



MEMORANDUM
HEALTH AND HUMAN SERVICES
MEDICAL CLINICS
County of Placer

TO: Board of Supervisors

DATE: July 12, 2016

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services

SUBJECT: Proposed closure of the County-operated Auburn Medical Clinic and the Tahoe Medical and Dental Clinic

ACTION REQUESTED

As a result of the analysis of the County-operated Medical Clinics and the response to the Request for Proposal, the following actions are recommended:

1. Hold a public hearing to receive input on a proposed closure of the County-operated Auburn Medical Clinic and the Tahoe Medical and Dental Clinic (Health & Safety Code Section 1442.5) and the transition of that service to a private service provider, and approve closure of the County run clinics to occur between September 1 and December 31, 2016.
2. Approve the award of Request for Proposals (RFP) No. 10514 for expansion of medical and dental clinic services to Western Sierra Medical Clinic.
3. Approve a transition agreement with Western Sierra Medical Clinic for the period of July 12, 2016 to June 30, 2018 to facilitate the smooth transition of uninterrupted clinical medical services and authorize the Chair of the Board of Supervisors to execute the agreement, and the Director of Health and Human Services to execute subsequent amendments consistent with the agreement's subject matter and scope of work.
4. Authorize the Director of Public Works and Facilities to conclude negotiations and execute a Lease with Western Sierra Medical Clinic for use of the Tahoe Medical Clinic Building at 8665 Salmon Ave., Kings Beach, CA as a medical clinic, on terms consistent with those contained in the draft lease agreement.
5. Designate the Department of Health and Human Services as the agency to provide a 24-hour information service regarding the closure of the County run Medical Clinics in Auburn and Tahoe and Dental Clinic in Tahoe and the alternative availability of such services, and provide for the listing in an appropriate telephone directory, as set forth in Health & Safety Code Section 1442.5(b)(3) and (4).
6. Adopt a Resolution delegating authority to the County Executive Officer to direct the Health and Human Services Director to lay off Medical Clinic employees based on necessity due to a lack of work, pursuant to Placer County Code section 3.08.1090 of the Placer County Code.

BACKGROUND

History

Placer County established Rural Health medical clinics in both Auburn and Tahoe in 1983 as the most cost effective way of providing mandated medical services. The Medical Care Services Program (MCSP) was established to provide medical care to Placer County's indigent residents as required under California Welfare and Institutions Code Section 17000. The Medical Clinic utilized the enhanced Medi-Cal rates provided to Rural Health Centers for those with Medi-Cal.

As the patient population increased in South Placer the County attempted to establish a Rural Health Clinic in that area. However, the higher income and denser population, coupled with an abundance of physicians in the area, did not allow for the Rural Health Center designation. Although a Roseville Medical Clinic was established, the inability to bill Medi-Cal at the enhanced Rural Health Center rate limited its ability to generate sufficient revenue to offset operational expenses.

Financial History

Even with the higher Rural Health Center Medi-Cal reimbursement rate in its Auburn and Tahoe clinics, the Placer County Medical Clinics (PCMC) have required a significant investment of County General Fund each year to offset operational costs. Furthermore, the cost of providing services continues to increase each year at a much higher rate than reimbursements. Excluding dental services, the cost per patient has increased over the past 5 years. The decreasing number of patients seen below was by design to reduce poorly reimbursed services such as immunizations and travel shots that could be provided as part of primary care or privately. This effort was designed to increase revenue, however as seen below, this strategy was ultimately not able to reduce the County General Fund necessary to operate both the PCMC.

Fiscal Year	Patients	Cost per Encounter	County General Fund per encounter
2010-11	11405	\$237	\$116
2011-12	11073	\$243	\$113
2012-13	9573	\$341	\$188
2013-14	7536	\$409	\$188
2014-15	5599	\$379	\$204

During this time Department staff addressed these financial issues by privatizing services, increasing productivity, and limiting services to County residents only. For example, in December 2010, the Auburn Dental Clinic was closed and Chapa De Indian Health Services was contracted to operate these services. In August 2013, with the implementation of Medi-Cal Managed Care, pharmacy services were transitioned to a number of private pharmacies that accepted Medi-Cal reimbursement. In November 2013, the Roseville Medical Clinic was closed and patients were transferred to WellSpace Health, a new Federally Qualified Health Center that had opened a clinic in conjunction with Sutter Roseville Hospital. In August 2015, PCMC stopped serving out-of-county patients. All affected individuals were provided with referral assistance to providers in their county of residence.

Current Status

In the past 12 months approximately 3,000 individuals received 12,600 visits for medical care services in the Auburn Medical Clinic, and 1,000 individuals received 2,400 medical care services in the Tahoe Medical Clinic. These services were mostly primary care but included reproductive health, mental health, and immunizations. In Tahoe approximately 600 individuals received 1,500 visits for dental services. In FY 2015-16 the PCMC costs to provide these services are projected to exceed the revenue generated and therefore require a county general fund subsidy of approximately \$3.9 million. In FY2016-17 the subsidy requirement for the same level of service is budgeted to increase to approximately \$4.6 million.

Analysis/Recommendations: ECG Management Consultants and Pacific Health Consulting Group

The Tahoe Medical Clinic was analyzed by ECG Management Consultants on behalf of Tahoe Forest Hospital and Placer County in November 2015. Their recommendations were to increase provider coverage if expansion of higher reimbursement patients was possible, decrease nursing staff and substitute with multifunctional positions such as Medical Assistants, decrease administrative staff (clerical/management), and decrease salaries. However, they suggested that even if all of the above recommendations were implemented, losses in the Tahoe Clinic would only be reduced by 22 percent, leaving an annual county general fund subsidy of approximately \$760,000.

The Auburn Medical Clinic and the Tahoe Medical and Dental Clinic were also analyzed, at the Department's request, by Pacific Health Consulting Group (PHCG). That analysis determined that the medical clinic providers appear to have a comparable, if somewhat lower, level of productivity as compared to Federally Qualified Health Centers (FQHCs) in California, however the financial losses were much more substantial. These losses do not seem to be related to the revenue per encounter that is received by the Medical Clinics. The loss is the result of the extremely high overall operation and administration costs as compared to FQHCs. For example, in FY 2014-15 the average cost per visit (excluding immunizations) was \$343 at the Tahoe Clinic and \$444 at the Auburn Clinic, compared to the 2013 California FQHC median cost per visit of \$181. Some of these high operational costs are due to high

clinic administration staffing levels. PHCG highlighted that PCMC percent of non-clinical support staff, currently 50 percent, is double the median percent of 21 percent in California FQHC organizations.

PHCG identified one option for reducing the level of financial loss by significantly reducing non-clinical support staff to more closely match those of other FQHCs. Though a reduction in personnel and other administrative expenses would decrease annual financial losses, even significant reductions would not enable the County clinics to operate without continued county general fund subsidies from Placer County. PHCG noted that statewide, all California counties that operate primary care clinics subsidize operations with county funding.

PHCG goes on to recommend:

One potential opportunity for the County would be to transition operation of primary care clinics to non-profit FQHC providers as a cost-saving measure. Several California counties, including San Luis Obispo, Sacramento, and Marin, have transitioned their county clinics or their facilities to non-profit FQHCs. FQHCs offer a number of potential advantages, including lower operating expenses, enhanced Medi-Cal and Medicare reimbursement rates, mandated commitment to serve the uninsured and Medi-Cal enrollees, federal 330 grants to care for the uninsured, and greater flexibility and nimbleness to grow and expand services.

County Responsibility

In January 2014, the implementation of the Affordable Care Act radically altered the health care landscape. First and foremost, almost all indigent adults between the ages of 18 and 64 became eligible for Medi-Cal. Local outreach efforts helped Placer County residents take advantage of health insurance options. This resulted in the increase of those on Medi-Cal from 25,000 to 56,000 while at the same time reducing those on MCSP to zero. California also implemented Medi-Cal Managed Care for all California beneficiaries. Anthem Blue Cross and California Health and Wellness Program plans were selected by the State to operate managed care plans in this region and assume responsibility for serving all local Medi-Cal patients. PCMC has contracted with both of these managed care plans.

Given the transfer of indigent residents from MCSP to Medi-Cal, the great majority of Placer County's statutory responsibilities to provide healthcare have effectively been eliminated. Although a small number of individuals will potentially be eligible for MCSP in the future, costs and required services will be minimal and delivered through contracts with local providers.

Placer County Internal Proposal

The Medical Clinic Program Manager and Medical Director requested the opportunity to submit a proposal that would keep the current county operations in place. Their proposal seeks to reduce the county general fund subsidy by 50 percent over a three year period by adding clinical staff, doubling the number of patients served, renovating a number of clinic rooms, and utilizing several new revenues to support the clinics.

Unfortunately, this plan lacks a number of details to clearly show how this operating deficit would be reduced. Similarly it makes a number of assumptions that are unrealistic. Specifically, the plan suggests:

1. Increasing Clinical Staffing - Clinic staff's proposal calls for increasing clinic staffing by three mid-level practitioners, three medical assistants, and one licensed clinical social worker, resulting in over \$810,000 of new costs. Interesting to note that the PHCG report specifically states that productivity for the mid-level practitioner position in our county clinics only meets 75 percent of the average productivity reported by FQHC clinics.
2. Renovating portions of the existing Auburn Clinic – Clinic staff seek to invest over \$900,000 to add waiting room restrooms and reorganize a few other rooms to improve patient flow. However, these improvements would not be sufficient to upgrade the facility to modern standards to meet Office of Statewide Health Planning and Development certification. This facility is over 70 years old and is at the end of its useful life. It will soon need to be replaced if clinic operations were to continue.

Leadership in the Department of Public Works and Facilities estimated that such a replacement would cost the county general fund at least \$8 million.

3. Utilizing New Revenues to Offset Operating Expenses - Clinic staff propose using one-time recently received Rate Range Inter-Governmental Transfer (IGT) funds of \$1.5 million to offset ongoing operational expenses. However, using such funds to offset Medi-Cal provided clinic services is specifically precluded under this program which is specifically stated in Placer County's contract with the local managed care organizations. Clinic staff also proposes utilizing one-time incentive funding of \$820,000 from Anthem Blue Cross to similarly cover ongoing operational expenses. Relying on the use of one-time only funding for ongoing operational deficits will only lead to increased deficits beyond the end of the current proposed three year plan.

Additional fiscal analysis was completed on the financial plan included in the clinic staff proposal to verify the revenue and expenditure assumptions that were included. For FY 2015-16, this analysis found clinic staff's proposal had both the current revenue and existing staff salary/benefit assumptions too low, included one-time IGT revenue that is not allowed to be used in the clinics, and made no mention at all of the other expenditure categories such as services and supplies, other charges, and intra-fund transfers. It is impossible to analyze the impact to the county general fund subsidy without assuming total revenue and total expenditures. For FY 2016-17 through FY 2018-19, this analysis found clinic staff's proposal also had the salary/benefit costs for the new positions too low and again included one-time IGT revenue that is not allowed to be used in the clinics, while not including any cost increase to the existing staff salary/benefit costs or any mention of the other expenditure categories.

With the assumptions corrected, while still including clinic staff's proposal of significant patient revenue increases, use of one-time incentive funds, and their proposed expenditure cuts, the county general fund subsidy does decrease from approximately \$3.9 million in FY 2015-16 to approximately \$3.3 million in FY 2018-19. This potential \$600,000 decrease represents a 15 percent decrease in county general fund subsidy over three years, not the 50 percent the clinic staff's proposal was attempting to produce.

Overall, the staff proposal does not address the principal causes of the ongoing operating deficit --- expenses associated with high levels of clinic administrative staffing, and the high costs of staff wages, employee benefits, and organizational overhead.

RFP-Award Recommendation

On November 17, 2015 this Board approved the solicitation of organizations qualified to provide medical and dental services to Placer residents by transitioning from the county-operated services in Auburn and Tahoe to an alternative organization. The solicitation was sent to 20 organizations and three associations of providers. There were four respondents to this solicitation. A panel of five members and a Tahoe representative reviewed all proposals and interviewed all responding organizations, and recommended Western Sierra Medical Clinic (WSMC) as the highest scoring proposer.

WSMC was established in 1974 to serve Sierra County with an office in Downieville. WSMC added a mobile clinic in 2009 that allowed services to expand to remote regions of Sierra and Yuba County and to the homeless at Hospitality House in Grass Valley. In 2010 WSMC merged with Miners Clinic in Nevada County to become the leading healthcare provider in both Nevada and Sierra Counties. WSMC is committed to serving low income residents with accessible, quality, medical, dental, and behavioral health services through innovative, patient-centered care.

The WSMC approach is to treat the whole person using the primary care providers as the hub for a patient's health care, bringing in specialists as well as referring out as needed. WSMC's goal is to create a one-stop health center that focuses on the diagnosis and treatment of disease as well as the promotion of healthy lifestyles that reduces unnecessary visits to local emergency rooms. WSMC plans expansions to serve Placer County residents, including our growing elderly population, with the provision of specialty care in OBGYN, integrated behavioral health, substance use disorder medication treatment, state of the art pain management protocols, ophthalmology, orthopedics, podiatry, gastroenterology, and chiropractic. In addition, this year WSMC received a two year federal grant to plan for and implement medication

assisted treatment for persons with substance use disorders. At this time the planning has been completed and services have begun.

The WSMC Board of Directors approved opening a new facility in Auburn which is expected to open this summer. WSMC is currently serving 1,000 Placer patients in their Grass Valley office. WSMC is located in the same complex as Community Recovery Resources, a major substance use services program in contract with Placer County, enhancing services for people needing both substance use treatment and medical care. WSMC will expand the footprint in this location if awarded the transition contract for the PCMCs.

Support for the WSMC proposal was provided by Community Recovery Resources, Dignity Health-Sierra Nevada Memorial Hospital, Sierra College, Placer Independent Resource Services, Hospitality House, County of Nevada County Executive Office, FREED Center for Independent Living, The Health Alliance of Northern California, California State Assemblyman Brian Dahle, California State Senator Ted Gaines, and the California Primary Care Association.

The WSMC proposal allows for an expedited transition of Placer patients in both Auburn and Tahoe to WSMC with no costs to Placer County. The requested agreement is in place to coordinate the transition of care of existing PCMC patients to WSMC, clarify expectations and establish primary care services at the county's Cirby Hills outpatient mental health site to better serve county patients with serious mental illness.

Beilenson Hearing

California Health & Safety Code Section 1442.5 mandates that prior to transitioning medical or health care services your Board holds a public hearing to allow for public input to the proposed service reductions. Per law, the Department has prepared Attachment A describing the proposed service reduction that includes the location, nature of the reduction, number of people affected, and estimated cost savings. This document has been posted in all Public Health Department and Clinic Services locations since at least June 28, 2016 as required. The service reduction described has taken into account public health mandates and mission critical activities, and existing alternative services provided in the community. In fact, the reductions in these services will be offset by the overall increase of services expected to be provided by WSMC. However the direct patient care hours of operation in Tahoe will be reduced from 40 to 30 hours per week. The direct patient care will be consolidated during the public hours of operation and the non-public hours will be available for staff to complete activities that are not direct patient care. In addition, the Chapa De Indian Health Services is also available for medical and dental services for Placer residents on Medi-Cal. Other considerations considered include efficiencies, minimum staffing levels, and health outcome impacts.

This Beilenson Hearing is being held to consider eliminating the provision of county-operated medical services in Auburn and Tahoe and a transfer of patients to a newly established medical service provider. In Auburn, the new provider would be located near the current location but not at the Placer County Government Center. In Tahoe, the new provider will establish a satellite clinic that would operate out of the existing Placer County Tahoe clinic building in Kings Beach, which requires a lease agreement between the new provider and Placer County. The general lease terms would be those as contained in the draft lease agreement which is included in the agenda packet. The lease agreement rental rates are below market for the Tahoe area, however, are above cost to the County except to the extent a major systems repair might need to occur. It is recommended that the below market lease rate be approved as the transition of clinic services utilizing the current Tahoe clinic site would provide needed services to the greater community at a facility that the public is familiar with, would further facilitate the transition of these services, and accordingly would provide for a significant public benefit.

If the closure is approved, it is estimated that the transition of patients may occur between September 1 and December 31, 2016. All patients will receive information by mail about the closure of the county-operated Medical Clinics and their option to transition to WSMC. Per Health & Safety Code Section 1442.5(b)(3) and (4), Health and Human Services will provide a 24-hour telephone line to ensure that all

persons seeking services at the Medical Clinics are further directed to all the options available to them. Per regulation, this hotline will be listed in appropriate telephone directories.

County Staff Implications

The county's two medical clinic sites currently have a total of 30 funded and filled positions, of which four are unclassified. The physicians, mid-levels practitioners, and other clinical staff will have an opportunity to be considered for hire by WSMC. Physicians and mid-level practitioners will also be eligible for WSMC recruitment incentives to join their organization.

HHS has a number of vacant administrative positions throughout its divisions and will transfer all administrative staff to such open positions. It is anticipated that there will be up to nine clinical and clinical support classified positions that could be impacted by a layoff if the employees filling these positions do not choose to transition to employment with WSMC. Therefore, the Department is requesting that the County Executive Officer be granted lay off authority based on necessity due to a lack of work, pursuant to Chapter 3 section 3.08.1090 of the Placer County Code.

FISCAL IMPACT

This is an agreement to transition Auburn Medical Clinic and Tahoe Medical and Dental Clinic services to WSMC. The PCMC FY2016-17 Proposed budget includes a county general fund subsidy of \$4,627,360. With the transition of medical and dental services proposed to occur during the fiscal year, and with the potential for even more time needed to transition all positions to funded vacancies, it is estimated that there will be \$1.8 million in county general fund savings for FY2016-17 as a result of the PCMC closure.

ATTACHMENTS

Attachment A - Notice of Public Hearing

Attachment B - Resolution

Attachment C - Draft Lease

Attachment D - Transition Agreement (Including RFP #10514)

Attachment A

NOTICE OF PUBLIC HEARING ON PROPOSED REDUCTIONS IN HEALTH SERVICES

The Placer County Board of Supervisors will conduct a Beilenson hearing pursuant to Section 1442.5 of the California Health and Safety Code (Beilenson Act) on the proposed closure of the County of Placer Medical Clinics in Auburn and Tahoe and Dental Clinic in Tahoe and transition to privately-operated clinics. The Beilenson Hearing will be held:

*Tuesday July 12, 2016
1:00 p.m.
Placer County Community Development Resource Center
3091 County Center Drive
Auburn CA*

At this hearing, the Board of Supervisors of the County of Placer will consider the impact of the proposed closure of the Medical Clinics in Auburn and Tahoe and Dental Clinic in Tahoe that may affect some of the County's indigent population. Public testimony, both oral and written, will be accepted at this hearing.

The Placer County Department of Health and Human Services has prepared Attachment "A" that describes the Medical Clinics' and Dental Clinic's transition from county-operated clinics to privately-operated clinics that will at minimum continue all currently provided services. The hearing will consider all the items contained within the attachments.

The Board will also consider the closure of the Placer County Medical Clinic in Auburn and the Placer County Medical and Dental Clinic in Tahoe so that services can transition to another provider selected through a Request for Proposal process. The proposed provider is Western Sierra Medical Clinic.

The Board of Supervisors may approve the proposed reductions and/or eliminations, in whole or in part, in order to eliminate and/or reduce the estimated shortfall of available resources.

Further information is available by telephoning the Department of Health and Human Services at 530-886-2915.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PROGRAM/SERVICE: Medical and Dental Services Provided by the Placer County Medical Clinics

LOCATION OF FACILITY OR PROGRAM SERVICES

Medical Clinic, Auburn
11526 C Ave
Auburn, CA 95603
(530) 889-7188

Medical and Dental Clinic, Tahoe
8665 Salmon Ave
Kings Beach, CA 96143
(530) 546-1970

PROPOSED CHANGES:

It is proposed that the Medical Clinic in Auburn and the Medical and Dental Clinic in Tahoe be transitioned to Western Sierra Medical Services. The County proposes to close the current County Medical Clinic in Auburn and transition all interested patients (and interested staff) to a privately operated FQHC approved by the Board of Supervisors selected through a Request For Proposal. This will not reduce offered medical services and could provide for increased services. The organization will be located in Auburn however not at the current location of the Placer County Medical Clinic. It is also proposed to eliminate the current county-operated medical and dental clinic in Tahoe and to transition all interested patients (and interested staff) to the same privately operated Federally Qualified Health (FQHC). The current Tahoe Medical Clinic building will be used and the new clinic provider will establish a satellite clinic in this location. However the direct patient care hours of operation in Tahoe will be reduced from 40 to 30 hours per week. The direct patient care will be consolidated during the public hours of operation and the non-public hours will be available for staff to complete activities that are not direct patient care.

CLIENTS AFFECTED:

This reduction will eliminate all county-operated Medical Services in Auburn and all county-operated Medical and Dental services in Tahoe as those services will be transitioned to a FQHC provider. In the past 12 months approximately 3,000 individuals received 12,600 visits for medical care services in the Auburn Medical Clinic, and 1,000 individuals received 2,400 medical care services in the Tahoe Medical Clinic. These services were mostly primary care but included reproductive health, mental health, and immunizations. In Tahoe approximately 600 individuals had 1,500 visits for dental services.

EXPECTED SAVINGS:

The proposed elimination of county-operated medical services in Auburn and medical and dental services in Tahoe would net an estimated ongoing operational savings of \$3.6 million annually. This reflects the elimination of the subsidy necessary for the county-operated services.

**Placer County Health and Human Services Department
Proposed Medical Service Reduction**

Service	Specific Reduction, Percentage of Reduction and Location	Number of People Affected	Anticipated Ongoing Cost Savings
<p>Medical Care (Auburn and Tahoe Medical Clinic)</p> <ul style="list-style-type: none"> • Health Assessments • Physical exams • Selected Laboratory Services • Diagnosis and treatment for chronic and acute health conditions • Reproductive health/family planning • Immunizations child and adult • Immunizations for the community • Tuberculosis Testing • Referrals to specialists • Sexually Transmitted Disease testing • HIV testing • Teen Clinic (Tahoe) • Occupational Health Immunizations (limited to a few County workers) • Diabetes Education • HIV education • Ability to provide Telehealth <p>Mental Health (Auburn and Tahoe Medical Clinic)</p> <ul style="list-style-type: none"> • Psychiatry • Tele Psychiatry • Medical Management • Consultation for Medical Care Providers • Short term individual counseling • Therapy groups <p>Dental (Tahoe Dental Clinic)</p> <ul style="list-style-type: none"> • General exams • Cleaning • X-Rays • Fillings • Extractions • Dentures • Space maintainers • Crowns • Dental education outreach to schools and community 	<ol style="list-style-type: none"> 1. Eliminate the provision of county-operated Medical Care at the Placer County Auburn Medical Clinic, 11583 C Ave., Auburn, CA 95603 2. Eliminate the provision of county-operated Medical Care at the Placer County Tahoe Medical Clinic, 8665 Salmon Ave, Kings Beach, CA 96143 3. Eliminate the Provision of county-operated dental services at the Placer County Tahoe Medical Clinic, 8665 Salmon Ave, Kings Beach, CA 96143 	<ol style="list-style-type: none"> 1. 3,000 individuals received services in the last year at the Placer County Auburn Medical Clinic. 2. 1,000 Individuals received services in the last year at the Placer County Tahoe Medical Clinic. 3. 600 individuals received dental services in the last year at the Placer County Tahoe Medical Clinic. 	<p align="center">\$3.6 million</p>

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Resol. No: _____

A resolution directing and approving the layoff of Medical Clinic employees based on necessity due to a lack of work, pursuant to Chapter 3 section 3.08.1090 of the Placer County Code.

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held July 12, 2016, by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:

Clerk of said Board

WHEREAS, Placer County Code Chapter 3, section 3.08.1090 provides that layoffs shall be made solely under the direction of the Board of Supervisors, and with Board approval, the county executive officer may direct the department's appointing authority to lay off employees for necessity, based on lack of funds or work;

WHEREAS, the implementation of the Affordable Care Act, in January 2014, radically altered the health care landscape with almost all indigent adults between the ages of 18 and 64 becoming eligible for Medi-Cal; Placer County Medical Clinic contracting with Anthem Blue Cross and California Health and Wellness plans to assume responsibility for serving all local Medi-Cal patients; outreach efforts increasing those on Medi-Cal from 25,000 to 56,000 while reducing those on Medical Care Services Plan (MCSP) to zero;

WHEREAS, the Placer County Medical Clinics requires a significant investment of county general fund each year to offset operational costs; the cost of providing services increases each year at a much higher rate than reimbursements; the cost per patient has risen over the last five years (excluding dental services); and, efforts to limit services that can be provided as part of primary or private care did not reduce the county general fund necessary to operate the Auburn and Tahoe Medical Clinics;

WHEREAS, the Tahoe Medical Clinic was analyzed by ECG Management Consultants in November 2015, on behalf of Tahoe Forest Hospital and Placer County, with resulting recommendations reducing the Tahoe Clinic losses by only 22 percent, leaving significant county general fund subsidy;

WHEREAS, the Placer County Medical Clinics were also analyzed by Pacific Health Consulting Group (PHCG) resulting in the determination that medical clinic providers productivity level is comparable to Federally Qualified Health Centers (FQHCs) in California; however, the financial losses are much more substantial as a result of the extremely high overall operation and administration costs; specifically, Placer County Medical Clinics non-clinical support staff, currently 50 percent, is double the 21 percent median in California FQHCs;

WHEREAS, Placer County issued a Request for Proposal (#10514) to select a contractor to take over provision of medical services provided in Auburn and medical and dental services provided in Tahoe; and,

WHEREAS, Placer County approved the award of the Request for Proposal to Western Sierra Medical Clinic and entered into an agreement with Western Sierra Medical Clinic to operate medical, dental, and behavioral health clinics in Auburn and Tahoe;

NOW, THEREFORE, BE IT RESOLVED, By The Board of Supervisors Of The County Of Placer, State Of California As Follows:

The Board directs the layoff of County employees in the classifications identified below as may become necessary and based on necessity due to a lack of work as related to the transition of County clinical services at the Auburn and Tahoe clinics to Western Sierra Medical Clinic:

- Client Services Assistant
- Community Health Aide II
- Licensed Vocational Nurse
- Medical Assistant
- Mid-Level Practitioner II
- Registered Nurse
- Registered Nurse Supervising
- Utilization Review and Quality Assurance Coordinator

BE IT FURTHER RESOLVED AND ORDERED, the Board delegates to the County Executive Officer the authority under the County Code section 3.08.1090 to determine the timing of layoff. The layoff shall be conducted in accordance with the County Code sections 3.08.1090 through 3.08.1120.

Lease No.

Administering Agency: County of Placer

Lessee: Western Sierra Medical Clinic, Inc.

Location: 8665 Salmon Ave. Kings Beach CA

LEASE AGREEMENT

WHEREAS, the County of Placer Health and Human Services, Adult System of Care ("ASOC") has contracted with Western Sierra Medical Clinic, Inc. (a California non-profit corporation), to provide Clinical Services, hereinafter referred to as ("WSMC").

WHEREAS, such CONTRACT specifies that WSMC shall have the use and possession of the Kings Beach Clinic building pursuant to a Lease Agreement with the County of Placer, hereinafter referred to as (COUNTY).

WHEREAS, COUNTY is willing to lease said Building to WSMC; however, the COUNTY has agreed to charge a reduced rental rate in recognition of the public benefits of providing low cost and public clinic services to North Tahoe residents;

NOW THEREFORE, this Lease Agreement is made and entered into, by and between the COUNTY and, WSMC. WSMC and COUNTY are sometimes hereafter each singularly referred to as "PARTY" and collectively referred to as the "PARTIES." COUNTY and WSMC agree as follows:

BASIC LEASE INFORMATION

This Basic Lease Information is an integral part of this Lease Agreement and all of the terms hereof are incorporated into this Lease Agreement in all respects. In addition to the other provisions which are elsewhere defined in this Lease Agreement, the following, whenever used in this Lease Agreement shall have the meanings set forth below:

PREMISES

Said Premises encompass a two story 2,908 square foot building, parking lot and landscaped grounds located at 8665 Salmon Avenue, Kings Beach, CA, referred to as APN 090-126-025-000, and as more particularly shown on the attached Exhibit A ("Premises").

