

COUNTY OF VENTURA CONTRACT NUMBER **HCA-ECG-PNP112021**

This Contract is hereby entered into by and between the County of Ventura (County) and ECG Management Consultants, LLC ("Contractor" or "ECG") (collectively, parties).

WITNESSETH

WHEREAS, it is necessary and desirable that Contractor be engaged by County for the purpose of consulting services for physician network panel hereinafter described.

NOW, THEREFORE, IT IS HEREBY AGREED by the parties as follows:

1. **SERVICES TO BE PERFORMED BY CONTRACTOR**

Contractor will perform services for County in accordance with the terms, conditions and specifications set forth herein and in Attachment A, which is incorporated herein by reference.

2. **PAYMENTS**

For services rendered in accordance with all terms, conditions and specifications set forth herein and in Attachment A, County will make payment to Contractor in the amount and in the manner specified in Attachment A.

3. **INDEPENDENT CONTRACTOR**

Contractor is an independent contractor, and no relationship of employer and employee is created by this Contract. Neither Contractor nor any of the persons performing services for Contractor pursuant to this Contract, whether said person be a member, partner, employee, subcontractor or otherwise of Contractor, will have any claim under this Contract or otherwise against County for sick leave, vacation pay, retirement benefits, social security, workers' compensation, disability, unemployment insurance benefits, or other employee benefits of any kind.

Except as provided in this Contract, Contractor in the performance of the services hereunder agreed to be performed is subject to the control or direction of County solely as to the results to be accomplished by the services and not as to the means and methods for accomplishing the results.

If, in the performance of this Contract, any third persons are employed by Contractor, such persons will be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, and applicable requirements of law will be the responsibility of and determined by Contractor, and County will have no right or authority over such persons or the terms of such employment, except as provided in this Contract.

Contractor will comply with all applicable provisions of the Worker's Compensation Insurance and Safety Act of the State of California (codified as amended commencing at Labor Code section 3200), including, without limitation, divisions 4 and 5 of the California Labor Code, and all amendments thereto, and all similar state and federal laws, and will indemnify and hold harmless County from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorney fees and costs, presented, brought or recovered against County, for or on account of any liability under any of said laws which may be incurred by reason of any work to be performed under this Contract.

4. **NON-ASSIGNABILITY**

Contractor will not assign this Contract or any portion thereof to a third party without the prior written consent of County, and any attempted assignment without such prior written consent will be null and void and will be cause, at County's sole and absolute discretion, for immediate termination of this Contract. County may withhold its consent to assignment at its discretion.

5. **TERM**

The term of this Contract will commence on November 10, 2021 and be in effect through March 31, 2022, unless earlier terminated pursuant to the terms and conditions set forth herein.

This Contract may, upon mutual agreement, be extended for up to two (2) additional one (1) year periods.

Continuation of the Contract is subject to the appropriation of funds for such purpose by County's Board of Supervisors. If funds to effect such continued payment are not appropriated, County may terminate this Contract and Contractor will relieve County of any further obligation hereunder.

6. **TERMINATION**

County may terminate this Contract at any time for any reason by providing ten (10) days' written notice to Contractor. In the event of termination under this section, Contractor will be paid for all work provided to the date of termination, as long as such work meets the terms and conditions of this Contract. Contractor hereby expressly waives any and all claims for damages or compensation arising under this Contract except as set forth in this section in the event of such termination. This right of termination belonging to County may be exercised without prejudice to any other remedy to which County may be entitled at law or under this Contract.

7. **DEFAULT; TERMINATION AFTER DEFAULT**

If Contractor defaults in the performance of any term or condition of this Contract, Contractor must cure that default by satisfactory performance within ten (10) days after service upon Contractor of written notice of the default. If Contractor fails to cure the default within that time, then County may terminate this Contract without further notice. The foregoing requirement for written notice and opportunity to cure does not apply to a termination pursuant to Section 6.

