

**AMENDMENT ONE TO AGREEMENT BETWEEN  
THE COUNTY OF SAN MATEO AND  
MEDIMPACT HEALTHCARE SYSTEMS, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and MEDIMPACT HEALTHCARE SYSTEMS, INC, hereinafter called "Contractor"; amends the Agreement between Contractor and County For Prescription Benefit Management Services (herein referred to as the "Original Agreement") dated effective the 1<sup>st</sup> day of July 2002.

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof; and

WHEREAS, on May 21, 2002, Contractor and County entered into the Original Agreement pursuant to which Contractor agreed to provide certain services relating to prescription claim processing, eligibility verification, pricing, pharmacy network administration, and reporting required by County; and

WHEREAS, it is the mutual desire and intent of the parties to amend and clarify that Original Agreement ;

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Attachment H – HIPAA Business Associate requirements - is hereby added by reference and incorporated herein.
2. Section 4, Mutual Hold Harmless is hereby amended by the addition of the following:

Further, Both Contractor and County shall indemnify and save harmless each other, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of any sanctions, penalties or claims of damages resulting from either party's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended. The Parties shall indemnify and save harmless each

other, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of any sanctions, penalties or claims of damages resulting from either party's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended.

3. Section 10, Compliance with Applicable Laws, is hereby amended by the addition of the following:

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, ordinances and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the Federal Regulations promulgated thereunder, as amended, and will comply with the Business Associate requirements set forth in Attachment H, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this agreement and state, federal, county or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

4. Schedule B, MedImpact Healthcare Systems, Inc.: 2002 – 2005, shall be deleted in its entirety and replaced with the attached Schedule B, MedImpact Healthcare Systems, Inc.: 2002 – 2005.
5. All other terms and conditions of the Original Agreement dated May 21, 2002, between the County and Contractor shall remain in full force and effect.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES that the Original Agreement be amended accordingly.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
Richard S. Gordon  
President, Board of Supervisors,  
San Mateo County

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Clerk of Said Board

MEDIMPACT HEALTHCARE SYSTEMS, INC.



\_\_\_\_\_  
Frederick Howe  
Chairman/CEO

Date: 8/30/05

SCHEDULE B  
MedImpact Healthcare Systems, Inc.: 2002 – 2005

Maximum Obligation

Notwithstanding the method of payment set forth herein, in no event shall County pay nor be obligated to pay Contractor more than the sum of SIXTY-ONE MILLION FIFTY-FIVE THOUSAND NINE HUNDRED SEVENTY-EIGHT DOLLARS (\$61,055,978) for services provided under Schedule A of this Agreement for the period of July 1, 2002 through June 30, 2005.

**CLAIMS PROCESSING:**

<b>Claims Per Month</b>	<b>Per Processed Claim Electronically Submitted*</b>
Less than 10,000	\$0.29
10,000 - 19,999	\$0.24
20,000 - 29,999	\$0.20
30,000 - and above	\$0.19

\* *Processing charges must meet a minimum of \$750.00 per bi-weekly invoice cycle for each plan to qualify for fee schedule. Add ten percent (10%) to Claims Processing Charges if reports are requested in other than via FTP.*

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The claims processing fees include the following:

- Processing and payment of all Claims
- Concurrent Drug Utilization Reviews (DUR)
- Monthly and quarterly standard reports
- Administration of a standard MAC program
- Standard benefit design and implementation services
- Eligibility management
- EOB claims payment detail sent to Participating Pharmacies
- Biweekly Check-Run Control Totals sent to County
- Pharmacy Network Administration
- MedAccess™ – eight (8) concurrent users with Claims and profile access, including associated access and modem lines for said users
- MedManager™
- MedFocus®
- Deductible with/without benefit maximum
- Maximum benefit only by group
- Prior authorization services
- Toll free customer service help desk dedicated to San Mateo County Plans
- On-line messaging

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**PHARMACY RATES\***

Retail Blended Pharmacy Rates – Chain Pharmacies:

- Brand: Average Wholesale Price (AWP) less twelve percent (12%) + TWO DOLLARS FIFTY CENTS (\$2.50) dispensing fee
- Generic: The lesser of AWP – twenty-two percent (22%) or Maximum Allowable Cost II (MAC) + TWO DOLLARS SEVENTY-FIVE CENTS (\$2.75) dispensing fee.

