be maintained daily, payroll biweekly and general ledger monthly.

1. **Data Reconciliation** – Reconciliation of financial and patient data to source system based on Customer provided reports. Partnership with Customer IT to resolve issues.
2. **Dimension Maintenance** - Maintenance of StrataJazz defined categorizations for new data members on patient data and shared financial data rollups. Ongoing maintenance of dimension rollups based on Customer feedback.

**CUSTOMER RESPONSIBILITIES**

- **IT Patient Data Extractor** – Ownership of patient data extracts. Responsibilities include reconciliation troubleshooting and file updates based on feedback as well as file repulls as needed. >2 hours/month
- **IT Financial Data SME** – Ownership of the GL and payroll financial data extracts. Responsibilities include reconciliation troubleshooting and file updates based on feedback as well as file repulls as needed. >2 hours/month
- **Decision Support SME** – provide insights into data utilization and nuances in response to reconciliation or maintenance items. >2 hours/month

**ADDITIONAL SERVICES NOT INCLUDED IN SCOPE:**

- **Extract Ownership** –StrataJazz access to Customer source system to configure and maintain data extracts and fill pulls needed over time.
- **Historical Data Audit** – Reconciliation and dimension maintenance based on historical data
- **Data Enhancements** – integration of new data fields to enhance Customer data model.

II. StrataJazz Support: Cost Model Maintenance

*Monthly cost model configuration and accuracy validation based on Strata best practices and Customer nuances.*

**DURATION: 5 years**

**DATA SET SCOPE: Hospital Billing**

**DELIVERABLES:**

1. **Cost Model Configuration** - Configuration of new accounts, department, job codes, pay codes, and charge codes leveraging Strata best practices, the existing DS data model, and Customer specific nuances outlined by your Accounting Subject Matter Expert.
2. **Cost Integrity Assessment** – Identification of cost outliers based on cost to charge ratios and % of cost ratios. Strata will incorporate configuration changes each month based on Customer feedback and current cost accounting methodologies.



3. **Monthly Cost Summary Report** - Delivery of monthly cost summary report outlining cost model changes, cost outliers, and opportunity areas.
4. **Monthly Cost Summary Call** – Review of cost summary report to discuss updates, accuracy, and opportunities for improvement with Decision Support Director and Team.

#### **CUSTOMER RESPONSIBILITIES**

- **Accounting SME** – Provide insights into unique financial system and accounting configuration to increase cost accuracy. Consistent participation in monthly summary meeting and follow-ups. <6hours/month
- **Decision Support Director** – Consistent participation in monthly summary meeting. Signoff on cost model outputs prior to cost being published <2 hours/month
- **Patient Data SME** – Provide insights into unique EHR configuration in order to increase cost accuracy. <4 hours/month

#### **ADDITIONAL SERVICES NOT INCLUDED IN SCOPE:**

- **Cost Accuracy Improvements** – Implementation of new costing methodologies and data sets to improve cost accuracy.
- **RVU Development & Annual Review** – RVU development for new charge codes in partnership with operational leaders. Partnership with operational leaders to update RVUs annually.

#### **COST MODEL MAINTENANCE STANDARD PRACTICE:**

A monthly calendar will be established at the beginning of the project to specify delivery dates for the standard deliverables. The General Ledger (GL) close and subsequent import of data will drive the calendar activities. Strata is committed to providing timely turnaround times in addition to quality deliverables. We are committed to providing an initial cost model within 3 business days of a defined GL close/import date. In lieu of a defined GL close/import date the initial cost model design will be provided within 5 business days. While these timelines are formal commitment, our team will provide expedited turnaround times whenever possible. Customer feedback/signoff timelines will be established as a part of the requirements gathering process. If Customer feedback is not received in accordance with the timelines established Strata will configure based on best practice. Additional feedback will be incorporated into the next month unless critical. Our goal is to have trusted and reliable cost that can be used to drive financial performance.

