

**AGREEMENT**  
**between**  
**COUNTY OF SANTA BARBARA**  
**and**  
**SANTA BARBARA SAN LUIS OBISPO REGIONAL HEALTH AUTHORITY**  
**for**  
**INPATIENT CLAIMS ADJUDICATION FOR THE MADDY EMERGENCY MEDICAL SERVICES FUND**  
**PROGRAM**

**FOR THE PERIOD APRIL 1, 2014 through DECEMBER 31, 2016**

**THIS AGREEMENT** (hereafter "Agreement") is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter "COUNTY") and Santa Barbara San Luis Obispo Regional Health Authority (dba CenCal Health) having its principal place of business at 4050 Calle Real, Santa Barbara, CA (hereafter "CONTRACTOR") wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

**WHEREAS**, CONTRACTOR is the County Organized Health System (COHS) and was established in 1982 to administer health care programs for the low income population in Santa Barbara County, and in 2008 expanded its services into San Luis Obispo County; and

**WHEREAS**, COUNTY has oversight for the Maddy Program funds to provide health care access for legal residents who cannot afford care and who meet the Program's eligibility and authorization for care criteria; and

**WHEREAS**, the Maddy Program is governed by the Santa Barbara County Board of Supervisors and administered by the Santa Barbara County Public Health Department (PHD); and

**WHEREAS**, the five (5) hospitals in Santa Barbara County and multiple physicians and physician groups participate in treating Maddy eligible patients and are reimbursed by PHD for these patient services upon claims' submissions; and

**WHEREAS**, this process of reimbursement is known as *claims adjudication* and, along with the budget and authorization of the claims, has been performed by PHD in the Maddy Program Utilization Review (UR) office for more than eight years; and

**WHEREAS**, the claims' payments made via this Agreement are simply a "pass-thru", whereby claims payments made by CONTRACTOR will be reimbursed by PHD on a quarterly basis, and the administrative services shall be compensated at an administrative allocation based upon funds available;

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

1. **DESIGNATED REPRESENTATIVE.** Dan Reid at phone number (805) 681-5173 is the authorized representative of COUNTY and will administer this Agreement for and on behalf of COUNTY.

Dave Seibel, Director of Information Technology at phone number (805) 562-1600 is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail, postage prepaid, as follows:

To COUNTY: Dan Reid, Assistant Deputy Director  
Public Health Department  
Primary Care and Family Health Division  
300 North San Antonio Road  
Santa Barbara, CA 93110

To CONTRACTOR: Dave Seibel, Director of Information Technology  
CenCal Health  
4050 Calle Real  
Santa Barbara, CA 93110

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. **SCOPE OF SERVICES.** CONTRACTOR agrees to provide services to COUNTY in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. **TERM.** CONTRACTOR shall commence performance on April 1, 2014, and shall continue to provide services pursuant to this Agreement until December 31, 2016, unless terminated sooner as provided herein.

5. **COMPENSATION OF CONTRACTOR.** CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT B attached hereto and incorporated herein by reference. Billing shall be made by invoice, which shall include the contract number assigned by COUNTY and which is delivered to the address given in Section 2 **NOTICES.** above following completion of the increments identified on EXHIBIT B. Unless otherwise specified on EXHIBIT B, payment shall be net thirty (30) days from presentation of invoice.

6. **INDEPENDENT CONTRACTOR.** CONTRACTOR shall perform all of its services under this Agreement as an independent contractor and not as an employee of COUNTY. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee including, but not limited to, vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure.

7. **STANDARD OF PERFORMANCE.** CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or

revise any errors or omissions, at COUNTY's request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation

8. **TAXES.** COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

9. **CONFLICT OF INTEREST.** CONTRACTOR covenants that CONTRACTOR presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR.

10. **RESPONSIBILITIES OF COUNTY.** COUNTY shall provide all information reasonably necessary by CONTRACTOR in performing the services provided herein.

11. **OWNERSHIP OF DOCUMENTS.** COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, and any material necessary for the practical use of the data and/or documents from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any materials under this section except after prior written approval of COUNTY.

