

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND  
RAVENSWOOD FAMILY HEALTH CENTER**

THIS AGREEMENT, entered into this 11 day of March, 2014, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and RAVENSWOOD FAMILY HEALTH CENTER INC., hereinafter called .

**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 "Contractor" ;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of providing comprehensive pharmacy services (including but not limited to dispensing, recordkeeping, drug utilization review, formulary management, patient profile, patient counseling, medication therapy management services, and other clinical pharmacy services) relating to County's participation in the 340B drug program to patients of the County's San Mateo Medical Center and its Clinics.

**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, Payments, and Rates (including Attachments thereto)  
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 A**, 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 A**. In no event shall the County's total fiscal obligation under this Agreement exceed FOUR HUNDRED THOUSAND DOLLARS (\$400,000).

#### **4. Term and Termination**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from August 1, 2013 through June 30, 2018.

This Agreement may be terminated by Contractor, the Chief of the 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), if any, 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**

a. It is agreed that Contractor shall defend, hold harmless, and indemnify County and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of Contractor and/or its officers,

employees, agents, and servants.

b. Contractor shall defend, hold harmless, and indemnify County from and against any and all claims for wages, salaries, benefits, taxes, and all other withholdings and charges payable to, or in respect to, Contractor's representatives for services provided under this Agreement.

c. It is agreed that County shall defend, save harmless, and indemnify Contractor and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of County and/or its officers, employees, agents, and servants.

d. The duty of each party to defend, hold harmless, and indemnify the other as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

e. In the event of concurrent negligence (or malicious/reckless acts) of County and/or its officers, employees, agents, and servants, on the one hand, and Contractor and/or its officers, employees, agents, and servants, on the other hand, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

#### **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 Section 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. Contractor shall at its own expense maintain the insurance coverage required by this Section.

A. *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.

B. *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 subcontractor 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:

- (1) Comprehensive General Liability . . . . . \$1,000,000 per incident  
\$3,000,000 in aggregate
- (2) Motor Vehicle Liability Insurance . . . . . \$1,000,000
- (3) 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) and all Federal regulations promulgated thereunder, as amended, 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.

Without limiting the generality of the foregoing, the parties agree to use patient specific information only for permitted treatment, billing and related record-keeping purposes, and to protect patient-specific information from unnecessary disclosure to persons not employed or contracted for by the parties, and from their own employees and contractors unless they have a need to know and agree to maintain the confidentiality of patient specific information. In the event that any patient information created, maintained or transmitted in connection with this agreement is to be transmitted electronically, the Parties agree that they shall comply in all respects with the requirements of HIPAA governing electronic transmission of individually identifiable patient information. See 42 CFR Section 160 et seq. Failure by either party to abide by these requirements shall be a basis for immediate termination of this agreement.

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 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:
  - (1) termination of this Agreement
  - (2) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years
  - (3) liquidated damages of \$2,500 per violation
  - (4) 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 section and/or to set off all or any portion of the amount described in this section 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 deducts 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:

If to County:	Chief Executive Officer San Mateo Medical Center 222 W/ 39 <sup>th</sup> Avenue San Mateo, CA 94403 Facsimile: 650/573-2950
With copy to:	County Counsel's Office 400 County Center Redwood City, CA 94063 Facsimile: 650/363-4034
If to Contractor:	Ravenswood Family Health Center Inc. 1798A Bay Road East Palo Alto, CA 94303 Attn: R. Wayne Yost Title: Chief Financial Officer Facsimile: 650/321-1156
With copy to:	Ravenswood Family Health Center Inc.



1798A Bay Road  
East Palo Alto, CA 94303  
Attn: Legal Department

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: \_\_\_\_\_  
Title: President  
Board of Supervisors, San Mateo County

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

ATTEST:

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

RAVENSWOOD FAMILY HEALTH CENTER INC.

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

Date: 3/1/14

Long Form Agreement/Non Business Associate v 8/19/08

## EXHIBIT A—SERVICES, PAYMENTS, AND RATES

THIS AGREEMENT is made by and between the County of San Mateo, a political subdivision of the State of California, (hereinafter "Pharmacy"), and Ravenswood Family Health Center, Inc., a Delaware corporation, with licensed pharmacies as listed in Attachment B (hereinafter "Covered Entity").