Retail Blended Pharmacy Rates – Independent Pharmacies that provide additional service:\*

- Brand: Average Wholesale Price (AWP) less twelve percent (12%) + FIVE DOLLARS TWENTY-ONE CENTS (\$5.21) dispensing fee
- Generic: The lesser of AWP – twenty-two percent (22%) or Maximum Allowable Cost II (MAC) + FIVE DOLLARS TWENTY-ONE CENTS (\$5.21) dispensing fee.

Patient Assistance Program from Pharmaceutical Companies:

Contractor shall work with County to ensure separate processing of obtained medications. These medications shall be reimbursed a FIVE DOLLAR TWENTY-ONE CENT (\$5.21) dispensing fee only.

Medications Provided by San Mateo County General Hospital Pharmacy:

There shall be no prescription costs provided by these pharmacies. Only administrative fees for claims processing, data reporting, etc. shall apply.

WELL Patients:

For WELL patients, fees charged to County shall be net of the FIVE DOLLAR (\$5) co-pay per script paid by the patient at the point of service. If the patient fails to pay the co-pay, Contractor may bill County for the FIVE DOLLAR (\$5) per prescription co-pay. The co-pay billing shall include a remittance advice (see Schedule A, Section VI.A.).

- \* ***“Blended” reimbursement rates means that the contracted reimbursement rate between Contractor and a Participating Pharmacy may vary from the rates described in this Schedule B; however, the amounts that County shall reimburse Contractor under this Agreement are solely the amounts described above.***

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**MedDividend<sup>®</sup>** (manufacturer rebate administration)

*(Includes clinical and formulary management)*

<u>Recovery Quarterly</u>	<u>Admin Fee</u>
< \$125,000	20%
\$125,000 - \$149,999	15%
\$150,000 - \$174,999	14%
\$175,000 - \$199,999	13%
\$200,000 - \$249,999	12%
\$250,000 - \$499,999	11%
\$500,000 - \$1M	10%
>1M	9%

The actual credit will be issued in a monthly check payable to County.

Clinical Services – Clinical Services are included at no additional charge if the **MedDividend<sup>®</sup>** option is selected.

\$0.10 per member per month if **MedDividend<sup>®</sup>** option is not selected

County shall be responsible for all travel and lodging expenses and for reasonable time and materials charges for Clinical Pharmacist attendance at Pharmacy & Therapeutics (P&T) Committee meetings.

Formulary Maintenance – The following are included at no charge if **MedDividend<sup>®</sup>** option is selected:

\$0.05 per member per month if **MedDividend<sup>®</sup>** option is not selected

1. Assistance in the coding of the selected medication formulary for claims adjudication
2. Initial working copy of the Contractor recommended drug formulary for County to photocopy, print, and distribute to providers
3. Quarterly Contractor updates
4. Custom formulary will incur additional charges as outlined in this Schedule B

Retrospective Drug Utilization Evaluations (DUE)\*:

One (1) standard, scheduled per quarter included

Additional Retrospective DUEs: \$0.04 per member per month with a \$750.00 minimum charge; \$7,500.00 maximum charge

*\*MedImpact's scheduled standard DUEs on a quarterly basis; County will be charged time and materials for modifications.*

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**THE FOLLOWING INCUR ADDITIONAL CHARGES:**

1. Paper submitted Claims (Charged to the Participating Pharmacy) \$1.00 per Claim
  2. Paid Claims Data
    - a. NCPDP Modified/Contractor format \$75.00 per tape, CD, FTP
    - b. Non-standard format \$100.00 per tape, CD, FTP
  3. Member direct reimbursement \$1.50 per Claim
  4. MedAccess™ (member database access) Eight concurrent users, and associated access and modem lines for said users, included with Claims and profile access  
\$250.00 per month for each additional concurrent user
- Additional Claims Access.... \$75.00 per user per month  
Additional Profile Access.... \$75.00 per user per month  
Drug file access..... \$1,000.00 per user per year

County is responsible for any additional telephone line charges, installation and set-up fees, equipment, including emulation software, and MedImpact's minimum system requirements that are above and beyond the associated access and modem lines for the eight (8) included users.

