

File No. 240285

Committee Item No. 3

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date April 17, 2024

Board of Supervisors Meeting Date April 23, 2024

#### Cmte Board

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Contract/Agreement                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
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#### OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Presentation 4/17/2024</u>               |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>DPH Statement on Retroactivity 4/17/2024</u> |
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Completed by: Brent Jalipa Date April 11, 2024

Completed by: Brent Jalipa Date April 18, 2024

1 [Contract Agreement - Retroactive - Health Advocates LLC - Uncompensated Care  
2 Reimbursement Recovery Services - Not to Exceed \$11,391,540]

3 **Resolution retroactively approving the Agreement between Health Advocates LLC and**  
4 **the Department of Public Health, to provide uncompensated care reimbursement**  
5 **recovery services for an amount not to exceed \$11,391,540 for a total agreement term**  
6 **of five years from January 1, 2024, through December 31, 2028; and to authorize the**  
7 **Department of Public Health to enter into amendments or modifications to the contract**  
8 **prior to its final execution by all parties that do not materially increase the obligations**  
9 **or liabilities to the City and are necessary to effectuate the purposes of the contract or**  
10 **this Resolution.**

11  
12 WHEREAS, The Department of Public Health (DPH), selected Health Advocates LLC  
13 through a Request for Proposals (RFP) process, RFP SFGOV-0000008427, issued on June  
14 20, 2023, to provide uncompensated care reimbursement recovery services; and

15 WHEREAS, DPH wishes to enter into an original agreement to provide uncompensated  
16 care reimbursement recovery services, for a total contract amount not to exceed \$11,391,540  
17 and for a total agreement term of five years from January 1, 2024, through December 31,  
18 2028; and

19 WHEREAS, Section 9.118 of the Charter requires approval of the Board of Supervisors  
20 for contracts requiring anticipated expenditures exceeding \$10 million; now, therefore be it

21 **RESOLVED, That the Board of Supervisors hereby authorizes the Director of Public**  
22 **Health and the Director of the Office of Contract Administration/Purchaser, on behalf of the**  
23 **City and County of San Francisco, to retroactively execute a contract with Health Advocates**  
24 **to retroactively execute a contract with Health Advocates LLC to provide uncompensated care**  
25 **reimbursement recovery services for a total agreement term of five years from January 1,**




**CITY AND COUNTY OF SAN FRANCISCO**

**BOARD OF SUPERVISORS**

**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
FAX (415) 252-0461

April 12, 2024

**TO:** Budget and Finance Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** April 17, 2024 Budget and Finance Committee Meeting

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<p><b>Item 3</b> <b>File 24-0285</b></p>	<p><b>Department:</b> Department of Public Health (DPH)</p>
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**EXECUTIVE SUMMARY**

**Legislative Objectives**

- The proposed resolution would retroactively approve an uncompensated care reimbursement recovery services contract between the Department of Public Health (DPH) and Health Advocates LLC, for a term of five years from January 2024 through December 2028 and an amount not to exceed \$11,391,540, and authorize DPH to enter into further immaterial amendments to the contract.

**Key Points**

- DPH uses contract services to assist with Medi-Cal reimbursement of uninsured patients. Services include screening patients for Medi-Cal eligibility, assisting patients with applications, and representing patients during Medi-Cal appeals. In June 2023, DPH issued a Request for Proposals (RFP) for uncompensated care reimbursement services. Health Advocates, which has performed these services for DPH since 2001, was the only proposer and was awarded a contract.
- DPH submitted the resolution to the Board of Supervisors retroactively because of details in the contract that were not finalized before services commenced in January 2024. The contract sets a target for Health Advocates to obtain Medi-Cal reimbursement of at least 1,900 bed days per year. Under the existing contract, Health Advocates has consistently exceeded this target.

**Fiscal Impact**

- The proposed contract would have an amount not to exceed \$11,391,540 over five years. Under the contract, Health Advocates would be paid a fixed fee for each type of service, which increases by three percent per year. For paid claims involving third party payers, Health Advocates bills 20 percent of all reimbursements and DPH retains 80 percent.
- Based on past reimbursements, we estimate that Health Advocates would recover approximately \$97 million in reimbursements over the proposed five-year contract term. After subtracting costs paid to Health Advocates, the net revenues to DPH would be approximately \$85.6 million.

**Recommendation**

- Approve the proposed resolution.

## MANDATE STATEMENT

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of \$1 million or more, or (ii) have anticipated revenues of \$1 million or more and require modifications, are subject to Board of Supervisors approval.

## BACKGROUND

The Department of Public Health (DPH) uses contract services to assist with Medi-Cal reimbursement of uninsured patients. Services include screening patients for Medi-Cal eligibility, assisting patients with applications, and representing patients during Medi-Cal appeals. Services are performed both onsite and offsite.

In June 2023, DPH issued a Request for Proposals (RFP) for uncompensated care reimbursement recovery services. Health Advocates, which has performed these services for DPH since 2001, was the only proposer. An evaluation panel reviewed the proposal and scored Health Advocates 96.75 out of 100.<sup>1</sup> Due to being the only proposer and satisfaction with the ongoing business relationship, DPH awarded a new contract to Health Advocates.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would retroactively approve an uncompensated care reimbursement recovery services contract between DPH and Health Advocates, for a term of five years from January 2024 through December 2028, an amount not to exceed \$11,391,540, and authorize DPH to enter into further immaterial amendments to the contract. According to Muki Lok Ung, DPH Principal Contracts Analyst, DPH submitted the resolution to the Board of Supervisors retroactively because of details in the contract that were not finalized before services commenced in January 2024.

Under the terms of the RFP, the contract may be extended by four years, for a total term of nine years.

The contract sets a target for Health Advocates to obtain Medi-Cal reimbursement of at least 1,900 bed days per year. Under the existing contract, Health Advocates has consistently exceeded this target.

## FISCAL IMPACT

The proposed contract would not exceed \$11,391,540 over five years. Under the contract, Health Advocates would be paid a fixed fee for each type of service, which would increase by three percent per year. Projected annual expenditures are shown in Exhibit 1 below.

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<sup>1</sup> The evaluation panel included a DPH Patient Accounting Director, a DPH Patient Access Manager, a DPH Nurse Manager, and a University of California San Francisco (UCSF) Operations Manager.

**Exhibit 1: Projected Annual Contract Expenditures**

	<b>Year 1 (2024)</b>	<b>Year 2 (2025)</b>	<b>Year 3 (2026)</b>	<b>Year 4 (2027)</b>	<b>Year 5 (2028)</b>	<b>Total</b>
Projected Fixed Fee Expenditures	\$1,665,659	\$1,788,542	\$1,842,199	\$1,897,465	\$1,954,389	\$9,148,253
Contingency Services for 3 <sup>rd</sup> Party Payers	204,553	204,553	204,553	204,553	204,553	1,022,764
<i>Subtotal</i>	<i>\$1,870,211</i>	<i>\$1,993,095</i>	<i>\$2,046,752</i>	<i>\$2,102,018</i>	<i>\$2,158,941</i>	<i>\$10,171,017</i>
Contingency (12%)						1,220,523
<b>Total Not-to-Exceed</b>						<b>\$11,391,540</b>

Source: Proposed Contract

Most of Health Advocates’ work is to file and obtain Medi-Cal approvals, which is billed on a fixed fee basis for each type of service. For paid claims involving third-party payers, Health Advocates bill 20 percent of all reimbursements, and DPH retains 80 percent.<sup>2</sup>

Over the four-year and six-month period from July 2019 through December 2023, Health Advocates recovered approximately \$79.8 million in reimbursements to DPH, or approximately \$17.7 million per year. Assuming three percent annual escalation, we estimate that Health Advocates would recover approximately \$97 million in reimbursements over the proposed five-year contract term. After subtracting costs paid to Health Advocates, the net revenues to DPH would be approximately \$85.6 million.

**RECOMMENDATION**

Approve the proposed resolution.

<sup>2</sup> Third party payers include veterans’ benefits, victims of crime programs, third party liability, workers compensation, Med-Pay programs, COBRA, continuity of care, commercial insurance, qualified health plans, and other coverage under the Affordable Care Act.



**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102-4685**

**Agreement between the City and County of San Francisco and**

**Health Advocates LLC  
CID# 1000030236**

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This Agreement is made this 1 day of January, 2024, in the City and County of San Francisco (“City”), State of California, by and between Health Advocates LLC (“Contractor”) and City.

### Recitals

WHEREAS, the Department of Public Health (“Department”) wishes to Professional Services for Uncompensated Care Reimbursement Recovery Services; and

WHEREAS, Contractor represents and warrants that it is qualified to perform the Services required by City as set forth under this Agreement; and

WHEREAS, Contractor was competitively selected pursuant to Sourcing Event ID 0000008427; and

WHEREAS, this is a contract for Services and the Local Business Entity (“LBE”) subcontracting participation requirement for the Services has been waived; and

WHEREAS, approval for the Agreement was obtained on August 22, 2023 from the Civil Service Commission under PSC number 4119 - 09/10 in the amount of \$15,000,000 for the period commencing January 1, 2024 and ending December 31, 2028; and

WHEREAS, approval for the Agreement was obtained on August 22, 2023 from the Civil Service Commission under PSC number 4119 – 09/10 in the amount of \$15,000,000 for the period of 5 years; and

WHEREAS, the City’s [name of Commission or Board of Supervisors] approved this Agreement by [insert resolution number] on [insert date of Commission or Board action].

Now, THEREFORE, the parties agree as follows:

### Article 1 Definitions

The following definitions apply to this Agreement:

1.1 **“Agreement”** means this contract document, including all attached appendices, and all applicable City Ordinances and Mandatory City Requirements specifically incorporated into this Agreement by reference as provided herein.

1.2 **“City” or “the City”** means the City and County of San Francisco, a municipal corporation, acting by and through both its Director of the Office of Contract Administration or the Director’s designated agent, hereinafter referred to as “Purchasing” and Department of Public Health.

1.3 **“City Data”** means that data as described in Article 13 of this Agreement which includes, without limitation, all data collected, used, maintained, processed, stored, or generated by or on behalf of the City in connection with this Agreement. City Data includes, without limitation, Confidential Information.

1.4 **“CMD”** means the Contract Monitoring Division of the City.

1.5 **“Confidential Information”** means confidential City information including, but not limited to, personally-identifiable information (“PII”), protected health information (“PHI”), or individual financial information (collectively, “Proprietary or Confidential Information”) that is subject to local, state or federal laws restricting the use and disclosure of such information, including, but not limited to, Article 1, Section 1 of the California Constitution; the California Information Practices Act (Civil Code § 1798 et seq.); the California Confidentiality of Medical Information Act (Civil Code § 56 et seq.); the federal Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)); the privacy and information security aspects of the Administrative Simplification provisions of the federal Health Insurance Portability and Accountability Act (45 CFR Part 160 and Subparts A, C, and E of part 164); and San Francisco Administrative Code Chapter 12M (Chapter 12M).

1.6 **“Contractor” or “Consultant”** means Health Advocates LLC 21540 Plummer Street, Suite B, Chatsworth, CA 91311.

1.7 **“Deliverables”** means Contractor’s work product resulting from the Services provided by Contractor to City during the course of Contractor’s performance of the Agreement, including without limitation, the work product described in the “Scope of Services” attached as Appendix A.

1.8 **“Mandatory City Requirements”** means those City laws set forth in the San Francisco Municipal Code, including the duly authorized rules, regulations, and guidelines implementing such laws that impose specific duties and obligations upon Contractor.

1.9 **“Party” and “Parties”** means the City and Contractor either collectively or individually.

1.10 **“Services”** means the work performed by Contractor under this Agreement as specifically described in the “Scope of Services” attached as Appendix A, including all services, labor, supervision, materials, equipment, actions and other requirements to be performed and furnished by Contractor under this Agreement.

## **Article 2 Term of the Agreement**

2.1 **Term.** The term of this Agreement shall commence on January 1, 2024 and expire five years later on December 31, 2028, unless earlier terminated as otherwise provided herein.

2.2 **Options to Extend.** The City has 1 option to renew the Agreement for a period of 4 years. The City may extend this Agreement beyond the expiration date by exercising an option at the City’s sole and absolute discretion and by modifying this Agreement as provided in Section 11.5, “Modification of this Agreement.”

## **Article 3 Financial Matters**

3.1 **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation.** This Agreement is subject to the budget and fiscal provisions of the City’s Charter. Charges will accrue only after prior written authorization certified by the Controller, and the amount of City’s obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization. This Agreement will terminate without penalty, liability or expense of any kind to City at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated. City has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. City budget decisions are subject to the discretion of the Mayor and the Board of Supervisors. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

3.2 **Guaranteed Maximum Costs.** The City’s payment obligation to Contractor cannot at any time exceed the amount certified by City’s Controller for the purpose and period stated in such certification. Absent an authorized Emergency per the City Charter or applicable Code, no City representative is authorized to offer or promise, nor is the City required to honor, any offered or promised payments to Contractor under this Agreement in excess of the certified maximum amount without the Controller having first certified the additional promised amount and the Parties having modified this Agreement as provided in Section 11.5, “Modification of this Agreement.”

3.3 **Compensation.**

**3.3.1 Calculation of Charges.** Contractor shall provide an invoice to the City on a monthly basis for goods delivered and/or Services completed in the immediate preceding month, unless a different schedule is set out in Appendix B, "Calculation of Charges." Compensation shall be made for goods and/or Services identified in the invoice that the City, in his or her sole discretion, concludes has been satisfactorily performed. In no event shall the amount of this Agreement exceed **ELEVEN MILLION THREE HUNDRED NINETY-ONE THOUSAND FIVE HUNDRED FORTY DOLLARS (11,391,540)**. The breakdown of charges associated with this Agreement appears in Appendix B, "Calculation of Charges." A portion of payment may be withheld until conclusion of the Agreement if agreed to by both Parties as retainage, described in Appendix B. In no event shall City be liable for interest or late charges for any late payments. City will not honor minimum service order charges for any services covered by this Agreement.

**3.3.2 Payment Limited to Satisfactory Services and Delivery of Goods.** Contractor is not entitled to any payments from City until City approves the goods and/or Services delivered pursuant to this Agreement. Payments to Contractor by City shall not excuse Contractor from its obligation to replace unsatisfactory delivery of goods and/or Services even if the unsatisfactory character may not have been apparent or detected at the time such payment was made. Goods and/or Services delivered pursuant to this Agreement that do not conform to the requirements of this Agreement may be rejected by City and in such case must be replaced by Contractor without delay at no cost to the City.

**3.3.3 Withhold Payments.** If Contractor fails to provide goods and/or Services in accordance with Contractor's obligations under this Agreement, the City may withhold any and all payments due Contractor until such failure to perform is cured, and Contractor shall not stop work as a result of City's withholding of payments as provided herein.

**3.3.4 Invoice Format.** Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller and City and include a unique invoice number and a specific invoice date. Payment shall be made by City as specified in Section 3.3.7, or in such alternate manner as the Parties have mutually agreed upon in writing. All invoices must show the PeopleSoft Purchase Order ID Number, PeopleSoft Supplier Name and ID, Item numbers (if applicable), complete description of goods delivered or Services performed, sales/use tax (if applicable), contract payment terms and contract price. Invoices that do not include all required information or contain inaccurate information will not be processed for payment.

**3.3.5 Reserved (LBE Payment and Utilization Tracking System.)**

**3.3.6 Getting paid by the City for Goods and/or Services.**

(a) City utilizes a commercial product through its banking partner to pay City contractors electronically. Contractors shall sign up to receive electronic payments to be paid under this Agreement.

(b) At the option of City, Contractor may be required to submit invoices directly in the City's financial and procurement system. Refer to <https://sfcitypartner.sfgov.org/pages/training.aspx> for more information.

**3.3.7 Reserved (Grant Funded Contracts).**

**3.3.8 Payment Terms.**

(a) **Payment Due Date:** Unless City notifies the Contractor that a dispute exists, Payment shall be made within 30 calendar days, measured from (1) the delivery of goods and/or the rendering of services or (2) the date of receipt of the invoice, whichever is later. Payment is deemed to be made on the date on which City has issued a check to Contractor or, if Contractor has agreed to electronic payment, the date on which City has posted electronic payment to Contractor.

(b) **Reserved (Payment Discount Terms)**

**3.4 Audit and Inspection of Records.**

3.4.1 Contractor agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its Services. Contractor will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not fewer than five years, unless required for a longer duration due to Federal, State, or local requirements of which the City will notify contractor in writing, after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any Federal agency having an interest in the subject matter of this Agreement shall have the same rights as conferred upon City by this Section. Contractor shall include the same audit and inspection rights and record retention requirements in all subcontracts.

Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report and the associated management letter(s) shall be transmitted to the Director of Public Health or his /her designee within one hundred eighty (180) calendar days following Contractor's fiscal year end date. If Contractor expends \$750,000 or more in Federal funding per year, from any and all Federal awards, said audit shall be conducted in accordance with 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Said requirements can be found at the following website address: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl).

3.4.2 If Contractor expends less than \$750,000 a year in Federal awards, Contractor is exempt from the single audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal Agency, pass-through entity and General Accounting Office. Contractor agrees to reimburse the City any cost adjustments necessitated by this audit report. Any audit report which addresses all or part of the period covered by this Agreement shall treat the service components identified in the detailed descriptions attached to Appendix A and referred to in the Program Budgets of Appendix B as discrete program entities of the Contractor.

3.4.3 The Director of Public Health or his / her designee may approve a waiver of the audit requirement in Section 3.4.2 above, if the contractual Services are of a consulting or personal services nature, these Services are paid for through fee for service terms which limit the City's risk with such contracts, and it is determined that the work associated with the audit would produce undue burdens or costs and would provide minimal benefits. A written request for a waiver must be submitted to the DIRECTOR ninety (90) calendar days before the end of the Agreement term or Contractor's fiscal year, whichever comes first.

