



Monterey County Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-13889

Upon motion of Supervisor Parker, seconded by Supervisor Adams and carried by those members present, the Board of Supervisors hereby:

- a. Approved and authorized the Director of Health or Assistant Director of Health to sign and execute a non-exclusive Referral Agreement with Salinas Valley Radiologists, Inc. for the provision of diagnostic radiology services for Monterey County Health Department patients as referred, with an initial term of May 8, 2018 to May 7, 2020, in substantially the same form as that which has been presented to the Board, without material change to its content;
- b. Accepted the recommendation of the Director of Health or Assistant Director of Health regarding the non-standard indemnification provision in the Referral Agreement; and
- c. Approved and authorized the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not significantly change the scope of work.

PASSED AND ADOPTED on this 8th day of May 2018, by the following vote, to wit:

AYES: Supervisors Alejo, Salinas, Phillips, Parker and Adams

NOES: None

ABSENT: None

I, Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 80 for the meeting May 8, 2018.

Dated: May 16, 2018
File ID: A 18-132

Nicholas E. Chiulos, Acting Clerk of the Board of Supervisors
County of Monterey, State of California

By Donise Hancock
Deputy



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 18-132

May 08, 2018

Introduced: 4/24/2018

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve and Authorize the Director of Health or Assistant Director of Health to sign and execute a non-exclusive Referral Agreement with Salinas Valley Radiologists, Inc. for the provision of diagnostic radiology services for Monterey County Health Department patients as referred, with an initial term of May 8, 2018 to May 7, 2020, in substantially the same form as that which has been presented to the Board, without material change to its content; and
- b. Accept the recommendation of the Director of Health or Assistant Director of Health regarding the non-standard indemnification provision in the Referral Agreement; and
- c. Approve and authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and Authorize the Director of Health or Assistant Director of Health to sign and execute a non-exclusive Referral Agreement with Salinas Valley Radiologists, Inc. for the provision of diagnostic radiology services for Monterey County Health Department patients as referred, with an initial term of May 8, 2018 to May 7, 2020, in substantially the same form as that which has been presented to the Board, without material change to its content; and
- b. Accept the recommendation of the Director of Health or Assistant Director of Health regarding the non-standard indemnification provision in the Referral Agreement; and
- c. Approve and authorize the Director of Health or Assistant Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not significantly change the scope of work.

SUMMARY/DISCUSSION:

The Health Department Clinic Services Bureau (Clinic Services) operates nine community clinic sites designated as Federally Qualified Health Center Look-Alikes (FQHC-LA), which provide preventative, primary, and specialty medical care services. FQHC-LA clinic sites are governed and regulated by the Health Resources and Services Administration (HRSA) to provide primary health services to all patients regardless of ability to pay.

Required and additional services within the clinics HRSA approved scope of project that are not directly provided by the clinic must be made available to patients through a formal written referral arrangement. A required service that must be referred due to the clinics not having the appropriate equipment or staff is diagnostic radiology. Salinas Valley Radiologists, Inc. offers multiple locations in Monterey County and is one of the entities where Clinic Services patients are currently being seen for

diagnostic radiology services. This is a non-exclusive Agreement. As stated in the Agreement, Clinic Services has the right to contract and refer to other entities for the same or similar services.

FQHCs are required by HRSA, as defined by the federal Section 330 of the Public Health Service Act statute, to establish a Sliding Fee Discount that outlines a fee schedule for its services that is consistent with locally prevailing rates and reflects the clinic's reasonable costs of providing services. For services provided via formal referral arrangements, the referred to entity shall make available a Sliding Fee Discount to eligible patients who are at or below 200% of the Federal Poverty Level to assist with the costs of their care.

This work supports the Monterey County Health Department 2011-2015 Strategic Plan Initiatives: 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one of the ten essential public health services, specifically: 7) Link people to needed personal health services and assure the provision of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:

County Counsel and the Auditor-Controller have reviewed and concur with this recommendation. Risk Management has not reviewed approved the non-standard mutual indemnification provision. The Health Department recommends moving forward as it is a licensure requirement from HRSA to have formal written arrangements.