8. **INDEMNIFICATION AND HOLD HARMLESS – INTENTIONALLY LEFT BLANK**

9. **INSURANCE PROVISIONS**

- A) Contractor, at Contractor's sole cost and expense, will obtain and maintain in full force during the term of this Contract the following types of insurance:
- 1) General liability "occurrence" coverage in the minimum amount of \$1,000,000 combined single limit (CSL) bodily injury and property damage each occurrence and \$2,000,000 aggregate, including personal injury, broad form property damage, products/completed operations, broad form blanket contractual and \$50,000 fire legal liability.
 - 3) Workers' compensation coverage, in full compliance with California statutory requirements, for all employees of Contractor and employer's liability coverage in the minimum amount of \$1,000,000.
 - 4) Professional liability coverage in the minimum amount of \$1,000,000 each occurrence and \$2,000,000 aggregate.
- B) All insurance coverage Contractor is required to obtain and maintain will be primary coverage as respects County, and any insurance or self-insurance maintained by County will be excess of Contractor's insurance coverage and will not contribute to it.
- C) County is to be notified immediately if any aggregate insurance limit is exceeded. Contractor must purchase additional coverage to meet requirements.
- D) For the general liability insurance required above, County is to be named as additional insureds as respects work done by Contractor under the terms of this Contract.
- E) Contractor agrees to waive all rights of subrogation against County and its boards, agencies, departments, officers, employees, agents and volunteers for losses arising directly or indirectly from the services, work and/or activities performed under the terms of this Contract.

- F) Policies will not be canceled, non-renewed or reduced in scope of coverage until after sixty (60) days' written notice has been given to County's Risk Management Division.
- G) Contractor agrees to provide County with the following insurance documents on or before the commencement date of this Contract:
 - 1. Certificates of Insurance for all required coverage.
 - 2. Additional Insured endorsement for general liability insurance.
 - 3. Waiver of Subrogation endorsement (also known as Waiver of Transfer Rights of Recovery Against Others, Waiver of Our Right to Recover from Others) for workers' compensation insurance.

Failure to provide these documents will be, at County's sole discretion, grounds for immediate termination of this Contract or suspension of the commencement date.

10. **SUBSTITUTION OF PERSONNEL**

If Attachment A identifies specific personnel of Contractor to work on this Contract, Contractor will not assign others to work in their place without advance written approval of County. Any substitution will be with a person of commensurate experience and knowledge.

11. **CONTRACTOR INVESTIGATION AND RESEARCH; ENTIRE UNDERSTANDING**

Contractor by investigation and research has acquired reasonable knowledge of all conditions affecting the services to be performed under this Contract, and Contractor acknowledges that Contractor's execution of this Contract is based on such investigation and research, and not upon any representation made by County or any of its officers, agents or employees, except as provided herein. This Contract supersedes all previous agreements, understandings and representations of any nature whatsoever, whether oral or written, between the parties hereto, and constitutes the entire understanding between them, regarding the subject matter hereof. Contractor acknowledges that no representations, inducements or promises have been made by or on behalf of County except those expressly set forth herein and that no representation, inducement or promise not contained in this Contract will be valid or binding against County.

12. **CONTRACT MONITORING**

County will have the right to review the work being performed by Contractor under this Contract at any time during Contractor's usual working hours. Review, checking, approval or other action by County will not relieve Contractor of Contractor's responsibility for the thoroughness of the services to be provided

hereunder. This Contract will be administered on behalf of County by Health Care Agency Director or his or her authorized representative.

13. **CHANGES TO CONTRACT**

County may from time to time require changes in the scope of the services or other terms or conditions of this Contract. Such changes, including any increase or decrease in the amount of Contractor's compensation, which are mutually agreed upon by the parties will be effective only when set forth in a written amendment to this Contract signed by the parties.

14. **CONFLICT OF INTEREST**

Contractor covenants that Contractor presently has no interest, including, but not limited to, other projects or independent contracts, and will not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Contract. Contractor further covenants that in the performance of this Contract no person having such interest will be employed or retained by Contractor under this Contract.

15. **CONFIDENTIALITY**

Any reports, information, data, statistics, forms, procedures, systems, studies, communications or other forms of knowledge given to or prepared or assembled by Contractor under this Contract which County requests in writing to be kept confidential will not be made available to any individual or organization by Contractor without the prior written approval of the County except as authorized by law.