3.4.4 Any financial adjustments necessitated by this audit report shall be made by Contractor to the City. If Contractor is under contract to the City, the adjustment may be made in the next subsequent billing by Contractor to the City, or may be made by another written schedule determined solely by the City. In the event Contractor is not under contract to the City, written arrangements shall be made for audit adjustments.

**3.5 Submitting False Claims.** The full text of San Francisco Administrative Code Chapter 21, Section 21.35, including the enforcement and penalty provisions, is incorporated into this Agreement. Pursuant to San Francisco Administrative Code §21.35, any contractor or subcontractor who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A contractor or subcontractor will be deemed to have submitted a false claim to the City if the contractor or subcontractor: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

**3.6 Payment of Prevailing Wages (Reserved)**

**3.7 Contract Amendments; Budgeting Revisions.**

**3.7.1 Formal Contract Amendment:** Contractor shall not be entitled to an increase in the Compensation or an extension of the Term unless the Parties agree to a Formal Amendment in accordance with the San Francisco Administrative Code and Section 11.5 (Modifications of this Agreement).

**3.7.2 City Revisions to Program Budgets:** The City shall have authority, without the execution of a Formal Amendment, to purchase additional Services and/or make changes to the work in accordance with the terms of this Agreement (including such terms that require Contractor's agreement), not involving an increase in the Compensation or the Term by use of a written City Revision to Program Budget.

**3.7.3 City Program Scope Reduction.** In order to preserve the Agreement and enable Contractor to continue to perform work albeit potentially on a reduced basis, the City shall have authority during the Term of the Agreement, without the execution of a Formal Amendment, to reduce scope, temporarily suspend the Agreement work, and/or convert the Term to month-to-month (Program Scope Reduction), by use of a written Revision to Program Budgets, executed by the Director of Health, or his or her designee, and Contractor. Contractor understands and agrees that the City's right to effect a Program Scope Reduction is intended to serve a public purpose and to protect the public fisc and is not intended to cause harm to or penalize Contractor. Contractor provides City with a full and final release of all claims arising from a Program Scope Reduction. Contractor further agrees that it will not sue the City for damages arising directly or indirectly from a City Program Scope Reduction

**Article 4 Services and Resources**

**4.1 Services Contractor Agrees to Perform.** Contractor agrees to perform the Services stated in Appendix A, "Scope of Services." Officers and employees of the City are not authorized to request, and the City is not required to reimburse the Contractor for, Services beyond the Scope of Services listed in Appendix A, unless Appendix A is modified as provided in Section 11.5, "Modification of this Agreement."

**4.2 Personnel**

**4.2.1 Qualified Personnel.** Contractor shall utilize only competent personnel under the supervision of, and in the employment of, Contractor (or Contractor's authorized subcontractors) to perform the Services. Contractor will comply with City's reasonable requests regarding assignment and/or removal of personnel, but all personnel, including those assigned at City's request, must be

supervised by Contractor. Contractor shall commit adequate resources to allow timely completion within the project schedule specified in this Agreement.

#### **4.3 Subcontracting.**

4.3.1 Contractor may subcontract portions of the Services only upon prior written approval of City. Contractor is responsible for its subcontractors throughout the course of the work required to perform the Services. All Subcontracts must incorporate the terms of Article 10 “Additional Requirements Incorporated by Reference” of this Agreement, unless inapplicable. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of, the other Party. Any agreement made in violation of this provision shall be null and void.

4.3.2 City’s execution of this Agreement constitutes its approval of the subcontractors listed below.

Contractor will not employ subcontractors.

#### **4.4 Independent Contractor; Payment of Employment Taxes and Other Expenses.**

4.4.1 **Independent Contractor.** For the purposes of this Section 4.4, “Contractor” shall be deemed to include not only Contractor, but also any agent or employee of Contractor. Contractor acknowledges and agrees that at all times, Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by City under this Agreement. Contractor, its agents, and employees will not represent or hold themselves out to be employees of the City at any time. Contractor or any agent or employee of Contractor shall not have employee status with City, nor be entitled to participate in any plans, arrangements, or distributions by City pertaining to or in connection with any retirement, health or other benefits that City may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor’s performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between City and Contractor or any agent or employee of Contractor. Any terms in this Agreement referring to direction from City shall be construed as providing for direction as to policy and the result of Contractor’s work only, and not as to the means by which such a result is obtained. City does not retain the right to control the means or the method by which Contractor performs work under this Agreement. Contractor agrees to maintain and make available to City, upon request and during regular business hours, accurate books and accounting records demonstrating Contractor’s compliance with this Section. Should City determine that Contractor, or any agent or employee of Contractor, is not performing in accordance with the requirements of this Agreement, City shall provide Contractor with written notice of such failure. Within five (5) business days of Contractor’s receipt of such notice, and in accordance with Contractor policy and procedure, Contractor shall remedy the deficiency. Notwithstanding, if City believes that an action of Contractor, or any agent or employee of Contractor, warrants immediate remedial action by Contractor, City shall contact Contractor and provide Contractor in writing with the reason for requesting such immediate action.

4.4.2 **Payment of Employment Taxes and Other Expenses.** Should City, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). City shall then forward those amounts to the relevant taxing authority. Should a relevant taxing authority determine a liability for past services



performed by Contractor for City, upon notification of such fact by City, Contractor shall promptly remit such amount due or arrange with City to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability). A determination of employment status pursuant to this Section 4.4 shall be solely limited to the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of City. Notwithstanding the foregoing, Contractor agrees to indemnify and save harmless City and its officers, agents and employees from, and, if requested, shall defend them against any and all claims, losses, costs, damages, and expenses, including attorneys' fees, arising from this Section.

4.5 **Assignment.** Pursuant to San Francisco Administrative Code Section 21.22, this Agreement contract may not be assigned, except by written instrument executed and approved in the same manner as the original contract, which instrument shall include the signature of the assignee. Any purported Assignment made in violation of this provision shall be null and void.

4.6 **Warranty.** Contractor warrants to City that the Services will be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices, and in conformance with generally accepted professional standards prevailing at the time the Services are performed so as to ensure that all Services performed are correct and appropriate for the purposes contemplated in this Agreement.

#### 4.7 **Liquidated Damages. (Reserved)**

### **Article 5 Insurance and Indemnity**

5.1 **Insurance.** Contractor may use an excess and/or umbrella policy to fulfill the following insurance requirements:

5.1.1 **Required Coverages. Insurance** limits are subject to Risk Management review and revision, as appropriate, as conditions warrant. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations. **Policy must include Abuse and Molestation coverage.**

(b) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence, "Combined Single Limit" for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

(c) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than **\$1,000,000** each accident, injury, or illness.

(d) Professional Liability Insurance, applicable to Contractor's profession, with limits not less than **\$3,000,000** for each claim, and **\$3,000,000** in the aggregate, with respect to negligent acts, errors or omissions in connection with the Services.

(e) Technology Errors and Omissions Liability Insurance (Reserved).

(f) Cyber and Privacy Insurance with limits of not less than **\$15,000,000** per claim. Such insurance shall include coverage for liability arising from theft, dissemination, and/or use of confidential information, including but not limited to, bank and credit card account information or personal information, such as name, address, social security numbers, protected health information or other personally identifying information, stored or transmitted in any form.

(g) Blanket Fidelity Bond or Crime Policy with limits in the amount of Initial Payment included under this Agreement covering employee theft of money written with a per loss limit.

(h) Reserved (Pollution Liability Insurance)

#### 5.1.2 Additional Insured Endorsements

(a) The Commercial General Liability policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(b) The Commercial Automobile Liability Insurance policy must be endorsed to name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.

(c) **(Pollution Auto Liability Insurance Additional Insured Endorsement)**

#### 5.1.3 Waiver of Subrogation Endorsements

(a) The Workers' Compensation policy(ies) shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Contractor, its employees, agents and subcontractors.

#### 5.1.4 Primary Insurance Endorsements

(a) The Commercial General Liability policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(b) The Commercial Automobile Liability Insurance policy shall provide that such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(c) **Reserved. (Pollution Liability Insurance Primary Insurance Endorsement)**

#### 5.1.5 Other Insurance Requirements

(a) Thirty (30) days' advance written notice shall be provided to the City of cancellation, intended non-renewal, or reduction in coverages, except for non-payment for which no less than ten (10) days' notice shall be provided to City. Notices shall be sent to the City email address: [insurance-contractsr410@sfdph.org](mailto:insurance-contractsr410@sfdph.org).

(b) Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

(c) Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

(d) Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

(e) Before commencing any Services, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Contractor's liability hereunder.

(f) If Contractor will use any subcontractor(s) to provide Services, Contractor shall require the subcontractor(s) to provide all necessary insurance and to name the City and County of San Francisco, its officers, agents and employees and the Contractor as additional insureds.

## 5.2 Indemnification.

5.2.1 Contractor shall indemnify and hold harmless City and its officers, agents and employees from, and, if requested, shall defend them from and against any and all claims, demands, losses, damages, costs, expenses, and liability (legal, contractual, or otherwise) arising from or in any way connected with any: (i) injury to or death of a person, including employees of City or Contractor; (ii) loss of or damage to property; (iii) violation of local, state, or federal common law, statute or regulation, including but not limited to privacy or personally identifiable information, health information, disability and labor laws or regulations; (iv) strict liability imposed by any law or regulation; or (v) losses arising from Contractor's execution of subcontracts not in accordance with the requirements of this Agreement applicable to subcontractors; so long as such injury, violation, loss, or strict liability (as set forth in subsections (i) – (v) above) arises directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors, or either's agent or employee. Contractor shall also indemnify, defend and hold City harmless from all suits or claims or administrative proceedings for breaches of federal and/or state law regarding the privacy of health information, electronic records or related topics, arising directly or indirectly from Contractor's performance of this Agreement. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and City's costs of investigating any claims against the City.

5.2.2 In addition to Contractor's obligation to indemnify City, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by City and continues at all times thereafter.

5.2.3 Contractor shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent

rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons arising directly or indirectly from the receipt by City, or any of its officers or agents, of Contractor's Services.

## **Article 6 Liability of the Parties**

**6.1 Liability of City.** CITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 3.3.1, "PAYMENT," OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

**6.2 Liability for Use of Equipment.** City shall not be liable for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or any of its subcontractors, or by any of their employees, even though such equipment is furnished, rented or loaned by City.

**6.3 Liability for Incidental and Consequential Damages.** Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions.

## **Article 7 Payment of Taxes**

**7.1 Contractor to Pay All Taxes.** Except for any applicable California sales and use taxes charged by Contractor to City, Contractor shall pay all taxes, including possessory interest taxes levied upon or as a result of this Agreement, or the Services delivered pursuant hereto. Contractor shall remit to the State of California any sales or use taxes paid by City to Contractor under this Agreement. Contractor agrees to promptly provide information requested by the City to verify Contractor's compliance with any State requirements for reporting sales and use tax paid by City under this Agreement.

**7.2 Possessory Interest Taxes.** Contractor acknowledges that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of City property for private gain. If such a possessory interest is created, then the following shall apply:

**7.2.1** Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest.

**7.2.2** Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the City to the County Assessor the information required by Revenue and Taxation Code Section 480.5, as amended from time to time, and any successor provision.

**7.2.3** Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code Section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors

and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

7.2.4 Contractor further agrees to provide such other information as may be requested by the City to enable the City to comply with any reporting requirements for possessory interests that are imposed by applicable law.

7.3 **Withholding.** Contractor agrees that it is obligated to pay all amounts due to the City under the San Francisco Business and Tax Regulations Code during the term of this Agreement. Pursuant to Section 6.10-2 of the San Francisco Business and Tax Regulations Code, Contractor further acknowledges and agrees that City may withhold any payments due to Contractor under this Agreement if Contractor is delinquent in the payment of any amount required to be paid to the City under the San Francisco Business and Tax Regulations Code. Any payments withheld under this paragraph shall be made to Contractor, without interest, upon Contractor coming back into compliance with its obligations.

## **Article 8 Termination and Default**

### **8.1 Termination for Convenience**

8.1.1 City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

8.1.2 Upon receipt of the notice of termination, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by City and to minimize the liability of Contractor and City to third parties as a result of termination. All such actions shall be subject to the prior approval of City. Such actions may include any or all of the following, without limitation:

- (a) Halting the performance of all Services under this Agreement on the date(s) and in the manner specified by City.
- (b) Terminating all existing orders and subcontracts, and not placing any further orders or subcontracts for materials, Services, equipment or other items.
- (c) At City's direction, assigning to City any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, City shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
- (d) Subject to City's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.
- (e) Completing performance of any Services that City designates to be completed prior to the date of termination specified by City.
- (f) Taking such action as may be necessary, or as the City may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which City has or may acquire an interest.

8.1.3 Notwithstanding Section 8.1.2, when termination occurs, at the City's option, the City may direct Contractor to continue all activities on any account on which collection activity, application, legal action and/or lien process has commenced or where payment terms have been agreed to between Contractor and a potential payor source. As to these accounts, Contractor shall be entitled to its full fee upon collection. Upon early termination, Contractor shall forthwith return to City all accounts excepting those accounts for which Contractor is not required to cease activity, which include, but are not

limited to, accounts in the screening process, accounts where the patient has already signed an Authorized Representative form, pending applications, TAR/Liens, liened and in active collections or legal process.

8.1.4 In no event shall City be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by City, except for those costs specifically listed in Section 8.1.3. Such non-recoverable costs include, but are not limited to, anticipated profits on the Services under this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys’ fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under Section 8.1.3.

8.1.5 In arriving at the amount due to Contractor under this Section, City may deduct: (i) all payments previously made by City for Services covered by Contractor’s final invoice; (ii) any claim which City may have against Contractor in connection with this Agreement; (iii) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection 8.1.4; and (iv) in instances in which, in the opinion of the City, the cost of any Service performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected Services, the difference between the invoiced amount and City’s estimate of the reasonable cost of performing the invoiced Services in compliance with the requirements of this Agreement.

8.1.6 City’s payment obligation under this Section shall survive termination of this Agreement.

**8.2 Termination for Default; Remedies.**

8.2.1 Each of the following shall constitute an immediate event of default (“Event of Default”) under this Agreement:

8.2.2 Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

3.5	Submitting False Claims.	10.10	Alcohol and Drug-Free Workplace
4.5	Assignment	10.13	Working with Minors
Article 5	Insurance and Indemnity	11.10	Compliance with Laws
Article 7	Payment of Taxes	Article 13	Data and Security

(a) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, including any obligation imposed by ordinance or statute and incorporated by reference herein, and such default is not cured within ten days after written notice thereof from City to Contractor. If Contractor defaults a second time in the same manner as a prior default cured by Contractor, City may in its sole discretion immediately terminate the Agreement for default or grant an additional period not to exceed five days for Contractor to cure the default.

(b) Contractor (i) is generally not paying its debts as they become due; (ii) files, or consents by answer or otherwise to the filing against it of a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors’ relief law of any jurisdiction; (iii) makes an assignment for the benefit of its creditors; (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor’s property; or (v) takes action for the purpose of any of the foregoing.

(c) A court or government authority enters an order (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor’s property, (ii) constituting an order for relief or approving a petition

for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of Contractor.

8.2.3 On and after any Event of Default, City shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, in accordance with San Francisco Administrative Code Section 21.33 (Procedure Upon Contractor's Failure to Deliver) where applicable, City shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to City on demand all costs and expenses incurred by City in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Further, in accordance with San Francisco Administrative Code Section 10.27.1 (Controller may Offset), City shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between City and Contractor: (i) all damages, losses, costs or expenses incurred by City as a result of an Event of Default; and (ii) any liquidated damages levied upon Contractor pursuant to the terms of this Agreement; and (iii), any damages imposed by any ordinance or statute that is incorporated into this Agreement by reference, or into any other agreement with the City. This Section 8.2.3 shall survive termination of this Agreement.

8.2.4 All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.

8.2.5 Any notice of default must be sent by registered mail to the address set forth in Article 11.

8.3 **Non-Waiver of Rights.** The omission by either Party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other Party at the time designated, shall not be a waiver of any such default or right to which the Party is entitled, nor shall it in any way affect the right of the Party to enforce such provisions thereafter.

8.4 **Rights and Duties upon Termination or Expiration.**

8.4.1 This Section and the following Sections of this Agreement listed below, shall survive termination or expiration of this Agreement:

3.3.2	Payment Limited to Satisfactory Services and Delivery of Goods	9.2	Works for Hire
3.4	Audit and Inspection of Records	11.6	Dispute Resolution Procedure
3.5	Submitting False Claims	11.7	Agreement Made in California; Venue
Article 5	Insurance and Indemnity	11.8	Construction
6.1	Liability of City	11.9	Entire Agreement
6.3	Liability for Incidental and Consequential Damages	11.10	Compliance with Laws
Article 7	Payment of Taxes	11.11	Severability
8.1.6	Payment Obligation	Article 13	Data and Security
9.1	Ownership of Results	Appendix E	Business Associate Agreement

8.4.2 Subject to the survival of the Sections identified in Section 8.4.1, above, if this Agreement is terminated prior to expiration of the term specified in Article 2, this Agreement shall be of no further force or effect. Contractor shall transfer title to City, and deliver in the manner, at the times, and to the extent, if any, directed by City, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to City.

