

**AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
QUEST DIAGNOSTICS**

THIS AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Quest Diagnostics, hereinafter called "Contractor";

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;

WHEREAS, the parties entered into an Agreement for clinical laboratory services for Mental Health Services and Correctional Health Services on January 28, 2003, and

WHEREAS, the parties amended that Agreement on January December 16, 2003, to extend the term for the provision of services for Correctional Health Services, and

WHEREAS, the parties wish to amend the Agreement to extend the term for the provision of services for Mental Health Services and Correctional Health Services through December 31, 2005.

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

1. Section 2 of the Agreement is amended to read as follows:

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed SEVEN HUNDRED TWO THOUSAND DOLLARS (\$702,000) for the contract term.

2. Section 12 of the Agreement is amended to read as follows:

12. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement,

the term of this Agreement shall be from July 1, 2002 through December 31, 2005. This Agreement may be terminated by Contractor, Director of Health or her designee at any time upon sixty (60) days' written notice to the other party.

3. Exhibit A is hereby deleted and replaced with the Exhibit A attached hereto.
4. Exhibit B is hereby deleted and replaced with the Exhibit B attached hereto.
5. All other terms and conditions of the amended agreement dated December 16, 2003, between the County and Contractor shall remain in full force and effect.

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

COUNTY OF SAN MATEO


By: _____
Jerry Hill, President
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

Quest Diagnostics



Contractor's Signature

Date: 12/26/03

Exhibit "A"
QUEST DIAGNOSTICS: 2002-2005

In consideration of the payments set forth in Exhibit "B", Contractor shall provide the following services:

I. SERVICES

Mental Health

Contractor shall provide phlebotomy and laboratory services for San Mateo County Mental Health Plan (herein after referred to as "Mental Health"), which includes indigent clients, and San Mateo County clients with Medi-Cal, Healthy Families, Healthy Kids and HealthWorx insurance coverages. These laboratory services will be ordered by Mental Health or contractor psychiatrist(s) or psychiatric nurse practitioner(s) for the management of mental health conditions. Mental Health Services' sites include: a) North County Mental Health Center at 375 89th Street, Daly City, b) Central County Mental Health Center at 3080 La Selva in San Mateo, c) South County Mental Health Center at 802 Brewster Avenue in Redwood City, d) Community Counseling Center at 2415 University Avenue, Suite 30, in East Palo Alto, e) Coastside Mental Health Center at 225 South Cabrillo Hwy, Suite 200A, Half Moon Bay, and f) school based mental health programs, g) Caminar/CLC at 136 N. San Mateo Drive, Suite 101, San Mateo; and, h) other contracted clinical sites as identified by Mental Health. Phlebotomy and laboratory services shall be provided at Quest Diagnostics Patient Service Centers as needed. In addition, contractor shall provide phlebotomy services on-site at designated Mental Health clinics described herein.

Correctional Health

Contractor shall provide phlebotomy and laboratory services for San Mateo County Correctional Health Services (herein after referred to as "Correctional Health" which includes inmates at the Maguire Correctional Facility, 300 Bradford Street, Redwood City, CA 94063 and the Women's Correctional Center, 1590 Maple Street, Redwood City, CA 94063

All payment under this Agreement must directly support services specified in this Agreement. All services shall be provided in a manner prescribed by the laws of California and in accord with the applicable laws, titles, rules, and regulations, including the Clinical Laboratory Improvement Act (CLIA) of 1998 and its subsequent amendments, and Title 17, Section 2505, of the California Code of Regulations. Contractor shall provide the following services:

A. Laboratory Services

1. Provision of clinical laboratory services (including specimen collection, supplies, transport services, and analysis of specimens) for clients at the designated County Mental Health Services and Correctional Health Services sites;
2. Client use of Contractor's Patient Services Centers for laboratory tests as needed;
3. Monitoring the use of all laboratory services through utilization review;
4. Oversight and quality assurance of laboratory services through appropriate policy and procedures; and
5. Consultation to Mental Health and Correctional Health as needed on laboratory issues, including technical and administrative assistance.

