

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: CEO - Risk Management

BOARD AGENDA: 5.B.10
AGENDA DATE: December 12, 2017

SUBJECT:

Approval of Agreements to Support the County's Self-Funded Employee Health Insurance Program with Ascendant HealthCare for Clinical Data Management Services; Ascendant HealthCare for Memorialization of Management Services; and, Stanislaus County Partners in Health for Access and Management Services Related to the Medical Provider Network

BOARD ACTION AS FOLLOWS:


RESOLUTION NO. 2017-696

On motion of Supervisor Withrow , Seconded by Supervisor Olsen
and approved by the following vote,
Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, and Chairman Chiesa
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST:


ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: CEO - Risk Management

BOARD AGENDA:5.B.10
AGENDA DATE: December 12, 2017

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval of Agreements to Support the County's Self-Funded Employee Health Insurance Program with Ascendant HealthCare for Clinical Data Management Services; Ascendant HealthCare for Memorialization of Management Services; and, Stanislaus County Partners in Health for Access and Management Services Related to the Medical Provider Network

STAFF RECOMMENDATION:

1. Approve an agreement between the County and Ascendant HealthCare to provide clinical data management services from January 1, 2018 through December 31, 2020.
2. Approve an agreement between the County and Ascendant HealthCare to provide for memorialization of health insurance management services from January 1, 2018 through December 31, 2020.
3. Approve an agreement between the County and Stanislaus County Partners in Health for access and management of the medical provider network from January 1, 2018 through December 31, 2020.
4. Authorize the Purchasing Agent to sign the approved agreements.

DISCUSSION:

On October 18, 2011, the Board of Supervisors approved implementation of a new self-insured medical benefits program effective January 1, 2012. The primary reason for this transition was due to high premium increases that averaged 11.5% each year from 2005 to 2011. Actual healthcare claims paid by County health plans had increased cumulatively by more than 45% over the three year period leading up to 2011 for the average County employee, which represented a significant factor in the ongoing inflation in the County's insurance premiums. In 2012, the County was facing an additional 12% premium increase to the overall cost of providing fully insured medical benefits to participants with an estimated additional cost to the program of approximately \$5.9 million.

As a result of a lengthy strategic planning effort to address the many challenges facing the employee healthcare program, the County adopted a new three year health insurance strategy for plan years 2012 through 2014. Implementation of the new self-insurance program required several new vendor relationships to support the delivery and management of employee healthcare services, including but not limited to

contracting for clinical data management services and medical provider network access and management services.

The County also established a Quarterly Healthcare Strategy Team to review the clinical and financial performance of the self-insured program and to evaluate the various vendors and initiatives supporting the program. The Quarterly Team includes the County Chief Executive Officer, Assistant Executive Officer, the Managing Director of the Health Services Agency, the Health Services Agency Medical Director and additional leadership staff from the Chief Executive Office.

With the conclusion of the initial three year strategy, the County worked with labor groups in 2014 to develop a new three year health insurance strategy for benefit plan years 2015 through 2017. County staff evaluated all supporting vendor relationships in the medical self-insurance program as part of this new strategy, including the agreements for Ascendant HealthCare and Stanislaus County Partners in Health (SCPH). Although the then-current contracts with Ascendant HealthCare and SCPH include automatic renewal provisions, the agreements were renewed for the period of April 1, 2015 through December 31, 2017 to enhance services, to improve wellness and operational efficiencies, and adjust for increased costs.

In August 2017, County staff and consultants engaged in several discussions over all proposed administrative services provided in these contracts and information was shared and supported by the Quarterly Healthcare Strategy Team. These discussions and decisions resulted in recommending the agreements be renewed to include additional improvements identified, and to update costs.

The following agreements are critical to the County's strategy of continuing to combine cost data across multiple health plans to evaluate performance and value of the County's healthcare delivery system. One of the strategic advantages to the County's health insurance program is the relatively low administrative costs required to manage the program and to support new program initiatives and oversight of performance outcomes. These agreements also ensure the County maintains separation from personal health information for covered participants as the County is only provided with summary reports and statistical data to evaluate the performance of the program.

Ascendant HealthCare Agreements

Clinical Data Management Services Agreement

Ascendant HealthCare has provided clinical data management services for the County on behalf of all covered persons in the County's self-funded medical program since January 1, 2012. These services include integrating medical and pharmacy claim data from health plans into a single client warehouse that is used for management and reporting of program results, including financial reporting, identifying clinical gaps in care, providing access to virtual medical records to network hospitals and physicians, and to support other services related to clinical data management. To date, the program has accumulated approximately 1,758,000 claim records that have been

processed and archived in the data warehouse. These services remain in place under the new agreement with fees adjusted to account for increases in service costs.

The agreement with Ascendant HealthCare to provide clinical data management services was established with an initial three year term from January 1, 2012 through December 31, 2014. Subsequently, the agreement renewed automatically for successive one year terms without further action unless either party notified the other in writing not less than ninety days before any renewal date (January 1) of its intention not to renew. The agreement operated under the original term and automatic renewal through March 31, 2015, and then was renewed by the Board of Supervisors on March 31, 2015 for the term of April 1, 2015 through December 31, 2017 to adjust rates for cost of living increases and to add transitional and chronic care management and medication therapy management services. The recommended new agreement includes an additional three year term from January 1, 2018 through December 31, 2020, provides for increases to rates to account for rising costs, and adds one new service enhancement for operational efficiencies.

The recommended new agreement continues to provide consolidated financial reporting services for specified monthly, quarterly, and annual financial reporting using “paid” and “incurred” claims data; back-up stop-loss reporting services to supplement any reporting provided by medical insurance third party administrators; transitional and chronic care management services to reduce hospital readmissions through improved compliance with discharge instructions and reduce care gaps and emergency department use through targeted education and coordination of primary care; medication therapy management services to provide support for treatment of patients with chronic diseases, and engage and educate patients on medication management to optimize clinical effectiveness and improve adherence and compliance; and additional services related to this agreement with prior written approval from the County before providing such additional services.

Further, it is proposed that the County add third party administrator (TPA) data coordination services to enhance existing efforts and increase efficiencies for receiving and processing eligibility and claim data from the County employee benefits and third party administrators. A full and complete outline of the costs of the services contained in this agreement is included in the Fiscal Impact section of this report.

Memorialization of Management Services Agreement

The County and Ascendant HealthCare also executed a memorialization of management services agreement effective January 1, 2012 to recognize the respective roles of Ascendant HealthCare and Stanislaus County Partners in Health for accessing and managing contracted medical provider networks. By way of this agreement, the County became a third party beneficiary with Stanislaus County Partners in Health for these services. The then-current agreement was renewed effective April 1, 2015 and remains in effect for as long as Ascendant HealthCare and Stanislaus County Partners in Health contract for associated network and management services. It has been included in this report to correspond with changes to other related agreements.

Stanislaus County Partners in Health

Network Access Agreement

This agreement with Stanislaus County Partners in Health provides for access to local and national provider networks and for Stanislaus County Partners in Health to engage the services of a qualified professional management services organization, currently Ascendant HealthCare, to manage and operate the network and to ensure full and ready access. These management services include, but are not limited to general management services including customer and provider relations, recruitment and contracting, credentialing and provider directory. In addition, management services include Claims Electronic Data Interchange (EDI), repricing services, utilization management services, and integrated care management services.

The current network access agreement between the County and Stanislaus County Partners in Health was established with an initial three year term from January 1, 2012 through December 31, 2014. Subsequently, the agreement renewed automatically for successive one year terms without further action unless either party notifies the other in writing not less than ninety days before any renewal date (January 1) of its intention not to renew. The agreement operated under the original term and automatic renewal through March 31, 2015, and then was formally renewed for the term of April 1, 2015 through December 31, 2017 to adjust rates for cost of living increases. If approved, the recommended new agreement will include an additional three year term from January 1, 2018 through December 31, 2020, provide increases to rates to account for rising costs, and add integrated patient electronic platform services to enable better care for patients by giving healthcare professionals secure access to the accurate, complete and up-to-date information they need to provide the most comprehensive care. A full and complete outline of the costs of the services contained in this agreement is included in the Fiscal Impact section of this report.

It is important to note that when the County developed Stanislaus County Partners in Health (SCPH) for the benefit of employees covered under the County's health insurance program, it was presumed that at some point, other employers might want to access the SCPH network for their employee health insurance programs. As the network has been in place for nearly six years, other employers have begun to express interest in SCPH and some of these employers will use SCPH in the very near future. A new trademark identity, Health Partners of Northern California, has been created that is less Stanislaus County specific. To subscribers of the SCPH plan this is a new name only and nothing else is changing. There will be no impact in benefits, the network composition, the legal structure or management of the network, or anything related to the administration of the County's benefit plan.

POLICY ISSUE:

The Board of Supervisors is asked to approve three agreements to support the County's Self-Funded Employee Health Insurance Program in individual amounts in excess of \$100,000. Government Code section 23005 and 25502.5 requires Board of Supervisors' approval for all contracts exceeding \$100,000.

FISCAL IMPACT:

The County currently contracts with Ascendant HealthCare and Stanislaus County Partners in Health to assist with administration and management of the County's self-insured medical benefits program. The County currently spends approximately \$60 million annually to fund medical claims and administrative costs in the self-insured medical benefits program. The agreement with Ascendant HealthCare and Stanislaus County Partners in Health provides oversight and direct management of several components of the program, including administrative, financial and clinical programs.

The compensation terms contained in the recommended new agreements with Ascendant HealthCare and Stanislaus County Partners in Health are largely based on the County paying an individual fee Per Contract Per Month (PCPM). The PCPM fee represents the amount paid for each member (employee, retiree, or COBRA participant) who is enrolled in a County-sponsored medical plan option on a monthly basis. Funding for each of the recommended new agreements will be provided through existing appropriations in the County's self-insured medical benefits program and the medical insurance rates for 2018 include funding for these increases.

Ascendant HealthCare and Stanislaus County Partners in Health use approximately seven subcontracts to assist with providing associated services. The costs outlined in this section include any and all subcontractor services. The following information provides a summary of each agreement recommended for approval and the maximum cost projections for each agreement.

Ascendant HealthCare Agreements

Clinical Data Management Services Agreement

The costs contained in the Clinical Data Management Services Agreement are as follows:

- Clinical Data Management Services Fees - County shall pay to Consultant Clinical Data Management Service fees for single, double or three payors respectively: \$3.35, \$3.60, \$3.86 PCPM from January 1, 2018 through December 31, 2018; \$3.45, \$3.70, \$3.98 PCPM from January 1, 2019 through December 31, 2019; and \$3.55, \$3.81, \$4.10 PCPM from January 1, 2020 through December 31, 2020.
- Consolidated Financial Reporting. County shall pay to Consultant for consolidated financial reporting an hourly rate of \$125 per hour from January 1, 2018 through December 31, 2020.
- Stop-Loss Reporting. County shall pay to Consultant a stop-loss report fee of \$1.53 PCPM for January 1, 2018 through December 31, 2018, \$1.55 PCPM for January 1, 2019 through December 31, 2019 and \$1.58 PCPM for January 1, 2020 through December 31, 2020.

- Transitional and Chronic Care Management. County shall pay to Consultant a transitional and chronic care management fee of \$1.80 PCPM for January 1, 2018 through December 31, 2018, \$1.85 PCPM for January 1, 2019 through December 31, 2019 and \$1.90 PCPM for January 1, 2020 through December 31, 2020.
- Medication Therapy Management. County shall pay to Consultant a medication therapy management fee of \$31 for January 1, 2018 through December 31, 2018, \$32 for January 1, 2019 through December 31, 2019 and \$33 for January 1, 2020 through December 31, 2020 per chronic condition patient.
- Third Party Administrator Data Coordination (New). County shall pay to Consultant a third party administrator data coordination fee of \$1.75 PCPM for January 1, 2018 through December 31, 2018, County will evaluate and determine if this service needs to continue beyond 2018, and will amend the Agreement, if needed.
- In addition to the services noted above, Ascendant HealthCare may be requested or may recommend to provide additional services related to this Agreement, such as but not limited to providing assistance with Request for Proposal (RFP) processes or to other matters related to the general business of the County where the knowledge and experience of Ascendant HealthCare may prove of unique value to the County. Ascendant HealthCare is required to receive prior written approval from the County before providing such additional services. Upon prior written approval, County shall pay an hourly blended rate of \$175 per hour and under no circumstances will the additional work exceed \$20,000 annually.

The maximum amount to be paid for services by the County for all three years of this agreement shall not exceed \$1,320,000, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.

Memorialization of Management Services Agreement

There is no fiscal impact associated with this agreement.

Stanislaus County Partners in Health

Network Access Agreement

The Network Access Agreement provides access to local and national provider networks and management services related to the medical provider networks for County employees, retirees, COBRA participants and their dependents. The costs contained in this agreement are as follows:

- Network Contracting and Management. County shall pay to Consultant a Network Contracting and Management fee of \$7.45 PCPM from January 1, 2018 through December 31, 2018, \$7.65 PCPM from January 1, 2019 through December 31, 2019, and \$7.85 PCPM from January 1, 2020 through December 31, 2020.
- Claims EDI and Repricing Services. County shall pay to Consultant a Claims EDI and Repricing fee of \$1.70 PCPM from January 1, 2018 through December 31, 2018, \$1.75 PCPM from January 1, 2019 through December 31, 2019, and \$1.80 PCPM from January 1, 2020 through December 31, 2020.
- Utilization Management Services. County shall pay to Consultant a Utilization Management fee of \$5.15 PCPM for January 1, 2018 through December 31, 2018, \$5.30 PCPM for January 1, 2019 through December 31, 2019 and \$5.45 for January 1, 2020 through December 31, 2020.
- Integrated Care Management Services. County shall pay to Consultant an Integrated Care Management fee of \$2.88 PCPM for January 1, 2018 through December 31, 2018, \$2.97 PCPM for January 1, 2019 through December 31, 2019 and \$3.06 for January 1, 2020 through December 31, 2020.
- Network Wrap Services. County shall pay to Consultant a Network Wrap Services fee of \$3.00 PCPM for January 1, 2018 through December 31, 2020.
- Integrated Patient Electronic Platform Services (New). County shall pay to Consultant an Integrated Patient Electronic Platform Services fee of \$1.50 PCPM for January 1, 2018 through December 31, 2018, \$1.55 PCPM for January 1, 2019 through December 31, 2019, and \$1.60 PCPM for January 1, 2020 through December 31, 2020.