## **Article 9 Rights In Deliverables**

9.1 **Ownership of Results.** Any interest of Contractor or its subcontractors, in the Deliverables, including any drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors for the purposes of this Agreement, shall become the property of and will be transmitted to City. However, unless expressly prohibited elsewhere in this Agreement, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

9.2 **Works for Hire.** If, in connection with Services, Contractor or its subcontractors creates Deliverables including, without limitation, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes, or any other original works of authorship, whether in digital or any other format, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works shall be the property of the City. If any Deliverables created by Contractor or its subcontractor(s) under this Agreement are ever determined not to be works for hire under U.S. law, Contractor hereby assigns all Contractor's copyrights to such Deliverables to the City, agrees to provide any material and execute any documents necessary to effectuate such assignment, and agrees to include a clause in every subcontract imposing the same duties upon subcontractor(s). With City's prior written approval, Contractor and its subcontractor(s) may retain and use copies of such works for reference and as documentation of their respective experience and capabilities.

## **Article 10 Additional Requirements Incorporated by Reference**

10.1 **Laws Incorporated by Reference.** The full text of the laws listed in this Article 10, including enforcement and penalty provisions, are incorporated by reference into this Agreement. The full text of the San Francisco Municipal Code provisions incorporated by reference in this Article and elsewhere in the Agreement ("Mandatory City Requirements") are available at [http://www.amlegal.com/codes/client/san-francisco\\_ca/](http://www.amlegal.com/codes/client/san-francisco_ca/).

10.2 **Conflict of Interest.** By executing this Agreement, Contractor certifies that it does not know of any fact which constitutes a violation of Section 15.103 of the City's Charter; Article III, Chapter 2 of City's Campaign and Governmental Conduct Code; Title 9, Chapter 7 of the California Government Code (Section 87100 *et seq.*), or Title 1, Division 4, Chapter 1, Article 4 of the California Government Code (Section 1090 *et seq.*), and further agrees promptly to notify the City if it becomes aware of any such fact during the term of this Agreement.

10.3 **Prohibition on Use of Public Funds for Political Activity.** In performing the Services, Contractor shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Contractor is subject to the enforcement and penalty provisions in Chapter 12G.

10.4 **Consideration of Salary History.** Contractor shall comply with San Francisco Administrative Code Chapter 12K, the Consideration of Salary History Ordinance or "Pay Parity Act." Contractor is prohibited from considering current or past salary of an applicant in determining whether to



hire the applicant or what salary to offer the applicant to the extent that such applicant is applying for employment to be performed on this Agreement or in furtherance of this Agreement, and whose application, in whole or part, will be solicited, received, processed or considered, whether or not through an interview, in the City or on City property. The ordinance also prohibits employers from (1) asking such applicants about their current or past salary or (2) disclosing a current or former employee's salary history without that employee's authorization unless the salary history is publicly available. Contractor is subject to the enforcement and penalty provisions in Chapter 12K. Information about and the text of Chapter 12K is available on the web at <https://sfgov.org/olse/consideration-salary-history>. Contractor is required to comply with all of the applicable provisions of 12K, irrespective of the listing of obligations in this Section.

## 10.5 Nondiscrimination Requirements.

**10.5.1 Nondiscrimination in Contracts.** Contractor shall comply with the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Contractor shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Contractor is subject to the enforcement and penalty provisions in Chapters 12B and 12C.

**10.5.2 Nondiscrimination in the Provision of Employee Benefits.** San Francisco Administrative Code 12B.2. Contractor does not as of the date of this Agreement, and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of employee benefits between employees with domestic partners and employees with spouses and/or between the domestic partners and spouses of such employees, subject to the conditions set forth in San Francisco Administrative Code Section 12B.2.

**10.6 Local Business Enterprise and Non-Discrimination in Contracting Ordinance.** Contractor shall comply with all applicable provisions of Chapter 14B ("LBE Ordinance"). Contractor is subject to the enforcement and penalty provisions in Chapter 14B.

**10.7 Minimum Compensation Ordinance.** If Administrative Code Chapter 12P applies to this contract, Contractor shall pay covered employees no less than the minimum compensation required by San Francisco Administrative Code Chapter 12P, including a minimum hourly gross compensation, compensated time off, and uncompensated time off. Contractor is subject to the enforcement and penalty provisions in Chapter 12P. Information about and the text of the Chapter 12P is available on the web at <http://sfgov.org/olse/mco>. Contractor is required to comply with all of the applicable provisions of 12P, irrespective of the listing of obligations in this Section. By signing and executing this Agreement, Contractor certifies that it complies with Chapter 12P.

**10.8 Health Care Accountability Ordinance.** If Administrative Code Chapter 12Q applies to this contract, Contractor shall comply with the requirements of Chapter 12Q. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission. Information about and the text of the Chapter 12Q, as well as the Health Commission's minimum standards, is available on the web at <http://sfgov.org/olse/hcao>. Contractor is subject to the enforcement and penalty provisions in Chapter 12Q. Any Subcontract entered into by Contractor shall require any Subcontractor with 20 or more employees to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section.

**10.9 First Source Hiring Program.** Contractor must comply with all of the provisions of the First Source Hiring Program, Chapter 83 of the San Francisco Administrative Code, that apply to this Agreement, and Contractor is subject to the enforcement and penalty provisions in Chapter 83.

**10.10 Alcohol and Drug-Free Workplace.** City reserves the right to deny access to, or require Contractor to remove from, City facilities personnel of any Contractor or subcontractor who City has reasonable grounds to believe has engaged in alcohol abuse or illegal drug activity which in any way impairs City's ability to maintain safe work facilities or to protect the health and well-being of City employees and the general public. City shall have the right of final approval for the entry or re-entry of any such person previously denied access to, or removed from, City facilities. Illegal drug activity means possessing, furnishing, selling, offering, purchasing, using or being under the influence of illegal drugs or other controlled substances for which the individual lacks a valid prescription. Alcohol abuse means possessing, furnishing, selling, offering, or using alcoholic beverages, or being under the influence of alcohol.

**10.11 Limitations on Contributions.** By executing this Agreement, Contractor acknowledges its obligations under Section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with, or is seeking a contract with, any department of the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, for a grant, loan or loan guarantee, or for a development agreement, from making any campaign contribution to (i) a City elected official if the contract must be approved by that official, a board on which that official serves, or the board of a state agency on which an appointee of that official serves, (ii) a candidate for that City elective office, or (iii) a committee controlled by such elected official or a candidate for that office, at any time from the submission of a proposal for the contract until the later of either the termination of negotiations for such contract or twelve months after the date the City approves the contract. The prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 10% in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Contractor certifies that it has informed each such person of the limitation on contributions imposed by Section 1.126 by the time it submitted a proposal for the contract, and has provided the names of the persons required to be informed to the City department with whom it is contracting.

**10.12 Slavery Era Disclosure.** Contractor shall comply with San Francisco Administrative Code Chapter 12Y, San Francisco Slavery Era Disclosure Ordinance, including but not limited to Contractor's affirmative duty to research and disclose evidence of Contractor, its parent or subsidiary entity, or its Predecessor Company's Participation in the Slave Trade or receipt of Profits from the Slave Trade. Contractor is subject to the enforcement and penalty provisions in Chapter 12Y.

**10.13 Reserved (Working with Minors)**

**10.14 Consideration of Criminal History in Hiring and Employment Decisions.**

10.14.1 Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code ("Chapter 12T"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

10.14.2 The requirements of Chapter 12T shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in

furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

**10.15 Public Access to Nonprofit Records and Meetings.** If Contractor receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor must comply with the City’s Public Access to Nonprofit Records and Meetings requirements, as set forth in Chapter 12L of the San Francisco Administrative Code, including the remedies provided therein.

**10.16 Food Service Waste Reduction Requirements.** Contractor shall comply with the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including but not limited to the remedies for noncompliance provided therein.

**10.17 Reserved (Distribution of Beverages and Water)**

**10.18 Tropical Hardwood and Virgin Redwood Ban.** Pursuant to San Francisco Environment Code Section 804(b), the City urges Contractor not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**10.19 Reserved (Preservative Treated Wood Products)**

**Article 11 General Provisions**

**11.1 Notices to the Parties.** Unless otherwise indicated in this Agreement, all written communications sent by the Parties may be by U.S. mail or e-mail, and shall be addressed as follows:

- To CITY: Office of Contract Management  
and Compliance  
Department of Public Health  
101 Grove Street, Room 410  
San Francisco, California 94102 e-mail: dph-  
contractsrm410@sfdph.org
- And: Thomas Istvan  
PATIENT FINANCIAL  
SERVICES  
1001 POTRERO AVE  
SAN FRANCISCO, CA 94110 e-mail: Thomas.Istvan@sfdph.org
- And: Jenine Smith  
PATIENT FINANCIAL  
SERVICES  
1001 POTRERO AVE  
SAN FRANCISCO, CA 94110 e-mail: Jenine.Smith@sfdph.org
- To CONTRACTOR: HEALTH ADVOCATES  
STEVE LEVINE  
21540 PLUMMER ST. SUITE B  
CHATSWORTH, CA 91311 e-mail: stevel@healthadvocates.com

Any notice of default must be sent by registered mail or other trackable overnight mail. Either Party may change the address to which notice is to be sent by giving written notice thereof to the other Party. If email notification is used, the sender must specify a receipt notice.

**11.2 Compliance with Americans with Disabilities Act.** Contractor shall provide the Services in a manner that complies with the Americans with Disabilities Act (ADA), including but not limited to Title II's program access requirements, and all other applicable federal, state and local disability rights legislation.

**11.3 Incorporation of Recitals.** The matters recited above are hereby incorporated into and made part of this Agreement.

**11.4 Sunshine Ordinance.** Contractor acknowledges that this Agreement and all records related to its formation, Contractor's performance of Services, and City's payment are subject to the California Public Records Act, (California Government Code §6250 et. seq.), and the San Francisco Sunshine Ordinance, (San Francisco Administrative Code Chapter 67). Such records are subject to public inspection and copying unless exempt from disclosure under federal, state or local law.

**11.5 Modification of this Agreement.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except as noted in Section 11.1, "Notices to Parties," regarding change in personnel or place, and except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of CMD any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (CMD Contract Modification Form).

**11.6 Dispute Resolution Procedure.**

**11.6.1 Negotiation; Alternative Dispute Resolution.** The Parties will attempt in good faith to resolve any dispute or controversy arising out of or relating to the performance of services under this Agreement. If the Parties are unable to resolve the dispute, then, pursuant to San Francisco Administrative Code Section 21.36, Contractor may submit to the Contracting Officer a written request for administrative review and documentation of the Contractor's claim(s). Upon such request, the Contracting Officer shall promptly issue an administrative decision in writing, stating the reasons for the action taken and informing the Contractor of its right to judicial review. If agreed by both Parties in writing, disputes may be resolved by a mutually agreed-upon alternative dispute resolution process. If the Parties do not mutually agree to an alternative dispute resolution process or such efforts do not resolve the dispute, then either Party may pursue any remedy available under California law. The status of any dispute or controversy notwithstanding, Contractor shall proceed diligently with the performance of its obligations under this Agreement in accordance with the Agreement and the written directions of the City. Neither Party will be entitled to legal fees or costs for matters resolved under this Section.

**11.6.2 Government Code Claim Requirement.** No suit for money or damages may be brought against the City until a written claim therefor has been presented to and rejected by the City in conformity with the provisions of San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq. Nothing set forth in this Agreement shall operate to toll, waive or excuse Contractor's compliance with the California Government Code Claim requirements set forth in San Francisco Administrative Code Chapter 10 and California Government Code Section 900, et seq.

**11.7 Agreement Made in California; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**11.8 Construction.** All paragraph captions are for reference only and shall not be considered in construing this Agreement.

**11.9 Entire Agreement.** This contract sets forth the entire Agreement between the Parties, and supersedes all other oral or written provisions. This Agreement may be modified only as provided in Section 11.5, "Modification of this Agreement."

**11.10 Compliance with Laws.** Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and duly adopted rules and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**11.11 Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (i) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (ii) such provision shall be enforced to the maximum extent possible so as to effect the intent of the Parties and shall be reformed without further action by the Parties to the extent necessary to make such provision valid and enforceable.

**11.12 Cooperative Drafting.** This Agreement has been drafted through a cooperative effort of City and Contractor, and both Parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No Party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the Party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

**11.13 Order of Precedence.** Contractor agrees to perform the services described below in accordance with the terms and conditions of this Agreement, implementing task orders, the RFP, and Contractor's proposal dated July 24, 2023. The RFP and Contractor's proposal are incorporated by reference as though fully set forth herein. Should there be a conflict of terms or conditions, this Agreement and any implementing task orders shall control over the RFP and the Contractor's proposal. If the Appendices to this Agreement include any standard printed terms from the Contractor, Contractor agrees that in the event of discrepancy, inconsistency, gap, ambiguity, or conflicting language between the City's terms and Contractor's printed terms attached, the City's terms shall take precedence, followed by the procurement issued by the department, Contractor's proposal, and Contractor's printed terms, respectively.

**11.14 Notification of Legal Requests.** Contractor shall immediately notify City upon receipt of any subpoenas, service of process, litigation holds, discovery requests and other legal requests ("Legal Requests") related to all data given to Contractor by City in the performance of this Agreement ("City Data" or "Data"), or which in any way might reasonably require access to City's Data, and in no event later than 24 hours after it receives the request. Contractor shall not respond to Legal Requests related to City without first notifying City other than to notify the requestor that the information sought is potentially covered under a non-disclosure agreement. Contractor shall retain and preserve City Data in accordance with the City's instruction and requests, including, without limitation, any retention schedules and/or litigation hold orders provided by the City to Contractor, independent of where the City Data is stored.

**11.15 California Attorney General's Registry of Charitable Trusts.** If a Contractor is a non-profit entity, the Contractor represents that it is in good standing with the California Attorney General's Registry of Charitable Trusts and will remain in good standing during the term of this Agreement. Contractor shall immediately notify City of any change in its eligibility to perform under the Agreement. Upon City request, Contractor shall provide documentation demonstrating its compliance with applicable legal requirements. If Contractor will use any subcontractors to perform the Agreement, Contractor is responsible for ensuring they are also in compliance with the California Attorney General's Registry of Charitable Trusts at the time of contract execution and for the duration of the agreement. Any failure by Contractor or any subcontractors to remain in good standing with applicable requirements shall be a material breach of this Agreement.

**11.16 Applicable Law.** This Agreement will be governed by, construed, and enforced in accordance with the laws of the State of California and City's Charter. Any legal suit, action, or

proceeding arising out of or relating to this Agreement shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Agreement has been brought in an inconvenient forum. The Parties also unconditionally and irrevocably waive any right to remove any such suit, action, or proceeding to Federal Court.

## **Article 12 Department Specific Terms**

**12.1 Third Party Beneficiaries.** No third parties are intended by the parties hereto to be third party beneficiaries under this Agreement, and no action to enforce the terms of this Agreement may be brought against either party by any person who is not a party hereto.

**12.2 Exclusion Lists and Employee Verification.** Upon hire and monthly thereafter, Contractor will check the exclusion lists published by the Office of the Inspector General (OIG), General Services Administration (GSA), and the California Department of Health Care Services (DHCS) to ensure that any employee, temporary employee, volunteer, consultant, or governing body member responsible for oversight, administering or delivering state or federally-funded services who is on any of these lists is excluded from (may not work in) your program or agency. Proof of checking these lists must be retained for seven years.

**12.3 Prevention of Fraud, Waste and Abuse.** Contractor shall comply with all laws designed to prevent fraud, waste, and abuse, including, but not limited to, provisions of state and Federal law applicable to healthcare providers and transactions, such as the False Claims Act (31 U.S.C. § 3729 et seq.), the Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Physician Self-Referral Law (Stark Law, 42 U.S.C. § 1395nn), and California Business & Professions Code § 650. Contractor shall immediately notify City of any suspected fraud, waste, and abuse under state or federal law.

### **12.4 Certification Regarding Lobbying.**

**12.4.1** Contractor certifies to the best of its knowledge and belief that: No federally appropriated funds have been paid or will be paid, by or on behalf of Contractor to any persons for influencing or attempting to influence an officer or an employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the entering into of any federal cooperative agreement, or the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan or cooperative agreement.

**12.4.2** If any funds other than federally appropriated funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, Contractor shall complete and submit Standard Form -111, "Disclosure Form to Report Lobbying," in accordance with the form's instructions.

**12.4.3** Contractor shall require the language of this certification be included in the award documents for all subawards at all tiers, (including subcontracts, subgrants, and contracts under grants, loans and cooperation agreements) and that all subrecipients shall certify and disclose accordingly.

**12.4.4** This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person

who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

**12.5 Materials Review.** Contractor agrees that all materials, including without limitation print, audio, video, and electronic materials, developed, produced, or distributed by personnel or with funding under this Agreement shall be subject to review and approval by the Contract Administrator prior to such production, development or distribution. Contractor agrees to provide such materials sufficiently in advance of any deadlines to allow for adequate review. City agrees to conduct the review in a manner which does not impose unreasonable delays on Contractor's work, which may include review by members of target communities.

## **Article 13 Data and Security**

### **13.1 Nondisclosure of Private, Proprietary or Confidential Information.**

**13.1.1 Protection of Private Information.** If this Agreement requires City to disclose "Private Information" to Contractor within the meaning of San Francisco Administrative Code Chapter 12M, Contractor and subcontractor shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the Services. Contractor is subject to the enforcement and penalty provisions in Chapter 12M.

**13.1.2 Confidential Information.** In the performance of Services, Contractor may have access to, or collect on City's behalf, City's proprietary or Confidential Information, the disclosure of which to third parties may damage City. If City discloses proprietary or Confidential Information to Contractor, or Contractor collects such information on City's behalf, such information must be held by Contractor in confidence and used only in performing the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary or Confidential Information.

**13.2 Payment Card Industry ("PCI") Requirements.** Contractors providing services and products that handle, transmit or store cardholder data, are subject to the following requirements:

**13.2.1** Applications shall be compliant with the Payment Application Data Security Standard (PA-DSS) and validated by a Payment Application Qualified Security Assessor (PA-QSA). A Contractor whose application has achieved PA-DSS certification must then be listed on the PCI Councils list of PA-DSS approved and validated payment applications.