Installation and set up fees: \$285.00 – one time charge per installation

<p>5. MedManager™ 3 On-line</p> <ul style="list-style-type: none"> <li>• County will be responsible for all telecommunication and telephone charges and MedImpact's minimum system requirements, including operating system and hardware</li> <li>• County shall be responsible for reasonable time and material charges for training.</li> </ul>	Included
6. MedFocus®	Included
7. MedOverview®	\$0.03 per processed Claim for each set of four (4) concurrent users.
8. MedPreferred™	\$30.00 per successful conversion or \$10.00 per notice for non-conversion based programs*
* A successful conversion occurs upon the Eligible Member's receipt of the initial prescription from the Participating Pharmacy.	
9. PatientChoice	25% of savings or \$40.00 per successful conversion* or \$10.00 per notice for non-conversion based programs*
* A successful conversion occurs upon the Eligible Member's receipt of the initial prescription from the Participating Pharmacy.	
10. Internet access to patient profile Personal Health <sup>Rx</sup> Physician Access a. Set Up Fee	\$5,000.00 (one time charge)  \$1,500.00 per month
b. Maintenance Fee	
c. Registration Fee Physician Registrants <1,000 1,000 – 3,000 >3,000	\$3.00 per physician \$2.50 per physician \$2.00 per physician



11. ID cards	<u>Price Per Card</u>
Standard cards (plastic)	\$0.50
Custom cards (plastic)	\$1.25
12. Prior authorization administration	Included
13. Plan file data	
<i>(Manual input and maintenance from hardcopy)</i>	
Members	\$1.00 per record
Groups/Divisions	\$10.00 per record
Pharmacies	\$5.00 per record
Physicians	\$5.00 per record
14. Additional standard reports	\$100.00 per report
Custom reports (to include):	
Programming time	\$150.00 per hour
Run time	\$100.00 per hour
15. Changes in selection of standard reports	\$50.00 minimum charge
16. Pharmacy Audits	
Documentation and verification audits	35% recovery on a contingency fee basis
On-site audits	35% recovery on a contingency fee basis
17. Mailings	
Inserted & mailed w/financial reports	\$0.10 per insert
Additional cost of separate mailing	\$1.00 per packet
18. Out-of-pocket expenses	Time and materials
a. Mailing expenses/postage	
b. Air freight/overnight letters	
19. Custom Formulary setup fees	Time and materials
20. HIPAA compliance consultative services	\$100.00 per Contractor response to County inquiry
21. Late eligibility fee	Time and materials to include any necessary overtime charges associated with data conversion and eligibility processing
22. Customized implementation fee	Time and materials to include any necessary overtime charges

23. Information technology programming time \$150.00 per hour
24. Clinical Pipeline with MedDividend® & a MedImpact standard formulary 1 year subscription:  
No charge, bundled service
25. Clinical Pipeline – stand alone 1 year subscription, stand alone:  
Up to 4 users, \$1,200  
5 to 8 users, \$1,800  
8 to 12 users, \$2,400  
More than 12 users, TBD

### Performance Guarantees and Penalties

The total fees at risk of penalty on an annual basis is fifty percent (50%) of the annual administrative fees. Contractor's obligations are subject to force majeure clause.