#### III. StrataJazz Support: Monthly Cost & Margin Reporting

*Monthly maintenance of DS cost and margin dashboards, facilitation of discussion to drive insights & up to 1.5 days of ad-hoc reporting support per quarter.*

**DURATION: 5 years**

**DATA SET SCOPE: Hospital Billing**

#### **DELIVERABLES:**

1. **Dashboard and Report Maintenance** - Monthly monitoring and maintenance of 2 StrataJazz starter set or Customer defined dashboards to ensure accurate DS data and reporting.
2. **Patient Categorization Maintenance** - Monitoring and maintenance of service lines and patient population definitions to ensure accurate reporting.
3. **Lump Sum Allocation Maintenance** - Monitoring and maintenance of lump sum allocations for extended profitability reporting.
4. **Monthly Summary Report** - Delivery of monthly summary report outlining system changes and opportunity areas.



5. **Quarterly Insights Meeting** – Dashboard review with Customer to discuss decision support data insights based on the dashboards identified. Conversation will be focused on data integrity to ensure confidence in DS reporting as well as general DS insights into trends, outliers, and opportunities.
6. **Ad-hoc Reporting Supporting** – up to 6 days of ad-hoc reporting/support per year (~4 hours/month) to meet financial and operational reporting needs.

**CUSTOMER RESPONSIBILITIES:**

- **Decision Support SME:** Provide requirements for maintenance of Strata calculated field maintenance. Consistent participation in monthly insights meeting and follow-ups. <4 hours/month
- **Decision Support Director:** Consistent participation in monthly insights meeting and follow-ups. <2 hours/month
- **Patient Data Extract SME:** Provide insights and resolutions to resolve issues with data integrity. Time varies based on data extract integrity.

**ADDITIONAL SERVICES NOT INCLUDED IN SCOPE:**

- **Ad-Hoc Report/Report Support** – Additional support to meet ad-hoc financial and operational reporting needs. Additional reporting needs will be assessed and scoped to determine if a separate scope if needed.
- **Additional Dashboards and Report Maintenance** – Monthly maintenance and insights of additional dashboards.
- **StarterSet Dashboard Configuration** – Configuration and validation of StrataJazz starter set dashboard.



## Attachment H

### HIPAA Business Associate Agreement Addendum to Contract

Between the County of Riverside and Strata Decision Technology, L.L.C.

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the Underlying Agreement between the County of Riverside, ("County") and Contractor and shall be effective as of the date the Underlying Agreement approved by both Parties (the "Effective Date").

#### RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which the Contractor provides services to County, and in conjunction with the provision of such services certain protected health information ("PHI") and/or certain electronic protected health information ("ePHI") may be created by or made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and,

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Public Law 104-191 enacted August 21, 1996, and the Health Information Technology for Economic and Clinical Health Act ("HITECH") of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 enacted February 17, 2009, and the laws and regulations promulgated subsequent thereto, as may be amended from time to time, are applicable to the protection of any use or disclosure of PHI and/or ePHI pursuant to the Underlying Agreement; and,

WHEREAS, County is a covered entity, as defined in the Privacy Rule; and,

WHEREAS, to the extent County discloses PHI and/or ePHI to Contractor or Contractor creates, receives, maintains, transmits, or has access to PHI and/or ePHI of County, Contractor is a business associate, as defined in the Privacy Rule; and,

WHEREAS, pursuant to 42 USC §17931 and §17934, certain provisions of the Security Rule and Privacy Rule apply to a business associate of a covered entity in the same manner that they apply to the covered entity, the additional security and privacy requirements of HITECH are applicable to business associates and must be incorporated into the business associate agreement, and a business associate is liable for civil and criminal penalties for failure to comply with these security and/or privacy provisions; and,

WHEREAS, the parties mutually agree that any use or disclosure of PHI and/or ePHI must be in compliance with the Privacy Rule, Security Rule, HIPAA, HITECH and any other applicable law; and,

WHEREAS, the parties intend to enter into this Addendum to address the requirements and obligations set forth in the Privacy Rule, Security Rule, HITECH and HIPAA as they apply to Contractor as a business associate of County, including the establishment of permitted and required uses and disclosures of PHI and/or ePHI created or received by Contractor during the course of performing functions, services and activities on behalf of County, and appropriate limitations and conditions on such uses and disclosures;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Definitions.** Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in HITECH, HIPAA, Security Rule and/or Privacy Rule, as may be amended from time to time.
  - A. "Breach" when used in connection with PHI means the acquisition, access, use or disclosure of PHI in a manner not permitted under subpart E of the Privacy Rule which compromises the security or privacy of



the PHI, and shall have the meaning given such term in 45 CFR §164.402.

