

**City and County of San Francisco  
Office of Contract Administration  
Purchasing Division**

**First Amendment**

THIS AMENDMENT (this "Amendment") is made as of **May 8, 2014**, in San Francisco, California, by and between **Toyon Associates, Inc.** ("Contractor"), and the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Director of the Office of Contract Administration.

RECITALS

WHEREAS, City and Contractor have entered into the Agreement (as defined below);  
and

WHEREAS, City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to extend the performance period and increase the contract amount;

WHEREAS, approval for this Agreement was obtained when the Civil Service Commission approved Contract number **4045-04/05 on February 3, 2014**;

NOW, THEREFORE, Contractor and the City agree as follows:

**1. Definitions.** The following definitions shall apply to this Amendment:

**a. Agreement.** The term "Agreement" shall mean the Agreement dated April 1, 2014 between Contractor and City, as amended by the:

**First amendment** dated this amendment

**b. Other Terms.** Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

**2. Modifications to the Agreement.** The Agreement is hereby modified as follows:

**2a.** Section 2. Of the Agreement currently reads as follows:

**2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from April 1, 2014 to September 30, 2014.

Such section is hereby amended in its entirety to read as follows:

**2. Term of the Agreement.** Subject to Section 1, the term of this Agreement shall be from April 1, 2014 to March 31, 2018.

**2b.** Section 5. of the Agreement currently reads as follows:

**5. Compensation.** Compensation shall be made in monthly payments on or before the 15th day of each month for work, as set forth in Section 4 of this Agreement, that the **Director of the Department of**

**Public Health**, in his or her sole discretion, concludes has been performed as of the 30th day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Six Hundred Fourteen Thousand Eight Hundred Thirteen Dollars (\$614,813)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **Department of Public Health** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

Such section is hereby amended in its entirety to read as follows:

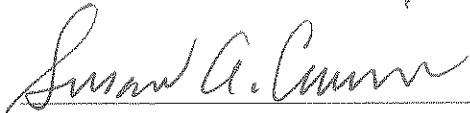
5. **Compensation.** Compensation shall be made in monthly payments on or before the 15th day of each month for work, as set forth in Section 4 of this Agreement, that the **Director of the Department of Public Health**, in his or her sole discretion, concludes has been performed as of the 30th day of the immediately preceding month. In no event shall the amount of this Agreement exceed **Four Million Nine Hundred Ninety Six Thousand Six Hundred Seventeen Dollars (\$4,996,617)**. The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein. No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by **Department of Public Health** as being in accordance with this Agreement. City may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement. In no event shall City be liable for interest or late charges for any late payments.

The Controller is not authorized to pay invoices submitted by Contractor prior to Contractor's submission of CMD Progress Payment Form. If Progress Payment Form is not submitted with Contractor's invoice, the Controller will notify the department, the Director of CMD and Contractor of the omission. If Contractor's failure to provide CMD Progress Payment Form is not explained to the Controller's satisfaction, the Controller will withhold 20% of the payment due pursuant to that invoice until CMD Progress Payment Form is provided. Following City's payment of an invoice, Contractor has ten days to file an affidavit using CMD Payment Affidavit verifying that all subcontractors have been paid and specifying the amount.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

**CITY**

Recommended by:

  
\_\_\_\_\_  
**Barbara Garcia**  
**Director of Health**  
**Department of Public Health**

**CONTRACTOR**

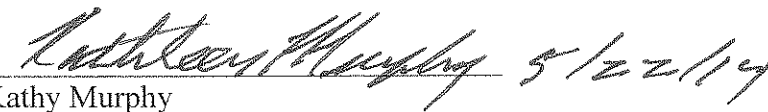
**Toyon Associates, Inc.**

  
\_\_\_\_\_  
**Thomas P. Knight**  
**President**  
**1800 Sutter Street, Suite 600, Concord, CA**  
**94520**

City vendor number: 42284

Approved as to Form:

Dennis J. Herrera  
City Attorney

By:  5/22/14  
\_\_\_\_\_  
Kathy Murphy  
Deputy City Attorney

Approved:

\_\_\_\_\_  
Jaci Fong  
Director of the Office of Contract  
Administration, and Purchaser



**Appendix A**  
**Community Health Network**  
**Services to be provided by Contractor**

**1. Terms**

A. Contract Administrator:

In performing the Services hereunder, Contractor shall report to Valerie Inouye and Matthew Sur 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.

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. 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.

**2. Description of Services**

Detailed description of services are listed below and are attached hereto

Appendix A-1 Scope of Work (SFGH/COPC)

Appendix A-2 Scope of Work (LHH)

Appendix A-3 Scope of Work (HAH)



**APPENDIX A-1**  
**SCOPE OF WORK**

**San Francisco General Hospital/Community Outpatient Primary Care (SFGH/COPC)**

**A. GENERAL SERVICES**

Task 1

A Toyon V.P or Director will attend meetings either monthly or quarterly as directed by SFGH/COPC Management, to review the status of projects being performed, review findings from contractual allowance analyses, establish priorities and discuss issues arising during the course of the engagement.

Task 2

Toyon will prepare the quarterly contractual allowance reviews for SFGH and COPC for the years 2014 through 2018 for the periods ending in February, June, September and November. The reviews will involve assessment of the adequacy of contractual allowance reserves and recorded cost report settlements that are on the general ledger.