16. **NOTICES**

All notices required under this Contract will be made in writing and addressed or delivered as follows:

TO COUNTY: COUNTY OF VENTURA
HEALTH CARE AGENCY DIRECTOR
5851 THILLE STREET, 1ST FLOOR
VENTURA, CALIFORNIA 93003

TO CONTRACTOR: ECG Management Consultants
ATTN: John Fink, Principal
11512 El Camino Real, Suite 200
San Diego, CA 92130

Either party may, by giving written notice in accordance with this paragraph, change the names or addresses of the persons or departments designated for receipt of future notices. When addressed in accordance with this paragraph

and deposited in the United States mail, postage prepaid, notices will be deemed given on the third day following such deposit in the United States mail. In all other instances, notices will be deemed given at the time of actual delivery.

19. **WORK PRODUCTS**

On completion or termination of this Contract, County will be entitled to immediate possession of and Contractor will furnish on request, all computations, plans, correspondence and other pertinent data gathered or computed by Contractor for this particular Contract prior to any termination. Contractor may retain copies of said original documents for Contractor's files.

20. **GOVERNING LAW**

The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties under this Contract, will be construed pursuant to and in accordance with the laws of the State of California.

21. **SEVERABILITY OF CONTRACT**

If any term of this Contract is held by a court of competent jurisdiction to be void or unenforceable, the remainder of the Contract terms will remain in full force and effect and will not be affected.

22. **CUMULATIVE REMEDIES**

The exercise or failure to exercise of legal rights and remedies by the County of Ventura in the event of any default or breach hereunder will not constitute a waiver or forfeiture of any other rights and remedies, and will be without prejudice to the enforcement of any other right or remedy available by law or authorized by this Contract.

23. **COMPLIANCE WITH LAWS**

Each party to this Contract will comply with all applicable laws.

24. **CONSTRUCTION OF COVENANTS AND CONDITIONS**

Each term and each provision of this Contract will be construed to be both a covenant and a condition.

25. **ACCESS TO AND USE OF COUNTY TECHNOLOGY**

As part of this Contract Contractor shall agree with and abide by the provisions set forth in the Ventura County Non-Employee Information Technology Usage Policy, which by this reference is made a part hereof. Any employee, sub-contractor, or agent of the Contractor who will access (which shall include, but is not limited to, the use, maintenance, repair or installation of) County information

technology in the course of his, or her, work for the County is required to sign the Ventura County Non-Employee Information Technology Usage Policy before accessing, using, maintaining, repairing or installing any County information technology system or component. Information technology shall include, but is not limited to, the network, Internet access, electronic mail, voice mail, voice message systems, facsimile devices, or other electronic or telecommunication systems used by the County.

**BALANCE OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOLLOWS**

COUNTY OF VENTURA

CONTRACTOR*

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date

Tax Identification Number

ATTACHMENT "A"

Understanding the Situation

This engagement will assist the Health Care Agency (HCA) in the planning and implementation of a Provider Network Panel (PNP). HCA providers are now part of Valley Care Independent Physician Association (IPA). Through Valley Care IPA, the PNP at HCA has approximately 4,000 attributed lives for commercial and Medicare Advantage (MA) members. HCA would like to establish its own PNP. The PNP can also be viewed in the market as an Independent Physician Association (IPA) that is sponsored by HCA. The HCA physician network would like to stand alone and contract directly with the health plans. As HCA looks to the future, the PNP will support the vision of attracting more commercial and MA patients and allow HCA patients to age into an MA health plan. ECG will provide support and leadership, IPA expertise, and experience in California to help HCA answer the following questions:

- What are the options and time frames for exiting the Valley Care IPA Contract?
- Would the PNP be attractive to the health plans?
- Can the PNP meet network adequacy requirements? What are the gaps in the network?
- What would delegated status mean for the PNP? What are the pros and cons of delegated status?
- What organizational and operational structure would be most appropriate?
- Should HCA consider an internal management services organization (MSO) structure to support the PNP, or should these services be contracted from an existing MSO?
- What administrative and support services could be provided by HCA? What could be provided now, developed or contracted?
- Can HCA define the risks associated with the PNP model, and identify how to balance risk and reward?
- How does HCA test the potential desirability of a PNP with the health plans?
- What will be the required investment and start-up costs?