FINANCING:

There are no fiscal provisions within this Agreement.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:

- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☐ Administration:

- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒ Health & Human Services:

- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:

- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared by: Sheena Morales, Management Analyst III, x1393

Approved by: Elsa Jimenez, Director of Health, x4526



Attachments:

Agreement is on file with the Clerk of the Board

REFERRAL AGREEMENT BETWEEN THE MONTEREY COUNTY HEALTH DEPARTMENT AND SALINAS VALLEY RADIOLOGISTS, INC.

This Agreement is made and entered into by and between the County of Monterey Health Department, (hereinafter referred to as "COUNTY"), and Salinas Valley Radiologists, Inc., (hereinafter referred to as "SVR").

RECITALS

WHEREAS, COUNTY operates community clinics certified by the State of California under the provisions of Health and Safety Code 1206 (b) and have been designated as Federally Qualified Health Center (FQHC) Look-Alikes. Under the direction of the Health Department and governance of the Community Health Center Board, the clinics located in Seaside, Marina and Salinas provide preventive, primary, and specialty medical care services. These FQHC clinics offer a sliding fee discount and are committed to serving primarily low-income residents and the medically underserved, many of who are eligible for Medi-Cal, Medicare and other public health care assistance programs.

WHEREAS, SVR has served the Salinas Valley and Monterey Peninsula since 1949 offering state-of-the-art imaging services and expertise in up-to-date methods and practices for early detection, interpretation, and treatment. SVR operates within four privately owned medical offices located in Salinas and Carmel, including Salinas Valley Imaging Center, Coastal Valley Imaging of Salinas, Coastal Valley Imaging of Carmel, and Valle Verde X-Ray Center of Salinas, SVR also has hospital-based coverage at Salinas Valley Memorial Hospital (since 1953) and Natividad Medical Center (since 1959). All SVR facilities are fully accredited by the American College of Radiology.

NOW THEREFORE, COUNTY and SVR, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE AGREEMENT

- 1.1 SVR shall accept patient referrals from the COUNTY for diagnostic radiology.
- 1.2 SVR will provide the COUNTY with all results and outcomes and will refer patients back to the COUNTY for follow up care. The COUNTY will be responsible for the appropriate follow up care.
- 1.3 COUNTY and SVR warrant that COUNTY and SVR and their agents, employees, and sub-contractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement. Both parties shall verify provider licensure,

4.0 COMPENSATION AND PAYMENTS

- 4.1 To the extent permitted by law, each party shall be solely responsible for billing and collecting fees and charges from patients, or other responsible third parties for any services performed pursuant to this Agreement.
- 4.2 To the extent permitted by law, it is mutually understood and agreed by both parties, that each party is responsible for billing the services provided under its four walls and under its purview.

5.0 INDEMNIFICATION

SVR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by SVR and/or its officers, agents, employees or subcontractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the COUNTY. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the COUNTY. SVR shall reimburse the COUNTY for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which SVR is obligated to indemnify, defend and hold harmless the COUNTY under this Agreement.

COUNTY shall indemnify, defend, and hold harmless SVR, its officers, agents, and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by the COUNTY and/or its officers, agents, employees or subcontractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by SVR. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the SVR. The COUNTY shall reimburse SVR for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the COUNTY is obligated to indemnify, defend and hold harmless SVR under this Agreement.

6.0 INSURANCE REQUIREMENTS

- 6.1 Evidence of Coverage. Prior to commencement of this Agreement, SVR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, SVR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the COUNTY'S Contracts/Purchasing Office, unless otherwise directed. SVR shall not receive approval for services for work under this Agreement until all insurance has been obtained as required and approved by

Each liability policy shall provide that the COUNTY shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for SVR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insured with respect to liability arising out of the SVR'S work, including ongoing and complete operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance of the Additional Insured shall not be called upon to contribute to a loss covered by the SVR'S insurance.