The maximum amount to be paid for services by the County for all three years of this agreement shall not exceed \$2,750,000, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by Ascendant HealthCare to perform or to assist in the performance of its work under this Agreement. This amount includes an offset of approximately \$200,000 over the three year term of the agreement for annual development cost recovery credits from other employers accessing the Stanislaus County Partners in Health network for their employee health insurance programs.

BOARD OF SUPERVISORS' PRIORITY:

Approval of Agreements to support the County's Self-Funded Employee Health Insurance Program supports the Board's priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships by providing services to maintain and improve employee, retiree, and COBRA participants' medical benefits in a cost effective manner.

STAFFING IMPACT:

There is no staffing impact associated with this report. Staff from the Chief Executive Office, Risk Management Division, will continue to work closely with contracted health insurance consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

CONTACT PERSON:

Patrice Dietrich, Assistant Executive Officer. Telephone (209) 525-6333.

ATTACHMENT(S):

1. Agreement for Professional Services - Clinical Data Management Services Agreement
2. Management Memorialization Agreement
3. Network Access Agreement

**AGREEMENT
FOR
PROFESSIONAL SERVICES**

This Agreement for Professional Services is made and entered into by and between the County of Stanislaus ("County") and Ascendant Healthcare, an Ohio corporation authorized to conduct business in California ("Consultant"), on January 1, 2018 (the "Agreement").

Introduction

WHEREAS, the County has a need for services involving clinical data management services, consolidated financial reporting, stop-loss supplemental reporting, transitional care planning and infrastructure, medication therapy management and third party administrator coordination services;

WHEREAS, the Consultant is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

Terms and Conditions

1. **Scope of Work**

1.1 The Consultant shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, ("Services") which is attached hereto and, by this reference, made a part hereof.

1.2 Any interest, including copyright interests, of Consultant or its contractors or subconsultants in studies, reports, memoranda, computational sheets, drawings, plans or any other documents, including electronic data, prepared in connection with the Services, shall be the property of County. To the extent permitted by law, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of the County. In the event that it is ever determined that any works created by Consultant or its subconsultants under this Agreement are not works for hire, Consultant hereby assigns to County all copyrights to such works. With the County's prior written approval, Consultant may retain and use copies of such works for reference and as documentation of experience and capabilities. Should the County desire to reuse the documents specified above and not use the services of the Consultant, then the County agrees to require the new consultant to assume any and all obligations for the reuse of the documents, and the County releases Consultant and its subconsultants from all liability associated with the reuse of such documents.

1.3 Services and work provided by the Consultant under this Agreement will be performed in a timely manner in accordance with a schedule of work set forth in Exhibit A. If there is no schedule, the hours and times for completion of said services and work are to be set by the Consultant; provided, however, that such schedule is subject to review by and concurrence of the County.

1.4 The Consultant shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. The Consultant represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement. Except for that representation and any representations made or contained in any proposal submitted by the Consultant and any reports or opinions prepared or issued as part of the work performed by the Consultant under this Agreement, Consultant makes no other warranties, either express or implied,

as part of this Agreement.

1.5 If the Consultant deems it appropriate to employ a consultant, expert or investigator in connection with the performance of the services under this Agreement, the Consultant will so advise the County and seek the County's prior approval of such employment. Any consultant, expert or investigator employed by the Consultant will be the agent of the Consultant not the County.

2. Consideration

2.1 The Consultant shall be compensated on either a time and materials basis or a lump sum basis, as provided in Exhibit A attached hereto.

2.2 Except as expressly provided in this Agreement, Consultant shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Specifically, Consultant shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.3 The Consultant shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within 30 days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.4 County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Consultant under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Consultant. County has no responsibility or liability for payment of Consultant's taxes or assessments.

3. Term

3.1 The term of this Agreement shall be from the date of this Agreement until completion of the agreed upon services unless sooner terminated as provided below or unless some other method or time of expiration is listed in Exhibit A.

3.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

3.3 The County may terminate this agreement upon 30 days prior written notice. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Paragraph 2 herein, subject to any applicable setoffs.

3.4 This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, or (b) sale of Consultant's business.

4. Required Licenses, Certificates and Permits and Compliance with Laws

Any licenses, certificates or permits required by the federal, state, county or municipal governments

for Consultant to provide the services and work described in Exhibit A must be procured by Consultant and be valid at the time Consultant enters into this Agreement. Further, during the term of this Agreement, Consultant must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits will be procured and maintained in force by Consultant at no expense to the County.

Consultant shall comply will all applicable local state and Federal Laws rules and regulations.

5. Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in this Agreement, Consultant shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Consultant to provide the services under this Agreement. The Consultant--not the County--has the sole responsibility for payment of the costs and expenses incurred by Consultant in providing and maintaining such items.

6. Insurance

Coverage Required: Consultant shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached "Exhibit B."

7. Defense and Indemnification

7.1 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Consultant or Consultant's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. Notwithstanding the foregoing, Consultant's obligation to indemnify the County and its agents, officers and employees for any judgment, decree or arbitration award shall extend only to the percentage of negligence or responsibility of the Consultant in contributing to such claim, damage, loss and expense.

7.2 Consultant's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Consultant to procure and maintain a policy of insurance.

7.3 To the fullest extent permitted by law, the County shall indemnify, hold harmless and defend the Consultant and its officers, employees, agents, representatives or subcontractors from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorney's fees, arising out of or resulting from the negligence or wrongful acts of County and its officers or employees.

7.4 Subject to the limitations in 42 United States Code section 9607 (e), and unless otherwise provided in a Scope of Services approved by the parties:

(a) Consultant shall not be responsible for liability caused by the presence or release of hazardous substances or contaminants at the site, unless the release results from the negligence of Consultant or its subcontractors;

(b) No provision of this Agreement shall be interpreted to permit or obligate Consultant to assume the status of "generator," "owner," "operator," "arranger," or "transporter" under state or federal law; and

(c) At no time, shall title to hazardous substances, solid wastes, petroleum contaminated soils or other regulated substances pass to Consultant.

8. Status of Consultant

8.1 All acts of Consultant and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Consultant relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Consultant, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in Exhibit A, Consultant has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Consultant. It is understood by both Consultant and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

8.2 At all times during the term of this Agreement, the Consultant and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

8.3 Consultant shall determine the method, details and means of performing the work and services to be provided by Consultant under this Agreement. Consultant shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Consultant in fulfillment of this Agreement. Consultant has control over the manner and means of performing the services under this Agreement. If necessary, Consultant has the responsibility for employing other persons or firms to assist Consultant in fulfilling the terms and obligations under this Agreement.

8.4 Consultant is permitted to provide services to others during the same period service is provided to County under this Agreement; provided, however, such services do not conflict directly or indirectly with the performance of the Consultant's obligations under this Agreement.

8.5 If in the performance of this Agreement any third persons are employed by Consultant, such persons shall be entirely and exclusively under the direction, supervision and control of Consultant. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Consultant.

8.6 It is understood and agreed that as an independent contractor and not an employee of County, the Consultant and the Consultant's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and, except as expressly provided for in any Scope of Services made a part hereof, do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

8.7 It is further understood and agreed that Consultant must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Consultant's assigned personnel under the terms and conditions of this Agreement.

8.8 As an independent contractor, Consultant hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9. Records and Audit

9.1 Consultant shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years from the

termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

9.2 Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Consultant. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

10. Confidentiality

The Consultant shall keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

11. Nondiscrimination

11.1 During the performance of this Agreement, Consultant and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry, physical or mental disability including perception of disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's non-discrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11.2 Consultant shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11.3 Consultant shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Consultant's delivery of services.

12. Assignment

This is an agreement for the services of Consultant. County has relied upon the skills, knowledge, experience and training of Consultant and the Consultant's firm, associates and employees as an inducement to enter into this Agreement. Consultant shall not assign or subcontract this Agreement without the express written consent of County. Further, Consultant shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13. Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14. Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Consultant or County shall be required or may desire to make shall be in writing and shall be personally served or, alternatively, sent by prepaid first class mail to the respective parties as follows:

To County:	To Consultant:
Stanislaus County Chief Executive Office	Ascendant Healthcare
Risk Management Division	Attn: Craig Burns, President
1010 Tenth Street, Suite 5900	1755 Indian Wood Circle
Modesto, CA 95354	Maumee, OH 43537

15. Conflicts

Consultant agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16. Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

17. Amendment

This Agreement may only be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18. Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19. Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20. Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21. Governing Law and Venue

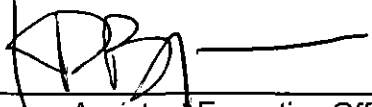
This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

ASCENDANT HEALTHCARE

By: 
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

By: 
Craig Burns
President

"County"

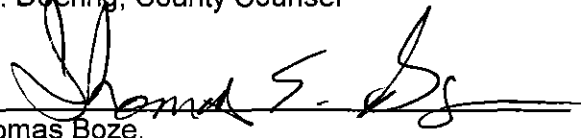
"Consultant"

APPROVED: BOS Resolution # _____

APPROVED AS TO CONTENT:
Chief Executive Office, Risk Management Division

By: 
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:
John P. Doering, County Counsel

By: 
Thomas Boze,
Assistant County Counsel

V:\DATA\PUBLIC\Counsel\CONTRACT\PROF-SERV Agmt.wpd

EXHIBIT A

A. SCOPE OF WORK

1. Schedule and Budget

Consultant shall complete the services on a mutually acceptable schedule. Consultant fee schedule is identified in Exhibit C. Consultant shall only bill for work completed and not in work in progress.

2. Paragraph 1.2 of the body of this Agreement is amended to read as follows:

1.2 All documents, drawings and written work product prepared or produced by the Consultant under this Agreement, with the exception of any and all data maintained in the Client Data Warehouse as stated in Exhibit A, are the property of the Consultant; provided, however, the County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Consultant may copyright the same, except that, as to any work which is copyrighted by the Consultant, the County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so. The County shall defend, indemnify and hold harmless the Consultant and its officers, employees, agents, representatives, subcontractors and consultants from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, arising out of or resulting from the County's reuse of the documents and drawings prepared by the Consultant under this Agreement.

3. The Consultant shall provide the following service categories under this agreement:

1) Clinical Data Management Services

Consultant shall provide Clinical Data Management Services on behalf of Covered Persons participating in Client Benefit Programs offered to Covered Persons in Stanislaus County's self-funded medical plan, including but not limited to:

- a. integrate medical and pharmacy claim data for all self-funded benefit plans of County into a Client Data Warehouse;
- b. review claim data to identify clinical gaps in care;
- c. provide access to Virtual Medical Records (VMR) to network hospitals and physicians;
- d. identify provider and treatment outliers within population;
- e. identify potential pharmacy (including narcotic) over-use and abuse;
- f. provide data for use of Utilization Management and Integrated Care Management functions, as required.

2) Consolidated Financial Reporting

Consultant shall provide consolidated monthly, quarterly and annual financial reporting incorporating both "paid" and "incurred" claims data to the County and the County's actuary and consultant for medical insurance program management and administration, including but not limited to:

- a. medical and pharmacy claims reports by plan, program, and status;
- b. eligibility reports by plan;

c. claim lag reports by plan.

3) Stop-Loss Supplemental Report

Consultant shall provide back-up stop-loss reporting to supplement any reporting provided by medical insurance third party administrator(s), including but not limited to:

- a. provide stop-loss reporting at the fifty percent (50%) claim threshold for all health plans;
- b. provide stop-loss reporting for industry standard trigger diagnosis for all health plans;
- c. coordinate timely claim submission and notification to stop-loss carrier;
- d. provide ad hoc stop-loss reporting to County, plan actuary, and benefit consultant;
- e. provide real-time claimant data reporting to stop-loss carrier;
- f. stop-loss claim funding reporting to County.

4) Transitional and Chronic Care Management

Consultant shall provide management and coordination services for transitional and chronic care providers, including but not limited to management of contracted nurse providers and coordination with physicians, hospitals, ancillary providers, hospitalists, case managers, Pharmacy Benefit Managers, and pharmacists providing:

- a. hospital liaison services including daily review of County inpatient census, attendance at local/regional hospital discharge planning meetings, coordination with hospital discharge planning staff.
- b. patient follow-up visits, tracking, testing and reporting;
- c. patient condition education and medication compliance monitoring;
- d. chronic care and care gap solutions communication and care coordination;
- e. emergency department use and management;
- f. introduction and meetings with patients and/or patient families, coordination of patient discharge, instruction and compliance;

5) Medication Therapy Management

Consultant shall provide management and coordination services for medication therapy management service providers, including but not limited to:

- a. medication clinical decision support for treatment of patients with chronic diseases;
- b. pharmacist review and patient/doctor interaction to optimize clinical effectiveness;
- c. engage and educate patients on medication management to improve adherence and compliance.

6) Third Party Administrator (TPA) Coordination

Consultant shall receive and process data provided by medical insurance third party administrator(s) to ensure data integrity and accuracy.

7) Additional Services Related to the Agreement

Consultant shall provide additional services related to this Agreement, such as but not limited to providing assistance with Request for Proposal (RFP) processes or to other matters related to the general business of the County where the knowledge and experience of Ascendant may prove of unique value to the County. Ascendant Healthcare is required to receive prior written approval from the County before providing such additional services.

B. TERM

Paragraph 3.1 of the body of this Agreement is amended to read as follows:

3.1 The term of this Agreement shall be from January 1, 2018 through December 31, 2020 and shall renew automatically for successive one (1) year terms without further action by either party, unless either party notifies the other party in writing, not less than ninety (90) days before any renewal date, of its intention not to renew this Agreement.

Paragraph 3.5 and Paragraph 3.6 are added to this Agreement as follows:

3.5 Either party may terminate the consolidated financial reporting and stop-loss supplemental reporting services of this Agreement as provided in the Scope of Work in Exhibit A attached hereto, for convenience and without cause upon providing thirty (30) days prior written notice to the other party. Termination of either or both services shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Consultant as provided in Section 2 herein, subject to any applicable setoffs. If either or both of these services are terminated, the remaining terms and conditions of this Agreement will remain in full force and effect.