Proposed Approach

ECG understands HCA has market strength based upon its federally qualified health centers (FQHC) and access to primary care and specialists. HCA would like to build upon this employed and affiliated physician network to establish a stand-alone PNP and compete for commercial and MA patients.

ECG recommends that a steering committee be formed to guide, direct, and oversee this engagement. The planning and implementation process will need active participation from key stakeholders. As needed, ECG will support, guide, and direct the steering committee to assure that key milestones are met. Also, ECG recommends an executive sponsor be designated to assist in meeting planning, communication, interviews, data gathering, etc.

This engagement will need multiple phases to work through a process to determine the best IPA model for HCA. ECG envisions four phases for this engagement. Those phases are as follows:

- **Phase One:** Situational Assessment
- **Phase Two:** PNP Model Review and Readiness Assessment
- **Phase Three:** PNP Testing with the Health Plans
- **Phase Four:** Implementation Support (not included in this statement of work)

ECG understands that HCA has already begun work on a number of planning issues associated with abstracting itself from the Valley Care IPA and standing up a PNP. ECG will not duplicate those efforts, but rather use those materials and documents to advance the engagement and work side by side with HCA leadership to further the effort. Each phase will have specific deliverables, and input and feedback from the steering committee will ensure that key stakeholders are appropriately engaged in the process.

Phase One	Situational Assessment
Task One: Initiate the Project	
<p>ECG recommends the establishment of a project governance structure that will guide, direct, and assure progress. This step will include creating a steering committee to guide decision-making and oversee the overall progress of the project. We expect that the steering committee will remain intact throughout the project to provide feedback and approve decisions as the project moves forward.</p> <p>ECG will initiate this engagement with a formal kickoff meeting between the ECG team, the HCA executive sponsor, and other key stakeholders. The executive sponsor will serve as the primary contact for the ECG team and will support ECG in gathering the required data and information. The executive sponsor will also support the coordination of required interviews and meetings, receive and convey updates regarding engagement progress, and resolve any issues that may occur during the project.</p> <p>The kickoff meeting will confirm key project objectives and establish logistics that include the following:</p> <ul style="list-style-type: none">• Identify a governance or leadership body to serve as the steering committee.• Confirm and/or revise the engagement work steps and timelines.• Define ECG and HCA team member roles and responsibilities.• Choose the desired meeting frequency and communication methods.• Plan the project timeline and major milestones. Task Two: Conduct Interviews <p>ECG will conduct interviews with key stakeholders and leaders. The purpose of the interviews is to make sure key stakeholders are included, opinions and thoughts are shared, and consensus areas are documented. ECG recommends 6-8 leaders be identified for interviews. ECG will also gather and review the work that has already been accomplished by HCA.</p>	

Phase One

Situational Assessment

Deliverables

- ❖ Project timeline with a proposed meeting schedule
- ❖ Interviews with key stakeholders and summary of findings

Phase Two

PNP Model Review and Readiness Assessment

Task Three: Review Provider Network Panel

ECG will work with HCA leadership and review the PNP panel, which consists of employed and contracted physicians. ECG understands that much of this work has already been accomplished. ECG will provide a gap analysis on the physician network. This review will also assist HCA in determining potential opportunities to grow the specialty physician network. Topics to be covered during this task include:

- Network development, adequacy and gap analysis.
- Geographical limitations of the PNP network, considering service locations and zip codes.
- The composition of primary care and specialty physicians.
- Operational services to be provided, or contracted for management and administrative services for PNP
- Ancillary services network and patient access.

Task Four: Delegation Status Review and Readiness Assessment

For health maintenance organization contracting, the PNP will need to qualify for the “delegated model.” The readiness assessment in this task will inform the financial, operational and capital costs of the delegated model. The PNP will need to assume financial risk for taking care of a defined patient population, in return for a fixed, per member per month payment or a percentage of premium. As part of this task, ECG will advise HCA on the requirements of delegation, costs, investments, and time frames. ECG will provide a readiness assessment including the financial risk of the delegated model for HCA.