Task 3

Toyon will prepare interim rate reviews to the Fiscal Intermediary (FI)/Medicare Administrative Contractor (MAC) to ensure SFGH/COPC are reimbursed at proper interim rates that include validation of the bi-weekly Periodic Interim Payments received by SFGH for inpatient PPS acute services. Toyon will verify the prior years' settlement activities at SFGH for all open third-party cost report settlement accounts (including tentative settlements, finalized Notice of Program Reimbursements, etc.) to ensure accurate recording of activities and assessment of the reserves established for open cost reports for financial reporting purposes.

**B. REIMBURSEMENT SERVICES**

Task 4

Toyon will provide SFGH/COPC information regarding new and proposed laws/regulations impacting SFGH/COPC. A weekly email will be distributed covering new/proposed regulations and/or relevant changes on both a federal and state level. Toyon will work with SFGH/COPC staff to further educate them on the specific regulations that will or could impact the organization.

Task 5

Toyon will prepare the annual OSHPD reports for the FYE June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 using Toyon's proprietary automation software. During preparation of the OSHPD report, Toyon will analyze information specifically impacting other Medi-Cal reimbursements that include the Low-Income Utilization Ratio (LIUR)

calculation. The report will be prepared to ensure accuracy and compliance, as required by OSHPD instructions. Toyon will report to SFGH staff the updates needed in quarterly OSHPD reports to reconcile to the annual OSHPD filing. Toyon will respond to all external audit inquiries from OSHPD reviewers.

#### Task 6

Toyon will prepare the SFGH FYE June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 Medicare and Medi-Cal cost reports using Toyon's proprietary automation software and prepare the Curry Senior Center Medicare and Medi-Cal cost and reconciliation reports. The reports will be prepared in compliance with all applicable laws, regulations and instructions, to be filed within the reporting guidelines required by the respective programs (typically five months after the end of a fiscal year). All applicable cost report schedules will be completed including Acute, Acute Psychiatric, Teaching Program, FQHC, Renal Dialysis, etc. for filing to the MAC and State of California Department of Health Care Services (DHCS). Appeal rights will be preserved through the use of the protested amounts section of the cost report and issues that are annually identified and updated by Toyon's Appeals Practice Group. The cost report preparation will also include the completion of:

Cost Report DSH related services include the following:

- DSH Eligible Days listing using the Point of Service System for Cost Report Filing
- DSH Eligible Day list completion based on the Historical Eligibility System and Toyon's proprietary system. This list will be prepared 13 months after the end of each cost report year, for purposes of optimizing the Medi-Cal eligible days for cost report finalization purposes.

Other areas of analysis, review and follow-up related to these cost reports include:

- Review wage data used for cost report filing and subsequent true-up of wage data during the CMS annual process for the development of new Medicare wage indices.
- Prepare and review the Occupational Mix filing required once every three years.
- Analyze and follow-up concerning Intern and Resident FTE recording and subsequent follow-up needed to clear over-lap issues with other health care organizations.
- Review and advise to update the time study capturing by SFGH for the identification of the Part A/B time allocation for staff physicians.
- Review the SFGH/COPC general ledger grouping used for both Cost Report and OSHPD report filings to ensure conformity with prescribed instructions.

#### Task 7

Based upon the results of the cost report preparation (Task 6), Toyon will prepare estimated reimbursement settlements and recommendations that may include:

- Recording of the appropriate Medicare/Medi-Cal cost report receivable/payable (filed vs. reserved) for general ledger recording purposes.
- Improving SFGH and COPC records and/or supporting documentation.
- Identifying reimbursement optimization for SFGH and COPC costs under the Section 1115 Waiver and any subsequent Waivers.



- Preparing for Medicare MAC audits of all open cost reports covering 6/30/07 to 6/30/12.

#### Task 8

Toyon will respond to questions raised by MACs or state agencies after filing and during the audits of the cost reports. Toyon will also evaluate the impact of proposed audit adjustments relative to SFGH/COPC's Medicare and Medi-Cal cost reports for FYE June 30, 2007 and subsequent fiscal periods. In addition, Toyon will review the auditors' work papers and determine the propriety of proposed adjustments. The purpose is to minimize adjustments to the SFGH/COPC reimbursement claims and to determine what issues should be disputed through appeals.

#### Task 9

Under Toyon's Public Hospital services team, Toyon will review the Medi-Cal Administrative Activities (MAA) quarterly financial claims for the period ending June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017 to ensure accuracy, completeness and compliance of the reports with the Policy and Procedures Letters and State Claiming Plans. Toyon will respond to all audit inquiries.

#### Task 10

Under Toyon's Appeal Services Practice Group, Toyon will pursue all Medicare and Medi-Cal appeals related to fiscal years 1996 – 2012 and all subsequent audited cost report periods. This process includes evaluation of issues, researching, developing documentation, preparing position papers, and representing SFGH/COPC at appeal or mediation hearings. The goal will be to obtain administrative resolution on appealed issues whenever possible and to ensure SFGH/COPC's appeal rights are protected. Toyon will seek to maximize all appeal recoveries under the current reimbursement rules and regulations.