**13.2.2** Gateway providers shall have appropriate Payment Card Industry Data Security Standards (PCI DSS) certification as service providers (<https://www.pcisecuritystandards.org/index.shtml>). Compliance with the PCI DSS shall be achieved through a third party audit process. The Contractor shall comply with Visa Cardholder Information Security Program (CISP) and MasterCard Site Data Protection (SDP) programs.

**13.2.3** For any Contractor that processes PIN Debit Cards, payment card devices supplied by Contractor shall be validated against the PCI Council PIN Transaction Security (PTS) program.

**13.2.4** For items 13.2.1 to 13.2.3 above, Contractor shall provide a letter from their qualified security assessor (QSA) affirming their compliance and current PCI or PTS compliance certificate.

**13.2.5** Contractor shall be responsible for furnishing City with an updated PCI compliance certificate 30 calendar days prior to its expiration.

13.2.6 Bank Accounts. Collections that represent funds belonging to the City and County of San Francisco shall be deposited, without detour to a third party’s bank account, into a City and County of San Francisco bank account designated by the Office of the Treasurer and Tax Collector.

13.3 **Business Associate Agreement.** The parties acknowledge that City is a Covered Entity as defined in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and is required to comply with the HIPAA Privacy Rule governing the access, use, disclosure, transmission, and storage of protected health information (PHI) and the Security Rule under the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”).

**The parties acknowledge that CONTRACTOR will:**

- 1.  Do **at least one** or more of the following:
  - A. Create, receive, maintain, or transmit PHI for or on behalf of CITY/SFDPH (including storage of PHI, digital or hard copy, even if Contractor does not view the PHI or only does so on a random or infrequent basis); or
  - B. Receive PHI, or access to PHI, from CITY/SFDPH or another Business Associate of City, as part of providing a service to or for CITY/SFDPH, including legal, actuarial, accounting, consulting, data aggregation, management, administrative, accreditation, or financial; or
  - C. Transmit PHI data for CITY/SFDPH and require access on a regular basis to such PHI. (Such as health information exchanges (HIEs), e-prescribing gateways, or electronic health record vendors)

**FOR PURPOSES OF THIS AGREEMENT, CONTRACTOR IS A BUSINESS ASSOCIATE OF CITY/SFDPH, AS DEFINED UNDER HIPAA. CONTRACTOR MUST COMPLY WITH AND COMPLETE THE FOLLOWING ATTACHED DOCUMENTS, INCORPORATED TO THIS AGREEMENT AS THOUGH FULLY SET FORTH HEREIN:**

- a. **Appendix E** SFDPH Business Associate Agreement (BAA) (8-3-2022)
  - 1. SFDPH Attestation 1 PRIVACY (06-07-2017)
  - 2. SFDPH Attestation 2 DATA SECURITY (06-07-2017)
  - 3. SFDPH Attachment 3 Protected Information Destruction Order Purge Certification (01-10-2024)

- 2.  **NOT do any of the activities listed above in subsection 1;**

Contractor is not a Business Associate of CITY/SFDPH. Appendix E and attestations are not required for the purposes of this Agreement.

**DPH NOTE: This option requires review and approval from the SFDPH Office of Compliance and Privacy Affairs.**

**13.4 Management of City Data and Confidential Information.**

13.4.1 **Use of City Data and Confidential Information.** Contractor agrees to hold City’s Data received from, or collected on behalf of, the City, in strictest confidence. Contractor shall not use or disclose City’s Data except as permitted or required by the Agreement or as otherwise authorized in writing by the City. Any work using, or sharing or storage of, City’s Data outside the United States is subject to prior written authorization by the City. Access to City’s Data must be strictly controlled and limited to Contractor’s staff assigned to this project on a need-to-know basis only. Contractor is provided a limited non-exclusive license to use the City Data solely for performing its obligations under the



Agreement and not for Contractor's own purposes or later use. Nothing herein shall be construed to confer any license or right to the City Data or Confidential Information, by implication, estoppel or otherwise, under copyright or other intellectual property rights, to any third-party. Unauthorized use of City Data by Contractor, subcontractors or other third-parties is prohibited. For purpose of this requirement, the phrase "unauthorized use" means the data mining or processing of data, stored or transmitted by the service, for commercial purposes, advertising or advertising-related purposes, or for any purpose other than security or service delivery analysis that is not explicitly authorized.

**13.4.2 Disposition of Confidential Information.** Upon request of City or termination or expiration of this Agreement, and pursuant to any document retention period required by this Agreement, Contractor shall promptly, but in no event later than thirty (30) calendar days, return all data given to or collected by Contractor on City's behalf, which includes all original media. Once Contractor has received written confirmation from City that City's Data has been successfully transferred to City, Contractor shall within ten (10) business days clear or purge all City Data from its servers, any hosted environment Contractor has used in performance of this Agreement, including its subcontractors environment(s), work stations that were used to process the data or for production of the data, and any other work files stored by Contractor in whatever medium. Contractor shall provide City with written certification that such purge occurred within five (5) business days of the purge. Secure disposal shall be accomplished by "clearing," "purging" or "physical destruction," in accordance with National Institute of Standards and Technology (NIST) Special Publication 800-88 or most current industry standard.

**13.5 Ownership of City Data.** The Parties agree that as between them, all rights, including all intellectual property rights, in and to the City Data and any derivative works of the City Data is the exclusive property of the City.

**13.6 Protected Health Information.** Contractor, all subcontractors, all agents and employees of Contractor and any subcontractor shall comply with all federal and state laws regarding the transmission, storage and protection of all private health information disclosed to Contractor by City in the performance of this Agreement. Contractor agrees that any failure of Contractor to comply with the requirements of federal and/or state and/or local privacy laws shall be a material breach of the Contract. In the event that City pays a regulatory fine, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of protected health information given to Contractor or its subcontractors or agents by City, Contractor shall indemnify City for the amount of such fine or penalties or damages, including costs of notification. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract.

## **Article 14 MacBride And Signature**

**14.1 MacBride Principles - Northern Ireland.** The provisions of San Francisco Administrative Code §12F are incorporated herein by this reference and made part of this Agreement. By signing this Agreement, Contractor confirms that Contractor has read and understood that the City urges companies doing business in Northern Ireland to resolve employment inequities and to abide by the MacBride Principles, and urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

**CITY**

**CONTRACTOR**

Recommended by:

Health Advocates LLC

\_\_\_\_\_  
Grant Colfax, MD  
Director of Health  
Department of Public Health

DocuSigned by:  
*Steve Levine* 03/05/2024 | 8:38 AM PST  
C66F70A45A684D7...  
\_\_\_\_\_  
Steve Levine  
Chief Executive Officer

Supplier ID: 0000018958

Approved as to Form:

David Chiu  
City Attorney

By: \_\_\_\_\_  
Louise Simpson  
Deputy City Attorney

Approved:

\_\_\_\_\_  
Sailaja Kurella  
Director of the Office of Contract Administration, and  
Purchaser

**Appendices**

- A: Scope of Services
- B: Calculation of Charges
- C: Reserved
- D: System Access Agreement
- E: HIPAA Business Associate Agreement
- F: Invoice

## Appendix A Scope of Services

### 1. Terms

A. Contract Administrator:

In performing the Services hereunder, Contractor shall report to **Jenine Smith**, Contract Administrator for the City, or his / her designee.

B. Reports:

Contractor shall submit written reports as requested by the City. The format for the content of such reports shall be determined by the City. The timely submission of all reports is a necessary and material term and condition of this Agreement. All reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

For services solicited under a Group Purchasing Organization (GPO) the Contractor shall report all applicable sales under this agreement to the respective GPO.

C. Evaluation:

Contractor shall participate as requested with the City, State and/or Federal government in evaluative studies designed to show the effectiveness of Contractor's Services. Contractor agrees to meet the requirements of and participate in the evaluation program and management information systems of the City.

For contracts for the provision of services at San Francisco General or Laguna Honda Hospital and Rehabilitation Center, the evaluation program shall include agreed upon performance measures as specified in the Performance Improvement Plan and Performance Measure Grid which is presented in Attachment 1 to Appendix A. Performance measures are reported annually to the Zuckerberg San Francisco General performance improvement committees (PIPS and Quality Council) or the to the Administration Office of Laguna Honda Hospital and Rehabilitation Center.

The City agrees that any final written reports generated through the evaluation program shall be made available to Contractor within thirty (30) working days. Contractor may submit a written response within thirty working days of receipt of any evaluation report and such response will become part of the official report.

D. Possession of Licenses/Permits:

Contractor warrants the possession of all licenses and/or permits required by the laws and regulations of the United States, the State of California, and the City to provide the Services. Failure to maintain these licenses and permits shall constitute a material breach of this Agreement.

E. Adequate Resources:

Contractor agrees that it has secured or shall secure at its own expense all persons, employees and equipment required to perform the Services required under this Agreement, and that all such Services shall be performed by Contractor, or under Contractor's supervision, by persons authorized by law to perform such Services.

F. Admission Policy:

Admission policies for the Services shall be in writing and available to the public. Except to the extent that the Services are to be rendered to a specific population as described in the programs listed in Section 2 of Appendix A, such policies must include a provision that clients are accepted for care without discrimination on the basis of race, color, creed, religion, sex, age, national origin, ancestry, sexual orientation, gender identification, disability, or AIDS/HIV status.

G. Grievance Procedure:

Contractor agrees to establish and maintain a written Client Grievance Procedure which shall include the following elements as well as others that may be appropriate to the Services: (1) the name or title of the person or persons authorized to make a determination regarding the grievance; (2) the opportunity for the aggrieved party to discuss the grievance with those who will be making the determination; and (3) the right of a client dissatisfied with the decision to ask for a review and recommendation from the community advisory board or planning council that has purview over the aggrieved service. Contractor shall provide a copy of this procedure, and any amendments thereto, to each client and to the Director of Public Health or his/her designated agent (hereinafter referred to as "DIRECTOR"). Those clients who do not receive direct Services will be provided a copy of this procedure upon request.

H. (RESERVED)

I. (RESERVED)

J. (RESERVED)

K. (RESEVED)

L. (RESERVED)

M. Patients Rights:

All applicable Patients Rights laws and procedures shall be implemented.

N. Hospital Policy 16.27:

It is the policy of Zuckerberg San Francisco General (ZSFG) to provide quality patient care and trauma services with compassion and respect, while maintaining patient privacy and safety. ZSFG is committed to providing reasonable opportunities for Health Care Industry Representatives (HCIRs), external representatives/vendors, to present and demonstrate their products and/or services to the appropriate ZSFG personnel. However, the primary objective of ZSFG is patient care and it is therefore necessary for all HCIRs to follow guidelines that protect patient rights and the vendor relationship. Therefore, all HCIR's that will come onto the campus of Zuckerberg San Francisco General Hospital must comply with Hospital Policy 16.27 "PRODUCT EVALUATION AND PHARMACEUTICAL SERVICES: GUIDELINES FOR SALES PERSONNEL, HEALTHCARE INDUSTRY REPRESENTATIVES, AND PHARMACEUTICAL COMPANY REPRESENTATIVES." Before visiting any ZSFG facilities, it is required that a HCIR create a profile with "VendorMate." Vendormate is the company that manages the credentialing process of policy 16.27 for SFGH. For questions, or to register as a HCIR please contact the Director of Materials Management, or designee (during normal business hours) at (415) 206-5315 or sign on to <https://sfdph.vendormate.com> for details.

O. Hospital Policy 3.28:

To ensure that care, treatment, and clinical services provided through contractual agreements are provided safely and effectively. Contractors for Zuckerberg San Francisco Hospital must comply with Hospital Policy 3.28 "CONTRACTING PATIENT CARE SERVICES"

## 2. **Description of Services**

Contractor agrees to perform the following Services:

All written Deliverables, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

Detailed description of services are listed below and are attached hereto

Appendix A-1 HEALTH ADVOCATES STATEMENT OF WORK

3. **Services Provided by Attorneys.** Any services to be provided by a law firm or attorney to the City must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

Contractor must have one (1) attorney, admitted to practice in California, on staff or under formal arrangement, able to represent patients seeking reimbursement from payor(s) for medical treatment.

***For clarity, such attorneys may not provide or bill the City for services provided on behalf of the Contractor. Legal services may be provided to and billed for patients only.***

**Attachment 1 to Appendix A**  
**PERFORMANCE IMPROVEMENT PLAN**  
**AND PERFORMANCE MEASURE GRID**  
**Contract Services**

**AIM:** All services provided through contractual agreement are provided safely and effectively for patient care and support services, annually.

<b>Contract Name</b>	<b>Services Provided</b>	<b>Measure Name</b>	<b>Metric (What data is being collected? )</b>
1. Health Advocates LLC	Uncompensated Care Reimbursement Recovery	Acute and psych bed days	1900 bed days

**APPENDIX A-1  
HEALTH ADVOCATES STATEMENT OF WORK**

Contractor will establish and provide both an on-site and off-site program of Uncompensated Care Reimbursement Recovery for the DPH, that must have the following items:

**1. Staffing**

***Contractor must provide proof of negative TB (tuberculosis) tests for employees or have employees obtain and pass TB test from ZSFGH Employee Health prior to first day of work, as well as any other immunizations required by the Department of Public Health. If testing is performed by ZSFGH, contractor shall be billed for tests, x-rays, etc.***

Contractor must at a minimum provide the following staff.

**a) Supervisor/Lead**

Contractor must designate and provide one contractor employee as “Supervisor/Lead.”

The Supervisor/Lead must have a minimum of **three (3) years** of eligibility worker experience and the Supervisor/Lead must be on-site at least four **(4) hours** per day to supervise on-site eligibility staff, coordinate with on-site lead worker and supervise field workers, and be available to meet with City management and staff on a mutually agreed upon schedule.

**b) Eligibility Workers**

1) Eligibility work experience:

As needed, Contractor must provide a minimum of three (3) trained, bilingual, on-site eligibility workers. Staff shall consist of:

- i. Two (2) bilingual Spanish speaking eligibility workers.
- ii. One (1) bilingual Chinese speaking eligibility worker.
- iii. One of the provider eligibility workers shall be designated as the “Lead Eligibility Worker”.
- iv. The Lead Eligibility Worker shall have a minimum of two (2) years public or teaching hospital or Department of Social Services experience.
- v. The remaining two eligibility workers shall have a minimum of one (1) year public or teaching hospital or Department of Social Services experience.

2) Duties of Eligibility Workers. The Eligibility Workers will:

- i. Screen 100% of all referred unsponsored Medical acute admissions by SFGH Eligibility Staff and all acute Psych admissions for Medi-Cal and other federal, state and local health care programs.
- ii. Secure authorization to represent the patient and complete Medi-Cal applications and/or any other new federal, state, and local programs i.e., those under the Affordable Care Act, including the referrals for Undocumented Aliens.
- iii. Represent the patient in Fair Hearings or all other State or legal appeals proceedings, if applications are denied.
- iv. Appeal Medi-Cal Field Office or other Pre-Treatment Authorization Program denials for care.
- v. Investigate possible third-party liability or Workers Compensation reimbursement. File liens to protect the City and County's interest whenever appropriate or

possible.

- vi. Screen and file Social Security Administration (SSA) applications for Medicare benefits.

**c) Field Worker**

Contractor must provide One (1) full-time "Field Worker" dedicated to case management of homeless or transient patients for whom Medi-Cal applications need to be completed or are pending.

The Field Worker will also assist patients with transportation to and from Appeals and Hearings, assist patients in obtaining necessary documents, and provide direct support of any means to help with the Medi-Cal application process.

**d) Contractor Provided Attorneys**

Contractor must have one (1) attorney, admitted to practice in California, on staff or under formal arrangement, able to represent patients seeking reimbursement from payor(s) for medical treatment.

**For clarity, such attorneys may not provide or bill the City for services provided on behalf of the Contractor. Legal services may be provided to and billed for patients only.**

**2. Uncompensated Care Reimbursement services to be provided by the Contractor.**

- a) Contractor must process a minimum average of 300 patient referrals per month.
- b) Contractor's performance will be set to no less than the City's prior year's collection performance. Fiscal Year 2021/2022 performance estimated revenue recovery \$10.0 million.
- c) Contractor must pursue uncompensated care reimbursement recovery and related support services from the responsible party and will bill the City as follows:
  - 1) **Medi-Cal Payer and Medicare** (including but not limited to California Children Services, Genetically Handicapped Persons Program, Out of state Medicaid, collectively "Medi-Cal") - Contractor *must provide uncompensated care reimbursement recovery and related support services for DPH and will bill the City at a **comprehensive (100%) fixed fee rate** which is based off Medi-Cal and Medicare approvals (**not referrals**).*

The proposed comprehensive fixed fee per discharge rate includes the following **service categories** for which Contractor must pursue uncompensated care reimbursement, including but may not be limited to the following:

**Group A (Medi-Cal)**

- i. **A1: Acute, SNF & LTC Screening & Applications per approved Medi-Cal application per referral** ): Acute inpatient, skilled nursing facility and long-term care admissions referred with *no Full Medi-Cal pending application or case*. Interview, screen, complete, file and follow-up on full Medi-Cal application and obtain Medi-Cal approval.
- ii. **A2: Outpatient ED, Acute, SNF & LTC Fair Hearing & Appeals per approved Medi-Cal application per referral** ): Emergency Department outpatient visits, Acute inpatient, skilled nursing facility and long-term care admissions referred with *a Full Medi-Cal denied application*. May also include an account that is denied Medi-Cal following Contractor's initial efforts in processing for coverage. Complete Medi-Cal Appeal and/or Fair Hearing process to overturn denial and obtain Medi-Cal approval. May also include other methods by which Contractor overcomes a denial of



Medi-Cal coverage.

