



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Health System



**DATE:** October 19, 2011  
**BOARD MEETING DATE:** November 15, 2011  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** Jean S. Fraser, Chief, Health System  
Susan Ehrlich, MD, MPP, Chief Executive Officer  
San Mateo Medical Center

**SUBJECT:** Agreement with Quest Diagnostics Nichols Institute

**RECOMMENDATION:**

Adopt a Resolution authorizing the:

- A) President of the Board to execute an Agreement with Quest Diagnostics Nichols Institute for laboratory reference testing for San Mateo Medical Center for the term of April 1, 2011 through March 31, 2012, for a maximum obligation of \$1,000,000; and
- B) Chief of the Health System or designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

**BACKGROUND:**

San Mateo Medical Center (SMMC) has been contracting with Quest Diagnostics Nichols Institute (Quest) since March 2003 to perform laboratory reference testing. Quest was elevated as the result of a Request for Proposals (RFP) that was performed in January of 2003. In addition, Quest has also been a member of our Group Purchasing Organization (GPO) ensuring competitive rates and has a software interface that reports the test results electronically.

**DISCUSSION:**

SMMC continues to have the critical need for laboratory reference testing. The volume of individual tests does not support having the various testing done on-site at SMMC. In addition, Quest has continued to adjust pricing to reflect the reduction in state Medi-Cal rates offering SMMC further cost savings. Recreating the electronic software interface with another vendor would be tedious and cost approximately \$80,000. The Agreement has been delayed due to SMMC changing GPOs and the

setup involved in that process. Quest remains a provider under the new GPO, which itself conducts RFPs to ensure competitiveness, and Quest's rates have decreased based on Medi-Cal rates. Copies of the Exhibit C Fee Schedules can be found on the SMMC website at <http://intranet.co.sanmateo.ca.us/smmc/>, under quick links or available at the Clerk of the Board located at 400 County Center, Redwood City, CA 94063.

County Counsel has reviewed and approved this Agreement and Resolution as to form. The Contractor's insurance has been reviewed and approved by Risk Management.

The County Manager has approved a waiver of Equal Benefits, Non-discrimination and Employee Jury Service requirements for all contracts with GPO members. On January 24, 2011, your Board approved Resolution Number 071231 that waived the RFP process for Agreements made through the MedAssets GPO.

This Agreement contributes to the Shared Vision 2025 outcome of a Healthy Community by providing SMMC with laboratory reference testing results through its electronic interface. It is anticipated that SMMC's cost per adjusted patient day will increase from \$900 to \$920.

**Performance Measure:**

Measure	FY 2010-11 Actual	FY 2011-12 Projected
SMMC cost per adjusted patient day	\$900	\$920*

\*Due to increase in operating costs

**FISCAL IMPACT:**

The term of the Agreement is April 1, 2011 through March 31, 2012. The maximum fiscal obligation is \$1,000,000. Funds in the amount of \$170,000 were included in the SMMC FY 2010-11 Adopted Budget, and funds in the amount of \$830,000 are included in the SMMC FY 2011-12 Adopted Budget.

Expenses at SMMC are covered by fees for services or third-party payors whenever possible. The portion of expenses for services provided to the medically indigent or to those covered by programs that do not meet the full costs of care are covered by the County's General Fund contribution to SMMC.

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE: A) PRESIDENT OF THE BOARD TO EXECUTE AN AGREEMENT WITH QUEST DIAGNOSTICS NICHOLS INSTITUTE FOR LABORATORY REFERENCE TESTING FOR SAN MATEO MEDICAL CENTER FOR THE TERM OF APRIL 1, 2011 THROUGH MARCH 31, 2012, FOR A MAXIMUM OBLIGATION OF \$1,000,000; AND B) CHIEF OF THE HEALTH SYSTEM OR DESIGNEE TO EXECUTE CONTRACT AMENDMENTS WHICH MODIFY THE COUNTY'S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN \$25,000 (IN AGGREGATE), AND/OR MODIFY THE CONTRACT TERM AND/OR SERVICES SO LONG AS THE MODIFIED TERM OR SERVICES IS/ARE WITHIN THE CURRENT OR REVISED FISCAL PROVISIONS**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, San Mateo Medical Center (SMMC) has been contracting with Quest Diagnostics Nichols Institute (Quest) since March 2003 to perform laboratory reference testing; and

**WHEREAS**, Quest has also been a member of our Group Purchasing Organization (GPO) ensuring competitive rates, and has a software interface that reports the test results electronically; and

**WHEREAS**, SMMC continues to have the critical need for laboratory reference testing, and the volume of individual tests does not support having the various testing done on-site at SMMC; and

**WHEREAS**, Quest has continued to adjust pricing to reflect the reduction in state Medi-Cal rates offering SMMC further cost savings; and

**WHEREAS**, recreating the electronic software interface with another vendor would be tedious and cost approximately \$80,000; and

**WHEREAS**, both parties now wish to enter into an Agreement to provide laboratory reference testing services for SMMC for the period of April 1, 2011 through March 31, 2012, for a maximum fiscal obligation of \$1,000,000; and

**WHEREAS**, this Board, by Resolution Number 071231, has previously waived the Request For Proposals (RFP) process in relation to contracts under the current Group Purchasing Organization; and

**WHEREAS**, this Board has been presented with a form of such Agreement, has examined and approved it as to both form and content, and desires to enter into it.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the President of this Board of Supervisors be and is hereby authorized and directed to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of the Board shall attest the President's signature thereto.