#### Task 11

Under Toyon's Public Hospital Service Team, Toyon will review the Assembly Bill 915 – Medi-Cal Outpatient Fee-for-Service Supplemental claims for periods ending June 30, 2014, June 30, 2015, June 30, 2016 and June 30, 2017. Toyon will also assist in the SNF wage pass-through and DP SNF supplemental claiming activities. The purpose of the reviews is to ensure compliance with claiming regulations and to ensure accuracy in the information being reported. As part of this review, Toyon will analyze the information specific to the Medi-Cal Outpatient Upper Payment Limit. Typically, the information used for this process is obtained through the purchase of paid claims reports. Toyon does not believe that a logging process is needed for this program. Toyon will respond to all audit inquiries.

#### Task 12

Toyon's Public Hospital Service Team will respond to technical questions related to the P14 filings, the AB 85 Realignment filings and other areas impacting County hospital reporting.

#### Task 13

Toyon will assist the COPC with the Medi-Cal audits of the reconciliation report for capturing the wrap around entitlements due FQHCs. Toyon will work with the auditors to minimize audit adjustments. Should an appeal be necessary, Toyon will evaluate the issues and documentation for the adjustments and file the appeal from the finalized reports. Toyon will represent the COPC at appeal through the informal, and if necessary, the formal level processes afforded providers with the State. If needed at the formal level, Toyon will engage a mutually-agreed attorney to represent COPC at the formal level.

#### Task 14

Upon request by SFGH/COPC, Toyon will assist on other reimbursement-related projects that could increase reimbursement to the organization.

### C. SERVICES TO INCREASE THE MEDICAID RATIO AND SSI RATIO COMPONENTS OF MEDICARE DISPROPORTIONATE REIMBURSEMENT (DSH)

Toyon will assist SFGH in the optimization of the Medicaid and SSI ratios used to develop the reimbursement formula for Medicare DSH entitlements for fiscal years as early as 1986 through current years. Toyon will further pursue all potentially eligible days through the Medicare appeal process, by either individual or group appeal. Any appeal-related activities will be handled by Toyon's Appeal Services Group. Should outside legal assistance be needed, Toyon has formal agreements in place with highly qualified attorneys that have pursued DSH related appeals in court. Toyon will develop strategies to ensure optimization of data used to allocate the new DSH Uncompensated Care DSH reimbursements effective October 1, 2013. Days-related issues to pursue through appeal include:

1. Dual Eligible – Medicare Part C days
2. Dual Eligible – Medicare Part A exhausted days
3. Dual Eligible – Medicare Part A non-covered days.
4. Restricted eligibility days adjusted in audit.
5. Additional identified eligible days.
6. Understated SSI days from CMS match.

Toyon will utilize its DSH and Appeal Services Group to perform the following:

1. Toyon's DSH Services Group will prepare Medi-Cal eligible day documentation for all open cost reporting periods using Toyon's proprietary DSH eligibility matching system.
2. Toyon will pursue all viable DSH eligible days and SSI Ratio appeals through either individual or group appeals.

3. Toyon’s Appeal Services Group will file Medicare appeals, preliminary and final position papers, jurisdictional briefs and administrative resolutions proposals. Any and all challenges made by the Intermediary or CMS will be handled by Toyon.
4. As needed, Toyon will represent SFGH in Provider Reimbursement Review Board (PRRB) Hearings, if the issues cannot be administratively resolved. This includes the presentation of expert witness testimony.
5. Should an unfavorable PRRB decision be issued, Toyon will consult the City Attorney’s Office and will pursue the issue to court, if the issue continues to have merit.
6. Toyon will absorb all expenses associated with any legal proceedings as long as pursuit of the issue is subject to a contingency fee arrangement.

**Compensation For These Services Will Be On A Contingency Fee & No Fees Or Expenses Are Due TOYON Unless Additional Reimbursement Is Realized**

Cumulative Additional Reimbursement Generated Each Contract Year April Through March	Contingency Fee Percentage
\$1 though \$4,000,000	10-15%

Payments for these services will be calculated per the above formula as a percentage of the additional Medicare DSH reimbursement realized by TOYON as a result of their work. The additional reimbursement will either be a payment to SFGH by the Medicare Intermediary or a reduction of an outstanding liability.

**D. INDIVIDUAL OR GROUP APPEALS**

TOYON will advise SFGH of appeal issue(s) that it believes should be pursued. If SFGH agrees to pursue the issue(s), it will sign and execute an agreement with TOYON for each of the appeals which it wishes to participate on a contingency fee basis. If SFGH agrees to pursue the issues(s) on a fee-for-service basis, those fees will fall under Section B, Task 10 above. This will include all appeals that are formed prior and during the length of this agreement for which SFGH wishes to participate.

**Compensation For Services On A Contingency Fee Basis & No Fees Or Expenses Are Due TOYON Unless Additional Reimbursement Is Realized**

Additional Reimbursement Generated Per Appeal for Each Contract Year April Through March	Contingency Fee Percentage
\$1 though \$4,000,000	10-15%

Payments for these services will be calculated per the above formula as a percentage of the additional reimbursement realized by TOYON as a result of their work. The additional

reimbursement will either be a payment to SFGH by the Intermediary or a reduction of an outstanding liability.

**E. PROFESSIONAL SERVICES**

There are times when DPH will require additional professional services. DPH shall submit a written request to TOYON with a Scope of Service. TOYON and DPH shall agree on number of hours and the estimated fees required to complete the project(s). DPH will supplement this contract with additional funds to cover the additional services.