LEASE TERM

The term of this Lease Agreement ("Term") shall be a period of six (6) years. The Term shall begin on _____ and end on _____. For the purposes of this Lease Agreement, "Lease Year" means a period of twelve (12) consecutive calendar months beginning with the first day of the first calendar month following the commencement date of the Term ("Effective Date").

OPTION TO EXTEND INITIAL TERM

The Initial Term may be extended, at Tenant's option, for _____ years (the "Extended Term") provided WSNC is not in default of any provisions of this Lease beyond any applicable cure period. Tenant must deliver written notice to the County of its intent to exercise the Extended Term no later than One Hundred and Eighty (180) days, but no more than Two Hundred and Seventy (270) days, prior to the end date of the Initial Term. The Extended Term will be granted on the same terms, covenants, and conditions as contained in this agreement except as follows: For the Extended Term the Section 5.0 Monthly Rent will be adjusted to _____. _____ the PARTIES _____ they shall promptly execute an amendment to agreement section 5.0 stating the rent _____.

USE OF PREMISES

During the Term of this Agreement, WSMC is authorized to use Premises for only those purposes and activities as set forth in the Transition Services Agreement entered into between WSMC and the COUNTY on _____ (hereinafter "Use"). WSMC shall not use, or permit said Premises or any part thereof, to be used for any purpose other than the purposes which said Premises are hereby permitted. WSMC agrees not to use or permit the use of the Premises in any illegal manner or conduct any business in or around the Premises in violation of County, State and Federal laws, rules, or regulations.

RENT

Rent shall commence at the monthly rate set forth in section 5.0 of this agreement. Thereafter, the annual rent shall be adjusted pursuant to Section 5.2. Annual Rent Adjustments.

UTILITIES & JANITORIAL

WSMC shall pay for all public utility costs in connection with the use and occupancy of the Premises including, but not limited to, electricity, gas, trash removal, and telephone service per month subject to Section 6 Utilities. WSMC shall be responsible for janitorial services for the Premises.

BALANCE OF PROVISIONS

1. GRANTING CLAUSE:

For and in consideration of the Rent and of the covenants, conditions and agreements herein contained, COUNTY hereby leases to WSMC, and WSMC hereby leases from COUNTY, the Premises referred to in the Basic Lease Information above, to have and to hold for the Lease Term, subject to all of the

terms, covenants and conditions set forth in this Lease Agreement (hereinafter "Agreement).

2. PREMISES:

COUNTY shall lease to WSMC for WSMC's exclusive use; and subject to the terms and conditions set forth in this Agreement, the Premises located at 8665 Salmon Avenue, Kings Beach, CA.

3. USE:

The Premises shall be used, occupied by WSMC exclusively for the operation of a public health clinic. COUNTY, at its sole discretion, may approve, in writing, other or additional uses. No use shall be made or permitted to be made of said Premises, nor acts done, which will increase the existing rate of insurance for the building in which said Premises may be located. WSMC shall not sell or permit to be kept, used or sold in or about said Premises, any article which may be prohibited by standard form of fire insurance policies.

4. LEASE OF COUNTY EQUIPMENT:

COUNTY shall lease to WSMC existing equipment currently located in the Premises and shall be included in the Monthly Rent. The equipment and their value are listed in Exhibit D attached hereto. The COUNTY has no obligation to repair or provide new equipment if any of the equipment breaks and/or fails to operate as intended, and WSMC accepts the equipment on an as-is and where-is basis. Upon Notice from WSMC, COUNTY shall make arrangements to have the broken equipment removed from the Premises. The Premises is leased for the sole purpose of clinic services and the COUNTY's equipment cannot be removed from the Premises without prior written consent from the COUNTY.

5. RENT:

5.0 WSMC hereby agrees to remit to COUNTY as monthly rent for the Premises, the sum of two thousand one hundred eighty-one dollars 00/100 (\$2,181.00) per month (hereinafter "Monthly Rent"). The rent charged is based on an initial rate of approximately seventy-five cents (\$0.75) per square foot. Rent for any partial month's occupancy shall be prorated based on a thirty (30) day period.

5.1 In consideration of improvements to the Premises along with other payments and other obligations by WSMC, payment of rent for the first four (4) months of occupancy of the Initial Term is waived, and all provisions of the lease shall be effective for this period as if rent were fully paid.

5.2 Annual Rent Adjustments: Monthly Rent shall be increased by two percent (2%) per year effective on the first anniversary of the Effective Date (hereinafter "Adjusted Monthly Rent"). Any such adjustment shall take effect no earlier than the anniversary date of the Effective Date.

- 5.3 Additional Rent: Additional Rent constitutes any and all additional fees, charges, expenses, penalties, interest, or any other payment obligations, other than the Monthly Rent and adjustments thereto, that are identified as "Additional Rent" in this Agreement. COUNTY shall charge as Additional Rent and WSMC shall be liable for payment of the total amount of charges, fees, expenses, costs incurred by COUNTY as a result of WSMC failure to perform or fulfill any of the promises, terms, conditions or covenants required of it herein. Unless otherwise provided in the Agreement, Addition Rent shall be due and payable within ten (10) days of the date of written demand.
- 5.4 Payments: WSMC shall pay Monthly Rent to the Public Works and Facilities Accounting Division, in advance of the first day of each calendar month at or by mailing to the address in Section 33. All payments shall be paid in lawful money of the United States of America and shall be paid without deduction, offset, prior notice or demand.
- 5.5 Late Charges: For any payment of Monthly Rent, Additional Rent, or any other charges identified herein as the obligation of WSMC to pay, which is not made within ten (10) days of its due date, WSMC agrees to pay late charges at the rate of ten percent (10%). Late charges shall be calculated from the payment due date and shall accrue on a monthly basis based on the total amount due. Late charges constitute Additional Rent and imposition of the same shall not constitute a waiver of COUNTY'S right to serve a Three-Day Notice to Rent or Quit.
- 5.6 Failure to Pay Rent: If any Rent payment or Additional Rent payment or any charges for which WSMC is obligated to pay has not been paid within ten (10) days following its Due Date, COUNTY may prepare at its sole discretion a three (3) day Notice to Pay Rent or Quit pursuant to Code of Civil Procedure Section 1161.1 and shall constitute a material breach of this Agreement. If COUNTY elects to issue a three day Notice, WSMC account will immediately be charged fifty and no/100 dollars (\$50.00) in this regard.
- 5.7 Interest Charges: WSMC agrees to pay interest on all overdue amounts from the due date until such amounts are paid in full at the rate of ten percent (10%) per annum or such lesser amount as may be the maximum allowed by applicable law. Interest charges shall be calculated from the payment due date and shall accrue on a monthly basis on the total amount past due. Any interest that accrues constitutes Additional Rent.
- 5.8 Miscellaneous Charges: Any charges levied against COUNTY as a result of WSMC's operations, including but not limited to, building fees, TRPA fees and or penalties, medical, sheriff, or fire response charges due to actions by WSMC's agents, contractors, employees or clients shall be billed to WSMC as Additional Rent.
- 5.9 Monthly Rent: For all purposes under this Section 5 and in any suit, action or proceeding of any kind between the PARTIES hereto, and receipt

showing the payment of any sum or sums by COUNTY for or in connection with any work done or material furnished shall be prima facie evidence against WSMC that the amount of such Additional Rent is necessary and reasonable.

- 5.10 Dishonored Checks: Any dishonored check shall be treated as rent unpaid and shall be subject to a late charge as set forth in this Section 5 in addition to any charges levied by the Bank. If WSMC's check has been drawn on insufficient funds or if WSMC has stopped payment on it, COUNTY may serve, in accordance with Code of Civil Procedure Section 1947.3(a)(2), a thirty (30) day written Notice to WSMC that future Monthly Rent payments for a time period to be determined by COUNTY shall be in form of a cashier's check or money order. Any late charges or other costs associated with a dishonored check constitutes Additional Rent.
- 5.11 Except as otherwise expressly provided herein, it is the intent and purpose of COUNTY and WSMC that all rent payable to COUNTY herein shall be absolutely net to COUNTY so that this Agreement shall yield to COUNTY the entire Rent and, when applicable, the entire Additional Rent free of any charges, assessments, impositions or deductions of any kind or character which may be charged, assessed, or imposed on or against WSMC of the Premises and without abatement, deduction, hold-back or set-off by WSMC.

6. UTILITIES & JANITORIAL:

WSMC shall be solely responsible for all public utility costs in connection with the use and occupancy of the Premises including, but not limited to, water, electricity, gas, trash removal, and telephone service. WSMC shall also pay all installation or hookup charges required for these services. WSMC shall be responsible for janitorial services for the Premises.

7. SECURITY DEPOSIT:

- 6.1 Unless otherwise provided, prior to COUNTY's approval of this Agreement WSMC shall deposit with COUNTY a Security Deposit equal to two (2) times the amount of the Initial Monthly Rent as specified in Section 5. The Security Deposit shall be held by COUNTY as security for the faithful performance by WSMC. WSMC shall not be entitled to interest on such deposit. In no event shall the Security Deposit be considered or utilized by WSMC as the last month's rent.
- 6.2 In the event of a breach or damage to the Premises caused by WSMC, its agents, contractors, or employees or invitees which, having been invoiced as Additional Rent, remains unpaid after 30 days from date of invoice, COUNTY, may at its sole discretion, upon a five (5) day notice to WSMC, appropriate and apply any or all of the Security Deposit as compensation for any such breach or damage. COUNTY shall invoice WSMC as Additional Rent that portion of the Security Deposit so applied. Failure by

WSMC to restore Security Deposit to its full amount within ten (10) days of written demand by COUNTY shall constitute a breach of this Agreement.

- 6.3 Upon termination or expiration of the Agreement, COUNTY is authorized to use any or all of the Security Deposit to satisfy any outstanding invoices which WSMC has not paid and/or refund that portion that remains. WSMC's termination and refund of the balance of the Security Deposit shall be subject to Section 27. Surrender.
- 6.4 No trust relationship between COUNTY and WSMC is created on account of the Security Deposit.

8. REPAIRS AND MAINTENANCE:

At WSMC's sole cost, WSMC shall maintain and repair the interior of the Premises and grounds as depicted on Exhibit A Premises. All such repairs and maintenance shall be made in a timely, professional and workmanlike manner. WSMC's obligations shall include, but not limited to the following: floor coverings; interior painting; doors and locksets; all plumbing fixtures including sewer drains; interior and exterior lighting; snow removal; landscaping and irrigation.

COUNTY shall maintain in good working order fire protection systems; backflow prevention devices; roofing; windows; exterior building surfaces; building structural components; electrical systems; generator electrical backup system; and the heating/air conditioning system.

WSMC shall at its own cost and expense repair or replace any damage done to the Premises or improvements or any part thereof, or neighboring properties or improvements thereon, caused by WSMC or WSMC's agents, contractors, employees, invitees, or visitors.

9. IMPROVEMENTS, MODIFICATIONS AND /OR ALTERATIONS:

Prior to making any improvements, modifications, and/or alterations to the Premises, (hereinafter, "Improvements") WSMC shall submit proposed plans and specifications to the COUNTY's Public Works and Facilities Department (PW&F) for review and approval. WSMC's submittal shall include the names and license numbers of any person or entity proposed to perform the work. PW&F is delegated the authority to impose any reasonable conditions for project approval. Additionally, PW&F may waive this requirement to provide plans and specifications following review of the proposed Improvement(s). PW&F may deny the proposal if PW&F determines, in its sole discretion, that the proposed improvement, modification and/or alteration is not in the best interests of the COUNTY. For purposes of this Agreement, "best interests" means but is not limited to an assessment of whether the proposal complies with all applicable County Code provisions, and whether the proposal complies with the terms and conditions of this Agreement. Prior to proceeding with said Improvements, PW&F shall require WSMC's construction contract to comply with COUNTY Insurance requirements as set forth in Exhibit B. WSMC shall comply with all local, State and Federal laws, rules and regulation including, but not limited to,

the acquisition of appropriate permits and agency approvals, and shall have sole responsibility for the payment of fees as required for such permits or approvals. WSMC shall comply with all laws regarding payment of prevailing wage, including, without limitation, California Labor Code sections 1775, 1777 and 1811, and as such laws may be amended or modified. WSMC agrees to comply with any directives or regulations issued by the California State Department of Industrial Relations or any other regulatory body of competent jurisdiction.

10. USE PERMITS AND APPROVALS:

WSMC shall acquire all necessary and applicable building and/or zoning permits and agency approvals and licenses necessary to conduct WSMC's Use of the Premises. WSMC shall have sole responsibility for the payment of fees as required for such permits or approvals. WSMC agrees to comply with all conditions of permits or licenses issued to WSMC for WSMC'S use of the Premises.

11. TRADE FIXTURES:

Subject to obtaining all necessary approvals and permits, WSMC shall have the right, at its sole expense to install trade fixture(s) in the Premises. For the purposes of this Agreement, trade fixture(s) means an article that the WSMC has physically attached to the Premises to aid the WSMC in the Use of the Premises and may include machinery, partitions, furniture, furnishings, doors, bins, racks, special lighting fixtures. Unless otherwise agreed upon in writing by COUNTY and WSMC, such trade fixtures that can be easily removed without damage to the Premises shall remain the property of WSMC and may be removed by WSMC at any time prior to the expiration or sooner termination of this Agreement. WSMC shall, at its sole expense, immediately repair any damage occasioned by reason of removal of any such trade fixture.

12. FAILURE TO PERFORM MAINTENANCE:

If WSMC has not performed its maintenance obligations, COUNTY shall not be required to notify WSMC to perform any of WSMC's maintenance responsibilities hereunder. However if COUNTY gives such notice, and WSMC fails to commence and, thereafter, diligently prosecute completion of the maintenance which is called for by such notice within (10) days following receipt thereof, COUNTY may, at its option, itself perform, or cause to perform, such work at WSMC's sole cost and expense. In such event, WSMC shall, upon demand, reimburse COUNTY for all costs and expense of any kind or character incurred by COUNTY in connection therewith. Such option shall be in addition to any exercise thereof and shall not be deemed to create or imply any obligation or duty whatsoever to COUNTY or to any other person.

13. STATUS OF EMPLOYEES:

All persons performing services for WSMC on or in the Premises shall be solely employees or contractors of WSMC and not employees of COUNTY, except those persons expressly and directly employed by COUNTY.

14. COMPLIANCE WITH LAWS:

WSMC shall keep and maintain compliance with all laws and regulations within the Premises. COUNTY and WSMC shall each do all acts required to comply with all applicable laws, ordinances, regulations and rules of any public authority relating to their respective maintenance and/or improvement obligations as set forth herein.

15. OBLIGATIONS AND RESTRICTIONS:

WSMC shall comply with all covenants, conditions and obligations set forth in this Agreement and shall refrain from willfully or wantonly destroying, defacing, damaging, impairing, or removing any part of the Premises or the facilities, equipment, or appurtenances, or permitting any person on the Premises to commit such acts.

16. NUISANCE OR WASTE:

WSMC agrees not to use or permit the use of the Premises to create a nuisance thereon. WSMC shall not commit or permit the commission of waste on the Premises. WSMC shall conduct its business in a quiet and orderly manner so as not to create unreasonable noise or noise unrelated to the use for which the Premises were leased. No loud, objectionable, unseemly or disturbing noises or visual effects shall be permitted. WSMC shall confine all odors to the Premises and in no event shall cause or permit air pollution, soil or ground water contamination, obnoxious or foul odor.

17. USE AND REASONABLE FIRE AND PUBLIC LIABILITY INSURANCE:

WSMC shall, at its sole cost, ensure that the use of the Premises complies with any and all building insurance requirements necessary for the maintenance of reasonable fire and public liability insurance, covering said building and appurtenances. In the event that WSMC's Use of the Premises results in a rate increase to the COUNTY, COUNTY shall notify WSMC of said increase. WSMC shall pay annually on the anniversary date of this Agreement, as Additional Rent, the additional premium amount that resulted from the rate increase.

18. POSSESSORY INTEREST TAXES:

WSMC's interest in this Agreement may be subject to taxation as a possessory interest in publicly owned property as described in California Revenue and Taxation Code Section 107.6, a copy of which is attached as Exhibit C. For every year that this Agreement is in effect on January 1st WSMC will be required to pay possessory interest taxes on or before August 31st of that same year. Failure of WSMC to pay any such taxes shall constitute a material breach of this Agreement.

19. POST ACQUISITION TENANT:

WSMC agrees that it is a "post-acquisition tenant" within the meaning of the California Relocation Assistance Act of 1970 ("ACT") (Government Code Section 7260 et seq.) and the State Guidelines promulgated thereunder. WSMC agrees and hereby waives all eligibility and rights for relocation costs as a "displaced

person" as defined in the ACT upon termination of this Agreement. WSMC agrees and acknowledges that it has reviewed this Section 19, and the entirety of this Agreement, with legal counsel of WSMC's own choosing or has knowingly declined the opportunity to do so.

20. INSURANCE COVERAGE:

It is agreed that WSMC and COUNTY shall each maintain at all times during the performance of the Agreement insurance coverage or self-insurance in the amounts of not less than One Million Dollars (\$1,000,000) to cover all of its operations. Specifically, but not limited to not less than One Million Dollars (\$1,000,000) General Liability, One Million Dollars (\$1,000,000) Automobile Liability and One Million Dollars (\$1,000,000) Workers Compensation. WSMC shall procure and maintain full replacement cost property insurance with no coinsurance penalty provision.

Both PARTIES agree to waive any rights of subrogation which they or their insurer may have against the other, provided such waiver of subrogation can be accomplished without prejudice to the insured's rights and without extra expense, unless any such extra expense is paid by the other PARTY. Failure to comply with this Section 20 shall be considered a material default of this Agreement.

WSMC shall be responsible for all deductibles in all of the WSMC's insurance policies. The amount of deductible for insurance coverage required herein should be reasonable and subject to COUNTY's approval.

WSMC shall file with COUNTY concurrently with the execution of the Lease Agreement a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A-VII showing the coverages identified above.

The PARTIES indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

21. HOLD HARMLESS AND INDEMNIFICATION:

COUNTY agrees to indemnify and hold harmless WSMC and WSMC's employees or agents from and against any complaints, claims or damages including costs and attorney's fees arising out of acts or omissions of COUNTY, its employees or agents.

WSMC agrees to indemnify and hold COUNTY, its employees or agents and elective and appointed officials from and against any complaints, claims or damages including costs and attorney's fees arising out of acts or omissions of WSMC, its employees or agents.

This indemnification shall extend to judicial, administrative or regulatory complaints, claims, damages, injury, and liability for injuries or other violations of law occurring during WSMC's usage, after completion of WSMC's usage, as well as during the progress of rendering such usage.

22. ASBESTOS & LEAD PAINT:

Asbestos Containing Building Materials and/or lead based paint (ACBM/L) may be present in building materials used to construct the Premises. WSMC acknowledges the potential presence of ACBM/L and agrees to adhere to any restrictions imposed, and to assume any additional liability caused by leasing the Premises. If it has been determined that ACBM/L are present, WSMC acknowledges the requirement to inform any employees or invitees of WSMC of the presence of ACBM/L. In case any action or proceeding is brought against WSMC or COUNTY in regard to an abatement of ACBM/L or injury or damage from ACBM/L which is caused by WSMC's use or occupancy of the Premises, COUNTY reserves the right, at its sole discretion, to give WSMC a thirty (30) day written Notice of Termination. WSMC shall indemnify COUNTY for all damages and actual costs incurred by COUNTY including, but not limited to, staff time, expenses, attorney fees, litigation costs, or any expense sustained by COUNTY as a result of such action or proceeding.

WSMC shall perform, at its sole expense, any and all inspections and testing necessary to determine if ACBM/L exists in the building. WSMC shall be solely responsible for work and costs associated with the removal and abatement of ACBM/L as necessary for any Improvements, modifications and/or alterations. WSMC shall ensure that contractors used to perform inspections, testing and possible abatement work are accredited and licensed in their respective fields. WSMC shall submit to COUNTY all copies of inspections and test results. Prior to proceeding with any abatement work, WSMC shall provide COUNTY an acceptable work plan.

23. HAZARDOUS MATERIALS:

Hazardous Materials shall mean any substance or material regulated by local, state or federal laws. This may include but not limited to: urea formaldehyde, petroleum products or by-products, radioactive substance, any infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound. WSMC, its agents, employees, contractors or invitees can use, store, generate, and dispose of Hazardous Materials and Hazardous Waste that is necessary for their clinic operations and consistent with State and Federal Regulations.

WSMC shall be responsible for all costs incurred in complying with any order, ruling or other requirement of any court or governmental body or agency having jurisdiction, which requires WSMC to comply with any local, State, and/or Federal laws, regulations, guidelines, codes or ordinances which relate to said Hazardous Materials storage and disposal. The costs shall include, without limitation, the cost of any required or necessary repair and/or cleanup or detoxification in the preparation of any closure or other required plan. Upon the expiration or sooner termination of this Agreement, WSMC shall remove from the

Premises at its sole cost and expense, any and all Hazardous Materials, including any equipment or systems containing Hazardous Materials, which were brought upon, stored, used, generated or released into the environment by WSMC, its agents, employees, contractors or invitees.

To the fullest extent permitted by law, WSMC shall indemnify, defend and hold COUNTY, its directors, officers, employees and agents free and harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, diminution in the value of use of rentable or useable space or of any amenity of the Premises and sums paid in settlement of claims, attorney's fees, consultant fees and expert fees) caused by, arising out of, or related to (1) the breach of any representation, warranty or covenant of WSMC contained in this Section 23; or (2) the existence of Hazardous Materials on the Premises by WSMC, which COUNTY did not approve; or (3) the existence of Hazardous Materials, which were created, handled, placed, stored, used, transported or disposed of by WSMC without prior approval of COUNTY; or (4) WSMC'S use, creation, placement, storage, generation and/or transportation that is not in compliance with all Federal, State and County statutes and regulations; or (5) any such Hazardous Materials with respect to which any court or governmental body or agency having jurisdiction requires WSMC to undertake any repair, cleanup, detoxification or other remedial action as a result of WSMC's acts or omissions.

DAMAGE OR DESTRUCTION:

If the Premises is damaged by fire, earthquake, act of God, or the elements of other casualty, COUNTY shall diligently take steps to restore and repair the Premises to substantially the same condition they were in prior to such damage. Said restoration or repair shall not commence until COUNTY has successfully concluded insurance claim procedures. If COUNTY determines that repairs can be made and said repairs do not fall under any of the provisions of Section 26 this Agreement shall remain in full force and effect. Provided that such damage is not the result of the negligence or willful misconduct of WSMC or WSMC's agents, employees, contractors, licensees or invitees, the Monthly Rent shall be reduced to the extent WSMC's Use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs. Monthly Rent reduction will be based on the ratio of the damaged square footage to the total square footage area of the Premises. COUNTY shall bear the costs and expenses of repairing and restoring the Premises, except that if such damage or destruction was caused by the act or omission of WSMC or any of its employees, agents, licensees, subs for WSMC, or invitees, in which case WSMC shall bear the cost of all repairs.

24. INSPECTION:

COUNTY shall have the right to enter and inspect the Premises at any reasonable time during the hours of 8:00 a.m. to 5:00 p.m. PST, Monday through Friday, upon 24 hours advance notice to WSMC. During all other hours, including Saturday and Sunday, COUNTY shall have the right to enter and

inspect the Premises at a time mutually agreed upon by the COUNTY and WSMC. In the event of fire, breach of security or other imminent catastrophe, COUNTY or its agents shall have the right, without liability, to use any reasonable means to obtain entry to the Premises, including, if necessary, forced entry. Any entry to the Premises obtained by COUNTY in such emergency shall not be construed or deemed to be a forcible or unlawful entry into, or detainer of, the Premises, or an eviction of WSMC from the Premises or any portion thereof.

If COUNTY determines that there is significant damage to the Premises that is the result of the negligence or willful misconduct of WSMC or WSMC's agents, employees, contractors, licensees or invitees, COUNTY may elect to terminate this Agreement.

25. RIGHT TO TERMINATE:

Notwithstanding anything to the contrary contained herein,

(a) if there is a destruction of the building containing the Premises or if there is any other identified condition or related conditions of the building or Premises which would necessitate rebuilding, repairs or improvements that exceed twenty-five percent (25%) of the replacement value of the building, whether or not the Premises are damaged or destroyed, or

(b) if COUNTY reasonably believes that the repairs and restoration cannot be completed despite reasonable efforts within ninety (90) days after the occurrence of such damage, or

(c) if COUNTY reasonably believes that there will be less than two (2) years remaining in the Term upon the substantial completion of such repairs and restoration, COUNTY shall have the right, at its sole option, to terminate this Agreement by giving written notice of termination to WSMC within sixty (60) days after the occurrence of such damage.

(d) WSMC may elect to terminate this agreement at any time during the first 90 days of occupancy by providing COUNTY with 30 days written notice of its intention to terminate the lease and cease occupancy of the premises.

(e) WSMC may elect to terminate this agreement upon 30 days written notice in the event WSMC loses its FQHC status or its grant funding is reduced by more than 25% during any fiscal year. Termination under this subparagraph must include evidence of the FQHC status loss or grant funding reduction.

26. SURRENDER:

Upon expiration or termination of this Agreement, WSMC agrees to remove all personal property and to surrender the Premises (and any permitted or approved additions, alterations or improvements not constituting WSMC'S personal property) to COUNTY in substantially the same condition, as determined by the COUNTY, as existed at the commencement of the Term of the Lease Agreement, except for reasonable wear and tear caused by the ordinary

operation of WSMC's Use of the Premises. Removal of any trade fixtures are subject to the provisions of Section 111.

27. HOLDOVER:

If WSMC remains in possession of the Premises following the expiration or termination of this Agreement, such holding over shall not be deemed to constitute an extension or renewal of this Agreement, but shall merely create a tenancy from month to month, which either PARTY hereto may terminate upon thirty (30) days advance written notice to the other. Such termination shall be subject to Section 27 Surrender. In the event of such holding over, all terms, promises, conditions and covenants in this Agreement shall remain in full force and effect. COUNTY retains the sole discretion and option to increase the Monthly Rent in effect at the time of expiration or termination of this Agreement to an amount that is one hundred and fifty percent (150%) of that Monthly Rent.

28. DEFAULT AND REMEDIES:

28.1 Events of Default. The occurrence of any one or more of the following shall constitute a default and breach of this Agreement by WSMC:

- a. If WSMC fails to pay any Monthly Rent and/or Additional Rent payment or any other charges required to be paid by WSMC under this Agreement; or
- b. If WSMC fails to promptly and fully perform any other covenant, condition or term contained in this Agreement; or
- c. If WSMC abandons or vacates the Premises; or
- d. If a writ of attachment or execution is levied on this Agreement or on any of WSMC's property; or
- e. If WSMC files a voluntary petition for relief or if a petition against WSMC in a proceeding under the federal bankruptcy laws or other insolvency laws is filed and not withdrawn or dismissed within forty-five (45) days thereafter, or if under the provisions of any law providing for reorganization or winding up of corporations, any court of competent jurisdiction assumes jurisdiction, custody or control of WSMC or any substantial part of its property and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of forty-five (45) days; or
- f. If in any proceeding or action in which WSMC is a party, a trustee, receiver, agent or custodian is appointed to take charge of the Premises or WSMC's property (or has the authority to do so) for the purpose of enforcing a lien against the Premises or WSMC's property; or
- g. If WSMC is a partnership or consists of more than one (1) person or entity, if any partner of the partnership or other person or entity is involved in any of the acts or events described in Sections d through f above.

28.2 Remedies. In the event of WSMC's default or breach of any covenant, obligation or term of this Agreement and upon expiration of all required written notices identified in this Agreement or as required in State law or the County Code, COUNTY has the right hereunder, in addition to any other rights or remedies COUNTY may have under any law, to exercise any of the following remedies:

- a. Terminate this Agreement and WSMC's right to possession of the Premises and re-enter the Premises and take possession thereof, and WSMC shall have no further claim to the Premises or under this Agreement; or
- b. Continue this Agreement in effect, re-enter and occupy the Premises for the account of WSMC, and collect any unpaid Rent or other charges which have or thereafter become due and payable; or
- c. Re-enter the Premises under the provisions of Section b. and thereafter elect to terminate this Agreement and WSMC's right to possession of the Premises.