B. Required Services

1. Services at Mental Health Clinics

The contractor shall provide phlebotomy services by certified phlebotomists at Mental Health clinic sites during regular clinic hours beginning January 1, 2003 through December 31, 2005. There will be a minimum of 17.5 hours of phlebotomy service per week. The schedule of on-site phlebotomy hours (until further notice) is below. Phlebotomists will provide efficient and empathetic service. New phlebotomists will receive eleven (11) hours of training in working with mental health clients. Training will include a three-hour inservice provided by Mental Health staff and eight (8) hours of onsite training provided by Contractor. Service times may be renegotiated in response to Mental Health needs. Contractor will provide phlebotomy collection supplies for the scheduled sites beginning September 1, 2002 through the term of the agreement.

Location	Phlebotomy Hours
Central County Mental Health 3080 La Selva San Mateo, CA	Tuesdays, 9:00-10:00am Wednesdays, 9:00-10:30am Thursdays, 9:00-10:30am
South County Mental Health 802 Brewster Redwood City, CA	Tuesdays, 8:30-11:00am Wednesdays, 8:30-11:00am Wednesdays, 1:00-3:30pm
Community Counseling 2415 University Ave. East Palo Alto, CA	Tuesdays, 1:00-2:00pm

North County Mental Health 375 89 th Street Daly City	Monday, 9:00-10:30am Thursdays, 8:30-10:30am
Caminar/CLC 136 N. San Mateo Drive, # 101 San Mateo	Tuesdays, 10:30-11:00am

2. Use of Contractor's Patient Service Centers

Mental Health clients who have laboratory services ordered by Mental Health or subcontractor psychiatrists and psychiatric nurse practitioners may also go to Contractor's Patient Service Centers for their laboratory service needs.

3. Laboratory analysis

Laboratory analysis of specimens collected from the ordering service sites shall be ordered by:

- a. Mental Health staff or subcontractor psychiatrists or psychiatric nurse practitioners;
 - b. Correctional Health staff;
- and shall be provided by Contractor. Clinical laboratory services shall include, but not be limited to, the following areas: chemistry, drug testing, hematology, serology, and blood counts associated with Clozapine groups. Test methodologies must be at least industry standard level. Quality of analytical results must be monitored by: proficiency testing, routine quality control surveillance, blind submission programs, and inspection and self-assessment programs. Evidence of successful completion of these quality control activities will be made available to County if requested. Contractor shall be reimbursed for all services delivered during the contract period. The rate schedule for tests is in Exhibit D.

4. Testing Reporting

Contractor shall send the total record of laboratory result data to the corresponding Mental Health or Correctional Health site via teleprinter or fax. If a service is ordered by a contractor provider for a San Mateo County Medi-Cal, Health Families, Healthy Kids or HealthWorx insured client who is not served at one of the described sites, the results shall be sent directly to that provider. The record shall include, at a minimum, the following:

- a. Six digit patient identification number (Mental Health medical record number);
- b. Patient's name (last, first, middle);
- c. Patient's date of birth (MM/DD/YY);
- d. Description of test ordered;
- e. Name of the provider ordering the test; and Test result.

Contractor shall provide a hard copy of test results to each Mental Health site or Correctional Health facility within twenty-four (24) hours for most routine assays ordered, with the exception of cytology, microbiology and selected tests from the "Test Costs" attached as Exhibit D. Contractor shall provide cytology results within five (5) days. The teleprinter shall remain the property of Contractor or Contractor's vendor, as the case may be. Contractor shall repair and maintain equipment. Necessary replacement as a result of normal wear and use shall be the responsibility of Contractor or its vendor. Test results for providers who are not at the identified sites shall be sent directly to those providers.

Abnormal results will be clearly highlighted by Contractor and all "critical value" results will be reported to the ordering facility within four (4) hours from receipt of specimen. A list of critical values mutually agreed upon will be provided to each ordering facility.

Contractor shall provide routine reports customarily provided by Contractor without additional charge when requested by the Mental Health Medical Director or her designee or the Correctional Health Services Manager II. Other special reports about laboratory data shall be generated by Contractor for the price and on the terms mutually agreed to by Contractor and the Medical Director or her designee or the Correctional Health Services Manager II.