Prior to the execution of this Agreement by the COUNTY, SVR shall file certificates of insurance with the COUNTY'S contract administrator and the COUNTY'S Contracts/Purchasing Office, showing that SVR has in effect the insurance required by this Agreement. SVR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

SVR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY'S Contract Administrator and COUNTY'S Contracts/Purchasing Office. If the certificate is not received by the expiration date, SVR shall have five (5) calendar days to send the certificate, evidencing no lapse in coverage during the interim. Failure by SVR to maintain such insurance coverage is a default of this Agreement, which entitles COUNTY, at its sole discretion, to terminate this Agreement immediately.

7.0 RECORDS AND CONFIDENTIALITY

- 7.1 Confidentiality: SVR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. SVR shall not disclose any confidential records or other confidential information received from the COUNTY or prepared in connection with the performance of this Agreement, unless COUNTY specifically permits SVR to disclose such records or information. SVR shall promptly transmit to COUNTY any and all requests for disclosure of any such confidential records or information. SVR shall not use any confidential information gained by SVR in the performance of this Agreement except for the sole purpose of carrying out SVR's obligations under this Agreement.

11.0 AMENDMENTS

This Agreement may be amended or modified only by an instrument in writing signed by COUNTY and SVR.

12.0 NON-EXCLUSIVE

This Agreement is non-exclusive and both COUNTY and SVR expressly reserve the right to contract and refer to other entities for the same or similar services.

13.0 SEVERABILITY

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

14.0 STARK LAW

COUNTY and SVR agree that this Agreement shall not be in violation of the rules and regulations of the Stark Law. It is understood and agreed that no payment is being made hereunder to induce or encourage any referral. Each party is free to make referrals to any party such party determines is appropriate and there is no understanding or intent expressed or implied concerning referrals between the parties.

15.0 NOTICES

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the COUNTY and SVR'S contract administrators at the addresses listed below:

FOR COUNTY:

Director of Health

Elsa M. Jimenez

1270 Natividad Road

Salinas, CA 93906

Tel. No.: (831) 755-4526

FOR SVR:

Chief Administrative Officer

Doug Gibson

627 Brunken Avenue, Suite A

Salinas, CA 93901

Tel. No.: (831) 796-3748

IN WITNESS WHEREOF, the COUNTY and SVR have executed this Agreement as of the day and year written below:

COUNTY OF MONTEREY

By: SVR
Elsa Jimenez, Director of Health

Date: 05/16/18

SALINAS VALLEY RADIOLOGISTS, INC.

By: [Signature]
Name and Title DOUG GIBSON, CAO

Date: 4/17/2018

Approved as to Fiscal Provisions:

By: [Signature]
Auditor/Controller

Date: 4-17-18
Approved as to Liability Provisions:

By: _____
Risk Management

Date: _____

Approved as to Form:

By: [Signature]
County Counsel

Date: 4/20/18

*INSTRUCTIONS: If SVR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If SVR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If SVR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

**INTER-DEPARTMENTAL MEMORANDUM
ON REFERRALS OF FQHC PATIENTS BETWEEN THE
MONTEREY COUNTY HEALTH DEPARTMENT
AND NATIVIDAD MEDICAL CENTER**

This Memorandum is made and entered into by and between the County of Monterey Health Department, (hereinafter referred to as "MCHD"), and Natividad Medical Center, (hereinafter referred to as "NMC").

RECITALS

WHEREAS, MCHD operates community clinics certified by the State of California under the provisions of Health and Safety Code 1206 (b) and have been designated as Federally Qualified Health Center (FQHC) Look-Alikes. Under the direction of the Health Department's Clinic Services Bureau and governance of the Community Health Center Board, the clinics located in Seaside, Marina, and Salinas provide preventive, primary, and specialty medical care services. The FQHCs' scope of project was approved by the federal Health Resources and Services Agency (HRSA), which includes required services that are provided directly by the FQHCs and through formal arrangements. These FQHC clinics offer a sliding fee discount as required by HRSA for all services, including those provided under arrangements, and are committed to serving primarily low-income residents and the medically underserved, many of who are eligible for Medi-Cal, Medicare and other public health care assistance programs.