WHEREAS, Covered Entity is a "Covered Entity" as defined in Section 340B of the Public Health Service Act (hereinafter "Section 340B") and is eligible to purchase certain outpatient drugs at reduced prices for use by Eligible Patients, as defined in this Agreement, from drug manufacturers who have signed a drug purchasing agreement with the United States Department of Health and Human Services (hereinafter "DHHS") and/or the manufacturers' wholesalers;

WHEREAS, Covered Entity provides health care services to Eligible Patients at Covered Entity eligible sites listed on Attachment A (each, the "Covered Entity Site", collectively "Covered Entity Sites");

WHEREAS, Covered Entity has engaged Sentry Data Systems, Inc. ("Sentry") to administer the Section 340B pharmacy benefits management services and pharmacy relationships of the Covered Entity with respect thereto;

WHEREAS, Pharmacy is duly licensed as a retail pharmacy in the State of California; and

WHEREAS, Covered Entity desires to engage Pharmacy to provide Pharmacy Services, as defined in this Agreement, to Eligible Patients with respect to outpatient drugs purchased pursuant to Section 340B.

NOW, THEREFORE, the parties agree as follows:

**1. Eligible Patients.** An individual will be considered an Eligible Patient under this Agreement if the following conditions are met:

(a) Covered Entity has established a relationship with the individual, such that Covered Entity maintains records of the individual's health care;

(b) The individual receives health care services from a health care professional who is either employed by Covered Entity or under contractual or other arrangements (e.g., referral for consultation) with Covered Entity such that the responsibility for the care provided remains with Covered Entity; and

(c) The individual receives health care services at the Covered Entity Site.

An individual will not be considered an Eligible Patient if the only health care service provided by Covered Entity to the individual is the dispensing of a drug or drugs for subsequent self administration or administration in the home setting.

Notwithstanding the foregoing, individuals registered in a State operated or funded AIDS drug purchasing assistance program receiving financial assistance under Title XXVI of the Public Health Services Act are considered Eligible Patients.

(d) Utilizing Pharmacy systems, maintaining all records and reports (including without limitation, prescription files, velocity reports and records of ordering and receipt) required under this Agreement, Section 340B, and by any applicable Federal and State law and regulations, which shall be accessible to Covered Entity, DHHS and the manufacturer/wholesaler in the case of audit in accordance with the terms of Section 14 of this Agreement. Such records shall be retained for not less than five (5) years after the Pharmacy Services are rendered, and shall be available for inspection or audit by Covered Entity and as otherwise permitted by law and by the terms of Section 14 of this Agreement;

(e) Conducting Eligible Patient drug utilization review;

(f) Providing drug-related information services to Covered Entity clinical personnel, consulting with Covered Entity Maintaining Eligible Patient drug profiles;

(g) Counseling and advising Eligible Patients consistent with the rules, limitations, and privileges incident to the pharmacy-patient relationship;

(h) Provide comprehensive pharmacy services (e.g., dispensing, recordkeeping, drug utilization review, formulary maintenance, patient profile, patient counseling, and medication therapy management services and other clinical pharmacy services); and

(i) Proving other services to the Covered Entity or its patients at the option of the Covered Entity (e.g., home care, delivery, reimbursement services) as agreed upon by the parties, and regardless of the services provided by the Pharmacy, access to 340B pricing will always be restricted to patients of the Covered Entity.

## **2. Relationship of the Parties.**

(a) Pharmacy is an independent contractor and shall be solely responsible for its acts and omissions regarding advice and services it is required to provide to Eligible Patients and Covered Entity. Pharmacy agrees to render all services provided under this Agreement in accordance with professional standards applicable to pharmacy services and in accordance with rules and regulations of the California State Board of

Pharmacy. Pharmacy shall have the right to refuse to serve any Eligible Patient where such service would violate any statute, regulations, or professional standards applicable to pharmacy services. Pharmacy shall notify Covered Entity of any refusal of service within twenty-four (24) hours of such refusal.

**3. Pharmacy Site(s).** Pharmacy agrees it will provide Pharmacy Services contracted for under this Agreement at the site(s) listed on Attachment B.

**4. Pharmacy Dispensing Fee.** The parties agree that Pharmacy shall receive a Dispensing Fee, as set forth in Attachment C, for each prescription filled for Eligible Patients and that such Dispensing Fee covers Pharmacy's costs and constitutes the sole and exclusive payment Pharmacy is entitled to receive hereunder.