3.6 Either party may terminate this Agreement, or any individual service category as provided in the Scope of Work in Exhibit A, except as noted in Section 3.5 herein, for convenience and without cause by notifying the other party in writing at least ninety (90) days before the end of each calendar year of this Agreement. If notice to terminate is provided, the effective date of termination shall be on January 1 after the ninety (90) days written notice is given. Termination of this Agreement, or any individual service category, shall not affect any obligation to pay for all fees earned and reasonable costs necessarily incurred as provided for in this Agreement. If any individual service obligation of this Agreement is terminated, the remaining terms and conditions of this Agreement will remain in full force and effect.

C. DEFENSE AND IDEMNIFICATION

Section 7 - Defense and Indemnification of the body of this Agreement is amended to read as follows:

7.1 The County shall indemnify and hold Consultant and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of County.

7.2 Consultant shall indemnify and hold County and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and

reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of Consultant.

7.3 Notwithstanding the foregoing, nothing herein shall be construed to require any Party to indemnify any other Party from any claim arising from the sole negligence or willful misconduct of another Party.

7.4 Duty to Defend: The indemnity obligation of the Parties as set forth in this Agreement shall not be construed to include a duty to defend unless there is insurance coverage immediately available to provide for the cost of defense of, and the defense of, the claim, suit, action, loss, injury, damage or expense for which indemnification is sought.

7.5 Duty to Cooperate: Each party shall notify the other party within ten (10) days in writing of any third party claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any third party claim arising out of the activities under this Agreement.

D. CONFIDENTIALITY

Section 10 - Confidentiality of the body of this Agreement is amended to read as follows:

10.1 The Consultant agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

10.2 The parties agree to treat as confidential all information provided by one party to the other in connection with this Agreement. If County is compelled by subpoena or similar legal process to disclose any information which Consultant may consider to be a trade secret, County will immediately notify Consultant so that it may raise appropriate objections to protect its trade secrets. The provisions of this Section 10 shall survive termination of this Agreement for any reason.

10.3 Consultant may gain access to individually identifiable health information in connection with the performance of its duties hereunder. Consultant acknowledges that such information is deemed to be Covered Information for purposes of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), P.L. 104-191, and Consultant shall maintain the private, privileged and confidential status of the Covered Information.

E. OWNERSHIP OF DATA

County shall at all times retain full and complete rights of ownership in any and all data maintained in the Client Data Warehouse and may request, upon reasonable notice, complete copies of data in an electronic file(s).

F. CLAIMS PAYOR DESIGNATION

County will be responsible for selection of a Claims Payor. County retains the right, throughout the term of this Agreement, to change this Claims Payor designation. Any such change in Claims Payor shall be presented to Consultant for review not less than ninety (90) days in advance of the effective date of the proposed change. This ninety (90) days in advance notice can be waived in the event of an emergency based on mutual agreement of County and Consultant. Consultant shall indicate its approval or disapproval of any Claims Payor designation within thirty (30) working days of

receipt of change notice. Such approval shall not be unreasonably withheld.

G. DATA PROVISION

1. Upon request and at no charge, County shall provide Consultant all information reasonably necessary to implement and operate the services provided pursuant to this Agreement, including, but not limited to, the names and addresses of all Covered Persons accessing the Provider Network pursuant to this Agreement.

2. County's Claims Payor shall provide Consultant with a monthly eligibility and claim detail file in a reasonably standard form and format specified by Consultant.

H. SOLE BENEFICIARIES:

Section 22 – Sole Beneficiaries is added to the body of this Agreement as follows:

22. Sole Beneficiaries

Unless otherwise stated herein, this Agreement is entered into by and between Consultant and County solely for their benefit. The parties have not created or established any third party beneficiary status or rights in any person or entity not a party hereto, including, but not limited to, any Covered Person, subcontractor, or other third party, and no such third party will be entitled to enforce any right or enjoy any benefit created or established under this Agreement.

I. SURVIVAL:

Section 23 – Survival is added to the body of this Agreement as follows:

23. Survival

The following provisions shall survive termination of this Agreement for any reason: Section 7 - Defense and Indemnification, Section 9 - Records and Audit, and Section 10 - Confidentiality.

EXHIBIT B

Insurance Requirements for Professional Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** If the Consultant or the Consultant's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under the Agreement Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
(Not required if consultant provides written verification it has no employees)
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

Application of Excess Liability Coverage

Consultants may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and the Auto policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability and Auto Liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13** as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Reporting: Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employee's, agents or volunteers.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the County.**

Waiver of Subrogation

Consultant hereby grants to County a waiver of any right to subrogation (except for Professional Liability) which any insurer of said Consultant may acquire against the County by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the County. The County may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.

Acceptability of Insurers

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, however, if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Approved Surplus Line Insurers (LASLI) maintained by the California Department of Insurance.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years** after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Verification of Coverage

Consultant shall furnish the County with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All **certificates and endorsements are to be received and approved by the County before work commences**. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Subcontractors

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that County is an additional insured on insurance required from subcontractors.

Special Risks or Circumstances

County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Insurance Limits

The limits of insurance described herein shall not limit the liability of the Consultant and Consultant's officers, employees, agents, representatives or subcontractors. Consultant's obligation to defend, indemnify and hold the County, its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Consultant to procure and maintain a policy of insurance.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

_____ Exempt from Auto – I will not utilize a vehicle in the performance of my work with the County.

_____ Exempt from WC – I am exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: CAMG D. BEAMS Date: 12/5/17

Signature:  Date: 12/5/17

Vendor Name: ASCENDANT HEALTHCARE

For CEO-Risk Management Division use only

Exception: _____

Approved by CEO-Risk Management Division: _____ Date: _____

EXHIBIT C
FEE SCHEDULE

A. COMPENSATION

The Consultant shall be compensated for the services provided under this Agreement as follows:

1. Clinical Data Management Services Fees. County shall pay to Consultant Clinical Data Management Service fees for single, double or three payors respectively: \$3.35, \$3.60, \$3.86 (PCPM) from January 1, 2018 through December 31, 2018; \$3.45, \$3.70, \$3.98 PCPM from January 1, 2019 through December 31, 2019; and \$3.55, \$3.81, \$4.10 PCPM from January 1, 2020 through December 31, 2020.

2. Consolidated Financial Reporting. County shall pay to Consultant for consolidated financial reporting an hourly rate of \$125 per hour from January 1, 2018 through December 31, 2020.

3. Supplemental Stop-Loss Reporting. County shall pay to Consultant a stop-loss report fee of \$1.53 PCPM for January 1, 2018 through December 31, 2018, \$1.55 PCPM for January 1, 2019 through December 31, 2019 and 1.58 PCPM for January 1, 2020 through December 31, 2020.

4. Transitional and Chronic Care Management. County shall pay to Consultant a transitional and chronic care management fee of \$1.80 PCPM for January 1, 2018 through December 31, 2018, \$1.85 PCPM for January 1, 2019 through December 31, 2019 and \$1.90 PCPM for January 1, 2020 through December 31, 2020.

5. Medication Therapy Management. County shall pay to Consultant a medication therapy management fee of \$31 for January 1, 2018 through December 31, 2018, \$32 for January 1, 2019 through December 31, 2019 and \$33 for January 1, 2020 through December 31, 2020 per chronic condition patient.

6. Third Party Administrator Data Coordination. County shall pay to Consultant a third party administrator data coordination fee of \$1.75 PCPM for January 1, 2018 through December 31, 2018. County will evaluate and determine if this service needs to continue beyond 2018, and will amend the Agreement, if needed.

7. Additional Services Related to the Agreement. In addition to the services noted above, Ascendant Healthcare may be requested or may recommend to provide additional services related to this Agreement, such as but not limited to providing assistance with Request for Proposal (RFP) processes or to other matters related to the general business of the County where the knowledge and experience of Ascendant may prove of unique value to the County. Ascendant Healthcare is required to receive prior written approval from the County before providing such additional services. Upon prior written approval, County shall pay an hourly blended rate of \$175 per hour and under no circumstances will the additional work exceed \$20,000 annually.

8. Per Contract (or employee) Per Month (PCPM) fee represents the amount paid for each member (employee, retiree, or COBRA participant) who is enrolled in a County-sponsored

medical plan option on a monthly basis. For purposes of this Agreement, a Covered Contract shall represent an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons enrolled in any of the County's self-funded benefit plans.

9. The parties hereto acknowledge the maximum amount to be paid by the County for services provided shall not exceed \$1,320,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.

10. All fees shall be paid within fifteen (15) days of the beginning of the month for which fees are due. Interest of two percent (2%) per month shall apply to payments received on or after the last calendar day of any given month. If County fails to make timely payment of fees for three (3) or more consecutive months, Consultant may suspend services until full payment is made by County.

B. INVOICE TO:

Invoices shall be submitted to:

Chief Executive Office – Risk Management
Attn: Accounts Payable
1010 10th Street, Suite 5900
Modesto, CA 95354

MANAGEMENT MEMORIALIZATION AGREEMENT

This Management Memorialization Agreement ("Agreement") is entered into on December 31, 2017, and effective as of January 1, 2018, by and between the County of Stanislaus ("County") and Ascendant HealthCare ("AHC"), an Ohio corporation authorized to conduct business in California.

WHEREAS, County intends to sponsor a self-insured health benefit program ("Benefit Program") for its employees, retirees, COBRA beneficiaries and their dependents who have enrolled in the Benefit Program ("Covered Persons"); and

WHEREAS, County intends to contract with Stanislaus County Partners in Health ("SCPH") to provide to Covered Persons access to a network of providers ("Provider Network") for the provision of specified health care services pursuant to the Benefit Program; and

WHEREAS, AHC intends to contract with SCPH to provide network and management services ("Management Services") with respect to the Provider Network and its provision of health care services to Covered Persons pursuant to County's Benefit Program; and

WHEREAS, County and AHC wish to memorialize the Management Services that AHC will provide to SCPH, of which County will be a third party beneficiary, and related aspects of the relationship between AHC and SCPH;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, County and AHC agree as follows:

Section 1. Term

- (A) This Agreement shall remain in effect for such period of time as AHC shall be contracted with SCPH to provide Management Services described in its "Network and Management Services Agreement" with SCPH, as contained in Attachment A hereto.

Section 2. Obligations of Ascendant Health Care

- (A) AHC agrees to ensure that the Articles of Incorporation and the Bylaws of SCPH shall provide for the Member succession process articulated in sub-Section 2(G) below. AHC agrees to provide, or cause to be provided, such services as are necessary to maintain the affairs of SCPH as required by law and other regulations. AHC acknowledges that the purpose of SCPH shall be to provide access for Covered Persons to the Provider Network, as described in detail in that certain "Network Access Agreement" between County and SCPH, as contained in Attachment B hereto.
- (B) AHC acknowledges that it will be bound and obligated by its "Network and Management Services Agreement" with SCPH, as contained in Attachment A hereto, and agrees to faithfully and professionally comply with and discharge the duties and the terms of that agreement.

- (C) AHC acknowledges and agrees that County is a third party beneficiary of such Network and Management Services Agreement with SCPH, and of any collateral agreements between AHC and SCPH, and accordingly agrees to provide to County, either directly or through SCPH, suggestions and recommendations that could enhance or ameliorate the provision of its AHC's services thereunder.
- (D) AHC acknowledges and agrees to cause to be incorporated in its contractual obligations with SCPH appropriate reporting requirements, and appropriate recommendations of program changes and strategies.
- (E) AHC acknowledges that County will enter into agreements with other independent third party administrators for the provision of various services related to its Benefit Program, and AHC agrees to cooperate with such administrators in the discharge of their respective responsibilities related to the Benefit Program, and to apprise County of any issues or conditions that may arise that in AHC's judgment present impediments to the efficient and effective operation of the Benefit Program.
- (F) AHC acknowledges and agrees that, for reasons unable to be known at the time of this Agreement, County may come to request of SCPH that it replace AHC as its management services organization for purposes of services related to County's Benefit Program, and AHC agrees to honor and comply with such a request by County to SCPH and to provide for an orderly and professional transition of responsibilities and duties to such new management services organization as SCPH shall have engaged. AHC agrees that during any such transition there shall be no disruption whatsoever of services to SCPH nor in the access of Covered Persons to Network Providers.
- (G) AHC agrees to provide in its Network and Management Services Agreement with SCPH, and hereby covenants that at such time as it has been formally determined that AHC will no longer be providing to SCPH substantially all of the Management Services described in Attachment A hereto, it will cause the Member to resign that status, in favor of a person to be designated by such successor management company as shall assume substantially all of the responsibilities described in Attachment A. AHC agrees to ensure the timely and orderly transition of any such Member succession.
- (H) AHC acknowledges and agrees to be bound by the dispute resolution mechanisms outlined in Section 6(F) below for any disputes or conflicts that may come to arise between the parties related to this Agreement.

Section 3. Obligations of County

- (A) County agrees that it will acknowledge and consider all reasonable suggestions and recommendations that AHC may make, either through SCPH or directly, for the enhancement of the functioning of the Benefit

Program, the Provider Network and the provision of services to Covered Persons.

- (B) County agrees, in the interest of its Covered Persons, that it will communicate to SCPH, in a timely and specific fashion, requests or recommendations it deems appropriate for the enhancement of the Network and Management Services provided to SCPH by AHC.
- (C) **Contract Pricing.** County acknowledges that AHC may contract with third-party vendors for specific services for the benefit of SCPH or County. These services may include: clinical data management, claim EDI and repricing services; utilization management services; and integrated care management services. These services would be billed as appropriate to County or to SCPH at Pass-Through Pricing. Additional services may be contracted for by AHC with written approval from SCPH or County and these services would also be billed to SCPH or to County at Pass-Through Pricing without price mark-up. "Pass-Through Pricing" shall mean disclosure and/or billing of outside vendor costs and fees without mark-up or increase.
- (D) County agrees to process and pay in a timely fashion, subject to its internal procedural controls and requirements, all legitimate and properly presented billings from SCPH, Network Providers, AHC, or third party administrators with which AHC may come to contract for the provisions of services to the Benefit Program.
- (E) County acknowledges and agrees to be bound by the dispute resolution mechanisms outlined in Section 6(F) below for any disputes or conflicts that may come to arise between the parties related to this Agreement.