**Group B (Medi-Cal)**

- iii. **B-1: Psych Screening & Applications per approved Medi-Cal application per referral):** Psychiatric inpatient admissions with no full Medi-Cal pending application or case. Interview, screen, complete, file and follow-up on Full Medi-Cal application and obtain Medi-Cal approval.
- iv. **B-2: Psych Fair Hearing & Appeals per approved Medi-Cal application per referral ):** Psychiatric inpatient admissions with a Full Medi-Cal denied application. Complete Medi-Cal Appeal and/or Fair Hearing process to overturn denial and obtain Medi-Cal approval. May also include other methods by which Contractor overcomes a denial of Medi-Cal coverage.

**Group C (Medi-Cal)**

- v. **C-1: Acute, SNF & LTC Pending Applications (non-Hospital Presumptive Eligibility) Follow-up per approved Medi-Cal application per referral ):** Acute inpatient, skilled nursing facility and long-term care admissions with a confirmed Full Medi-Cal Pending application. Follow-up to complete the Pending Medi-Cal application and obtain Medi-Cal approval.
- vi. **C-2: Fair Hearing Follow-up on Acute, SNF & LTC Pending Applications (non-HPE) Follow-up per approved Medi-Cal application per referral):** Acute inpatient, skilled nursing facility and long-term care admissions referred with a confirmed Full Medi-Cal Pending application for follow-up that results in a denial. Complete Fair Hearing process to overturn denial and obtain Medi-Cal approval. May also include other methods by which Contractor overcomes a denial of Medi-Cal coverage.

**Group D (Medi-Cal)**

- vii. **Outpatient ED Screenings & Follow-up per approved Medi-Cal application per referral ):** Emergency Department outpatient visits referred with either of the following. (1) No full Medi-Cal pending application or case. Interview, screen, complete, file and follow-up on **full** Medi-Cal application and obtain approval. (2) a confirmed Full Medi-Cal Pending application. Follow-up to complete the Pending Medi-Cal application and obtain approval.

**2) Third-Party Payers**

- i. *Contractor must provide uncompensated care reimbursement recovery and related support services for DPH and will bill the City at a 20% contingency rate (City retains 80%) based on the successful claims paid. The following **Third-Party Payers** categories for which Contractor must pursue uncompensated care reimbursement, include but may not be limited to the following:*
  - a. Veterans' Benefits
  - b. Victims of Crime programs
  - c. Third Party Liability
  - d. Workers Compensation
  - e. Med-Pay
  - f. COBRA

- g. Continuity of Care
    - h. Commercial Insurance
    - i. Qualified Health Plans
    - j. Other coverage under the Affordable Care Act
  - ii. Payer Denials – For existing, Medi-Cal or Medicare Managed Care referrals who are denied payment for clinical, contractual, or technical reasons, Contractor must pursue uncompensated care reimbursement.
  - iii. No Cost Reimbursement - If requested, Contractor must provide uncompensated care reimbursement recovery and related support services for DPH at no cost to the City:
    - a. Supplemental Security Income
    - b. Social Security Disability Insurance
- d) Contractor is responsible for billing and securing payer payment on referred inpatient including payer authorization for service, when applicable to payer.
- e) Contractor must prepare weekly, monthly, quarterly and annual status, accounts receivable and other reports as required by Zuckerberg San Francisco General Hospital (“ZSFGH”).
- f) Contractor must acknowledge in its proposal that the following services will also be provided, at no additional charge, and identify the individuals and their qualifications to render these services:
  - 1) In-service training to Hospital staff on government program changes.
  - 2) Telephone and personal consultation with healthcare experts for answers to any questions, which have an impact on ZSFGH's accounts receivables.
  - 3) Information systems technology to enhance or ensure monitoring of Host’s system for referred Medi-Cal cases, including Proposer’s support of programming.
  - 4) Assistance with implementing major program changes related to the State/ Federal Medi-Cal Medicaid program, including State and County programs.
- g) Contractor is not required to bill and secure Medi-Cal payments for referred mental health inpatients. For retroactive Medi-Cal approved past twelve (12) months Contractor must provide necessary Eligibility Letters of Authorization (LOA Form MC-190) to Community Mental Health. Community Mental Health Services is responsible for billing and securing payments on retroactive Medi-Cal eligible mental health inpatients to the State.
- h) Contractor will not bill for Contractor approved Medi-Cal on Capitated programs.
- i) Contractor must understand that the DPH Contract Administrator for the services will act as a liaison only on behalf of Contractor for referrals to DPH’s Community Mental Health Services.
- j) Contractor must cooperate with the DPH Program Manager to claim medical eligibility intake services for reimbursement as Medi-cal Administrative Activities through the Federal Financial Program for no additional fees beyond the contracted fees approved.
- k) Contractor must conduct criminal background checks on all personnel who will be assigned to provide services and provide the results of such background checks to the

DPH Contract Administrator.

- l) Contractor must provide its on-site staff with all required office equipment, including telephones, computers, printers, fax machines, copy machines, desks, chairs and courier services.
- m) Contractor must provide its staff equipment, supplies, forms, postage and all other contract costs with no "cash up front".

**3. The City will provide the following:**

- a) The City will provide an orientation to acquaint Contractor staff with the facility and with the Hospital's policies that are necessary to the performance of their on-site duties.
- b) The City will provide limited office space, access to records via EPIC, DPH electronic health record system, and patients relating only to the cases referred to the Contractor. City will provide remote access to information needed to determine correct expected payments and account status. These items include, but are not limited to, contracts, medical records and documents, payer correspondence, summary/itemized bills, and remittance advices.
- c) City will provide electronic files related to referred accounts to facilitate timely updates to referred accounts (e.g., payments and adjustments) and for performing account reconciliations and other mutually beneficial purposes.
  - 1) **Epic access.** The Department provides Contractor with read-only access in Epic, the DPH electronic health record system for onsite and remote work. Epic read-only access limits the Contractor to view and retrieve patient clinical, demographic, financial and payer billing data but does not permit any modifications or alterations to records. The Contractor communicates any account data changes to the Department for changes to be applied in Epic. The Contractor utilizes Epic access to pursue fulfillment of requested and authorized services for recovery of uncompensated care reimbursement on referred accounts.
  - 2) **SFTP.** The Department refers accounts to the Contractor electronically via billing indicators in Epic, whereby the Contractor becomes the assigned agency to the account. New referred accounts are extracted and transmitted daily to the Contractor's system via, a City approved, secure File Transfer Protocol application. The extract includes account, demographic and financial information for the purpose of the Contractor's recovery of uncompensated care reimbursement. Contractor's system notes and status via billing indicators on referred accounts are imported into Epic for the Department's view and to drive Epic workflows

**SERVICES INCLUDED IN COMPREHENSIVE  
AND CONTINGENCY BILLING RATES**

**1. Miscellaneous:**

- a) In-service trainings and/or procedural updates to hospital staff on government program changes on new/revised public assistance programs.
- b) Assistance with interpretations of new/revised regulations and laws affecting eligibility and billing. Telephone and personal consultation with attorneys and healthcare experts and other professional/legal assistance deemed appropriate by both parties to be in our mutual interest and benefit for answers to any questions, which have an impact on City's accounts receivables.

- c) Assistance with implementing major program changes such as Managed Care for Medi-Cal.
  - d) Information systems specialists, programmers and equipment necessary to keep an online database tracking system current.
  - e) Telephone and personal consultation with attorneys and healthcare experts for answers to any questions, which have an impact on City 's accounts receivables.
  - f) Information systems technology to enhance or ensure monitoring of Host's system for referred Medi-Cal cases, including support of programming.
2. **Project Manager:** Provide a qualified Project Manager, who will oversee the operations of the contract program, supervise assigned and on-site staff, and be available to meet with City management and staff on a mutually agreed upon schedule.
  3. **Office Hours and Staff Management:** Contractor's on-site staff is expected to maintain regular office hours, providing coverage, as necessary, for lunch and rest breaks, dress and behave in a professional manner, respect the rights of patients, the public and City employees, paying close attention to patient confidentiality at all times. Contractor is responsible for managing its on-site staff to ensure professional work ethics are adhered to at all times.
  4. **Negative TB Proof:** Contractor's on-site employees must provide proof of negative TB (tuberculosis) tests for employees or have employees obtain and pass TB tests from City Employee Health prior to first day of work, as well as any other immunizations required by the Department of Public Health. If testing is performed by City, Contractor shall be billed for tests, x-rays, etc. Also, its on-site employees may be required to have periodic tuberculosis testing or other Hospital, Health and Safety required immunizations, as well as attend mandatory training designed to protect staff from infection exposure and injury.
  5. **Revenue and Performance Target:** Contractor will be expected to maximize revenues for City. Collection targets are 1,900 days per year. One ED case is the equivalent of one day. Contractor must meet performance targets, as mutually established. Expected performance will be set to no less than prior year's collection performance.
  6. **Mental Health Referrals:** Contractor will not be required to bill and secure Medi-Cal payments for referred mental health inpatients. For retroactive Medi-Cal approved past twelve (12) months Contractor will provide necessary Eligibility Letters of Authorization (LOA Form MC-190) to Community Mental Health. Community Mental Health Services is responsible for billing and securing payments on retroactive Medi-Cal eligible mental health inpatients to the State. Contract Administrator for this contract or designee will act as a liaison only on behalf of Contractor for referrals to City's Community Mental Health Services.
  7. **Denials:** Denials Management Services will include the following services for any claims denied post-billing for Medicare, Medicaid Managed Care, Managed Care or Commercial acute or behavioral health accounts:
    - a) Contractor will manage the retrospective clinical denials management process for assigned accounts from request for intervention through resolution based upon City's policy.
    - b) Contractor will prepare and submit any necessary letters to request reconsideration of a claim by a payor.
    - c) Where appropriate and needed to obtain correct payment, Contractor will prepare accounts for grievance by City or Legal Counsel based on the City's policy.
    - d) Contractor Nurse(s), Physician(s), and/or Coding professional(s) will perform audits on behalf of the City for assigned claims that have paid less than expected for reasons believed to be clinically related, documenting support for billed charges, medical necessity, and/or

appropriate levels of care in an effort to facilitate correct payment.

8. **Data Access:** City will provide Contractor access to information needed to determine correct expected payments and account status such as, but not limited to, contracts, information systems, medical records, UB04s, itemized statements, and remittance advices. City will also provide Contractor a transaction file including payments and adjustments recorded on referred accounts to facilitate Contractor's monitoring of transactions (given that Contractor is not responsible of billing or payment follow-up) and to help with accurate reporting of reimbursement value to City in required reports.
9. **Account Activity:** Contractor will use the City's systems to directly note or upload account activity.
10. **Reporting:** Contractor will utilize proprietary "Account Tracking" reporting. This interactive report allows for real time visibility of accounts approaching timely filing deadlines.
11. **Root Cause:** Contractor will provide a Root Cause Analysis Report broken down by type of denial, area of the hospital, and reason for denial on a mutually agreed upon reporting schedule.
12. **Quarterly Reconciliation.** Quarterly reconciliation of all cases referred by City Eligibility Manager, Director of Patient Finance or Director of Utilization Management or their designees utilizing Acknowledgements, Referral, Status and Close reports.
13. **Invoicing:** Contractor will submit an invoice for services bi-monthly within fifteen (15) days from the close of each bi-monthly period. The invoice must include the following:
  - a) Contractor's name and mailing address
  - b) Current Contract Number
  - c) Date of Invoice
  - d) Invoice Number
  - e) Period of Billing
  - f) Amount of ACTUAL Net Payments Received (prior to deductions of fees)
  - g) Fee due in accordance with the terms and conditions of this Agreement
  - h) A detail of accounts for which Contractor has perfected eligibility or obtained approval for payment. The detail must be separated by Payor Type and must include the following
    - 1) Patient Name
    - 2) Patient Account Number
    - 3) Contractor's' account number
    - 4) Dates of Service
    - 5) Remittance or payment date
    - 6) Payment amount
    - 7) Balance due after payment if any
    - 8) Fees due to Contractor
14. **No Advance Payment:** Contractor will not be paid in advance of collections of funds except as expressly authorized for successful Medi-Cal enrollments as evidenced per the requirements of this Agreement. Should Contractor receive any payments directly, Contractor agrees to immediately submit full payment to City.
15. **Contingency Fees:** Contractor will invoice their contingency fees based only on NET payments

received by City and will not be reimbursed for any expenses (other than after prior written approval by City for Contractor to advance premiums to secure retroactive insurance for COBRA or for Independent Bill Review (IBR) fees advanced on Workers' Compensation payment appeals) incurred in connection with their performance under this contract.

16. **Eligibility:** When Contractor establishes third-party eligibility (Medi-Cal, Workers' Compensation, California Children's Services, Victim of Crime, etc.) Contractor will provide to City supporting evidence of Notice of Eligibility or Letter of Authorization (whichever applies).
17. **Referrals:** For referrals for which Medi-Cal was denied or those for which Medi-Cal applications were not initiated, Contractor will provide written explanation of why an application was not initiated or why a Fair Hearing was not pursued, and if a Fair Hearing was pursued, why it was unsuccessful. This information will be provided on the monthly Close report provided by Contractor.
18. **Approvals:** Contractor will provide verification of Medi-Cal approval and insurance details to DPH Patient Financial Services for billing and follow-up to secure payment. Contractor will not be required to bill and secure Medi-Cal payments for referred mental health inpatients.
19. **Fair Hearing Cases:** Contractor will perform a timely review of referred cases and potential Fair Hearing cases. Cases determined to be Medi-Cal ineligible due to no linkage with no other potential source of payment shall be returned to City as soon as the screening, application or Fair Hearing process is completed, together with a Close report indicating why the account was being closed. If no Medi-Cal application, Fair Hearing or lien is initiated within three (3) months following the month of treatment, or longer by Medi-Cal program allowance or administrative error with written explanation provided to the City. Otherwise, the case shall be closed and returned immediately. City reserves the right to engage other consultants to perform a second review of returned accounts after they appear on the Contractor's Close report.
20. **City Access to Contractor Systems:** Contractor is to provide on-site access to Contractor's systems for the status of cases referred, during its regular business hours.
21. **Meetings:** Contractor's designated management will meet with City management on a mutually agreeable schedule to provide oral and written assessments of Contractor's performance, including account audits and statistical analysis. These meetings also will provide the opportunity to address any concerns and/or project recommendations.
22. **Monthly Status Reports:** Contractor will provide City with a means of measuring our efforts through our management reports. In particular, Contractor's Status Report and case notes shall serve as an audit trail of all activity applied to each account and the Remittance Report shall serve as an audit for all payments received. Contractor will provide City with a monthly Status Report reflecting those accounts which are still active and a monthly Close report reflecting accounts closed during the reporting month, which will include in alpha sequence, patient name, account number, referral date, account amount, latest activity and/or the reason for closing the account. Contractor also will provide weekly Acknowledgement/Open Inventory Reports, verifying each referral, monthly Remittance Reports summarizing all payments and statistical analysis reports.
23. **Status Report Detail:** Contractor will provide three (3) hard copies and/or e-mail files of the following monthly reports, within fifteen (15) days from the close of the calendar month, that include the following data:
  - a) Client Status Report - detailed listing and status/aging of outstanding accounts
  - b) Close Report - cases cancelled/closed and reason for closing
  - c) Acknowledgement/Open Inventory Report – a weekly detailed listing of accounts referred to
  - d) Contractor by City in the prior calendar month

- e) Invoices and Remittance Reports (See Appendix A-1, Section I.2.D.)
- f) Other reports as required by City

**24. Goals, Objectives And Reviews**

- a) The objective of this contract is to maximize revenues from all sources covered under this Agreement. Other objectives include:
- b) Provide assistance to City in gathering meaningful data reflecting patient financial mix; estimating future revenues from expanded eligibility programs; developing statistical data needed for government program reporting requirements and analyzing program impacts on staffing.
- c) Increase staff productivity and knowledge through training and support.
- d) A specific goal is to increase approved Medi-Cal days and meet and/or exceed revenue targets as indicated in Appendix A-1, Section I. 1.P.

**25. Goal Reviews will include:**

- a) Monthly revenue analysis
- b) Monthly analysis of referral trends
- c) Monthly review of DSS performance on pending cases
- d) Quarterly review of overall performance
- e) Quarterly review of City 's DSS staff productivity
- f) Meetings, as necessary, with local and State program representatives
- g) Ongoing review and reporting to City and City Administration on Contractor's performance

## Appendix B

### Calculation of Charges

#### 1. Method of Payment

A. Contractor shall submit monthly invoices in the format agreed upon in the Original Agreement, by the fifteenth (15th) working day of each month for reimbursement of the actual costs for Services of the immediately preceding month. All costs associated with the Services shall be reported on the invoice each month. All costs incurred under this Agreement shall be due and payable only after Services have been rendered and in no case in advance of such Services.

#### 2. Program Budgets and Final Invoice

A. Program Budgets are listed below and are attached hereto. Budget Summary

1. Appendix B-1 – Health Advocates Budget
2. Appendix B-2 - FEES (RATES) SCHEDULE

B. Contractor understands that, of the maximum dollar obligation listed in section 3.3.1 of this Agreement, **\$1,220,522.79** is included as a contingency amount and is neither to be used in Program Budgets attached to this Appendix, or available to Contractor without a modification to this Agreement executed in the same manner as this Agreement or a revision to the Program Budgets of Appendix B, which has been approved by Contract Administrator. Contractor further understands that no payment of any portion of this contingency amount will be made unless and until such modification or budget revision has been fully approved and executed in accordance with applicable City and Department of Public Health laws, regulations and policies/procedures and certification as to the availability of funds by Controller. Contractor agrees to fully comply with these laws, regulations, and policies/procedures.