If COUNTY re-enters the Premises under the provisions of Sections a or b. above, COUNTY shall not be deemed to have terminated this Agreement or the obligation of WSMC to pay any Monthly Rent or Additional Rent or other charges thereafter accruing, unless COUNTY notifies WSMC in writing of COUNTY's election to terminate this Agreement. In the event of any re-entry or retaking of possession by COUNTY, COUNTY shall have the right, but not the obligation, to remove all or any part of WSMC's property in the Premises and to place such property in storage at a COUNTY or public warehouse at the expense and risk of WSMC. If COUNTY elects to relet the Premises for the account of WSMC, the rent received by COUNTY from such reletting shall be applied as follows: 1) to the payment of any indebtedness other than Monthly Rent due hereunder from WSMC to COUNTY; 2) to the payment of any costs of such reletting; 3) to the payment of the cost of any alterations or repairs to the Premises; 4) to the payment of Monthly Rent or Additional Rent due and unpaid hereunder; and 5) the balance, if any, shall be held by COUNTY and applied in payment for future Monthly Rent as it becomes due. If that portion of Monthly Rent received from the reletting which is applied against the Monthly Rent due hereunder is less than the amount of the Monthly Rent due, WSMC shall pay the deficiency to COUNTY promptly upon demand by COUNTY. Such deficiency shall be calculated and paid monthly. WSMC shall also pay to COUNTY as soon as determined, any costs and expenses incurred by COUNTY in connection with such reletting or in making alterations and repairs to the Premises, which are not covered by the rent received from the reletting.

Should COUNTY elect to terminate this Agreement under the provisions of Sections a or c above, COUNTY may recover as damages from WSMC the following:

- d. Past Rent. The worth at the time of the award of any unpaid Monthly Rent and Additional Rent which had been earned at the time of terminations; plus
 - i. Rent Prior to Award. The worth at the time of the award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that WSMC proves could have been reasonably avoided; plus
 - ii. Rent After Award. The worth at the time of the award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of the rental loss that WSMC proves could be reasonably avoided; plus
 - iii. Proximately Caused Damages. Any other amount necessary to compensate COUNTY for all detriment proximately caused by WSMC's failure to perform its obligations under this Agreement or which in the ordinary course of things would be likely to result therefrom, including but not limited to, any costs or expenses (including attorneys' fees), incurred by COUNTY in (a) retaking possession of the Premises, (b) maintaining the Premises after WSMC's default, (c) preparing the Premises for reletting to a new WSMC, including any repairs or alterations, and (d) reletting the Premises.
 - iv. The "worth at the time of the award" as used in Sections (1) and (2) above, is to be computed by allowing interest at the rate of ten percent (10%) per annum. "The worth at the time of the award" as used in Section (3) above, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank situated nearest to the Premises at the time of the award plus one percent (1%).
 - v. Enforce any claim COUNTY may have against WSMC for anticipatory breach of this Agreement.

29. COUNTY'S RIGHT TO CURE:

COUNTY's right to cure does not waive, expressly or impliedly, its right to enforce any and all provisions of this Agreement.

30. COUNTY'S LIEN:

In addition to any statutory lien granted by applicable law, COUNTY shall have a lien upon, and WSMC hereby grants to COUNTY a security interest in, all personal property of WSMC now or hereafter located in the Premises as security for the payment of all rent and the performance of all other monetary obligations of WSMC required by this Agreement. In order to perfect and enforce said lien and security interest, WSMC agrees to execute all required financing statements. At any time after an Event of Default by WSMC hereunder, WSMC may not remove and, without further notice to WSMC, COUNTY may enter the Premises and seize and take possession of any and all personal property belonging to WSMC which may be found in and upon the Premises. If WSMC fails to redeem the personal property so seized by payment of all sums due COUNTY under and by virtue of this Lease Agreement, COUNTY shall have the right, after ten (10) days' written notice to WSMC, to sell such personal property so seized at public or private sale and upon such terms and conditions as may appear advantageous to COUNTY. COUNTY may be the purchaser at any such sale. After the payment of all proper charges incident to such sale, the proceeds thereof shall be applied to the payment of any and all sums due to COUNTY pursuant to this Agreement. In the event there shall be any surplus remaining after the payment of any and all sums due to COUNTY pursuant to this Agreement, such surplus shall be paid over to WSMC.

31. COUNTY'S RIGHTS ARE CUMULATIVE:

All rights and remedies of COUNTY as set forth in this Agreement are in addition to all other rights and remedies available to COUNTY at law or in equity. All rights and remedies available to COUNTY hereunder or at law or in equity are expressly declared to be cumulative. The exercise by COUNTY of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy.

32. NO WAIVER BY COUNTY:

A delay by COUNTY in the enforcement or exercise of any right or remedy shall not constitute a waiver of any default by WSMC hereunder or of any of COUNTY's rights or remedies in connection therewith. If COUNTY institutes proceedings against WSMC and a compromise or settlement thereof is made, the same shall not constitute a waiver of the same or any other covenant, condition or obligation set forth herein or of any of COUNTY's rights hereunder

Neither the payment by WSMC of a lesser amount than the rent due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent shall be deemed an accord and satisfaction or a waiver of any of COUNTY's remedies set forth in this Agreement and as authorized by State law.

Acceptance by COUNTY of partial Monthly Rent or Additional Rent payments does not waive COUNTY's right to possession of the Premises and rights to seek recovery of all outstanding, unpaid Monthly Rent and/or Additional Rent. On the day prior to the date of termination or expiration of this Agreement or any approved extension or renewal thereof, COUNTY shall schedule with WSMC a walk-through inspection of the Premises (Walk-Through Date). If the Walk-Through Date falls on a weekend day, the Walk-Through Date shall occur on that date or another date as designated by the COUNTY. If COUNTY and WSMC cannot agree on a time on the Walk-Through Date, it shall occur at 12:00 noon. If, upon inspection of the Premises, COUNTY determines that the Premises is not in satisfactory condition, COUNTY shall submit to WSMC, in writing, a list of corrections to be made to the Premises and the time frame in which WSMC shall, at its sole expense, perform the corrections to the Premises. WSMC shall be billed for any pro-ration of the Monthly Rent based on a thirty (30) day month until all corrections are completed and COUNTY conducts its re-inspection and issues its written acceptance of the Premises. If said corrections are not performed within the established time frame, COUNTY may perform the corrections to the Premises and deduct from WSMC'S Security Deposit any costs, including, but not limited to, labor, parts, and administrative charges, associated with the corrections. If the costs exceed the amount of the Security Deposit, COUNTY will bill WSMC for the balance, which balance is due and payable within ten (10) days of the date of the invoice. If, upon inspection of the Premises, COUNTY determines that the Premises is in satisfactory condition and no corrections are required, COUNTY shall refund the Security Deposit to WSMC, subject to the provisions of Section 7. Security Deposit.

33. NOTICES:

"Notice" means any notice, demand, request or other communication or document to be provided under this Agreement to a PARTY to this Agreement. The Notice shall be in writing and shall be given to the PARTY at its address, fax, and/or email address as the PARTY may later specify for that purpose by Notice to the other PARTY. Each fax Notice shall, for all purposes, be deemed given and received when the fax is transmitted to the PARTY's fax number specified below and confirmation of complete receipt is received by the transmitting PARTY. If any Notice is sent by email, Notice shall not be deemed given and received unless the receiving PARTY acknowledges receipt of email.

COUNTY:

Public Works and Facilities ▪ Property Management

Mailing Address: 11476 C Ave ▪ Auburn, CA 95603

Physical Address: 2855 Second Street ▪ Auburn, CA 95603

(530) 886-4900 office ▪ (530) 889-6857 fax ▪ www.placer.ca.gov

WSMC:

Western Sierra Medical Clinic

844 Old Tunnel Road

Grass Valley, CA 95945

(530) 273-4984 office ▪ (530) 273-4573 fax ▪ www.wsmcmed.org

34. ASSIGNMENT AND SUBLETTING:

WSMC shall not assign, transfer, mortgage, pledge, hypothecate or encumber this Agreement or any interest therein and shall not sublet the Premises or any part thereof, without the prior written consent of COUNTY, which may be withheld for any reason. Any attempt to do so without such prior consent is considered void and will constitute a breach of this Agreement.

Consent to one assignment, subletting or other transfer shall not be deemed to constitute consent or a waiver of the requirement to first obtain COUNTY'S written consent to any subsequent assignment, subletting or other transfer and any other requirement or obligation by WSMC set forth in this Section 34.

Unless waived by COUNTY in writing, consent by COUNTY to any assignment or subletting by WSMC shall not relieve WSMC of the obligations to be performed by WSMC under this Agreement.

The acceptance of Monthly Rent or Additional Rent by COUNTY from any other person for the Premises shall not be deemed to be a waiver of any requirements of this Section 34 and/or the requirements and obligations by WSMC under this Agreement.

35. MISCELLANEOUS:

Any waiver of any covenant, obligation, amendment, or requirement under this Agreement must be in writing and signed by both PARTIES. Waiver by either PARTY of a breach of any covenant or a waiver of any obligation of this Agreement shall not constitute a waiver of any subsequent breach or obligation of this Agreement.

36. AMENDMENTS:

No revision or amendment to this Agreement shall be valid unless made in writing and signed by duly authorized representatives of both PARTIES.

37. BENEFIT:

This Agreement shall be binding upon and inure to the benefit of the successors and assigns (to the extent assignment is permitted) of each of the PARTIES hereto.

38. LEGAL JURISDICTION:

This Agreement is subject to the laws and jurisdiction of the State of California. In the event that any court action should be brought in conjunction with this

Agreement, it shall be subject to interpretation under the laws of the State of California, and any legal proceedings shall be brought under the jurisdiction of the Superior Court of the County of Placer, State of California. COUNTY and WSMC waive any federal court removal and/or original jurisdiction rights it may have.

39. CAPTIONS:

The captions of the Sections and paragraphs of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question of interpretation or construction of any Section of this Agreement. All references to paragraph and Section numbers refer to paragraphs and Sections in this Agreement.

40. DEFINED TERMS:

COUNTY and WSMC agree that all provisions in this Agreement are to be construed as terms, covenants, and conditions as though the words imparting such terms, conditions and covenants were used in each separate Section or paragraph hereof.

41. FORCE MAJEURE:

Neither COUNTY nor WSMC shall be required to perform any term, condition or covenant in this Agreement so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restriction by any governmental authority, civil, riot, floods, and any other cause not reasonably within the control of COUNTY or WSMC (excluding financial inability) and which by the means by the exercise of due diligence COUNTY or WSMC is unable, wholly or in part, to prevent or overcome. Once said performance is no longer delayed or prevented by force majeure, COUNTY and WSMC shall be required to perform all covenants and condition of this Lease Agreement.

42. TIME IS OF THE ESSENCE:

Time is of the essence with respect to the obligations to be performed under this Agreement.

43. EXHIBITS:

The Exhibits listed in both the Basic Lease Information and in this Agreement are hereby incorporated herein as if set forth in full.

44. ENTIRE AGREEMENT:

This Agreement and any attachments or Exhibits hereto constitute the sole, final complete, exclusive and integrated expression and statement of the terms and conditions of this Agreement among the PARTIES hereto concerning the subject matter addressed herein, and supersedes all prior negotiations, representation or

agreements, oral or written, that may be related to the subject matter of the Agreement.

45. MATERIAL AND REASONABLE:

The invalidity of any term or provision of this Agreement as determined by a court of competent jurisdiction shall in no way effect the validity of any other provision hereof. Each remaining term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

46. CONSTRUCTION AND INTERPRETATION:

It is agreed and acknowledged by the PARTIES that the provisions of this Agreement have been arrived at through negotiation, and that each of the PARTIES has had a full and fair opportunity to review the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting PARTY shall not apply in construing or interpreting this Agreement.

47. BREACH OF COVENANTS, CONDITIONS, TERMS:

Failure of WSMC to timely and fully comply with the above obligations or any other covenant, condition or term set forth in the Agreement shall constitute a material breach of this Agreement. In such event, COUNTY at its sole discretion, may issue a three (3) day Notice to Perform Covenant of Agreement of Quit.

48. COUNTERPARTS:

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which when affixed together shall constitute but one and the same instrument.

REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK

IN WITNESS WHEREOF, the PARTIES have duly executed this Agreement, as to the date of execution by the COUNTY.

COUNTY OF PLACER

By: _____
Ken Grehm, Director
Public Works and Facilities

Date: _____

WESTERN SIERRA MEDICAL CLINIC, INC.:

By: _____
Scott McFarland, CEO

Date: _____

By: _____
Tom Morrissey, CFO

Date: _____

APPROVED AS TO FORM: COUNTY COUNSEL

By: _____

Date: _____

Deputy County Counsel

EXHIBIT A – PREMISES

EXHIBIT B - COPY OF REVENUE AND TAXATION CODE SECTION 107

EXHIBIT C - LIST OF PERSONAL PROPERTY INCLUDED IN THE LEASE

**EXHIBIT A
PREMISES**

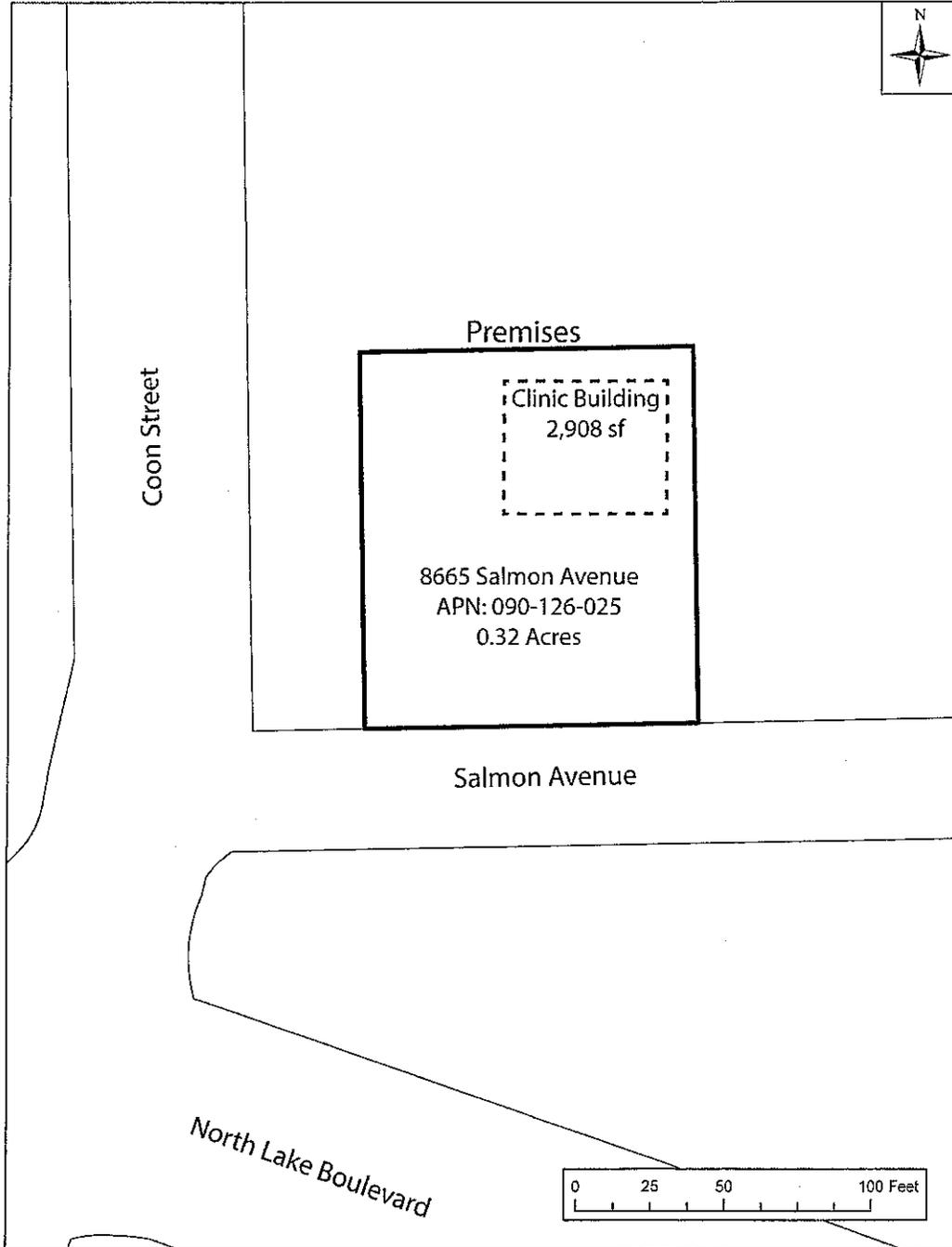


EXHIBIT B

REVENUE AND TAXATION CODE SECTION 107

CALIFORNIA REVENUE AND TAXATION CODE

(a) The state or any local public entity of government, when entering into a written Agreement with a private party whereby a possessory interest subject to property taxation may be created, shall include, or cause to be included, in that contract, a statement that the property interest may be subject to property taxation if created, and that the party in whom the possessory interest is vested may be subject to the payment of property taxes levied on the interest.

(b) Failure to comply with the requirements of this Section shall not be construed to invalidate the contract. The private party may recover damages from the contracting state or local public entity, where the private party can show that without the notice, he or she had no actual knowledge of the existence of a possessory interest tax.

The private party is reputedly presumed to have no actual knowledge of the existence of a possessory interest tax.

In order to show damages, the private party need not show that he or she would not have entered the contract but for the failure of notice.

(c) For purposes of this Section:

- (1) "Possessory interest" means any interest described in Section 107.
- (2) "Local public entity" shall have the same meaning as that set forth in Section 900.4 of the Government Code and shall include school districts and community college districts.
- (3) "State" means the state and any state agency as defined in Section 11000 of the Government Code and Section 89000 of the Education Code.
- (3) "Damages" mean the amount of the possessory interest tax for the term of the contract.

Note: *This excerpt is provided for reference only and is subject to legislative amendments. It shall be WSMC's sole responsibility to review any updates to this code, which is available at <http://www.leginfo.ca.gov/calaw.htm>*

Exhibit C

Need to add the list of personal property to be included in the lease...

Administering Agency: Placer County Health & Human Services

Contract No. _____

Contract Description: Transition of Placer County Medical and Dental Clinic Services

SERVICES AGREEMENT

THIS AGREEMENT is made and operative as of the 12th day of July, 2016, between the County of Placer, a political subdivision of the State of California, hereinafter referred to as ("COUNTY"), and Western Sierra Medical Clinic, hereinafter referred to as ("WSMC").

WHEREAS, COUNTY operates two health clinics, a medical clinic in Auburn (the "Auburn Clinic") and a medical and dental clinic in Kings Beach (the "Tahoe Clinic"), which are the subject of this Agreement, and

WHEREAS, COUNTY issued a Request for Proposals (RFP) #10514 to select a contractor to take over provision of the services currently provided by COUNTY at COUNTY'S Auburn Clinic and Tahoe Clinic and approved the award of a request for proposal through the Placer County Board of Supervisors to WSMC on July 12, 2016 in response to the WSMC's submitted proposal, and

WHEREAS, COUNTY through the Placer County Board of Supervisors on July 12, 2016 approved ceasing operations of its Auburn and Tahoe Clinics, and

WHEREAS, WSMC is a "Community Clinic" licensed and operated pursuant to California Health and Safety Code Division 2, Chapter 1, Section 1200, *et. seq.*, and a federally qualified health center ("FQHC") that operates clinical sites in Sierra, Yuba and Nevada Counties and receives federal grant funds awarded by the United States Department of Health and Human Services' Health Resources and Services Administration ("HRSA") pursuant to Section 330 of the Public Health Service Act ("Section 330"), 42 U.S.C. §254b, to provide a full spectrum of primary and preventative health care services (including essential ancillary and enabling services) to medically underserved populations, regardless of the individual's or family's ability to pay. WSMC has two clinics, one in Grass Valley and one in Downieville, and operates a mobile clinic at various sites, and

WHEREAS, WSMC is experienced in operating medical, dental and behavioral health clinics and since 2015 has been in process pursuant to its strategic plan of opening a medical clinic in Auburn to provide services and care to its existing patients and to accept new patients; and has agreed, pursuant to a response to the RFP, to be available to assist County in the transition of County's patients upon closure of County's clinics as outlined below, and

WHEREAS, it is understood and agreed by and between the parties of this Agreement that they wish to enter into this Agreement in order to provide a full and complete statement of their agreement with respect to WSMC working with COUNTY on the

transition of patients following COUNTY's closure of its clinics during the term of this Agreement,

THEREFORE, in consideration of the mutual covenants and agreements of this Agreement, it is understood and agreed by the parties as follows:

1. **SCOPE OF WORK:** WSMC agrees to provide services as described in Exhibit A to this contract. The parties agree that this Agreement in no way shall establish a venture with or parent organization control over WSMC, and that WSMC shall have all control over its facilities and services, including opening other facilities, expanding and adjusting services offered to patients, and accepting or denying patients in any of its facilities.

2. **CONSIDERATION:** This Agreement is supported by the parties' promises as set forth in this Agreement, which the parties agree is sufficient and valuable consideration.

3. **AMENDMENTS:** This Agreement constitutes the entire Agreement between the parties. Any amendments or changes to this Agreement shall be agreed to in writing, specifying the change(s) and the effective date(s) and shall be executed by duly authorized representatives of both parties. However, in no event shall such amendments create additional liability to COUNTY or provide compensation to WSMC except as explicitly set forth in this or amended Agreement.

4. **FACILITIES, EQUIPMENT AND OTHER MATERIALS- RELATED AGREEMENTS:** This Agreement is dependent on COUNTY agreeing to lease to WSMC, through a separate lease agreement, sufficient medical and dental treatment space (compliant with all legal requirements, including the American with Disabilities Act) for WSMC to accept an assignment of patients being seen at the Tahoe Clinic. This Agreement is further dependent on County agreeing to lease or sell to WSMC such existing equipment and furniture in the Tahoe Clinic as requested by WSMC pursuant to a separate agreement between WSMC and COUNTY.

5. **EXHIBITS.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein and collectively, along with this base document, form the basis for this Agreement. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, other work, or payment, or otherwise between this Agreement and the Exhibits, or between Exhibits, such conflict or inconsistency shall be resolved by giving precedence first to this Agreement, then to the Exhibits according to the following priority: Ex. A, Ex. C and Ex. B.

6. **CONTRACT TERM:** This Agreement shall remain in full force and effect from July 1, 2016 through June 30, 2018. Contract provisions that contain record obligations which occur after contract termination survive as enforceable continuing obligations.

7. **TERMINATION:**
The parties will have the right to terminate this Agreement at any time without cause by giving ninety (90) days' notice, in writing, of such termination to the other party. Such notice shall be personally served or given by United States Mail.

8. **LICENSES, PERMITS, ETC.:** WSMC represents and warrants to COUNTY that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for WSMC to practice its profession.

9. **MUTUAL HOLD HARMLESS AND INDEMNIFICATION AGREEMENT:** WSMC hereby agrees to protect, indemnify, and hold COUNTY free and harmless from any and all losses, claims, liens, demands, expenses, and causes of action of every kind and character incurred by COUNTY arising in favor of any third party, in connection with or arising directly or indirectly out of WSMC's performance or activities under this Agreement. WSMC also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent.

COUNTY hereby agrees to protect, indemnify, and hold WSMC free and harmless from any and all losses, claims, liens, demands, expenses, and causes of action of every kind and character incurred by WSMC arising in favor of any third party, in connection with or arising directly or indirectly out of COUNTY'S performance or activities under this Agreement. COUNTY also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent.

This provision is not intended to create any cause of action in favor of any third party against WSMC or the COUNTY or to enlarge in any way either party's liability but is intended solely to provide for indemnification to each other from liability for damages or injuries to third persons or property arising from the parties' performance pursuant to this contract or agreement.

As used above, the term COUNTY means Placer County or its officers, agents, employees, and volunteers.

10. **ASSIGNMENT PROHIBITED.** WSMC may assign its rights and obligations under this Agreement only upon the prior written approval of COUNTY, said approval to be in the reasonable discretion of COUNTY.

11. **RECORDS.** COUNTY shall transfer to WSMC all paper and electronic health information pertaining to each patient who is reassigned from COUNTY to WSMC.

12. **CONFIDENTIALITY** WSMC and COUNTY agree to maintain confidentiality of information and records as required by applicable Federal, State and local laws, regulations and rules, and each further agrees to hold the other harmless from any breach of confidentiality

13. **WAIVER.** One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.

14. **ENTIRETY OF AGREEMENT.** This Agreement contains the entire agreement of COUNTY and WSMC with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or

agent of any party, which is not contained in this Agreement, shall be binding or valid. This clause is not intended to exclude the RFP and RFP response, relevant excerpts of which are expressly included as Exhibit A to this Agreement and other agreements anticipated in paragraph 4 of this Agreement.

15. **ALTERATION.** No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in the Termination paragraph above.

16. **GOVERNING LAW AND VENUE.** The parties enter into this Agreement in the County of Placer, California and agree to comply with all applicable laws and regulations therein. The laws of the State of California shall govern its interpretation and effect. For litigation purposes, the parties agree that the proper venue for any dispute related to the Agreement shall be the Placer County Superior Court or the United States District Court, Eastern District of California, and WSMC hereby waives the provisions in California Code of Civil Procedure §394.

17. **HIPAA COMPLIANCE:** Both Parties agree, to the extent required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including but not limited to Title 42, United States Code, Section 1320d et seq. and its implementing regulations (including but not limited to Title 45, Code of Federal Regulations (CFR), Parts 142, 160, 162, and 164), to comply with applicable requirements of law and subsequent amendments relating to protected health information.

More specifically, neither Party shall use or disclose confidential information other than as permitted or required by this Agreement and will notify the other Party of any discovered instances of breaches of confidentiality.

WSMC ensures that any of its subcontractors' and agents receiving health information related to this Agreement agree to the same restrictions and conditions that apply to WSMC with respect to such information.

18. **NOTIFICATION.** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF PLACER:
Jeffrey S. Brown, Director
Placer County Health & Human Services
3091 County Center Drive, Ste 290
Auburn, CA 95603
Phone: 530.745.3141

WSMC:
Western Sierra Medical Clinic
Attn: Scott McFarland, CEO
844 Old Tunnel Road
Grass Valley, CA 95945
Phone: 530-273-4984

Public Works and Facilities
Property Management
11476 C Ave.
Auburn, CA 95603
(530) 886-4900

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

19. **JOINT DRAFTING**. This Agreement has been prepared by both of the parties and their respective attorneys and as such this Agreement shall not be construed against any of the parties but shall be construed as if prepared collectively by the parties. The parties expressly waive the provisions of California Civil Code Section 1654.

20 **SEVERABILITY**. If any provision in this Agreement is held by the arbitrators or a court of competent jurisdiction to be unreasonable, invalid, void, or unenforceable, then this Agreement will be deemed amended to provide for the modification of the unreasonable, invalid, void, or unenforceable provision to the extent that the court or arbitrator finds reasonable, and the remaining provisions of this Agreement will continue in full force without being impaired or invalidated in any way.

21. **NO 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.

22. **CAPTIONS**. The captions contained herein are for reference purposes only and shall not affect the meaning of this Agreement.

// Signatures on following page

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Agreement as of the day first above stated:

Western Sierra Medical Clinic ("WSMC")*

COUNTY OF PLACER ("COUNTY")

Signature

Chair, Placer County Board of Supervisors

Date: _____

Print Name

Chair of the Board, President, or
 Vice President

Jeffrey S. Brown, Director,
Department of Health & Human Services

Date: _____

Date: _____

Signature

Maureen Bauman, Client Services Director,
Adult System of Care

Date: _____

Print Name

Secretary, Asst. Secretary,
 Chief Financial Officer, or Asst.
Treasurer

Approved as to Form
Office of Placer County Counsel

Date: _____

Date: _____

EXHIBITS:

- Exhibit A – Scope of Services
- Exhibit B – RFP
- Exhibit C – WSMC Response to RFP

*Agreement must have two signatures, one in each of the two categories of corporate offices indicated above. Check the box indicating the corporate office of the signing party. The same person may sign the contract twice if that person holds an office in each of the two categories. (California Corporations Code § 313) One signature will suffice, if the corporation's board of directors has passed a resolution that gives one person authority to sign. A copy of the most recent resolution must be sent with the signed contract, even if it is the same as the previous year.