5. Specimen Transportation

Contractor shall provide specimen transport staff, trained in the handling of laboratory specimens, including documentation of chain of custody of specimens. Contractor shall provide specimen pickup routinely at each Correctional Health facility pursuant to the schedule listed below. Transportation service and delivery of specimens to Contractor's sites shall be available once per day, Monday through Friday, at a regularly scheduled time, or as negotiated for each Mental Health site. Pick-up service from the mental health centers where blood is drawn or urine samples collected shall be provided. Additional, STAT, and late pickups at the designated sites and others will be provided Monday through Sunday as needed. Contractor's STAT couriers will arrive at the requesting facility within two (2) hours of request; all other nonscheduled pickups will be accommodated within eight (8) hours of request.

Correctional Health Site/Location	Frequency of Pickup	
Maguire Correctional Facility	Once daily	Monday-Friday
Women's Correctional Center	Once daily	Monday-Friday

6. Specimen Collection Supplies

Supplies for the collection, preservation and transportation of specimens will be provided by Contractor to all ordering facilities. These include, but are not limited to: needles, specimen tubes/slides, collection and preservation equipment, and centrifuges. Contractor shall provide the supplies required for specimen collection for the types of laboratory analyses described in this Agreement.

Contractor shall provide a description of specimen and handling requirements to each ordering facility. Changes and updates in specimen requirements will be communicated by Contractor to County in writing prior to changes being implemented.

C. Program Administration

1. Service Coordination

Contractor shall have a designated customer service representative who will have scheduled monthly meetings with the Mental Health Medical Director or a designated Mental Health representative and scheduled monthly meetings with the Correctional Health Services Manager II. These meetings will include a review of the activities within the scope of the laboratory services contract, including technical and administrative issues, to assure smooth coordination and problem resolution.

2. Consultative Services

Contractor shall provide consultative services on a quarterly basis as needed for assistance in reviewing Mental Health and Correctional Health laboratory technical and administrative activities. Quarterly reports in form and substance mutually agreed upon by Contractor and Mental Health and by Contractor and Correctional Health shall be prepared by Contractor and presented to the respective contact persons for Mental Health and Correctional Health.

3. Customer Service

Contractor shall make available customer service and technical assistance by telephone twenty-four (24) hours per day. Contractor shall make available a toll free telephone number for Contractor Customer Service Center to each ordering facility. The Customer Service Center shall provide information regarding: test results, status of test in progress, specimen and special handling requirements, fees or billing information, and procedures for adding additional tests to specimens already submitted. Technical assistance that is not handled directly shall be provided in a professional manner within one (1) working day.

Contractor shall provide quality laboratory services for the Mental Health and Correctional Health clients. Appropriately licensed and certified professional staff shall conduct laboratory analysis. Contractor shall provide to county a description of its standard quality control programs for laboratory and phlebotomy services.

4. Quality Assurance

Contractor must be able to assure quality phlebotomy and laboratory services for the Mental Health and Correctional Health clients. Laboratory analysis will be conducted by licensed staff. The contractor will provide a strong quality control program and meet CLIA guidelines as well as state and local regulations.

The Quality Assurance Program will include periodic on-site inspections of the on-site phlebotomy services and consultation to staff. Inspection recommendations and Quality control audits will be provided to Contractor annually. Quality assurance activities related to phlebotomy services shall include, but not be limited to:

- a. Monthly monitoring;
 - b. Annual competency review; and
 - c. Specialized training relating to provision of services for mental health clients, as needed.
5. Contractor shall meet regulatory deadlines for compliance with all Health Insurance Portability Accountability Act (HIPAA) requirements.
- D. Billing, Invoicing and Encounter Data Reporting (July 1, 2002 through December 31, 2002)
1. Contractor shall invoice County monthly, providing a separate account established by mutual agreement of the parties. County is not responsible for tests performed on behalf of clients insured by other third-party insurance carriers such as Kaiser, Medicare, etc., or for clients with Medi-Cal from other counties. However, for such tests ordered by County providers, County shall, or shall cause the providers to, provide to Contractor the third party billing information described in Section I, E.1.a, Third-party Billing, of this Schedule.
 2. The monthly invoices shall include the following data elements: Medi-Cal Beneficiary Identification or Social Security Number, Client Name, Date of Service, Referring Provider, Primary Diagnosis, Charge for Service, Procedure Code, Procedure Modifier Code, Procedure Quantity, and Rendering Provider Number. Any invoice adjustments will also provide these same data elements, identifying charges for individual clients.
 3. Contractor shall provide via email a monthly data utilization file by the 5th day of the following month. The file shall be in an ASCII format. The file shall only include those services for which all charges and/or adjustments have been made.
- E. Billing, Invoicing and Encounter Data Reporting (January 1, 2003 through December 31, 2005)
1. MENTAL HEALTH