No materials produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country except as determined at the sole discretion of COUNTY. COUNTY shall have the unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, documents or other materials prepared under this Agreement.

All medical records of COUNTY patients are the property of the COUNTY. COUNTY has the sole right to possession and custody. Information contained in the medical record belongs to the patient. Medical information will be released when requested, within the boundaries of the law, in accordance with the best interest of the patient.

12. **RECORDS, AUDIT, AND REVIEW.** CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. COUNTY shall have the right to audit and review all such documents and records at a mutually agreeable time upon reasonable notice during CONTRACTOR's regular business hours.

13. **INDEMNIFICATION AND INSURANCE.** CONTRACTOR AND COUNTY agree to the indemnification and insurance provisions as set forth in EXHIBIT C attached hereto and incorporated herein by reference.

14. **NONDISCRIMINATION.** COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to

this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance.

15. **NONEXCLUSIVE AGREEMENT.** CONTRACTOR and COUNTY agree that this is not an exclusive Agreement and that both parties shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR, as the COUNTY or CONTRACTOR desires.

16. **ASSIGNMENT.** Neither CONTRACTOR nor COUNTY shall assign any of their respective rights nor transfer any of their respective obligations under this Agreement without the prior written consent of the other party and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

17. **TERMINATION.**

A. **By COUNTY.** COUNTY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience or because of the failure of CONTRACTOR to fulfill the obligations herein. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services effected (unless the notice directs otherwise), and deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process.

1. For Convenience. COUNTY may terminate this Agreement upon thirty (30) days written notice. Following notice of such termination, CONTRACTOR shall promptly cease work and notify COUNTY as to the status of its performance.

Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for service performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is necessary to determine the reasonable value of the services rendered by CONTRACTOR. The foregoing is cumulative and shall not affect any right or remedy which COUNTY may have in law or equity.

2. For Cause. Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's option, terminate this Agreement if such default or breach is not remedied by CONTRACTOR within thirty (30) days of receipt of written notice to CONTRACTOR of such default or breach.

B. **By CONTRACTOR.**

1. For Convenience. CONTRACTOR may terminate this Agreement upon ninety (90) days written notice. Following notice of such termination, CONTRACTOR shall promptly cease work and notify COUNTY as to the status of the CONTRACTOR's performance.

2. For Cause. Should COUNTY fail to pay CONTRACTOR all or any part of the payment set forth in EXHIBIT B, CONTRACTOR may, at CONTRACTOR's option, terminate this

Agreement if such failure is not remedied by COUNTY within thirty (30) days of receipt of written notice to COUNTY of such late payment.

18. **SECTION HEADINGS.** The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

19. **SEVERABILITY.** If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

20. **REMEDIES NOT EXCLUSIVE.** No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

21. **TIME IS OF THE ESSENCE.** Time is of the essence in this Agreement and each covenant and term is a condition herein.

22. **NO WAIVER OF DEFAULT.** No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

23. **ENTIRE AGREEMENT AND AMENDMENT.** In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

24. **SUCCESSORS AND ASSIGNS.** All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

25. **COMPLIANCE WITH LAW.** CONTRACTOR shall, at his sole cost and expense, comply with all county, state and federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY be a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

26. **CALIFORNIA LAW.** The laws of the State of California shall govern this Agreement. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

27. **EXECUTION OF COUNTERPARTS.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

28. **AUTHORITY.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

29. **PRECEDENCE.** In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

30. **NON-APPROPRIATIONS.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or County governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then COUNTY will notify CONTRACTOR of such occurrence and COUNTY may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term. In the unlikely event of non-appropriation, payment for currently authorized or pre-authorized services will be honored.

31. **FORCE MAJEURE.** No party shall be liable for nonperformance, defective performance or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information system interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each party shall use its good faith efforts to perform its duties and obligations under this Agreement.