C. Contractor agrees to comply with its Program Budgets of Appendix B in the provision of Services. Changes to the budget that do not increase or reduce the maximum dollar obligation of the City are subject to the provisions of the Department of Public Health Policy/Procedure Regarding Contract Budget Changes. Contractor agrees to comply fully with that policy/procedure.

D. A final closing invoice, clearly marked "FINAL," shall be submitted no later than forty- five (45) calendar days following the final disposition of all cases referred prior to termination and consistent with Section 8.1.3 of the Agreement regarding disposition of open inventory at the time of termination. If costs are not invoiced during this period, all unexpended funding set aside for this Agreement will revert to City.

3. No invoices for Services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.



**Appendix B-1  
Health Advocates Budget**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2024
Uncompensated Care Reimbursement Services	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2028
<b>FIXED FEE BASED on the rates listed in Appendix B-2 (Fees [Rates] Schedule) for Services</b> which include (Acute, SNF & LTC Screening & Applications, Outpatient ED, Acute, SNF & LTC, Psych Screening & Applications, Acute, SNF & LTC Pending Applications (non-Hospital Presumptive Eligibility , Fair Hearing Follow-up on Acute, SNF & LTC Pending Applications (non-HPE) Follow-up, Outpatient ED Screening & Follow-up)	\$1,665,659	\$1,788,542	\$1,842,199	\$1,897,465	\$1,954,389	\$9,148,253
<b>20 % CONTINGENCY BASED SERVICES FOR THIRD-PARTY PAYERS</b> which include (Commercial Insurance, COBRA, Third Party Liability (TPL), California Children Services (CCS), Victim of Crime (VOC), Veterans Benefits, Qualified Health Plans and other coverage under the Affordable Care Act, and Workers Compensation)	\$204,553	\$204,553	\$204,553	\$204,553	\$204,553	\$1,022,764
	\$1,870,211	\$1,993,095	\$2,046,752	\$2,102,018	\$2,158,941	\$10,171,017

1) For Fixed Fee Rates, see Appendix B-2

2) One Optional Extension for 4 years, for the FIXED FEE BASED year 6 will be 3% increase from year 5, and will increase 3% on annual contract anniversary

Subtotal	\$ 10,171,017.20
Contingency 12%	\$ 1,220,522.79
Not To Exceed	\$ 11,391,540.00

**APPENDIX B-2**  
**FEES (RATES) SCHEDULE**

**COMPREHENSIVE FIXED FEE PER DISCHARGE**

	Group A		Group B		Group C		Group D
	A1	A2	B1	B2	C1	C2	D1
<b>YEAR Referrals Date</b>	Acute, SNF (Skilled Nursing Facility) & LTC (Long Term Care) Screening & Applications	Outpatient ED, Acute, SNF & LTC Fair Hearing & Appeals	Psych Screening & Applications	Psych Fair Hearing & Appeals	Acute, SNF & LTC Pending Applications (non-Hospital Presumptive Eligibility) Follow-up	Fair Hearing Follow-up on Acute, SNF & LTC Pending Applications (non-HPE) Follow-up	Outpatient ED Screenings & Follow-up
1/1/24 - 12/31/24	\$2,285	\$2,950	\$2,950	\$3,350	\$1,615	\$2,015	\$1,615
1/1/25 – 12/31/25	\$2,354	\$3,039	\$3,039	\$3,451	\$1,663	\$2,075	\$1,663
1/1/26 – 12/31/26	\$2,424	\$3,130	\$3,130	\$3,554	\$1,713	\$2,138	\$1,713
1/1/27 – 12/31/27	\$2,497	\$3,224	\$3,224	\$3,661	\$1,765	\$2,202	\$1,765
1/1/28 – 12/31/28	\$2,572	\$3,320	\$3,320	\$3,770	\$1,818	\$2,268	\$1,818

**L Health Advocate - Scope of Service for fixed fee rate:**

**Group A**

1. **Acute, SNF (Skilled Nursing Facility) & LTC (Long Term Care) Screening & Applications:** Acute inpatient, skilled nursing facility and long-term care admissions referred with *no Full Medi-Cal pending application or case*. Interview, screen, complete, file and follow-up on full Medi-Cal application and obtain Medi-Cal approval
1. **Outpatient ED, Acute, SNF & LTC Fair Hearing & Appeals:** Emergency Department outpatient visits, Acute inpatient, skilled nursing facility and long-term care admissions referred with a Full Medi-Cal denied application. Complete Medi-Cal Appeal and/or Fair Hearing process to overturn denial and obtain Medi-Cal approval.

**Group B**

2. **Psych Screening & Applications:** Psychiatric inpatient admissions with *no full Medi-Cal pending application or case*. Interview, screen, complete, file and follow-up on Full Medi-Cal application and obtain Medi-Cal approval.

3. **Psych Fair Hearing & Appeals:** Psychiatric inpatient admissions with a Full Medi-Cal denied application. Complete Medi-Cal Appeal and/or Fair Hearing process to overturn denial and obtain Medi-Cal approval.

#### **Group C**

1. **Acute, SNF & LTC Pending Applications (non-Hospital Presumptive Eligibility)**  
**Follow-up:** Acute inpatient, skilled nursing facility and long-term care admissions with a confirmed Full Medi-Cal Pending application. Follow-up to complete the Pending Medi-Cal application and obtain Medi-Cal approval.
2. **Fair Hearing Follow-up on Acute, SNF & LTC Pending Applications (non-HPE)**  
**Follow-up:** Acute inpatient, skilled nursing facility and long-term care admissions referred with a confirmed Full Medi-Cal Pending application for follow-up that results in a denial. Complete Fair Hearing process to overturn denial and obtain Medi-Cal approval.

#### **Group D**

1. **Outpatient ED Screenings & Follow-up:** Emergency Department outpatient visits referred with either of the following. (1) No full Medi-Cal pending application or case. Interview, screen, complete, file and follow-up on full Medi-Cal application and obtain approval. (2) a confirmed Full Medi-Cal Pending application. Follow-up to complete the Pending Medi-Cal application and obtain approval.

### **II. Fee Assessment Rules**

- A. These above fixed fee rates are based upon Approvals (not Referrals or Payments) and apply to each Discharge.
- B. If Medi-Cal denies the claim in full or in part for reasons unrelated to **CONTRACTOR**'s efforts, **CONTRACTOR** will still be compensated for their efforts.
- C. **CONTRACTOR** shall be compensated at the highest applicable rate, based upon the level of service required to obtain Medi-Cal approval, which may be different from the level of effort anticipated at the time of referral.
- D. In instances where Medi-Cal approval is achieved through a Fair Hearing or other appeal process to resolve denied coverage and results in coverage for multiple accounts referred to **CONTRACTOR**, **CONTRACTOR** will be compensated at the applicable Fair Hearing/Appeal rate (A2, B2, or C2) for each referral.
- E. Fee for Third Party Payer (includes Commercial Insurance, COBRA, Third Party Liability (TPL), California Children Services (CCS), Victim of Crime (VOC), Veterans Benefits, Qualified Health Plans and other coverage under the Affordable Care Act, and Workers Compensation) accounts:
  1. Third party referral for inpatient and outpatient pre-legal cases will be at 20% with a fee cap of \$100,000 per case (includes liens filed) and,
  2. 20% of all sums collected with a fee cap of \$500,000 on referred cases paid as an outcome of litigation including arbitration, Administrative Law Judge, or judicial proceedings. **CITY** will reimburse preapproved administrative costs incurred by **CONTRACTOR** to reinstate or establish COBRA or Insurance Exchange benefits or when **CITY** approves **CONTRACTOR** to pursue a Workers' Compensation Independent Bill Review (IBR) appeal.

### **Section III**

#### **A. RAC Review and Appeals**

1. 1st and 2nd level (Initial Review, Reconsideration Letter, and Appeal): **\$522/account**
2. 3rd Level Appeal, Administrative Law Judge (ALJ): **+ \$457 /account**
3. 4th Level Appeal, Departmental Appeal Board (DAB): **+ \$ 254/account**
4. 5th Level Appeal, Preparation for District Court: **+ \$ 254/account**

#### **B. Non-RAC Denials Management Services**

1. Twenty five percent (25%) of all sums recovered

#### **C. Clinical Authorization Denials: Pre-Billing**

1. \$75 per approved day for accounts reimbursed on a per diem basis
2. \$400 per account for accounts reimbursed on a DRG basis

#### **D. Utilization Management/Process Improvement Consulting and Education or Special Projects**

1. RN UM Consultant/Educator \$115/hour
2. Consulting/Educating Project Director \$175/hour

#### **E. Travel**

1. All travel costs are included in the stated rates.

**APPENDIX C**  
**RESERVED**

**APPENDIX D**  
**SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH**  
**THIRD PARTY COMPUTER SYSTEM ACCESS AGREEMENT**  
**(SAA)**

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## TERMS AND CONDITIONS

The following terms and conditions govern Third Party access to San Francisco Department of Public Health “(Department” and/or “City”) Computer Systems. Third Party access to Department Computer Systems and Department Confidential Information is predicated on compliance with the terms and conditions set forth herein.

### SECTION 1 - “THIRD PARTY” CATEGORIES

1. **Third Party In General:** means an entity seeking to access a Department Computer System. Third Party includes, but is not limited to, Contractors (including but not limited to Contractor’s employees, agents, subcontractors), Researchers, and Grantees, as further defined below. Category-specific terms for Treatment Providers, Education Institutions, and Health Insurers are set forth Sections 4 through 6, herein.

### SECTION 2 - DEFINITIONS

1. **“Agreement”** means an Agreement between the Third Party and Department that necessitates Third Party’s access to Department Computer System. Agreement includes, but is not limited to, clinical trial agreements, accreditation agreements, affiliation agreements, services agreements, no-cost memoranda of understanding, and insurance network agreements.

2. **“Department Computer System”** means an information technology system used to gather and store information, including Department Confidential Information, for the delivery of services to the Department.

3. **“Department Confidential Information”** means information contained in a Department Computer System, including identifiable protected health information (“PHI”) or personally identifiable information (“PII”) of Department patients.

4. **“Third Party”** and/or **“Contractor”** means a Third Party Treatment Provider, Education Institution, and/or Health Insurer, under contract with the City.

5. **“User”** means an individual who is being provided access to a Department Computer Systems on behalf of Third Party. Third Party Users include, but are not limited to, Third Party’s employees, students/trainees, agents, and subcontractors.

### SECTION 3 – GENERAL REQUIREMENTS

1. **Third Party Staff Responsibility.** Third Party is responsible for its work force and each Third Party User’s compliance with these Third Party System Access Terms and Conditions.

2. **Limitations on Access.** Third Party must limit User’s access to the roles assigned by Department so that access to Department Computer Systems and Department Confidential Information is limited to the minimum necessary to perform under the Agreement.

3. **Qualified Personnel.** Third Party must ensure that Third Party Users are qualified to access a Department Computer System.

4. **Remote Access/Multifactor Authentication.** Department may permit Third Party Users to access a Department Computer System remotely using Department-approved remote access solutions. Department reserves the right to revoke such remote access without notice or cause. The Department requires the use of multifactor authentication for remote access to a Department Computer System.

5. **Issuance of Unique Accounts.** Department will issue a unique user account to each Third Party User. Third Party User is permitted neither to share such credentials nor use another user’s account.



6. **Password Policy.** Third Party must maintain a password policy based on information security best practices for password length, complexity, and reuse. Third Party credentials used to access Third Party networks and systems must be configured for a password change no greater than every 90 calendar days.

7. **Appropriate Use.** Third Party is responsible for the appropriate use and safeguarding of credentials for Department Computer System access issued to Third Party Users. Third Party shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, download, transfer, read, use, or disclose Department Confidential Information other than for the use category described in Section 1 – “Third Party” Categories.

8. **Notification of Change in Account Requirements.** Third Party shall promptly notify [dph.helpdesk@sfdph.org](mailto:dph.helpdesk@sfdph.org) in the event that Third Party or a Third Party User no longer has a need to use Department Computer Systems(s), or if the Third Party User access requirements change. Such notification shall be made no later than one (1) business day after determination that use is no longer needed or that access requirements have changed.

9. **Assistance to Administer Accounts.** Third Party shall provide all reasonable assistance and information necessary for Department to administer the Third Party User accounts.

10. **Security Controls.** Third Party shall appropriately secure Third Party’s computing infrastructure, including but not limited to computer equipment, mobile devices, software applications, and networks, using industry standard tools to reduce the threat that an unauthorized individual could use Third Party’s computing infrastructure to gain unauthorized access to a Department Computer System. Third Party shall also take commercially reasonable measures to protect its computing infrastructure against intrusions, viruses, worms, ransomware, or other disabling codes. General security controls include, but are not limited to:

a **Workstation/Laptop Encryption.** All Third Party-owned or managed workstations, laptops, tablets, smart phones, and similar devices that access a Department Computer System must be configured with full disk encryption using a FIPS 140-2 certified algorithm.

b **Endpoint Protection Tools.** All Third Party-owned or managed workstations, laptops, tablets, smart phones, and similar devices that access a Department Computer System must maintain a current installation of comprehensive anti-virus, anti-malware, anti-ransomware, desktop firewall, and intrusion prevention software with automatic updates scheduled at least daily.

c **Patch Management.** To correct known security vulnerabilities, Third Party shall install security patches and updates in a timely manner on all Third Party-owned or managed workstations, laptops, tablets, smart phones, and similar devices that access Department Computer Systems based on Third Party’s risk assessment of such patches and updates, the technical requirements of Third Party’s computer systems, and the vendor’s written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls must be implemented based upon the results of a risk assessment.

d **Mobile Device Management.** Third Party shall ensure both corporate-owned and personally-owned mobile devices have Mobile Device Management (MDM) installed. At a minimum, the MDM should: Enforce an entity’s security policies and perform real-time compliance checking and reporting; Enforce strong passwords/passcodes for access to mobile devices; Perform on-demand remote wipe if a mobile device is lost or stolen; Mandate device encryption.

11. **Auditing Accounts Issued.** Department reserves the right to audit the issuance and use of Third Party User accounts. To the extent that Department provides Third Party with access to tools or reports to audit what Department Confidential Information a Third Party User has accessed on a Department Computer System, Third Party must perform audits on a regular basis (no less than weekly) to determine if a Third Party User has inappropriately accessed Department Confidential Information.

12. **Assistance with Investigations.** Third Party must provide all assistance and information reasonably necessary for Department to investigate any suspected inappropriate use of a Department Computer Systems or access to Department Confidential Information. The Department may terminate a Third Party' User's access to a Department Computer System following a determination of inappropriate use of a Department Computer System.

13. **Inappropriate Access, Failure to Comply.** If Third Party suspects that a Third Party User has inappropriately accessed a Department Computer System or Department Confidential Information, Third Party must immediately, and within no more than one (1) business day, notify Department.

14. **Policies and Training.** Third Party must develop and implement appropriate policies and procedures to comply with these Third Party System Access Terms and Conditions. Third Party shall provide appropriate training to Third Party Users on such policies. Access will only be provided to Third Party Users once all required training is completed.

15. **Third Party Data User Confidentiality Agreement.** Before Department Computer System access is granted, as part of Department's compliance, privacy, and security training, each Third Party User must complete Department's individual user confidentiality, data security and electronic signature agreement form. The agreement must be renewed annually.

16. **Corrective Action.** Third Party must take corrective action, including termination and/or suspension of Department Computer System access, upon determining that a Third Party User may have violated these Third Party System Access Terms and Conditions.

17. **No Technical or Administrative Support.** Except as provided herein or otherwise agreed, the City will provide no technical or administrative support to Third Party or Third Party User(s) for Department Computer System access.

#### **SECTION 7 - DEPARTMENT'S RIGHTS**

1. **Periodic Reviews.** Department reserves the right to perform regular audits to determine if a Third Party's access to Department Computer Systems complies with these terms and conditions.

2. **Revocation of Accounts for Lack of Use.** Department may revoke any account if it is not used for a period of ninety (90) days.

3. **Revocation of Access for Any Reason.** Department reserves the right to suspend or terminate a Third Party and/or any Third Party User's access to Department Computer Systems at any time without cause or notice.

4. **Third Party Responsibility for Cost.** Each Third Party is responsible for its own costs incurred in connection with this Agreement or accessing Department Computer Systems.

#### **SECTION 8 - DATA BREACH; LOSS OF CITY DATA.**

1. **Data Breach Discovery.** Following Third Party's discovery of a breach of City Data disclosed to Third Party pursuant to this Agreement, Third Party shall notify City in accordance with applicable laws. Third Party shall:

- i. mitigate, to the extent practicable, any risks or damages involved with the

breach or security incident and to protect the operating environment; and

- ii. comply with any requirements of federal and state laws as applicable to Third Party pertaining to the breach of City Data.

2. **Investigation of Breach and Security Incidents.** Third Party shall investigate such breach or security incident. Upon and to the extent of Third Party discovery of information that relates to the breach or security incident of City Data, Third Party User shall inform the City of:

- i. the City Data believed to have been the subject of breach;
- ii. a description of the unauthorized persons known or reasonably believed to have improperly used, accessed or acquired the City Data;
- iii. a description of where the City Data is believed to have been improperly used or disclosed; and
- iv. to the extent known, a description of the probable and proximate causes of the breach or security incident;

3. **Written Report.** Following Third Party investigation of a breach of City Data disclosed to Third Party pursuant to this Agreement, Third Party shall provide a written report of the investigation to the City as soon as practicable. The report shall include, but not be limited to, the information specified above, as well as information on measures to mitigate the breach or security incident.