Section 4. Mutual Obligations and Rights of the Parties

- (A) **Audit.** Each party shall maintain complete and accurate records in connection with this Agreement. Subject to the confidentiality provisions contained herein, each party will have the right, upon ten (10) business days written notice, during normal business hours and at no charge, to perform one (1) audit of such records each contract year to confirm the performance by the other party of its obligations under this Agreement. The auditing party shall provide the other with a copy of its audit report. The rights set forth in this provision shall survive the termination of this Agreement for one (1) year.
- (B) **Confidentiality.** The parties agree to treat as confidential all information provided by one party to the other in connection with this Agreement. If either party is compelled by subpoena or similar legal process to disclose any information which either party may consider to be a trade secret, the first party will immediately notify the other party so that it may raise appropriate objections to protect its trade secrets. The provisions of this Section 4 (B) shall survive termination of this Agreement for any reason.

Section 5. Termination

- (A) If County is in arrears with respect to fees due pursuant to its Network Access Agreement with SCPH, attached hereto as Attachment B for more than ninety (90) days, AHC may terminate this Agreement upon sixty (60) days written notice.
- (B) In the event of a material breach by one of the parties to this Agreement, other than a breach relating to payment as described in Section 5 (A) above, the non-breaching party shall give the breaching party thirty (30) days to cure. In the event the breaching party fails to cure the breach within the thirty (30) day period, this Agreement may be terminated by the non-breaching party upon sixty (60) days written notice.
- (C) If either party becomes insolvent, is adjudicated as bankrupt, makes a general assignment for the benefit of creditors or comes under the control of a trustee in bankruptcy, this Agreement may be terminated by the other party upon thirty (30) days written notice.

Section 6. Miscellaneous

- (A) Notices. Any notice required pursuant to this Agreement must be in writing and sent by registered or certified mail, return receipt requested, by facsimile transmission with proof of delivery, or by nationally recognized private overnight courier with proof of delivery, to the addresses of the parties set forth below. The date of notice will be the date on which the recipient receives notice or refuses delivery. All notices will be addressed as follows or to such other address as a party may identify in a notice to the other party:

County: Stanislaus County Chief Executive Office
Risk Management Division
1010 Tenth Street, Suite 5900
Modesto, CA 95354

Copy to: Stanislaus County Purchasing Agent
General Services Agency
1010 Tenth Street, Suite 5400
Modesto, CA 95354

AHC: Craig Burns
President
Ascendant HealthCare
1755 Indian Wood Circle
Maumee, OH 43537

- (B) Relationship of the Parties. The relationship between the parties is an independent one. Nothing herein is intended or will be construed to establish any agency, employment, partnership or joint venture relationship between the parties. Each party will be solely responsible for the direction, control and management of its subcontractors, agents and employees.
- (C) Sole Beneficiaries. Unless otherwise stated herein, this Agreement is entered into by and between AHC and County solely for their benefit. The parties have not created or established any third party beneficiary status or rights in any person or entity not a party hereto, including, but not limited to, any Covered Person, subcontractor, or other third party, and no such third party will be entitled to enforce any right or enjoy any benefit created or established under this Agreement.
- (D) Amendments. This Agreement may be amended only by mutual written agreement between the parties, or by either party as required to conform their respective obligations herein to federal, state or local law or regulation.
- (E) Governing Law and Jurisdiction. This Agreement is made in, and will be governed by and construed in accordance with the laws of the State of California.
- (F) Conflict Resolution. The parties shall attempt in good faith and with their best efforts to resolve through informal mechanisms any conflicts, misunderstandings or disagreements that may come to arise with respect to the subject matter and implementation of any provision of this Agreement. To that end, each party shall designate a lead internal person to serve as the contact for the initiation of informal procedures to resolve those conflicts that cannot be resolved through standard operational-level efforts of their respective staff and management. If all such informal escalated efforts to resolve a given conflict have been exhausted, in the view of either party, which perspective shall be certified to the other party in writing specifying the impasse, the parties shall resort to mediation by an outside qualified party acceptable to both parties. If such mediation shall fail to resolve the conflict, or if both parties stipulate in writing to forego mediation and go directly to arbitration, then the services and procedures of the American Health Lawyers Association shall be engaged to resolve the matter. The results of such arbitration shall be binding upon the parties. The outside costs of such mediation shall be borne equally by the parties; the outside costs of arbitration shall be borne by the losing party, or as the arbitrator shall order.
- (G) Assignment. Upon receipt of notice provided ninety (90) days in advance of the termination of this Agreement, AHC shall be bound and obligated to assign its right, duties, and obligations hereunder as directed by SCPH and County in a timely manner and compliant with the provision of Section 2(G) hereof. This Agreement shall otherwise be binding upon and inure to the benefit of the respective parties and their successors and permitted assigns.

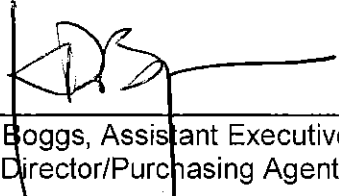
- (H) Entire Agreement. This Agreement including any exhibits, attachments and amendments hereto constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written.
- (I) Headings. The section and paragraph headings used herein are for convenience only and will not be deemed to limit, define or restrict the meaning or content thereof.
- (J) Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
- (K) Waiver. A waiver of a breach or default under this Agreement shall not be a waiver of any other subsequent breach or default. A failure or delay in enforcing compliance with any term or condition of this Agreement will not constitute a waiver of such term or condition unless it is expressly waived in writing.
- (L) Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.
- (M) Conflicts. SCPH agrees that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with performance of the work and services under this Agreement.
- (N) Survival. The following provisions shall survive termination of this Agreement for any reason: Section 4(A) "Audit," Section 4(B) "Confidentiality," Section 6(F) "Conflict Resolution," and Section 6(G) "Assignment."
- (O) Legal Actions. No legal action may be initiated by either party more than two (2) years following termination of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement below.

COUNTY OF STANISLAUS

ASCENDANT HEALTHCARE

By: 
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

By: 
Craig Burns
President

"County"

"AHC"

APPROVED: BOS Resolution # 2015-137
2017-696

APPROVED AS TO CONTENT:
Chief Executive Office, Risk Management Division

By: 
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:

By: 
Thomas Boze, Assistant County Counsel

ATTACHMENT A

NETWORK AND MANAGEMENT SERVICES AGREEMENT

This Network and Management Services Agreement ("Agreement") is entered into on December 1, 2017, and effective as of January 1, 2018, by and between Ascendant HealthCare ("AHC"), an Ohio corporation, and Stanislaus County Partners in Health ("SCPH"), a California nonprofit mutual benefit corporation.

WHEREAS, AHC provides network management services for and on behalf of health care provider networks ("Services"); and

WHEREAS, SCPH intends to sponsor a health care provider network ("Network") of contracted Network Providers for employers, plan sponsors, and other health care program sponsor entities; and

WHEREAS, the County of Stanislaus ("County") intends to sponsor a self-funded health benefit program ("Benefit Program") for its employees, retirees, COBRA beneficiaries and their dependents ("Covered Persons"); and

WHEREAS, County intends to contract with SCPH for access to SCPH's Network Providers for the receipt of Comprehensive Health Care Services, as described herein and on Attachment "A" hereto.

WHEREAS, SCPH wishes to engage the services of AHC to provide Network and Management Services to assist SCPH in the administration and management of Network for the County Benefit Program; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, AHC and SCPH agree as follows:

Section 1. Term

- (A) This Agreement shall remain in effect through December 31, 2020 unless terminated in accordance with Section 5 of this Agreement.

Section 2. Obligations of Ascendant HealthCare

- (A) General Management Services. AHC shall provide the following general services to SCPH: customer service to SCPH and the County Benefit Program, customer service to Covered Persons, Network Provider relations, reports, oversight and management of contracted vendors, and appropriate recommendations of program changes and strategies ("General Management Services").
- (B) Recruitment and Contracting. AHC shall recruit and contract, on behalf of SCPH with Network Providers which AHC deems sufficient in range of services, number and distribution to provide Comprehensive Health Care Services to Covered Persons. "Comprehensive Health Care Services" shall be as stated in the "Summary Plan Description" provided by County for the Benefit Program. AHC shall have the right, on behalf of SCPH, to modify, alter or amend fee schedules, payment rates and payment methodologies contained in contracts with Network

Providers. AHC shall make prompt written notice to SCPH of any and all material changes in terms and conditions to provider contracts for Covered Persons. AHC shall also provide access to a national network to secure provider access outside of Stanislaus County and the surrounding region.

- (C) Claim Electronic Data Interchange (EDI) and Repricing Services. AHC shall establish interconnectivity with third party clearinghouses and County's designated Claims Payors for electronic claim submissions and transmissions under the County Benefit Program. AHC shall apply contract rates and unique contractual processing conventions to submitted claims and return re-priced claims electronically to County's Claims Payors for processing. AHC shall ensure that claims are priced accurately and in a timely manner per the terms of the Network Provider agreements. AHC will reprice claims incurred from the effective date up to the date of termination of this Agreement for a period of one year.
- (D) Credentialing. AHC on behalf of SCPH shall credential Network Providers in a manner which, in AHC's reasonable discretion, is consistent with good credentialing practices and procedures.
- (E) Provider Directory. AHC shall maintain an Internet website on behalf of SCPH which shall include a directory of Network Providers. In addition, Network shall maintain a toll-free telephone number for use by SCPH and Covered Persons to determine whether a provider of health care services is a Network Provider. AHC shall make paper copies of a Provider Directory available to SCPH at a charge, not to exceed reasonable costs of printing and distribution.
- (F) Utilization Management. AHC on behalf of SCPH shall provide prior authorization for services that require prior authorization under SCPH Benefit Program utilizing SCPH Network; review provider behavior to evaluate and monitor utilization patterns; authorize hospital length of stays and coordinate discharge planning with hospital case managers; periodically report utilization management results to County and to SCPH and provide recommendations to optimize utilization management programs; and coordinate services with Integrated Care Management Services ("Utilization Management").
- (G) Integrated Care Management Services. AHC, on behalf of SCPH, shall implement the model of a "Patient Centered Medical Home" (PCMH) which includes development of programs to manage individuals with acute and chronic medical conditions; and physician and other health care provider outreach, including strategies to manage patients with significant co-morbidities and collaboration with hospitalists in care treatment plans for hospital-confined individuals ("Integrated Care Management Services").
- (H) Insurance. AHC, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain, and maintain during the life of this Agreement, at minimum, compliance with all of the following insurance coverage(s) and requirements. If AHC normally carries insurance in an amount greater than the minimum amount listed below, that greater amount shall become the minimum required amount of insurance for purposes of this Agreement, unless otherwise agreed to by SCPH. The insurance listed below shall have a retroactive

date of placement prior to, or coinciding with, the date services are first provided that are governed by the terms of this Agreement.

- (i) Required Insurance Coverage:
 - (a) General Liability. Commercial general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by AHC under this Agreement or the general aggregate limit shall be twice the required occurrence limit.
 - (b) Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate.
 - (c) Automobile Liability Insurance. If AHC or its officers, employees, agents or representatives utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.
 - (d) Workers' Compensation Insurance. Workers' Compensation insurance as required by applicable law.
- (ii) Any policies written on a claims made basis, shall not have a retroactive date after the date a contract is executed and work has begun with SCPH. AHC must maintain coverage without a lapse for a minimum of two (2) years after completion of the work performed on behalf of SCPH. AHC must continue to provide evidence of insurance for this extended period. Should there be a lapse in coverage; AHC shall be responsible for purchasing an "Extended Reporting Period" or "tail" policy. If AHC goes out of business prior to the expiration of this extended period, AHC shall secure a full "tail" coverage policy.
- (iii) Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by SCPH. At the option of SCPH, either:
 - (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or
 - (b) AHC shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to SCPH guaranteeing payment of the self-insured retention or deductible. SCPH, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, AHC agrees that it will be responsible for and pay any self-insured retention or deductible.
- (iv) AHC shall take all reasonable steps and exercise best efforts to obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming

SCPH and its officers, officials directors, agents, employees and volunteers as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of AHC, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of AHC; (c) premises owned, occupied or used by AHC; and (d) automobiles owned, leased, hired or borrowed by AHC. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against SCPH its officers, officials, directors, agents, employees and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by AHC.

- (v) AHC's insurance coverage shall be primary insurance regarding SCPH and SCPH's officers, officials and employees for third party claims against SCPH and SCPH officers, officials, and employees arising from AHC's performance of this Agreement. Any insurance or self-insurance maintained by SCPH or SCPH's officers, officials and employees shall be excess of AHC's insurance and shall not contribute with AHC's insurance.
- (vi) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to SCPH or its officers, officials and employees.
- (vii) AHC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- (viii) Each insurance policy required by this paragraph shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to SCPH. AHC shall promptly notify, or cause the insurance carrier to promptly notify, SCPH of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.
- (ix) Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Rating Guide of A-VII or better; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance.
- (x) AHC shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.
- (xi) At least ten (10) days prior to the date AHC begins performance of its obligations under this Agreement, AHC shall furnish SCPH with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage

for subcontractors of AHC. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in SCPH's sole and absolute discretion, approved by SCPH. SCPH reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

(xii) The limits of insurance described herein shall not limit the liability of the AHC and AHC's officers, employees, agents, representatives or subcontractors.

(I) Indemnification. AHC shall indemnify and hold SCPH and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of AHC.

SCPH shall indemnify and hold AHC and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of SCPH.

Notwithstanding the foregoing, nothing herein shall be construed to require any Party to indemnify any other Party from any claim arising from the sole negligence or willful misconduct of another Party.

(i) Duty to Defend. The indemnity obligation of the Parties as set forth in this Agreement shall not be construed to include a duty to defend unless there is insurance coverage immediately available to provide for the cost of defense of, and the defense of, the claim, suit, action, loss, injury, damage or expense for which indemnification is sought.

(ii) Duty to Cooperate. Each party shall notify the other party within ten (10) days in writing of any third party claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any third party claim arising out of the activities under this Agreement.

(J) Licenses and Registrations. AHC shall maintain all licenses and registrations that may be required of it in connection with its obligations under this Agreement.