**5. Patient Choice.** Pharmacy understands and agrees that Eligible Patients of Covered Entity may elect not to use Pharmacy for Pharmacy Services. In the event that an Eligible Patient elects not to use Pharmacy for such services, the patient may obtain the prescription from the prescriber and then obtain the drug(s) from the pharmacy provider of his or her choice.

**6. Audits.**

(a) Pharmacy understands and agrees that both Pharmacy and Covered Entity are subject to audit by DHHS and by drug manufacturers who have signed a drug purchasing agreement with DHHS, which audits may pertain to the Covered Entity's compliance with the prohibition on drug resale or transfer and the prohibition on duplicate Medicaid rebates and discounts. Pharmacy further understands that the DHHS has published proposed guidelines for such audits, a copy of which is attached hereto as Attachment D. Pharmacy agrees to cooperate with such audits and to comply with applicable provisions of the audit guidelines and amendments thereto that may be published from time to time.

(b) Pharmacy grants Covered Entity, and its duly authorized representatives, the right, on behalf of Covered Entity, to audit its books and records, including all electronic records, to verify and ensure compliance with the duties, obligations and transactions outlined hereunder. Any such audit shall be conducted during reasonable business hours, upon reasonable prior written notice, and in a manner so as not to interfere with the conduct of Pharmacy's business. Pharmacy agrees to use commercially reasonable efforts to cooperate with such audits in good faith.

(c) Provisions of this Section 14 shall survive the expiration or termination of this Agreement for any reason.

**7. Inspection by Manufacturer.** Pharmacy and Covered Entity understand and agree that a copy of this Pharmacy Services Agreement will be provided, upon written request, to a drug manufacturer who has signed a purchasing agreement with DHHS. In the event either party hereto receives such a request, it shall immediately inform the other party and each party shall then have the opportunity to delete any information in this Agreement and Attachments, which it considers to be proprietary and confidential prior to submitting the Agreement to the requesting manufacturer. The provisions of this Section 15 shall survive the expiration or termination of this Agreement for any reason.

**8. Insurance.** Pharmacy shall maintain during the term of this Agreement a policy of liability insurance with a responsible insurance carrier in an amount not less than \$1,000,000 per incident and \$3,000,000 in the aggregate.

Covered Entity shall obtain and maintain, at its expense for so long as this Agreement is in effect, a policy or policies of Commercial General Liability insurance including completed operations, personal and advertising injury and contractual liability coverage) covering Covered Entity, its directors, officers, employees, agents and representatives with minimum limits of \$2,000,000 per occurrence/\$4,000,000 aggregate, and Professional Liability insurance including Completed Operations coverage written on an occurrence form with minimum limits of \$2,000,000 per occurrence/\$4,000,000 aggregate. Each such policy shall be underwritten by insurers rated "A-" or better by A.M. Best Company. Covered Entity will provide Certificates of Insurance naming Pharmacy "Additional Insured," with respect to General Liability and Professional Liability policies, Covered Entity shall provide such Certificates of Insurance upon Pharmacy's request.

## **9. Indemnification**

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Pharmacy's Services, to the fullest extent permitted by law, Pharmacy shall indemnify, protect, defend and hold harmless Covered Entity and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Pharmacy, its officers, agents, or employees (or any entity or individual that Pharmacy shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Pharmacy

shall indemnify, defend and hold harmless Covered Entity and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Pharmacy or by any individual or entity for which Pharmacy is legally liable, including but not limited to officers, agents, or employees of Pharmacy. Pharmacy's indemnification obligations under this paragraph 17(b) and under paragraph 17 (a) shall not apply to the extent that any losses, liabilities, damages, costs and expenses, including attorney fees and costs arise from the negligence or willful misconduct of Covered Entity or Covered Entity Indemnified Parties.

(c) Indemnification by Covered Entity. Covered Entity shall indemnify, defend and hold harmless Pharmacy and any and all of its directors, officers, employees, agents and representatives from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Covered Entity or by any individual or entity for which Covered Entity is legally liable, including but not limited to its officials, employees or agents.