Performance	Standard	Guarantee	Frequency
<b>Claims Processing (On-Line)</b>			
Turnaround time for claims processing. (Schedule A, Section IB)	98% response within 4 seconds	\$100 per incidence greater than 4 seconds, up to an annual maximum penalty of \$5,000. Reports will be produced from internal tracking records.	Measured Monthly, Reported Quarterly, Annual reconciliation
Claims adjudication accuracy. (Schedule A, Section IC)	99% of all claims paid with NO errors	\$1,500 per month if error rate exceeds threshold, up to an annual maximum penalty of \$5,000. A percentage of claims (to be mutually determined by the County and Contractor) will be audited, with error percentage extrapolated to represent total claims volume.	Measured Monthly, Reported Quarterly, Annual reconciliation
System downtime. (Schedule A, Section IA)	99% system availability (excluding scheduled downtime for maintenance)	\$100 per percentage point variance, up to an annual maximum penalty of \$1,000. Guarantee to be measured, reported, and reconciled annually. Reports will be produced based on system access data provided by NDC	Annual reports, Annual reconciliation

Performance	Standard	Guarantee	Frequency
<b>Paper Claims Processing</b>			
Turnaround time for manual claims. (Schedule A, Section ID)	100% of submitted claims	\$100 per day for each day beyond limit per incidence up to an annual maximum penalty of \$1,000. Reports will be produced from internal tracking records.	Measured Monthly, Reported Quarterly, Annual reconciliation
Claims adjudication accuracy. (Schedule A, Section ID)	99% of all claims paid with no errors	\$1,500 per month if error rate exceeds threshold, maximum annual penalty of \$4,500. A percentage of claims (to be mutually determined by the County and Contractor) will be audited, with error percentage extrapolated to represent total claims volume.	Measured Monthly, Reported Quarterly, Annual reconciliation

Eligibility Management			
Member Eligibility (Schedule A, Section IIIA)	Accurately loaded within 24 hours of receipt of accurate and complete data from County.	\$500 per day late, up to an annual maximum of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation
	Rectify all loading errors within 24 hours of notification.	\$500 per day late, up to an annual maximum of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation
Physician Eligibility (Schedule A, Section IVB)	Physician data will be loaded within 2 business days of receipt during normal business hours of accurate and complete data from County.	\$100 per day late, up to an annual maximum penalty of \$4,500.	Measured Monthly, Reported Quarterly, Annual reconciliation
	Errors corrected within 24 hours of notification.	\$100 per day late, up to an annual maximum penalty of \$4,500.	Measured Monthly, Reported Quarterly, Annual reconciliation

Performance	Standard	Guarantee	Frequency
<b>Prior Authorization Requests (Schedule A, Section VB)</b>			
Do not require clinical intervention	95% of PARs entered and notifications faxed to physician and pharmacies within 1 business day of receipt, 100% within 2 business days of receipt.	\$100 per day late, up to an annual maximum penalty of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation
Require clinical intervention	95% of PARs entered and notifications faxed to physician and pharmacies within 1 business day of resolution, 100% within 2 business days of resolution.	\$100 per day late, up to an annual maximum penalty of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation
Accuracy	99% of all PARs	\$100 per error in excess of 1%, up to an annual maximum penalty of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation

<b>Benefit Management</b>			
Benefit Change Requests (Schedule A, Section VID)	7 business day turnaround time, or a mutually agreed upon date between County and Contractor	\$100 per day late, up to an annual maximum penalty of \$5,000.	Annual reconciliation

<b>Reporting</b>			
MedAccess (Schedule A, Section VIIA)	Available during normal business hours	\$100 for every hour beyond the first hour that access is not provided, up to an annual maximum penalty of \$5,000.	Annual reconciliation
Timeliness of production for standard reports, MedManager CD updates, and MedFocus. (Schedule A, Section VIIH)	Reports and CD updates will be delivered by the twentieth (20) of the month at the end of the reporting period.	\$100 per day per report or CD, up to an annual maximum penalty of \$1,000. Reports will be produced from UPS tracking records.	Measured Monthly Reported Quarterly, Annual reconciliation