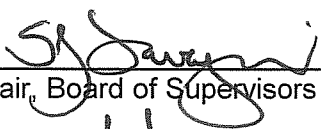
32. **BUSINESS ASSOCIATE.** The COUNTY is considered to be a "Hybrid Entity" under the Health Insurance Portability and Accountability Act (HIPAA), 42 U.S.C. 1320d et seq. and its implementing regulations including but not limited to 45 Code of Federal Regulations parts 142, 160, 162, and 164, ("Privacy and Security Rule"). The CONTRACTOR is considered to be a "Business Associate" under the Privacy Rule. CONTRACTOR must also comply with the Security Rule as a Business Associate, if under this Agreement; it receives, maintains or transmits any health information in electronic form in connection with a transaction covered by part 162 of title 45 of the Code of Federal Regulations.

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Santa Barbara San Luis Obispo Regional Health Authority (dba CenCal Health)**.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on April 1, 2014.

COUNTY OF SANTA BARBARA

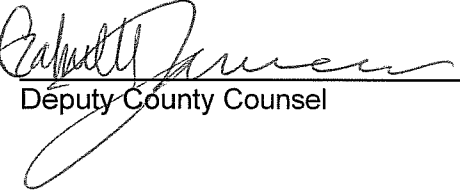
ATTEST:  
MONA MIYASATO  
CLERK OF THE BOARD

  
\_\_\_\_\_  
Chair, Board of Supervisors

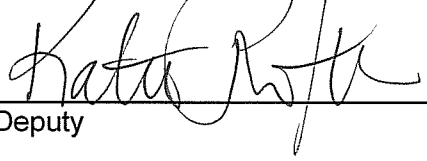
Date: 2/11/14

By:   
\_\_\_\_\_  
Deputy

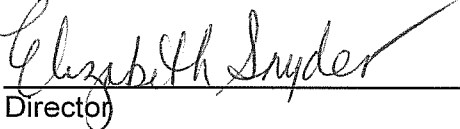
APPROVED AS TO FORM:  
MICHAEL C. GHIZZONI  
COUNTY COUNSEL

By:   
\_\_\_\_\_  
Deputy County Counsel

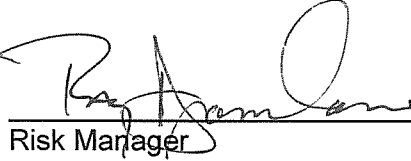
APPROVED AS TO ACCOUNTING FORM:  
ROBERT W GEIS, CPA  
AUDITOR-CONTROLLER

By:   
\_\_\_\_\_  
Deputy

APPROVED  
TAKASHI WADA, MD, MPH  
DIRECTOR/HEALTH OFFICER  
PUBLIC HEALTH DEPARTMENT

By:   
\_\_\_\_\_  
Director

APPROVED AS TO FORM:  
RAY AROMATORIO  
RISK MANAGER

By:   
\_\_\_\_\_  
Risk Manager

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Santa Barbara San Luis Obispo Regional Health Authority (dba CenCal Health)**.

**IN WITNESS WHEREOF**, the parties have executed this Agreement to be effective on April 1, 2014.

**CONTRACTOR**

By:   
Santa Barbara San Luis Obispo Regional Health Authority (dba CenCal Health)  
Robert Freeman, Chief Executive Officer