**10. Non-Assignment.** This Agreement may not be assigned by either party without the prior written agreement of the other party, which agreement shall not be unreasonably delayed or withheld, provided, however, that either party may assign this Agreement to any successor-in-interest to which any of its facilities subject to this Agreement may be transferred.

**11. Term and Termination.**

(a) This Agreement shall commence as outlined by Section 4 of the Agreement and shall continue for a term of fifty-nine (59) months.

i. Subject to Section 26, either party hereto, immediately upon written notice, in the event either party is unable to meet its obligations under this Agreement;  
or

ii. Either party hereto, immediately and without prior notice, upon a material breach of this Agreement if such breach cannot be cured, or upon 30 days prior written notice if such breach is not cured within such 30-day period. Without limiting Covered Entity's right to assert any other act or failure to act as constituting a material breach by Pharmacy, Pharmacy's knowingly dispensing a 340b drug to an individual who is not an Eligible Patient or any other diversion of a 340b drug shall be deemed to be a material breach. Either party's waiver or failure to take action with respect to the other party's failure to comply with any term or provision of this Agreement shall not be deemed to be a waiver of the right to insist on future compliance with such term or provision.

iii. Either party may terminate this Agreement at its option upon 90 days written notice.

(b) Any notice required to be given pursuant to the terms and provisions of this Agreement shall be in writing and shall be sent by certified or registered mail, return receipt requested or by overnight delivery by a nationally recognized courier, to the parties at the addresses set forth on the signature pages hereto. Notice shall be effective on the day it is received.

(c) Upon the request of Covered Entity, Pharmacy agrees to continue to provide Pharmacy Services on the payment and other terms of this Agreement for a period of up to sixty (60) days after the date this Agreement expires or is terminated in order to ensure an effective transition of services and continuation of quality care for Eligible Patients.

**12. Compliance With Laws.** The parties hereto shall comply with all applicable federal, state and local laws, rules, regulations and requirements.

**13. Choice of Law.** This Agreement shall be interpreted according to the substantive laws of the State of California.

**14. Representations of Pharmacy.** Pharmacy represents to Covered Entity that:

(a) it employs, and will continue to employ throughout the term of this Agreement, sufficient qualified and credentialed personnel needed to manage and operate the Pharmacy and provide the services anticipated hereunder in a timely, professional, competent and ethical manner;

(b) it owns, possesses and employs, and will continue to employ throughout the term of this Agreement, sufficient technology and equipment as needed to manage

and operate the Pharmacy and provide the services in the manner anticipated hereunder;

(c) it will render the services hereunder in accordance with prevailing pharmaceutical and medical standards that are applied in the same fashion to all patients of Covered Entity;

(d) it will render all services to Eligible Patients without regard to race, creed, color, age, sex, sexual orientation, citizenship, marital status, veteran status, national origin, disability, religion, arrest record or other protected status;

(e) it will not use drugs purchased under Section 340B to dispense Medicaid prescriptions, except as provided in an arrangement with the State Medicaid agency as approved by Covered Entity to prevent duplicate discounting and as required by law; and

(f) it understands that it is not permitted to, and shall not, disclose any information regarding Section 340B patient eligibility or pricing without the prior express written consent of Covered Entity.

**15. Representations of Covered Entity and Pharmacy.** Covered Entity and Pharmacy each represent to the other that:

(a) all of its employees, agents, representatives and members of its workforce, whose services may be used to fulfill obligations under this Agreement are or shall be appropriately informed of the terms of this Agreement and are under legal obligation, by contract or otherwise, sufficient to enable each of Covered Entity and Pharmacy to fully comply with all provisions of this Agreement including, without limitation, with respect to Pharmacy, the requirement that modifications or limitations that Covered Entity has agreed to adhere to with regards to the use and disclosure of Protected Health Information of any individual that materially affects and/or limits the uses and disclosures that are otherwise permitted will be communicated to Pharmacy, in writing, and in a timely fashion;

(b) they will reasonably cooperate with each other in the performance of the mutual obligations under this Agreement;

(c) the execution and delivery of this Agreement and the performance of the duties obligations and transactions contemplated do not and will not contravene, conflict with or violate any agreement, commitment, plan or instrument binding on Covered Entity or Pharmacy, including without limitation any participating provider agreement and any third party payor or pharmacy benefit management agreement; and