Scope of Work

WSMC's response to RFP No 10514 Section B: Program Approach is referenced here as the basis of the scope of work and includes:

WSMC agrees to assist with infrastructure development and expansion of clinic services in response to the COUNTY'S closure of its Auburn and Tahoe clinics. In that regard, WSMC in its facility in Auburn, in addition to serving its current patients, has agreed to provide the services herein and has agreed to provide medical services to patients in Kings Beach who will be displaced as a result of COUNTY'S closure of its Tahoe clinic. Specifically, consistent with its and strategic plan in progress in Auburn and in collaboration with COUNTY its policies and strategic plan with respect to Kings Beach, WSMC agrees to provide the range of services set forth below:

- A. Provide a full range of comprehensive primary care services that will include primary, behavioral health and preventative care specialty care as per HRSA requirements and additional health services as appropriate and necessary, either directly or through established written arrangements and referrals.
- B. Provide a full range of dental services in the Tahoe Clinic.
- C. Address chronic health conditions, including diabetes, asthma, and hypertension common among patients.
- D. Provide care management services for patients requiring short-term supportive services for chronic conditions or other needs.
- E. Ensure that staff are appropriately licensed, credentialed, and privileged.
- F. Complete a license application for the new site as a community health center within 30 days of obtaining a lease.
- G. Allow the current Placer County Medical Clinics staff to apply and be interviewed and considered for positions that may be available as a result of this transition.
- H. Within 45 days, coordinate with Federal Project Officer and submit appropriate documentation to HRSA including Change of Scope documentation, and undertake best efforts to help facilitate HRSA's approval of the Auburn and Tahoe Clinic transfers.

The transition of patients from the Placer County Auburn and Tahoe Clinics to WSMC at the County's Tahoe Clinic (pursuant to a lease) and to the newly established Auburn WSMC site will be done in a way to prevent disruption of care and ensure continuity of care the transitioned patients. WSMC agrees to accept as many of COUNTY'S patients currently served in COUNTY'S Auburn Clinic and Tahoe Clinic and who are either assigned to WSMC by each patient's insurer or, pursuant to WSMC's policies, who are uninsured and not in MediCal managed care and opt to have WSMC provide their medical services. Thereafter, WSMC shall be responsible for providing care for those patients.

WSMC will establish 2 satellite clinics in two locations: 8665 Salmon Ave, Kings Beach, CA (upon agreement by the parties respecting the lease for the COUNTY's Tahoe facility to WSMC) and 12183 Locksley Lane, Auburn, CA between September 1, 2016 and November 1, 2016. WSMC agrees to be available to accept new patients displaced as a result of COUNTY's clinic closures by December 31, 2016. In addition, WSMC will expand the Locksley Lane office or identify a second office no later than December 31, 2016 so that its patients, patients transitioned as a result of COUNTY's closure, and new patients needing appointments can be seen timely at either of the Auburn locations.

WSMC will apply for a license to bill Medicare at the same time they establish the satellite Auburn Clinic and Tahoe Clinic. WSMC will provide services to Medicare, Medi-Cal and uninsured patients when they begin services at any of the satellite sites.

COUNTY agrees to notify health plans, private insurance, and individual patients of transition to WSMC. Patients can choose an alternative provider of their choice.

Should WSMC and County enter into a lease with respect to 8665 Salmon Ave, Kings Beach, CA, and should WSMC desire any inspections and related improvements or repairs to the Tahoe Clinic facility prior to its tenancy any such inspections and requests for improvements or repairs will be undertaken no later than two weeks after the execution of this agreement. Any such inspections shall be made at WSMC's expense. COUNTY will complete and fund agreed upon repairs and improvements during COUNTY'S tenancy of the Tahoe Clinic facility.

Staffing: Upon appropriate application, WSMC will consider all applicants of employment, including any COUNTY clinical staff who have been displaced due to COUNTY clinic closures. All employment related decisions will be consistent with WSMC regular policies and procedures and its business necessity. Careful consideration will be given to all applicants. WSMC is an equal opportunity employer.

Services: WSMC will provide same-day or next-day medical care in WSMC's Auburn facility for up to twenty (20) patients per year determined to need urgent care by Placer County's Health Officer or his/her designee.

WSMC will be registered as a "Vaccines for Children" (VFC) provider, which shall allow WSMC to receive vaccine at no cost and to charge an administration fee. WSMC will provide a minimum of sixteen hours of "immunization clinics" per month in WSMC's Auburn facility. WSMC's clinics will prioritize immunizations for children who are eligible for the VFC program, including children who are not currently WSMC's patients.

WSMC will continue the Family Nurse Practitioner program established by the COUNTY with the University of San Francisco program and utilize the volunteer preceptor at WSMC's Auburn facility to contract with the University of San Francisco for the onsite training of nurse practitioners.

Under its current grant, WSMC will provide Medication Assisted Treatment as part of their services at the Auburn Clinic and Tahoe Clinic. WSMC will also provide medical clearance and medication based on protocol to persons who have been accepted into the COUNTY substance abuse treatment services and require this clearance for residential or detoxification services.

WSMC will provide medical services to the homeless population at the Right Hand Auburn Shelter either on site at the shelter or at the Locksley Lane site.

Coordination with COUNTY and Board Representation: To effect continuity of care for patients and for purposes of the PARTIES' commitment to work together to address the health needs of Placer County residents going forward, WSMC will provide COUNTY HHS a monthly report with current data on their services for the previous month including their wait time for an appointment.

WSMC will participate in monthly meetings with relevant Health and Human Services staff to review transition challenges and develop solutions. These meetings will be set at a regular time that is agreeable to all parties. It is expected that once the transition of patients has occurred that a schedule of quarterly meetings will be established as part of ongoing coordination between COUNTY Health and Human Services and WSMC.

WSMC has a Placer County resident on their Board of Directors. WSMC will accept referrals from COUNTY of persons to be considered for another position on WSMC's Board of Directors..

**PLACER COUNTY
DEPARTMENT OF ADMINISTRATIVE SERVICES**

on behalf of the

Department of Health & Human Services



REQUEST FOR PROPOSALS

for

**Operation of Medical Clinics
Auburn and Kings Beach, CA**

RFP No. 10514

Release Date: November 23, 2015

**Submittal Deadline: December 23, 2015
not later than 5:00 PM (Pacific)**

Placer County RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

TABLE OF CONTENTS

<u>SECTION</u>	<u>Page</u>
1.0 INTRODUCTION.....	1
2.0 TENTATIVE RFP SCHEDULE	2
3.0 PRE-PROPOSAL CONFERENCE	2
4.0 SCOPE OF SERVICES.....	2
5.0 ASSURANCE OF DESIGNATED MANAGEMENT TEAM.....	6
6.0 GENERAL TERMS & CONDITIONS	6
7.0 PROPOSAL FORMAT REQUIREMENTS.....	7
8.0 SUBMITTAL INSTRUCTIONS	10
9.0 EVALUATION CRITERIA	11
10.0 SELECTION PROCEDURE.....	12

ATTACHMENTS

- A. Required Statements
- B. Draft Contract

1.0 INTRODUCTION

Placer County is inviting proposals from FQHCs, FQHC Look-Alikes, Rural Health Clinics, and other community health centers (including hospital-affiliated and those contracted with the Indian Health Services) to establish comprehensive primary care service clinics to serve low-income Placer County residents in Auburn and/or Kings Beach, and to transition existing county clinic patients to new providers, which could include these new clinics. The transition phase could include some management control by the successful Provider of the existing county clinics until the new clinics are established and become operational.

The purpose of this Request for Proposals (RFP) is to select an agency with which to partner, culminating in complete transition of the Placer Medical Clinics in the Auburn and Kings Beach (Tahoe) areas to the successful provider. Respondents who are only interested in one of the sites will be considered, however preference will be given to providers who offer to operate both sites.

This RFP includes a description of the scope of work, proposal requirements, and instructions for submitting proposals. As used herein, the terms proposer, provider, agency, or FQHC may be used interchangeably and are intended to describe groups or teams who desire to provide these services. Proposing agencies may be considered for one or both locations. Agencies must clearly state the location(s) for which it would like to be considered.

Direct all inquiries regarding this RFP in writing to:

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603
Phone: (530) 889-4253
Email: apay@placer.ca.gov

Do not contact County departments or other County staff directly. Information provided by other than the above contact may be invalid and proposals which are submitted in accordance with such information may be declared non-responsive.

In the event that it becomes necessary to revise any part of this RFP, written addenda will be issued. Any amendment to this RFP is valid only if in writing and issued by the Placer County Procurement Services Division.

All addenda for this RFP will be distributed via Public Purchase: <http://www.placer.ca.gov/admin/procurement/openbids.aspx>

It is the proposer's sole responsibility to monitor the Public Purchase website for possible addenda to this RFP. Failure of proposer to retrieve addenda from this site shall not relieve him/her of the requirements contained therein. Additionally, failure of proposer to return signed addenda, when required, may be cause for rejection of his/her proposal.

2.0 TENTATIVE RFP SCHEDULE

The following represents the tentative schedule for this RFP. Any change in the scheduled dates for the Pre-Proposal Conference, Deadline for Final Questions, Proposal Submission Deadline, or Interviews will be advertised in the form of an addendum to this RFP. The schedule for other milestone dates may be adjusted without notice.

Pre-Proposal Conference.....	December 8, 2015
Deadline for Final Questions.....	December 14, 2015
Proposal Submission Deadline.....	December 23, 2015
Evaluation of Written Proposals.....	Dec. 23, 2015 – Jan. 16, 2016
Interviews – Firms must be available on this date.....	January 28, 2016
Contract Negotiations.....	February 1-12, 2016
Contract approval by Board of Supervisors.....	February-March 2016
Notice to Proceed.....	March 2016

3.0 PRE-PROPOSAL CONFERENCE

A proposer's conference has been scheduled for **December 8, 2015 at 11:30 am** at the following location:

**Placer County Procurement Services
2964 Richardson Drive
Auburn, CA 95603**

Interested firms will have an opportunity to submit questions regarding the requirements outlined in this RFP. While attendance is not mandatory, interested proposers are highly encouraged to attend. In order to make the meeting more effective for all participants, attendees should read this document thoroughly prior to the meeting.

Substantial clarifications or changes required as a result of the meeting will be issued in the form of a written addendum to the RFP. Questions or comments which are considered to be inconsequential to the scope of services or proposal requirements may not be documented. A list of attendees will be distributed as soon as practical following the meeting.

4.0 SCOPE OF SERVICES

- 4.1 The current Placer County Medical Clinics are located at 11583 C Ave, Auburn, CA 95603 and 8865 Salmon Ave, Kings Beach, CA, 96143 (north shore of Lake Tahoe). These clinics, which provide comprehensive primary care services to low-income residents in Placer County, have more than 4,500 patients and record approximately 15,000 patient visits each year. These clinics draw patients from all parts of Placer County. At this time the Auburn site is restricted to only serving Placer residents, however the Tahoe site currently serves Medi-Cal patients who reside within and outside of Placer County. In past years, both clinics served a wider region, including non-Placer residents. New clinic sites would have the potential to expand to serve non-Placer residents.

- 4.2 The current county clinics, certified as Rural Health Clinics, pride themselves on providing high quality care to persons with complex medical needs. The “Tahoe” Medical Clinic in Kings Beach includes dental services as part of the continuum of care. While both the Auburn and Tahoe clinics are separately certified, they are operated jointly with a single administration and Medical Director overseeing both locations. Placer County Health and Human Services (HHS) is seeking an organization for this transition that subscribes to a vision of clinical excellence, community health improvement, and partnerships with patients, employees and physicians.
- 4.3 Placer County HHS is committed to responding to the changing needs of the communities it serves, as well as the changing face of health care delivery and financing. There is a need to expand primary care capacity in both Auburn and Kings Beach to serve the more than 55,000 individuals covered by Medi-Cal throughout the County.
- 4.4 Based on the June 2015, 12-month operational assessment, the payment method for each clinic is:

Payment Method	Auburn	Kings Beach
Medi-Cal Managed Care	50%	40%
Medicare	24%	12%
Fee for Service Medi-Cal	10%	X
Self-Pay	9%	25%
Family PACT	X	12%

- 4.5 Based on the June 2015, 12-month operational assessment, the age of the patient population is

Age Group	Auburn	Kings Beach
Age 26 – 60	62%	54%
Age 60+	20%	10%
Transition Youth 16-26	10%	10%
Children 15 or younger	8%	15%

- 4.6 The Auburn and Tahoe Medical Clinic facilities have the following treatment space:

Treatment Space	Auburn	Kings Beach
Medical Exam Rooms	14	4
Dental Chairs	0	2

- 4.7 Current staffing at each facility is shown below, listed as Full Time Equivalent (FTE) positions:

Staff	Auburn	Kings Beach
Providers - Physician	1.5	---
Psychiatrist	1.0	---
Mid Level	2.0	0.8
Dentist	---	1.0
Dental Assistant	---	1.0
Other - Medical Asst	2.0	---
Licensed Voc. Nurse	1.0	---
Registered Nurse	3.0	1.0
Supervising Nurse	1.0	---
Admin. Staff	11.0	2.0
Supervisory Staff	2.5	---

- 4.8 The primary language spoken by most patients at both clinics is English, followed by Spanish. Languages which cannot be interpreted by staff can be addressed by contract interpreters, often by phone. Contract interpreters are generally utilized for sign language translation/communication.
- 4.9 The Auburn Medical Clinic facility's "footprint" is 9,320 square feet, is county-owned, and would require major improvements to meet OSHPD-3 standards. This facility is augmented by another 8,450 square feet annex next door (connected by a hallway under the same roof) that contains offices for clinic referral staff, a large conference/training space, additional employee restrooms, and a second kitchen/ break room. It is very likely that it would be cost prohibitive to bring these buildings up to OSHPD-3 standards.
- 4.10 The Tahoe Medical Clinic is a 3,005 square feet county owned space that has the potential to meet OSHPD-3 standards. The Rural Health designation does not include the upstairs of this building that is used for staff and administrative offices. This clinic space needs further evaluation to determine if it would be an acceptable long-term site or whether it would be advantageous to secure alternative space in the Kings Beach or other nearby area.
- 4.11 The Placer County Medical Clinics seek to provide affordable, quality health care for the poor and medically disenfranchised. The successful Provider will be prepared to embrace these tenets and demonstrate its commitment to serving low-income residents of Placer County, ensuring that they continue to receive accessible and affordable health care services. The successful Provider will work collaboratively with Placer County HHS as a partner to address specialty access to behavioral health services, substance use disorder treatment services, and public health preventative care.
- 4.12 Placer County is seeking a Provider to engage in a transitional planning process that will result in the transfer of one or both of the Placer Medical Clinics to new Provider sites in Auburn and/or Kings Beach.

- 4.13 To prevent disruption of care and to ensure continuity of care, the provider will ultimately assume current Placer Medical Clinic patients and will work closely with Placer County HHS to accomplish a seamless and appropriate transition for these patients. Placer Medical Clinics will obtain patient authorization and transfer current patient records to the Provider.
- 4.14 The successful Provider may request start-up funding from the County to support the transition of services from the County to the Provider, subject to negotiation by the County. This could include a transfer of the equipment and furnishings currently utilized at the Placer County Medical Clinics. It is anticipated that once the partnership is established, full operational transition will occur by October 2016 or sooner.
- 4.15 The successful Provider shall provide the following services:
- a. Provide a full range of comprehensive primary care services that will include primary, behavioral health, and preventive care, specialty care as per HRSA requirements and additional health services as appropriate and necessary, either directly or through established written arrangements and referrals.
 - b. Address chronic health conditions, including diabetes, asthma, and hypertension common among patients.
 - c. Provide care management services for patients requiring short-term supportive services for chronic conditions or other needs.
 - d. Ensure that staff are appropriately licensed, credentialed, and privileged.
 - e. Complete a license application for the new site as a community health center within 30 days of obtaining a lease.
 - f. Allow the current Placer Medical Clinic(s) staff to apply and be interviewed and considered for positions that may be available as a result of this transition.
 - g. Discuss transfer of the Placer Medical Clinic(s) with the Provider's federal project officer within 14 days of selection by Placer HHS, obtaining a favorable response to the acquisition, and submit a Change in Scope to HRSA within 45 days of having successfully negotiated occupancy of a new site, with reasonable expectations that the request will be approved based on the organization's ability to demonstrate and document the needs of the target population, its having established a service area acceptable to HRSA, and its having no outstanding or unmet terms or conditions against its federal (e.g. section 330) grant.
 - h. Actively participate on a joint transition committee with Placer HHS that shall regularly meet to facilitate timely and successful operational transition.
 - i. Develop metrics for patient services mutually agreed to and report results in the form of a dashboard to Placer HHS after the takeover until there is a transition to the newly established sites.
- 4.16 The scope of this program includes full operational responsibility for new Auburn and/or Kings Beach clinics which will be comparable to the operational autonomy for other sites managed by the provider.
- 4.17 The Provider shall extend its current quality improvement/quality assurance (QI/QA) policies and practices to the new site, and that the QI/QA program will include a clinical director whose focus of responsibility is to support the QI/QA program and the provision of high-quality patient care, and periodic assessment of the appropriateness of the utilization of services and the quality of services provided to individuals served by the provider.

Assessments shall be: (a) conducted by physicians or by other licensed health professionals under the supervision of physicians; (b) based on the systematic collection and evaluation of patient records; and (c) identify and document the necessity for change in the provision of services by the health center and result in the institution of such change, where indicated.

- 4.18 During the transition to full operational responsibility, the Provider will provide a full time management consultant to assist with the operations of the current programs by providing direction on increased efficiencies and productivity as well as a review of quality assurance strategies. Placer County HHS will work with the Provider's consultant in implementing changes as a part of this transitional process.
- 4.19 The Provider will endeavor to establish and maintain collaborative relationships with other health care providers in the service area that offer complementary care for health center patients, including other health centers in the service area. Similarly the Provider shall develop complementary referral relationships with other health and human services agencies.

5.0 ASSURANCE OF DESIGNATED MANAGEMENT TEAM

Proposer shall assure that the designated management team, including sub-contractors (if any), is used for the program identified in the proposal. Departure or reassignment of, or substitution for, any member of the designated management team or sub-contractor(s) shall not be made without the prior written approval of the County.

6.0 GENERAL TERMS & CONDITIONS

- 6.1 **Standard Contract.** Upon completion of the evaluation and recommendation for award, the selected firm will be required to execute a formal Agreement, a draft of which is included as **Attachment B**.
- 6.2 **Independent Contractor.** At all times the Consultant shall represent himself/herself to be an independent contractor offering such services to the general public and shall not represent himself/herself, or his/her employees, to be an employee of the County of Placer. Therefore, the Consultant shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold the County of Placer, its officers, agents, and employees, harmless from and against, any and all loss, cost (including attorney fees), and damage of any kind related to such matters.
- 6.3 **Publicity Clause:** Awarded firm(s) shall obtain prior written approval from the County for use of information relating to the County or any resulting Agreement in advertisements, brochures, promotional materials or media, press releases or other informational avenues.
- 6.4 **Non-Appropriation.** The County may terminate any resulting contract at the end of any fiscal year, June 30th, without further liability other than payment of debt incurred during such fiscal year, should funds not be appropriated by its governing body to continue services for which the contract was intended.

- 6.5 **Conflict of Interest.** The Consultant shall warrant that no official or employee of the County has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the County.
- 6.6 **Non-Collusion.** Firms submitting proposals shall warrant that their offer is made without any previous understanding, agreement or connection with any person, firm or corporation submitting a separate proposal for the same project and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action. This condition shall not apply to proposals which are submitted by firms who have partnered with others to submit a cooperative proposal that clearly identifies a primary contractor and the associated sub-contractors.
- 6.7 **Indemnification & Insurance Requirements.** The County's standard indemnification and insurance requirements are provided in the draft contract, **Attachment B**. All costs of complying with the insurance requirements shall be included in your pricing. The selected firm shall provide complete and valid insurance certificates within ten (10) days of the County's written request. Failure to provide the documents within the time stated may result in the rejection of the firm's proposal.
- 6.8 **Protests and Appeals.** In accordance with Section 10.0 of the Placer County Purchasing Policy Manual, any actual or prospective proposer, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the Director of Administrative Services. The protest shall be submitted in writing to the Director of Administrative Services within seven (7) calendar days after such aggrieved person or company knows, or should have known, of the facts giving rise thereto.

7.0 PROPOSAL FORMAT REQUIREMENTS

Each response to this RFP shall include the information described in this section. Provide the information in the specified order. Failure to include all of the elements specified may be cause for rejection. Additional information may be provided, but should be succinct and relevant to the goals of this RFP. Excessive information will not be considered favorably.

All copies of the proposal should be bound or contained in loose leaf binders. Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size. Use section dividers, tabbed in accordance with this Section as specified below.

7.1 **Cover Letter** with the following information:

- Title of this RFP
- Name and mailing address of firm (include physical location if mailing address is a PO Box)
- **Indicate the clinic site(s) for which you would like to be considered: Auburn, Kings Beach, or Both.**
- Contact person, Email address, telephone number, and fax number.

The County will use email to notify your firm of critical developments such as interview schedules, notification of selection/non-selection, etc. Therefore, it is essential that you identify one or more contact persons who has frequent access to email. The County will not be responsible for delivery failure of email due to firewalls, spam filters, or individuals' failure to retrieve email messages. The County will not attempt to re-deliver any messages which fail due to no fault of the County.

7.2 Signature Requirements: The Cover Letter must be signed by an officer empowered by the Consultant to sign such material and thereby commit the Consultant to the obligations contained in the RFP response. Further, the signing and submission of a response shall indicate the intention of the proposer to adhere to the provisions described in this RFP and a commitment to enter a binding contract.

- Proposals submitted on behalf of a Partnership shall be signed in the firm name by a partner or the Attorney-In-Fact. If signed by the Attorney-In-Fact, there shall be attached to the proposal a Power-Of-Authority evidencing authority to sign proposals, dated the same date as the proposal and executed by all partners of the firm.
- Proposals which are submitted on behalf of a Corporation shall have the correct corporate name thereon and the actual signature of the authorized officer of the corporation written (not typed) below the corporate name. The title of the office held by the person signing for the corporation shall appear below the signature of the officer.
- Proposals which are submitted by an Individual doing business under a firm name ("dba") shall be signed in the name of the individual doing business under the proper firm name and style.

7.3 TAB A: Qualifications and Experience:

- A. Provide a brief history and overview of your agency, emphasizing your experience as a community health center.
- B. Please include: (a) how long you have been an FQHC, FQHC Lookalike, Rural Health Center or other community health center (including hospital-affiliated and those contracted with the Indian Health Services); (b) how many sites you currently operate; (c) total FTEs and FTEs by provider type (i.e., physician, mid-levels providers, dentists, and mental health clinicians); (d) size of Board of Directors; (e) total number of patients and patient visits; and (f) other defining aspects of your organization.
- C. If you are currently in the process of satisfying HRSA-required terms or conditions on your grant, please explain and give a timeline for completion in the proposal narrative.
- D. Describe the experience of your management team.
- E. Describe your experience collaborating or working cooperatively with other health organizations, area hospitals, and social service agencies.

7.4 **TAB B: Program Approach:**

- A. Describe how you will approach the management of the clinic, how you will assume responsibility for patients, and experience you may have in opening new sites.
- B. Describe your current practice management/EHR system, and where you are in its implementation/utilization. Also describe where the agency stands with regard to Patient Centered Medical Home and Meaningful Use recognition.
- C. If you are proposing a transfer not involving a Change in Scope to HRSA then clearly explain the timeliness of the transfer.
- D. If the organization is currently in the process of satisfying HRSA-required terms or conditions on its grant, please explain and give a timeline for completion.

7.5 **TAB C: Requested Resources**

Describe the support your organization would request from the County, if any, to establish new facilities and/or facilitate the transfer of services. Provide detailed descriptions and quantities of resources you request. Requests for financial support must be categorized (equipment, furnishings, staffing, etc). Provide a schedule for delivery of the requested resources. The County reserves the right to negotiate any such requests with the selected Provider.

7.6 **TAB D: Financial Statements and Supporting Documents:**

- A. Describe your current standing with regard to your federal grant. Describe any outstanding or unresolved terms or conditions.
- B. Describe your organization's current financial stability.
- C. Provide your organization's Federal Notice of Award for the current project period
- D. Provide a list of current Board of Directors, with affiliations.

Providers who are invited to interview will be required to provide the following documents for the County's review. It is not necessary to include these in your initial proposal.

- E. Past four years' independent audits, including management letters, if received. If there are audit exceptions, please address them.
- F. Cash flow statement for the past 12 months
- G. Current operating budget and balance sheet
- H. Agency annual report, if available

7.7 **TAB E: Required Statements:**

This section must include the statements identified below. For your convenience, you may complete and return **Attachment A**.

- A. A statement that the submitting firm will perform the services and adhere to the requirements described in this RFP, including any addenda (*reference the addenda by date and/or number*).

- B. Subsequent to award of this RFP, all or part of any submittal may be released to any person or firm who may request it, as prescribed by the State of California Public Records Act. Proposers shall include a statement that describes the specific portion(s) of their submittal that are considered proprietary and should not be releasable as public information. Proposers should be aware that all such requests may be subject to legal review and challenge.
- C. Include a statement of assurance that you will not substitute members of your designated team without approval by Placer County staff (per **Section 6.0**)
- D. Include a statement which declares there is no Conflict of Interest (per **Section 7.5**)
- E. Provide a statement attesting there has been no Collusion (see **Section 7.6**)
- F. Indicate your ability and agreement to fulfill the indemnification and insurance requirements contained in the draft contract (**Section 7.7**). (Please note that actual Certificates of Insurance are *not* required as part of your submittal.)
- G. Provide a statement certifying that your firm is not currently subject to debarment under Title 49, Code of Federal Regulations, Part 29

7.8 **TAB R: Exceptions** – Describe any and all proposed exceptions, alterations or amendments to the Scope of Work or other requirements of this RFP, including the Draft Contract (**Attachment B**). The nature and scope of your proposed exceptions may affect the evaluation of your submittal and the County’s determination of whether it is possible to successfully negotiate a contract with your firm/individual.

8.0 SUBMITTAL INSTRUCTIONS

8.1 Your submittal package shall include the following:

- **One (1) original and five (5) printed copies** of your proposal
- **One (1) electronic copy** of your proposal in PDF format on CD, flash drive or other electronic media

8.2 Proposals shall be submitted not later than the time and date indicated on the cover page of this RFP.

8.3 All submittals shall be submitted in a sealed envelope or container and clearly marked with the RFP number and title on the outside of the parcel.

8.4 Proposals must be submitted **ONLY** to:

Placer County Dept. of Administrative Services
Procurement Services Division
2964 Richardson Drive
Auburn, CA 95603-2640

8.5 Faxed and/or emailed proposals shall not be accepted.

8.6 The County of Placer shall not be responsible for proposals delivered to a person or location other than that specified herein.

8.7 Late submittals shall not be accepted or considered.

- 8.8 All submittals, whether selected or rejected, shall become the property of Placer County and will not be returned.
- 8.9 The County reserves the right to waive minor defects and/or irregularities in proposals, and shall be the sole judge of the materiality of any such defect or irregularity.
- 8.10 All costs associated with proposal preparation shall be borne by the offeror.
- 8.11 All proposals shall remain firm for **one hundred twenty (120) days** following the closing date for the receipt of proposals.

9.0 EVALUATION CRITERIA

9.1 **Evaluation of Written Proposals** – Upon review of the written proposals, the County will use the following evaluation criteria and rating points to determine the most highly qualified firm(s).

<u>Evaluation Criteria – Written Proposals</u>	<u>Maximum Points Possible</u>
A. Overall Suitability: The proposal demonstrates the agency’s capacity to operate the health center(s) and to sustain and grow health center utilization. (per Sections 7.3 A, B, C and 7.4)	50
B. Organizational Experience: The proposer demonstrates that it is experienced in serving comparable populations in delivering primary care and specialty services and developing local referral networks. (per Sections 7.3 A, B, C)	20
C. Technical Expertise and Experience of Staff: The proposer’s management team has the technical skills, experience, and expertise to oversee the site(s) and to assist in the necessary transitions. (per Section 7.3 D)	30
D. Capacity for Growth: The proposer has sufficient experience to operate a new clinic site and the financial management experience necessary to ensure maximization of revenues while controlling costs. (per Sections 7.4 and 7.6 A, B, C, D)	40
E. Commitment to partnership: The proposer has demonstrated successful, mutually beneficial partnerships with hospitals, hospital systems, local providers or other external entities. (per Section 7.3 E)	20
F. Requested Resources (per Section 7.5)	30
G. Additional points for proposals which offer to manage both Auburn and Kings Beach sites	5
Total Possible Points:	195

- 9.2 **Interviews** – The following evaluation criteria and rating points will be used during the interview phase (optional) to select the most highly qualified firm(s).