Date: 1/13/14



## EXHIBIT A

### STATEMENT OF WORK

**SCOPE OF SERVICES:** COUNTY and CONTRACTOR agree as follows:

#### COUNTY SHALL:

- Notify Maddy eligible providers of change in billing processes requiring electronic submission to CONTRACTOR beginning in the second quarter of 2014. This will include:
  - Overview of Maddy Program and any changes to fund allocations.
  - For physicians and physician groups, COUNTY shall provide *Maddy Physician Emergency Medical Services Fund Condition Statement* (See Exhibit D).
  - New requirements for submitting claims form 837 electronically with specific data field instructions including the term "SBMADDY" on all electronic claim forms.
- Provide CONTRACTOR with an initial list of valid Maddy providers who are approved to submit claims for emergency services as defined in *Maddy Physician Emergency Medical Services Fund Condition Statement* (see Exhibit D) and elsewhere in related legislation.
- Provide updates and revision to list of Maddy eligible providers as necessary throughout the term of the agreement. Provider updates occurring within two weeks of the Claims Final Submission Date (See Table 1 in Exhibit A.1) will not be implemented until the subsequent quarterly service period. These changes to eligible providers will not constitute an amendment to this agreement.
- Provide CONTRACTOR with any revisions to the annual schedule of dates when "Maddy" electronic claims from Hospitals and Physicians, as separate provider pools, will be accepted, adjudicated and paid for services performed in the calendar year as described in Table 1, Exhibit A.1.
- Provide CONTRACTOR with administrative and finance contacts at COUNTY. Agreement administrative oversight will be with the COUNTY PHD Emergency Medical Services program and financial oversight with the COUNTY PHD Financial Services program.
- Continue to provide administrative support to Providers wishing to participate in the "Maddy" program.
- Collaborate with CONTRACTOR to complete a claim adjudication protocol as described in Exhibits A.1 and A.2.
- Review and direct payment of CONTRACTOR quarterly invoices within thirty (30) days of receipt.

#### CONTRACTOR SHALL:

- Receive electronic claim form 837 for services from Hospital and Physician providers for payments from Maddy funds and sort by these into separate, distinct allocation pools as described in Exhibits A.1 and A.2.
- Hold claims to be adjudicated quarterly according to schedule in Table 1 in Exhibit A.1.
- Adjudicate such claims quarterly as defined in Exhibits A.1 and A.2.

- CONTRACTOR will submit a quarterly invoice to the COUNTY for reimbursement of claims paid and the associated administrative fees as described in Exhibit B.
- Provide COUNTY with an annual summary report including quarterly claims paid subtotals and annual claims paid totals for the value of submitted claims and the actual payments for each provider within each allocation pool with details including: Name of provider, location (city), and number of claims.
- Provide COUNTY with annual amounts paid for each calendar year of the term of the agreement per provider in specified Excel spreadsheet format by January 15 in order to meet deadline from COUNTY Auditor-Controller for required 1099 submission.

**EXHIBIT A.1**

**MADDY PROGRAM CLAIMS ADJUDICATION PROTOCOL**

This protocol is followed quarterly according to Exhibit A Table 1 and the Maddy Program Claims Adjudication Protocol Flow Chart in Exhibit A.2.

**Table 1 Maddy Program Service Year Calendar**

<b>Quarter</b>	<b>Services Provided Between</b>	<b>Claim Submission Start Date</b>	<b>Claims Final Submission Date</b>	<b>Claims Payment Date</b>
First	January 1 – March 31	April 1	June 16	July 15
Second	January 1 – June 30	July 1	September 15	October 15
Third	January 1 – September 30	October 1	December 15	Proceeding January 15
Fourth	January 1 – December 31	Proceeding January 1	March 16	April 15