WHEREAS, NMC is a public safety-net hospital owned and operated by Monterey County, providing healthcare access to all patients regardless of their ability to pay. NMC also includes specialty clinics, a Level II Trauma Center and is the only teaching hospital on the Central Coast, through its affiliation with the University of California, San Francisco (UCSF).

NOW THEREFORE, MCHD and NMC, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE MEMORANDUM

- 1.1 NMC shall accept patient referrals from MCHD for the following services, including but not limited to: diagnostic laboratory, diagnostic radiology, obstetrical care (prenatal care, labor and delivery, and postpartum care) services, pharmaceutical services, case management, and outreach services.
- 1.2 NMC will provide the MCHD with all results and outcomes to facilitate follow up care. MCHD will be responsible for the appropriate follow up care.
- 1.3 MCHD and NMC warrant that MCHD and NMC and their agents, employees, and sub-contractors performing services under this Memorandum are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Memorandum. Both parties shall verify provider licensure,

certification or registration through a defined credentialing process and complete a privileging process relevant to the contracted services(s).

- 1.4 MCHD and NMC'S, agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Memorandum that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

- 1.4.1 MCHD and NMC both agree that each shall maintain all licenses throughout the term of the Memorandum.

- 1.5 MCHD and NMC shall furnish, at their own expense, all materials, equipment, and personnel necessary to carry out the terms of this Memorandum, except as otherwise specified in this Memorandum.

2.0 SLIDING FEE DISCOUNT

- 2.1 Federally Qualified Health Center Look-alike (FQHC-LA) clinics are required by the Health Resources and Services Agency (HRSA) under Section 330(k) (3) (G) of the PHS Act and 42 CFR part 51c.303 (f) to prepare a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation.
- 2.2 The above HRSA requirements also mandate that FQHC-LA clinics provide a Sliding Fee Discount that is available for patients receiving services, including services provided under arrangements, who are uninsured or underinsured and are at or below 200% of the Federal Poverty Level to assist with the costs of their care.
- 2.3 In accordance with the HRSA requirements, individuals and families who are at or below 200% receiving services under this Memorandum will be offered the discount based on their income and family size. Underinsured individuals who have or are eligible for public or private health insurance also qualify for the Sliding Fee Discount based on income and family size. These underinsured individuals may not pay more than uninsured patients in the same income category.

3.0 TERM OF MEMORANDUM

- 3.1 The term of this Memorandum shall be from May 14, 2018 to May 13, 2020, unless earlier terminated. It shall automatically renew for subsequent terms of five (5) years each unless either party gives written notice not to renew at least 30 days in advance of the renewal date. Neither party is required to state a reason if it elects not to renew this Memorandum.
- 3.2 If either party exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions in writing.

- 3.3 Both parties reserve the right to cancel the Memorandum, or any extension of the Memorandum, without cause, with a thirty (30) day written notice, or immediately with cause.

4.0 COMPENSATION AND PAYMENTS

- 4.1 To the extent permitted by law, each party shall be solely responsible for billing and collecting fees and charges from patients, or other responsible third parties for any services performed pursuant to this Memorandum.
- 4.2 To the extent permitted by law, it is mutually understood and agreed by both parties, that each party is responsible for billing the services provided under its four walls and under its purview.

5.0 INDEMNIFICATION

As NMC and the MCHD are both Monterey County Departments, there are no indemnification requirements.

6.0 INSURANCE REQUIREMENTS

As NMC and the MCHD are both Monterey County Departments, there are no insurance requirements.

7.0 RECORDS AND CONFIDENTIALITY

- 7.1 Confidentiality: NMC and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. NMC shall not disclose any confidential records or other confidential information received from MCHD or prepared in connection with the performance of this Memorandum, unless MCHD specifically permits NMC to disclose such records or information. NMC shall promptly transmit to MCHD any and all requests for disclosure of any such confidential records or information. NMC shall not use any confidential information gained by NMC in the performance of this Memorandum except for the sole purpose of carrying out NMC's obligations under this Memorandum.
- 7.2 Maintenance of Records: NMC shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and county rules and regulations related to services performed under this Memorandum.

