



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



ITEM: 15.2
(ID # 23558)

MEETING DATE:

Tuesday, December 05, 2023

FROM : RUHS-MEDICAL CENTER:

SUBJECT: RIVERSIDE UNIVERSITY HEALTH SYSTEM- MEDICAL CENTER: Approval of Amendment No. 3 to the Professional Service Agreement with Simpler North America, LLC for Lean Leadership and Delivery Support without seeking competitive bids effective upon signature through June 30, 2025, All Districts. [Total Amendment Cost \$5,955,173; up to \$494,054 in Additional Annual Cost - 30% Hospital Enterprise Fund, 35% Community Health Centers Fund, 35% Public Health Fund (state fund)]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Amendment No. 3 to the Professional Service Agreement with Simpler North America, LLC for Lean Leadership and Delivery Support without seeking competitive bids to expand the scope of work, extend the contract period through June 30, 2025, and increase the total annual compensation amount by \$3,761,162 from \$1,179,382 to \$4,940,544 effective upon signature through June 30, 2025, and authorize the Chair of the Board to sign the Amendment on behalf of the County; and
2. Authorize the Purchasing Agent, in accordance with Ordinance No. 459, based on the availability of fiscal funding and as approved as to form by County Counsel, to sign amendments including modifications of the statement of work that stay within the intent of the Agreement and to sign amendments to the compensation provisions that do not exceed the total sum of ten percent (10%) of the total annual cost of the Agreement.

ACTION:Policy

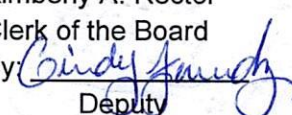

Jennifer Cruikshank, Chief Executive Officer - Health System 11/20/2023


Kim Saruwatari, Director of Public Health 11/20/2023

MINUTES OF THE GOVERNING BOARD

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: December 5, 2023
xc: RUHS-Medical Center

Kimberly A. Rector
Clerk of the Board
By 
Deputy

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SYSTEM MEDICAL CENTER GOVERNING BOARD OF DIRECTORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 2,194,011	\$ 3,761,162	\$ 5,955,173	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS:			Budget Adjustment: No	
30% Hospital Enterprise Fund - 40050				
35% Community Health Centers Fund – 40090				
35% Public Health – 10000 (State Fund)				
			For Fiscal Year: 23/24-24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The requested Board action will approve the Third Amendment with Simpler North America, LLC (Simpler) to extend the contract term, expand the scope of work, and increase the annual compensation amount due to the increased contracted resources from 1.5 to 7 Full-Time personnel. This increase will help support the Lean Transformation activities for Riverside University Health System Medical Center (RUHS-MC), the RUHS Community Health Clinics (RUHS-CHC), and RUHS Public Health (RUHS-PH), collectively referred to as "RUHS." With these lean management-consulting services, RUHS intends to undertake a performance improvement initiative.

RUHS needs more resources from Simpler to support the RUHS Lean Transformation. The Lean Transformation supports workflow optimization and staff development to achieve Quality Pay for Performance metrics and revenue growth. The work includes Value Streams, Daily Management, and coaching at all levels of the organization. Simpler's resources are also supporting integration work aimed at bringing efficiency gains and innovation to the County of Riverside residents.

RUHS is seeking to expand its process improvement efforts that have already shown positive outcomes in support of our strategic goals for access, quality, and continuous improvement. RUHS needs contracted support to continue this work while developing an internal RUHS Lean Transformation department that will sustain the Lean Management System in the long term.

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.

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Additional Fiscal Information

There are sufficient appropriations in the Department's FY23/24 budget. No additional County funds are required.

Contract History and Price Reasonableness

On May 10, 2022 (Item 15.5; SSJ #22-088), the Board approved a Professional Services Agreement (Agreement) with Simpler North America LLC for Lean Leadership and Delivery Support, without seeking competitive bids effective May 10, 2022, through May 10, 2023, with yearly compensation of \$1,179,382.

On September 21, 2022, the Purchasing Agent executed a First Amendment to the Professional Services Agreement, effective July 1, 2022, to utilize the contingency compensation provision of the Agreement for a lean leadership and delivery services study trip.

On March 23, 2023, the Purchasing Agent executed a Second Amendment to the Professional Services Agreement, effective May 10, 2023, through May 10, 2024, to exercise the renewal option of the Agreement.