4. **Notification to Individuals.** If notification to individuals whose information was breached is required under state or federal law, Third Party shall, either:

- i. make notification to the individuals affected by the breach (including substitute notification), pursuant to the content and timeliness provisions of such applicable state or federal breach notice laws. Third Party shall inform the City of the time, manner and content of any such notifications, prior to the transmission of such notifications to the individuals; or
- ii. cooperate with and assist City in its notification (including substitute notification) to the individuals affected by the breach.

5. **Sample Notification to Individuals.** If notification to individuals is required, Third Party shall either:

- i. electronically submit a single sample copy of the security breach notification as required to the state or federal entity and inform the City of the time, manner and content of any such submissions, prior to the transmission of such submissions to the Attorney General; or
- ii. cooperate with and assist City in its submission of a sample copy of the notification to the Attorney General.

6. **Media Communications.** The Parties shall together determine any communications related to a Data Breach.

7. **Protected Health Information.** Third Party and its subcontractors, agents, and employees shall comply with all federal and state laws regarding the transmission, storage and protection of all PHI disclosed to Third Party by City. In the event that City pays a regulatory fine, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible use or disclosure of PHI given to Third Party by City, Third Party shall indemnify City for the amount of such fine or penalties or damages, including costs of notification, but only in proportion to and to the extent that such fine, penalty or damages are caused by or result from the impermissible acts or omissions of Third Party. This section does

not apply to the extent fines or penalties or damages were caused by the City or its officers, agents, subcontractors or employees.

## **Attachment 1 to SAA - System Specific Requirements**

### **I. For Access to Department Epic through Care Link the following terms shall apply:**

#### **A. Department Care Link Requirements:**

1. Connectivity.
  - a) Third Party must obtain and maintain an Internet connection and equipment in accordance with specifications provided by Epic and/or Department. Technical equipment and software specifications for accessing Department Care Link may change over time. Third Party is responsible for all associated costs. Third Party shall ensure that Third Party Data Users access the System only through equipment owned or leased and maintained by Third Party.
2. Compliance with Epic Terms and Conditions.
  - a) Third Party will at all times access and use the System strictly in accordance with the Epic Terms and Conditions. The following Epic Care Link Terms and Conditions are embedded within the Department Care Link application, and each Data User will need to agree to them electronically upon first sign-in before accessing Department Care Link:
3. Epic-Provided Terms and Conditions
  - a) Some short, basic rules apply to you when you use your EpicCare Link account. Please read them carefully. The Epic customer providing you access to EpicCare Link may require you to accept additional terms, but these are the rules that apply between you and Epic.
  - b) Epic is providing you access to EpicCare Link, so that you can do useful things with data from an Epic customer's system. This includes using the information accessed through your account to help facilitate care to patients shared with an Epic customer, tracking your referral data, or otherwise using your account to further your business interests in connection with data from an Epic customer's system. However, you are not permitted to use your access to EpicCare Link to help you or another organization develop software that is similar to EpicCare Link. Additionally, you agree not to share your account information with anyone outside of your organization.

### **II. For Access to Department Epic through Epic Hyperspace the following terms shall apply:**

#### **A. Department Epic Hyperspace:**

1. Connectivity.
  - a) Third Party must obtain and maintain an Internet connection and required equipment in accordance with specifications provided by Epic and Department. Technical equipment and software specifications for accessing Department Epic Hyperspace will change over time. You may request a copy of required browser, system, and connection requirements from the Department IT division. Third Party is responsible for all associated costs. Third Party shall ensure that Third Party Data Users access the System only through equipment owned or leased and maintained by Third Party.
2. Application For Access and Compliance with Epic Terms and Conditions.
  - a) Prior to entering into agreement with Department to access Department Epic Hyperspace, Third Party must first complete an Application For Access with Epic Systems Corporation of Verona, WI. The Application For Access is found at: <https://userweb.epic.com/Forms/AccessApplication>. Epic Systems Corporation notifies Department, in writing, of Third Party's permissions to access Department Epic Hyperspace prior to completing this agreement. Third Party will at all times access and use the system strictly in accordance with the Epic Terms and Conditions.

**III. For Access to Department myAvatar the following terms shall apply:**

**A. Department myAvatar**

**1. Connectivity.**

- a. Third Party must obtain an Internet connection and required equipment in accordance with specifications provided by Department. Technical equipment and software specifications for accessing Department myAvatar will change over time. You may request a copy of required browser, system, and connection requirements from the Department IT division. Third Party is responsible for all associated costs. Third Party shall ensure that Third Party Data Users access the System only through equipment owned or leased and maintained by Third Party.

**2. Information Technology (IT) Support.**

- a. Third Party must have qualified and professional IT support who will participate in quarterly CBO Technical Workgroups.

**3. Access Control.**

- a. Access to the BHS Electronic Health Record is granted based on clinical and business requirements in accordance with the Behavioral Health Services EHR Access Control Policy (6.00-06). The Access Control Policy is found at:  
<https://www.sfdph.org/dph/files/CBHSPolProcMnl/6.00-06.pdf>
- b. Applicants must complete the myAvatar Account Request Form found at  
[https://www.sfdph.org/dph/files/CBHSdocs/BHISdocs/UserDoc/Avatar\\_Account\\_Request\\_Form.pdf](https://www.sfdph.org/dph/files/CBHSdocs/BHISdocs/UserDoc/Avatar_Account_Request_Form.pdf)
- c. All licensed, waived, registered and/or certified providers must complete the Department credentialing process in accordance with the DHCS MHSUDS Information Notice #18-019.

**Attachment 2 to SAA – Purge Certification**

FOR PURGE CERTIFICATION , SEE

**ATTACHMENT 3 – (PROTECTED INFORMATION DESTRUCTION ORDER PURGE CERTIFICATION 01-10-2024)**

OF

**APPENDIX E: SAN FRANCISCO DEPARTMENT OF HEALTH BUSINESS ASSOCIATE AGREEMENT**

### Attachment 3 to SAA - Data Security

1. **Data Security.** To prevent unauthorized access of City Data,
  - (a) Contractor shall at all times during the Term provide and maintain up-to-date security with respect to (a) the Services, (b) Contractor's website, (c) Contractor's physical facilities, (d) Contractor's infrastructure, and (e) Contractor's networks.
  - (b) Contractor shall provide security for its networks and all Internet connections consistent with industry best practices, and will promptly install all patches, fixes, upgrades, updates and new versions of any security software it employs.
  - (c) Contractor will maintain appropriate safeguards to restrict access to City's Data to those employees, agents or service providers of Contractor who need the information to carry out the purposes for which it was disclosed to Contractor.
  - (d) For information disclosed in electronic form, Contractor agrees that appropriate safeguards include electronic barriers (e.g., most current industry standard encryption for transport and storage, such as the National Institute of Standards and Technology's Internal Report 7977 or Federal Information Processing Standards [FIPS] 140-2 [Security Requirements for Cryptographic Modules] or FIPS-197 or successors, intrusion prevention/detection or similar barriers) and secure authentication (e.g., password protected) access to the City's Confidential Information and hosted City Data.
  - (e) For information disclosed in written form, Contractor agrees that appropriate safeguards include secured storage of City Data.
  - (f) City Data shall be encrypted at rest and in transit with controlled access.
  - (g) Contractor will establish and maintain any additional physical, electronic, administrative, technical and procedural controls and safeguards to protect City Data that are no less rigorous than accepted industry practices (including, as periodically amended or updated, the International Organization for Standardization's standards: ISO/IEC 27001:2005 – Information Security Management Systems – Requirements and ISO-IEC 27002:2005 – Code of Practice for International Security Management, NIST Special Publication 800-53 Revision 4 or its successor, NIST Special Publication 800-18 or its successor, the Information Technology Library (ITIL) standards, the Control Objectives for Information and related Technology (COBIT) standards or other applicable industry standards for information security), and shall ensure that all such controls and safeguards, including the manner in which Confidential Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Agreement.
  - (h) Contractor warrants to the City compliance, in performing its obligations hereunder, with the following (as periodically amended or updated) as applicable:
    - (i) The California Information Practices Act/California Consumer Privacy Act (Civil Code §§ 1798 et seq);
    - (ii) The European General Data Protection Regulation (GDPR);
    - (iii) Relevant security provisions of the Internal Revenue Service (IRS) Publication 1075, including the requirements that Data not traverse networks located outside of the United States;
    - (iv) Relevant security provisions of the Payment Card Industry (PCI) Data Security Standard (PCI DSS) including the PCI DSS Cloud Computing Guidelines;
    - (v) Relevant security provisions of the Social Security Administration (SSA) Document Electronic Information Exchange Security Requirement and Procedures for State and Local Agencies Exchanging Electronic Information with the Social Security Administration;



(vi) Relevant security provisions of the Criminal Justice Services (CJS) Security policy;

(vii) Relevant security provisions of the Medi-Cal Privacy and Security Agreement between the California Department of Health Care Services and the County of San Francisco.

2. **Data Privacy and Information Security Program.** Without limiting Contractor's obligation of confidentiality as further described herein, Contractor shall establish and maintain a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (i) ensure the security and confidentiality of the City Data; (ii) protect against any anticipated threats or hazards to the security or integrity of the City Data; (iii) protect against unauthorized disclosure, access to, or use of the City Data; (iv) ensure the proper disposal of City Data; and, (v) ensure that all of Contractor's employees, agents, and subcontractors, if any, comply with all of the foregoing.

3. **Data Transmission.** Contractor shall ensure that all electronic transmission or exchange of system and application data with City and/or any other parties expressly designated by City shall take place via encrypted secure means (e.g. HTTPS or SFTP or most current industry standard established by NIST). Contractor shall also ensure that all data exchanged shall be used expressly and solely for the purposes enumerated in the Agreement. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of Contractor. Contractor shall ensure that no City Data of any kind shall be copied, modified, destroyed, deleted, transmitted, exchanged or otherwise passed to other vendors or interested parties except on a case-by-case basis as specifically agreed to in writing by City. Contractor is prohibited from accessing City Data from outside the continental United States.

#### 4. **American Institute of Certified Public Accounts (AICPA) Audit Reports.**

(a) If applicable and/or if required by the City, Contractor shall provide to City, on an annual basis, an SSAE 18, SOC 2, Type 2 Report, and an SSAE 18, SOC 1, Type 2 Audit Report, to be conducted by an independent third party ("Audit Reports") (if Contractor is using a hosting service provider, Contractor shall provide such Audit Reports it receives from its service provider or providers) as follows: (a) the Audit Reports shall include a 365 day (12-month) testing period; and (b) the Audit Reports shall be available to City no later than thirty (30) days after they are received by Contractor. If Contractor receives a so-called "negative assurance opinion," or the annual Audit Report finds a material data privacy or information security issue, Contractor shall notify City of such opinion within three (3) days of receipt by Contractor. Contractor shall implement reasonably required safeguards as identified by any audit of Contractor's data privacy and information security program or promptly notify City in writing if Contractor is unable to implement mitigation measures to address the issue(s). Upon any such notification, City shall have the right, without further obligation or liability to Contractor, to terminate this Agreement. Any failure by Contractor to comply with this Section shall be a material breach of this Agreement.

(b) **Audit of Contractor's Policies.** Contractor agrees to make its policies, procedures and practices regarding Data Security available to City, if needed, and agrees that City reserves the rights, including, but not limited to, making a site visit, scanning for malicious codes, and hiring a third-party to perform a security audit if City determines that the Audit Report is unsatisfactory.

(c) **Information Security Audits.** Contractor must contract with an independent third party to perform yearly information security audits of their primary and backup Data Centers. The annual audits must include an outside penetration/vulnerability test, and internal penetration and vulnerability tests with the third-party directly on the internal network. The summary results of the audits must be shared with the City. All audit findings must be remedied.

(d) **Audit Findings.** Contractor shall implement reasonably required safeguards as identified by City or by any audit of Contractor's data privacy and information security program.

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

This Business Associate Agreement (“BAA”) supplements and is made a part of the contract by and between the City and County of San Francisco, the Covered Entity (“CE”), and Contractor, the Business Associate (“BA”) (the “Agreement”). To the extent that the terms of the Agreement are inconsistent with the terms of this BAA, the terms of this BAA shall control.

**RECITALS**

- A. CE, by and through the San Francisco Department of Public Health (“SFDPH”), wishes to disclose certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).
- B. For purposes of the Agreement, CE requires Contractor, even if Contractor is also a covered entity under HIPAA, to comply with the terms and conditions of this BAA as a BA of CE.
- C. CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”), and regulations promulgated there under by the U.S. Department of Health and Human Services (the “HIPAA Regulations”) and other applicable laws, including, but not limited to, California Civil Code §§ 56, et seq., California Health and Safety Code § 1280.15, California Civil Code §§ 1798, et seq., California Welfare & Institutions Code §§5328, et seq., and the regulations promulgated there under (the “California Regulations”).
- D. As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI, as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(a) and (e) and 164.504(e) of the Code of Federal Regulations (“C.F.R.”) and contained in this BAA.
- E. BA enters into agreements with CE that require the CE to disclose certain identifiable health information to BA. The parties desire to enter into this BAA to permit BA to have access to such information and comply with the BA requirements of HIPAA, the HITECH Act, and the corresponding Regulations.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the parties agree as follows:

**1. Definitions.**

**a. Breach** means the unauthorized acquisition, access, use, or disclosure of PHI that compromises the security or privacy of such information, except where an unauthorized person to whom such information is disclosed would not reasonably have been able to retain such information, and shall have the meaning given to such term under the HITECH Act and HIPAA Regulations [42 U.S.C. Section 17921 and 45 C.F.R. Section 164.402], as well as California Civil Code Sections 1798.29 and 1798.82.

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

**b. Breach Notification Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and D.

**c. Business Associate** is a person or entity that performs certain functions or activities that involve the use or disclosure of protected health information received from a covered entity, but other than in the capacity of a member of the workforce of such covered entity or arrangement, and shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including, but not limited to, 42 U.S.C. Section 17938 and 45 C.F.R. Section 160.103.

**d. Covered Entity** means a health plan, a health care clearinghouse, or a health care provider who transmits any information in electronic form in connection with a transaction covered under HIPAA Regulations, and shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

**e. Data Aggregation** means the combining of Protected Information by the BA with the Protected Information received by the BA in its capacity as a BA of another CE, to permit data analyses that relate to the health care operations of the respective covered entities, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

**f. Designated Record Set** means a group of records maintained by or for a CE, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

**g. Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media and shall have the meaning given to such term under HIPAA and the HIPAA Regulations, including, but not limited to, 45 C.F.R. Section 160.103. For the purposes of this BAA, Electronic PHI includes all computerized data, as defined in California Civil Code Sections 1798.29 and 1798.82.

**h. Electronic Health Record** means an electronic record of health-related information on an individual that is created, gathered, managed, and consulted by authorized health care clinicians and staff, and shall have the meaning given to such term under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

**i. Health Care Operations** shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

**j. Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

**k. Protected Health Information or PHI** means any information, including electronic PHI, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Sections 160.103 and 164.501. For the purposes of this BAA, PHI includes all medical information and health insurance information as defined in California Civil Code Sections 56.05 and 1798.82.

**l. Protected Information** shall mean PHI provided by CE to BA or created, maintained, received or transmitted by BA on CE's behalf.

**m. Security Incident** means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system, and shall have the meaning given to such term under the Security Rule, including, but not limited to, 45 C.F.R. Section 164.304.

**n. Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

**o. Unsecured PHI** means PHI that is not secured by a technology standard that renders PHI unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute, and shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h) and 45 C.F.R. Section 164.402.

## 2. Obligations of Business Associate.

**a. Attestations.** Except when CE's data privacy officer exempts BA in writing, the BA shall complete the following forms, attached and incorporated by reference as though fully set forth herein, SFDPH Attestations for Privacy (Attachment 1) and Data Security (Attachment 2) within sixty (60) calendar days from the execution of the Agreement. If CE makes substantial changes to any of these forms during the term of the Agreement, the BA will be required to complete CE's updated forms within sixty (60) calendar days from the date that CE provides BA with written notice of such changes. BA shall retain such records for a period of seven years after the Agreement terminates and shall make all such records available to CE within 15 calendar days of a written request by CE.

**b. User Training.** The BA shall provide, and shall ensure that BA subcontractors, provide, training on PHI privacy and security, including HIPAA and HITECH and its regulations, to each employee or agent that will access, use or disclose Protected Information, upon hire and/or prior to accessing, using or disclosing Protected Information for the first time, and at least annually thereafter during the term of the Agreement. BA shall maintain, and shall ensure that BA subcontractors maintain, records indicating the name of each employee or agent and date on which the PHI privacy and security trainings were completed. BA shall retain, and ensure that BA subcontractors retain, such records for a period of seven years after the Agreement terminates and shall make all such records available to CE within 15 calendar days of a written request by CE.

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

**c. Permitted Uses.** BA may use, access, and/or disclose Protected Information only for the purpose of performing BA's obligations for, or on behalf of, the City and as permitted or required under the Agreement and BAA, or as required by law. Further, BA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE [45 C.F.R. Sections 164.502, 164.504(e)(2), and 164.504(e)(4)(i)].

**d. Permitted Disclosures.** BA shall disclose Protected Information only for the purpose of performing BA's obligations for, or on behalf of, the City and as permitted or required under the Agreement and BAA, or as required by law. BA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose Protected Information as necessary (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; (iii) as required by law; or (iv) for Data Aggregation purposes relating to the Health Care Operations of CE. If BA discloses Protected Information to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential as provided pursuant to this BAA and used or disclosed only as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches, security incidents, or unauthorized uses or disclosures of the Protected Information in accordance with paragraph 2 (n) of this BAA, to the extent it has obtained knowledge of such occurrences [42 U.S.C. Section 17932; 45 C.F.R. Section 164.504(e)]. BA may disclose PHI to a BA that is a subcontractor and may allow the subcontractor to create, receive, maintain, or transmit Protected Information on its behalf, if the BA obtains satisfactory assurances, in accordance with 45 C.F.R. Section 164.504(e)(1), that the subcontractor will appropriately safeguard the information [45 C.F.R. Section 164.502(e)(1)(ii)].

