

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
PACIFIC HEALTH CONSULTING GROUP**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and PACIFIC HEALTH CONSULTING GROUP, 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 Blue Ribbon Task Force on Adult Health Care Coverage Expansion meeting facilitation and strategy development services on November 28, 2006; and

WHEREAS, the parties wish to amend the Agreement to include the development of an Adult Health Insurance Product offered through the Health Plan of San Mateo.

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

1. Paragraph 2. Contract terms is hereby deleted in its entirety and replaced with:

Paragraph 2. Term and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from September 13, 2006 through December 31, 2007.

This Agreement may be terminated by Contractor, the Director of Health or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for

work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

2. Paragraph 3. Payments is hereby deleted in its entirety and replaced with the following

Paragraph 3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed ONE HUNDRED TWENTY-TWO THOUSAND THIRTY DOLLARS, \$122,030.

3. Paragraph 5. Workers' Compensation Insurance is hereby deleted in its entirety and replaced with:

Paragraph 5 Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such insurance and to obtain such approval. The Contractor shall furnish the Department/Division with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Department/Division of any pending change in the limits of liability or of any cancellation or modification of the policy.

(1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and will comply with such provisions before commencing the performance of the work of this Agreement.



(2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

(a) Comprehensive General Liability . . . . .	\$1,000,000
(b) Motor Vehicle Liability Insurance . . . . .	\$1,000,000
(c) Professional Liability . . . . .	\$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

- 4. Paragraph 6. Insurance is hereby deleted in its entirety
- 5. Paragraph 7. Hold Harmless is hereby deleted in its entirety and replaced with the following:

Paragraph 6. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor'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, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

6. Paragraphs 8 Confidentiality and 9 Non-Assignability are Renumbered Paragraphs 7 and 8.
7. Paragraph 10 Termination of Agreement is deleted in its entirety.
8. Paragraph 11. Payments of Permits/Licenses is hereby deleted in its entirety and replaced with:

Paragraph 9. Compliance with Laws; Payment of Permits/Licenses

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.

9. Paragraph 12. Non-Discrimination is hereby deleted in its entirety and replaced with:  
Paragraph 10. Non-Discrimination



A. *Section 504 applies only to Contractors who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.

B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.

D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to

- i) termination of this Agreement;
- ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
- iii) liquidated damages of \$2,500 per violation;
- iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

*E. Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.  
F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

10. **Paragraph 13. Equal Benefits is deleted in its entirety.**

11. Paragraph 14. Retention of Records is hereby deleted in its entirety and replaced with:

Paragraph 11. Retention of Records, Right to Monitor and Audit

(a) CONTRACTOR shall maintain all required records for three (3) years after the COUNTY makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the COUNTY.

(c) CONTRACTOR agrees to provide to COUNTY, to any Federal or State department having monitoring or review authority, to COUNTY's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

12. Paragraph 12. Availability of Funds below is hereby added:

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

13. Paragraph 13. Compliance with Contractor Employee Jury Service Ordinance below is hereby added:

Contractor shall comply with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual



basis, no less than five days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

14. Paragraph 14. Notices below is hereby added:

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

**In the case of County, to:**

County of San Mateo Health Department  
Health Policy and Planning Unit  
Attention: SaraT Mayer  
225 37<sup>th</sup> Avenue  
San Mateo, CA 94403

**In the case of Contractor, to:**

Pacific Health Consulting Group  
Attention: Bobbie Wunsch  
72 Oak Knoll Avenue  
San Anselmo, CA 94960

15. Original Exhibit A is hereby deleted in its entirety and replaced with Revised Exhibit A attached hereto.
16. Original Exhibit B is hereby deleted in its entirety and replaced with Revised Exhibit B attached hereto.
17. All other terms and conditions of the agreement dated November 28, 2006, 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: \_\_\_\_\_  
President, Board of Supervisors, San Mateo  
County

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

ATTEST:

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

Pacific Health Consulting Group

*B Wunsch*

Contractor's Signature

Date: 6-16-07



## Exhibit "A"

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

### **IA. Description of Original Services to be Performed by the Contractor**

1. Develop programmatic direction and assist in agenda preparation, strategy development, and help facilitate Blue Ribbon Task Force meetings (six meetings) – 40 Hours
2. Organize, facilitate and take leadership role in preparation of final Blue Ribbon Task Force report, working with subject area workgroups and Interdepartmental Workgroup – 85 Hours
3. Other activities related to organization, facilitation and follow-up of Blue Ribbon Task Force and workgroups – 45 Hours
4. Facilitate initial planning meetings with key partners on Coverage Initiative, helping to refine and decide on key program components – 45 Hours
5. Assist with coordination and preparation of Coverage Initiative proposal in conjunction with grant writer; read and review final proposal – 60 Hours

### **IB. Description of Additional Services to be Performed by the Contractor**

1. Develop programmatic direction and assist in agenda preparation, strategy development, and help facilitate Blue Ribbon Task Force New Product Development meetings – 100 Hours
2. Assist with coordination and preparation of the New Product Development final report – 100 Hours