This Third Amendment will extend the contract period through June 30, 2025, increase the total annual amount by \$3,761,162 from \$1,179,382 to \$4,940,544, and expand the scope of work. This will allow RUHS to continue receiving consulting services in an effort to improve its operational efficiency, enhance the levels of care it provides to the communities it serves, and through improved operational efficiency- to qualify for performance-improvement based reimbursement.

ATTACHMENTS:

Attachment A: Third Amendment to the Professional Service Agreement with Simpler North America, LLC for Lean Leadership and Delivery Support

Attachment B: SSJ Amendment



Meghan Hahn, Director of Procurement 11/20/2023



Jacqueline Ruiz, Sr. Management Analyst 11/28/2023



Gregg Gu, Chief Deputy County Counsel 11/21/2023

**THIRD AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT FOR
LEAN LEADERSHIP AND DELIVERY SUPPORT
BETWEEN COUNTY OF RIVERSIDE AND SIMPLER NORTH AMERICA LLC**

This Third Amendment to the Professional Service Agreement for Lean Leadership and Delivery Support (“Third Amendment”) is entered into by the **County of Riverside**, a political subdivision of the State of California, on behalf of **Riverside University Health System** (“COUNTY” or “RUHS”), and **Simpler North America, LLC**, a Delaware limited liability company, (“CONTRACTOR”), sometimes collectively referred to as the “Parties”.

WHEREAS, the Parties have entered into that certain Professional Service Agreement, approved on May 10, 2022, Agenda Item Number 15.5, and effective May 10, 2022 (Agreement), whereby CONTRACTOR agreed to provide COUNTY with lean leadership and delivery support services; and,

WHEREAS, the Parties have entered into that certain First Amendment, effective July 1, 2022; and

WHEREAS, the Parties have entered into that certain Second Amendment to the Agreement, effective May 10, 2023; and

WHEREAS, the Parties now desire to amend the annual compensation amount, extend the period of performance, and include additional insurance requirements, Exhibits E-H and Attachment I (HIPAA Business Associate Agreement) as attachments to the Agreement;

NOW THEREFORE, the Parties agree as follows:

1. **Period of Performance.** The first sentence of Subsection 2.1 of Section 2. Period of Performance, is hereby amended to extend the period of performance of the Agreement as follows:

“This Agreement shall be effective upon signature by both parties and continues in effect through June 30th, 2025, unless terminated earlier.”

2. **Compensation.** Subsection 3.1 of Section 3. Compensation is hereby deleted in its entirety and replaced with the following:

“The COUNTY shall pay the CONTRACTOR for services performed, products provided and expenses incurred in accordance with the terms of Exhibits B, C, F, and H. Maximum payments by COUNTY to CONTRACTOR shall not exceed four million nine hundred forty thousand five hundred forty dollars (\$4,940,544) annually including all expenses. The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of services or products. Unless otherwise specifically stated in Exhibits E, F, G, and H, COUNTY shall not be responsible for payment of any of CONTRACTOR’s expenses related to this Agreement. Once expenses reach 12% of the fees under a specific scope of work, all

remaining services under that specific scope of work will be performed remotely unless COUNTY approves additional funding for travel and expenses.”

3. **Insurance.** New Subsection D. Professional Errors & Omissions is hereby added to Section 22. Insurance to read as follows and subsequent subsection(s) of Section 22. Insurance is hereby renumbered accordingly:

“D. Professional Errors & Omissions:

Contractor shall procure and maintain Professional Errors and Omissions coverage for actual or alleged breach of duty, neglect, error, misstatement, misleading statements or omission, solely for acts or omissions committed by CONTRACTOR in providing professional services for COUNTY with a minimum per claim and aggregate limit of \$2,000,000. Coverage includes network security, unauthorized access, unauthorized use, receipt or transmission of a malicious code, denial of service attack, unauthorized disclosure or misappropriation of private information, privacy liability, notification costs, credit card monitoring, and fine & penalties incurred by the customer.”

4. **Exhibits E-H.** The following Exhibits are hereby added as detailed in the attached and incorporated by reference: Exhibit E, Scope of Work – RUHS Medical Center and Community Health Centers (CHC); Exhibit F, Fee Schedule and Price for RUHS Medical Center and Community Health Centers (CHC); Exhibit G, Scope of Work – RUHS Public Health; and Exhibit H, Fee and Price for RUHS Public Health.
5. **Attachment I.** Attachment I, HIPAA Business Associate Agreement, is hereby added as detailed in the attached and incorporated by reference.
6. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
7. **Effective Date.** This Third Amendment to the Agreement shall become effective upon signature.