(1) Except as provided below in Paragraph (2) of this definition, acquisition, access, use, or disclosure of PHI in a manner not permitted by subpart E of the Privacy Rule is presumed to be a breach unless Contractor demonstrates that there is a low probability that the PHI has been compromised based on a risk assessment of at least the following four factors:

(a) The nature and extent of the PHI involved, including the types of identifiers and the likelihood of re-identification;

(b) The unauthorized person who used the PHI or to whom the disclosure was made;

(c) Whether the PHI was actually acquired or viewed; and

(d) The extent to which the risk to the PHI has been mitigated.

(2) Breach excludes:

(a) Any unintentional acquisition, access or use of PHI by a workforce member or person acting under the authority of a covered entity or business associate, if such acquisition, access or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under subpart E of the Privacy Rule.

(b) Any inadvertent disclosure by a person who is authorized to access PHI at a covered entity or business associate to another person authorized to access PHI at the same covered entity, business associate, or organized health care arrangement in which County participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted by subpart E of the Privacy Rule.

(c) A disclosure of PHI where a covered entity or business associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

B. "Business associate" has the meaning given such term in 45 CFR §164.501, including but not limited to a subcontractor that creates, receives, maintains, transmits or accesses PHI on behalf of the business associate.

C. "Data aggregation" has the meaning given such term in 45 CFR §164.501.

D. "Designated record set" as defined in 45 CFR §164.501 means a group of records maintained by or for a covered entity that may include: the medical records and billing records about individuals maintained by or for a covered health care provider; the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or, used, in whole or in part, by or for the covered entity to make decisions about individuals.

E. "Electronic protected health information" ("ePHI") as defined in 45 CFR §160.103 means protected health information transmitted by or maintained in electronic media.

F. "Electronic health record" means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given such term in 42 USC §17921(5).



- G. "Health care operations" has the meaning given such term in 45 CFR §164.501.
- H. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.
- I. "Person" as defined in 45 CFR §160.103 means a natural person, trust or estate, partnership, corporation, professional association or corporation, or other entity, public or private.
- J. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- K. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.
- L. "Required by law" has the meaning given such term in 45 CFR §164.103.
- M. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").
- N. "Security incident" as defined in 45 CFR §164.304 means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.
- O. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.
- P. "Subcontractor" as defined in 45 CFR §160.103 means a person to whom a business associate delegates a function, activity, or service, other than in the capacity of a member of the workforce of such business associate.
- Q. "Unsecured protected health information" and "unsecured PHI" as defined in 45 CFR §164.402 means PHI not rendered unusable, unreadable, or indecipherable to unauthorized persons through use of a technology or methodology specified by the Secretary in the guidance issued under 42 USC §17932(h)(2).

**2. Scope of Use and Disclosure by Contractor of County's PHI and/or ePHI.**

- A. Except as otherwise provided in this Addendum, Contractor may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Contractor under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, County as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule.
- B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Addendum or required by law, in accordance with 45 CFR §164.504(e)(2), Contractor may:
  - 1) Use PHI and/or ePHI if necessary for Contractor's proper management and administration and to carry out its legal responsibilities; and,
  - 2) Disclose PHI and/or ePHI for the purpose of Contractor's proper management and administration or to carry out its legal responsibilities, only if:
    - a) The disclosure is required by law; or,
    - b) Contractor obtains reasonable assurances, in writing, from the person to whom Contractor will disclose such PHI and/or ePHI that the person will:



- i. Hold such PHI and/or ePHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person, or as required by law; and,
      - ii. Notify County of any instances of which it becomes aware in which the confidentiality of the information has been breached; and,
    - 3) Use PHI to provide data aggregation services relating to the health care operations of County pursuant to the Underlying Agreement or as requested by County; and,
    - 4) De-identify all PHI and/or ePHI of County received by Contractor under this Addendum provided that the de-identification conforms to the requirements of the Privacy Rule and/or Security Rule and does not preclude timely payment and/or claims processing and receipt.
  - C. Notwithstanding the foregoing, in any instance where applicable state and/or federal laws and/or regulations are more stringent in their requirements than the provisions of HIPAA, including, but not limited to, prohibiting disclosure of mental health and/or substance abuse records, the applicable state and/or federal laws and/or regulations shall control the disclosure of records.
3. **Prohibited Uses and Disclosures.**
- A. Contractor may neither use, disclose, nor access PHI and/or ePHI in a manner not authorized by the Underlying Agreement or this Addendum without patient authorization or de-identification of the PHI and/or ePHI and as authorized in writing from County.
  - B. Contractor may neither use, disclose, nor access PHI and/or ePHI it receives from County or from another business associate of County, except as permitted or required by this Addendum, or as required by law.
  - C. Contractor agrees not to make any disclosure of PHI and/or ePHI that County would be prohibited from making.
  - D. Contractor shall not use or disclose PHI for any purpose prohibited by the Privacy Rule, Security Rule, HIPAA and/or HITECH, including, but not limited to 42 USC §17935 and §17936. Contractor agrees:
    - 1) Not to use or disclose PHI for fundraising, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.514(f) or 45 CFR §164.508;
    - 2) Not to use or disclose PHI for marketing, as defined in 45 CFR §164.501, unless pursuant to the Underlying Agreement and only if permitted by and in compliance with the requirements of 45 CFR §164.508(a)(3);
    - 3) Not to disclose PHI, except as otherwise required by law, to a health plan for purposes of carrying out payment or health care operations, if the individual has requested this restriction pursuant to 42 USC §17935(a) and 45 CFR §164.522, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; and,
    - 4) Not to receive, directly or indirectly, remuneration in exchange for PHI, or engage in any act that would constitute a sale of PHI, as defined in 45 CFR §164.502(a)(5)(ii), unless permitted by the Underlying Agreement and in compliance with the requirements of a valid authorization under 45 CFR §164.508(a)(4). This prohibition shall not apply to payment by County to Contractor for services provided pursuant to the Underlying Agreement.





4. **Obligations of County.**

- A. County agrees to make its best efforts to notify Contractor promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- B. County agrees to make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any individual to use or disclose PHI and/or ePHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- C. County agrees to make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use or disclosure of PHI and/or ePHI.
- D. County agrees not to request Contractor to use or disclose PHI and/or ePHI in any manner that would not be permissible under HITECH, HIPAA, the Privacy Rule, and/or Security Rule.
- E. County agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Contractor can perform its obligations under this Addendum and/or Underlying Agreement.

5. **Obligations of Contractor.** In connection with the use or disclosure of PHI and/or ePHI, Contractor agrees to:

- A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Contractor shall also comply with the additional privacy requirements that are applicable to covered entities in HITECH, as may be amended from time to time.
- B. Not use or further disclose PHI and/or ePHI other than as permitted or required by this Addendum or as required by law. Contractor shall promptly notify County if Contractor is required by law to disclose PHI and/or ePHI.
- C. Use appropriate safeguards and comply, where applicable, with the Security Rule with respect to ePHI, to prevent use or disclosure of PHI and/or ePHI other than as provided for by this Addendum.
- D. Mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI and/or ePHI by Contractor in violation of this Addendum.
- E. Report to County any use or disclosure of PHI and/or ePHI not provided for by this Addendum or otherwise in violation of HITECH, HIPAA, the Privacy Rule, and/or Security Rule of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410.
- F. In accordance with 45 CFR §164.502(e)(1)(ii), require that any subcontractors that create, receive, maintain, transmit or access PHI on behalf of the Contractor agree through contract to the same restrictions and conditions that apply to Contractor with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.
- G. Make available to County or the Secretary, in the time and manner designated by County or Secretary, Contractor's internal practices, books and records relating to the use, disclosure and privacy protection of PHI received from County, or created or received by Contractor on behalf of County, for purposes of determining, investigating or auditing Contractor's and/or County's compliance with the Privacy Rule.