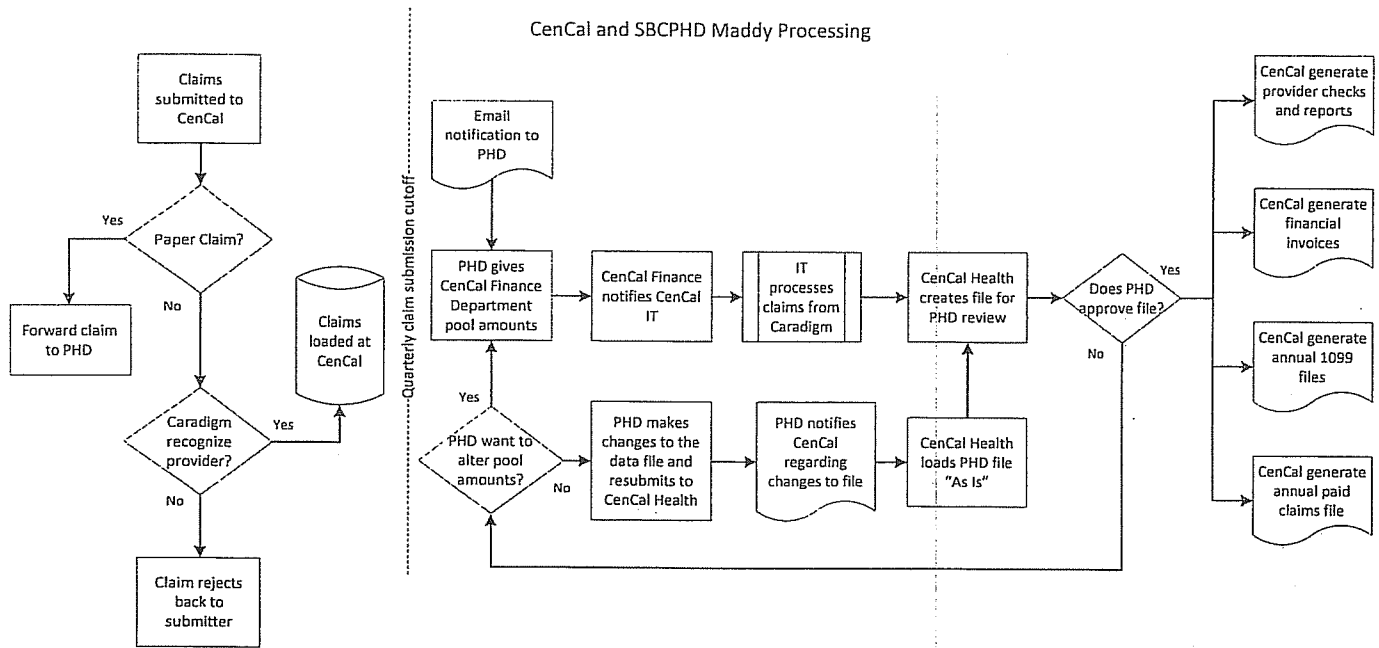
1. Maddy service providers submit electronic claim form 837 to CONTRACTOR'S claim entry point.
2. Electronic claims are uploaded into CONTRACTOR'S Maddy Program database.
3. Claims are collected until the end of the quarterly claims processing period.

At the established quarterly dates (see Table 1 above):

4. Quarterly, within three (3) business days of the Claims Final Submission Date, COUNTY informs CONTRACTOR of amount of Maddy Program funds in each allocation pool.
5. CONTRACTOR processes claims by Maddy Program allocation pools:
  - A. Santa Barbara Cottage Hospital
  - B. Goleta Cottage Hospital
  - C. Santa Ynez Cottage Hospital
  - D. Lompoc Valley Medical Center
  - E. Marian Regional Medical Center (Dignity Health)
  - F. Physician
6. Within each allocation pool, the following must be determined:
  - A. Determine Per Claim Total Billed Charges
    - i. If the Claim's Total Days exceeds 3, then:
      - (a) Determine the Average Billed Charges per Day, using Total Billed Charges and Total Days;
      - (b) Multiply the Average Billed Charges per Day and the Total Days, not to exceed 3 days;

- (c) This determines the new Billed Charges for the claim under the 3-Day Rule, and for purposes of payment, replaces the Total Billed Charges submitted by the provider.
    - ii. If the Claim's Total Days is less than or equal to 3, then:
      - (a) Use the Total Billed Charges submitted by the provider.
  - B. Calculate the Pool Allocation Percentage using Total Pool Amount divided by the total of Total Billed Charges of all claims, as determined in (A) above.
  - C. If Pool Allocation Percentage exceeds 50%, then reset Pool Allocation percentage to 50%.
  - D. Apply the Pool Allocation Percentage determined above (C) to each claim's Total Billed Charges, determined in (A) above, giving a Proportional Percentage of Billed Charges.
    - (i) This determines a proportional payment of the pool across all claims in the pool.
7. A detail pricing report will be generated each quarter, detailing the pricing methodology used for each claim within each pool.
  8. A summary report will be generated each quarter, detailing each pool's total funding, Pool Allocation Percentage, and remaining funds not spent.
  9. Quarterly, within five (5) working days after the Claims Final Submission date, CONTRACTOR submits provisional reports to COUNTY (PHD Financial Services) for review.
  10. Within five (5) working days of the receipt of the provisional report specified in Section 9 above, COUNTY Financial Services staff reviews provisional report, verifies eligible claims and makes any adjustments in accordance with Maddy Program criteria and COUNTY returns verified and/or revised provisional report to CONTRACTOR.
  11. If necessary, within five (5) working days of the receipt of the returned report from the COUNTY, CONTRACTOR enters COUNTY report revision into their Maddy Program database and produces a final report, and submits final report to COUNTY (PHD Financial Services).
  12. Upon approval of a final report, COUNTY will notify CONTRACTOR of its approval by e-mail identifying the date and time stamp of the approved version. COUNTY may also notify CONTRACTOR by phone, with a follow-up e-mail for verification of the approved report.
  13. On or before the Claims Payment Date, CONTRACTOR remits payment to each provider with supporting claims payment details.
  14. CONTRACTOR submits proof of fund disbursement with invoice for reimbursement of claim payments and administrative fees to COUNTY.