**APPENDIX A-2****SCOPE OF WORK****Laguna Honda Hospital (LHH)****A. GENERAL SERVICES****Task 1**

Toyon will attend four on-site meetings to be scheduled annually with Toyon engagement executive and LHH management. Conference calls will be scheduled on an as-needed basis regarding audits, cost report preparation, or other significant reimbursement issues.

**B. REIMBURSEMENT SERVICES****Task 2**

Toyon will assist Administrative Staff to analyze, interpret, and determine potential financial impact associated with new and proposed laws/regulations.

**Task 3-4**

Toyon will prepare the annual LHH Medicare and Medi-Cal cost reports and the Annual OSHP D Financial Disclosure Report using Toyon's proprietary automation software. The reports will be prepared in compliance with all applicable laws, regulations and instructions and within the filing deadlines required by Medicare and OSHPD. A work plan will be developed with LHH's CFO/Controller and regular progress reports will be provided. The report will be filed to ensure that all areas impacting reimbursement are optimally reported. LHH is primarily a skilled nursing facility (SNF) provider. The focus of preparation will involve the proper reporting of SNF costs for future Medi-Cal reimbursement purposes. Toyon will provide recommendations to ensure conformity with applicable regulations, including but not limited to:

- Review Wage Index and Occupational Mix Data for accuracy.
- Prepare revenue analysis and projections, as requested. LHH does not have an automated logging system
- Reconcile general ledger revenues to PS&R summary.
- Develop a methodology to extract ASC; Radiology and Other Part B charges.
- Develop a methodology to allocate physician compensation and Part A vs. Part B vs. teaching time to assigned cost centers.

**Task 5**

Based on the results of the cost report preparations (Task 4), Toyon will prepare and present a management report. LHH has little to no cost report settlement in the cost report filing. The management report primarily will involve a comparison of key data from year to year and quantitative analysis and recommendations for as-filed and audited cost reports.

## Task 6

Toyon will reply to questions from the MAC or State Agencies concerning the cost reports filed and will support the process of audits performed for the cost reports. Toyon will also evaluate the impact of proposed audit adjustments relative to LHH's Medicare and Medi-Cal cost reports for FYE June 30, 2007 and subsequent fiscal periods. Toyon will work to minimize the audit adjustments and will identify issues for potential appeal.

## Task 7

Toyon will prepare an interim rate review and cost settlement analysis for review by LHH's external financial auditors as part of the year-end process for the fiscal years identified under this agreement. The review will be completed based on collaboration with LHH's CFO/Controller.

## Task 8

Toyon will pursue all viable Medicare and Medi-Cal appeals related to all open cost report settlements. Toyon will research all issues and develop documentation for preparation of position papers to Medicare and Medi-cal. The purpose is to recover entitled reimbursement dollars through the appeal process.

## Task 9

Toyon will participate in Medicare and Medi-Cal audits and attend entrance and exit conferences as requested by LHH's CFO/Controller to facilitate audits that result in minimal adjustments impacting reimbursement.

## Task 10

Toyon will review the DP/NF supplemental claims methodology to ensure conformity with regulations and optimize allowable reimbursement under the guidelines of the program.

## Task 11

Under Toyon's Public Hospital Service Team, Toyon will review the AB 915 Medi-Cal Outpatient fee-for-service supplemental claims covering the fiscal years in the term of this agreement. The purpose of the review is to ensure compliance and accuracy in the reported filing.

## Task 12

Toyon will prepare quarterly contractual allowance reviews for LHH for the years identified in the term of this agreement. The review will involve the assessment of the adequacy of contractual allowance reserves on the general ledger for financial reporting purposes.

## Task 13

Toyon will assist LHH with various other projects that will increase reimbursement upon request from LHH management.

**C. INDIVIDUAL OR GROUP APPEALS**

TOYON will advise LHH of appeal issue(s) that it believes should be pursued. If LHH agrees to pursue the issue(s), it will sign and execute an agreement with TOYON for each of the appeals which it wishes to participate on a contingency fee basis. If LHH agrees to pursue the issues(s) on a fee-for-service basis, those fees will fall under Section B, Task 8 above. This will include all appeals that are formed prior and during the length of this agreement for which LHH wishes to participate.

**Compensation For Services On A Contingency Fee Basis & No Fees Or Expenses Are Due TOYON Unless Additional Reimbursement Is Realized**

Additional Reimbursement Generated Per Appeal for Each Contract Year April Through March	Contingency Fee Percentage
\$1 though \$666,666	10-15%

Payments for these services will be calculated per the above formula as a percentage of the additional reimbursement realized by TOYON as a result of their work. The additional reimbursement will either be a payment to LHH by the Intermediary or a reduction of an outstanding liability.

**D. PROFESSIONAL SERVICES**

There are times when DPH will require additional professional services. LHH shall submit a written request to TOYON with a Scope of Service. TOYON and LHH shall agree on number of hours and the estimated fees required to complete the project(s). LHH will supplement this contract with additional funds to cover the additional services.

**APPENDIX A-3**

**SCOPE OF WORK**

**Health at Home Agency (HAH)**

HOME CARE REIMBURSEMENT AND COST REPORTING

Task 1

Toyon will assist administrative staff to analyze, interpret and determine potential financial impact associated with new and proposed laws/regulations.