- H. Request, use or disclose only the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure in accordance with 42 USC §17935(b) and 45 CFR §164.502(b)(1).
  - I. Comply with requirements of satisfactory assurances under 45 CFR §164.512 relating to notice or qualified protective order in response to a third party's subpoena, discovery request, or other lawful process for the disclosure of PHI, which Contractor shall promptly notify County upon Contractor's receipt of such request from a third party.
  - J. Not require an individual to provide patient authorization for use or disclosure of PHI as a condition for treatment, payment, enrollment in any health plan (including the health plan administered by County), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by County.
  - K. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use, disclosure, or access of PHI and/or ePHI.
  - L. Obtain and maintain knowledge of applicable laws and regulations related to HIPAA and HITECH, as may be amended from time to time.
  - M. Comply with the requirements of the Privacy Rule that apply to the County to the extent Contractor is to carry out County's obligations under the Privacy Rule.
  - N. Take reasonable steps to cure or end any pattern of activity or practice of its subcontractor of which Contractor becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Contractor, and if such steps are unsuccessful, Contractor agrees to terminate its contract with the subcontractor if feasible.
6. **Access to PHI, Amendment and Disclosure Accounting.** Contractor agrees to:
- A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to County or an individual as directed by County, within five (5) days of request from County, to satisfy the requirements of 45 CFR §164.524.
  - B. **Amendment of PHI.** Make PHI available for amendment and incorporate amendments to PHI in a designated record set County directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from County, in accordance with 45 CFR §164.526.
  - C. **Accounting of disclosures of PHI and electronic health record.** Assist County to fulfill its obligations to provide accounting of disclosures of PHI under 45 CFR §164.528 and, where applicable, electronic health records under 42 USC §17935(c) if Contractor uses or maintains electronic health records. Contractor shall:
    - 1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record in accordance with 45 CFR §164.528.
    - 2) Within fifteen (15) days of receiving a written request from County, provide to County or any individual as directed by County information collected in accordance with this section to permit County to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.



- 3) Make available for County information required by this Section 6.C for six (6) years preceding the individual's request for accounting of disclosures of PHI, and for three (3) years preceding the individual's request for accounting of disclosures of electronic health record.
7. **Security of ePHI.** In the event County discloses ePHI to Contractor or Contractor needs to create, receive, maintain, transmit or have access to County ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Contractor shall:
- A. Comply with the applicable requirements of the Security Rule, and implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that Contractor creates, receives, maintains, or transmits on behalf of County in accordance with 45 CFR §164.308, §164.310, and §164.312;
  - B. Comply with each of the requirements of 45 CFR §164.316 relating to the implementation of policies, procedures and documentation requirements with respect to ePHI;
  - C. Protect against any reasonably anticipated threats or hazards to the security or integrity of ePHI;
  - D. Protect against any reasonably anticipated uses or disclosures of ePHI that are not permitted or required under the Privacy Rule;
  - E. Ensure compliance with the Security Rule by Contractor's workforce;
  - F. In accordance with 45 CFR §164.308(b)(2), require that any subcontractors that create, receive, maintain, transmit, or access ePHI on behalf of Contractor agree through contract to the same restrictions and requirements contained in this Addendum and comply with the applicable requirements of the Security Rule;
  - G. Report to County any security incident of which Contractor becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; Notwithstanding anything to the contrary contained in this Addendum, this Addendum serves as Contractor's notice to County that attempted but unsuccessful Security Incidents, such as pings and other broadcast attacks on Contractor's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, regularly occur and that no further notice will be made by Contractor unless there has been a successful Security Incident and,
  - H. Comply with any additional security requirements that are applicable to covered entities in Title 42 (Public Health and Welfare) of the United States Code, as may be amended from time to time, including but not limited to HITECH.
8. **Breach of Unsecured PHI.** In the case of breach of unsecured PHI, Contractor shall comply with the applicable provisions of 42 USC §17932 and 45 CFR Part 164, Subpart D, including but not limited to 45 CFR §164.410.
- A. **Discovery and notification.** Following the discovery of a breach of unsecured PHI, Contractor shall notify County in writing of such breach without unreasonable delay and in no case later than 60 calendar days after discovery of a breach, except as provided in 45 CFR §164.412.
    - 1) **Breaches treated as discovered.** A breach is treated as discovered by Contractor as of the first day on which such breach is known to Contractor or, by exercising reasonable diligence, would have been known to Contractor, which includes any person, other than the person



committing the breach, who is an employee, officer, or other agent of Contractor (determined in accordance with the federal common law of agency).