8.0 NON-DISCRIMINATION

During the performance of this Memorandum, neither party nor its officers, employees, agents and subcontractors shall unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in its employment practices or in the furnishing of services to recipients. Each party shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Each party and any subcontractor shall, in the performance of this Memorandum, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Memorandum shall not be deemed to be prohibited discrimination.

9.0 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT—HIPAA COMPLIANCE

The parties mutually agree to operate its business in a manner as necessary to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

10.0 AMENDMENTS

This Memorandum may be amended or modified only by an instrument in writing signed by MCHD and NMC.

11.0 NON-EXCLUSIVE

This Memorandum is non-exclusive and both MCHD and NMC expressly reserve the right to contract and refer to other entities for the same or similar services.

12.0 SEVERABILITY

If any provision of this Memorandum is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Memorandum.

13.0 STARK LAW

MCHD and NMC agree that this Memorandum shall not be in violation of the rules and regulations of the Stark Law, the federal Anti-kickback Statute, and similar state laws. It is understood and agreed that no payment is being made hereunder to induce or encourage any referral. Each party is free to make referrals to any party such party determines is appropriate and there is no understanding or intent expressed or implied concerning referrals between the parties.

14.0 NOTICES

Notices required under this Memorandum shall be delivered personally or by first-class, postage pre-paid mail to MCHD and NMC'S contract administrators at the addresses listed below:

FOR MCHD:

Director of Health

Elsa M. Jimenez

1270 Natividad Road

Salinas, CA 93906

Tel. No.: (831) 755-4526

FOR NMC:

Chief Executive Officer

Gary Gray, D.O.

1441 Constitution Boulevard

Salinas, CA 93906

Tel. No.: (831) 755-2553

IN WITNESS WHEREOF, MCHD and NMC have executed this Memorandum as of the day and year written below:

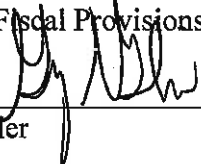
MONTEREY COUNTY HEALTH
DEPARTMENT

By: 

Elsa Jimenez, Director of Health

Date: 05/21/2018

Approved as to Fiscal Provisions:

By: 

Auditor/Controller

Date: 5-18-18

Approved as to Form and Legal Liability:

By: 

Stacy Saetta, Deputy County Counsel

Date: 5/15/18

NATIVIDAD MEDICAL CENTER

By: 

Gary Gray, D.O., Chief Executive Officer

Date: 5/3/18

**INTER-BUREAU MEMORANDUM
ON REFERRALS OF FQHC PATIENTS BETWEEN THE
MONTEREY COUNTY HEALTH DEPARTMENT'S
CLINIC SERVICES BUREAU AND BEHAVIORAL HEALTH BUREAU**

This Memorandum is made and entered into by and between the County of Monterey Health Department's Clinic Services Bureau, (hereinafter referred to as "CLINIC SERVICES"), and Behavioral Health Bureau, (hereinafter referred to as "BEHAVIORAL HEALTH").

RECITALS

WHEREAS, CLINIC SERVICES operates community clinics certified by the State of California under the provisions of Health and Safety Code 1206 (b) and have been designated as Federally Qualified Health Center (FQHC) Look-Alikes. Under the direction of CLINIC SERVICES and governance of the Community Health Center Board, the clinics located in Seaside, Marina, and Salinas provide preventive, primary, and specialty medical care services. The FQHCs' scope of project was approved by the federal Health Resources and Services Agency (HRSA), which includes required services that are provided directly by the FQHCs and through formal arrangements. These FQHC clinics offer a sliding fee discount as required by HRSA for all services, including those provided under arrangements, and are committed to serving primarily low-income residents and the medically underserved, many of who are eligible for Medi-Cal, Medicare and other public health care assistance programs.