Task 2

Toyon will prepare HAH's Medicare cost report for the fiscal periods under this agreement. The report will be prepared in conjunction with HAH staff and will allow adequate time for review of the report. The report will be completed within the reporting timeframe established by the Medicare program. Given the prospective payment nature of the reimbursement, this filing is largely compliance in nature and typically has no cost report settlement. Current availability of Medicare payment summary information has largely eliminated the need for Medicare logs.

Task 3

Toyon will respond to any inquiries from the intermediary for the Medicare cost reports filed under this agreement during the desk review process. These reports are no longer audited, as the reimbursement is under a prospective payment system (PPS) without any settlements due to/from implications.

Task 4

Upon the request of HAH management, Toyon will present to HAH business and administrative staff written recommendations that will help HAH improve record keeping for the cost report filing, which could help future reimbursement.

Task 5

Toyon will assist HAH with other projects that could help improve reimbursement upon request from HAH management.



**Appendix B**  
**Calculation of Charges**  
**For SFGH/COPC, HAH, & LHH**

**1. Method of Payment**

A. Appendix B-1a – B-5d

Professional Fees

CONTRACTOR shall submit monthly invoices by the fifteenth (15<sup>th</sup>) working day of each month, in the format attached in Appendix F, based upon the number of units of service that were delivered in the immediately preceding month. All deliverables associated with the Services listed in Section 2 of appendix A, times the unit rate as shown in the Program Budgets listed in Section 2 of Appendix B shall be reported on the invoice(s) each month.

Expenses

Contractor shall submit monthly invoices in the format attached in Appendix F, by the fifteen (15<sup>th</sup>) 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.

B. Appendix B-2 and B-4

Contractor shall submit an invoice within thirty (30) days of notification that SFGH/COPC and/or LHH have received additional reimbursement for services identified in Appendix B-2 and Appendix B-4. The invoice amounts will be calculated as 10-15% of the additional reimbursement received by SFGH/COPC and/or LHH. No professional fees or expenses will be billed to SFGH/COPC and/or LHH for these services unless recoveries are made.

**2. Program Budgets and Final Invoice**

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

Budget Summary

Appendix B-1a SFGH/COPC April 1, 2014 – March 31, 2015

Appendix B-1b SFGH/COPC April 1, 2015 – March 31, 2016

Appendix B-1c SFGH/COPC April 1, 2016 – March 31, 2017

Appendix B-1d SFGH/COPC April 1, 2017 – March 31, 2018

Appendix B-2 Budget for Compensation for Appeal Services paid only if SFGH receives additional reimbursement, known as Contingent Fee Services

Appendix B-3a LHH April 1, 2014 – March 31, 2015

Appendix B-3b LHH April 1, 2015 – March 31, 2016

Appendix B-3c LHH April 1, 2016 – March 31, 2017

Appendix B-3d LHH April 1, 2017 – March 31, 2018

Appendix B-4 Budget for Compensation for Appeal Services paid only if LHH receives additional reimbursement, known as Contingent Fee Services

	SFGH	HAF	LHH	TOTAL
April 1, 2014 through March 30, 2015	\$973,896	\$25,962	\$226,688	\$1,226,546
April 1, 2015 through March 30, 2016	\$983,265	\$26,712	\$230,132	\$1,240,109
April 1, 2016 through March 30, 2017	\$994,538	\$27,686	\$234,466	\$1,256,690
April 1, 2017 through March 30, 2018	\$1,005,810	\$28,661	\$238,801	\$1,273,272
April 1, 2014 through March 30, 2018	\$3,957,509	\$109,021	\$930,087	\$4,996,617

(3) CONTRACTOR understands that the CITY may need to adjust sources of revenue and agrees that these needed adjustments will become part of this Agreement by written modification to CONTRACTOR. In event that such reimbursement is terminated or reduced, this Agreement shall be terminated or proportionately reduced accordingly. In no event will CONTRACTOR be entitled to compensation in excess of these amounts for these periods without first being a modification of the Agreement or a revision to Appendix B Budget, as provided for in this section of this Agreement.

C. CONTRACTOR agrees to comply with its Budget as shown in 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. No costs or charges shall be incurred under this Agreement nor shall any payments become due to CONTRACTOR until reports, SERVICES, or both, required under this Agreement are received from CONTRACTOR and approved by the DIRECTOR as being in accordance with this Agreement. CITY may withhold payment to CONTRACTOR in any instance in which CONTRACTOR has failed or refused to satisfy any material obligation provided for under this Agreement.