<u>Evaluation Criteria - Interviews</u>	<u>Maximum Points Possible</u>
A. Experience and qualifications of organization	20
B. Experience in new program development	30
C. Proposed Service Plan	40
D. Response to the Interview	20
Total Possible Points:	110

- 9.3 **Local Vendor Preference** – Placer County’s Local Vendor Preference policy shall not be considered in the evaluation of responses to this RFP.

10.0 SELECTION PROCEDURE

- 10.1 Written submittals will be reviewed for responsiveness, and responsive submittals will further be screened by a selection committee in accordance with the above criteria. The firm(s) submitting the highest rated proposal may be invited for interviews.
- 10.2 Interviews will be held solely at the County’s option. If the County elects to conduct interviews, the above criteria will be used to score and rank firms’ responses to interview questions or instructions, in addition to other relevant information provided or requested.
- 10.3 The County reserves the right to make an award without further discussion of the submittal with the offeror. Therefore, the proposal should be submitted initially on the most favorable terms that the firm or individual might propose.
- 10.4 The County reserves the right to award a contract to the firm(s) that presents the best qualifications and whose proposal best accomplishes the desired results.
- 10.5 The County reserves the right to reject any or all proposals, or to waive minor irregularities in said proposals, or to negotiate with the successful firm(s). In the case of differences between written words and figures in a proposal, the amount stated in written words shall govern. In the case of a difference in unit price versus the extended figure, the unit price shall govern.
- 10.6 The County will notify all proposers whether or not they are selected for the subject work. Email is the County’s preferred method of communication for all stages of the RFP process.

REQUIRED STATEMENTS

This form is provided as a convenience for proposers to respond to the "Required Statements" section of this RFP. You may complete and return this form or include your own statements of assurance which meet the requirements.

By signature on the cover letter of this submittal and by including this document, I/we attest and agree to the following:

A. Scope of Work and Addenda

I/We will perform the services and adhere to the requirements described in this RFP, including the following addenda issued by the County (*list the addenda by date and/or number*):

B. Public Records Act

I/We acknowledge that subsequent to award of this RFP, all of part of this submittal may be released to any person or firm who may request it, as prescribed by the State of California Public Records Act (Govt. Code 6250, et seq), and that:

_____ None of this submittal is considered proprietary

OR

_____ The portions/pages of this submittal identified below are proprietary and/or confidential for the reasons stated (*cite the specific exemptions allowed by the California Public Records Act/Government Code*):

I/We acknowledge that the above statements may be subject to legal review and challenge.

C. Non-Substitution of Designated Staff

I/We assure that the designated project team, including sub-consultants (if any), is used for this project and that departure or reassignment of, or substitution for, any member of the designated project team or sub-consultant(s) shall not be made without the prior written approval of the County.

D. Non-Conflict of Interest

I/We warrant that no official or employee of the County has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the County.

E. Non-Collusion

I/We warrant that this offer is made without any previous understanding, agreement or connection with any person, firm or corporation submitting a separate proposal for the same project and is in all respects fair, without outside control, collusion, fraud or otherwise illegal action.

F. Insurance Requirements

I/We agree to the indemnification and insurance requirements provided in the draft contract attached to the original RFP and that the cost of complying with the insurance requirements is included in our pricing. I/We agree to provide complete and valid insurance certificates within ten (10) days of the County's written request and acknowledge that failure to provide the documents within the time stated may result in the rejection of this proposal.

G. DEBARMENT AND SUSPENSION CERTIFICATION
TITLE 49, CODE OF FEDERAL REGULATIONS, PART 29

The proposer, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Note: Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this document.

Administering Agency: Placer County Health & Human Services

Contract No. _____

Contract Description: Operation of Medical Clinics - Auburn and Kings Beach, CA

DRAFT
CONTRACTOR SERVICES AGREEMENT

THIS AGREEMENT is made at Auburn, California, as of _____, 20____, by and between the County of Placer, ("County"), and _____ ("Contractor"), who agree as follows:

1. **Services.** County desires to retain Contractor to provide certain services for the operation of one or both of the Placer Medical Clinics subject to the terms and conditions set forth in this Agreement. , Contractor shall provide the services described in Exhibit A and **RFP No. 10513**, and Contractor's response to said document. Contractor shall provide said services at the time, place, and in the manner specified in Exhibit A.
2. **Payment.** County shall pay Contractor for services rendered pursuant to this Agreement at the time and in the amount set forth in Exhibit B. The payment specified in Exhibit B shall be the only payment made to Contractor for services rendered pursuant to this Agreement. Contractor shall submit all billings for said services to County in the manner specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures which Contractor uses for billing clients similar to County. **The amount of the contract shall not exceed _____ Dollars (\$_____).**
3. **Facilities, Equipment and Other Materials, and Obligations of County.** County will make available necessary space to carry out the functions agreed to in exhibit A. The space should include furniture, fixtures and equipment as deemed necessary after consultation with the Contractor. Contractor shall, at its sole cost and expense, furnish all facilities, equipment, and other materials which may be required for furnishing services pursuant to this Agreement.
4. **Exhibits.** All exhibits referred to herein will be attached hereto and by this reference incorporated herein.
5. **Time for Performance.** Time is of the essence. Failure of Contractor to perform any services within the time limits set forth in Exhibit A shall constitute material breach of this contract.
6. **Independent Contractor.** At all times during the term of this Agreement, Contractor shall be an independent Contractor and shall not be an employee of the County. County shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement. County shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.

7. **Licenses, Permits, Etc.** Contractor represents and warrants to County that it has all licenses, permits, qualifications, and approvals of whatsoever nature, which are legally required for Contractor to practice its profession. Contractor represents and warrants to County that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, and approvals which are legally required for Contractor to practice its profession at the time the services are performed.
8. **Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for the satisfactory performance of Contractor's obligations pursuant to this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.
9. **Insurance.** Contractor shall file with County a Certificate of Insurance, with companies acceptable to County, with a Best's Rating of no less than A-VII showing the following coverage:

A. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to Contractor's employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

Waiver of Subrogation - The workers' compensation policy shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this agreement by the CONTRACTOR.

Contractor shall require all sub-Contractors to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

B. GENERAL LIABILITY INSURANCE:

1. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of Contractor, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

- (a) Contractual liability insuring the obligations assumed by Contractor in this Agreement.
2. One of the following forms is required:
 - (a) Comprehensive General Liability;
 - (b) Commercial General Liability (Occurrence); or
 - (c) Commercial General Liability (Claims Made).
 3. If Contractor carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:
 - One million dollars (\$1,000,000) each occurrence
 - Two million dollars (\$2,000,000) aggregate
 4. If Contractor carries a Commercial General Liability (Occurrence) policy:
 - (a) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) for Products-Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate
 - (b) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).
 5. Special Claims Made Policy Form Provisions:

Contractor shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of County, which consent, if given, shall be subject to the following conditions:

 - (a) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) aggregate for Products Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate
 - (b) The insurance coverage provided by CONTRACTOR shall contain language providing coverage up to one (1) year following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

Conformity of Coverages - If more than one policy is used to meet the required coverages, such as a separate umbrella policy, such policies shall be consistent with all other applicable policies used to meet these minimum requirements. For example, all policies shall be Occurrence Liability policies or all shall be Claims Made Liability policies, if approved by the County as noted above. In no cases shall the types of policies be different.

C. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

1. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
2. "The insurance provided by the Contractor, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."
3. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

D. AUTOMOBILE LIABILITY INSURANCE:

Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

E. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence and two million dollars (\$2,000,000) aggregate.

If Contractor sub-contracts in support of Contractor's work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub contractor in an amount not less than one million dollars (\$1,000,000) in aggregate.

The insurance coverage provided by the Contractor shall contain language providing coverage up to one (1) year following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims made policy.

F. ADDITIONAL REQUIREMENTS:

Premium Payments - The insurance companies shall have no recourse against the COUNTY and funding agencies, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by a mutual insurance company.

Policy Deductibles - The Contractor shall be responsible for all deductibles in all of the Contractor's insurance policies. The maximum amount of allowable deductible for insurance coverage required herein shall be \$25,000.

CONTRACTOR's Obligations – Contractor's indemnity and other obligations shall not be limited by the foregoing insurance requirements and shall survive the expiration of this agreement.

Verification of Coverage - Contractor shall furnish the County with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the County before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Material Breach - Failure of the Contractor to maintain the insurance required by this agreement, or to comply with any of the requirements of this section, shall constitute a material breach of the entire agreement.

10. **Hold Harmless And Indemnification.** The Contractor hereby agrees to protect, defend, indemnify, and hold Placer County free and harmless from any and all losses, claims, liens, demands and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by Placer County arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of Placer County) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, in connection with or arising directly or indirectly out of this contract or agreement to the extent that the above arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct (all whether by act, error and/or omission) of the Contractor. Contractor's obligation shall include the duty to defend Placer County as set forth in California Civil Code Sections 2778 and 2782.8. This provision is not intended to create any cause of action in favor of any third party against Contractor or Placer County or to enlarge in any way the Contractor's liability but is intended solely to provide for indemnification of Placer County from liability for damages or injuries to third persons or property arising from Contractor's performance pursuant to this contract or agreement.

As used above, the term Placer County means Placer County or its officers, agents, employees, and volunteers.

11. **Contractor Not Agent.** Except as County may specify in writing Contractor shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to this Agreement to Bind County to any obligation whatsoever.
12. **Assignment Prohibited.** Contractor may assign its rights and obligations under this Agreement only upon the prior written approval of County, said approval to be in the sole discretion of County.

13. **Personnel.**

- A. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that County, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Contractor to perform services pursuant to this Agreement, including those members of the Project Team as explained below, Contractor shall remove any such person immediately upon receiving notice from County of the desire of County for removal of such person or persons.
- B. Notwithstanding the foregoing, if specific persons are designated as the "Project Team" in Exhibit A, Contractor agrees to perform the work under this agreement with those individuals identified. Reassignment or substitution of individuals or sub-Contractors named in the Project Team by Contractor without the prior written consent of County shall be grounds for cancellation of the agreement by County, and payment shall be made pursuant to Section 15 (Termination) of this Agreement only for that work performed by Project Team members.

This paragraph does not apply to the removal of County employees, whose employment status is determined solely by the County and not the Contractor.

14. **Standard of Performance.** Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All products of whatsoever nature which Contractor delivers to County pursuant to this Agreement shall be prepared in a substantial first class and workmanlike manner and conform to the standards or quality normally observed by a person practicing in Contractor's profession.

15. **Termination.**

- A. County shall have the right to terminate this Agreement at any time by giving notice in writing of such termination to Contractor. In the event County shall give notice of termination, Contractor shall immediately cease rendering service upon receipt of such written notice, pursuant to this Agreement. In the event County shall terminate this Agreement:
- 1) Contractor shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, printing, Photostatting, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols, or combinations thereof.
 - 2) County shall have full ownership and control of all such writings delivered by Contractor pursuant to this Agreement.
 - 3) County shall pay Contractor the reasonable value of services rendered by Contractor to the date of termination pursuant to this Agreement not to exceed the amount documented by Contractor and approved by County as work accomplished to date; provided, however, that in no event shall any payment hereunder exceed the amount of the agreement specified in Exhibit B, and further provided, however, County shall not in any manner be liable for lost profits which might have been made by Contractor had Contractor completed the services required by this Agreement. In this regard, Contractor shall furnish to

County such financial information as in the judgment of the County is necessary to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy, which County may have in law or equity.

- B. Contractor may terminate its services under this Agreement upon thirty- (30) working days' advance written notice to the County.
16. **Non-Discrimination**. Contractor shall not discriminate in its employment practices because of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex in contravention of the California Fair Employment and Housing Act, Government Code section 12900 et seq.
17. **Records**. Contractor shall maintain, at all times, complete detailed records with regard to work performed under this agreement in a form acceptable to County, and County shall have the right to inspect such records at any reasonable time. Notwithstanding any other terms of this agreement, no payments shall be made to Contractor until County is satisfied that work of such value has been rendered pursuant to this agreement. However, County shall not unreasonably withhold payment and, if a dispute exists, the withheld payment shall be proportional only to the item in dispute.
18. **Confidentiality**. CONTRACTOR agrees to maintain confidentiality of information and records as required by applicable Federal, State and local laws, regulations and rules, and further agrees to hold COUNTY harmless from any breach of confidentiality, as set forth in the hold harmless provisions contained herein.
19. **Ownership of Information**. All professional and technical information developed under this Agreement and all work sheets, reports, and related data shall become the property of County, and Contractor agrees to deliver reproducible copies of such documents to County on completion of the services hereunder.
19. **Waiver**. One or more waivers by one party of any major or minor breach or default of any provision, term, condition, or covenant of this Agreement shall not operate as a waiver of any subsequent breach or default by the other party.
20. **Conflict of Interest**. Contractor certifies that no official or employee of the County, nor any business entity in which an official of the County has an interest, has been employed or retained to solicit or aid in the procuring of this agreement. In addition, Contractor agrees that no such person will be employed in the performance of this agreement without immediately notifying the County.
21. **Entirety of Agreement**. This Agreement contains the entire agreement of County and Contractor with respect to the subject matter hereof, and no other agreement, statement, or promise made by any party, or to any employee, officer or agent of any party, which is not contained in this Agreement, shall be binding or valid.
22. **Alteration**. No waiver, alteration, modification, or termination of this Agreement shall be valid unless made in writing and signed by all parties, except as expressly provided in Section 15, Termination.

23. **Governing Law and Venue.** The parties enter into this Agreement in the County of Placer, California and agree to comply with all applicable laws and regulations therein. The laws of the State of California shall govern its interpretation and effect. For litigation purposes, the parties agree that the proper venue for any dispute related to the Agreement shall be the Placer County Superior Court or the United States District Court, Eastern District of California, and CONTRACTOR hereby waives the provisions in California Code of Civil Procedure §394.
24. **Contract Term:** This Agreement shall remain in full force and effect from (date) through (date) . Contract provisions that contain report deadlines or record obligations which occur after contract termination survive as enforceable continuing obligations.
25. **HIPAA Compliance:** CONTRACTOR agrees, to the extent required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including but not limited to Title 42, United States Code, Section 1320d et seq. and its implementing regulations (including but not limited to Title 45, Code of Federal Regulations (CFR), Parts 142, 160, 162, and 164), to comply with applicable requirements of law and subsequent amendments relating to protected health information, as well as any task or activity CONTRACTOR performs on behalf of COUNTY, to the extent COUNTY would be required to comply with such requirements.

More specifically, CONTRACTOR shall not use or disclose confidential information other than as permitted or required by this Agreement and will notify COUNTY of any discovered instances of breaches of confidentiality.

Without limiting the rights and remedies of COUNTY elsewhere as set forth in this Agreement, COUNTY may terminate this Agreement without penalty or recourse if determined that CONTRACTOR violated a material term of the provisions of this section.

CONTRACTOR ensures that any subcontractors' agents receiving health information related to this Agreement agree to the same restrictions and conditions that apply to CONTRACTOR with respect to such information.

26. **Notification.** Any notice or demand desired or required to be given hereunder shall be in writing and deemed given when personally delivered or deposited in the mail, postage prepaid, and addressed to the parties as follows:

COUNTY OF PLACER:

CONTRACTOR:

Placer County Health and Human Services
Attn:

Attn:

Phone:

Phone:

Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received five (5) days after the date on which it was mailed.

//

Executed as of the day first above stated:

COUNTY OF PLACER

By: _____ Date: _____

Printed Name/Title: _____

Approved As to Form – County Counsel:

By: _____ Date: _____

CONTRACTOR: _____

By: _____ Date: _____

Name: _____

* Title: _____

By: _____ Date: _____

Name: _____

* Title: _____

****If Contractor is a corporation, this agreement must be signed by two corporate officers; one of which must be the secretary of the corporation, and the other may be either the President or Vice President, unless an authenticated corporate resolution is attached delegating authority to a single officer to bind the corporation (California Corporations Code Sec. 313).***

THE FOLLOWING EXHIBITS WILL BE NEGOTIATED, BASED ON THIS RFP AND RESPONDENT'S PROPOSAL

Exhibits

- A. Scope of Services
- B. Payment for Services Rendered
- C. Facilities, Equipment and Other Obligations of County



COUNTY OF PLACER

- DIVISIONS:
- Administration
 - Central Services
 - Information Technology
 - Procurement Services
 - Revenue Services
 - Telecommunications

ADMINISTRATIVE SERVICES DEPARTMENT

Jerry Gamez,
Director of Administrative Services

PROCUREMENT SERVICES DIVISION

2964 Richardson Drive,
Auburn, CA 95603
Phone: (530) 886-2122

December 11, 2015

RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

Addendum No. 1

The due date for responding to this RFP has been extended to:
January 13, 2016 – 5:00 pm (Pacific)

All other requirements, terms, and conditions of this RFP remain in full force and effect.

Direct all questions regarding this RFP and all associated addenda to:

April Pay, CPPO, CPPB
Placer County Procurement
Phone: 530-889-4253
Email: apay@placer.ca.gov



COUNTY OF PLACER

- DIVISIONS:
- Administration
 - Central Services
 - Information Technology
 - Procurement Services
 - Revenue Services
 - Telecommunications

ADMINISTRATIVE SERVICES DEPARTMENT

Jerry Gamez,
Director of Administrative Services

PROCUREMENT SERVICES DIVISION
2964 Richardson Drive,
Auburn, CA 95603
Phone: (530) 886-2122

December 17, 2015

RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

Addendum No. 2

The purpose of this addendum is to provide responses to requests for information, or to provide clarification for issues that are considered to be material to the scope of services described in the RFP.

No.	Request	Response
1.	Please clarify whether the dental services currently provided at the Kings Beach/Tahoe clinic will need to be addressed by the new Provider.	It is intended that all medical and dental services currently provided at the Kings Beach/Tahoe facility will become the responsibility of the new Provider.
2.	Please provide the County's financial statements for these programs	The budget for both clinics combined is provided in Attachment 1A to this addendum. The portion of the combined budget allocated for Tahoe is provided in Attachment 1B . We do not have separate budget figures for the Auburn clinic at this time. However, you should be able to use both of these attachments to compute the budget for Auburn.
3.	Please provide metrics for the quantities of various services provided, and estimates or forecasts for future growth (if any).	Attachments 2A-C to this addendum include Encounter Reports by department, by payor and by visit type. Each report contains separate information for each clinic site.
4.	Please provide a flowchart for the services currently provided by the County.	We do not have this documentation.
5.	Please provide an organizational chart for the current staff.	The current Organizational Chart for the Medical Clinics program is provided in Attachment 3 to this addendum.
6.	Please provide the CPT codes currently used by the County.	Attachments 4A-C contain reports by CPT code and Procedure code for both Auburn and Tahoe combined. We do not have separate data at this time for the medical services at each facility. However, we have a separate report for the procedure codes used for dental service in Tahoe, which are shown in Attachment 5 .

No.	Request	Response
7.	<p>A. We would like floor plans for both the Auburn and Tahoe facilities.</p> <p>B. We would also like to make site visits to both facilities.</p>	<p>A. The Auburn Clinic is currently housed in a building which was originally constructed in the 1940s as a military barracks facility. It does not currently meet OSHPD-3 standards and it is fiscally impractical to bring it up to those standards. For this reason, we are not providing the requested floor plans.</p> <p>Floor plans for the Tahoe clinic are provided in Attachment 6 to this addendum.</p> <p>B. The Auburn Clinic is not available for a site visit, for the reason stated above.</p> <p>The Tahoe facility may be toured by appointment only. Contact Maureen Bauman at 530-889-7256 to request a visit.</p>

**The due date for responding to this RFP is extended to:
 January 15, 2016 – 5:00 pm (Pacific)**

With the exception of the above noted items, all other requirements, terms, and conditions of this RFP remain in full force and effect. Your response shall consider and/or address the clarifications addressed herein.

Direct all questions regarding this RFP and all associated addenda to:

April Pay, CPPO, CPPB
 Placer County Procurement
 Phone: 530-889-4253
 Email: apay@placer.ca.gov



COUNTY OF PLACER

- DIVISIONS:
- Administration
 - Central Services
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 - Procurement Services
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 - Telecommunications

ADMINISTRATIVE SERVICES DEPARTMENT

Jerry Gamez,
Director of Administrative Services

PROCUREMENT SERVICES DIVISION

2964 Richardson Drive,
Auburn, CA 95603
Phone: (530) 886-2122

December 18, 2015

RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

Addendum No. 3

The purpose of this addendum is to provide responses to requests for information, or to provide clarification for issues that are considered to be material to the scope of services described in the RFP.

No.	Question	Response
1.	If a new Tahoe facility is needed, can it be relocated outside of Kings Beach?	We would consider alternatives within Placer County, however this location is close to the community needing these services.
2.	a. Which EHR is used by Placer County currently? How long have they been live? b. Is there an EDR in place? c. Are there paper charts in use for the past three years? If so, approximately how many active patient files are on paper?	a. We utilize the OCHIN "Epic" EMR system for Electronic Health Records. Parts of Epic were implemented beginning in 2010. The Epicare EMR was fully implemented in August of 2012. b. Our Electronic Dental Record system is Dentrix c. Paper charts are no longer utilized for standard patient visits; they are only required to be kept for 7 years after implementation.
3.	Will County grant all clinical and office equipment currently in both clinics to the awarded applicant?	Proposers are invited to request County contribution of any resources needed to implement the new service model, including any combination of funds and/or equipment.
4.	Does Placer County employ a call center to enroll Medi-Cal patients?	There is a call center at the Human Services Division of HHS responsible for all Medi-cal enrollments. Human Services coordinates the assignment to one of the Managed Care companies at the time of the enrollment.
5.	Is there an active outreach program to enroll patients in Medi-Cal or CA health exchange?	There is an outreach effort in Placer to enroll patients in Medi-Cal. Placer has doubled the number of persons enrolled in Medi-Cal since the implementation of the ACA.
6.	Who does billing for Placer County?	Placer County HHS fiscal staff does the billing for the Medical Clinic at this time.
7.	What is the current PPS rate for Auburn and Kings Beach?	PPS rate for both sites is \$226.92 as of October 1, 2015

No.	Request	Response
8.	List all of the positions at Auburn and Kings Beach that are represented by a union.	Administrative Clerk (10) Administrative Secretary (1) Administrative Supervisor (1) Client Services Assistant (1) Client Services Program Specialist (1) Client Services Program Supervisor (1) Community Health Aide (1) Dental Assistant (1) Licensed Vocational Nurse (1) Medical Assistant (2) Mid-Level Practitioner (3) Registered Nurse (4) Registered Supervising Nurse (1)
9.	What is the notification period by the County for closure of a health center?	A Beilenson Hearing is required for county health service closures. It must be noticed 14 days in advance of the Board of Supervisors meeting to allow public comment. Once the Board approves the closure there are no specific time lines in statute. It is anticipated that responders to this RFP will propose a transition process and timeline.
10.	Clarify that the psychiatrist at Auburn will stay with the County.	The County will attempt to transition as many of the affected employees as possible into other positions. However, the success of that effort is dependent on which openings are available within the County at the time of the transition.
11.	It is unclear if applicant will be responsible for mental health in these agreements. Will County keep moderate-to-severely mentally ill patients and applicant take on mild-to-moderate?	The awarded Provider will be responsible for mental health services to the mild and moderate as described in the current agreements between mental health and managed care plans. The County will continue to provide care for the severely mentally ill patients.

**The due date for responding to this RFP remains:
 January 15, 2016 – 5:00 pm Pacific
 (previously extended per Addendum #2)**

With the exception of the above noted items, all other requirements, terms, and conditions of this RFP remain in full force and effect. Your response shall consider and/or address the clarifications addressed herein.

Direct all questions regarding this RFP and all associated addenda to:

April Pay, CPPO, CPPB
 Placer County Procurement
 Phone: 530-889-4253
 Email: apay@placer.ca.gov



COUNTY OF PLACER

- DIVISIONS:
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ADMINISTRATIVE SERVICES DEPARTMENT

Jerry Gamez,
Director of Administrative Services

PROCUREMENT SERVICES DIVISION

2964 Richardson Drive,
Auburn, CA 95603
Phone: (530) 886-2122

January 13, 2016

RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

Addendum No. 4

The due date for responding to this RFP has been extended to:
January 29, 2016 – 5:00 pm (Pacific)

All other requirements, terms, and conditions of this RFP remain in full force and effect.

Direct all questions regarding this RFP and all associated addenda to:

April Pay, CPPO, CPPB
Placer County Procurement
Phone: 530-889-4253
Email: apay@placer.ca.gov



COUNTY OF PLACER

- DIVISIONS:
- Administration
 - Central Services
 - Information Technology
 - Procurement Services
 - Revenue Services
 - Telecommunications

ADMINISTRATIVE SERVICES DEPARTMENT

Jerry Gamez,
Director of Administrative Services

PROCUREMENT SERVICES DIVISION

2964 Richardson Drive,
Auburn, CA 95603
Phone: (530) 886-2122

January 13, 2016

RFP No. 10514
Operation of Medical Clinics
Auburn and Kings Beach, CA

Addendum No. 5

The **Interview Date** shown in Section 2.0 has changed. The new date is March 11, 2016. The key members of each firm's designated team must be available on this date, in the event the County invites the team to interview with the selection panel.

All other requirements, terms, and conditions of this RFP remain in full force and effect.

Direct all questions regarding this RFP and all associated addenda to:

April Pay, CPPO, CPPB
Placer County Procurement
Phone: 530-889-4253
Email: apay@placer.ca.gov



Western Sierra Medical Clinic: Downieville
209 Nevada Street / PO Box 286
Downieville, CA 95936
530-289-3298 / FAX: 530-289-3159

Western Sierra Medical Clinic: Grass Valley
844 Old Tunnel Road
Grass Valley, CA 95945
530-273-4984 / FAX: 530- 273-7255

January 15, 2016

Placer County Dept. of Administrative Services
Procurement Services Division
2964 Richardson Drive
Auburn, CA 95603

Re: RFP No. 10514 – Operation of Medical Clinics Auburn and Kings Beach, CA

Dear Sir or Madam:

Western Sierra Medical Clinic, Inc. (“WSMC”) submits the enclosed proposal (original and five copies plus one electronic copy on CD) in response to the Placer County Department of Administrative Services on behalf of the Department of Health & Human Services Request for Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514 (and Addendum No. 1 dated December 11, 2015, Addendum No. 2 dated December 17, 2015, Addendum No. 3 dated December 18, 2015, and Addendum No. 4 dated January 13, 2016).

WSMC’s mailing address is 844 Old Tunnel Road, Grass Valley, CA 95945.

WSMC submits the enclosed proposal for both the Auburn Clinic and the Kings Beach Clinic.

The contact person at WSMC for purposes of the enclosed proposal is Scott McFarland, CEO, whose e-mail address is scott@wsmcmed.org, telephone number is (530) 273-3813, and fax number is (530) 273-4573. Please copy Jessica Fraser, Executive Administrative Assistant, with all e-mail communications at jessicaf@wsmcmed.org.

The undersigned is empowered by the Consultant designated by WSMC in the enclosed proposal to sign this letter and submit the enclosed proposal, to bind the Consultant to the obligations contained in the enclosed proposal, and further indicates by his signature below that WSMC intends to adhere to the provisions described in RFP No. 10514 and the aforementioned addenda, and is committed to enter into a binding contract with respect to RFP No. 10514 and the aforementioned addenda pursuant to the proposal submitted herewith.

WESTERN SIERRA MEDICAL CLINIC, INC.

By: 

Scott McFarland, CEO

TAB A: Qualifications and Experience

A. Brief Overview and History

Western Sierra Medical Clinic, Inc. (“WSMC”) has been serving as Sierra County’s main community health center since 1974 in its Downieville, California facility. Until 2014, WSMC operated the Downieville Clinic 24 hours, seven days a week. In 2014, due to declining visits corresponding to a decline in area population and need for services, WSMC changed its hours of operation to Monday thru Thursday 8 a.m. to 5 p.m. In an effort to meet community concerns, WSMC has instituted telemedicine to assist in addressing urgent care situations.