[Signature Page Follows]

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

COUNTY OF RIVERSIDE, a political subdivision of the State of California, on behalf Riverside University Health System

SIMPLER NORTH AMERICA, LLC, a Delaware limited liability corporation

By: [Signature]
Kevin Jeffries
Chairman, Board of Supervisors

By: [Signature]
Name: Kyle Freeman
Title: GTM Business Leader

Date: 12/5/23

Date: 11/15/2023

ATTEST:
Kimberly A. Rector
Clerk of the Board

By: [Signature]
Deputy

APPROVED AS TO FORM:

Minh C. Tran
County Counsel

By: Tawny Lieu
Tawny Lieu
Deputy County Counsel

Date: Nov 15, 2023

EXHIBIT E

SCOPE OF WORK – Riverside University Health System- Medical Center (RUHS-MC) and Riverside University Health System- Community Health Centers (RUHS-CHC)

A. **RUHS Medical Center Scope:**

Simpler shall designate coaching resource to work with designated personnel within RUHS Medical Center to provide Lean Leadership guidance and direction as well as coach and support improvement implementation. This work shall include, but not be limited to, the following:

Outcome/metric focus:

1. ALOS (Adjusted Length of Stay)
2. Readmission %
3. Post discharge follow up within 7 days.
4. Emergency department holds-Boarding hours.

Value Stream execution:

- Throughput Value Stream (phase 2)
- Support the implementation of an additional Value Stream (i.e., Peri-Operative Services, Emergency Room)

Daily Management:

- Implement Daily Management in departments/areas that correspond to any Value Streams(s) that is in process (i.e., Throughput Value Stream)
- Implement Daily Management within clinic areas in the medical center.
- Implement Daily Management with designated department in Arlington location.

People Development via the following:

- Coach and develop leaders and the internal Process Improvement team to become self-sufficient in terms of implementing lean principles such as Value Stream Improvement, kaizen events, daily management, sustainment, and A3 Coaching.
- Coach Process Improvement team, CHC leaders, and staff on lean concepts and principles require to improvement and sustain results.

Architecture and Infrastructure:

- Help develop the Architecture and Infrastructure that allows Medical Center organization to hardwire its approach to change/improvement.

B. **RUHS-CHC Scope:**

Simpler shall designate coaching resource to work with designated personnel within RUHS-CHC to provide Lean Leadership guidance and direction as well as coach and support improvement implementation. This work shall include, but not be limited to, the following:

Outcome/metric focus:

1. Access: support improvement efforts that will increase access for live assigned and unseen specifically by IEHP.
2. Quality: support improvement effort that will help CHCs make positive advancement in the Quality Pay for Performance program tiered performance structure.

Value Stream (VS) execution:

- Continue to coach and support the implementation of CHC “Access” Value Stream.
- Implement VS spread plan. See **CLINIC POD SPREAD** image below.

Daily Management:

- Implement Daily Management in all CHCs. See **CLINIC POD SPREAD** image below.

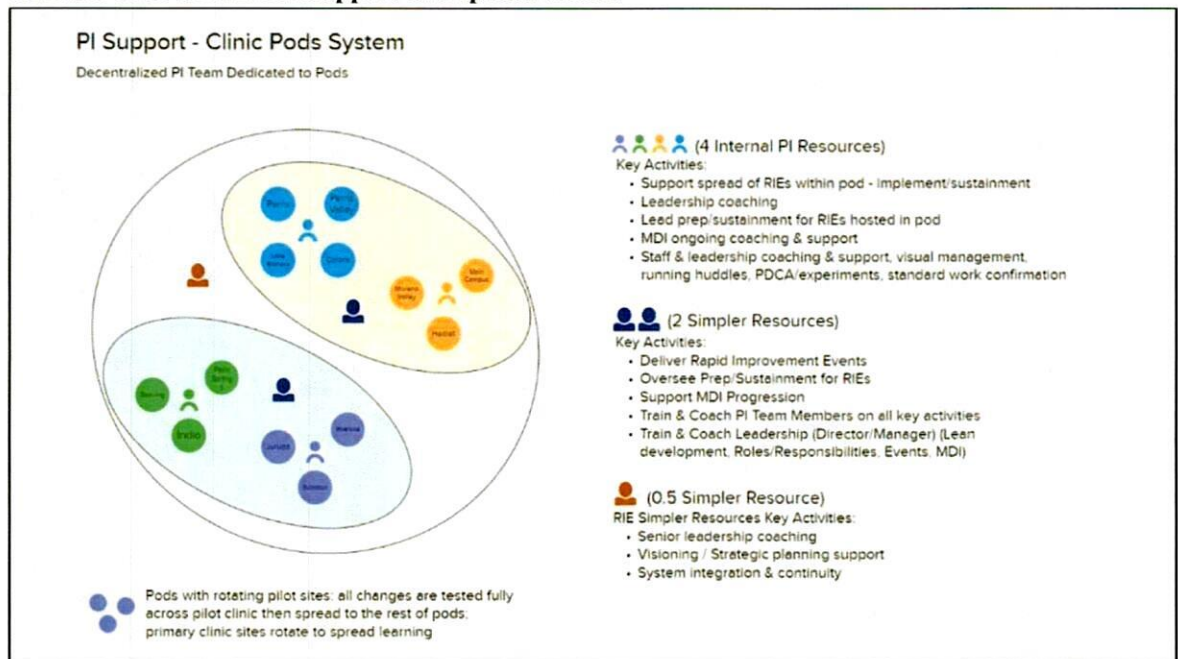
People Development via the following:

- Coach and develop leaders and the internal Process Improvement team to become self-sufficient in terms of implementing lean principles such as value stream Improvement, kaizen events, daily management, sustainment, and A3 Coaching.
- Coach Process Improvement team, CHC leaders, and staff on lean concepts and principles require for improvement and to sustain results.

Architecture and Infrastructure:

- Help develop the Architecture and Infrastructure that allows CHC organization to hardwire its approach to change/improvement.

CLINIC POD SPREAD: Support and spread model.



**EXHIBIT F
FEE SCHEDULE AND PRICE
FOR RUHS-MC and RUHS- CHC**

A. **RUHS-MC Schedule and Price:**

The following describes the level of effort from the Simpler team. The total cost of the Medical Center engagement is **\$1,351,536 plus expenses**. The fees will be billed monthly based upon the activities delivered during the invoiced period. Expenses will be billed at actual cost incurred.

Medical Center's actual schedule will be agreed to with its Simpler Account Manager as the transformation progresses and Medical Center organization's needs evolve.

Full-time equivalent (FTE) support is defined as:

- **(1 FTE)** Clinical Subject Matter Expert daily rate is \$3,369
- **(1 FTE)** Gemba Coach daily rate is \$2,725
- **(No FTE Planned)** Lean Engineer daily rate is \$1,650

B. **RUHS-CHC Schedule and Price:**

The following describes the level of effort from the Simpler team. The total cost of the RUHS-CHC engagement is **\$1,529,832 plus expenses**. The fees will be billed monthly based upon the activities delivered during the invoiced period. Expenses will be billed at actual cost incurred.

CHC's actual schedule will be agreed to with its Simpler Account Manager as the transformation progresses and CHC organization's needs evolve.

FTE support is defined as:

- **(.5 FTE)** Clinical SME daily rate is \$3,369
- **(2 FTE)** Gemba Coach daily rate is \$2,725
- **(No FTE Planned)** Lean Engineer daily rate is \$1,650

EXHIBIT G
SCOPE OF WORK – RUHS-Public Health (PH)

A. RUHS-PH Scope:

Simpler shall designate coaching resource to work with designated personnel within RUHS Public Health (PH) to provide Lean Leadership guidance and direction as well as coach and support improvement implementation. This work shall include, but not be limited to, the following:

Outcome/metric focus:

Support the following strategic objectives:

1. Improve community wellness outcomes
2. Expand and integrate services
3. Build a sustainable workforce
4. Build a continuous improvement culture
5. Improvement operational metrics within PH branches

Value Stream execution:

- Community Health Worker (CHW) hub implementation.

Daily Management:

- Implement Daily Management in departments/areas that correspond to any Value Stream(s) that is in process.
- Implement Daily Management within Public Health department located within Riverside County.

People Development via the following:

- Coach and develop leaders and the internal Process Improvement team to become self-sufficient in terms of implementing lean principles such as Value Stream Improvement, kaizen events, daily management, sustainment, and A3 Coaching.
- Coach Process Improvement team, PH leaders, and staff on lean concepts and principles require for improvement and to sustain results.

Architecture and Infrastructure:

- Help develop the Architecture and Infrastructure that allows PH organization to hardwire its approach to change/improvement.

**EXHIBIT H
FEE SCHEDULE AND PRICE
FOR RUHS Public Health**

A. **RUHS-Public Health Schedule and Price:**

The following describes the level of effort from the Simpler team. The total cost of the Public Health engagement is **\$1,529,832 plus expenses**. The fees will be billed monthly based upon the activities delivered during the invoiced period. Expenses will be billed at actual cost incurred.