(K) Examination of Records. AHC shall provide, in a timely fashion, full and complete financial transparency to SCPH of all transactions related to its duties hereunder, including provision of an annual financial report of transactions related to its duties hereunder.

- (L) Nondiscrimination. During the performance of this Agreement, SCPH and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation. Consultant and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.
- (M) Performance of Work. SCPH shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. The SCPH represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement.

Section 3. Obligations of SCPH

- (A) Claims Payor Designation. The County shall designate, and AHC shall approve, the utilization of a Claims Payor, and SCPH agrees to cooperate fully and in a timely fashion with AHC, County and Claims Payor(s) in the processing of claims. County has retained the right, throughout the term of this Agreement, to change this Claims Payor designation or add additional Claims Payors at its discretion. Any such change or addition in Claims Payor(s) shall be presented by SCPH to AHC for review not less than seventy-five (75) days in advance of the effective date of the proposed change. ACH shall indicate its approval or disapproval of any Claims Payor designation within thirty (30) working days of receipt of notice.
- (B) Network Access and Management Fees. SCPH shall provide in its "Network Access Agreement" with County that County shall pay to SCPH the monthly Network Access and Management Fees per Covered Contract (representing an Employee, Employee +1, or Family unit or an equivalent classification representing Covered Persons) enrolled in SCPH as set forth in Attachment "A," which is incorporated herein by this reference, with the following requirements: such fees shall be paid within fifteen (15) days of the beginning of the month for which a fee is due; interest of two percent (2%) per month shall apply to payments received on or after the last calendar day of any given month; if County fails to make timely payment of fees for three (3) or more consecutive months, SCPH may suspend claims repricing until full payment is made by County.
- (C) Contract Pricing

- (i) SCPH acknowledges that AHC may contract with third-party vendors for specific services for the benefit of SCPH or County. These services may include, but not be limited to: clinical data management; claim EDI and repricing services; utilization management services; and integrated care management services. These services would be billed as appropriate to County or to SCPH at Pass-Through Pricing. "Pass-Through Pricing" shall mean disclosure and/or billing of outside vendor costs and fees without mark-up or increase.
 - (ii) Additional services may be contracted for by AHC with written approval from SCPH or County and these services would also be billed to County or SCPH at Pass-Through Pricing.
- (D) Data Provision.
- (i) Upon request and at no charge, SCPH shall provide AHC all information reasonably necessary to implement and operate the services provided pursuant to this Agreement, including, but not limited to, the names and addresses of all Covered Persons accessing the Provider Network pursuant to this Agreement.
 - (ii) SCPH's Network Access Agreement with County shall require:
 - (a) County's Claims Payor shall provide AHC with a monthly eligibility and claim detail file in a form and format specified by AHC.
 - (b) Upon request and at no charge, County's Claims Payor shall provide AHC with a status report as to any claim received or processed by Claims Payor in connection with this Agreement.

Section 4. Mutual Obligations and Rights of the Parties

- (A) Audit. Each party shall maintain complete and accurate records in connection with this Agreement. Subject to the confidentiality provisions contained herein, each party will have the right, upon ten (10) business days written notice, during normal business hours and at no charge, to perform one (1) audit of such records each contract year to confirm the performance by the other party of its obligations under this Agreement. The auditing party shall provide the other with a copy of its audit report. The rights set forth in this provision shall survive the termination of this Agreement for one (1) year.
- (B) Confidentiality.
 - (i) The parties agree to treat as confidential all information provided by one party to the other in connection with this Agreement. SCPH and AHC acknowledge the terms of contracts with Network Providers to be trade secrets. Unless as otherwise provided in SCPH's "Network Access Agreement," SCPH and AHC are expressly prohibited from disclosing to any third party, any of the terms of any contract between SCPH and any Network Provider. If either party is compelled by subpoena or similar legal process to disclose any information, which either party may consider to be

a trade secret, the first party shall immediately notify the other party and County so that they may raise appropriate objections to protect their trade secrets. The provisions of this Section 4 (B)(i) shall survive termination of this Agreement for any reason.

- (ii) AHC may gain access to individually identifiable health information in connection with the performance of its duties hereunder. AHC acknowledges that such information is deemed to be "Covered Information" for purposes of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), P.L. 104-191, and AHC shall maintain the private, privileged and confidential status of the Covered Information.

Section 5. Termination

- (A) Either party may terminate this Agreement, or any individual service obligation as provided herein and as related to the services fees in Attachment A of this Agreement, for convenience and without cause by notifying the other party in writing at least ninety (90) days before the end of each calendar year of this Agreement. If notice to terminate is provided, the effective date of termination shall be on January 1 after the ninety (90) days written notice is given. Termination of this Agreement, or any individual service obligation, shall not affect any obligation to pay for all fees earned and reasonable costs necessarily incurred as provided for in this Agreement. If any individual service obligation of this Agreement is terminated, the remaining terms and conditions of this Agreement will remain in full force and effect.
- (B) If SCPH does not make payment of the Network Access and Management Services Fees in accordance with Section 3 (B) and is in arrears more than sixty (60) days, AHC may suspend services pursuant to this Agreement upon written notice to SCPH and to County.
- (C) In the event of a material breach by one of the parties to this Agreement, other than a breach relating to payment as described in Section 5 (B) above, the non-breaching party shall give the breaching party thirty (30) days to cure. In the event the breaching party fails to cure the breach within the thirty (30) day period, this Agreement may be terminated by the non-breaching party upon sixty (60) days written notice to the other party and to County.
- (D) If either party becomes insolvent, is adjudicated as bankrupt, makes a general assignment for the benefit of creditors or comes under the control of a trustee in bankruptcy, this Agreement may be terminated by the other party upon thirty (30) days written notice to the other party and to County.
- (D) Termination may be effected as stated in Section 1(A) above.

Section 6. Miscellaneous

- (A) Notices. Any notice required pursuant to this Agreement must be in writing and sent by registered or certified mail, return receipt requested, by facsimile transmission with proof of delivery, or by nationally recognized private overnight courier with proof of delivery, to the addresses of the parties set forth below. The

date of notice will be the date on which the recipient receives notice or refuses delivery. All notices will be addressed as follows or to such other address as a party may identify in a notice to the other party:

AHC: Derek Tefft
Ascendant HealthCare
1755 Indian Wood Circle
Maumee, OH 43537

SCPH: Craig Burns, Member
Stanislaus County Partners in Health
c/o Martin and Stamp, APC
8141 East Kaiser Blvd., Suite 213
Anaheim, CA 92807

- (B) Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing herein is intended or will be construed to establish any agency, employment, partnership or joint venture relationship between the parties. Each party will be solely responsible for the direction, control and management of its subcontractors, agents and employees.
- (C) Beneficiaries. This Agreement is entered into by and between AHC and SCPH solely for their benefit. Notwithstanding the foregoing, the parties recognize and acknowledge the creation of third party beneficiary status and rights hereunder in the legal entity known as Stanislaus County, California ("County") herein.
- (D) Amendments. This Agreement may be amended only by mutual written agreement between the parties and written approval by the County, or by either party as required to conform their respective obligations herein to federal, state or local law or regulation.
- (E) Governing Law and Jurisdiction. This Agreement is made in, and will be governed by and construed in accordance with the laws of the State of California.
- (F) Conflict Resolution. The parties shall attempt in good faith and with their best efforts to resolve through informal mechanisms any conflicts, misunderstandings or disagreements that may come to arise with respect to the subject matter and implementation of any provision of this Agreement. To that end, each party shall designate a lead internal person to serve as the contact for the initiation of informal procedures to resolve those conflicts that cannot be resolved through standard operational-level efforts of their respective staff and management. If all such informal escalated efforts to resolve a given conflict have been exhausted, in the view of either party, which perspective shall be certified to the other party in writing specifying the impasse, the parties shall resort to mediation by an outside qualified party acceptable to both parties. If such mediation shall fail to resolve the conflict, or if both parties stipulate in writing to forego mediation and go directly to

arbitration, then the services and procedures of the American Health Lawyers Association shall be engaged to resolve the matter. The results of such arbitration shall be binding upon the parties. The outside costs of such mediation shall be borne equally by the parties; the outside costs of arbitration shall be borne by the losing party, or as the arbitrator shall order.

- (G) Assignment. Neither party may assign this Agreement or any of its rights or obligations hereunder to any other person or entity without the prior written consent of the other party hereto, and of County, which consents shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the respective parties and their successors and permitted assigns.
- (H) Entire Agreement. This Agreement including any exhibits, attachments and amendments hereto, constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written.
- (I) Headings. The section and paragraph headings used herein are for convenience only and will not be deemed to limit, define or restrict the meaning or content thereof.
- (J) Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
- (K) Waiver. A waiver of a breach or default under this Agreement shall not be a waiver of any other subsequent breach or default. A failure or delay in enforcing compliance with any term or condition of this Agreement will not constitute a waiver of such term or condition unless it is expressly waived in writing.
- (L) Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.
- (M) Conflicts. SCPH agrees that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the work and services under this Agreement.
- (L) Survival. The following provisions shall survive termination of this Agreement for any reason: Section 4(A) "Audit," Section 4(B) "Confidentiality," and Section 6(F) "Conflict Resolution."
- (M) Legal Actions. No legal action may be initiated by either party more than two (2) years following termination of this Agreement.

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement below.

Ascendant Health Care

Print Name: Demek Jefft

Signature: 

Title: Sr. Vice President of Operations

Stanislaus County Partners in Health

Print Name: CRAIG D. BUJAS

Signature: 

Title: PRESIDENT

ATTACHMENT A
NETWORK AND MANAGEMENT SERVICES AGREEMENT

Network Access and Management Services Fees
Per Contract Per Month (PCPM)

Network Contracting and Management	<u>2018</u> \$7.45 PCPM
	<u>2019</u> \$7.65 PCPM
	<u>2020</u> \$7.85 PCPM
Claim EDI and Repricing Services	<u>2018</u> \$1.70 PCPM
	<u>2019</u> \$1.75 PCPM
	<u>2020</u> \$1.80 PCPM
Utilization Management Services	<u>2018</u> \$5.15 PCPM
	<u>2019</u> \$5.30 PCPM
	<u>2020</u> \$5.45 PCPM
Integrated Patient Electronic Platform	<u>2018</u> \$1.50 PCPM
	<u>2019</u> \$1.55 PCPM
	<u>2020</u> \$1.60 PCPM
Integrated Care Management Services	<u>2018</u> \$2.88 PCPM
	<u>2019</u> \$2.97 PCPM
	<u>2020</u> \$3.06 PCPM
Network Mgmt. Svcs.	

**Runout Repricing Fees
Percent of Savings**

Runout Repricing Fees Ten Percent (10.0%) of Savings

National Network Fees

National Network Fees \$3.00 PCPM

For purposes of this Agreement "Savings" means the value of the discount applied to billed charges as a result of a managed care contract or other negotiation.

The parties hereto acknowledge the maximum amount to be paid by SCPH for services provided under this agreement for all three years shall not exceed \$2,750,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by Ascendant HealthCare (AHC) to perform or to assist in the performance of its work under this Agreement. This amount includes an offset of approximately \$200,000 over the three year term of the agreement for annual development cost recovery credits from other employers accessing the Stanislaus County Partners in Health network for their employee health insurance programs. AHC shall deduct the cost recovery credits from County's invoices.

ATTACHMENT B

NETWORK ACCESS AGREEMENT

This Network Access Agreement ("Agreement") is entered into on December 31, 2017, and effective as of January 1, 2018, by and between the Stanislaus County Partners in Health ("SCPH"), a California nonprofit mutual benefit corporation, and the County of Stanislaus ("County").

WHEREAS, SCPH represents that it has created a network of health care providers ("Provider Network") by entering into agreements with hospitals, physicians, and other providers of health care services ("Network Providers");

WHEREAS, County intends to sponsor a self-funded health benefit program ("Benefit Program") for employees, retirees, COBRA beneficiaries and their dependents ("Covered Persons"); and

WHEREAS, County wishes to make the Provider Network available to Covered Persons as described herein;

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, SCPH and County agree as follows:

1. Term. This Agreement shall remain in effect through December 31, 2020 unless terminated in accordance with Section 27 of this Agreement. The Agreement shall renew automatically for successive one (1) year terms without further action by either party, unless either party notifies the other party in writing, not less than ninety (90) days before any renewal date, of its intention not to renew this Agreement.
 - a. Notwithstanding the above, County shall retain the right of continued and perpetual access to Provider Network, on terms and conditions no less favorable than those given to any other employer, plan sponsor, or other entity or organization granted access to Provider Network during the then-current period so long as County remits the Network Access Fee as set forth in Attachment "A" hereto.

OBLIGATIONS OF SCPH

2. Provider Network. SCPH shall provide access to Network Providers to Covered Persons sufficient in range of services, number and distribution to provide Comprehensive Health Care Services to Covered Persons in Stanislaus County and the surrounding region. "Comprehensive Health Care Services" shall be as stated in the "Summary Plan Description" provided by County for the Benefit Program. A Covered Person shall be a plan participant who has enrolled in the County's self-funded Benefit Program. SCPH shall also provide access to a national Provider Network to secure provider access for Covered Persons to a similar range of health care services outside of Stanislaus County and the surrounding region.
3. Management Services. SCPH shall engage the services of a qualified professional management services organization, acceptable to County, to manage and operate the Network and to ensure full and ready access by Covered Persons to the full array of Comprehensive Health Care Services. Management services will include, but are not limited to, general management services including customer and provider relations, recruitment and contracting, credentialing and provider directory. Also, management

services will include Claim Electronic Data Interchange (EDI), repricing services, utilization management services and integrated care management services.