Contractor will provide a single data set that includes the files for third party billing, invoices and encounter data as described below. This data set will be submitted electronically and will be due within ninety (90) days of the end of the month. The list of data fields to be included for all three files of this data set is attached (Exhibit E – Monthly Utilization, Invoice and Third Party Billing Field Layout). Payment for services shall be contingent upon timely receipt of this data set.

a. Third Party Billing

Contractor is responsible for all tests performed on behalf of clients who are insured by third party insurance carriers, such as Kaiser, Medicare, and Medi-Cal from other counties. For clients receiving services at Mental Health clinics, third party billing information will be provided to the contractor via printed labels. Contractor shall be responsible for collection of third party billing information from clients who receive services at contractor laboratory sites. Contractor shall maintain separate accounts for each Mental Health service site. Mental Health will collect Medi-Cal stickers. Contractor will bill directly for services provided to clients insured by third party insurance carriers as described below. For services that cannot be billed by one of the options described below, Contractor will notify County prior to billing an individual client.

- i. Services for County Medi-Cal covered clients will be billed to County Medi-Cal account.
- ii. Services for County Medi-Cal/Medicare covered clients will be billed to Medicare first: what Medicare does not cover will be billed to County Medi-Cal account.
- iii. Services for Medicare covered clients will be billed to Medicare. If Medicare denies payment, services will be billed to County.
- iv. Services for clients with private insurance (Kaiser, etc.) will be billed to the respective private insurance carrier. Services for indigent clients will be billed to County.

b. Encounter Data

Contractor shall deliver monthly utilization / encounter data file via e-mail in ASCII format. This file shall include only those services for which all charges and/or adjustments have been made.

c. Invoicing

Contractor shall bill directly to Mental Health for laboratory services not billed to third party payers as noted in Third Party Billing. Invoices shall be submitted electronically and in conformity with usual and customary billing methods required under prospective reimbursement or payment plans. Invoices shall be sent to both:

- (1) Doreen Avery, Business Systems Manager at davery@co.sanmateo.ca.us, and
- (2) Kathleen Luisotti, at kluisotti@co.sanmateo.ca.us

i. Monthly invoices shall include the following data elements identified in Exhibit E – Monthly Utilization, Invoice and Third Party Billing Field Layout. These include: Client Number, Test Date, Billed Price, Service Name, Client Name, Patient Name, Patient ID, Physician Name, Patient Birth Date, and Billed Party Name. This information is necessary for all laboratory requisitions fulfilled on behalf of Mental Health providers and clients, even when third party reimbursement occurs many months after service delivery.

ii. Contractor shall maintain separate accounts for each Mental Health service site. Information from separate accounts shall be provided as agreed upon by Contractor and Mental Health.

d. Fee Structure

High volume test costs are provided in Schedule B. Additional per test charges are attached (Exhibit D – Test Costs).

2. CORRECTIONAL HEALTH

Contractor shall submit monthly invoices for services rendered directly to:

Nomalee Tilman, Manager
300 Bradford Street
Redwood City, CA 94063

Billed monthly charges will include fees for specific tests ordered and fees for phlebotomy services. Each billing invoice shall indicate the patient's name and lab test performed during that billing period. County shall pay Contractor monthly for services at the rates described above upon receipt of invoice from Contractor, provided that such services are performed to the satisfaction of the County.

Contractor shall maintain separate sub-accounts within Correctional Health (Mental Health Services and Medical).

- a. Correctional Mental Health Services (Org. No: 63210)
 - i. Maguire Correctional Facility
 - ii. Women's Correctional Center
- b. Correctional Health Services – Medical (Org. No: 63110)
 - i. Maguire Correctional Facility
 - ii. Women's Correctional Center

II. PERFORMANCE OBJECTIVE

A. Mental Health

90% of monthly utilization encounter data files deliveries will be made within ninety (90) days of the end of the month.

B. Correctional Health

A minimum of 95% of hard copy test results will be provided on time for tests with an expected turnaround time of twenty-four (24) hours.