Public Health's actual schedule will be agreed to with its Simpler Account Manager as the transformation progresses and Public Health organization's needs evolve.

FTE support is defined as:

- **(.5 FTE)** Clinical SME daily rate is \$3,369
- **(2 FTE)** Gemba Coach daily rate is \$2,725
- **(No FTE Planned)** Lean Engineer daily rate is \$1,650

Attachment I

HIPAA Business Associate Agreement Addendum to Contract

Between the County of Riverside and Simpler North America LLC

This HIPAA Business Associate Agreement (the "Addendum") supplements, and is made part of the Underlying Agreement between the County of Riverside ("County") and Simpler North America LLC ("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; the Contractor is a Business Associate, as defined by the HIPAA Rules, and is therefore subject to those provisions of the HIPAA Rules that are applicable to Business Associates. The terms of this Attachment I supplement the Contract and is applicable to those portions of the Services when Contractor is acting as a Business Associate for County; 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" has the same meaning as the term "breach" at 45 C.F.R. § 164.402.
 - B. "Business associate" has the meaning given such term in 45 CFR § 160.103. For the convenience of the parties, a "business associate" is a person or entity, other than a member of the workforce of covered entity, who: (i) creates, receives, maintains, or transmits Protected Health Information to perform functions or activities on behalf of a covered entity; or (ii) provides certain services to or for such covered entity where the provision of services involve disclosure of PHI from such covered entity or from another business associate of such covered entity to the person or entity. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of another business associate. In reference to the party to this Business Associate Agreement, "Business Associate" shall mean Contractor (Simpler North America LLC).
 - C. "Covered Entity" has the same meaning as the term "covered entity" at 45 C.F.R. § 160.103, and in reference to the party to this Business Associate Agreement, "Covered Entity" shall mean County of Riverside.
 - D. "Data aggregation" has the meaning given such term in 45 CFR §164.501.
 - E. "Designated record set" has the same meaning as the term "designated record set" at 45 C.F.R. § 164.501.
 - F. "Disclose" and "Disclosure" mean, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside the entity holding the information. (45 C.F.R. § 160.103.)
 - G. Reserved.
 - H. "Electronic protected health information" ("ePHI") has the same meaning as the term "electronic protected health information" at 45 C.F.R. § 160.103, limited to ePHI created, received, accessed, maintained, or transmitted by Business Associate from or on behalf of Covered Entity..
 - I. "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).
 - J. "Electronic Media" has the same meaning as the term "electronic media" at 45 C.F.R. § 160.103.
 - K. "Health care operations" has the meaning given such term in 45 CFR §164.501.
 - L. "Individual" as defined in 45 CFR §160.103 means the person who is the subject of protected health information.
 - M. "Law Enforcement Official" has the same meaning as the term "law enforcement official" at 45 C.F.R. § 164.103.
 - N. "Minimum Necessary" refers to the minimum necessary standard at 45 C.F.R. §§ 164.502(b) and 164.514(d).

- O. "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.
- P. "Privacy Rule" means the HIPAA regulations codified at 45 CFR Parts 160 and 164, Subparts A and E.
- Q. "Protected health information" ("PHI") has the meaning given such term in 45 CFR §160.103, which includes ePHI.
- R. "Required by law" has the meaning given such term in 45 CFR §164.103.
- S. "Secretary" means the Secretary of the U.S. Department of Health and Human Services ("HHS").
- T. "Services" means, those functions, activities, or services in the Agreement that gives rise to Contractor's status as a Business Associate.
- U. "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.
- V. "Security Rule" means the HIPAA Regulations codified at 45 CFR Parts 160 and 164, Subparts A and C.
- W. "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.
- X. "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).
- Y. "Use" or "Uses" mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate's internal operations. (45 C.F.R § 160.103.)