In 2009, WSMC added a mobile clinic to expand the area of services to include more remote regions of Sierra and Yuba Counties and to the homeless at the Hospitality House in Grass Valley.

In 2010, WSMC merged with Miners Community Clinic in Nevada County, and became the surviving corporation. Since the merger, WSMC has, through its sites in Grass Valley and Downieville, transitioned to become the leading community health center and healthcare provider in both Nevada County and Sierra County.

WSMC embraces the tenets of seeking to provide affordable, quality health care for the poor and medically disenfranchised. WSMC is committed to serving low income residents of all counties in which it has a medical facility (Sierra, Yuba and Nevada Counties, and soon Placer County) and to ensure that all patients receive accessible and affordable health care services.

WSMC’s vision is to be the health provider of choice promoting the health and wellness of Placer, Nevada, Sierra and Yuba counties through its model of patient-centered care. WSMC’s mission is to provide accessible, quality medical, dental and behavioral health services through innovative, patient-centered care employing the specific values of excellence and innovation resulting in the best possible and cost-effective patient care, dedication to respecting patients and their families’ need for emotional support, treating every patient and staff member with thoughtful consideration and understanding of each other’s circumstances, and protecting resources today to ensure success in WSMC’s mission tomorrow.

By submitting this proposal, WSMC seeks to establish a strong foundation and partnership with the County of Placer as it expands its sites of operation to include Auburn, and to collaborate, as it has done in other communities in which it serves, with the County of Placer for mutual participation, encouragement, support and collaboration to provide affordable, quality health care for the poor, low-income and medically disenfranchised. WSMC seeks to further its partnership with the County of Placer through its relationships and agreements with other Auburn and Placer County agencies, including Community Recovery Resources (“CoRR”), Sutter Auburn Faith Hospital, Sierra College, Pride Industries, and Freed. Attached hereto are letters of support from some of WSMC’s partners (who were kind enough to provide them under the time constraint) speaking to WSMC’s value as a partner in the healthcare community.

With a solid standing as a long-time FQHC, experience in opening new facilities, strong foundation of management and leadership, financial stability, strong patient-centered relationships, and history of collaboration and partnerships in the communities it serves, WSMC foresees establishing itself, in conjunction with the County of Placer, as becoming a leader in providing healthcare services in Placer County in the very near future. This certainly has been WSMC's desire and plan, which already is in progress and which now includes an enhanced partnership with the County of Placer vis- à-vis this proposal and resulting contract award.

B. Specific Requested Information

WSMC has been a 330 Grant funded Federally Qualified Health Center since 2007.

WSMC currently operates in three sites, two in Grass Valley and one in Downieville, and has a mobile clinic that serves three sites. WSMC is in process of opening sites in Penn Valley, Auburn, and Roseville.

In 2014, WSMC completed construction of a new facility at 844 Old Tunnel Road in Grass Valley. This expansion allows WSMC to provide the following services onsite:

Primary and Preventative Care

Pediatric

Maternity

Dental

Behavioral Health

Teen Clinic

Nutrition

Case Management

Pharmacy Services

Lab Services

Veterans Services

Senior Care

Workshops and Educational Classes

Specialties of

Obstetrics and Gynecology

Gastrointestinal

Physical and Rehabilitative Medicine

Psychiatry

Urgent Care

In the CoRR facility in Grass Valley in which WSMC leases space, WSMC provides primary care, mental health services, and substance recovery services. WSMC is in process of including pain management services for patients involved in CoRR's programs in the Grass Valley facility.

WSMC mobile clinics offer services at Hospitality House in Grass Valley (a homeless shelter for the region), and in Camptonville and Washington.

WSMC provides the following services in its Downieville clinic:

Primary care

Dental

Urgent care

In 2016, WSMC will begin operating a clinic in Penn Valley, California, in a building purchased by WSMC in 2015, to provide the following services:

Family Medical

Dental

Behavioral health

In the Grass Valley site, WSMC has the following providers on staff:

<u>Provider Type</u>	<u>Number of Providers</u>	<u>FTE Total</u>
Nurse Practitioner	4	2.0
Dentist	3	1.8
Pediatric MD	4	.8
Behavioral Health	3	1.6
Physician Assistant	4	4.0
Family Medicine MD	8	4.6
Registered Nurse	1	.9
Midwife	1	.6
OB/GYN MD	1	.8

In the Downieville site, WSMC has the following providers on staff:

<u>Provider Type</u>	<u>Number of Providers</u>	<u>FTE Total</u>
Nurse Practitioner	1	.8

WSMC will have on staff at its Penn Valley facility one part-time physician, one nurse practitioner and/or physician assistant, one LCSW, and one dentist.

WSMC's Board of Directors consists of 14 Directors.

WSMC currently serves 633 patients in its Downieville site, with 180 patient visits over per month on average over the past 12 months.

WSMC currently serves 15,603 patients in its Grass Valley site, with over 45,000 patient visits over the past 12 months.

WSMC has Spanish speaking interpreters on staff to assist its Spanish speaking patients and has access to other translation and disability assistance services.

WSMC intends to expand operations and open facilities in Auburn, Roseville¹ and Truckee. WSMC is positioned perfectly to assist Placer County Health and Human Services in a warm hand-off of its patients at both the Auburn and Kings Beach clinics.

Recognizing the need for a community health center in Placer County based on conversations WSMC had with Placer County officials (and that WSMC already has 946 unique patients coming from Placer County to its Grass Valley facility for 6,370 visits in the past three years), and that situating a clinic in Placer County would further the provider recruitment corridor for WSMC (three providers working at WSMC's Grass Valley facility commute from Placer County), WSMC's Board of Directors approved expanding WSMC's operations in Placer County, and specifically opening a new facility in Auburn in 2016. Since that directive was made, WSMC has been working with real estate professionals to identify sites of service, has been in discussions with landlords of various facilities, has begun forging relationships in Placer County with Sutter Auburn Faith Hospital (WSMC is negotiating with Sutter Auburn Faith to secure a transfer agreement and OB/GYN privileges) and Sierra College, and has engaged in strategic planning with CoRR. Recently, WSMC identified suitable space in a building in Auburn to build two adjoining medical suites (see below).

¹ WSMC is not submitting a response to Placer County Health and Human Services Request for Proposal with Respect to the Cirby Hills facility as WSMC is presently in negotiations to lease space adjacent to CoRR to open a facility in collaboration with CoRR right across the street from the County's Cirby Hills facility, which is expected to be finalized by March 2016.

In addition to providing primary and preventative care (and eventually dental, lab services and pharmacy services) in Auburn, WSMC is positioned to work collaboratively with Placer County Health and Human Services as a partner with CoRR to address specialty access to behavioral health services and substance abuse disorder treatment. WSMC will also provide public health preventative care to Placer County patients through expansion of its HEDIS programs.

WSMC has been nurturing an arrangement with Sierra College for coordination of student clinical nursing training at WSMC's Grass Valley site (and eventually at its site in Auburn), which recently was reduced to an agreement the parties are preparing to execute.

WSMC works with Pride Industries and FREED in Nevada County and will work with those agencies in Placer County to provide services and employment opportunities to their participants.

WSMC already has outgrown its Grass Valley facility. The number of patients served by the facility has grown 59% since the facility was opened in 2014. Recently, WSMC expanded the services offered in its facility to include OB/GYN, pharmacy and urgent care services. In order to make space available for providers to serve its ever-growing number of patients, WSMC has located a facility in Auburn to serve its 946 Placer County patients and to serve new patients in and around the Auburn area.

As previously mentioned, opening a facility in Auburn to serve its existing patients will have another important benefit to WSMC, which is maintaining recruitment corridors for qualified providers who share WSMC's mission and values. Three providers already commute from Placer County to work in WSMC's Grass Valley clinic and WSMC seeks to add providers from Placer County as the number of patients from Placer County served by WSMC and its services continue to grow.

WSMC is working with its architect and contractor for improvements to two suites in a building originally constructed as medical suites located at 12183 Locksley Lane, Auburn to open a facility, with an option to lease an additional third suite, and continues to negotiate a lease that includes tenant improvements as those improvements are identified. The suites are adjacent to space leased by CoRR, WSMC's partner in substance abuse treatment. The two suites consist of 1,736 square feet and will situate WSMC in a matter of a few months to have a facility available to serve its Placer County patients and to accept additional patients including the transition of Placer County Health and Human Services' Auburn patients. The third suite is reserved at this time for future expansion to include dental, lab and pharmacy services onsite and potentially other services, or more primary care providers, as the Auburn community's needs are assessed.

With respect to the Kings Beach clinic, WSMC desires to assume responsibility for serving the patients at Placer County Health and Human Services' Kings Beach facility as well. WSMC previously has been in discussions with CoRR regarding partnering to expand substance abuse treatment services in the Kings Beach area where CoRR's facility at 8491 North Lake Boulevard is situated, potentially in Truckee, and at CoRR's Cirby Way facility in Roseville, as

well as other locations. Assuming responsibility for Placer County's patients in Kings Beach will permit WSMC to further collaborative efforts with CoRR to expand behavioral health and substance abuse treatment in Kings Beach, and WSMC has the capacity and proven ability to manage the additional clinic and provide the same patient services now being provided at the Kings Beach clinic by Placer County Health and Human Services. WSMC's proposal submitted herewith with respect to the Kings Beach clinic dovetails nicely with WSMC's existing plans to expand on its partnership with CoRR in Kings Beach. This proposal enhances that collaborative effort by providing WSMC with the opportunity also to provide primary care and dental services in Kings Beach.

C. Status of HRSA-Required Terms/Conditions

WSMC operates in part through a 330 Grant issued by HRSA. WSMC is "condition-free" with respect to its 330 Grant and achieved a perfect score on a recent HRSA site inspection.

D. Management Team

Scott McFarland, Chief Executive Officer

Mr. McFarland has been the CEO of WSMC since 2008, after serving as Executive Director of Peach Tree Clinic in Yuba County. He holds a Master's degree in in Clinical Psychology and a Master of Business Administration. Mr. McFarland has overseen expansion of the health center during this time, with particularly extensive growth during the last year, including sites in Grass Valley, Downieville, at CoRR, and new sites in Auburn and Penn Valley opening in 2016. Mr. McFarland oversees care to more than 20,000 patients in Nevada, Sierra, and Yuba Counties, providing more than 55,000 visits a year in a multi-specialty type practice that includes mental health, Obstetrical, and dental services. Mr. McFarland serves on the Board of the California Primary Care Association and on its Executive Committee. He is also Chair of the California Primary Care Association's Workforce Development Committee, and former Chair and current member of California Primary Care Association's Rural Health Committee. Mr. McFarland serves on the Public Policy Committee of California Health & Wellness and is a current member of the Rotary Club of Grass Valley. In the past, he has served as Chair of the Nevada County Health Collaborative, Board President at the Health Alliance of Northern California, Board Member of the Rotary Club of Grass Valley, and Board Member of the Yuba City Kiwanis Club.

Francine Novak, Chief Operating Officer

Ms. Novak has overseen all aspects of WSMC's daily operations for over 8 years, including managing its expansions and multiple sites, staffing, procedures, billing, front office, medical records, and patient satisfaction. She is also a member of the Compliance Committee and Quality Improvement Committee, which helps ensure that WSMC achieves its mission to provide affordable, quality care in the communities it serves. Ms. Novak has more than 15 years of leadership experience in community health care and adult day health care. She received her degree in accounting from Heald Business College, and has received ongoing education through the Blue Shield Clinic Leadership Institute.

Tom Morrissey, Chief Financial Officer

Mr. Morrissey has overseen financial management of WSMC's sites for more than 5 years. He previously served for 19 years as CFO at Sierra Nevada Memorial Hospital and more recently three and a half years as CFO at Medical Benefits Administration. Mr. Morrissey has more than 30 years of health care financial management experience and is very active in Nevada County nonprofits, ranging from Gold Country Kiwanis to Sierra Nevada Community Health Plan to Hospitality House.

Dr. Glenn Thiel, Chief Medical Officer

Dr. Thiel is the Chief Medical Officer for Western Sierra, where he ranks among his most important accomplishments providing care to people "who normally don't get it and need it". Dr. Thiel is an Osteopathic Physician, with a special interest in musculoskeletal problems and is trained in Osteopathic Manipulative Medicine, i.e. body work. He is Board Certified in Holistic Medicine. He did his family medicine residency at University of California, Davis. Dr. Thiel worked with the State of California for more than a decade, overseeing the implementation of services for persons with disabilities and those in correctional facilities. He is also a trained psychologist.

Dr. Robert Simon Lyss, Interim Acting Chief Medical Officer

Dr. Lyss recently joined WSMC as Interim Acting Chief Medical Officer as Dr. Thiel transitions to clinical time in preparation for retirement. Dr. Lyss is a Dermatology Physician and is certified by the American Board of Dermatology. He served as Regional Medical Director and Group Medical Director for Kaiser Permanente, Northeast Region, and in that capacity served as Chairman of the Kaiser Permanente Committee (a group consisting of the 30 most senior managers of the Kaiser Permanente Medical Care Program), on the Finance Committee, Legislative Subcommittee, and as Co-Chairman of the Information Services Steering Committee of the Kaiser Permanente Medical Care Program. He previously served as Chairman of Medical Directors, Chairman of the Expansion Region Alliance, and Chairman of the Expansion Region Medical Directors for Kaiser Permanente. Prior to his position as Regional Medical Director of Kaiser Permanente Northeast Region, Dr. Lyss served as Group Medical Director, Northeast Permanente Medical Group, P.C., New York, Associate Regional Medical Director of Kaiser Permanente Northeast Region, as Chief of Staff of the Kaiser Foundation Hospital and as Physician-in-Chief, The Permanente Medical Group, Kaiser Permanente Medical Center, Walnut Creek, California, and as Assistant Chief of Staff, Kaiser Foundation Hospital and Assistant Physician-in-Chief, Chief of Quality Assurance, Chief of Staff Education, and Staff Dermatologist for The Permanente Medical Group, Kaiser Permanente Medical Center, Hayward, California. After working for Kaiser Permanente for twenty-eight years, Dr. Lyss worked as Medical Director, Senior Vice President for Health Affairs, and Chief Medical Officer for Health Partners of the Southeast.

Juan Alberto Chavez, DDS, Dental Director

Dr. J. Alberto Chavez is WSMC's Dental Director. Dr. Chavez graduated from dental school at the National University of Mexico. He took the dental boards at Loma Linda University, California in 1996. Prior to relocating to Grass Valley, Dr. Chavez practiced general dentistry in the Los Angeles area for 17 years. He grew up in Texas and Mexico City, and speaks fluent Spanish.

Darin Peters, Chief Information Officer

Mr. Peters oversees all Information Technology planning and strategies at WSMC providing oversight of network administration, staff technology and training, information security, reporting tools, patient portal and the Electronic Health Records systems. He has more than 25 years' experience in various management and leadership roles. Prior to joining Western Sierra Medical Clinic, Mr. Peters led the Quality Assurance Development Department for a residential facility organization that serves children and adolescents suffering from severe emotional disturbances throughout the state of California. He has worked for a number of technology, communications and marketing companies throughout the Western United States. Mr. Peters helped to develop, write and program many software packages and analytical systems. He is a Commandant's List graduate of both the US Army Leadership Development and Adjutant General's School.

Cheryl Rubin, Planning & Development Director

Ms. Rubin builds awareness for WSMC directing community engagement, marketing, fund development and other activities. Previously she served as a Senior Analyst with Nevada County's Health & Human Services Agency, ran her own public relations firm and was Vice President of Communications for the California Forest Products Commission and The Forest Foundation. Ms. Rubin began her PR career with a Madison Avenue firm. She is a recipient of the Silver Anvil Award, the Public Relations Society of America's highest honor. In Washington, DC, Ms. Rubin served as United Way of America's PR Director. She also worked for ABC TV's "Good Morning America." Ms. Rubin is active in the community and served on the Board of Directors for the Center for Nonprofit Leadership and Nevada County Digital Media Center/NCTV. She earned her Bachelor's degree in journalism, minor in political science, with honors from the University of Georgia.

Andrew Harris, Chief Legal and Administrative Officer

Mr. Harris joined WSMC in 2015 to oversee its compliance and human resources and assist in business development. He served as Western Sierra Medical Clinic's attorney from 2012 to 2015. Mr. Harris earned a Juris Doctorate degree in 2001 from Lincoln Law School of Sacramento, was Valedictorian of his class, and was admitted to the State Bar in 2001. Before becoming an attorney, Mr. Harris worked for thirteen years as a paralegal and law clerk during which time he worked on many matters including assisting publicly traded companies with reporting and compliance issues, mergers and acquisitions, securities class actions, and complex civil litigation. He is an active member of the community and serves on the Board of Directors

of the Greater Grass Valley Chamber of Commerce and as the Chairman of its Business and Government Committee. Mr. Harris has served on the Boards of the Nevada County Girls Softball Association and Grass Valley Little League, as an officer of the Nevada County Bar Association, and as Chairman of the Mandatory fee Arbitration Program for the Nevada County Bar Association.

E. Collaboration Experience

WSMC partners and collaborates with several agencies and providers to deliver a broad spectrum of services throughout the community, including:

- **Community Recovery Resources (CoRR), Grass Valley:** WSMC provides onsite services to patients by referral for substance abuse/dependence, mental health, chronic pain management services and primary care at CoRR's Grass Valley, facility.
- **County of Nevada, Grass Valley:** WSMC collaborates with the County of Nevada to enhance emergency preparedness and response efforts in the event of a large-scale disaster, and stores its Mobile Medical Unit on the County's property.
- **Nevada County Transit Services Division – Gold Country Stage (Gold Country), Grass Valley:** WSMC patients that are at or below 200% of the Federal Poverty guidelines receive transportation assistance through one-way transportation vouchers.
- **Sierra County, Loyalton:** WSMC provides services to Sierra County Human Services - Drug/Alcohol Programs and the Sierra County Jail.
- **Sierra & Eastern Plumas Counties:** Partnership between Sierra and Plumas Counties with WSMC to develop a working collaboration.
- **Sierra Nevada Memorial Hospital, Grass Valley:** Clinical laboratory services are provided at WSMC's Grass Valley facility by Dignity Health-Sierra Nevada Memorial Hospital for orders by WSMC medical providers. WSMC has access for Hospitalist hospital admission services, including discharge planning, for the patients of WSMC. WSMC provides OB/GYN and emergency department call coverage. Transfer agreement provides hospital admission for patients of WSMC. WSMC participates in the Greater Sierra HIO (GSHIO) patient record data storage portal for appropriate data access for optimal coordinated patient care via WSMC's eClinicalWorks EMR system.
- **Sierra Nevada Memorial Hospital and Community Recovery Resources:** Under this triparty arrangement, patients that are in need of a primary care provider or in need of substance abuse/dependence, mental health and chronic pain management services may be admitted to the hospital for treatment by hospital staff in conjunction with providers and staff of CoRR and WSMC.

- **Sierra College, Rocklin:** Nurse training clinical program agreement to allow students to receive clinical training as required for their degree (agreement near consummation).
- **Sutter Auburn Faith Hospital, Auburn:** WSMC is in negotiations with Sutter Auburn Faith with respect to a transfer agreement pursuant to which Sutter Auburn Faith will allow access for Hospitalist hospital admission services, and including discharge planning, for Placer County patients of WSMC by referral only, and for OB/GYN privileges at the hospital to treat and deliver WSMC's Placer County maternity patients.
- **FREED Center for Independent Living, Grass Valley:** WSMC renders services on an as-needed basis.
- **Friendship Club, Nevada City:** WSMC renders services on an as-needed basis.
- **Hospitality House, Grass Valley:** WSMC renders services on an as-requested basis.



Community Recovery Resources

A Wellness-Focused Recovery Organization

| Auburn | Grass Valley | Kings Beach | Lincoln | Roseville | Truckee |

Date: 1/12/16

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics in Auburn and Kings Beach, CA, RFP No. 10514.

Community Recovery Resources (CoRR) is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health and Health & Human Services agencies to nonprofits and Sierra Nevada Memorial Hospital.

CoRR is a non-profit organization, and has been saving and improving lives through substance abuse treatment and mental health services since 1974 and has been growing over the years to meet the needs of the communities in Placer and Nevada counties. WSMC works with CoRR to address the mental health and substance abuse services needs of communities through many collaborations, including among the Board of Directors of both organizations.

The two health care providers are implementing long-term strategies to integrate primary care, behavioral health and specialty services such as substance abuse and pain management. They teamed up to create a unique partnership to benefit patients – all under one roof in Grass Valley. In 2014, a medical clinic operated by WSMC was located within CoRR, first open to patients only one day a week and has already expanded to three days a week. WSMC and CoRR also have a referral agreement to address substance abuse/dependence, mental health and chronic pain management.

This formula for success is expanding to Placer County, where WSMC and CoRR are developing and implementing strategies to put similar services in place. In addition, WSMC and CoRR have collaborated on grants, including one to establish an integrated program to identify, serve and provide ongoing support of residents with disabilities in need of mental health and treatment for chemical dependency. They partnered with other Nevada County providers to develop the Healthy Outcomes Intervention Team (HOIT), the Nevada County Integrated Mental Health Program.

Our relationship with WSMC has worked so well in Nevada County and serves as a model for what can be achieved in Placer County. As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community. WSMC is actively engaged in the community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,

Warren Daniels, CEO

Steve Martino
President

Ron Abram
Vice-President

Chip Arenchild
Vice-President

Nancy Kelly
Secretary

Roger Baker ✕ Lynn Van Camp ✕ Bob Henk ✕ Bill Wilcock ✕ Lee Osborne

| www.CoRR.us | 1-855-HOPE-4-YOU | Tax ID 94-2275091 |



Dignity Health.

Sierra Nevada Memorial Hospital

155 Glasson Way
Grass Valley, CA 95945
530 274.6000
530 274.6614 fax

January 12, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

Sierra Nevada Memorial Hospital is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

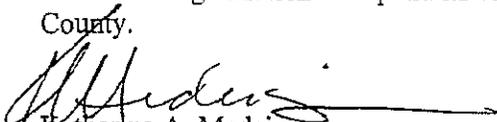
WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

Sierra Nevada Memorial Hospital's collaboration with WSMC includes: a transfer agreement that allows for prompt transfer of patients and records from WSMC to the hospital; a referral agreement for diagnostic x-ray services; hospital services for admission and discharge planning; collaborative arrangements with the ER and Discharge Departments to provide continuity of care for mutual patients who utilize our hospital services; and strategic planning.

WSMC also has a contract with Community Recovery Resources (CoRR) substance abuse treatment center and Sierra Nevada Memorial Hospital that enables patients who are admitted to the hospital and who are in need of a primary care provider or in need of substance abuse/dependence, mental health and chronic pain management services to be referred to WSMC and CoRR by the hospital staff.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.


Katherine A. Medeiros
President / CEO

SIERRA COLLEGE

January 12, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

The Sierra College Nursing Program is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

WSMC approached our nursing department to ascertain possible clinical opportunities for our nursing students, as well as allied health jobs that could benefit the residents of Nevada County. I was so impressed by the entire organization and all that it offered for the community; I knew that this would be an incredible partnership.

WSMC's agreement with Sierra College will allow Associate Degree nursing students to work with the pediatric population in a community-based environment. During this invaluable clinical rotation, our students will work with WSMC Pediatricians and RNs, as they collaborate and implement care on the outpatient needs of children. Our pediatric instructor will also work with WSMC to plan and sustain the learning objectives as outlined by the Board of Registered Nursing. Having an additional WSMC site in Placer County would allow for even more educational opportunities for our nursing students, in an environment close to home. As a nurse practitioner with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. I urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,

A handwritten signature in cursive script that reads "Nancy J Schwab". The signature is written in black ink and is positioned above the printed name.

Nancy J Schwab, MS RN CRNP
Associate Dean of Nursing and Allied Health
Sierra College
(916)660-8302



Placer Independent Resource Services

January 13, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

Placer Independent Resource Services (PIRS) is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County with facilities in Auburn and North Tahoe through a planned transition with the Placer County Department of Health & Human Services.

PIRS is the federal and state designated Independent living Center serving individuals with disabilities throughout Placer, El Dorado and Alpine Counties, enabling them to live as independently as they are able in the community, rather than institutionalization. PIRS mission is to advocate, empower, educate and provide services for people with disabilities enabling them to control their alternatives for independent living.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC is the largest outpatient health care provider in Nevada County. It has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to community-based nonprofit organizations and Sierra Nevada Memorial Hospital (SNMH).

The Freed Independent Living Center, which is similar to PIRS and based in Nevada County, already collaborates with WSMC in many ways. This includes developing and implementing shared grants with SNMH and Community Recovery Resources, a substance abuse treatment center, which has reduced readmission rates at the hospital – a strategy that could be implemented with Sutter Auburn Faith Hospital. PIRS would be open to developing similar collaboration strategies with WSMC also.

We believe WSMC would engage with our Placer County community as it does with Nevada County, using its broad experience to forge innovative partnerships. We urge you to establish a partnership with WSMC, expanding its vital work as a safety-net health service provider into Placer County.

Very sincerely,

Susan L. (Tink) Miller
Executive Director

SLM:

11768 Atwood Rd., Ste. 29 • Auburn, California 95603
(Voice) 1-800-833-3453 • (TTY) 530-885-0326 • (Fax) 530-885-3032
www.pirs.org



Hospitality House

Providing Pathways to Housing

1262 Sutton Way, Grass Valley, California 95945
(530) 271-7144 • hhshelter.org

January 11, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics
Auburn and Kings Beach, CA. RFP No. 10514.

Hospitality House is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

Hospitality House is a 501 (c) (3) nonprofit community shelter for the Homeless in Nevada County funded primarily by individual donations. The year-round shelter is a no tolerance safe haven; those seeking shelter at Hospitality House are offered three meals, along with laundry and shower facilities. Hospitality House is committed to ending homelessness by providing intensive case management services to all its guests.

WSMC, the only major medical provider for the homeless in Nevada County, brings health care services to our shelter through a volunteer team of medical providers. There is a lot of attention on ways to help meet the needs of homeless people in our community and in neighboring Placer County. The WSMC-Hospitality House program that has worked so well here could be a model for what can be achieved in Placer County as well.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,

Cindy Maple
Executive Director



COUNTY OF NEVADA COUNTY EXECUTIVE OFFICE

Eric Rood Administrative Center
950 Maidu Avenue, Suite 220
Nevada City, CA 95959
(530) 265-7040
Fax 265-9839
E-MAIL: ceo@co.nevada.ca.us

January 15, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

Dear Ms. Pay:

The County of Nevada is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

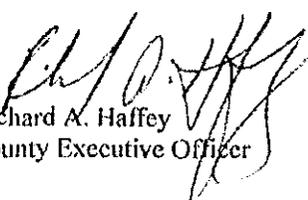
For 40 years, WSMC has been a strong partner in all areas of health and wellness in the region. WSMC believes strongly that outreach, education and coordination of care are crucial to sustaining access to health care for residents of the communities they serve – everyone, from newborns to seniors.

In fulfilling its commitment to the community, WSMC worked closely with the County of Nevada to take over the county-run health clinics. WSMC also played a leadership role in establishing the Nevada County Health Collaborative.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,



Richard A. Halfey
County Executive Officer



ABILITY REDEFINED

January 12th, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Dear Ms. Pay:

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

FREED Center for Independent Living is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital (SNMH).

FREED is a nonprofit disability resource center supporting people with disabilities of all ages and with any type of disability through a wide array of programs and services that focused on independent living and community living.