Exhibit "B"
QUEST DIAGNOSTICS: 2002 - 2005
PAYMENT SCHEDULES

In consideration of the services provided by Contractor in Exhibit "A", County shall pay Contractor based on the following fee schedule:

I. AGREEMENT MAXIMUM

Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor more than the combined sum of SEVEN HUNDRED TWO THOUSAND DOLLARS (\$702,000) for services provided to Mental Health Services and Correctional Health Services for the term July 1, 2002 – December 31, 2005.

II. MENTAL HEALTH SERVICES DIVISION

A. Payments

Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor more than the sum of FIVE HUNDRED TWENTY-TWO THOUSAND DOLLARS (\$522,000) for services provided under Schedule A, Section I, of this agreement for the period July 1, 2002, through December 31, 2005.

1. For the term of July 1, 2002, through June 30, 2003, the maximum payment to Contractor shall not exceed ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$145,000).
2. For the term of July 1, 2003, through June 30, 2004, the maximum payment to Contractor shall not exceed ONE HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$145,000).
3. For the term of July 1, 2004, through June 30, 2005, the maximum payment to Contractor shall not exceed ONE HUNDRED FIFTY-SEVEN THOUSAND DOLLARS (\$157,000).
4. For the term of July 1, 2005, through December 31, 2005, the maximum payment to Contractor shall not exceed SEVENTY-FIVE THOUSAND DOLLARS (\$75,000).

B. Laboratory Fee Schedule

1. High volume tests shall be reimbursed at the rate schedule below. These rates supersede rates in Exhibit D – Test Costs

Test Code	Test Name	Price
223	Albumin	\$6.25
234	Alkaline Phosphatase	\$6.25
823	ALT	\$6.25
822	AST	\$6.25
10165	Basic Metabolic Panel—New	\$7.72
34388	Basic Metabolic Panel—Old	\$7.40
287	Bilububin, Total	\$6.25
285	Bilirubin, Direct	\$6.25
303	Calcium	\$6.25
6399	CBC w/Plt Diff	\$7.43
330	Chloride	\$6.25
10231	Comp. Metabolic Panel—New	\$9.65
34389	Comp. Metabolic Panel—Old	\$9.00
375	Creatinine	\$6.25
2180	Drug Screen 10-50 + —New	\$31.00
30454	Drug Screen 6 + New—Old	\$26.63
483	Glucose	\$6.25
86803	Hep C AB	\$44.10
10256	Hepatic Function Panel—New	\$7.40
34391	Hepatic Function Panel—Old	\$7.08
613	Lithium	\$12.50
718	Phosphorus, Inorganic	\$6.25
733	Potassium	\$6.25
754	Protein, Total	\$6.25
799	RPR	\$5.35
809	Sed Rate	\$5.35
836	Sodium	\$6.25
861	T-3 Uptake	\$10.50
867	T-4 (Thyroxide)	\$11.50
84439	T-4, Free	\$21.60
899	TSH	\$21.00
84443	TSH w/refl FT4	\$21.06
7909	U/A Reflex	\$4.65
294	Urea Nitrogen (BUN)	\$6.25
916	Valproic Acid	\$18.00

2. In addition to these special prices, there shall be a twenty-five percent (25%) discount for all other prices as reflected in the current fee schedule – Exhibit D.

3. If a service is provided to a Mental Health Services Division patient at Contractor's Patient Service Centers, there shall be a FOUR DOLLAR (\$4) service and collection fee per client for taking samples. Contractor phlebotomy services will be provided at Mental Health Services Clinics for no additional costs.

C. Terms

1. Third Party Billing

Contractor is responsible for all tests performed on behalf of clients who are insured by third party insurance carriers, such as Kaiser, Medicare, and Medi-Cal from other counties. For clients receiving services at Mental Health clinics, third party billing information will be provided to the contractor via printed labels. Contractor shall be responsible for collection of third party billing information from clients who receive services at contractor laboratory sites. Contractor will bill directly for services provided to clients insured by third party insurance carriers as described below.

- a. Services for County Medi-Cal, Healthy Families, San Mateo County Healthy Kids, and HealthWorx covered clients will be billed to County account.
- b. Services for County Medi-Cal/Medicare covered clients will be billed to Medicare first. What Medicare does not cover will be billed to County Medi-Cal account.
- c. Services for Medicare covered clients will be billed to Medicare. If Medicare denies payment, services will be billed to County.
- d. Services for clients with private insurance (Kaiser, etc.) will be billed to the respective private insurance carrier.
- e. Services for indigent clients will be billed to County.
- f. For services that cannot be billed by one of the options described above, Contractor shall bill the County. Under no circumstances shall Contractor bill clients directly for services.