2) **Content of notification.** The written notification to County relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Contractor:

- a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Contractor to have been accessed, acquired, used or disclosed during the breach;
- b) A brief description of what happened, including the date of the breach and the date of the discovery of the breach, if known;
- c) A description of the types of unsecured PHI involved in the breach, such as whether full name, social security number, date of birth, home address, account number, diagnosis, disability code, or other types of information were involved;
- d) Any steps individuals should take to protect themselves from potential harm resulting from the breach;
- e) A brief description of what Contractor is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and,
- f) Contact procedures for individuals to ask questions or learn additional information, which shall include a toll-free telephone number, an e-mail address, web site, or postal address.

- B. **Cooperation.** With respect to any breach of unsecured PHI reported by Contractor, Contractor shall cooperate with County and shall provide County with any information requested by County to enable County to fulfill in a timely manner its own reporting and notification obligations, including but not limited to providing notice to individuals, prominent media outlets and the Secretary in accordance with 42 USC §17932 and 45 CFR §164.404, §164.406 and §164.408.
- C. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Contractor shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to County not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.
- D. **Delay of notification authorized by law enforcement.** If Contractor delays notification of breach of unsecured PHI pursuant to a law enforcement official's statement that required notification, notice or posting would impede a criminal investigation or cause damage to national security, Contractor shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- E. **Payment of costs.** With respect to any breach of unsecured PHI caused solely by the Contractor's failure to comply with one or more of its obligations under this Addendum and/or the provisions of HITECH, HIPAA, the Privacy Rule or the Security Rule, Contractor agrees to pay any and all costs associated with providing all legally required notifications to individuals, media outlets, and the Secretary. This provision shall not be construed to limit or diminish Contractor's obligations to indemnify, defend and hold harmless County under Section 9 of this Addendum.



- F. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Contractor's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Contractor shall maintain documentation sufficient to demonstrate that all notifications were made by Contractor as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Contractor's completed risk assessment and investigation documentation.
- G. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when County, in its capacity as a licensed clinic, health facility, home health agency, or hospice, is required to report unlawful or unauthorized access, use, or disclosure of medical information under the more stringent requirements of California Health & Safety Code §1280.15. For purposes of this Section 8.G, "unauthorized" has the meaning given such term in California Health & Safety Code §1280.15(j)(2).
- 1) Contractor agrees to assist County to fulfill its reporting obligations to affected patients and to the California Department of Public Health ("CDPH") in a timely manner under the California Health & Safety Code §1280.15.
  - 2) Contractor agrees to report to County any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than two (2) business days after Contractor detects such incident. Contractor further agrees such report shall be made in writing, and shall include substantially the same types of information listed above in Section 8.A.2 (Content of Notification) as applicable to the unlawful or unauthorized access, use, or disclosure as defined above in this section, understanding and acknowledging that the term "breach" as used in Section 8.A.2 does not apply to California Health & Safety Code §1280.15.
9. **Hold Harmless/Indemnification.**
- A. Contractor agrees to indemnify and hold harmless County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Addendum, including but not limited to property damage, bodily injury, death, or any other element of any kind or nature whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Addendum. Contractor shall defend, at its sole expense, all costs and fees, including but not limited to attorney fees, cost of investigation, defense and settlements or awards, of County, all Agencies, Districts, Special Districts and Departments of County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents or representatives in any claim or action based upon such alleged acts or omissions.
- B. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.