WSMC's collaboration with FREED includes developing and implementing shared grants with SNMH and Community Recovery Resources, a substance abuse treatment center, that has reduced readmission rates at the hospital - a strategy that could be implemented with Sutter Auburn Faith Hospital.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,
Ana Acton
Ana Acton
Executive Director

□ Grass Valley Office
2059 Nevada City Hwy
Suite 102
Grass Valley, CA 95945
Tel: (530) 477-3333
Fax: (530) 477-8184
TTY: (530)477-8194
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□ Marysville Office
508 J Street
Marysville, CA 95901
Tel: (530)742-4474
TTY: (530)742-4474
Fax: (530)742-4476

www.FREED.org

Board of Directors, 2016
Kate Luce, Chair
Sue Shaffer, Vice Chair
Spencer McClay, Secretary
Neil Goforth, Treasurer
Velina Herrenkohl
Ashley Jones
Mark Fenicle

Member,



Community Partner



January 12, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

Dear Ms. Pay:

The Health Care Alliance of Northern California is pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

The Health Alliance of Northern California (HANC) is a network of community clinics and health centers working to promote the health and well-being of our communities in rural, Northern California. Our clinics and partners work together to expand access to quality health care – including physical, mental health and dental care – and improve health outcomes for all people, regardless of their ability to pay. HANC exists to assist and support our member clinics in their mission to improve community health and to promote and preserve community-based health care in our rural area.

For 40 years, WSMC has been a strong partner in all areas of health and wellness in the region. WSMC believes strongly that outreach, education and coordination of care are crucial to sustaining access to health care for residents of the communities they serve – everyone, from newborns to seniors.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community. We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,

Doreen Bradshaw, Executive Director
Health Alliance of Northern California

STATE CAPITOL
P.O. BOX 942843
SACRAMENTO, CA 94249-0001
(916) 313-2000
FAX (916) 319-2100

DISTRICT OFFICE
280 HEMATED DRIVE, SUITE 100
REDDING, CA 96002
(530) 223-6300
FAX (530) 223-6700

E-MAIL

653@mailmember101@leg.ca.gov

Assembly
California Legislature



BRIAN DAHLE
ASSEMBLYMAN, FIRST DISTRICT

COMMITTEES
VICE CHAIR, ENVIRONMENTAL SAFETY
AND TOXIC MATERIALS
VICE CHAIR, NATURAL RESOURCES,
PRIVACY AND CONSUMER PROTECTION
UTILITIES AND COMMERCE
WATER, PARKS AND WILDLIFE

January 13, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics Auburn and Kings Beach, CA, RFP No. 10514.

Dear Ms. Pay:

I am pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

The new facility is helping meet the burgeoning demand of patients, especially with more people insured under the Affordable Care Act, and providing opportunities to expand in the future to help ensure all community residents enjoy good health and quality of life. Importantly, Western Sierra is a community nonprofit, dedicated to all residents – people with insurance, people covered by Medicare and low-income and uninsured residents. I was pleased to be a guest speaker and present a State proclamation to Western Sierra at its Grass Valley site grand opening as the health center embarked on a new era delivering health care in the region.

For 40 years, WSMC has been a strong partner in all areas of health and wellness in the region. WSMC believes strongly that outreach, education and coordination of care are crucial to sustaining access to health care for residents of the communities they serve – everyone, from newborns to seniors.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

We urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Sincerely,

A handwritten signature in black ink that reads "Brian Dahle". The signature is written in a cursive, slightly slanted style.

BRIAN DAHLE

Assemblyman, 1st District

CAPITOL OFFICE
STATE CAPITOL, ROOM 3070
SACRAMENTO, CA 95814
TEL (916) 651-4001
FAX (916) 651-4901

California State Senate

SENATOR
TED GAINES
FIRST SENATE DISTRICT



COMMITTEES
ENVIRONMENTAL QUALITY
VICE CHAIR
INSURANCE
VICE CHAIR
GOVERNMENTAL
ORGANIZATION
LEGISLATIVE ETHICS
TRANSPORTATION AND
HOUSING

January 12, 2016

April Pay, CPPO, CPPB
Placer County Procurement
2964 Richardson Drive
Auburn, CA 95603

Re: Support for Western Sierra Medical Clinic's Proposals for Operation of Medical Clinics
Auburn and Kings Beach, CA, RFP No. 10514.

Dear Ms. Pay:

I am pleased to offer our support of Western Sierra Medical Clinic, Inc. (WSMC) as it seeks to provide quality health care services to residents of Placer County through a planned transition with the Placer County Department of Health & Human Services.

WSMC is an engaged collaborator in the region, working diligently to support partnership efforts throughout its service area, and in many cases leading the way. WSMC, the largest outpatient health care provider in Nevada County, has a proven record of doing effective work in the community through many collaborative agreements with community partners, from the Nevada County Public Health Department and Health & Human Services agency to nonprofits and Sierra Nevada Memorial Hospital.

I was glad to be a guest speaker and present a State proclamation to Western Sierra at its Grass Valley site grand opening to help the health center embark on a new era of delivering health care in the region.

The new facility is helping meet the burgeoning demand of patients, especially with more people insured under the Affordable Care Act, and providing opportunities to expand in the future to help ensure all community residents enjoy good health and quality of life.

Importantly, Western Sierra is a community nonprofit, dedicated to all residents – people with insurance, people covered by Medicare and low-income and uninsured residents.

For 40 years, WSMC has been a strong partner in all areas of health and wellness in the region. WSMC believes strongly that outreach, education and coordination of care are crucial to sustaining access to health care for residents of the communities they serve – everyone, from newborns to seniors.

As a capable collaborator with extensive experience, I believe WSMC will be able to forge innovative partnerships in Placer County to value the entire community.

WSMC is actively engaged in the community. I urge you to establish a partnership with WSMC to enable the organization to expand its vital work as a safety-net health services provider in Placer County.

Thank you for your consideration of this important project.

Sincerely,


TED GAINES
Senator, 1st District



January 7, 2016

April Pay, CPPO, CPPB
Placer County Procurement
County of Placer
2964 Richardson Drive
Auburn, CA 95603

RE: Placer County RFP No. 10514

Dear Ms. Pay,

The California Primary Care Association (CPCA) supports the Placer County RFP No. 10514 application from Western Sierra Medical Clinic, Inc.

The California Primary Care Association is the statewide leader and recognized voice of California community clinics and health centers (CCHCs) and their patients. CPCA represents more than 1,100 not-for-profit CCHCs that provide comprehensive, high quality health care services, particularly for low-income, uninsured, and underserved Californians who might otherwise not have access to health care. Since 1994, CPCA has successfully worked with its members to strengthen and protect the role of CCHCs in the fragile health care delivery system.

CPCA maintains strong relationships with our members, and Western Sierra Medical Clinic is a member of CPCA in good standing. However, CPCA has not conducted an independent analysis of Western Sierra Medical Clinic's proposal nor the health care needs of Western Sierra Medical Clinic's service area. CPCA does not have the capacity to conduct this type of independent analysis.

On behalf of the CPCA, I support Western Sierra Medical Clinic's application for consideration.

Please feel free to contact me at (916) 440-8170 if you have additional questions.

Sincerely,

A handwritten signature in black ink that reads "Carmela Castellano Garcia".

Carmela Castellano-Garcia, Esq.
President & Chief Executive Officer

TAB B: Program Approach

A. How WSMC Will Approach Transition of Auburn and Kings Beach Clinics

WSMC will collaborate, partner and engage with Placer County Health and Human Services in a transitional planning process for the seamless and warm handoff of all patient services now offered at both the Placer County Health and Human Services clinics to WSMC's site under development in Auburn and at the County's Kings Beach clinic to provide excellent healthcare, dental and behavioral health services, to prevent disruption of care, and ensure continuity of care for the transitioned patients.

WSMC proposes that Placer County Health and Human Services continue to operate both clinics independent of WSMC, collaborate with WSMC on a transition plan, and then transition the patients to WSMC as soon as WSMC can complete tenant improvements at the Auburn site and receive approval on its Changes in Scope for both the Auburn and Kings Beach facility sites.

As the extent of collaboration from the County's viewpoint is not clear, WSMC has not identified herein a consultant with the requisite skills and experience to assist in the collaborative transition. WSMC proposes to engage a consultant acceptable to Placer County Health and Human Services during the interview process after the role of the consultant is better defined by agreement to be certain the consultant has the requisite skills and experience to fulfill the role envisioned by Placer County Health and Human Services. Alternatively, WSMC proposes the engagement of a consultant is not necessary (and in fact such an arrangement may be problematic for WSMC as a FQHC as raised by WSMC's Chief Executive Officer during the RFP pre-proposal conference) as the proposal herein contemplates that the Auburn and Kings Beach clinics will function under Placer County Health and Human Services until a transition point, at which time WSMC will take on responsibility for all transitioned patients.

WSMC will interview all providers at the Auburn and Kings Beach clinics for purposes of offering qualified candidates a position with WSMC.

WSMC has experience in relocating its facility within Grass Valley and in opening its new facility on Old Tunnel Road in Grass Valley and its soon-to-be open facility in Penn Valley. WSMC's Chief Executive Officer oversaw the transition of Peachtree Clinic from a county-based clinic to a FQHC clinic (including securing new facilities) and the opening of the Marysville Immediate Care facility and mobile dental program "Bright Smiles". WSMC is confident it will be able to open a facility in Auburn sufficient to transition patients now being served by Placer County Health and Human Services.

Auburn:

Initially, WSMC's Chief Executive Officer will work collaboratively with Placer County Health and Human Services as part of a joint transition committee to facilitate timely and successful transition of patients. As set forth below, after WSMC's Auburn clinic opens, operation responsibility will be assigned to WSMC's clinic administrator. If a consultant is required or desirable, the consultant will assume the role of working collaboratively with Placer County Health and Human Services on the joint transition committee.

As soon as the lease for WSMC's new Auburn facility is executed, WSMC will submit an application to the State of California for licensure of the site and a Change in Services and Scope to HRSA.

Upon receiving a contract under this proposal, WSMC will build out the remainder of its Auburn facility in order to serve the patients transitioned from Placer County Health and Human Services. WSMC then will employ providers who will provide a full range of comprehensive primary care services including behavioral health, preventative care, and special care and through agreements and arrangements with providers, hospitals and agencies in Placer County. As part of its HEDIS program, WSMC's providers will address with patients chronic health conditions, including diabetes, asthma, and hypertension. WSMC will provide care management services through a full-time, onsite registered nurse. Consistent with its policies and procedures, WSMC will ensure that all staff are properly licensed, credentialed and privileged.

WSMC estimates to meet the immediate needs of its current patients and patients transitioned by Placer County Health and Human Services, initially two to three 1.0 FTE physicians will be assigned to the Auburn clinic along with two 1.0 FTE medical assistants, one receptionist, one eligibility/enrollment coordinator/case manager, and one 1.0 FTE registered nurse for case management and quality assurance.

WSMC will interview and as appropriate offer positions to providers now employed in the Placer County Health and Human Services Auburn clinic. As WSMC's staff has worked with some of the providers at Placer County Health & Human Services' Auburn clinic and respects the quality of care they provide, WSMC looks forward to the interview process and the opportunity to employ those outstanding providers.

WSMC will hire a clinic administrator to oversee operations at the Auburn clinic, who will work under the supervision and direction of WSMC's Chief Operating Officer. The clinic administrator will serve on WSMC's quality assurance committee. The clinic administrator will work with Placer County Health and Human Services as part of a joint transition committee to facilitate timely and successful transition of patients.

WSMC's Chief Medical Officer will work with and oversee the onsite registered nurse to ensure quality patient care based upon the systematic collection and evaluation of patient records, identify and document the necessity for any change in the services provided by WSMC, and oversee the implementation of those changes.

Through partnership with CORR, WSMC will expand services to Placer County for substance abuse and medical treatment, particularly to opioid-dependent population. WSMC will hire behavioral health staff to work onsite as needs are assessed.

WSMC will complete the process to establishing OB/GYN privileges and a transfer agreement with Sutter Auburn Faith Hospital. WSMC will reach out to providers and agencies in Placer County to form partnerships and execute agreements to establish a wide spectrum of services for patients.

As the number of patients seeking services at WSMC's clinic in Auburn grows, at the appropriate time WSMC will execute its option on the third adjacent suite to meet patient needs, which it can do quickly.

WSMC will offer services to the homeless in Placer County.

WSMC believes the following is a reasonable transition timeline:

February – March 2016: Tenant improvements

February 2016: Complete State license application for new site

February 2016: File HRSA changes in services and scope

February 2016: California Health & Wellness new site application

April –May 2016: Receive state license and HRSA approval

May 2016: Open Auburn Clinic.

June 2016: Notice of Beilenson hearing.

June 2016 (approx.): Board of Supervisors meeting.

May - June 2016: Interview County providers; initiate marketing and outreach program.

July 2016: Work with Placer County on patient transition and accept transfer of patients.

July – October 31, 2016: Ongoing quality assurance with Placer County.

Kings Beach:

With respect to Kings Beach, initially WSMC's Chief Executive Officer will work collaboratively with Placer County Health and Human Services as part of a joint transition committee to facilitate timely and successful transition of patients. If a consultant is required or desirable, the consultant will assume the role of working collaboratively with Placer County Health and Human Services on the joint transition committee.

WSMC proposes purchasing or leasing Placer County's King Beach facility as set forth below.

WSMC will employ providers who will provide a full range of comprehensive primary care services including behavioral health, dental care, and preventative care. WSMC will reach out to local providers and agencies to form alliances with them as patient needs are assessed. WSMC will provide care management services through an onsite registered nurse and under the direction of WSMC's Chief Medical Officer and dental services under the direction of Dr. Chavez, WSMC's Dental Director. Consistent with its policies and procedures, WSMC will ensure that all staff are properly licensed, credentialed and privileged.

WSMC estimates to meet the immediate needs of its patients transitioned by Placer County Health and Human Services it initially will employ one 1.0 FTE dentist, one 1.0 FTE dental assistant, one 1.0 FTE registered nurse for primary care, case management and quality assurance, one .8 FTE medical assistant, and one 1.0 FTE receptionist/eligibility/enrollment coordinator/case manager. WSMC will have available a physician to provide services as needed and also will install devices to support telemedicine.

WSMC will interview and as appropriate offer positions to providers now employed in the Placer County Health and Human Services Kings Beach clinic.

WSMC will hire additional staff as the needs of the clinic are assessed on an ongoing basis.

The registered nurse administrator will be a member of WSMC's quality assurance committee. WSMC's Chief Medical Officer will work with the onsite registered nurse and its dental Director will work with the dentistry staff onsite to ensure quality patient care based upon the systematic collection and evaluation of patient records, identify and document the necessity for any change in the services provided by WSMC, and oversee the implementation of those changes.

Through partnership with CORR, WSMC will provide behavioral health, substance abuse and medical treatment, particularly to opioid-dependent population. WSMC will hire behavioral health staff to work onsite as needs are assessed.

WSMC will reach out to providers and agencies in the Kings Beach area to form partnerships and execute agreements to establish a wide spectrum of services for patients.

WSMC believes the following is a reasonable transition timeline:

Within twenty business days of award of contract, evaluate site for needed improvements and potential OSHPD-3 compliance, complete State license application for new site, file California Health & Wellness new site application, and file HRSA Changes in Services and Scope.

Within 60-90 days of award of contract, receive state license and HRSA approval. Thereafter, notice of Beilenson hearing and subsequent Board of Supervisors meeting.

Within twenty business days after Board of Supervisors approval, WSMC will begin any improvements to the facility and interview employees. As soon thereafter as practicable, patients will be transitioned to WSMC and WSMC assumes sole responsibility for patient care.

Through October 31, 2016, WSMC will participate in ongoing quality assurance with Placer County.

B. Current Management/EHR System; Patient Centered Medical Home and Meaningful Use

WSMC has fully implemented and uses eClinicalWorks electronic health record system in its Grass Valley and Downieville clinics, which also provides a platform for a patient portal utilized by WSMC's patients that is fully implemented, and will extend the same system to all of its sites. WSMC participates in the Greater Sierra HIO (GSHIO) patient record data storage portal for appropriate data access for optimal coordinated patient care via WSMC's eClinicalWorks EMR system. WSMC is at Stage 2 with respect to Patient Centered Medical Home and Meaningful Use.

C. Change in Scope Transfer

HRSA (Health Resources and Services Administration) PAL 2014-05 states all Federally Qualified Health Centers must submit a Change in Scope to add a new delivery site of service to the approved scope of service of the health center. The detailed Change in Scope process can take up to 90 days for approval. Once approved, the CMS 855 application to add a site of service and establish a provider number can be submitted to CMS and the Medicaid provider application can be submitted. The site of service must then be added to all managed care plans, commercial insurance and any ancillary contracts can be filed. WSMC has discussed this proposal with its project officer and does not anticipate any issues with respect to HRSA approval. WSMC's HRSA project officer indicates it will take approximately 60 days to process WSMC's application.

D. Status of HRSA-Required Terms/Conditions

HRSA PAL 2014-05 states no services can be rendered until the Change in Scope is approved. WSMC has discussed this proposal with its HRSA project officer and, as WSMC has no HRSA conditions, she does not anticipate any issues with respect to HRSA approval of WSMC's Changes in Services and Scope relative to this proposal.

TAB C: Requested Resources

With respect to Auburn, WSMC proposes that the County of Placer loan WSMC an amount up to \$500,000 to fund expansion of its Auburn facility for the transitioned patients. WSMC proposes that Placer County employ an enrollment/eligibility clerk to work in WSMC's facility for up to six months to assure smooth transition of patients from Placer County Health and Human Services to WSMC. WSMC does not request any grants or other remuneration and instead seeks an ongoing partnership with the County of Placer to provide quality healthcare to Placer County residents. If, as a result of closing its Auburn facility, Placer County has excess equipment, furnishings or supplies, WSMC would appreciate the opportunity to choose what it desires from the excess inventory upon receiving the awarded contract and prior to transition and take title to and possession of such inventory. In order to meet the timeline outlined above, WSMC requests expedited review and approval of site improvement plans for WSMC's facilities by Placer County building officials.

With respect to Kings Beach, WSMC proposes that the County of Placer either sell the facility to WSMC "as-is" for a nominal price or lease the facility to WSMC for nominal rent, in exchange for which WSMC will bring the facility into OSHPD-3 compliance as necessary. Further, WSMC proposes that the County of Placer transfer title to all equipment, furnishings and supplies in the facility to WSMC at no cost at the appropriate time prior to or at the same time as patients are transitioned to WSMC.

TAB D: Financial Statements and Supporting Documents

A. Current Standing with Federal Grant

WSMC is in good standing with respect to its federal grants.

B. Current Financial Stability

WSMC attaches its Audited Financial Statements for the Years ended December 31, 2014 and 2013.

WSMC is financially stable and has the capacity to expand operations in Placer County. WSMC's net income from operations for the first eleven months of 2015 was \$374,840. Net patient revenues have increased 23.7% in the first eleven months of 2015 when compared to the first eleven months of 2014. During the same period, patient visits increased 17.2%. WSMC has total assets of \$7,616,017, total liabilities of \$5,541,705, and its fund balance of \$2,074,312 remains quite stable. WSMC's total cash position of \$489,072 is up \$102,564 or 26.5% since November 2014. Fixed assets of \$5,881,522 represents 77.2% of WSMC's total assets, up \$945,126 from November 2014. WSMC's long term debt to equity ratio is 2.35.

WSMC will provide documents and information during the interview process, if requested, to further address its financial condition.

C. Federal Notice of Award for Current Project Period

Attached hereto is a copy of the Federal Notice of Award for the current project period through April 30, 2017.

D. List of Current Board of Directors with Affiliations

Larry Allen, Chairman - District Attorney, Sierra County

Florence Lyss, Vice Chair - Registered Nurse, Retired

Richard Kuhwarth, Treasurer - CFO and CPA, Retired

Scott Browne, Secretary - Attorney at Law

Timothy Beals - Director, Sierra County Planning and Transportation

Anita Daniels - Vice President and Branch Manager Tri Counties Bank

Katherine Medeiros – CEO Sierra Nevada Memorial Hospital

Doug McDonald - Retired Executive Director Boy Scouts of America

Brandon Pangman – Planner, Sierra County

Jon Peek – Veterinarian, Retired

Lupe Peterson – Business Owner

Don Russell –Editor, Mountain Messenger Newspaper

Derek Williams - Macintosh Computer Consultant & Investment Trader

Audited Financial Statements
Western Sierra Medical Clinic, Inc.
For the Years Ended December 31, 2014 and 2013

Western Sierra Medical Clinic, Inc.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
 FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Operations and Changes in Net Assets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6
 SINGLE AUDIT	
Schedule of Expenditures of Federal Awards	14
Notes to the Schedule of Expenditures of Federal Awards	15
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	16
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133	18
Schedule of Findings and Questioned Costs	21

*INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*

Board of Directors
Western Sierra Medical Clinic, Inc.
Downieville, California

Report on the Financial Statements

We have audited the accompanying financial statements of Western Sierra Medical Clinic, Inc. (the "Center"), which comprise the balance sheets as of December 31, 2014 and 2013 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Western Sierra Medical Clinic, Inc. as of December 31, 2014 and 2013 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated April 30, 2014, on our consideration of the entity's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Center taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

CAW. LLP

Fresno, California
May 27, 2015

Western Sierra Medical Clinic, Inc.
Balance Sheets
December 31, 2014 and 2013

	2014	2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 403,649	\$ 349,123
Patient accounts receivable, net	607,176	287,260
Grant and contract receivable	-	11,521
Estimated third-party payor settlements	610,817	465,748
Inventory	118,427	95,708
Prepaid expenses and other current assets	79,624	187,271
Total current assets	1,819,693	1,396,631
Property and equipment, net	5,658,521	1,752,170
Total assets	\$ 7,478,214	\$ 3,148,801
Liabilities and Net Assets		
Current liabilities:		
Long-term debt, current portion	\$ 55,310	\$ 61,291
Line-of-credit	60,500	160,500
Accounts payable and other accrued expenses	693,593	139,392
Accrued payroll and related liabilities	316,705	299,174
Deferred revenue	61,269	12,424
Total current liabilities	1,187,377	672,781
Long-term liabilities:		
Long-term debt, net of current portion	4,647,438	1,208,999
Total liabilities	5,834,815	1,881,780
Net assets:		
Unrestricted	1,643,399	1,267,021
Total net assets	1,643,399	1,267,021
Total liabilities and net assets	\$ 7,478,214	\$ 3,148,801

Western Sierra Medical Clinic, Inc.
Statements of Operations and Changes in Net Assets
For the years ended December 31, 2014 and 2013

	2014	2013
Changes in Unrestricted Net Assets:		
Revenues and other support:		
Patient service revenue, net	\$ 7,243,053	\$ 5,862,216
Grant revenue	1,023,337	890,283
Contributions	126,325	41,626
Other	25,194	109,613
Total unrestricted revenues and other support	8,417,909	6,903,738
Expenses:		
Salaries and wages	4,044,505	3,791,672
Employee benefits	934,523	836,788
Contracted services	469,970	373,870
Facility expense	380,750	371,610
Purchased services	856,014	620,429
Supplies	721,978	415,086
Insurance	34,186	35,879
Repairs and maintenance	36,541	13,736
Communications	54,765	45,626
Depreciation and amortization	83,941	118,751
Interest	157,231	55,094
Other operating expenses	267,127	161,309
Total expenses	8,041,531	6,839,850
Change in unrestricted net assets	376,378	63,888
Net assets, beginning of year	1,267,021	1,203,133
Net assets, end of year	\$ 1,643,399	\$ 1,267,021

The accompanying notes are an integral part of these financial statements.

Western Sierra Medical Clinic, Inc.
Statements of Cash Flows
For the years ended December 31, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 376,378	\$ 63,888
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	83,941	118,751
Changes in operating assets and liabilities:		
Patient accounts receivable	(319,916)	(32,615)
Grants receivable	11,521	(11,521)
Estimated third-party payor settlements	(145,069)	(33,574)
Inventory	(22,719)	(11,092)
Prepaid expenses and other current assets	107,647	(114,512)
Accounts payable and other accrued expenses	554,201	(72,757)
Accrued payroll and related liabilities	17,531	65,377
Deferred revenue	48,845	(6,011)
Net cash provided by (used in) operating activities	712,360	(34,066)
Cash flows from investing activities:		
Acquisition of property and equipment	(3,990,292)	(728,065)
Net cash used in investing activities	(3,990,292)	(728,065)
Cash flows from financing activities:		
Proceeds from (payments on) line-of-credit	(100,000)	(99,500)
Proceeds from new debt	3,495,600	1,266,210
Principle payments on debt borrowings	(63,142)	(298,054)
Net cash provided by financing activities	3,332,458	868,656
Net increase in cash	54,526	106,525
Cash at beginning of year	349,123	242,598
Cash at end of year	\$ 403,649	\$ 349,123
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 157,231	\$ 55,094

The accompanying notes are an integral part of these financial statements.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note A - Summary of Significant Accounting Policies

Organization

Western Sierra Medical Clinic, Inc., (the "Center") is a comprehensive community health center, operating as a private non-profit corporation. WSMC provides a full range of outpatient health services and administers medical programs primarily for the low-income communities of Downieville and Grass Valley/Nevada City California and the surrounding area.

Western Sierra Medical Clinic, Inc. is designated as a Federally Qualified Health Center for Medicare and Medi-Cal reimbursement purposes. The majority of the Center's revenue is derived from patient services with the remainder from grants and contracts with the Department of Health and Human Services, the State of California Department of Health Services, local government, and private foundations.

In January 2010, Western Sierra Medical Clinic, Inc. merged with Miners Community Clinic, Inc., an FQHC "Look-Alike". As part of the merger all assets and liabilities of Miners Community Clinic, Inc. were merged with Western Sierra Medical Clinic, Inc. creating a single organization known as Western Sierra Medical Clinic, Inc.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Center considers all highly liquid investment securities with original maturities of three months or less as cash and cash equivalents. Per the various financial institutions as of December 31, 2014 and 2013, approximately \$238,450 and \$349,023, respectively was covered by federal depository insurance, and \$165,199 and \$100 was uninsured.

Patient Accounts Receivable

Patient accounts receivable consist of amounts owed by various governmental agencies, insurance companies and self-pay patients. The Center manages its receivables by regularly reviewing the accounts, inquiring with respective payors as to collectability and providing for allowances on the accounting records of the Center for estimated contractual adjustments and doubtful self-pay accounts.

Inventories

Inventories consist of pharmaceutical, medical and office supplies and are stated at cost. Due to rapid turnover of supplies, cost approximates market value.

Income Taxes

The Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal corporate income taxes on related income pursuant to Section 501(a) of the Code. The Center is also exempt from State corporate income taxes. The tax years of 2010 through 2013 remain open and subject to examination by the appropriate government agencies in the United States and California.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note A - Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property, plant, and equipment acquisitions greater than \$5,000 are capitalized and recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method. Estimated useful lives range from three to thirty years. Leasehold improvements are amortized over the shorter of the life of the lease or the useful life of the improvements.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service. Costs of maintenance and repairs are charged to expense as incurred.

Third-Party Contractual Agreements

The Center has agreements with Medicare that provide payments under a cost-based reimbursement (not to exceed the maximum cap) system and with Medi-Cal that provide payments under the Prospective Payment System (PPS). In the case of Medicare, reasonable estimates are made and reported in the period services are rendered, and differences between the estimates and actual receipts are included in the statement of operations in the period in which they are determined. In the case of Medi-Cal, payments under the PPS payment system are final, unless the number of reimbursable visits is changed as a result of an audit by the State of California, Department of Health and Human Services.

Revenue Recognition

It is the policy of the Center to recognize revenues from federal grants and state contracts to the extent of expenses incurred not to exceed grant and contract awards. When the grant and contract budgets do not coincide with the Center's reporting period, revenues are recognized on a pro rata basis.

Patient service revenue is recorded at the Center's established rates with sliding fee scale adjustments, provision for uncollectible accounts, and contractual allowances deducted to arrive at net patient service revenue.

Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The Center provides discounted medical services to self-pay patients on a sliding fee scale based on the patient's gross income and family size. Patient sliding fee discounts were \$66,289 and \$144,791 for the years ended December 31, 2014 and 2013, which is included in the accompanying statement of activities and changes in net assets.

Donated Supplies and Services

Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Non-cash donations are recorded at their estimated fair values at the date of donation. Donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are reported as donated services.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note A - Summary of Significant Accounting Policies (Continued)

Net Assets

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as:

Unrestricted net assets - Net assets that are not subject to donor imposed stipulations and are available for use in the activities of the Center under the direction of the board as well as those resources invested in equipment and furniture.

Temporarily restricted net assets - Net assets subject to donor imposed stipulations that may, or will, be met either by actions of the Center and/or the passage of time. When a restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of operations as net assets released from restrictions.