WHEREAS, BEHAVIORAL HEALTH provides mental health and substance abuse services to residents of Monterey County, offering programs that link County residents who have mental health and addictive disorders to a continuum of behavioral health interventions such as inpatient hospitalization, crisis interventions, recovery programs, prevention services, supportive housing, wellness centers, and outpatient services.

NOW THEREFORE, CLINIC SERVICES and BEHAVIORAL HEALTH, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE MEMORANDUM

1.1 BEHAVIORAL HEALTH shall accept patient referrals from CLINIC SERVICES for moderate to severe mental health services and substance abuse services to include screening, diagnosis, and treatment services for substance abuse disorders (e.g. abuse of alcohol, prescription drugs and opioids).

1.2 BEHAVIORAL HEALTH will provide CLINIC SERVICES with all results and outcomes to facilitate follow up care. CLINIC SERVICES will be responsible for the appropriate follow up care.

- 1.3 CLINIC SERVICES and BEHAVIORAL HEALTH warrant that CLINIC SERVICES and BEHAVIORAL HEALTH and their agents, employees, and sub-contractors performing services under this Memorandum are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Memorandum. Both parties shall verify provider licensure, certification or registration through a defined credentialing process and complete a privileging process relevant to the contracted services(s).
- 1.4 CLINIC SERVICES and BEHAVIORAL HEALTH'S, agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Memorandum that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 1.4.1 CLINIC SERVICES and BEHAVIORAL HEALTH both agree that each shall maintain all licenses throughout the term of the Memorandum.
- 1.5 CLINIC SERVICES and BEHAVIORAL HEALTH shall furnish, at their own expense, all materials, equipment, and personnel necessary to carry out the terms of this Memorandum, except as otherwise specified in this Memorandum.

2.0 SLIDING FEE DISCOUNT

- 2.1 Federally Qualified Health Center Look-alike (FQHC-LA) clinics are required by the Health Resources and Services Agency (HRSA) under Section 330(k) (3) (G) of the PHS Act and 42 CFR part 51c.303 (f) to prepare a schedule of fees or payments for the provision of its services consistent with locally prevailing rates or charges and designed to cover its reasonable costs of operation.
- 2.2 The above HRSA requirements also mandate that FQHC-LA clinics provide a Sliding Fee Discount that is available for patients receiving services, including services provided under arrangements, who are uninsured or underinsured and are at or below 200% of the Federal Poverty Level to assist with the costs of their care.
- 2.3 In accordance with the HRSA requirements, individuals and families who are at or below 200% receiving services under this Memorandum will be offered the discount based on their income and family size. Underinsured individuals who have or are eligible for public or private health insurance also qualify for the Sliding Fee Discount based on income and family size. These underinsured individuals may not pay more than uninsured patients in the same income category.

3.0 TERM OF MEMORANDUM

- 3.1 The term of this Memorandum shall be from May 14, 2018 to May 13, 2020, unless earlier terminated. It shall automatically renew for subsequent terms of five (5) years each unless either party gives written notice not to renew at least 30 days in advance of

the renewal date. Neither party is required to state a reason if it elects not to renew this Memorandum.

- 3.2 If either party exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions in writing.
- 3.3 Both parties reserve the right to cancel the Memorandum, or any extension of the Memorandum, without cause, with a thirty (30) day written notice, or immediately with cause.

4.0 COMPENSATION AND PAYMENTS

- 4.1 To the extent permitted by law, each party shall be solely responsible for billing and collecting fees and charges from patients, or other responsible third parties for any services performed pursuant to this Memorandum.
- 4.2 To the extent permitted by law, it is mutually understood and agreed by both parties, that each party is responsible for billing the services provided under its four walls and under its purview.

5.0 INDEMNIFICATION

As BEHAVIORAL HEALTH and CLINIC SERVICES are both Monterey County Departments, there are no indemnification requirements.

6.0 INSURANCE REQUIREMENTS

As BEHAVIORAL HEALTH and CLINIC SERVICES are both Monterey County Departments, there are no insurance requirements.