- C. The specified insurance limits required in the Underlying Agreement of this Addendum shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless County herein from third party claims arising from issues of this Addendum.
  - D. In the event there is conflict between this clause and California Civil Code §2782, this clause shall be interpreted to comply with Civil Code §2782. Such interpretation shall not relieve the Contractor from indemnifying County to the fullest extent allowed by law.
  - E. In the event there is a conflict between this indemnification clause and an indemnification clause contained in the Underlying Agreement of this Addendum, this indemnification shall only apply to the subject issues included within this Addendum.
10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by County to Contractor, or created or received by Contractor on behalf of County, is destroyed or returned to County, or, if it is infeasible to return or destroy PHI and/ePHI, protections are extended to such information, in accordance with section 11.B of this Addendum.
11. **Termination.**
- A. **Termination for Breach of Contract.** A breach of any provision of this Addendum by either party shall constitute a material breach of the Underlying Agreement and will provide grounds for terminating this Addendum and the Underlying Agreement with or without an opportunity to cure the breach, notwithstanding any provision in the Underlying Agreement to the contrary. Either party, upon written notice to the other party describing the breach, may take any of the following actions:
    - 1) Terminate the Underlying Agreement and this Addendum, effective immediately, if the other party breaches a material provision of this Addendum.
    - 2) Provide the other party with an opportunity to cure the alleged material breach and in the event the other party fails to cure the breach to the satisfaction of the non-breaching party in a timely manner, the non-breaching party has the right to immediately terminate the Underlying Agreement and this Addendum.
    - 3) If termination of the Underlying Agreement is not feasible, the breaching party, upon the request of the non-breaching party, shall implement, at its own expense, a plan to cure the breach and report regularly on its compliance with such plan to the non-breaching party.
  - B. **Effect of Termination.**
    - 1) Upon termination of this Addendum, for any reason, Contractor shall return or, if agreed to in writing by County, destroy all PHI and/or ePHI received from County, or created or received by the Contractor on behalf of County, and, in the event of destruction, Contractor shall certify such destruction, in writing, to County. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.
    - 2) In the event that Contractor determines that returning or destroying the PHI and/or ePHI is not feasible, Contractor shall provide written notification to County of the conditions that make such return or destruction not feasible. Upon determination by Contractor that return or destruction of PHI and/or ePHI is not feasible, Contractor shall extend the protections of this Addendum to such PHI and/or ePHI and limit further uses and disclosures of such PHI and/or ePHI to those purposes which make the return or destruction not feasible, for so long as Contractor maintains such PHI and/or ePHI.



12. **General Provisions.**

- A. **Retention Period.** Whenever Contractor is required to document or maintain documentation pursuant to the terms of this Addendum, Contractor shall retain such documentation for 6 years from the date of its creation or as otherwise prescribed by law, whichever is later.
- B. **Amendment.** The parties agree to take such action as is necessary to amend this Addendum from time to time as is necessary for County to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.
- C. **Survival.** The obligations of Contractor under Sections 3, 5, 6, 7, 8, 9, 11.B and 12.A of this Addendum shall survive the termination or expiration of this Addendum.
- D. **Regulatory and Statutory References.** A reference in this Addendum to a section in HITECH, HIPAA, the Privacy Rule and/or Security Rule means the section(s) as in effect or as amended.
- E. **Conflicts.** The provisions of this Addendum shall prevail over any provisions in the Underlying Agreement that conflict or appear inconsistent with any provision in this Addendum.
- F. **Interpretation of Addendum.**
  - 1) This Addendum shall be construed to be part of the Underlying Agreement as one document. The purpose is to supplement the Underlying Agreement to include the requirements of the Privacy Rule, Security Rule, HIPAA and HITECH.
  - 2) Any ambiguity between this Addendum and the Underlying Agreement shall be resolved to permit County to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.
- G. **Notices to County.** All notifications required to be given by Contractor to County pursuant to the terms of this Addendum shall be made in writing and delivered to the County both by fax and to both of the addresses listed below by either registered or certified mail return receipt requested or guaranteed overnight mail with tracing capability, or at such other address as County may hereafter designate. All notices to County provided by Contractor pursuant to this Section shall be deemed given or made when received by County.

County HIPAA Privacy Officer:	HIPAA Privacy Manager
County HIPAA Privacy Officer Address:	26520 Cactus Avenue, Moreno Valley, CA 92555
County HIPAA Privacy Officer Phone Number:	(951) 486-6471