E. In no event shall the CITY be liable for interest or late charges for any late payments.

# APPENDIX B-1a

## BUDGET

April 1, 2014 – March 31, 2015

### San Francisco General Hospital / Community Outpatient Primary Care Clinics

Team Member	Name
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	16	0
2	Quarterly	30	70	325
3	On-going Sep 14	1	12	60
4	On-going	0	30	0
5	Nov-14	2	4	75
6	Nov-14	4	12	135
7	On-going	2	12	34
8	On-going	4	20	60
9	Quarterly	0	10	0
10	On-going	7	70	200
11	Mar-14	0	4	0
12	On-going	0	40	0
13	On-going	0	0	80
14	On-going	8	40	40
<b>Total Hours</b>		62	340	1,009
<b>Hourly Billing Rate</b>		\$300	\$240	\$150
<b>Total Fees</b>		\$18,600	\$81,600	\$151,350
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 14</b>		\$251,550	\$18,000	\$269,550

## APPENDIX B-1b

### BUDGET

April 1, 2015 – March 31, 2016

#### San Francisco General Hospital / Community Outpatient Primary Care Clinics

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	16	0
2	Quarterly	30	70	325
3	On-going Sep 15	1	12	60
4	On-going	0	30	0
5	Nov-15	2	4	75
6	Nov-15	4	12	135
7	On-going	2	12	34
8	On-going	4	20	60
9	Quarterly	0	10	0
10	On-going	7	70	200
11	Mar-15	0	4	0
12	On-going	0	40	0
13	On-going	0	0	80
14	On-going	8	40	40
<b>Total Hours</b>		62	340	1,009
<b>Hourly Billing Rate</b>		310	245	155
<b>Total Fees</b>		\$19,220	\$83,300	\$156,395
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 14</b>		\$258,915	\$19,000	\$277,915

# APPENDIX B-1c

## BUDGET

April 1, 2016 – March 31, 2017

### San Francisco General Hospital / Community Outpatient Primary Care Clinics

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	16	0
2	Quarterly	30	70	325
3	On-going Sep 16	1	12	60
4	On-going	0	30	0
5	Nov-16	2	4	75
6	Nov-16	4	12	135
7	On-going	2	12	34
8	On-going	4	20	60
9	Quarterly	0	10	0
10	On-going	7	70	200
11	Mar-16	0	4	0
12	On-going	0	40	0
13	On-going	0	0	80
14	On-going	8	40	40
<b>Total Hours</b>		62	340	1,009
<b>Hourly Billing Rate</b>		320	255	160
<b>Total Fees</b>		\$19,840	\$86,700	\$161,440
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 14</b>		\$267,980	\$20,000	\$287,980

## APPENDIX B-1d

### BUDGET

April 1, 2017 – March 31, 2018

#### San Francisco General Hospital / Community Outpatient Primary Care Clinics

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	16	0
2	Quarterly	30	70	325
3	On-going Sep 17	1	12	60
4	On-going	0	30	0
5	Nov-17	2	4	75
6	Nov-17	4	12	135
7	On-going	2	12	34
8	On-going	4	20	60
9	Quarterly	0	10	0
10	On-going	7	70	200
11	Mar-17	0	4	0
12	On-going	0	40	0
13	On-going	0	0	80
14	On-going	8	40	40
<b>Total Hours</b>		62	340	1,009
<b>Hourly Billing Rate</b>		330	265	165
<b>Total Fees</b>		\$20,460	\$90,100	\$166,485
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 14</b>		\$277,045	\$21,000	\$298,045

## APPENDIX B-2

### BUDGET

April 1, 2014 – March 31, 2018

#### San Francisco General Hospital / Community Outpatient Primary Care Clinics

TOYON will advise SFGH/COPC of appeal issue(s) that it believes should be pursued. If SFGH/COPC agrees to pursue the issue(s), it will sign and execute an agreement with the TOYON for each of the appeals which it wishes to participate on a contingency fee basis. If SFGH/COPC agrees to pursue the issues(s) on a fee-for-service basis, those fees will fall under Task 10. This will include all appeals that are formed prior and during the length of this agreement for which SFGH/COPC wishes to participate.

<b>Contract Term</b>	<b>Amount of Additional Reimbursement DPH Realized as a Result of Toyon's Efforts</b>	<b>Toyon's Fee (% of Additional Reimbursement)</b>	<b>Comments</b>
04/1/14 - 03/31/15	\$1 to \$4,000,000	10-15%	New Appeals
04/1/15 - 03/31/16	\$1 to \$4,000,000	10-15%	New Appeals
04/1/16 - 03/31/17	\$1 to \$4,000,000	10-15%	New Appeals
04/1/17 - 03/31/18	\$1 to \$4,000,000	10-15%	New Appeals

**Note:**

1. All new appeals filed on or after 4/1/14 will be subject to a 10-15% contingent fee with a maximum fee of \$600,000 per contract year

## APPENDIX B-3a

### BUDGET

April 1, 2014 – March 31, 2015

Laguna Honda Hospital

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	12	0
2	On-going	4	12	12
3	Jul-14	1	4	8
4	Nov-14	4	12	80
5	Jan-15	2	6	8
6	On-going	4	12	25
7	Nov-14	2	8	20
8	On-going	4	24	60
9	On-going	2	10	24
10	Quarterly	0	12	20
11	Mar-14	0	3	6
12	Quarterly	12	24	75
13	On-going	10	20	20
<b>Total Hours</b>		49	159	358
<b>Hourly Billing Rate</b>		\$300	\$240	\$130
<b>Total Fees</b>		\$14,700	\$38,160	\$46,540
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 13</b>		\$99,400	\$3,000	\$102,400