7.0 RECORDS AND CONFIDENTIALITY

- 7.1 Confidentiality: BEHAVIORAL HEALTH and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. BEHAVIORAL HEALTH shall not disclose any confidential records or other confidential information received from CLINIC SERVICES or prepared in connection with the performance of this Memorandum, unless CLINIC SERVICES specifically permits BEHAVIORAL HEALTH to disclose such records or information. BEHAVIORAL HEALTH shall promptly transmit to CLINIC SERVICES any and all requests for disclosure of any such confidential records or information. BEHAVIORAL HEALTH shall not use any confidential information gained by BEHAVIORAL HEALTH in the performance of this Memorandum except for the sole purpose of carrying out BEHAVIORAL HEALTH's obligations under this Memorandum.

- 7.2 Maintenance of Records: BEHAVIORAL HEALTH shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and county rules and regulations related to services performed under this Memorandum.

8.0 NON-DISCRIMINATION

During the performance of this Memorandum, neither party nor its officers, employees, agents and subcontractors shall unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in its employment practices or in the furnishing of services to recipients. Each party shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. Each party and any subcontractor shall, in the performance of this Memorandum, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Memorandum shall not be deemed to be prohibited discrimination.

9.0 HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT—HIPAA COMPLIANCE

The parties mutually agree to operate its business in a manner as necessary to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

10.0 AMENDMENTS

This Memorandum may be amended or modified only by an instrument in writing signed by CLINIC SERVICES and BEHAVIORAL HEALTH.

11.0 NON-EXCLUSIVE

This Memorandum is non-exclusive and both CLINIC SERVICES and BEHAVIORAL HEALTH expressly reserve the right to contract and refer to other entities for the same or similar services.

12.0 SEVERABILITY

If any provision of this Memorandum is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Memorandum.

13.0 STARK LAW

CLINIC SERVICES and BEHAVIORAL HEALTH agree that this Memorandum shall not be in violation of the rules and regulations of the Stark Law, the federal Anti-kickback Statute, and similar state laws. It is understood and agreed that no payment is being made hereunder to induce or encourage any referral. Each party is free to make referrals to any party such party determines is appropriate and there is no understanding or intent expressed or implied concerning referrals between the parties.

14.0 NOTICES

Notices required under this Memorandum shall be delivered personally or by first-class, postage pre-paid mail to CLINIC SERVICES and BEHAVIORAL HEALTH'S contract administrators at the addresses listed below:

FOR CLINIC SERVICES:

Ambulatory Services Administrator,
Natividad Medical Center and the Monterey
County Health Department
Julie Edgcomb, MA
1615 Bunker Hill Way, Suite 140
Salinas, CA 93906
Tel. No.: (831) 796-1370

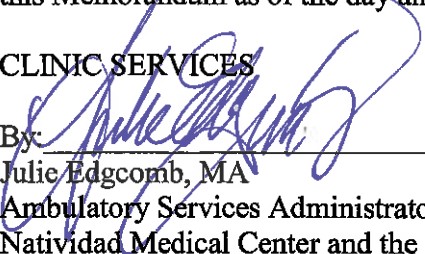
FOR BEHAVIORAL HEALTH:

Behavioral Health Director

Amie Miller, Psy.D, MFT
1270 Natividad Road
Salinas, CA 93906
Tel. No.: (831) 755-4509

IN WITNESS WHEREOF, CLINIC SERVICES and BEHAVIORAL HEALTH have executed this Memorandum as of the day and year written below:

CLINIC SERVICES

By: 
Julie Edgcomb, MA
Ambulatory Services Administrator,
Natividad Medical Center and the
Monterey County Health Department

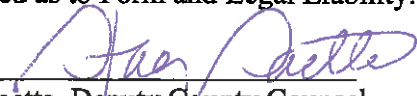
Date: 5/7/18

BEHAVIORAL HEALTH

By: 
Amie Miller, Psy.D, MFT
Behavioral Health Director

Date: 5.4.2018

Approved as to Form and Legal Liability:

By: 
Stacy Saetta, Deputy County Counsel

Date: 5/8/18