**BE IT FURTHER RESOLVED** that the Chief of the Health System or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

\* \* \* \* \*

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
QUEST DIAGNOSTICS NICHOLS INSTITUTE**

THIS AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_ ,  
20\_\_\_\_, by and between the COUNTY OF SAN MATEO, hereinafter called  
"County," and Quest Diagnostics Nichols Institute, 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, it is necessary and desirable that Contractor be retained for the purpose of processing laboratory specimens for San Mateo Medical Center.

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

**1. Exhibits and Attachments**

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A—Services

Exhibit B—Payments and rates

Exhibit C---Fee Schedule A (Effective 04-01-11 through 07-13-11)

Fee Schedule B (Effective 07-14-11 through 03-31-11)

Exhibit E – Corporate Compliance SMMC Code of Conduct (Third Parties)

Attachment I—§504 Compliance

**2. Services to be performed by Contractor**

In consideration of the payments set forth herein and in Exhibit “B,” Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit “A.”

**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 MILLION

DOLLARS, [\$1,000,000].

**4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from April 1, 2011 through March 31, 2012.

This Agreement may be terminated by Contractor, the Chief of the San Mateo County Health System 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.

**5. Availability of Funds**

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.

**6. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

**7. 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.

**8. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

**9. 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 County 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 County 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 I 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.

**10. 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, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended, and all Federal regulations promulgated thereunder, 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 disability 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. The parties agree that, pursuant to Section 70713 of Title 22 of the California Code of Regulations ("Title 22"), the facility retains all professional and administrative responsibility for services rendered under this Agreement and that this Agreement is otherwise subject to any applicable requirements of Title 22. Further, Contractor certifies that the Contractor and all of its subcontractors will adhere to all applicable provisions of Chapter 4.106 of the San Mateo County Ordinance Code, which regulates the use of disposable food service ware.

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.

**11. Non-Discrimination and Other Requirements**

- A. *Section 504 applies only to Contractor 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.

**12. Compliance with Contractor Employee Jury Service Ordinance**

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.

**13. 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.

**14. Merger Clause**

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

**15. Controlling Law and Venue**

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or the United States District Court for the Northern District of California.

**16. Notices**

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both (1) transmitted via facsimile to the telephone number listed below and (2) either deposited in the United States mail, postage prepaid, or when deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt for transmittal, charges prepaid, addressed to:

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

San Mateo Medical Center  
222 W. 39<sup>th</sup> Avenue  
San Mateo, CA 94403  
Attn: Susan Starnes

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

Quest Diagnostics Nichols Institute  
33608 Ortega Highway  
San Juan Capistrano, CA 92675  
Attn: Managing Director

In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.

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

Quest Diagnostics Nichols Institute

\_\_\_\_\_  
Contractor's Signature

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

Long Form Agreement/Non Business Associate  
SMMC rev. 1/25/11

## Exhibit "A"

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

1. Process laboratory specimens referred by the San Mateo Medical Center (SMMC)  
Laboratory for non-routine tests or examinations which cannot be performed at SMMC.
2. Provide specimen pickup daily, Monday through Friday, holidays, and weekends as requested by SMMC.
3. Report results of a special nature per Contractor's "Turnaround Time Schedule" specified in the Quest Diagnostics, Nichols Institute current User Guide.
4. Telephone results to SMMC as soon as they become available for:
  - A. Tests which fall above and below established clinical "critical values"; and
  - B. "Phone report requests" for which SMMC has requested verbal results.
5. Keep specimens under appropriate conditions for at least one (1) week after the performance of the test(s) requested.
6. Perform repeat analysis at the request of the physician or SMMC laboratory.
7. Provide all supplies necessary for the collection, submission, and preservation of specimens for testing at no additional charge to SMMC.

## Exhibit "B"

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

1. Rate of payment per test shall be according to the MedAssets Price in the document entitled "Pricing Section," which is Exhibit C to this Agreement and incorporated herein by reference. (MedAssets is the County's Group Purchasing Organization).
2. Repeat analysis will be performed by Contractor at SMMC's request at no additional charge.
3. Contractor shall submit bi-monthly invoices to County for services rendered for the prior month. County agrees to remit payment within thirty (30) days of receipt of statement; however, the parties agree that late payment shall not be considered a material breach of this Agreement.