# APPENDIX B-3b

## BUDGET

April 1, 2015 – March 31, 2016

Laguna Honda Hospital

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	12	0
2	On-going	4	12	12
3	Jul-15	1	4	8
4	Nov-15	4	12	80
5	Jan-16	2	6	8
6	On-going	4	12	25
7	Nov-15	2	8	20
8	On-going	4	24	60
9	On-going	2	10	24
10	Quarterly	0	12	20
11	Mar-15	0	3	6
12	Quarterly	12	24	75
13	On-going	10	20	20
<b>Total Hours</b>		49	159	358
<b>Hourly Billing Rate</b>		\$310	\$245	\$135
<b>Total Fees</b>		\$15,190	\$38,955	\$48,330
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 13</b>		\$102,475	\$3,000	\$105,475

## APPENDIX B-3c

### BUDGET

April 1, 2016 – March 31, 2017

Laguna Honda Hospital

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	12	0
2	On-going	4	12	12
3	Jul-16	1	4	8
4	Nov-16	4	12	80
5	Jan-17	2	6	8
6	On-going	4	12	25
7	Nov-16	2	8	20
8	On-going	4	24	60
9	On-going	2	10	24
10	Quarterly	0	12	20
11	Mar-16	0	3	6
12	Quarterly	12	24	75
13	On-going	10	20	20
<b>Total Hours</b>		49	159	358
<b>Hourly Billing Rate</b>		\$320	\$255	\$140
<b>Total Fees</b>		\$15,680	\$40,545	\$50,120
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 13</b>		\$106,345	\$3,000	\$109,345

# APPENDIX B-3d

## BUDGET

April 1, 2017 – March 31, 2018

Laguna Honda Hospital

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	4	12	0
2	On-going	4	12	12
3	Jul-17	1	4	8
4	Nov-17	4	12	80
5	Jan-18	2	6	8
6	On-going	4	12	25
7	Nov-17	2	8	20
8	On-going	4	24	60
9	On-going	2	10	24
10	Quarterly	0	12	20
11	Mar-17	0	3	6
12	Quarterly	12	24	75
13	On-going	10	20	20
<b>Total Hours</b>		49	159	358
<b>Hourly Billing Rate</b>		\$330	\$265	\$145
<b>Total Fees</b>		\$16,170	\$42,135	\$51,910
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 13</b>		\$110,215	\$3,000	\$113,215

## APPENDIX B-4

### BUDGET

April 1, 2014 – March 31, 2018

#### Laguna Honda Hospital

TOYON will advise LHH of appeal issue(s) that it believes should be pursued. If LHH agrees to pursue the issue(s), it will sign and execute an agreement with the TOYON for each of the appeals which it wishes to participate on a contingency fee basis. If LHH agrees to pursue the issues(s) on a fee-for-service basis, those fees will fall under Task 10. This will include all appeals that are formed prior and during the length of this agreement for which LHH wishes to participate.

<b>Contract Term</b>	<b>Amount of Additional Reimbursement DPH Realized as a Result of Toyon's Efforts</b>	<b>Toyon's Fee (% of Additional Reimbursement)</b>	<b>Comments</b>
04/1/14 - 03/31/15	\$1 to \$666,666	10-15%	New Appeals
04/1/15 - 03/31/16	\$1 to \$666,666	10-15%	New Appeals
04/1/16 - 03/31/17	\$1 to \$666,666	10-15%	New Appeals
04/1/17 - 03/31/18	\$1 to \$666,666	10-15%	New Appeals

Note:

1. All new appeals filed on or after 4/1/14 will be subject to a 10-15% contingent fee with a maximum fee of \$100,000 per contract year

**APPENDIX B-5a**

**BUDGET**

April 1, 2014 – March 31, 2015

Health at Home

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	1	16	8
2	Nov-14	1	4	32
3	On-going	1	4	8
4	Jan-15	2	4	8
5	On-going	4	12	20
<b>Total Hours</b>		9	40	76
<b>Hourly Billing Rate</b>		\$300	\$240	\$130
<b>Total Fees</b>		\$2,700	\$9,600	\$9,880
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 5</b>		\$22,180	\$1,000	\$23,180

## APPENDIX B-5b

### BUDGET

April 1, 2015 – March 31, 2016

#### Health at Home

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	1	16	8
2	Nov-15	1	4	32
3	On-going	1	4	8
4	Jan-16	2	4	8
5	On-going	4	12	20
<b>Total Hours</b>		9	40	76
<b>Hourly Billing Rate</b>		\$310	\$245	\$135
<b>Total Fees</b>		\$2,790	\$9,800	\$10,260
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 5</b>		\$22,850	\$1,000	\$23,850

## APPENDIX B-5c

### BUDGET

April 1, 2016 – March 31, 2017

#### Health at Home

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	1	16	8
2	Nov-16	1	4	32
3	On-going	1	4	8
4	Jan-17	2	4	8
5	On-going	4	12	20
<b>Total Hours</b>		9	40	76
<b>Hourly Billing Rate</b>		\$320	\$255	\$140
<b>Total Fees</b>		\$2,880	\$10,200	\$10,640
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 5</b>		\$23,720	\$1,000	\$24,720

# APPENDIX B-5d

## BUDGET

April 1, 2017 – March 31, 2018

### Health at Home

<b>Team Member</b>	<b>Name</b>
Engagement Executive:	Ronald Knapp
Financial/Reimbursement Team Leader:	Nancy Kaatz