Performance	Standard	Guarantee	Frequency
<b>Customer Service (Schedule A, Section IXB)</b>			
Call Response Time	Average speed of answer (ASA) within 60 seconds	\$400 per month if response time is not met, up to an annual maximum penalty of \$5,000.	Measured Monthly Reported Quarterly, Annual reconciliation
Abandonment rate	Call abandonment rate will average 5 percent or less	\$500 per month if response time is not met, up to an annual maximum penalty of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation
Accuracy of information	99% accuracy of phone calls contained accurate information disseminated	\$100 per incidence, up to an annual maximum penalty of \$5,000.	Measured Monthly, Reported Quarterly, Annual reconciliation

<b>Account Management (Schedule A, Section XA)</b>			
Timely response and resolution of issues	100% calls returned within 24 hours of notification;	\$500 per incidence, up to an annual maximum penalty of \$5,000.	Annual reconciliation
	Action plan developed within 5 business days of notification;		Annual reconciliation
	Resolution of problem within 30 days, unless mutually agreed upon with County		Annual reconciliation

**Attachment H**  
**Health Insurance Portability and Accountability Act (HIPAA)**  
**Business Associate Requirements**

Definitions

Terms used, but not otherwise defined, in this Schedule shall have the same meaning as those terms are defined in 45 Code of Federal Regulations section 160.103 164.304 and 164.501. (All regulatory references in this Schedule are to Title 45 of the Code of Federal Regulations unless otherwise specified.)

- a. *Designated Record Set*. "Designated Record Set" shall have the same meaning as the term "designated record set" in Section 164.501.
- b. *Electronic Protected Health Information*. "Electronic Protected Health Information" ("EPHI") means individually identifiable health information that is transmitted or maintained in electronic media, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- c. *Individual*. "Individual" shall have the same meaning as the term "individual" in Section 164.501 and shall include a person who qualifies as a personal representative in accordance with Section 164.502(g).
- d. *Privacy Rule*. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations Part 160 and Part 164, Subparts A and E.
- e. *Protected Health Information*. "Protected Health Information" shall have the same meaning as the term "protected health information" in Section 164.501 and is limited to the information created or received by Contractor from or on behalf of County.
- f. *Required By Law*. "Required by law" shall have the same meaning as the term "required by law" in Section 164.501.
- g. *Secretary*. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his or her designee.
- h. *Security Incident*. "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system, but does not include minor incidents that occur on a daily basis, such as scans, "pings", or unsuccessful random attempts to penetrate computer networks or servers maintained by Business Associate
- i. *Security Rule*. "Security Rule" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and Part 164, Subparts A and C.

Obligations and Activities of Contractor

- a. Contractor agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as required by law.

- b. Contractor agrees to use appropriate safeguards to prevent the use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- d. Contractor agrees to report to County any use or disclosure of the Protected Health Information not provided for by this Agreement and of which Contractor has become aware.
- e. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contractor on behalf of County, agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.
- f. If Contractor has protected health information in a designated record set, Contractor agrees to provide access, at the request of County, and in a reasonable time and manner, to Protected Health Information in a Designated Record Set, to County or, as directed by County, to County so that County can reply back to an Individual, in order to meet the requirements under Section 164.524.
- g. If Contractor has protected health information in a designated record set, Contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the County directs or agrees to make pursuant to Section 164.526 at the request of County, and in a reasonable time and manner.
- h. Contractor agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, County available to the County, or at the request of the County to the Secretary, in a mutually agreeable time and manner, for purposes of the County and/or Secretary determining County's compliance with the Privacy Rule.
- i. Contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures, as would be required for County, so that County may respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.



- j. Contractor agrees to provide to County in a reasonable time and manner, information collected in accordance with Section (i) of this Schedule, to permit County to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with Section 164.528.
- k. Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Contractor creates, receives, maintains, or transmits on behalf of County.
- l. Contractor shall conform to generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information.
- m. Contractor shall ensure that any agent to whom it provides EPHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such EPHI.
- n. Contractor shall report to County any Security Incident within 5 business days of becoming aware of such incident.

#### Permitted Uses and Disclosures by Contractor

Except as otherwise limited in this Schedule, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, County as specified in the Agreement; provided that such use or disclosure would not violate the Privacy Rule if done by County.