4. Prohibition of Balance Billing. SCPH's contracts with Network Providers shall prohibit Network Providers from balance billing Covered Persons for amounts in excess of SCPH's agreed-upon allowable charge, except for copayments, coinsurance, deductibles, and non-covered services, consistent with the applicable Benefit Program and applicable California law.
5. Medical Necessity. SCPH shall administer a review process for unresolved medical necessity, or similar medical policy determinations. In the event that County or its designated Claims Payor does not participate in Network's review process, Network's Prohibition of Balance Billing will not limit balance billing by Network Providers, which shall comply with applicable laws.
6. Runout Claims. SCPH will reprice claims incurred from the effective date up to date of termination of this Agreement for a period of one year. "Repricing" shall be defined as the process of receiving health care provider claims and applying provisions of the provider's contract, such as, but not limited to, negotiated fee schedules, review of charges for Medical Necessity, and appropriateness of claim coding, in order to create a final authorized claim for payment.
7. Eligibility. SCPH shall have no responsibility for making determinations regarding eligibility for or compensability of benefits in connection with this Agreement. The parties agree that County or its designated Claims Payor will make such determinations.
8. National Network Fees. SCPH shall provide access to a national network to secure access to providers outside Stanislaus County and the surrounding region on a pass-through basis at the National Network Fees set forth in Attachment "A."
9. Runout Repricing Fees. SCPH will reprice claims incurred from the effective date up to date of termination of this Agreement for a period of one year upon payment of the Runout Repricing Fees set forth in Attachment "A."
10. Licenses and Registrations. SCPH shall maintain all licenses and registrations that may be required of it in connection with its obligations under this Agreement.
11. Examination of Records. SCPH shall, upon County's request, in a timely manner provide full and complete financial transparency to County of all transactions related to its duties hereunder.
12. Performance of Work. SCPH shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. SCPH represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement.
13. Insurance. SCPH, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain, and maintain during the life of this Agreement, at minimum, compliance with all of the following insurance coverage(s) and requirements. If

SCPH normally carries insurance in an amount greater than the minimum amount listed below, that greater amount shall become the minimum required amount of insurance for purposes of this Agreement, unless otherwise agreed to by County. The insurance listed below shall have a retroactive date of placement prior to, or coinciding with, the date services are first provided that are governed by the terms of this Agreement.

a. Required Insurance:

- i. General Liability. Commercial general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by SCPH under this Agreement or the general aggregate limit shall be twice the required occurrence limit.
- ii. Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate.
- iii. Automobile Liability Insurance. If SCPH or its officers, employees, agents or representatives utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.
- iv. Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, SCPH certifies under section 1861 of the Labor Code that SCPH is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that SCPH will comply with such provisions before commencing the performance of the work of this Agreement. Notwithstanding the above, subject to County's approval, coverage may be provided by "all states," or "multi-state" endorsement of SCPH's Worker's Compensation insurance.
- v. Directors and Officers Insurance. SCPH shall maintain Officers and Directors insurance with liability limits of no less than five million dollars (\$5,000,000) per incidence or occurrence.

b. Any policies written on a claims made basis, shall not have a retroactive date after the date a contract is executed and work has begun with the County. SCPH must maintain coverage without a lapse for a minimum of two (2) years after completion of the work performed on behalf of the County. SCPH must continue to provide evidence of insurance for this extended period. Should there be a lapse in coverage; SCPH shall be responsible for purchasing an "Extended Reporting Period" or "tail" policy. If SCPH goes out of business prior to the expiration of this extended period, SCPH shall secure a full "tail" coverage policy.

c. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) SCPH shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, SCPH agrees that it will be responsible for and pay any self-insured retention or deductible.

d. SCPH shall take all reasonable steps and exercise best efforts to obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming the County and its officers, officials directors, agents, employees and volunteers as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of SCPH, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of SCPH; (c) premises owned, occupied or used by SCPH; and (d) automobiles owned, leased, hired or borrowed by SCPH. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County its officers, officials, directors, agents, employees and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by SCPH.

e. SCPH's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees for third party claims against the County and County officers, officials, and employees arising from SCPH's performance of this Agreement. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of SCPH's insurance and shall not contribute with SCPH's insurance.

f. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials and employees.

g. SCPH's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

h. Each insurance policy required by this paragraph shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. SCPH shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

i. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Rating Guide of A-:VII or better; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance.

j. SCPH shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.

k. At least ten (10) days prior to the date SCPH begins performance of its obligations under this Agreement, SCPH shall furnish County with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of SCPH. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

l. The limits of insurance described herein shall not limit the liability of the SCPH and SCPH's officers, employees, agents, representatives or subcontractors.

14. Indemnification.

a. The County shall indemnify and hold SCPH and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of County.

b. SCPH shall indemnify and hold County and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of SCPH.

c. Notwithstanding the foregoing, nothing herein shall be construed to require any Party to indemnify any other Party from any claim arising from the sole negligence or willful misconduct of another Party.

d. Duty to Defend: The indemnity obligation of the Parties as set forth in this Agreement shall not be construed to include a duty to defend unless there is insurance coverage immediately available to provide for the cost of defense of, and the defense of, the claim, suit, action, loss, injury, damage or expense for which indemnification is sought.

e. Duty to Cooperate: Each party shall notify the other party within ten (10) days in writing of any third party claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any third party claim arising out of the activities under this Agreement.

15. Nondiscrimination. During the performance of this Agreement, SCPH and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of

race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation. SCPH and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

OBLIGATIONS OF COUNTY

16. Claims Payor Designation. County shall designate one or more Claims Payor(s) to make payment for claims to Network Providers on behalf of Covered Persons. County retains the right, throughout the term of this Agreement, to change this Claims Payor designation or add additional Claims Payors at its discretion. Any such change in Claims Payor shall be presented to SCPH not less than ninety (90) days in advance of the effective date of the proposed change.
17. Payment to Providers. County's Claims Payor shall be solely responsible for processing all claims and all payments to Network Providers. All such payments must be made in accordance with applicable state and federal law and SCPH's Provider Agreements and must be consistent with the pricing instructions supplied by SCPH or SCPH's designated claims pricing entity. If County's Claims Payor fails to pay a claim as required above, SCPH may require County to pay full charges to the Network Provider. County acknowledges and understands that the amount to be paid to Network Providers may exceed the amount of charges for the services rendered on any individual claim per provider agreements.
18. Identification Cards and Other Materials. County shall issue to all Covered Persons identification cards clearly bearing SCPH's name and logo. The format of all such identification cards must be approved in advance by County and by SCPH. In addition, County must obtain approval from SCPH before using any other materials bearing SCPH's name or logo.
19. Network Access and Management Fees. County shall pay to SCPH the monthly Network Access and Management Fees per Covered Contract (representing an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons) enrolled in Network as set forth in Attachment "A." Such fees shall be paid within fifteen (15) days of the beginning of the month for which a fee is due. Interest of two percent (2%) per month shall apply to payments received on or after the last calendar day of any given month. If County fails to make timely payment of fees for three (3) or more consecutive months, SCPH may suspend claims repricing until full payment is made.
20. Other Miscellaneous Expenses. To the extent that the terms of this Agreement require SCPH to maintain insurance coverages in addition to the coverages currently maintained by SCPH, County agrees to reimburse SCPH for the cost of procuring such additional insurance. The County's reimbursement level will be based on the County's proportionate share of total enrollees in SCPH as of January 1st of each calendar year (example - if

County enrollees represent 50% of the total enrollees under SCPH on January 1, 2018, the County will reimburse SCPH 50% of the additional insurance costs for calendar year 2018).

21. Licenses and Registrations. County shall require that its Claims Payor maintain all licenses and registrations that may be required in connection with its obligations under this Agreement.
22. Exclusive Network. County shall not utilize the services of any other health care provider network or similar program to provide contracted access to health care providers for Covered Persons participating in SCPH without prior written approval from SCPH.
23. Financial Incentives to Covered Persons. County's Benefit Program shall contain financial incentives, which shall be approved by SCPH, to encourage Covered Persons to utilize Network Providers. If County fails, at any time, to comply with this provision, SCPH may require County to pay full charges, less copayments, coinsurance, deductibles, and non-covered services, to Network Providers for such claims or period of time during which Financial Incentives pursuant to this paragraph were not applied or reasonably enforced.
24. Data Provision. County's Claims Payor Agreement shall require that:
 - a. SCPH's management services organization shall receive a monthly eligibility and claim detail file in a form and format specified by SCPH;
 - b. Upon request and at no charge, County's Claims Payor shall provide SCPH's management services organization with a status report as to any claim received or processed by County's Claims Payor in connection with this Agreement.

MUTUAL OBLIGATIONS AND RIGHTS

25. Audit. Each party shall maintain complete and accurate records in connection with this Agreement. Subject to the confidentiality provisions contained herein, each party will have the right, upon ten (10) business days written notice, during normal business hours and at no charge, to perform one (1) audit of such records each contract year to confirm the performance by the other party of its obligations under this Agreement. County shall have the right to examine such books, records, and documents, except identifiable contracted rates to network providers, as it deems necessary and appropriate to the exercise of its audit rights hereunder. The auditing party shall provide the other with a copy of its audit report. The rights set forth in this provision shall survive the termination of this Agreement for one (1) year.
26. Confidentiality.
 - a. The parties agree to treat as confidential all information provided by one party to the other in connection with this Agreement. County and SCPH acknowledge and agree that the terms of SCPH's contracts with Network Providers are trade secrets. County is expressly prohibited from disclosing to any third party any of the terms of any contract between SCPH and any Network Provider. If County is compelled by subpoena or similar legal process to disclose any information which SCPH may consider to be a trade secret, County will immediately notify SCPH so it may raise appropriate objections to protect its

trade secrets. The provisions of this paragraph shall survive termination of this Agreement for any reason.

b. SCPH may gain access to individually identifiable health information in connection with the performance of its duties hereunder. SCPH acknowledge that such information is deemed to be Covered Information for purposes of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), P.L. 104-191, and SCPH shall maintain the private, privileged and confidential status of the Covered Information.

27. Termination.

a. Termination may be effected as stated in Section 1 of this Agreement.

b. If County does not make payment of the Network Access and Management Fees in accordance with Section 19 of this Agreement, "Network Access and Management Fees" and is in arrears more than sixty (60) days, SCPH may terminate this Agreement upon sixty (60) days written notice.

c. In the event that County, or its designated Claims Payor(s) fails to make payment to Network Providers as required herein, SCPH may terminate this Agreement upon sixty (60) days written notice.

d. In the event of a material breach by one of the parties to this Agreement, other than a breach relating to payment as described in subparagraph (b) above, the non-breaching party shall give the breaching party thirty (30) days to cure. In the event the breaching party fails to cure the breach within the thirty (30) day period, this Agreement may be terminated by the non-breaching party upon sixty (60) days written notice.

e. If either party becomes insolvent, is adjudicated as bankrupt, makes a general assignment for the benefit of creditors or comes under the control of a trustee in bankruptcy, this Agreement may be terminated by the other party upon thirty (30) days written notice.

f. In the event of a termination of this Agreement, County will promptly notify all Covered Persons of such termination, and County will replace identification cards in the possession of Covered Persons bearing SCPH's name and logo. In the event of a termination of this Agreement, SCPH and Network Providers shall be required to provide continuity of care to Covered Persons, pursuant to applicable provisions of law.

OTHER PROVISIONS

28. Notices. Any notice required pursuant to this Agreement must be in writing and sent by registered or certified mail, return receipt requested, by facsimile transmission with proof of delivery, or by nationally recognized private overnight courier with proof of delivery, to the addresses of the parties set forth below. The date of notice will be the date on which the recipient receives notice or refuses delivery. All notices will be addressed as follows or to such other address as a party may identify in a notice to the other party:

SCPH: Craig Burns, Member
Stanislaus County Partners in Health
c/o Martin and Stamp, APC
8141 East Kaiser Blvd., Suite 213
Anaheim, CA 92807

County: Stanislaus County Chief Executive Office
Risk Management Division
1010 Tenth Street, Suite 5900
Modesto, CA 95354

Copy to: Stanislaus County Purchasing Agent
General Services Agency
1010 Tenth Street, Suite 5400
Modesto, CA 95354

29. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing herein is intended or will be construed to establish any agency, employment, partnership or joint venture relationship between the parties. Each party will be solely responsible for the direction, control and management of its subcontractors, agents and employees.
30. Sole Beneficiaries. Unless otherwise stated herein, this Agreement is entered into by and between SCPH and County solely for their benefit. The parties have not created or established any third party beneficiary status or rights in any person or entity not a party hereto, including, but not limited to, any Covered Person, subcontractor, or other third party, and no such third party will be entitled to enforce any right or enjoy any benefit created or established under this Agreement.
31. Amendments. This Agreement may be amended only by mutual written agreement between the parties, or by either party as required to conform to federal, state or local law or regulation.
32. Governing Law and Jurisdiction. This Agreement is made in, and will be governed by and construed in accordance with the laws of the State of California.
33. Conflict Resolution. The parties shall attempt in good faith and with their best efforts to resolve through informal mechanisms any conflicts, misunderstandings or disagreements that may come to arise with respect to the subject matter and implementation of any provision of this Agreement. To that end, each party shall designate a lead internal person to serve as the contact for the initiation of informal procedures to resolve those conflicts that cannot be resolved through standard operational-level efforts of their respective staff and management. If all such informal escalated efforts to resolve a given conflict have been exhausted, in the view of either party, which perspective shall be certified to the other party in writing specifying the impasse, the parties shall resort to mediation by an outside qualified party acceptable to both parties. If such mediation shall fail to resolve the conflict, or if both parties stipulate in writing to forego mediation and go directly to arbitration, then the services and procedures of the American Health Lawyers Association shall be engaged to resolve the matter. The results of such arbitration shall be binding upon the parties. The outside costs of such mediation shall be borne equally

by the parties; the outside costs of arbitration shall be borne by the losing party, or as the arbitrator shall order.

34. Assignment. Neither party may assign this Agreement or any of its rights or obligations hereunder to any other person or entity without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the respective parties and their successors and permitted assigns.
35. Entire Agreement. This Agreement including any exhibits, attachments and amendments hereto, constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written.
36. Headings. The section and paragraph headings used herein are for convenience only and will not be deemed to limit, define or restrict the meaning or content thereof.
37. Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
38. Waiver. A waiver of a breach or default under this Agreement shall not be a waiver of any other subsequent breach or default. A failure or delay in enforcing compliance with any term or condition of this Agreement will not constitute a waiver of such term or condition unless it is expressly waived in writing.
39. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.
40. Conflicts. SCPH agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.
41. Survival. The following provisions shall survive termination of this Agreement for any reason: paragraph 9 "Runout Repricing Fees; paragraph 25, "Audit"; paragraph 26, "Confidentiality"; and paragraph 33, "Conflict Resolution."
42. Legal Actions. No legal action may be initiated by either party more than two (2) years following termination of this Agreement.