## EXHIBIT A.2 MADDY PROGRAM CLAIMS ADJUDICATION FLOW CHART



**Deliverables by PHD**

Notification of maximum payment amounts by pool

- o Santa Barbara Cottage Hospital
- o Goleta Cottage Hospital
- o Santa Ynez Cottage Hospital
- o Lompoc Valley Medical Center
- o Marian Regional Medical Center
- o Physician

Notification of approval/nonapproval

**Deliverables by CenCal Health**

For Provider Quarterly

- o Checks and detail report

For PHD Quarterly

- o Notification for pool amounts
- o Detail paid claims file (continually as needed)
- o Summary paid claims file (continually as needed)
- o Finalized paid claims file (detail and summary)
- o Financial invoice

For PHD Annually

- o 1099 file
- o Paid claims file

Date: 12/15/2013

## EXHIBIT B

### PAYMENT ARRANGEMENTS

1. **AGREEMENT MAXIMUM.** For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total amount, including cost reimbursements, not to exceed \$1,675,000 for the full term of this Agreement. Total expenditures for the period April 1, 2014 through June 30, 2014, shall not exceed \$175,000. Annual expenditures thereafter shall not exceed \$600,000.

2. **CLAIMS ADJUDICATION.**

**A. ADMINISTRATION**

- i. COUNTY shall pay CONTRACTOR 6% of all eligible disbursements;
- ii. COUNTY shall reimburse CONTRACTOR for all eligible Maddy Program claims paid by CONTRACTOR as invoiced below.

**B. INVOICING**

CONTRACTOR's quarterly invoice will include reporting as described in EXHIBIT A. These invoices must cite the contract number that begins with the letters *BC* shown on Page 1 of this Agreement. COUNTY will reimburse CONTRACTOR for the eligible Maddy Program claims and associated administration fees as described in 2A above.

3. The COUNTY's Emergency Medical Program Administrator shall review the invoices submitted by CONTRACTOR for consistency with CONTRACTOR's quarterly reporting and COUNTY authorizations, and if found to be accurate shall initiate payment processing. COUNTY shall pay invoices for accurate work within thirty (30) days of receipt.
4. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.

## EXHIBIT C

### STANDARD INDEMNIFICATION AND INSURANCE PROVISIONS for contracts REQUIRING professional liability insurance

#### I. INDEMNIFICATION

##### Indemnification pertaining to other than Professional Services:

CONTRACTOR shall defend, indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of this Agreement or occasioned by the performance or attempted performance of the provisions hereof; including, but not limited to, any act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him; except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the sole negligence or willful misconduct of the COUNTY.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

##### Indemnification pertaining to Professional Services:

CONTRACTOR shall indemnify and save harmless the COUNTY, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the negligent performance or attempted performance of the provisions hereof; including any willful or negligent act or omission to act on the part of the CONTRACTOR or his agents or employees or other independent contractors directly responsible to him to the fullest extent allowable by law.

CONTRACTOR shall notify the COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement.

Without limiting the CONTRACTOR's indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverage is to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of

Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.

2. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTOR shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

*"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."*

If the policy providing liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this Agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

3. Professional Liability Insurance. Professional liability insurance shall include coverage for the activities of CONTRACTOR's professional staff with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate. Said policy or policies shall provide that COUNTY shall be given thirty (30) days written notice prior to cancellation, expiration of the policy, or reduction in coverage. If the policy providing professional liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three (3) years (ten years [10] for Construction Defect Claims) following completion of the performance or attempted performance of the provisions of this Agreement.

CONTRACTOR shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming



effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated COUNTY representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the CONTRACTOR may be held responsible for payment of damages resulting from CONTRACTOR's services of operation pursuant to the Agreement, nor shall it be deemed a waiver of COUNTY's rights to insurance coverage hereunder.

In the event the CONTRACTOR is not able to comply with the COUNTY's insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR's expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.

**Indemnification pertaining to COUNTY'S obligation to CONTRACTOR:**

COUNTY acknowledges that it is solely liable to providers for Maddy Claims and that CONTRACTOR is providing a pass-through service only and has no ultimate financial responsibility for payment of claims. Provided that CONTRACTOR pays Maddy Claims consistent with COUNTY's approval of each final report, per the process described in Exhibit A-1, COUNTY shall indemnify and hold harmless CONTRACTOR, its officers, agents and employees from and against any and all claims, demands, damages, costs, expenses (including reasonable attorneys' fees), judgments or liabilities caused by the performance or attempted performance of the provisions hereof with respect to the payment of claims, including, but not limited to, any act or omission to act on the part of the COUNTY or its agents or employees.

EXHIBIT D  
SAMPLE



Takashi M. Wada, MD, MPH Director/Health Officer  
Anne M. Fearon Deputy Director  
Suzanne Jacobson, CPA Chief Financial Officer  
Susan Klein-Rothschild, MSW Deputy Director  
Elizabeth Snyder, MHA Deputy Director  
Peter Hasler, MD Medical Director

Utilization Review

300 N. San Antonio Rd., Room B100 • Santa Barbara, CA 93110-1332  
805/681-5390 • FAX 805/681-5424

***Maddy/Padilla/Nava Physician Emergency Medical Services Fund Condition Statement***

I, \_\_\_\_\_, (print name) understand that a Condition Statement is required annually and declare that in submitting this Condition Statement on behalf of \_\_\_\_\_, (provider name) all claims will have been screened for the following conditions and attest that all claims submitted for compensation under the Maddy/Padilla/Nava Emergency Medical Services Fund meet these criteria:

1. The patient(s) was initially medically screened, evaluated, treated, or stabilized in an emergency department in Santa Barbara County; and
2. Onsite services were provided in a clinical setting; and
3. Payment is being requested for treatment that occurred during the course of the hospital visit associated with the emergency department visit. (Payment is not contingent upon patient(s) being admitted to the hospital). Treatment was provided on the calendar day on which emergency medical services were first provided and/or on the immediately following two calendar days. Alternately, services may be for a patient who was transferred to a second facility which provided a higher level of care for the treatment of the emergency condition, which were provided on the calendar day of transfer and/or on the immediately following two calendar days; and
4. I have inquired if there is a responsible third party source of payment; and
5. The patient(s) or responsible third party has been billed for the physician's services and one of the following applies:
  - a) At least three months have passed from the date of the original billing to the patient or responsible third party, during which time at least two attempts have been made to collect payment, and no payment has been received for any portion of services.
  - b) I have received notification from the patient(s) or responsible third party that no payment will be made for my services.
6. Once payment is received from the Padilla/Nava Emergency Medical Services fund, further collection efforts to obtain reimbursement from the patient will be suspended. If, after receiving payment from the Padilla/Nava Emergency Medical Services fund, there is reimbursement from the patient(s) or a responsible third party, the Padilla/Nava Fund payment amount or the amount equal to the payment received from the patient or responsible third party, will be promptly refunded to the Public Health Department – Utilization Review.
7. Claims that are submitted shall be supported by maintaining a record of services rendered, along with any additional information the administering agency may require, for a period of three years from the date of service.

Dated: \_\_\_\_\_