HCA will need to determine if it has the capabilities to support the delegated model with key considerations as follows:

- Authorizations for services
- Utilization and care management requirements
- Claims processing and payment
- Claims appeals and dispute resolution processes
- Risk management services
- Ancillary services contracting (if needed)

Phase Two

PNP Model Review and Readiness Assessment

- Physician contacting in the event of a network adequacy gap

Task Five: Valley Care IPA Contract Review and Strategy

During this task, ECG will review the current Valley Care IPA contract to determine the following:

- Implications of exiting the Valley Care IPA contracts
- Ability to exit the contract
- Time frames for exiting
- Consideration for the PNP to be a “pod” within Valley Care IPA – assuming risk and capturing referrals to Ventura County Medical Center
- Other strategic considerations

Task Six: Governance Structure Review and Development

ECG will work collaboratively with HCA to develop a proposed governance structure for the PNP. Governance structure topic will include but not be limited to the following:

- Governance purpose
- Governance composition
- Rights and responsibilities
- Strategy and rate review (advisory)
- Communication and messaging
- Other topics as required

Deliverables

- ❖ Provider Network Panel Review
- ❖ Delegated Model Readiness and Risk Assessment
- ❖ Gap Analysis on Network Adequacy
- ❖ Due Diligence on Operationalizing the PNP
- ❖ Plan to Exit Valley Care IPA
- ❖ Governance Structure Recommendations

Phase Three

PNP Model Testing with the Health Plans and the PNP

Task Seven: Select the Health Plan Targets and Pitching HCA

ECG can support and advise the discussion with the commercial payors as directed by HCA. Key commercial health plan targets would likely include:

- Aetna

Phase Three	PNP Model Testing with the Health Plans and the PNP
<ul style="list-style-type: none"> • Anthem Blue Cross • Blue Shield of California • Cigna • UnitedHealthcare <p>ECG recommends developing and presenting to health plans and medical groups an executive level pitch deck about the PNP. Potential topics to be included in the pitch deck would include the following:</p> <ul style="list-style-type: none"> • PNP differentiators from existing market competitors • Product participation (e.g., commercial, Medicare Advantage, and health exchanges) • PNP risk-taking level • Competitive hospital rates • Market needs from a provider and payer perspective • Next steps and time frames <p>Deliverables</p> <ul style="list-style-type: none"> ❖ Executive Level Pitch Deck ❖ Potential Schedule/Timeline for Presentations 	

Phase Four	Implementation Support
ECG is happy to provide a scope of work and budget for additional implementation and support.	

Project Team

ECG recognizes the importance of this engagement to HCA. The ECG team has a comprehensive understanding of integrated systems of care and the payment mechanisms that support coordinated care delivery and value-based strategies. The ECG project staff will provide any necessary analyses and develop deliverables.

Compensation Schedule

ECG charges for services based on the professional fees and project-related expenses incurred. Table 1 shows the estimated cost of professional fees for each work stream. The professional fees charged will be determined by the actual hours worked on the engagement at the blended hourly rate listed in Table 1.

Table 1: Anticipated Effort and Fees

Phases	Hourly Blended Rate	High Hourly Range	Total Fees
Phase One: Situational Assessment (Includes 4 Steering Committee Meetings)	\$380	160	\$60,800
Phase Two: PNP Model Review	\$380	240	\$91,200
Phase Three: PNP Testing with the Health Plans	\$380	75	\$28,500
Total Fees	\$380	475	\$180,500
Travel and Expenses (T&E)			\$27,000
Total Fees and T&E			\$207,500

Project-related travel and expenses will include travel, phone, document production, and other out-of-pocket expenses, and will adhere to the County of Ventura expense reimbursement policy (Administrative Manual - provided to ECG). During the course of the engagement, ECG will bill monthly for services based upon the actual fees and project-related travel and expenses incurred. Payment terms are net 30 days from the receipt of a valid invoice.

Total Contract not-to-exceed is two hundred seven thousand five hundred dollars (\$207,500).