#### Obligations of County

- a. County shall provide Contractor with the notice of privacy practices that County produces in accordance with Section 164.520, as well as any changes to such notice.
- b. County shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Contractor's permitted or required uses and disclosures.
- c. County shall notify Contractor of any restriction to the use or disclosure of Protected Health Information that County has agreed to in accordance with Section 164.522.

### Permissible Requests by County

County shall not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by County, unless the Contractor will use or disclose Protected Health Information for, and if the Agreement provides for, data aggregation or management and administrative activities of Contractor.

### Duties Upon Termination of Agreement

- a. Upon termination of the Agreement, for any reason, Contractor shall return or destroy all Protected Health Information received from County, or created or received by Contractor on behalf of County. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.
- b. In the event that Contractor determines that returning or destroying Protected Health Information is infeasible, Contractor shall provide to County notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health Information is infeasible, Contractor shall extend the protections of the Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protection Health Information.

### Miscellaneous

- a. *Regulatory References.* A reference in this Schedule to a section in the Privacy Rule means the section as in effect or as amended, and for which compliance is required.
- b. *Amendment.* The Parties agree to take such action as is necessary to amend this Schedule from time to time as is necessary for County to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
- c. *Survival.* The respective rights and obligations of Contractor under this Schedule shall survive the termination of the Agreement.
- d. *Interpretation.* Any ambiguity in this Schedule shall be resolved in favor of a meaning that permits County to comply with the Privacy Rule.
- e. *Reservation of Right to Monitor Activities.* County reserves the right to monitor the security policies and procedures of Contractor

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: MedImpact Healthcare Systems, Inc.  
Contact Person: Rod Wade  
Address: 10680 Treena Street, Fifth Floor  
San Diego, CA 92131  
Phone Number: 858-790-6561  
Fax Number: 858-621-5147

II Employees

Does the Contractor have any employees?  Yes  No

Does the Contractor provide benefits to spouses of employees?  Yes  No

\*If the answer to one or both of the above is no, please skip to Section IV.\*

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on \_\_\_\_\_ (date) and expires on \_\_\_\_\_ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

*Elinor La Barge Colby*  
Signature  
VP Human Resources  
Title

Elinor La Barge Colby  
Name (Please Print)  
8/23/05  
Date

COUNTY OF SAN MATEO  
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: February 15, 2005

TO: Priscilla Morse, Risk Management/Insurance Division  
FROM: John Klyver, Mental Health Services/PONY #MLH 322

CONTRACTOR:

DO THEY TRAVEL:

PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES:

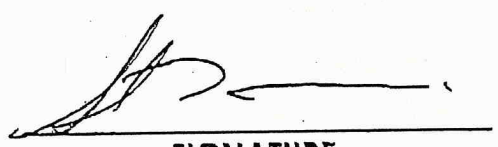
DUTIES (SPECIFIC): See attached

COVERAGE:

Comprehensive General Liability:	\$ <u>1,000,000</u>
Motor Vehicle Liability:	\$ <u>0</u>
Professional Liability:	\$ <u>2,000,000</u>
Worker's Compensation:	\$ <u>Statutory</u>

APPROVE  WAIVE  MODIFY

REMARKS/COMMENTS:



SIGNATURE

Steven M. Ross:  
Acting Risk Manager 2/15/05

Note: per John, insurance rates stayed the same from original contract.

# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

PRODUCER  
**JAYCE MCCLELLAN**  
**MCCLELLAN INSURANCE AGENCY**  
**P.O. BOX 99**  
**CARLSBAD, CA 92018**

Serial # 100246

ED  
**MEDIMPACT HEALTHCARE SYSTEMS**  
**ATTN: GAIL DAVIS**  
**10680 TREENA STREET, 5TH FLOOR**  
**SAN DIEGO, CA 92131**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE		NAIC#
INSURER A:	HARTFORD INSURANCE CO. OF THE	
INSURER B:	HARTFORD CASUALTY INSURANCE	
INSURER C:	ILLINOIS UNION INSURANCE COMPANY	
INSURER D:		
INSURER E:		