[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement below.

COUNTY OF STANISLAUS

STANISLAUS COUNTY PARTNERS IN HEALTH

By: _____
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

By:  _____
Craig Burns
Member

"County"

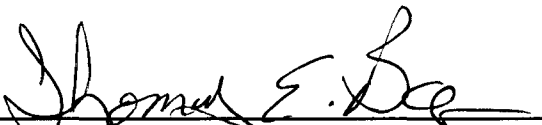
"SCPH"

APPROVED: BOS Resolution # _____

APPROVED AS TO CONTENT:
Chief Executive Office, Risk Management Division

By:  _____
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:

By:  _____
Thomas Boze, Assistant County Counsel

ATTACHMENT A
NETWORK AND MANAGEMENT SERVICES AGREEMENT

**Network Access and Management Services Fees
Per Contract Per Month (PCPM)**

Network Contracting and Management	<u>2018</u>
	\$7.45 PCPM
	<u>2019</u>
	\$7.65 PCPM
	<u>2020</u>
	\$7.85 PCPM
Claim EDI and Repricing Services	<u>2018</u>
	\$1.70 PCPM
	<u>2019</u>
	\$1.75 PCPM
	<u>2020</u>
	\$1.80 PCPM
Utilization Management Services	<u>2018</u>
	\$5.15 PCPM
	<u>2019</u>
	\$5.30 PCPM
	<u>2020</u>
	\$5.45 PCPM
Integrated Care Management Services	<u>2018</u>
	\$2.88 PCPM
	<u>2019</u>
	\$2.97 PCPM
	<u>2020</u>
	\$3.06 PCPM
Integrated Patient Electronic Platform (New)	<u>2018</u>
	\$1.50 PCPM
	<u>2019</u>
	\$1.55 PCPM
	<u>2020</u>
	\$1.60 PCPM

**Runout Repricing Fees
Percent of Savings**

Runout Repricing Fees Ten Percent (10.0%) of Savings

**National Network Fees
Percent of Savings**

National Network Fees \$3.00 PCPM

For purposes of this Agreement "Savings" means the value of the discount applied to billed charges as a result of a managed care contract or other negotiation.

Stanislaus County Partners in Health will be compensated on an individual fee Per Contract (or employee) Per Month (PCPM) basis for all services. The PCPM fee represents the amount paid for each member (employee, retiree, or COBRA participant) who is enrolled in a County-sponsored medical plan option on a monthly basis. For purposes of this Agreement, a Covered Contract shall represent an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons enrolled in any of the County's self-funded benefit plans.

Invoices shall be submitted to:

Chief Executive Office – Risk Management
Attn: Accounts Payable
1010 10th Street, Suite 5900
Modesto, CA 95354

The parties hereto acknowledge the maximum amount to be paid to Stanislaus County Partners in Health (SCPH) for services provided under this agreement for all three years shall not exceed \$2,750,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by SCPH to perform or to assist in the performance of its work under this Agreement. This amount includes an offset of approximately \$200,000 over the three year term of the agreement for annual development cost recovery credits from other employers accessing the Stanislaus County Partners in Health network for their employee health insurance programs. SCPH shall deduct the cost recovery credits from County's invoices.

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4. Prohibition of Balance Billing. SCPH's contracts with Network Providers shall prohibit Network Providers from balance billing Covered Persons for amounts in excess of SCPH's agreed-upon allowable charge, except for copayments, coinsurance, deductibles, and non-covered services, consistent with the applicable Benefit Program and applicable California law.
5. Medical Necessity. SCPH shall administer a review process for unresolved medical necessity, or similar medical policy determinations. In the event that County or its designated Claims Payor does not participate in Network's review process, Network's Prohibition of Balance Billing will not limit balance billing by Network Providers, which shall comply with applicable laws.
6. Runout Claims. SCPH will reprice claims incurred from the effective date up to date of termination of this Agreement for a period of one year. "Repricing" shall be defined as the process of receiving health care provider claims and applying provisions of the provider's contract, such as, but not limited to, negotiated fee schedules, review of charges for Medical Necessity, and appropriateness of claim coding, in order to create a final authorized claim for payment.
7. Eligibility. SCPH shall have no responsibility for making determinations regarding eligibility for or compensability of benefits in connection with this Agreement. The parties agree that County or its designated Claims Payor will make such determinations.
8. National Network Fees. SCPH shall provide access to a national network to secure access to providers outside Stanislaus County and the surrounding region on a pass-through basis at the National Network Fees set forth in Attachment "A."
9. Runout Repricing Fees. SCPH will reprice claims incurred from the effective date up to date of termination of this Agreement for a period of one year upon payment of the Runout Repricing Fees set forth in Attachment "A."
10. Licenses and Registrations. SCPH shall maintain all licenses and registrations that may be required of it in connection with its obligations under this Agreement.
11. Examination of Records. SCPH shall, upon County's request, in a timely manner provide full and complete financial transparency to County of all transactions related to its duties hereunder.
12. Performance of Work. SCPH shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. SCPH represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement.
13. Insurance. SCPH, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain, and maintain during the life of this Agreement, at minimum, compliance with all of the following insurance coverage(s) and requirements. If

SCPH normally carries insurance in an amount greater than the minimum amount listed below, that greater amount shall become the minimum required amount of insurance for purposes of this Agreement, unless otherwise agreed to by County. The insurance listed below shall have a retroactive date of placement prior to, or coinciding with, the date services are first provided that are governed by the terms of this Agreement.

a. Required Insurance:

- i. General Liability. Commercial general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by SCPH under this Agreement or the general aggregate limit shall be twice the required occurrence limit.
- ii. Professional Liability Insurance. Professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate.
- iii. Automobile Liability Insurance. If SCPH or its officers, employees, agents or representatives utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury and property damage liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.
- iv. Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, SCPH certifies under section 1861 of the Labor Code that SCPH is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that SCPH will comply with such provisions before commencing the performance of the work of this Agreement. Notwithstanding the above, subject to County's approval, coverage may be provided by "all states," or "multi-state" endorsement of SCPH's Worker's Compensation insurance.
- v. Directors and Officers Insurance. SCPH shall maintain Officers and Directors insurance with liability limits of no less than five million dollars (\$5,000,000) per incidence or occurrence.

b. Any policies written on a claims made basis, shall not have a retroactive date after the date a contract is executed and work has begun with the County. SCPH must maintain coverage without a lapse for a minimum of two (2) years after completion of the work performed on behalf of the County. SCPH must continue to provide evidence of insurance for this extended period. Should there be a lapse in coverage; SCPH shall be responsible for purchasing an "Extended Reporting Period" or "tail" policy. If SCPH goes out of business prior to the expiration of this extended period, SCPH shall secure a full "tail" coverage policy.

c. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by County. At the option of the County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) SCPH shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the County guaranteeing payment of the self-insured retention or deductible. The County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, SCPH agrees that it will be responsible for and pay any self-insured retention or deductible.

d. SCPH shall take all reasonable steps and exercise best efforts to obtain a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, naming the County and its officers, officials directors, agents, employees and volunteers as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of SCPH, including the insured's general supervision of its subcontractors; (b) services, products and completed operations of SCPH; (c) premises owned, occupied or used by SCPH; and (d) automobiles owned, leased, hired or borrowed by SCPH. For Workers' Compensation insurance, the insurance carrier shall agree to waive all rights of subrogation against the County its officers, officials, directors, agents, employees and volunteers for losses arising from the performance of or the omission to perform any term or condition of this Agreement by SCPH.

e. SCPH's insurance coverage shall be primary insurance regarding the County and County's officers, officials and employees for third party claims against the County and County officers, officials, and employees arising from SCPH's performance of this Agreement. Any insurance or self-insurance maintained by the County or County's officers, officials and employees shall be excess of SCPH's insurance and shall not contribute with SCPH's insurance.

f. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials and employees.

g. SCPH's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

h. Each insurance policy required by this paragraph shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to County. SCPH shall promptly notify, or cause the insurance carrier to promptly notify, the County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

i. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Rating Guide of A-:VII or better; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance.

j. SCPH shall require that all of its subcontractors are subject to the insurance and indemnity requirements stated herein, or shall include all subcontractors as additional insureds under its insurance policies.

k. At least ten (10) days prior to the date SCPH begins performance of its obligations under this Agreement, SCPH shall furnish County with certificates of insurance, and with original endorsements, showing coverage required by this Agreement, including, without limitation, those that verify coverage for subcontractors of SCPH. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in County's sole and absolute discretion, approved by County. County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

l. The limits of insurance described herein shall not limit the liability of the SCPH and SCPH's officers, employees, agents, representatives or subcontractors.

14. Indemnification.

a. The County shall indemnify and hold SCPH and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of County.

b. SCPH shall indemnify and hold County and its officers, directors, officials, agents, employees, volunteers and representatives harmless from and against any and all claims, liability, suits, actions, losses, injuries, damages, and expenses, including litigation costs and reasonable attorney fees incurred, when such claim, suit, action, loss, injury, damage, or expense arises out of and/or relating to this Agreement, but only to the extent caused by the negligent acts or negligent omissions of SCPH.

c. Notwithstanding the foregoing, nothing herein shall be construed to require any Party to indemnify any other Party from any claim arising from the sole negligence or willful misconduct of another Party.

d. Duty to Defend: The indemnity obligation of the Parties as set forth in this Agreement shall not be construed to include a duty to defend unless there is insurance coverage immediately available to provide for the cost of defense of, and the defense of, the claim, suit, action, loss, injury, damage or expense for which indemnification is sought.

e. Duty to Cooperate: Each party shall notify the other party within ten (10) days in writing of any third party claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any third party claim arising out of the activities under this Agreement.

15. Nondiscrimination. During the performance of this Agreement, SCPH and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of

race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, sex or sexual orientation. SCPH and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

OBLIGATIONS OF COUNTY

16. Claims Payor Designation. County shall designate one or more Claims Payor(s) to make payment for claims to Network Providers on behalf of Covered Persons. County retains the right, throughout the term of this Agreement, to change this Claims Payor designation or add additional Claims Payors at its discretion. Any such change in Claims Payor shall be presented to SCPH not less than ninety (90) days in advance of the effective date of the proposed change.
17. Payment to Providers. County's Claims Payor shall be solely responsible for processing all claims and all payments to Network Providers. All such payments must be made in accordance with applicable state and federal law and SCPH's Provider Agreements and must be consistent with the pricing instructions supplied by SCPH or SCPH's designated claims pricing entity. If County's Claims Payor fails to pay a claim as required above, SCPH may require County to pay full charges to the Network Provider. County acknowledges and understands that the amount to be paid to Network Providers may exceed the amount of charges for the services rendered on any individual claim per provider agreements.
18. Identification Cards and Other Materials. County shall issue to all Covered Persons identification cards clearly bearing SCPH's name and logo. The format of all such identification cards must be approved in advance by County and by SCPH. In addition, County must obtain approval from SCPH before using any other materials bearing SCPH's name or logo.
19. Network Access and Management Fees. County shall pay to SCPH the monthly Network Access and Management Fees per Covered Contract (representing an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons) enrolled in Network as set forth in Attachment "A." Such fees shall be paid within fifteen (15) days of the beginning of the month for which a fee is due. Interest of two percent (2%) per month shall apply to payments received on or after the last calendar day of any given month. If County fails to make timely payment of fees for three (3) or more consecutive months, SCPH may suspend claims repricing until full payment is made.
20. Other Miscellaneous Expenses. To the extent that the terms of this Agreement require SCPH to maintain insurance coverages in addition to the coverages currently maintained by SCPH, County agrees to reimburse SCPH for the cost of procuring such additional insurance. The County's reimbursement level will be based on the County's proportionate share of total enrollees in SCPH as of January 1st of each calendar year (example - if

County enrollees represent 50% of the total enrollees under SCPH on January 1, 2018, the County will reimburse SCPH 50% of the additional insurance costs for calendar year 2018).

21. Licenses and Registrations. County shall require that its Claims Payor maintain all licenses and registrations that may be required in connection with its obligations under this Agreement.
22. Exclusive Network. County shall not utilize the services of any other health care provider network or similar program to provide contracted access to health care providers for Covered Persons participating in SCPH without prior written approval from SCPH.
23. Financial Incentives to Covered Persons. County's Benefit Program shall contain financial incentives, which shall be approved by SCPH, to encourage Covered Persons to utilize Network Providers. If County fails, at any time, to comply with this provision, SCPH may require County to pay full charges, less copayments, coinsurance, deductibles, and non-covered services, to Network Providers for such claims or period of time during which Financial Incentives pursuant to this paragraph were not applied or reasonably enforced.
24. Data Provision. County's Claims Payor Agreement shall require that:
 - a. SCPH's management services organization shall receive a monthly eligibility and claim detail file in a form and format specified by SCPH;
 - b. Upon request and at no charge, County's Claims Payor shall provide SCPH's management services organization with a status report as to any claim received or processed by County's Claims Payor in connection with this Agreement.

MUTUAL OBLIGATIONS AND RIGHTS

25. Audit. Each party shall maintain complete and accurate records in connection with this Agreement. Subject to the confidentiality provisions contained herein, each party will have the right, upon ten (10) business days written notice, during normal business hours and at no charge, to perform one (1) audit of such records each contract year to confirm the performance by the other party of its obligations under this Agreement. County shall have the right to examine such books, records, and documents, except identifiable contracted rates to network providers, as it deems necessary and appropriate to the exercise of its audit rights hereunder. The auditing party shall provide the other with a copy of its audit report. The rights set forth in this provision shall survive the termination of this Agreement for one (1) year.
26. Confidentiality.
 - a. The parties agree to treat as confidential all information provided by one party to the other in connection with this Agreement. County and SCPH acknowledge and agree that the terms of SCPH's contracts with Network Providers are trade secrets. County is expressly prohibited from disclosing to any third party any of the terms of any contract between SCPH and any Network Provider. If County is compelled by subpoena or similar legal process to disclose any information which SCPH may consider to be a trade secret, County will immediately notify SCPH so it may raise appropriate objections to protect its

trade secrets. The provisions of this paragraph shall survive termination of this Agreement for any reason.

b. SCPH may gain access to individually identifiable health information in connection with the performance of its duties hereunder. SCPH acknowledge that such information is deemed to be Covered Information for purposes of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), P.L. 104-191, and SCPH shall maintain the private, privileged and confidential status of the Covered Information.