- g. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement.
- 2. In the event Contractor claims or receives payment from County of service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at this option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.

3. Payment Penalty

Effective January 1, 2003 - December 31, 2005, the following payment penalty will be imposed for the late delivery of encounter data files. Monthly payment due for services shall be reduced by ten percent (10%) from the original cost for every thirty (30) day period past the due date in which delivery of encounter data files does not occur. There will be no payment for claims received by Mental Health ten months or more past the date of service.

4. Claims Certification and Program Integrity

- a. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
- b. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The following language must be submitted and signature line must be received by County within five (5) business days of receipt of electronic invoice for each such invoice submitted to County.

“Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____,
200_

Signed _____ Title _____

Agency _____”

c. The certification shall attest to the following for each beneficiary with services included in the claim:

- i. An assessment of the beneficiary was conducted in compliance with the requirements established in this agreement.
- ii. The beneficiary was eligible to receive services described in Exhibit A of this Agreement at the time the services were provided to the beneficiary.
- iii. The services included in the claim were actually provided to the beneficiary.
- iv. Medical necessity was established for the beneficiary as defined under California Code of Regulations, Title 9, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided.
- v. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this agreement.
- vi. For each beneficiary included in the claim, all requirements for Contractor payment authorization were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this agreement.
- vii. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.

- d. Except as provided in *Paragraph II.B.* of Exhibit A relative to medical records, Contractor agrees to keep for a minimum period of three years from the date of service a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, and/or the County.
5. Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any laboratory or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

III. CORRECTIONAL HEALTH

A. Payments

1. Contractor will charge the lower of the prices in the Test Costs (Exhibit D) and the Laboratory Fee Schedule (Schedule B, I.B). Fees will include: Laboratory analysis, copy of test results, specimen pickup, supplies for collection, customer service, and consultative services as described in Section II of Schedule A.

2. Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor more than the sum of ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000) for services provided to Correctional Health Services under this agreement for the period July 1, 2002 through December 31, 2005. This refers to the amount due from the County by means of client bill and does not include third party payments (i.e. Medicare, Medi-Cal and other third party payments).
3. For the term of July 1, 2002, through June 30, 2003, the maximum payment to Contractor shall not exceed FORTY THOUSAND DOLLARS (\$40,000).
4. For the term of July 1, 2003, through June 30, 2004, the maximum payment to Contractor shall not exceed FORTY THOUSAND DOLLARS (\$40,000).
5. For the term of July 1, 2004, through June 30, 2005, the maximum payment to Contractor shall not exceed FORTY THOUSAND DOLLARS (\$40,000).
6. For the term of July 1, 2005, through December 31, 2005, the maximum payment to Contractor shall not exceed SIXTY THOUSAND DOLLARS (\$60,000).

IV. Terms – All Services

- A. Budget modifications may be approved by the Director of Health or her designee, subject to the maximum amount set forth in Paragraph 3 of this Agreement.
- B. If County finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement.
- C. In the event this Agreement is terminated prior to December 31, 2005, the Contractor shall be paid for services already provided pursuant to this Agreement.

ATTACHMENT I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. Employs fewer than 15 persons.
- b. Employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

CHRIS MURPHY FITZGERALD
Name of 504 Person - Type or Print

QUEST DIAGNOSTICS
Name of Contractor(s) - Type or Print

967 MABURY ROAD
Street Address or P.O. Box

SAN JOSE, CA 95133
City, State, Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

Chris Murphy
Signature

GENERAL MANAGER
Title of Authorized Official

12/2/05
Date

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I. Vendor Identification

Name of Contractor: Quest Diagnostics
Contact Person: Ken Nguyen
Address: 967 Mabury Road
San Jose, CA 95133
Phone Number: 408-691-2553
Fax Number: 408-975-1030

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.