(d) neither they, nor their respective shareholders, members, directors, officers, agents, employees or members of its workforce have been excluded or served a notice of exclusion or have been served with a notice of proposed exclusion, or have committed any acts which are cause for exclusion, from participation in, or had any sanctions, or civil or criminal penalties imposed under, any federal or state healthcare program, including but not limited to Medicare or Medicaid, or have been convicted, under federal or state law (including without limitation a plea of nolo contendere or participation in a first offender deterred adjudication or other arrangement whereby a judgment of conviction has been withheld), of a criminal offense related to (i) the neglect or abuse of a patient, (ii) the delivery of an item or service, including the performance of management or administrative services related to the delivery of an item or service, under a federal or state healthcare program, (iii) fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct in connection with the delivery of a healthcare item or service or with respect to any act or omission in any program operated by or financed in whole or in part by any federal, state or local government agency, (iv) the unlawful, manufacture, distribution, prescription or dispensing of a controlled substance, or (v) interference with or obstruction of any investigation into any criminal offense described in (i) through (iv) above. Each of Covered Entity and Pharmacy further agrees to notify the other immediately after it becomes aware that any of the foregoing representations and warranties may be inaccurate or may become incorrect and upon notice that it is being investigated in connection with any federal or state healthcare program.

**16. Representations of Covered Entity.** Covered Entity represents to Pharmacy that:

(a) it is a Covered Entity as defined in Section 340B and will remain such throughout the term of this Agreement; and

(b) it has the authority to enter into this Agreement and will perform its responsibilities hereunder in a professional and diligent manner consistent with industry standards reasonably applicable to the performance thereof.

**17. HIPAA Compliance.**

The parties acknowledge that each party is a "Covered Entity" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, title 45 Code of Federal Regulations section 160.103, and is acting in that capacity in performance of this Agreement.

**18. Non-disclosure.**

(a) Non-disclosure. In the course of performing under this Agreement, either of the parties may receive, be exposed to or acquire Confidential Information including but not limited to, all information, data, reports, records, summaries, tables and studies, whether written or oral, fixed in hard copy or contained in any computer data base or computer readable form, as well as any information identified as confidential of the other party ("Confidential Information"). Without limiting the foregoing, the parties acknowledge and agree that this Agreement, including the pricing terms of this Agreement, constitutes Confidential Information. For purposes of this Agreement, Confidential Information shall not include Protected Health Information, the security of which is the subject of this Agreement and is provided for in each party's capacity as a Covered Entity in performance of this Agreement. The parties, including their respective employees, agents or representatives (i) shall not disclose to any third party the Confidential Information except as otherwise permitted by this Agreement, (ii) only permit use of such Confidential Information by employees, agents and representatives having a need to know in connection with performance under this Agreement, and (iii) advise each of their employees, agents, and representatives of their obligations to keep such Confidential Information confidential. Notwithstanding anything to the contrary herein, each Party shall be free to use, for its own business purposes, any ideas, suggestions, concepts, know-how or techniques contained in information received from each other that directly relates to the performance under this Agreement. This provision shall not apply to Confidential Information: (1) after it becomes publicly available through no fault of either Party hereto; (2) which is later publicly released by either Party hereto in writing; (3) which is lawfully obtained from third parties without restriction; or (4) which can be shown to be previously known or developed by either Party hereto independently of the other Party. The parties acknowledge that Covered Entity is subject to the California Public Records Act and that this Agreement shall be a matter of public record.

(b) Enforcement. Each of the parties acknowledges and agrees that any breach by it of any of the provisions of Sections 25(a) or 25(b) ("Restrictive Covenants") would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if either party hereto breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the other party shall have the right and remedy (upon compliance with any necessary prerequisites imposed by law upon the availability of such remedy), which shall be independent and severally enforceable, and which shall be in addition to, and not in lieu of, any other rights and remedies available to it under law or in equity (including, without limitation, the recovery of damages), to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against breaching party of restraining

orders and injunctions (preliminary, mandatory, temporary and permanent), without posting bond and without the need to prove damages, against violations, threatened or actual, and whether or not then continuing, of such covenants. The existence of any claim or cause of action by the breaching party, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants. In addition, any breach of the Restrictive Covenants shall constitute a material breach of this Agreement.