## Exhibit "C"

### Pricing Section

1. During the term of this Agreement, the County commits to utilizing Contractor for at least eighty percent (80%) of its annual referral laboratory testing volume. The County will complete and submit to Quest Diagnostics Incorporated the Enrollment Form which will be approved by Quest Diagnostics Incorporated. Contract pricing will be effective within 30 days following approval of the completed Enrollment Form request.
2. The attached Fee Schedule A will cover testing from April 1, 2011 through July 13, 2011. Fee Schedule B will cover testing from July 14, 2011 through March 31, 2012, these Fee Schedules will further be discounted based on the County's volume and test mix needs. This assures committed members will always receive the most competitive pricing possible.
3. Electronic Connectivity mechanisms for ordering and reporting test results may be provided based in part on the volume of testing referred to Quest Diagnostics Incorporated subject to a separate connectivity agreement.
4. Fees for tests not listed in the attached schedule will be established by the local Quest Diagnostics laboratory representative and shall be consistent with the fees charged to other parties who request such tests. Testing is conducted within the Quest Diagnostics network.
5. For tests that are sent outside the Quest Diagnostic- owned and operated network of laboratories because such laboratories do not perform them, the County will be charged the vendor cost to Quest Diagnostics Incorporated, plus a \$25.00 handling fee.

## EXHIBIT E

### CORPORATE COMPLIANCE SMMC CODE OF CONDUCT (THIRD PARTIES)

The person/entity listed below (the "Undersigned") recognizes and is fully dedicated to advancing SMMC's commitment to full compliance with all Federal, State, and other governmental health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements.

The Undersigned will comply with all Federal, State or other governmental health care program requirements and with SMMC's policies and procedures relating to SMMC's Corporate Compliance Program, including the requirements set forth in the Corporate Integrity Agreement (CIA) to which SMMC is a party (available online at [http://oig.hhs.gov/fraud/cia/agreements/the\\_county\\_of\\_san\\_mateo\\_03062009.pdf](http://oig.hhs.gov/fraud/cia/agreements/the_county_of_san_mateo_03062009.pdf)).

The Undersigned, to the extent its contractual duties require it to submit the reports covered in this paragraph, will promptly submit accurate information for Federal health care cost reports including, but not limited to, the requirement to submit accurate information regarding acute available bed count for Disproportionate Share Hospital (DSH) payment.

The Undersigned will report to the SMMC Compliance Officer any suspected violation of any Federal health care program requirements or of SMMC's Compliance Program policies and procedures.

The Undersigned has the right to use the SMMC Disclosure Program by calling the Compliance Hotline or reporting incidents to the Compliance Officer. SMMC is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

The Undersigned understands that non-compliance with Federal health care program requirements and SMMC's Compliance Program policies and procedures, and failing to report such violations, could result in termination of the Agreement and/or any other penalties permitted by law.

The Undersigned is responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to the duties outlined in the Agreement and for appropriately seeking advice regarding such issues.

The Undersigned will not offer, give or accept any bribe, payment, gift, or thing of value to any person or entity with whom SMMC has or is seeking any business or regulatory relationship in relation to said business or regulatory relationship (other than payments authorized by law under such relationships). The Undersigned will promptly report the offering or receipt of such gifts to the SMMC Compliance Officer.



The Undersigned will not engage in any financial, business, or other activity which competes with SMMC/County business which may interfere or appear to interfere with the performance of the duties under the Agreement or that involve the use of SMMC/County property, facilities, or resources, except to the extent consistent with the SMMC/County Incompatible Activities and Outside Employment policy and the Agreement.

The Undersigned will cooperate fully and honestly with internal audits and monitoring programs to help assure that SMMC's compliance is maintained with all applicable federal/state regulations, the Joint Commission standards, and hospital system-wide policies.

***TO REPORT VIOLATIONS, CALL THE  
COMPLIANCE HOT LINE: (800) 965-9775***

The Undersigned hereby certifies by signing below that an authorized representative has received this Code of Conduct, understands it, has authority to commit the Undersigned to this Code of Conduct, and hereby commits the Undersigned to comply with this Code of Conduct.

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Name of Person/Entity (the "Undersigned")

---

Signature and Printed Name

---

Date

ATTACHMENT

**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.

Barbara Wolfston  
Name of 504 Person - Type or Print

Quest Diagnostics Nichols Institute  
Name of Contractor(s) - Type or Print

33608 Ortega Highway  
Street Address or P.O. Box

San Juan Capistrano, CA 92675  
City, State, Zip Code

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title of Authorized Official

\_\_\_\_\_  
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."