**COVERAGES**  
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES, AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADDL INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	72UUNUS3775	4/15/05	4/15/06	EACH OCCURRENCE	\$ 1,000,000
		DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 300,000	
						MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
						PRODUCTS - COMP/OP AGG	\$ 2,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	72UUNUS3775 72UUNUS3775	4/15/05 4/15/05	4/15/06 4/15/06	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		BODILY INJURY (Per person)				\$	
		BODILY INJURY (Per accident)				\$	
		PROPERTY DAMAGE (Per accident)				\$	
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
B		EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	72XHUUS3374	4/15/05	4/15/06	EACH OCCURRENCE	\$ 10,000,000
		AGGREGATE				\$ 10,000,000	
							\$
							\$
		WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS	OTHER
						EL EACH ACCIDENT	\$
						EL DISEASE - EA EMPLOYEE	\$
						EL DISEASE - POLICY LIMIT	\$
C		OTHER PROFESSIONAL LIABILITY	BMI20021451	4/07/05	4/07/06		\$5,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

**CERTIFICATE HOLDER**  
**SAN MATEO COUNTY HEALTH SERVICES**  
**MENTAL HEALTH SERVICES**  
**225 37TH AVENUE, 3RD FLOOR**  
**SAN MATEO, CA 94403**

**CANCELLATION**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  
 AUTHORIZED REPRESENTATIVE

*Jayce McClellan*

# ACORD CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

02/07/2005 01:46 PM

MED64219

No 103203 09/07/04

**PRODUCER**

Barney & Barney, LLC-CA Lic0C03950  
 Barney & Barney, Inc-CA Lic0C24310  
 P.O. Box 85638  
 San Diego, CA 92186-5638  
 (858) 457-3414  
 Mst#: 6084

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

### COMPANIES AFFORDING COVERAGE

COMPANY LETTER <b>A</b>	EVEREST NATIONAL INSURANCE CO.
COMPANY LETTER <b>B</b>	NO COVERAGE ON THIS DOCUMENT
COMPANY LETTER <b>C</b>	NO COVERAGE ON THIS DOCUMENT
COMPANY LETTER <b>D</b>	NO COVERAGE ON THIS DOCUMENT
COMPANY LETTER <b>E</b>	NO COVERAGE ON THIS DOCUMENT

**INSURED** MED IMPACT HEALTHCARE SYSTEMS, INC.

ATTN: GAIL DAVIS  
 10680 TREENA STREET, 5TH FLR.  
 SAN DIEGO CA 92131

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.	NO COVERAGE			GENERAL AGGREGATE \$ *****0 PRODUCTS-COMP/OP AGG. \$ *****0 PERSONAL & ADV. INJURY \$ *****0 EACH OCCURRENCE \$ *****0 FIRE DAMAGE (Any one fire) \$ *****0 MED. EXPENSE (Any one person) \$ *****0
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY	NO COVERAGE			COMBINED SINGLE LIMIT \$ *****0 BODILY INJURY (Per person) \$ *****0 BODILY INJURY (Per accident) \$ *****0 PROPERTY DAMAGE \$ *****0
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	NO COVERAGE			EACH OCCURRENCE \$ *****0 AGGREGATE \$ *****0
<b>A</b>	<b>WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY</b>	CA100013041 (CA)	08/01/04	08/01/05	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT \$ *1,000,000 DISEASE - POLICY LIMIT \$ *1,000,000 DISEASE - EACH EMPLOYEE \$ *1,000,000
<b>A</b>	<b>OTHER WORKERS' COMPENSATION-STATES ON FILE WITH CARRIER</b>	CA1000013041	08/01/04	08/01/05	STATUTORY LIMITS (STOP GAP)

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / SPECIAL ITEMS

**CERTIFICATE HOLDER:**  
 SAN MATEO COUNTY HEALTH SERVICES  
 MENTAL HEALTH SERVICES  
 225 37TH AVENUE, 3RD FLOOR  
 SAN MATEO CA 94403

**CANCELLATION:**  
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*Donna M. Ferricore*