27. Termination.

a. Termination may be effected as stated in Section 1 of this Agreement.

b. If County does not make payment of the Network Access and Management Fees in accordance with Section 19 of this Agreement, "Network Access and Management Fees" and is in arrears more than sixty (60) days, SCPH may terminate this Agreement upon sixty (60) days written notice.

c. In the event that County, or its designated Claims Payor(s) fails to make payment to Network Providers as required herein, SCPH may terminate this Agreement upon sixty (60) days written notice.

d. In the event of a material breach by one of the parties to this Agreement, other than a breach relating to payment as described in subparagraph (b) above, the non-breaching party shall give the breaching party thirty (30) days to cure. In the event the breaching party fails to cure the breach within the thirty (30) day period, this Agreement may be terminated by the non-breaching party upon sixty (60) days written notice.

e. If either party becomes insolvent, is adjudicated as bankrupt, makes a general assignment for the benefit of creditors or comes under the control of a trustee in bankruptcy, this Agreement may be terminated by the other party upon thirty (30) days written notice.

f. In the event of a termination of this Agreement, County will promptly notify all Covered Persons of such termination, and County will replace identification cards in the possession of Covered Persons bearing SCPH's name and logo. In the event of a termination of this Agreement, SCPH and Network Providers shall be required to provide continuity of care to Covered Persons, pursuant to applicable provisions of law.

OTHER PROVISIONS

28. Notices. Any notice required pursuant to this Agreement must be in writing and sent by registered or certified mail, return receipt requested, by facsimile transmission with proof of delivery, or by nationally recognized private overnight courier with proof of delivery, to the addresses of the parties set forth below. The date of notice will be the date on which the recipient receives notice or refuses delivery. All notices will be addressed as follows or to such other address as a party may identify in a notice to the other party:

SCPH: Craig Burns, Member
Stanislaus County Partners in Health
c/o Martin and Stamp, APC
8141 East Kaiser Blvd., Suite 213
Anaheim, CA 92807

County: Stanislaus County Chief Executive Office
Risk Management Division
1010 Tenth Street, Suite 5900
Modesto, CA 95354

Copy to: Stanislaus County Purchasing Agent
General Services Agency
1010 Tenth Street, Suite 5400
Modesto, CA 95354

29. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing herein is intended or will be construed to establish any agency, employment, partnership or joint venture relationship between the parties. Each party will be solely responsible for the direction, control and management of its subcontractors, agents and employees.
30. Sole Beneficiaries. Unless otherwise stated herein, this Agreement is entered into by and between SCPH and County solely for their benefit. The parties have not created or established any third party beneficiary status or rights in any person or entity not a party hereto, including, but not limited to, any Covered Person, subcontractor, or other third party, and no such third party will be entitled to enforce any right or enjoy any benefit created or established under this Agreement.
31. Amendments. This Agreement may be amended only by mutual written agreement between the parties, or by either party as required to conform to federal, state or local law or regulation.
32. Governing Law and Jurisdiction. This Agreement is made in, and will be governed by and construed in accordance with the laws of the State of California.
33. Conflict Resolution. The parties shall attempt in good faith and with their best efforts to resolve through informal mechanisms any conflicts, misunderstandings or disagreements that may come to arise with respect to the subject matter and implementation of any provision of this Agreement. To that end, each party shall designate a lead internal person to serve as the contact for the initiation of informal procedures to resolve those conflicts that cannot be resolved through standard operational-level efforts of their respective staff and management. If all such informal escalated efforts to resolve a given conflict have been exhausted, in the view of either party, which perspective shall be certified to the other party in writing specifying the impasse, the parties shall resort to mediation by an outside qualified party acceptable to both parties. If such mediation shall fail to resolve the conflict, or if both parties stipulate in writing to forego mediation and go directly to arbitration, then the services and procedures of the American Health Lawyers Association shall be engaged to resolve the matter. The results of such arbitration shall be binding upon the parties. The outside costs of such mediation shall be borne equally

by the parties; the outside costs of arbitration shall be borne by the losing party, or as the arbitrator shall order.

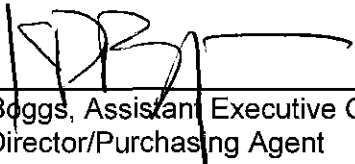
34. Assignment. Neither party may assign this Agreement or any of its rights or obligations hereunder to any other person or entity without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld. This Agreement shall be binding upon and inure to the benefit of the respective parties and their successors and permitted assigns.
35. Entire Agreement. This Agreement including any exhibits, attachments and amendments hereto, constitutes the entire agreement between the parties and supersedes any prior agreements or understandings, whether oral or written.
36. Headings. The section and paragraph headings used herein are for convenience only and will not be deemed to limit, define or restrict the meaning or content thereof.
37. Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
38. Waiver. A waiver of a breach or default under this Agreement shall not be a waiver of any other subsequent breach or default. A failure or delay in enforcing compliance with any term or condition of this Agreement will not constitute a waiver of such term or condition unless it is expressly waived in writing.
39. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.
40. Conflicts. SCPH agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.
41. Survival. The following provisions shall survive termination of this Agreement for any reason: paragraph 9 "Runout Repricing Fees; paragraph 25, "Audit"; paragraph 26, "Confidentiality"; and paragraph 33, "Conflict Resolution."
42. Legal Actions. No legal action may be initiated by either party more than two (2) years following termination of this Agreement.

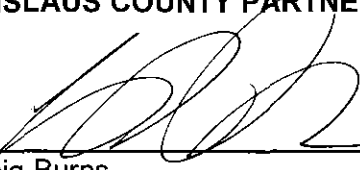
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IN WITNESS WHEREOF, the duly authorized representatives of the parties have executed this Agreement below.

COUNTY OF STANISLAUS

STANISLAUS COUNTY PARTNERS IN HEALTH

By: 
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

By: 
Craig Burns
Member

"County"

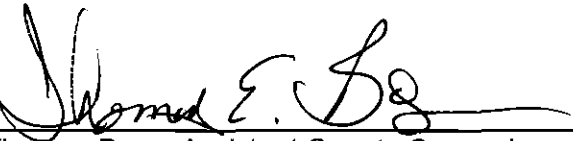
"SCPH"

APPROVED: BOS Resolution # 2015-137
2017-616

APPROVED AS TO CONTENT:
Chief Executive Office, Risk Management Division

By: 
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:

By: 
Thomas Boze, Assistant County Counsel

ATTACHMENT A
NETWORK AND MANAGEMENT SERVICES AGREEMENT

**Network Access and Management Services Fees
Per Contract Per Month (PCPM)**

Network Contracting and Management	<u>2018</u> \$7.45 PCPM
	<u>2019</u> \$7.65 PCPM
	<u>2020</u> \$7.85 PCPM
Claim EDI and Repricing Services	<u>2018</u> \$1.70 PCPM
	<u>2019</u> \$1.75 PCPM
	<u>2020</u> \$1.80 PCPM
Utilization Management Services	<u>2018</u> \$5.15 PCPM
	<u>2019</u> \$5.30 PCPM
	<u>2020</u> \$5.45 PCPM
Integrated Care Management Services	<u>2018</u> \$2.88 PCPM
	<u>2019</u> \$2.97 PCPM
	<u>2020</u> \$3.06 PCPM
Integrated Patient Electronic Platform (New)	<u>2018</u> \$1.50 PCPM
	<u>2019</u> \$1.55 PCPM
	<u>2020</u> \$1.60 PCPM

**Runout Repricing Fees
Percent of Savings**

Runout Repricing Fees Ten Percent (10.0%) of Savings

**National Network Fees
Percent of Savings**

National Network Fees \$3.00 PCPM

For purposes of this Agreement "Savings" means the value of the discount applied to billed charges as a result of a managed care contract or other negotiation.

Stanislaus County Partners in Health will be compensated on an individual fee Per Contract (or employee) Per Month (PCPM) basis for all services. The PCPM fee represents the amount paid for each member (employee, retiree, or COBRA participant) who is enrolled in a County-sponsored medical plan option on a monthly basis. For purposes of this Agreement, a Covered Contract shall represent an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons enrolled in any of the County's self-funded benefit plans.

Invoices shall be submitted to:

Chief Executive Office – Risk Management
Attn: Accounts Payable
1010 10th Street, Suite 5900
Modesto, CA 95354

The parties hereto acknowledge the maximum amount to be paid to Stanislaus County Partners in Health (SCPH) for services provided under this agreement for all three years shall not exceed \$2,750,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by SCPH to perform or to assist in the performance of its work under this Agreement. This amount includes an offset of approximately \$200,000 over the three year term of the agreement for annual development cost recovery credits from other employers accessing the Stanislaus County Partners in Health network for their employee health insurance programs. SCPH shall deduct the cost recovery credits from County's invoices.

**FIRST AMENDMENT TO
CLINICAL DATA MANAGEMENT
SERVICES AND SUPPORT AGREEMENT**

Reference is made to the Agreement for Professional Services ("Agreement"), effective January 1, 2018, by and between, the County of Stanislaus ("County") and Ascendant Healthcare, an Ohio corporation authorized to conduct business in California ("Consultant").

WHEREAS, Section 17 of the Agreement provides for the amendment of the Agreement by mutual written consent of the parties; and

WHEREAS, the County has a need for services beyond those included in the scope of work; and

WHEREAS, such expansion of the scope of services shall increase the maximum amount to be paid by the County for services under this Agreement by \$30,000 for an amended maximum amount of \$1,350,000.

NOW THEREFORE, the parties hereby agree to amend the Agreement as follows:

- I. Exhibit A, Section A – Scope of Work, paragraph 3, service category 7 is amended to read as follows:

"7) Additional Services and Purchases Related to the Agreement

Consultant shall provide additional services related to this Agreement, such as but not limited to providing assistance with Request for Proposal (RFP) processes or to other matters related to the general business of the County where the knowledge and experience of Consultant may prove of unique value to the County. Consultant is required to receive prior written approval from the County before providing such additional services.

Consultant shall also provide, at County's request, purchased goods and services including, but not limited to, Wellness Initiative supplies, printings and mailings."

- II. Exhibit C, Fee Schedule, Section A – Compensation, paragraph 7 is amended to read as follows:

"7. Additional Services and Purchases Related to the Agreement. In addition to the services noted above, Consultant may be requested or may recommend to provide additional services related to this Agreement, such as but not limited to providing assistance with Request for Proposal (RFP) processes or to other matters related to the general business of the County where the knowledge and experience of Consultant may prove of unique value to the County. Consultant is required to receive prior written approval from the County before providing such additional services. Upon prior written approval, County shall pay an hourly blended rate of \$175 per hour.

County shall pay Consultant the actual cost of purchased goods and services as requested by County. Under no circumstances will the additional work and purchased goods and services combined exceed \$25,000 annually."

III. Exhibit A, Section A – Scope of Work, paragraph 3, service category 8 is added for the following service:

“8) Audits of RxBenefits/CVS Caremark Claims Pricing

Consultant shall conduct RxBenefits pharmacy claims file analysis to ensure ingredient cost reimbursement, brand/generic pricing assignment, and rebate amounts by drug classification (e.g. tier 1 rebate, tier 2 rebate, etc.) comply with the County’s RxBenefits, Inc. administrative services agreement provisions.”

IV. Exhibit C, Fee Schedule, Section A – Compensation, paragraphs 8, 9 and 10 are renumbered to 9, 10 and 11, and new paragraph 10 is amended to increase the maximum contract amount by \$30,000, as follows:

“9. Per Contract (or employee) Per Month (PCPM) fee represents the amount paid for each member (employee, retiree, or COBRA participant) who is enrolled in a County-sponsored medical plan option on a monthly basis. For purposes of this Agreement, a Covered Contract shall represent an Employee, Employee + 1, or Family unit or an equivalent classification representing Covered Persons enrolled in any of the County’s self-funded benefit plans.

“10. The parties hereto acknowledge the maximum amount to be paid by the County for services provided shall not exceed \$1,350,000, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Consultant to perform or to assist in the performance of its work under this Agreement.

“11. All fees shall be paid within fifteen (15) days of the beginning of the month for which fees are due. Interest of two percent (2%) per month shall apply to payments received on or after the last calendar day of any given month. If County fails to make timely payment of fees for three (3) or more consecutive months, Consultant shall suspend services until full payment is made by County.”

V. Exhibit C, Fee Schedule, Section A – Compensation, paragraph 8 is added to read as follows:


“8. Audits of RxBenefits/CVS Caremark Claims Pricing. County shall pay to Consultant a MediSpan License Fee of \$.0467 per claim, a MediSpan Data File Load Fee of \$1,250 per quarterly file, and a Stanislaus County File Analysis Fee of \$3,500 per quarterly audit for January 1, 2019 through December 31, 2019.”

VI. All other terms and conditions of the Agreement shall remain in full force and effect.

(Signatures are on the next page)

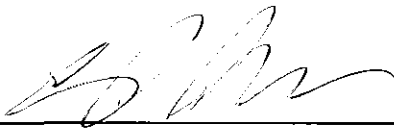
IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this First Amendment on this _____ day of April 2019.

COUNTY OF STANISLAUS

By: 
Keith D. Boggs, Assistant Executive Officer,
GSA Director/Purchasing Agent

"County"

ASCENDANT HEALTHCARE

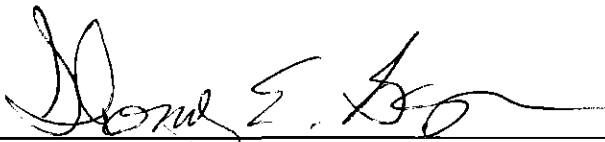
By: 
Craig Burns
President

"Consultant"

APPROVED AS TO CONTENT:
Chief Executive Office, Risk Management Division

By: 
Patrice Dietrich, Assistant Executive Officer

APPROVED AS TO FORM:

By: 
Thomas E. Boze, Assistant County Counsel