Task	Estimated Completion Date (Month/Year)	Engagement Team Hours / Fees		
		Executive	Team Leader	Professional Staff
1	On-going	1	16	8
2	Nov-17	1	4	32
3	On-going	1	4	8
4	Jan-18	2	4	8
5	On-going	4	12	20
<b>Total Hours</b>		9	40	76
<b>Hourly Billing Rate</b>		\$330	\$265	\$145
<b>Total Fees</b>		\$2,970	\$10,600	\$11,020
		<b>Fees</b>	<b>Expenses</b>	<b>Grand Total</b>
<b>Total Not-to-Exceed Tasks 1 – 5</b>		\$24,590	\$1,000	\$25,590





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
12/23/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Direct-Link Insurance Services, LLC License Number 0C69145 7200 Redwood Blvd Suite 400 Novato CA 94945	CONTACT NAME: Gail Hodges	
	PHONE (A/C No. Ex): (415) 892-8575 FAX (A/C No.): (415) 899-8668 E-MAIL ADDRESS: hodgeag@dlink.com	
INSURED Toyon Associates Inc. 1800 Sutter St., Ste. 600 Concord CA 94520	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A: Valley Forge Insurance Company	20508
	INSURER B: Continental Casualty Company	20443
	INSURER C: Capital Specialty Ins. Corp.	10328
	INSURER D:	
	INSURER E:	

COVERAGES CERTIFICATE NUMBER: CL13122309354 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL/SUBR INSR   WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	4031148743	1/1/2014	1/1/2015	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS	X	4031148743	1/1/2014	1/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB DED RETENTION \$		4031150539	1/1/2014	1/1/2015	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	4029347399	1/1/2014	1/1/2015	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	PROFESSIONAL LIABILITY		8GC03979-01	1/1/2014	1/1/2015	EA. ERRONEOUS ACT 5,000,000 AGGREGATE 5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
CITY & COUNTY OF SAN FRANCISCO, ITS OFFICERS, AGENTS, EMPLOYEES ARE NAMED AS ADDITIONAL INSUREDS PER SB-146932-D 07/09, BUT ONLY INsofar AS THE OPERATIONS UNDER CONTRACT ARE CONCERNED - GL & AUTO LIABILITY ARE PRIMARY INSURANCE TO ANY OTHER INSURANCE AVAILABLE. CERTIFICATE HOLDER IS GRANTED A 30 DAY NOTICE OF CANCELLATION WITH THE EXCEPTION OF A 10 DAY NOTICE FOR NON PAYMENT OF PREMIUM

### CERTIFICATE HOLDER

San Francisco Department of Public Health  
Office of Contract Mgmt. Compliance  
Junko Craft  
10 Howard St., #442  
San Francisco, CA 94103

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**BLANKET ADDITIONAL INSURED - LIABILITY EXTENSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Policy.

**1. ADDITIONAL INSURED - BLANKET VENDORS**

WHO IS AN INSURED is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
  - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - b. Any express warranty unauthorized by you;
  - c. Any physical or chemical change in the product made intentionally by the vendor;
  - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
  - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omission or those of its

employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Subparagraphs d. or f.; or
  - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
  3. This provision 2. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Policy.
  4. This provision 2. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Policy or by endorsement.

**2. MISCELLANEOUS ADDITIONAL INSUREDS**

WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs 2.a. through 2.h. below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

1. Currently in effect or becoming effective during the term of this policy; and
2. Executed prior to the "bodily injury," "property damage" or "personal and advertising injury," but

Only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

**a. Additional insured - Your Work**

That person or organization for whom you do work is an additional insured solely for liability due to your negligence specifically resulting

from your work for the additional insured which is the subject of the written contract or written agreement. No coverage applies to liability resulting from the sole negligence of the additional insured.

The insurance provided to the additional insured is limited as follows:

(1) The Limits of insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of insurance are inclusive of, and not in addition to, the Limits of insurance shown in the Declarations.

(2) The coverage provided to the additional insured by this endorsement and paragraph F.8. of the definition of "insured contract" under *Liability and Medical Expenses Definitions* do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

(3) The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services.

**b. State or Political Subdivisions**

A state or political subdivision subject to the following provisions:

(1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

(a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, holistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or

(b) The construction, erection, or removal of elevators; or

(2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

**c. Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

- (1) Their financial control of you; or
- (2) Premises they own, maintain or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such additional insured.

**d. Managers or Lessors of Premises**

A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

**e. Mortgages, Assignee or Receiver**

A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

**f. Owners/Other Interests - Land is Leased**

An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to lease that land; or

000035

www.aaa.com/insurancesolutions/362716

- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

**g. Co-owner of Insured Premises**

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

**h. Lessor of Equipment**

Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their written contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

Any insurance provided to an additional insured designated under paragraphs b. through h. above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard."

**3. The following is added to Paragraph H. of the BUSINESSOWNERS COMMON POLICY CONDITIONS:**

**H. Other insurance**

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

**4. LEGAL LIABILITY - DAMAGE TO PREMISES**

- A. Under B. Exclusions, 1. Applicable to Business Liability Coverage, Exclusion k.**

Damage To Property, is replaced by the following:

**k. Damage To Property**

"Property damage" to:

1. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the insured;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly in your behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2 of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 1, 3, and 4, of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises:

- (1) rented to you;
- (2) temporarily occupied by you with the permission of the owner, or
- (3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D - Liability and Medical Expenses Limits of Insurance.