**e. Prohibited Uses and Disclosures.** BA shall not use or disclose Protected Information other than as permitted or required by the Agreement and BAA, or as required by law. BA shall not use or disclose Protected Information for fundraising or marketing purposes. BA shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the Protected Information solely relates [42 U.S.C. Section 17935(a) and 45 C.F.R. Section 164.522(a)(1)(vi)]. BA shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. Section 17935(d)(2), and the HIPAA regulations, 45 C.F.R. Section 164.502(a)(5)(ii); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

**f. Appropriate Safeguards.** BA shall take the appropriate security measures to protect the confidentiality, integrity and availability of PHI that it creates, receives, maintains, or transmits on behalf of the CE, and shall prevent any use or disclosure of PHI other than as permitted by the Agreement or this

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

BAA, including, but not limited to, administrative, physical and technical safeguards in accordance with the Security Rule, including, but not limited to, 45 C.F.R. Sections 164.306, 164.308, 164.310, 164.312, 164.314 164.316, and 164.504(e)(2)(ii)(B). BA shall comply with the policies and procedures and documentation requirements of the Security Rule, including, but not limited to, 45 C.F.R. Section 164.316, and 42 U.S.C. Section 17931. BA is responsible for any civil penalties assessed due to an audit or investigation of BA, in accordance with 42 U.S.C. Section 17934(c).

**g. Business Associate's Subcontractors and Agents.** BA shall ensure that any agents and subcontractors that create, receive, maintain or transmit Protected Information on behalf of BA, agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI and implement the safeguards required by paragraph 2.f. above with respect to Electronic PHI [45 C.F.R. Section 164.504(e)(2) through (e)(5); 45 C.F.R. Section 164.308(b)]. BA shall mitigate the effects of any such violation.

**h. Accounting of Disclosures.** Within ten (10) calendar days of a request by CE for an accounting of disclosures of Protected Information or upon any disclosure of Protected Information for which CE is required to account to an individual, BA and its agents and subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528, and the HITECH Act, including but not limited to 42 U.S.C. Section 17935 (c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents and subcontractors for at least seven (7) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent that BA maintains an Electronic Health Record. At a minimum, the information collected and maintained shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure [45 C.F.R. 164.528(b)(2)]. If an individual or an individual's representative submits a request for an accounting directly to BA or its agents or subcontractors, BA shall forward the request to CE in writing within five (5) calendar days.

**i. Access to Protected Information.** BA shall make Protected Information maintained by BA or its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within (5) days of request by CE to enable CE to fulfill its obligations under state law [Health and Safety Code Section 123110] and the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524 [45 C.F.R. Section 164.504(e)(2)(ii)(E)]. If BA maintains Protected Information in electronic format, BA shall provide such information in electronic format as necessary to enable CE to fulfill its obligations under the HITECH Act and HIPAA Regulations, including, but not limited to, 42 U.S.C. Section 17935(e) and 45 C.F.R. 164.524.

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

**j. Amendment of Protected Information.** Within ten (10) days of a request by CE for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA and its agents and subcontractors shall make such Protected Information available to CE for amendment and incorporate any such amendment or other documentation to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R Section 164.526. If an individual requests an amendment of Protected Information directly from BA or its agents or subcontractors, BA must notify CE in writing within five (5) days of the request and of any approval or denial of amendment of Protected Information maintained by BA or its agents or subcontractors [45 C.F.R. Section 164.504(e)(2)(ii)(F)].

**k. Governmental Access to Records.** BA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to CE and to the Secretary of the U.S. Department of Health and Human Services (the “Secretary”) for purposes of determining BA’s compliance with HIPAA [45 C.F.R. Section 164.504(e)(2)(ii)(I)]. BA shall provide CE a copy of any Protected Information and other documents and records that BA provides to the Secretary concurrently with providing such Protected Information to the Secretary.

**l. Minimum Necessary.** BA, its agents and subcontractors shall request, use and disclose only the minimum amount of Protected Information necessary to accomplish the intended purpose of such use, disclosure, or request. [42 U.S.C. Section 17935(b); 45 C.F.R. Section 164.514(d)]. BA understands and agrees that the definition of “minimum necessary” is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes “minimum necessary” to accomplish the intended purpose in accordance with HIPAA and HIPAA Regulations.

**m. Data Ownership.** BA acknowledges that BA has no ownership rights with respect to the Protected Information.

**n. Notification of Breach.** BA shall notify CE within 5 calendar days of any breach of Protected Information; any use or disclosure of Protected Information not permitted by the BAA; any Security Incident (except as otherwise provided below) related to Protected Information, and any use or disclosure of data in violation of any applicable federal or state laws by BA or its agents or subcontractors. The notification shall include, to the extent possible, the identification of each individual whose unsecured Protected Information has been, or is reasonably believed by the BA to have been, accessed, acquired, used, or disclosed, as well as any other available information that CE is required to include in notification to the individual, the media, the Secretary, and any other entity under the Breach Notification Rule and any other applicable state or federal laws, including, but not limited, to 45 C.F.R. Section 164.404 through 45 C.F.R. Section 164.408, at the time of the notification required by this paragraph or promptly thereafter as information becomes available. BA shall take (i) prompt corrective action to cure any deficiencies and (ii) any action pertaining to unauthorized uses or disclosures required by applicable federal and state laws. [42 U.S.C. Section 17921; 42 U.S.C. Section 17932; 45 C.F.R. 164.410; 45 C.F.R. Section 164.504(e)(2)(ii)(C); 45 C.F.R. Section 164.308(b)]

## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

**o. Breach Pattern or Practice by Business Associate's Subcontractors and Agents.**

Pursuant to 42 U.S.C. Section 17934(b) and 45 C.F.R. Section 164.504(e)(1)(iii), if the BA knows of a pattern of activity or practice of a subcontractor or agent that constitutes a material breach or violation of the subcontractor or agent's obligations under the Contract or this BAA, the BA must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the BA must terminate the contractual arrangement with its subcontractor or agent, if feasible. BA shall provide written notice to CE of any pattern of activity or practice of a subcontractor or agent that BA believes constitutes a material breach or violation of the subcontractor or agent's obligations under the Contract or this BAA within five (5) calendar days of discovery and shall meet with CE to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

**3. Termination.**

**a. Material Breach.** A breach by BA of any provision of this BAA, as determined by CE, shall constitute a material breach of the Agreement and this BAA and shall provide grounds for immediate termination of the Agreement and this BAA, any provision in the AGREEMENT to the contrary notwithstanding. [45 C.F.R. Section 164.504(e)(2)(iii).]

**b. Judicial or Administrative Proceedings.** CE may terminate the Agreement and this BAA, effective immediately, if (i) BA is named as defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a finding or stipulation that the BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

**c. Effect of Termination.** Upon termination of the Agreement and this BAA for any reason, BA shall, at the option of CE, return or destroy all Protected Information that BA and its agents and subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections and satisfy the obligations of Section 2 of this BAA to such information, and limit further use and disclosure of such PHI to those purposes that make the return or destruction of the information infeasible [45 C.F.R. Section 164.504(e)(2)(ii)(J)]. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed in accordance with the Secretary's guidance regarding proper destruction of PHI. Per the Secretary's guidance, the City will accept destruction of electronic PHI in accordance with the standards enumerated in the NIST SP 800-88, Guidelines for Media Sanitization. The City will accept destruction of PHI contained in paper records by shredding, burning, pulping, or pulverizing the records so that the PHI is rendered unreadable, indecipherable, and otherwise cannot be reconstructed.

**d. Civil and Criminal Penalties.** BA understands and agrees that it is subject to civil or criminal penalties applicable to BA for unauthorized use, access or disclosure or Protected Information in accordance with the HIPAA Regulations and the HITECH Act including, but not limited to, 42 U.S.C. 17934 (c).



## APPENDIX E



San Francisco Department of Public Health  
Business Associate Agreement

**e. Disclaimer.** CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act, or the HIPAA Regulations or corresponding California law provisions will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

**4. Amendment to Comply with Law.**

The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable state or federal laws relating to the security or confidentiality of PHI. The parties understand and agree that CE must receive satisfactory written assurance from BA that BA will adequately safeguard all Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the updated standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable state or federal laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this section or (ii) BA does not enter into an amendment to the Agreement or this BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

**5. Reimbursement for Fines or Penalties.**

In the event that CE pays a fine to a state or federal regulatory agency, and/or is assessed civil penalties or damages through private rights of action, based on an impermissible access, use or disclosure of PHI by BA or its subcontractors or agents, then BA shall reimburse CE in the amount of such fine or penalties or damages within thirty (30) calendar days from City's written notice to BA of such fines, penalties or damages.

Attachment 1 – SFDPH Privacy Attestation, version 06-07-2017

Attachment 2 – SFDPH Data Security Attestation, version 06-07-2017

Attachment 3 – Protected Information Destruction Order Purge Certification 01-10-2024

Office of Compliance and Privacy Affairs  
San Francisco Department of Public Health  
101 Grove Street, Room 330, San Francisco, CA 94102  
Email: [compliance.privacy@sfdph.org](mailto:compliance.privacy@sfdph.org)  
Hotline (Toll-Free): 1-855-729-6040

**Appendix F**  
**Invoice**

Invoices shall be in a form acceptable to the Contract Administrator, contain all requested information, and shall conform to the requirements specified in 3.34 of the Agreement.

# Health Advocates Contract Amendment: Uncompensated Care Reimbursement Recovery Services

## BOS Budget & Finance Committee

Jenine Smith, Patient Financial Services Manager

Thomas Istvan, Patient Financial Services Director

Zuckerberg San Francisco General Hospital

April 17, 2024

SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH



# Overview of Contract Amendment



- **Contractor:** Health Advocates, LLC
- **Contract Summary:** Provide uncompensated care reimbursement services at ZSFG and Laguna Honda hospitals
- **Not to Exceed Amount:** \$11,391,540
- **Timeline:** January 2024 - December 2028

# Health Advocates Contract



- **Health Advocates, LLC provides uncompensated care reimbursement recovery services which includes:**
  - Providing eligibility screening, program application assistance, application tracking, and appealing denials for programs such as Medi-Cal and Medicare for referrals without coverage or with incomplete coverage.
  - Investigating and pursuing the responsible party for Third-Party Liability and Worker's Compensation referrals.
  - Resolving payment denials and underpayments on referrals with existing coverage.



# What is Uncompensated Care?

- Services provided to patients without any insurance or government program coverage, or with only limited benefits insurance or coverage.
- Services identified as the potential responsibility of a Third-Party Liability or Workers Compensation payer.
- Billed services for which the insurance has denied the claim or underpaid the claim.

# Benefits of Health Advocates



- Possess the capacity and access to resources exceeding the Department's including to reach vulnerable patients, represent patients on denials and Medi-Cal Fair Hearing, pursue all potential coverage and reimbursement sources.
- Secures maximum government program eligibility for patients to cover the care they have received and to access the care they will continue to need.
- Secures maximum reimbursement to the City for the referred uncompensated care **and** future care provided throughout the SF Health Network.

# Reimbursement Recovery Success



Health Advocates previously held a 10-year contract from Jan 2014 – Dec 2023 for total of \$20,100,000.

- Recovery performance for 4 ½ years, Jul 2019 – Dec 2023
  - Uncompensated Care Referrals: 4,032
  - Number of Referrals with Recovery: **2,425**
  - Recovery Success Rate: **60%**
  - Total Charges: \$554,516,521
  - Reimbursement Recovery estimate: **\$79,924,151**
  - Remaining Referrals that Health Advocates continues to manage for recovery: 727



# Retroactivity



We are seeking **retroactive authorization** for this item.

- **This contract is retroactive due to extended negotiations between Health Advocates LLC and the City Attorney's Office because of Health Advocates' disagreement with the City's standard contract agreement terms.**
- Following extensive negotiations between Health Advocates and the City Attorney's Office, Health Advocates and the City came to an agreement on contract terms.

# Conclusion



- DPH agrees with BLA recommendations
- DPH requests approval of proposed resolution

**Thank you!**  
**Any questions?**



# San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

City and County of San Francisco  
London N. Breed  
Mayor

## Memorandum

**To:** Honorable Members of the Board of Supervisors

**From:** San Francisco Department of Public Health

**Date:** Thursday, April 17, 2024

**Re:** Contract Agreement - Retroactive - Health Advocates LLC - Uncompensated Care Reimbursement Recovery Services - Not to Exceed \$11,391,540

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This Resolution seeks authorization for the Board of Supervisors to retroactively approve the agreement between Health Advocates LLC and the Department of Public Health (DPH).

This contract is retroactive due to extended negotiations between Health Advocates LLC and the City Attorney's Office because of Health Advocates' disagreement with the City's standard contract agreement terms. Following extensive negotiations between Health Advocates and the City Attorney's Office, Health Advocates and the City came to an agreement on contract terms.

DPH selected Health Advocates, LLC, through the RFP (request for proposals) process on 8/24/23. Initial contract documents were sent to Health Advocates for review on 11/9/23. After extended negotiations regarding the proposed scope of work and risk mitigation impacts to the City, Health Advocates agreed to the standard terms of the Agreement on 2/23/24. City Attorney then provided the final signature on 2/27/24 for introduction on 4/2/24. We humbly request retroactive authorization of this contract.



## San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

[ethics.commission@sfgov.org](mailto:ethics.commission@sfgov.org) . [www.sfethics.org](http://www.sfethics.org)

Received On:

File #: 240285

Bid/RFP #:

### Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

#### 1. FILING INFORMATION

<b>TYPE OF FILING</b>	<b>DATE OF ORIGINAL FILING (for amendment only)</b>
Original	
<b>AMENDMENT DESCRIPTION – Explain reason for amendment</b>	

#### 2. CITY ELECTIVE OFFICE OR BOARD

<b>OFFICE OR BOARD</b>	<b>NAME OF CITY ELECTIVE OFFICER</b>
Board of Supervisors	Members

#### 3. FILER'S CONTACT

<b>NAME OF FILER'S CONTACT</b>	<b>TELEPHONE NUMBER</b>
Angela Calvillo	415-554-5184
<b>FULL DEPARTMENT NAME</b>	<b>EMAIL</b>
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

#### 4. CONTRACTING DEPARTMENT CONTACT

<b>NAME OF DEPARTMENTAL CONTACT</b>	<b>DEPARTMENT CONTACT TELEPHONE NUMBER</b>
Reanna Albert	628-271-6178
<b>FULL DEPARTMENT NAME</b>	<b>DEPARTMENT CONTACT EMAIL</b>
DPH Department of Public Health	reanna.albert@sfdph.org

5. CONTRACTOR	
<b>NAME OF CONTRACTOR</b> Health Advocates, LLC	<b>TELEPHONE NUMBER</b> (818) 995-9500
<b>STREET ADDRESS (including City, State and Zip Code)</b> 21540 Plummer Street, Suite B, Chatsworth, CA 91311	<b>EMAIL</b> SteveL@healthadvocates.com

6. CONTRACT		
<b>DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)</b>	<b>ORIGINAL BID/RFP NUMBER</b>	<b>FILE NUMBER (If applicable)</b> 240285
<b>DESCRIPTION OF AMOUNT OF CONTRACT</b> \$11,391,540		
<b>NATURE OF THE CONTRACT (Please describe)</b> Provide uncompensated care reimbursement recovery services.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Leibovic	Al	Board of Directors
2	Leibovic	Aaron	Other Principal Officer
3	Levine	Steve	CEO
4	Mitjans	Genaro	COO
5	Gold	Ely	CFO
6	Bargeron	D. Michael	Other Principal Officer
7	Perry	Tallien	Other Principal Officer
8	Leibovic Law Group, LLC		Subcontractor
9			
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
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**9. AFFILIATES AND SUBCONTRACTORS**

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
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50			

Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

**10. VERIFICATION**

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

**I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.**

<p><b>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</b></p>  <p>BOS Clerk of the Board</p>	<p><b>DATE SIGNED</b></p>
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City and County of San Francisco  
**London N. Breed, Mayor**

## San Francisco Department of Public Health

Grant Colfax, MD  
Director of Health

March 19, 2024

Angela Calvillo, Clerk of the Board  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102-4689

Dear Ms. Calvillo:

Please find attached a proposed resolution for Board of Supervisors approval of an agreement between the Department of Public Health and Health Advocates LLC, in the amount of \$11,391,540.

This contract agreement requires Board of Supervisors approval under San Francisco Charter Section 9.118.

The following is a list of accompanying documents:

- Proposed resolution
- Proposed Agreement
- Form SFEC-126

For questions on this matter, please contact me at (628) 271-6178, [reanna.albert@sfdph.org](mailto:reanna.albert@sfdph.org).

Thank you for your time and consideration.

Sincerely,

*Reanna Albert*

Reanna Albert  
Senior Contracts Analyst  
Office of Contracts Management and Compliance  
DPH Business Office

cc: Dr. Grant Colfax, Director of Health  
Naveena Bobba, Deputy Director of Health  
Michelle Ruggels, Director, DPH Business Office

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**The mission of the San Francisco Department of Public Health is to protect and promote the health of all San Franciscans.**

We shall ~ Assess and research the health of the community ~ Develop and enforce health policy ~ Prevent disease and injury ~

~ Educate the public and train health care providers ~ Provide quality, comprehensive, culturally-proficient health services ~ Ensure equal access to all ~

[reanna.albert@SFDPH.org](mailto:reanna.albert@SFDPH.org) – office 621-271-6178 – fax 415 252-3088

1380 Howard Street, Room 419D, San Francisco, CA 94103

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