2. Scope of Use and Disclosure by Contractor of Covered Entity's PHI and/or ePHI.

- A. Except as otherwise provided in this Addendum, Business Associate may use, disclose, or access PHI and/or ePHI as necessary to perform any and all obligations of Business Associate under the Underlying Agreement or to perform functions, activities or services for, or on behalf of, Covered Entity as specified in this Addendum, if such use or disclosure does not violate HIPAA, HITECH, the Privacy Rule and/or Security Rule. Covered Entity and Business Associate shall comply with the minimum necessary standard with respect to the use, disclosure, and/or request of PHI and/or ePHI.
- 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), Business Associate may:
 - 1) Use PHI and/or ePHI if necessary for Business Associate's proper management and administration and to carry out its legal responsibilities; and,
 - 2) Disclose PHI and/or ePHI for the purpose of Business Associate's proper management and administration or to carry out its legal responsibilities, only if:
 - a) The disclosure is required by law; or,

- b) Business Associate obtains reasonable assurances, in writing, from the person to whom Business Associate 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 Business Associate disclosed it to the person, or as required by law; and,
 - ii. Notify Covered Entity 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 Covered Entity pursuant to the Underlying Agreement or as requested by Covered Entity; and,
 - 4) De-identify all PHI and/or ePHI of Covered Entity received by Business Associate 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. Business Associate 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 Covered Entity.
- B. Business Associate may neither use, disclose, nor access PHI and/or ePHI it receives from Covered Entity or from another business associate of Covered Entity, except as permitted or required by this Addendum, or as required by law.
- C. Business Associate agrees not to make any disclosure of PHI and/or ePHI that Covered Entity would be prohibited from making.
- D. Business Associate 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. Business Associate 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 Covered Entity to Business Associate for services provided pursuant to the Underlying Agreement.

4. **Obligations of Covered Entity.**

- A. Covered Entity agrees to make its best efforts to notify Business Associate promptly in writing of any restrictions on the use or disclosure of PHI and/or ePHI agreed to by Covered Entity that may affect Business Associate's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- B. Covered Entity agrees to make its best efforts to promptly notify Business Associate 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 Business Associate's ability to perform its obligations under the Underlying Agreement, or this Addendum.
- C. Covered Entity agrees to make its best efforts to promptly notify Business Associate in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Business Associate's use or disclosure of PHI and/or ePHI.
- D. Covered Entity agrees not to request Business Associate 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. Covered Entity agrees to obtain any authorizations necessary for the use or disclosure of PHI and/or ePHI, so that Business Associate can perform its obligations under this Addendum and/or Underlying Agreement.

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

- A. Use or disclose PHI only if such use or disclosure complies with each applicable requirement of 45 CFR §164.504(e). Business Associate 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. Business Associate shall promptly notify Covered Entity if Business Associate 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 Business Associate of a use or disclosure of PHI and/or ePHI by Business Associate in violation of this Addendum.
- E. Report to Covered Entity 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 Business Associate 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 Business Associate agree through contract to the same restrictions and conditions that apply to Business Associate with respect to such PHI and/or ePHI, including the restrictions and conditions pursuant to this Addendum.
- G. Make available to the Secretary, in the time and manner designated by 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 Business Associate shall promptly notify Covered Entity upon Business Associate'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 Covered Entity), or eligibility of benefits, unless otherwise excepted under 45 CFR §164.508(b)(4) and authorized in writing by Covered Entity.
- 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 Covered Entity to the extent Business Associate is to carry out Covered Entity'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 Business Associate becomes aware that constitute a material breach or violation of the subcontractor's obligations under the business associate contract with Business Associate, and if such steps are unsuccessful, Business Associate agrees to terminate its contract with the subcontractor if feasible.

6. **Access to PHI, Amendment and Disclosure Accounting.** Business Associate agrees to:

- A. **Access to PHI, including ePHI.** Provide access to PHI, including ePHI if maintained electronically, in a designated record set to Covered Entity or an individual as directed by Covered Entity, within five (5) days of request from Covered Entity, 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 Covered Entity directs or agrees to at the request of an individual, within fifteen (15) days of receiving a written request from Covered Entity, in accordance with 45 CFR §164.526 with Covered Entity providing an amendment to Protected Health Information or Covered Entity notifying the individual denial thereof.
- C. **Accounting of disclosures of PHI and electronic health record.** Assist Covered Entity 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 Business Associate uses or maintains electronic health records. Business Associate shall:
 - 1) Document such disclosures of PHI and/or electronic health records, and information related to such disclosures, as would be required for Covered Entity 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 Covered Entity, provide to Covered Entity or any individual as directed by Covered Entity information collected in accordance with this

section to permit Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI and/or electronic health record.

