

AGREEMENT
BETWEEN
THE SANTA BARBARA COUNTY HEALTH DEPARTMENT
AND
MARIAN REGIONAL MEDICAL CENTER

THIS AGREEMENT is made this 1st day of June, 2025 by and between the Santa Barbara County Health Department ("**County**") and Dignity Health, a California nonprofit public benefit corporation, doing business as: Marian Regional Medical Center, located at 1400 E Church Street, Santa Maria, CA 93454 ("**Hospital**").

RECITALS

WHEREAS, Hospital operates as a non-profit, acute care hospital that provides a share of healthcare services with a disproportionate share adjustment percentage in excess of 11.75 percent, to Medicare and Medicaid participants in addition to supporting many programs that benefit the indigent, uninsured or underinsured population;

WHEREAS, Hospital desires to participate in the drug discount program established under Section 340B of Public Health Services Act (340B program);

WHEREAS, in order to participate in the 340B Program, Hospital must enter into an agreement with a unit of the state or local government pursuant to which Hospital commits to provide health care services to low income individuals who are not entitled to benefits under Title XVIII of the Social Security Act or eligible for assistance under the State Plan of Title XIX of the Social Security Act (42 USC § 256b(a)(4)(L);

WHEREAS, Hospital desires to make such a commitment to the County; and

WHEREAS, the County agrees to accept such a commitment on behalf of the citizens of Santa Barbara County.

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained therein and for other good valuable consideration, the receipt and sufficiency of which hereby acknowledged, it is mutually agreed by and between the parties to this Agreement, as follows:

1. The above Recitals are true and correct and incorporated herein.
2. **Commitment of Hospital to Provide Indigent Care.** During the term of this Agreement, Hospital shall provide healthcare services to low income individuals who are not entitled to benefits under Title XVIII of the Social Security Act or eligible for assistance under the State Plan of Title XIX of the Social Security Act. Hospital will ensure that all patients will receive necessary care in its Emergency Departments, as required by law, regardless of ability to pay.

3. **Commitment of Hospital to Submit Required Reports.** During the term of this Agreement, Hospital agrees to timely submit all reports that are required to participate in the 340B Program to Human Resources and Services Administration (HRSA), Office of Pharmacy Affairs, with copies to the County.

4. **Acceptance and Acknowledgements of the County**

- (a) County accepts the commitment of Hospital set forth above;
- (b) County hereby acknowledges that the healthcare services provided by Hospital hereunder are in the public interest and are shall be provided to individuals who are not entitled to benefits under Title VII or eligible for assistance under any State plan pursuant to Title XIX of the Social Security Act; and
- (c) County acknowledges that Hospital is providing these services at no reimbursement or considerably less than full reimbursement from the patients.

5. **Representations of Hospital.** Hospital represents:

- (a) Hospital is a non-profit public benefit corporation duly organized and validly existing in good standing under the laws of the State of California with the corporate power and authority to enter into and perform its obligations under this Agreement;
- (b) Hospital is a tax-exempt corporation under Section 501 (c)(3) of the Internal Revenue Code of the United States, as amended, and under applicable laws of the State of California;
- (c) For the most recent cost reporting period that ended before the calendar quarter involved, Hospital had a disproportionate share adjustment percentage (as determined under section 1886(d)(5)(F) of the Social Security Act [42 USCS § 1395ww(d)(5)(F)]) greater than 11.75 percent; and
- (d) Hospital does not obtain covered outpatient drugs through a group purchasing organization or other group purchasing arrangement.

6. **Term and Termination.** This Agreement shall be effective June 1, 2025 and shall remain in full force and effect for one (1) year thereafter and shall automatically renew for one (1) year intervals until May 31, 2030 unless otherwise agreed or terminated earlier.

Either party may give written notice to the other party of their intent not to renew, which notice not to renew must be given at least sixty (60) days before the expiration of the initial term hereof or any extension term.

Notwithstanding the above, each party has the right to immediately terminate this Agreement in the event of: (a) a threat or violation of either party's tax-exempt status; (b) any event that jeopardizes either party's licensure, accreditation, certification, or reimbursement, which events are caused by this Agreement; (c) a threat or violation of the provisions of Section 340B; or (d) if the provisions of Section 340B are materially modified or eliminated.

7. **Notices.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To County: Paola Hurtado, Division Chief of Primary Care and Family Health
County Health Department
300 N. San Antonio Road
Santa Barbara, CA 93110

To Hospital: Matt Richardson, Chief Financial Officer
Marian Regional Medical Center
1400 E. Church Street
Santa Maria, CA 93454

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

8. **Records, Audit, And Review.** Hospital shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Hospital'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 principles. County shall have the right to audit and review all such documents and records at any time during Hospital's regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), Hospital shall be subject to the examination and audit of the California State Auditor, at the request of County or as part of any audit of the County, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). Hospital shall participate in any audits and reviews, whether by County or the State, at no charge to County.
9. **Nondiscrimination.** County hereby notifies Hospital that Government Entity'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 Hospital agrees to comply with said ordinance.
10. **Nonexclusive Agreement.** Hospital understands that this is not an exclusive Agreement and that County shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Hospital as County desires.
11. **Non-Assignment.** Hospital shall not assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of County and any attempt to so

assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

12. **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.
13. **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.
14. **Remedies Not Exclusive.** No remedy herein conferred upon or reserved to either Party 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.
15. **No Waiver of Default.** No delay or omission of either Party 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 shall be exercised from time to time and as often as may be deemed expedient.
16. **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.
17. **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.
18. **Compliance with Law.** Each Party shall, at its 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.
19. **California Law and Jurisdiction.** This Agreement shall be governed by the laws of the State of California. 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.

20. **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.
21. **Authority.** All signatories and 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, Hospital hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Hospital is obligated, which breach would have a material effect hereon.
22. **Survival.** All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.
23. **Indemnification.** Hospital agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless County and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by County on account of any claim except where such indemnification is prohibited by law, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Hospital, its officers, employees or agents. County shall promptly give Hospital notice of any such claim.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, **Marian Regional Medical Center** and the **Santa Barbara County Health Department** have executed this Agreement to be effective as of June 1, 2025 by their duly authorized representatives.

ATTEST:

Mona Miyasato

County Executive Officer

Clerk of the Board

By:


Deputy Clerk

COUNTY OF SANTA BARBARA:

Laura Capps

By:


Chair, Board of Supervisors

Date:

6-24-25

RECOMMENDED FOR APPROVAL:

Mouhanad Hammami, Director

County Health Department

By:

Signed by:

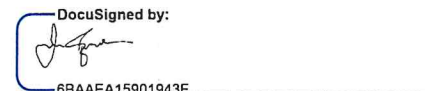
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Department Head

APPROVED AS TO ACCOUNTING FORM:

Betsy M. Schaffer, CPA

Auditor-Controller

By:

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Deputy

APPROVED AS TO FORM:

Rachel Van Mullem

County Counsel

By:

Signed by:

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Deputy County Counsel

APPROVED AS TO FORM:

Greg Milligan, ARM

Risk Manager

By:

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Risk Management

IN WITNESS WHEREOF, **Marian Regional Medical Center** and the **Santa Barbara County Health Department** have executed this Agreement to be effective as of June 1, 2025, by their duly authorized representatives.

HOSPITAL:

By: Signed by:
Matthew Richardson
B568C943B378472...
Authorized Representative

Name: Matthew Richardson

Title: CFO