3. Develop Target Population and Enrollment Projections
  - a. Define income level of the covered population (Criteria: FPL, employed, ER subsidy) – 3 Hours
  - b. Define income level of the covered population (Criteria: FPL, employed, ER subsidy) – 6 Hours
    - i. Age
    - ii. Medical Condition
    - iii. Disposable Income
    - iv. Worker Residence/Place of Employment
  - c. Working status – 6 Hours
    - i. Employer Characteristics: types of industries; workforce size; full time/part-time
    - ii. Knowledge about current health care use and expected health care use if covered
    - iii. Literacy Level
    - iv. Primary Languages
  - d. What are the enrollment projections by sub-areas based on demographics, employment patterns, and marketing objectives? – 6 Hours
4. Develop Product Type – 40 Hours
  - a. Gap analysis of needed product.
  - b. Should the product be an individual product or a group product?
  - c. What are the implications of selecting an individual or group product?
  - d. What are the implications of selecting High & Low Deductible product?
  - e. What are the requirements with respect to administration, employer obligations, underwriting, premium collection, adverse selection, ERISA, COBRA?
  - f. What are the Pros and Cons of these different Product Types?
5. Develop Scope of Benefits (e.g. HealthWorkx) – 24 Hours
  - a. Are there any reservations to using the benefits used for the HealthWorkx product?
  - b. Can contracts with the dental and vision subcontractor be extended without requiring new agreements?
  - c. Have the subcontracting health plans performed satisfactorily?
  - d. Are subcontracting health plans willing to incorporate new enrollment groups?
  - e. Will per member per month rates have to be renegotiated for the new group?

6. Develop Provider Network (Note: Work directly with the provider network is the responsibility of HPSM) – 8 Hours
  - a. Based on enrollment projections, is the current HPSM network adequate: accessibility (travel time and distance), capacity (PCP availability, specialty availability)?
  - b. Will HPSM want to favor any particular provider (or groups of providers, like county facilities, community clinics, others)?
  - c. Will providers agree to serve this new population (given contract terms and reimbursement levels? Are providers satisfied with HPSM?
  - d. Are current adult HPSM members satisfied with participating providers?
  - e. Can existing provider contracts be amended?
  
7. Develop Provider Reimbursement – 6 Hours
  - a. What are the reimbursement rates that can be paid to various categories of participating providers and still remain financially viable?
  - b. What rates do providers require?
  - c. Will there be any specialties or other provider types that will be reluctant or refuse to participate for “feasible” reimbursement rates?
  
8. Develop DMHC Regulation – 12 Hours
  - a. DMHC requirements in a filing in light of “recent” HealthWorkx filing? Probably, marketing, supervision of marketing, financials.
  - b. Will any Exhibits be waived by DMHC? Provider network adequacy? Access standards? Administration?
  
9. Develop Financing Details – 40 Hours
  - a. Sources of development funding
  - b. Premium costs
  - c. Cost of administration (product specific issues)
  - d. Enrollment projections
  - e. Knox Keene issues
  
10. Develop Marketing Plan – 40 Hours
  - a. Targets (employer size, business types, examples, data sources)
  - b. Approaches, in-house vs. outsourcing
    - i. In-house capabilities
    - ii. Techniques (mailing, radio, newspapers)
    - iii. Outsourcing
    - iv. Costs
  - c. Premium Collection
  - d. Marketing materials for employers and employees



11. Other Operating Issues – 8 Hours

- a. General assessment of the current information system capability to serve the new product; modifications, if any, necessary
- b. Member Information Materials
  - i. What types of member information materials need to be prepared and distributed, post enrollment?
  - ii. What are the linguistic and literacy level issues that must be considered give the demographics of the target population?

Exhibit "B"

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

**IIA. Amount and Method of Payment**

1. County shall pay Contractor at a rate of ONE HUNDRED SEVENTY-FIVE DOLLARS (\$175) per hour for services rendered in Section IA.
2. County shall make payments for services pre-approved by the Director of Health or her designee monthly and no later than the tenth (10<sup>th</sup>) working day after receipt of a monthly statement of services provided to County by Contractor.
3. The Program Coordinator(s) shall review and approve invoices prior to processing for payment. County shall have the right to withhold payment if County determines that the quality or quantity of work is unacceptable.
4. Payments received are to cover all costs of Contractor, including but not limited to, telephone expenses, completion of all trainings, completion of all paperwork, and travel.

In any event, the total payment for services provided by the Contractor for Section IA, for the period September 13, 2006 through August 1, 2007, will not exceed FORTY-EIGHT THOUSAND ONE-HUNDRED TWENTY-FIVE DOLLARS (\$48,125.00).

**IIB. Amount and Method of Payment**

1. County shall pay Contractor at a rate of ONE HUNDRED NINETY-FIVE DOLLARS (\$195) per hour for services rendered in Section IB.
2. County shall make payments for services pre-approved by the Director of Health or her designee monthly and no later than the tenth (10<sup>th</sup>) working day after receipt of a monthly statement of services provided to County by Contractor.
3. The Program Coordinator(s) shall review and approve invoices prior to processing for payment. County shall have the right to withhold payment if County determines that the quality or quantity of work is unacceptable.
4. Payments received are to cover all costs of Contractor, including but not limited to, telephone expenses, completion of all trainings, completion of all paperwork, and travel.

In any event, the total payment for services provided by the Contractor for Section IB, for the period June 1, 2007 through December 31, 2007, will not exceed SEVENTY-THREE THOUSAND NINE-HUNDRED FIVE DOLLARS (\$73,905.00).

Contractor agrees that the requirements of this Agreement pertaining to the protection of proprietary rights and confidentiality shall survive termination of this Agreement.