- 3) Make available for Covered Entity 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 Covered Entity discloses ePHI to Business Associate or Business Associate needs to create, receive, maintain, transmit or have access to Covered Entity ePHI, in accordance with 42 USC §17931 and 45 CFR §164.314(a)(2)(i), and §164.306, Business Associate 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 Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity 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 Business Associate'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 Business Associate 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 Covered Entity any security incident of which Business Associate becomes aware, including breaches of unsecured PHI as required by 45 CFR §164.410; however, that the parties acknowledge and agree that no additional notice is required by Business Associate to Covered Entity for the ongoing existence and occurrence of Unsuccessful Security Incidents. Business Associate agrees to document the Unsuccessful Security Incidents in a security event log and shall provide the Covered Entity with the security event log upon request. "Unsuccessful Security Incidents" means pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denial of service attacks, and any combination of the above, so long as no such incident results in unauthorized access, use, disclosure, modification or destruction of Protected Health Information or interference with system operations in an information system that contains Protected Health Information; 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, Business Associate 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, Business Associate shall notify Covered Entity 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 Business Associate as of the first day on which such breach is known to Business Associate or, by exercising reasonable diligence, would have been known to Business Associate, which includes any person, other than the person committing the breach, who is an employee, officer, or other agent of Business Associate (determined in accordance with the federal common law of agency).
 - 2) **Content of notification.** The written notification to Covered Entity relating to breach of unsecured PHI shall include, to the extent possible, the following information if known (or can be reasonably obtained) by Business Associate:
 - a) The identification of each individual whose unsecured PHI has been, or is reasonably believed by Business Associate 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 Business Associate 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 Business Associate, Business Associate shall cooperate with Covered Entity and shall provide Covered Entity with any information requested by Covered Entity to enable Covered Entity 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. **Notice to Individuals.** Covered Entity shall provide notice to each Individual whose Unsecured Protected Health Information has been, or is reasonably believed to have been, accessed, acquired, Used, or Disclosed as a result of any such Breach.
- D. **Breach log.** To the extent breach of unsecured PHI involves less than 500 individuals, Business Associate shall maintain a log or other documentation of such breaches and provide such log or other documentation on an annual basis to Covered Entity not later than fifteen (15) days after the end of each calendar year for submission to the Secretary.
- E. **Delay of notification authorized by law enforcement.** If Business Associate 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, Business Associate shall maintain documentation sufficient to demonstrate its compliance with the requirements of 45 CFR §164.412.
- F. **Payment of costs.** Notwithstanding the limitation of liability set forth in the Underlying Agreement, Business Associate is responsible for damages arising out of Business Associate's breach of its obligations set forth in this Business Associate Agreement which results in the loss of

Covered Entity Protected Health Information, in all cases limited to (1) governmental fines or penalties and (2) (a) cost and expenses of legally required notifications, (b) costs for responding to inquiries from affected individuals, and (c) credit monitoring costs. In no event shall Business Associate's liability under this subsection in the aggregate exceed \$5,000,000 dollars.

- G. **Documentation.** Pursuant to 45 CFR §164.414(b), in the event Business Associate's use or disclosure of PHI and/or ePHI violates the Privacy Rule, Business Associate shall maintain documentation sufficient to demonstrate that all notifications were made by Business Associate as required by 45 CFR Part 164, Subpart D, or that such use or disclosure did not constitute a breach, including Business Associate's completed risk assessment and investigation documentation.
- H. **Additional State Reporting Requirements.** The parties agree that this Section 8.G applies only if and/or when Covered Entity, 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) Business Associate agrees to assist Covered Entity 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) Business Associate agrees to report to Covered Entity any unlawful or unauthorized access, use, or disclosure of patient's medical information without unreasonable delay and no later than five (5) business days after Business Associate detects such incident. Business Associate 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. **Reserved.**

10. **Term.** This Addendum shall commence upon the Effective Date and shall terminate when all PHI and/or ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, 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 Cause.** In addition to and notwithstanding the termination provisions set forth in the Underlying Agreement, that gives rise to Contractor's status as a Business Associate, if either party determines that the other party has violated a material term of this Business Associate Agreement, and the breaching party has not cured the breach or ended the violation within the time specified by the non-breaching party, which shall be reasonable given the nature of the breach and/or violation, the non-breaching party may terminate this Business Associate Agreement.
- B. **Effect of Termination.**
- 1) Upon termination of this Addendum, for any reason, Business Associate shall return or, if agreed to in writing by Covered Entity, destroy all PHI and/or ePHI received from Covered Entity, or created or received by the Business Associate on behalf of Covered Entity, and, in the event of destruction, Business Associate shall certify such destruction, in writing, to Covered Entity. This provision shall apply to all PHI and/or ePHI which are in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of PHI and/or ePHI, except as provided below in paragraph (2) of this section.