Signature

CHRIS MURPHY FITZGERALD
Name (Please Print)

GENERAL MANAGER
Title

12/2/03
Date

CONTRACT INSURANCE APPROVAL

DATE: October 19, 2005

TO: Steve Rossi FAX: 363-4864 PONY: EPS 163

FROM: John Klyver

PHONE: 2641 FAX: 2841 PONY: MLH 322

The following is to be completed by the department before submission to Risk Management:

CONTRACTOR NAME: Quest Diagnostics, Inc.

DOES THE CONTRACTOR TRAVEL AS A PART OF THE CONTRACT SERVICES? Yes

NUMBER OF EMPLOYEES WORKING FOR CONTRACTOR:

DUTIES TO BE PERFORMED BY CONTRACTOR FOR COUNTY: Clinical laboratory services

The following will be completed by Risk Management:

INSURANCE COVERAGE:	Amount	Approve	Waive	Modify
Comprehensive General Liability	1mil	<input checked="" type="checkbox"/> <i>ok</i>	<input type="checkbox"/>	<input type="checkbox"/>
Motor Vehicle Liability	1mil	<input checked="" type="checkbox"/> <i>ok</i>	<input type="checkbox"/>	<input type="checkbox"/>
Professional Liability	1mil	<input checked="" type="checkbox"/> <i>ok</i>	<input type="checkbox"/>	<input type="checkbox"/>
Workers' Compensation	Statutory	<input checked="" type="checkbox"/> <i>ok</i>	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS/COMMENTS:

[Handwritten Signature]

Risk Management Signature

10/31/05

Date

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
NYC-002420038-01

PRODUCER

MARSH USA, INC.
ATTN: JANET T. NORMAN
1166 AVENUE OF THE AMERICAS - 8TH FLOOR
NEW YORK, NY 10036

(P) 212/345-5029 (F) 212/345-7616

37986 -MAIN-04-05

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

COMPANY

A QUEST DIAGNOSTICS INCORPORATED

COMPANY

B TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

COMPANY

C TRAVELERS INDEMNITY COMPANY OF CONNECTICUT

COMPANY

D LEXINGTON INSURANCE COMPANY

INSURED

QUEST DIAGNOSTICS INCORPORATED AND ITS WHOLLY OWNED SUBSIDIARIES
ONE MALCOLM AVENUE
TETERBORO, NJ 07608

COVERAGES

This certificate supersedes and replaces any previously issued certificate for the policy period noted below.

THIS IS TO CERTIFY THAT POLICIES OF INSURANCE DESCRIBED HEREIN HAVE BEEN ISSUED TO THE INSURED NAMED HEREIN FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THE CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF SUCH POLICIES. AGGREGATE 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
A	GENERAL LIABILITY	"\$2,000,000 SELF-INSURED" "RETENTION"	12/31/04	12/31/05	GENERAL AGGREGATE \$
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$
	<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$
	OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 2,000,000
					FIRE DAMAGE (Any one fire) \$
					MED EXP (Any one person) \$
B B C	AUTOMOBILE LIABILITY	TC2JCAP-266T3603-TIL-04 (AOS) TRJ-CAP-1001A087-TIL-04 (AZ) TC2ECAP-266T3584-TCT-04 (TX)	12/31/04 12/31/04 12/31/04	12/31/05 12/31/05 12/31/05	COMBINED SINGLE LIMIT \$ 3,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
D	EXCESS LIABILITY	741 19 13	12/31/04	12/31/05	EACH OCCURRENCE \$ 5,000,000
	<input checked="" type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	TC2JUB-266T3523-04 (AOS) TRJUB266T3535-04(AZ,MA,OR,WI)	12/31/04 12/31/04	12/31/05 12/31/05	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$ 2,000,000
					EL DISEASE-POLICY LIMIT \$ 2,000,000
					EL DISEASE-EACH EMPLOYEE \$ 2,000,000
A	PROFESSIONAL LIAB. CLAIMS MADE	"\$5,000,000 SELF-INSURED" "RETENTION"	12/31/04	12/31/05	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

SAN MATEO COUNTY IS INCLUDED AS AN ADDITIONAL INSURED AS THEIR INTEREST MAY APPEAR.

CERTIFICATE HOLDER

SAN MATEO COUNTY
ATTN: JOHN KLYVER
225 37TH AVENUE - 3RD FLOOR
SAN MATEO, CA 94403

CANCELLATION

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.

MARSH USA INC.

BY: Edward J. Basso



MM1(3/02)

VALID AS OF: 12/05/05