**19. Force Majeure.** Each Party's delay in, or failure of, performance under this Agreement shall be excused where such delay or failure is caused by an act of nature, fire or other catastrophe, electrical, computer, software, transmissions, communications or mechanical failure, work stoppage, or delays or failure to act of any carrier or agent, or any other cause beyond such Party's direct control.

**20. Conflict of Interest.** The Pharmacy is subject to all federal, state and local conflict of interest laws, regulations and policies applicable to public contracts and procurement practices Government Code sections 1090, et. Seq., and 81000, et. Seq. Pharmacy shall complete one or more statements of economic interest as described on [Attachment C - Pharmacy's Statement of Financial Interest] hereto which may be amended from time to time by Covered Entity. Upon Covered Entity's request, the Pharmacy shall submit the necessary supplementary documents to Covered Entity.

The Pharmacy shall establish and make known to its employees and agents appropriate safeguards to prohibit employees from using their positions for a purpose that is, or that gives the appearance of being, motivated by the desire for private gain for themselves or others, particularly those with whom they have family, business or other relationships.

The Pharmacy's personnel employed at any Covered Entity site shall not accept gratuities or any other favors from any party with whom the Pharmacy is dealing in the performance of this Agreement. In connection with any task in this Agreement, the Pharmacy shall not recommend or specify any product, supplier, or contractor with whom Pharmacy has a direct or indirect financial or organizational interest or relationship that would violate conflict of interest laws, regulation or policies.

**21. Notices.** Any notice required or permitted hereunder shall be given as outlined by Section 16 of the Agreement.

**ATTACHMENT A TO EXHIBIT A  
ELIGIBLE COVERED ENTITY SITES**

Name, Address & OPA ID# of Facility
Ravenswood Family Health Center - CHD 98154 1798 A Bay Rd, East Palo Alto, CA 94303
Ravenswood Family Health Center @ Belle Haven 100 Terminal, Menlo Park, CA 94025 - CHD 9815A
Ravenswood Family Dentistry - CHD 9815B 1807 Bay Rd, East Palo Alto, CA 94303

Name, Address & OPA ID# of Facility
Ravenswood Family Health Center

This list may be changed by County/Covered Entity by providing written notice to Pharmacy/Contractor of any changes, and changes do not require an amendment of this Agreement or Exhibit.

**ATTACHMENT B TO EXHIBIT A  
CONTRACTED PHARMACY LOCATIONS**

Name and Address
San Mateo Medical Center Pharmacy 222 W. 39 <sup>th</sup> Ave San Mateo, CA 94403

ATTACHMENT C TO EXHIBIT A

**COMPENSATION FOR SERVICES – PHARMACY’S DISPENSING FEE**

1. Pharmacy’s Dispensing Fee for Pharmacy Services shall be as follows:

a. For Eligible Patients with ACE or MCE prescription coverage:

~~\$0.00~~ for each Brand Name Drug dispensed and ~~\$0.00~~ for each multi-source or generic drug dispensed.

To assist SMMC to serve members of the ACE and MCE programs, RFHC has agreed to be the medical home for specific patients. RFHC has entered into a contractual agreement with Sentry Data System as the third party administrator of their 340B contract pharmacy arrangements. The covered entity shall pay RFHC a percentage of the fee that RFHC pays to Sentry Data Systems that relates to the percentage of prescriptions for ACE/MCE patients that are processed by Sentry Data Systems.

All fees due under this Agreement are subject to the not-to-exceed amount listed in Section 3 of the Agreement.

## **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.

LUISA BUADA

Name of Person/Entity (the "Undersigned")

[Signature]

Signature and Printed Name

2/1/14

Date

## ATTACHMENT I

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

The undersigned (hereinafter called "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.

Name of 504 Person:

Denise CHAN

Name of Contractor(s):

Ravenswood Family Health Center

Street Address or P.O. Box:

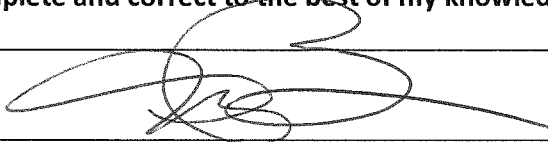
1798A Bony Road

City, State, Zip Code:

East Palo Alto, CA 94303

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

Signature:



Title of Authorized Official:

CEO

Date:

2/1/14

\*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."