- 2) In the event that Business Associate determines that returning or destroying the PHI and/or ePHI is not feasible, Business Associate shall provide written notification to Covered Entity of the conditions that make such return or destruction not feasible. Upon determination by Business Associate that return or destruction of PHI and/or ePHI is not feasible, Business Associate 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 Business Associate maintains such PHI and/or ePHI.

12. **General Provisions.**

- A. **Retention Period.** Whenever Business Associate is required to document or maintain documentation pursuant to the terms of this Addendum, Business Associate 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 Covered Entity to comply with HITECH, the Privacy Rule, Security Rule, and HIPAA generally.
- C. **Survival.** The obligations of Business Associate 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. **No Third Party Beneficiaries.** Nothing in this Business Associate Agreement shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- G. **Independent Contractor.** The parties acknowledge and agree that Business Associate is at all times acting as an independent contractor of Covered Entity and not as an agent or employee of Covered Entity under this Business Associate Agreement.
- H. **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 Covered Entity to comply with the Privacy Rule, Security Rule, HIPAA and HITECH generally.
- I. **Notices to Covered Entity.** All notifications required to be given by Business Associate to Covered Entity pursuant to the terms of this Addendum shall be made in writing and delivered to the Covered Entity both by email and to 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 Covered Entity may hereafter designate. Business Associate ensure all email notifications that contain PHI are encrypted before transmitting to Covered Entity. All notices to Covered Entity provided by Business Associate pursuant to this Section shall be deemed given or made when received by Covered Entity.

County HIPAA Privacy Officer: HIPAA Privacy Manager
County HIPAA Privacy Officer Address: 26520 Cactus Avenue,

Moreno Valley, CA 92555

County HIPAA Privacy Officer Email: R.Compliance@ruhealth.org

County HIPAA Privacy Officer Phone Number: (951) 486--4659

SSJ# 22-088 Amendment Request

Request to amend SSJ# 22-088: Simpler North America approved on 04/15/2022

Justification for Amended SSJ:

This request for approval is for the third amendment to the agreement with Simpler North America LLC without seeking competitive bids in an increased amount of \$5,955,173 increasing full-time personnel from 1.5 to 7 to support Lean Transformation activities across the system.

RUHS needs more resources from Simpler North America LLC to support the RUHS Lean Transformation. The Lean Transformation supports workflow optimization and staff development to achieve Quality Pay for Performance metrics and revenue growth. The work includes Value Streams, Daily Management, and coaching at all levels of the organization. Simpler's resources are also supporting integration work aimed at bringing efficiency gains and innovation to the County of Riverside residents.

RUHS is seeking to expand its process improvement efforts that have already shown positive outcomes in support of our strategic goals for access, quality, and continuous improvement. RUHS needs contracted support to continue this work while also developing an internal RUHS Lean Transformation department that will sustain the Lean Management System in the long term.

Amendment No. 3 will extend the contract period through June 30, 2025, increase the total annual amount by \$3,761,162 from \$1,179,382 to \$4,940,544 effective upon signature, and expand the Scope of Work to allow RUHS to continue to receive consulting services in an effort to improve its operational efficiency, enhance the levels of care it provides to the communities it serves, and through improved operational efficiency- to qualify for performance-improvement based reimbursement.

FISCAL YEAR	2021-2022:	2022-2023:	2023-2024:	2024-2025:	Total Cost:
COST	\$1,179,382	\$1,280,182	\$3,373,393	\$4,940,544	\$10,773,501
	SOURCE OF FUNDS: 30% Hospital Enterprise Funds- 40050 35% FQHC (CHC) – 40090 35% Public Health – 10000				For Fiscal Year: FY23/24 – FY24/25

SSJ# 22-088 Amendment Request

Jennifer Cruikshank

Jennifer Cruikshank

Nov 20, 2023

Department Head Signature
(or designee)

Print Name

Date

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

Purchasing Department Comments:

Approve

Approve with Condition/s

Disapprove

Condition/s:

Approved; with cost not to exceed FY limitations noted above.

Not to exceed:

One-time \$ _____

Annual Amount \$ _____ / per fiscal year through _____ (date)

(If Annual Amount Varies each FY)

FY 23/24 : \$ _____

FY 24/25 : \$ _____

FY 25/26 : \$ _____

SSJ# 22-088 Amendment Request

Meghan Hahn

11/20/23

24-126

Purchasing Agent

Date

Approval Number
(Reference on Purchasing Documents)