Vacation Pay

Accumulated unpaid employee vested vacation benefits are recognized as liabilities of the Center. The amount of accumulated unpaid vacation benefits for the years ending December 31, 2014 and 2013 was \$87,293 and \$57,663, respectively.

Reclassifications

Certain financial statement amounts have been reclassified in these financial statements to conform to the current year presentation. These reclassifications have no effect on previously reported net income.

Subsequent Events:

The Center has evaluated events and transactions that occurred after December 31, 2014, and through May 27, 2015, the date the financial statements were available to be issued.

Note B: Patient Accounts Receivable

Patient accounts receivable are comprised of the following payors at December 31, 2014 and 2013:

	2014	2013
Medicare	\$ 35,735	\$ 32,047
Medi-Cal	413,467	217,499
Other third-party payors	357,344	140,504
Private pay	81,474	78,054
Total patient accounts receivable	<u>888,020</u>	<u>468,104</u>
Less: allowance for doubtful account	<u>(280,844)</u>	<u>(180,844)</u>
Net patient accounts receivable	<u>\$ 607,176</u>	<u>\$ 287,260</u>

The allowance for doubtful accounts is an estimate of the amount of cash to be collected from the accounts receivable at December 31, 2014 and 2013, respectively. The allowance is calculated based on established rates with the governmental payors, commercial insurance carriers, and patients.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note C: Fair Value of Financial Instruments

Financial Accounting Standards Board's (FASB) Accounting Standard Codification (ASC) 820, *Fair Value Measurements and Disclosures*, requires the fair value of financial assets and liabilities to be determined using a specific fair-value hierarchy. The objective of the fair value measurement of financial instruments is to reflect the hypothetical amounts at which the Center could sell assets or transfer liabilities in an orderly transaction between market participants at the measurement date. FASB ASC 820 describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets;

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

The following table presents the fair value measurements of assets recognized in the accompanying balance sheets measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2014:

	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
December 31, 2014:				
Money market funds	\$ 307,113	\$ 307,113	\$ -	\$ -
Total	<u>\$ 307,113</u>	<u>\$ 307,113</u>	<u>\$ -</u>	<u>\$ -</u>
December 31, 2013:				
Money market funds	\$ 182,589	\$ 182,589	\$ -	\$ -
Total	<u>\$ 182,589</u>	<u>\$ 182,589</u>	<u>\$ -</u>	<u>\$ -</u>

The carrying amounts reported in the balance sheets for other financial assets and liabilities that are not measured at fair value on a recurring basis including patient accounts receivable, grant and other receivables, settlement receivables, accounts payable, accrued payroll and other expenses, deferred revenue, long term debt, and estimated third party liabilities approximate fair value.

Note D – Concentration of Credit Risk

The Center grants credit without collateral to its patients, most of who are local residents and are insured under third-party agreements. Concentration of patient accounts receivable as of December 31, 2014 and 2013 were as follows:

	2014	2013
Medicare	4%	7%
Medi-Cal	47%	46%
Other third-party payors	40%	30%
Self-pay	9%	17%
	<u>100%</u>	<u>100%</u>

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note E – Property and Equipment

Property and equipment as of December 31, 2014 and 2013 are comprised of the following:

	2014	2013
Land	\$ 275,721	\$ 275,721
Buildings	855,870	855,870
Furniture and equipment	937,429	937,429
Construction in progress	4,713,677	774,667
Subtotal	<u>6,782,697</u>	<u>2,843,687</u>
Less: Accumulated amortization and depreciation	<u>(1,175,458)</u>	<u>(1,091,517)</u>
Total	<u>\$ 5,607,239</u>	<u>\$ 1,752,170</u>

Depreciation and amortization expense for fiscal year ending December 31, 2014 and 2013 was \$83,941 and \$118,751, respectfully.

Note F - Net Patient Service Revenue

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows.

Medicare

The Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The Center's Medicare cost reports have been audited by the fiscal intermediary through December 31, 2013.

Medi-Cal

Services rendered to Medi-Cal program beneficiaries are reimbursed under a prospective rate of reimbursement using rates established by the Center's "Base Years", fiscal years ended December 31, 2000 and 1999, cost reports filed under the previous cost-based reimbursement system. These rates are adjusted annually according to changes in the Medicare Economic Index and any approved changes in the Center's scope of service.

Other

Payments for services rendered to those payors other than Medicare or Medi-Cal are based on established rates or on agreements with certain commercial insurance companies, health maintenance organizations and preferred provider organizations which provide for various discounts from established rates.

Note G - Estimated Third-Party Payor Settlements

The Center has recorded an estimated net receivable due from government payors of \$610,817 and \$465,748 as of December 31, 2014 and 2013, respectively. These balances comprise estimated settlements related to PPS Reconciliation Requests from 2005 through 2014 as well as a Change in Scope Request for the Grass Valley location for 2010. Management periodically evaluates estimated third-party payor settlements based on the current information available and believes the final settlements will not materially affect the financial statements of the Center.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note H – Debt Borrowings

The following is a summary of debt as of December 31, 2014 and 2013:

	2014	2013
In August 2008, the Center entered into a seven year note payable agreement for the purchase of a mobile clinic. The note is collateralized by the equipment and the monthly payment amount is \$1,234.	\$ 4,609	\$ 19,512
In July 2013, the Center entered into a loan agreement for \$4,870,000 to finance the construction of a new medical clinic. The note bears interest at the rate of 5.5% per annum. The loan matures August 1, 2015. In March 2015 the Center refinanced this note with permanent financing. The note is for \$4,870,000 at 5.75% per annum and matures in 30 years. The note is collateralized by the Center’s property and equipment.	4,511,330	1,015,730
In July 2013, the Center entered into a \$260,000 note payable agreement to refinance existing debt obligations. The note bears interest at the rate of 4.95% per annum and the Center makes monthly payments of \$4,917.22. The note is collateralized by Center property and matures August 5, 2018.	186,609	235,039
Total long-term debt	\$ 4,702,748	\$ 1,270,281
Less: current portion	(55,310)	(61,291)
	\$ 4,647,438	\$ 1,208,990

The agreed upon repayment schedules indicates future maturities of debt borrowings of \$55,310 in 2015, \$53,286 in 2016, \$56,042 in 2017; and \$26,781 in 2018.

The Center was in compliance with all debt covenants as of December 31, 2014.

The Center has a \$500,000 revolving credit line with River Valley Community Bank which matures on August 5, 2015. Accrued interest on the outstanding balance is due monthly, and the principal is due at maturity. Interest incurs at a variable rate of 1% per annum over the bank’s index. The line of credit is secured by the assets of the Center. There was a balance outstanding on the line-of-credit of \$60,500 for the year ending December 31, 2014.

Western Sierra Medical Clinic, Inc.
Notes to the Financial Statements
For the years ended December 31, 2014 and 2013

Note I – Commitments and Contingencies

Deferred Revenue – The Center has received State and Federal funds in the form of grants, which are subject to review and audit by the grantor agencies. Continuing program funding from federal and state sources is contingent upon availability of funds and project performance. The funds are awarded on a yearly basis upon receipt and approval of program applications. Additionally, funds received in advance of their corresponding expenditure are considered to be refundable until such expenditure is incurred. Revenue recognition is also deferred until expenditures are realized. Deferred revenues in this category for the year December 31, 2014 and 2013 amounted to \$61,269 and \$12,424, respectively. There was no deferred revenue related to Federal funds as of the year ended December 31, 2014.

Operating Leases - The Center leases certain facilities and equipment under operating leases expiring at various times through 2016. Future minimum lease payments for the succeeding five years under these committed lease arrangements is approximately: \$1,481 in 2015, and \$247 in 2016.

Medical Malpractice - The Center, including officers, governing board members, employees, and contractors who are physicians or other licensed or certified healthcare practitioners, are covered by professional and general liability insurance. The Center is deemed by the Federal Government and is covered under the Federal Tort Claims Act ("FTCA") for malpractice insurance. The Center also has supplemental professional liability coverage. There are no known claims or incidents that may result in the assertion of additional claims as of the date of this report

Litigation - The Center may from time-to-time be involved in litigation and regulatory investigations, which arise in the normal course of doing business. After consultation with legal counsel, management estimates that matters existing as of December 31, 2014 will be resolved without material adverse affect on the Center's future financial position, results from operations or cash flows.

Retirement Plan - In 1989 the Center established an employee retirement plan pursuant to Internal Revenue Code Section 403(b). The employees must be permanent full-time or part-time (at least 20 hours) and have at least one year of service with the Center to qualify for this benefit. Once qualified, the Center contributes 2% of each of the employees' annual wages into an annuity administered by Met-life. In March of 2008 the plan was replaced with a 401(k) and the contribution amount was increased to 3%. The employees may also contribute to the annuity through tax sheltered payroll deductions. The Center contributed \$97,967 during the year ended December 31, 2014.

Note J – Functional Expenses

The Center provides healthcare services primarily to residents within its geographic area. Expenses related to providing these healthcare services are as follows:

	<u>2014</u>	<u>2013</u>
Health care services	\$ 6,127,758	\$ 5,251,486
General and administrative	1,913,773	1,588,364
Total	<u>\$ 8,041,531</u>	<u>\$ 6,839,850</u>

SINGLE AUDIT REPORTS

**Western Sierra Medical Clinic, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014**

Federal Grant / Program Title	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, PUBLIC HEALTH SERVICES:		
<u>Direct Programs:</u>		
Community Health Center Cluster, Section 330	93.224*	\$ 873,943
<u>Pass Through:</u>		
Lassen-Plumas-Sierra Community Action Agency:		
Lassen-Plumas-Sierra Community Action Grant	93.569	4,531
Total federal financial assistance		<u>\$ 878,474</u>

* Denotes major program

Western Sierra Medical Clinic, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of Western Sierra Medical Clinic, Inc. (the "Center") under programs of the federal government for the year ended December 31, 2014. Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows for the Center.

For purposes of the Schedule, federal awards include all grants and contracts entered into directly between the Center, agencies, and departments of the federal government. The awards are classified into major program categories in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Government and Non-Profit Organizations.

Note B - Basis of Accounting

For purposes of the Schedule, expenditures for federal programs are recognized on the accrual basis of accounting. Expenditures are determined using the cost accounting principles and procedures set forth in OMB Circular A-122, Cost Principles for Non-Profit Organizations.

Note C - Relationship of Schedule of Expenditures of Federal Awards to Financial Statements

Consistent with management's policy, federal awards are recorded in various revenue categories. As a result, the amount of total federal awards expended on the Schedule does not agree to total grant revenue on the Statement of Operations and Changes in Net Assets as presented in the Center's Report on Audited Financial Statements.

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Independent Auditor's Report

Board of Directors
Western Sierra Medical Clinic, Inc.
Downieville, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Western Sierra Medical Clinic, Inc. (the "Center"), which comprise the balance sheets as of December 31, 2014 and 2013 and the related statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2015

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Western Sierra Medical Clinic, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Center's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Sierra Medical Clinic, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CAW. LLP

Fresno, California
May 27, 2015

Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133Independent Auditor's Report

Board of Directors
Western Sierra Medical Clinic, Inc.
Downieville, California

Report on Compliance for Each Major Federal Program

We have audited Western Sierra Medical Clinic, Inc. (the "Center") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Health Center's major federal programs for the year ended December 31, 2014. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Western Sierra Medical Clinic, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of Western Sierra Medical Clinic, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Center as of and for the year ended December 31, 2014, and have issued our report thereon dated May 27, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CAW. LLP

Fresno California

May 27, 2015

**Western Sierra Medical Clinic, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unqualified	
Internal Control over financial reporting: Material weakness identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> None Reported
Noncompliance material to financial statements noted?	_____ yes	<u> X </u> no

Federal Awards

Internal control over major programs: Material weakness identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> None Reported
Type of auditor's report issued on compliance for major programs:	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____ yes	<u> X </u> no

Identification of Major Program

CFDA Number

93.224

Name of Federal Program or Cluster

U.S. Department of Health and Human Services,
Public Health Services, Community Health Center

Dollar threshold used to distinguish Types A and B programs	\$300,000.00	
Auditee qualified as low-risk auditee?	<u> X </u> yes	_____ no

**Western Sierra Medical Clinic, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014**

II. Current Year Audit Findings and Questioned Costs

Financial Statement Findings

None Reported

Federal Award Findings And Questioned Costs

None Reported

III. Prior Year Audit Findings and Questioned Costs

None Reported

1. DATE ISSUED: 03/17/2015		2. PROGRAM CFDA: 93.224	
3. SUPERSEDES AWARD NOTICE dated: except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.			
4a. AWARD NO.: 5 H80CS08234-09-00		4b. GRANT NO.: H80CS08234	
5. FORMER GRANT NO.:			
6. PROJECT PERIOD: FROM: 07/01/2007 THROUGH: 04/30/2017			
7. BUDGET PERIOD: FROM: 05/01/2015 THROUGH: 04/30/2016			



NOTICE OF AWARD
AUTHORIZATION (Legislation/Regulation)
 Public Health Service Act, Title III, Section 330
 Public Health Service Act, Section 330, 42 U.S.C. 254b
 Affordable Care Act, Section 10503
 Public Health Service Act, Section 330, 42 U.S.C. 254, as amended.
 Authority: Public Health Service Act, Section 330, 42 U.S.C. 254b, as amended
 Public Health Service Act, Section 330, 42 U.S.C. 254b, as amended
 Public Health Service Act, Section 330(e), 42 U.S.C. 254b
 Section 330 of the Public Health Service Act, as amended (42 U.S.C. 254b, as amended) and Section 10503 of The Patient Protection and Affordable Care Act (P.L. 111-148)

8. TITLE OF PROJECT (OR PROGRAM): Health Center Cluster

9. GRANTEE NAME AND ADDRESS:
 Western Sierra Medical Clinic
 PO BOX 286
 Downieville, CA 95936-0286
 DUNS NUMBER:
 092493675
 BHCMS # 0921760

10. DIRECTOR: (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR)
 Scott McFarland
 Western Sierra Medical Clinic
 PO BOX 289
 Downieville, CA 95936

11. APPROVED BUDGET: (Excludes Direct Assistance)
 Grant Funds Only
 Total project costs including grant funds and all other financial participation

a. Salaries and Wages :	\$5,704,161.00
b. Fringe Benefits :	\$907,285.00
c. Total Personnel Costs :	\$6,611,446.00
d. Consultant Costs :	\$0.00
e. Equipment :	\$0.00
f. Supplies :	\$523,891.00
g. Travel :	\$58,600.00
h. Construction/Alteration and Renovation :	\$0.00
i. Other :	\$1,660,811.00
j. Consortium/Contractual Costs :	\$85,201.00
k. Trainee Related Expenses :	\$0.00
l. Trainee Stipends :	\$0.00
m. Trainee Tuition and Fees :	\$0.00
n. Trainee Travel :	\$0.00
o. TOTAL DIRECT COSTS :	\$8,939,949.00
p. INDIRECT COSTS (Rate: % of S&WTADC) :	\$0.00
q. TOTAL APPROVED BUDGET :	\$8,939,949.00
i. Less Non-Federal Share:	\$7,936,252.00
ii. Federal Share:	\$1,003,697.00

12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE:

a. Authorized Financial Assistance This Period	\$1,003,697.00
b. Less Unobligated Balance from Prior Budget Periods	
i. Additional Authority	\$0.00
ii. Offset	\$0.00
c. Unawarded Balance of Current Year's Funds	\$0.00
d. Less Cumulative Prior Awards(s) This Budget Period	\$0.00
e. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	\$1,003,697.00

13. RECOMMENDED FUTURE SUPPORT: (Subject to the availability of funds and satisfactory progress of project)

YEAR	TOTAL COSTS
10	\$1,074,723.00

14. APPROVED DIRECT ASSISTANCE BUDGET: (In lieu of cash)

a. Amount of Direct Assistance	\$0.00
b. Less Unawarded Balance of Current Year's Funds	\$0.00
c. Less Cumulative Prior Awards(s) This Budget Period	\$0.00
d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION	\$0.00

15. PROGRAM INCOME SUBJECT TO 45 CFR 75.307 SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:
 A=Addition B=Deduction C=Cost Sharing or Matching D=Other [D]
 Estimated Program Income: \$7,060,847.00

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY HRSA, IS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:
 a. The grant program legislation cited above. b. The grant program regulation cited above. c. This award notice including terms and conditions, if any, noted below under REMARKS. d. 45 CFR Part 75 as applicable. In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS: (Other Terms and Conditions Attached [X]Yes []No)

Electronically signed by Helen Harpold, Grants Management Officer on : 03/17/2015

17. OBJ. CLASS: 41.51 18. CRS-EIN: 1942279011A1 19. FUTURE RECOMMENDED FUNDING: \$0.00

FY-CAN	CFDA	DOCUMENT NO.	AMT. FIN. ASST.	AMT. DIR. ASST.	SUB PROGRAM CODE	SUB ACCOUNT CODE
15 - 3981160	93.224	14H80CS08234	\$633,046.00	\$0.00	CH	HealthCareCenters_14
15 - 398160E	93.527	14H80CS08234	\$370,651.00	\$0.00	CH	HealthCareCenters_14

HRSA Electronic Handbooks (EHBs) Registration Requirements

The Project Director of the grant (listed on this NoA) and the Authorizing Official of the grantee organization are required to register (if not already registered) within HRSA's Electronic Handbooks (EHBs). Registration within HRSA EHBs is required only once for each user for each organization they represent. To complete the registration quickly and efficiently we recommend that you note the 10-digit grant number from box 4b of this NoA. After you have completed the initial registration steps (i.e., created an individual account and associated it with the correct grantee organization record), be sure to add this grant to your portfolio. This registration in HRSA EHBs is required for submission of noncompeting continuation applications. In addition, you can also use HRSA EHBs to perform other activities such as updating addresses, updating email addresses and submitting certain deliverables electronically. Visit <https://grants3.hrsa.gov/2010/WebEPSEExternal/Interface/common/accesscontrol/login.aspx> to use the system. Additional help is available online and/or from the HRSA Call Center at 877-Go4-HRSA/877-464-4772.

Terms and Conditions

Failure to comply with the remarks, terms, conditions, or reporting requirements may result in a draw down restriction being placed on your Payment Management System account or denial of future funding.

Grant Specific Term(s)

- Effective December 26, 2014, all references to OMB Circulars for the administrative and audit requirements and the cost principles that govern Federal monies associated with this award are superseded by the Uniform Guidance 2 CFR 200 as codified by HHS at 45 CFR 75.
- The funds for this award are sub-accounted in the Payment Management System (PMS) and will be in a P type (sub accounted) account. This type of account allows recipients to specifically identify the individual grant for which they are drawing funds and will assist HRSA in monitoring the award. If your organization previously received a grant under this program, it was in a G type (cash pooled) account designated by a PMS Account Number ending in G or G1. Now that this grant is sub accounted the PMS Account Number will be changed to reflect either P or P1. For example, if the prior year grant was in payee account number 2AAG it will now be in 2AAP. Similarly, if the prior year grant was in payee account 2AAG1, the grant will be in payee account 2AAP1. The P sub account number and the sub account code (provided on page 1 of this Notice of Award) are both needed when requesting grant funds.

You may use your existing PMS username and password to check your organizations P account access. If you do not have access, complete a PMS Access Form (PMS/FFR Form) found at: http://www.opm.psc.gov/grant_recipient/grantee_forms.aspx and send it to the fax number indicated on the bottom of the form. If you have any questions about accessing PMS, contact the PMS Liaison Accountant as identified at: <http://www.opm.psc.gov/contacts/contacts.aspx?email=awards@psc.gov>.
- This Notice of Award is issued based on HRSA's approval of the Non-Competing Continuation (NCC) Progress Report. All post-award requests, such as significant budget revisions or a change in scope, must be submitted as a Prior Approval action via the Electronic Handbooks (EHBs) and approved by HRSA prior to implementation. Grantees under "Expanded Authority," as noted in the Remarks section of the Notice of Award, have different prior approval requirements. See "Prior-Approval Requirements" in the DHHS Grants Policy Statement: <http://www.hhs.gov/asfr/ogapa/aboutog/hhsgps107.pdf>
- This action approves the FY 2015 Budget Progress Report or Service Area Competition application and awards full support for the upcoming budget period at the grantee's current target funding level.
- FY 2015 outreach and enrollment (O/E) funding has been included with the ongoing level of funding to support continued O/E assistance activities funded initially in FY 2013. The grantee will be required to continue to report on O/E progress via a quarterly progress report (QPR) to be submitted through the HRSA Electronic Handbook (EHB). HRSA will provide additional guidance regarding future funding and reporting requirements.
- Health centers are expected to recognize any same-sex marriage legally entered into in a U.S. jurisdiction that recognizes their marriage, including one of the 50 states, the District of Columbia, or a U.S. territory, or in a foreign country so long as that marriage would also be recognized by a U.S. jurisdiction. This applies regardless of whether or not the couple lives in a jurisdiction that recognizes same-sex marriage. However, this does not apply to registered domestic partnerships, civil unions or similar formal relationships recognized under the law of the jurisdiction of celebration as something other than a marriage. Accordingly, health centers must review and revise, as needed, internal health center policies and procedures that include references to familial relationships, such as "spouse," "husband," "wife," "marriage," or other terms related to the recognition of a marriage and/or family, to reflect this recognition. In addition, HRSA will apply pertinent Health Center Program requirements, including those relating to sliding fee scale and conflict of interest, consistent with this interpretation.

Program Specific Term(s)

1. If Federal funds have been used toward the costs of acquiring a building, including the costs of amortizing the principal of, or paying interest on mortgages, you must notify the HRSA Grants Management Contact listed on this Notice of Award for assistance regarding Federal Interest in the property within 60 days of the issue date of this award.
2. All HRSA grantees that receive discretionary funding issued under Section 330, Community Health Cluster Programs (H80), must ensure that all Federal funds used in support of this project adhere to the applicable cost principles identifiable to your type of organization (i.e., OMB Circular A-122, Cost Principles for Non-Profit Organizations and OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments). Special attention is called to Sections 11 and 15 within Attachment B of both OMB Circulars A-122 and A-87 regarding the cost treatment of depreciation and equipment and other capital expenditures.
Be advised if Federal funds from this grant are used to pay for equipment, which meets the Federal equipment definition as defined in Title 45 CFR Parts 74.2 and 92.3 as appropriate, and in the applicable cost principles, your organization will be required to provide a list of the equipment item(s) that are to be purchased and the cost per item. This information MUST be submitted to the Division of Grants Management Operations (DGMO) within 30 days of receipt of this Notice of Award (NoA). If we do not receive this information, our records and your subsequent annual award will reflect that only non-Federal resources were used to support these costs. Should you have any concerns regarding the allowability of Federal costs please contact DGMO prior to expending funds on any questionable items.
3. Program income (item 15(d)) - Non-grant funds (State, local, and other operational funding and fees, premiums, and third-party reimbursements which the project may reasonably be expected to receive, including any such funds in excess of those originally expected), shall be used as permitted under the law and may be used for such other purposes as are not specifically prohibited under the law if such use further the objectives of the project.
4. An independent annual financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds received under this grant and such other funds received by or allocated to the project for which such grant was made is required by the authorizing legislation. The due date for all audits is within 30 days of receipt of the audit from the auditor or within 9 months of the end of the corporate fiscal year, whichever is earlier. OMB Circular A-133 requires that an A-133 audit (total Federal funds expended in the corporate fiscal year must be \$500,000 or more) must be conducted for the entity named in block 9 of this Notice of Award and that a copy of the audit must be sent to the Federal Audit Clearinghouse designated by OMB (Federal Audit Clearinghouse Bureau of the Census, 1201 East 10th Street Jefferson, IN 47132, PHONE: (310) 457-1551, (800)253-0696 (toll free), email: <http://harvester.census.gov/sac/facconta.htm>.
In addition, section 330(q) of the Public Health Service Act also requires that entities funded under section 330 be audited. For this reason, a copy of the A-133 audit must also be submitted to the HRSA through the electronic handbooks. The A-133 audit reporting package submitted to HRSA must include:
Evidence that the audit included a review and opinion on the compliance standards for the Health Centers program (CFDA 93.224) contained in the applicable A-133 Compliance Supplement. If not required by OMB Circular A-133 (Total Expenditure of Federal funds is less than \$500,000), per section 330(g) of the Public Health Service Act, the audit, must be completed in accordance with generally accepted accounting principles and must evaluate:
A. The entity's implementation of cost accounting requirements,
B. The processes used by the entity to meet the financial and program reporting requirements; and,
C. The billing and collection procedures of the entity and the relation of the procedures to its fee schedule and schedule of discounts and to the availability of health insurance and public programs to pay for the health services it provides.
D. The audit must include the Auditor's report (including the auditor opinion, financial statements, auditor's notes and required communication from the auditor. In addition, the audit must include any management letters issued by the auditor. The non-A133 audit must be submitted to the HRSA through the electronic handbooks.
5. Consistent with Departmental guidance, HRSA grantees that purchase, are reimbursed or provide reimbursement to other entities for outpatient prescription drugs are expected to secure the best prices available for such products and to maximize results for the grantee organization and its patients. Eligible health care organizations/covered entities that enroll in the 340B Program must comply with all 340B Program requirements and will be subject to audit regarding 340B Program compliance. 340B Program requirements, including eligibility, can be found at www.hrsa.gov/cpa.
6. Uniform Data System (UDS) report is due in accordance with specific instructions from the Program Office.
7. Pursuant to existing law, and consistent with Executive Order 13535 (75 FR 15599), health centers are prohibited from using Federal funds to provide abortion services (except in cases of rape or incest, or when the life of the woman would be endangered).
8. Grantees are reminded that separate Medicare enrollment applications must be submitted for each "permanent unit" at which they provide services. This includes units considered both "permanent sites" and "seasonal sites" under their HRSA scope of project. (For the definition of permanent and seasonal sites under the scope of project, see Section III of Program Information Notice 2008-01, Defining Scope of

Project and Policy for Requesting Changes at http://opnchrsa.gov/policy/pin0001_definingscope.htm) Therefore, for Medicare purposes, a single health center organization may consist of two or more FQHCs, each of which must be separately enrolled in Medicare and submit bills using its unique Medicare Billing Number.

The Medicare enrollment application can be located at <http://www.cms.gov/medicare/medicaidcoverage/medicaid/555a.pdf>. To identify the address where the package should be mailed, please refer to <http://www.cms.gov/medicare/medicaidcoverage/medicaid/555a.pdf>. The appropriate Medicare contractor is listed next to "Fiscal Intermediary."

Successful enrollment in Medicare as an FQHC does *not* automatically qualify a health center for payment as an FQHC under its State Medicaid program. Health centers should contact their State Medicaid office directly to determine the process and timeline for becoming eligible for payment as an FQHC under Medicaid.

Standard Term(s)

1. Recipients must comply with all terms and conditions outlined in their grant award, including grant policy terms and conditions outlined in applicable Department of Health and Human Services (HHS) Grants Policy Statements, and requirements imposed by program statutes and regulations and HHS grant administration regulations, as applicable; as well as any requirements or limitations in any applicable appropriations acts.
2. All discretionary awards issued by HRSA on or after October 1, 2006, are subject to the HHS Grants Policy Statement (HHS GPS) unless otherwise noted in the Notice of Award (NoA). Parts I through III of the HHS GPS are currently available at <http://www.hhs.gov/asfr/ogapa/aboutog/hhsgps107.pdf>. Please note that the Terms and Conditions explicitly noted in the award and the HHS GPS are in effect.
3. HRSA requires grantees to use the following acknowledgement and disclaimer on all products produced by HRSA grant funds:

"This project is/was supported by the Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services (HHS) under grant number and title for grant amount (specify grant number, title, total award amount and percentage financed with non-governmental sources). This information or content and conclusions are those of the author and should not be construed as the official position or policy of, nor should any endorsements be inferred by HRSA, HHS or the U.S. Government. Grantees are required to use this language when issuing statements, press releases, requests for proposals, bid solicitations, and other HRSA supported publications and forums describing projects or programs funded in whole or in part with HRSA funding. Examples of HRSA-supported publications include, but are not limited to, manuals, toolkits, resource guides, case studies and issues briefs.
4. Recipients and sub-recipients of Federal funds are subject to the strictures of the Medicare and Medicaid anti-kickback statute (42 U.S.C. 1320a - 7b(b)) and should be cognizant of the risk of criminal and administrative liability under this statute, specifically under 42 U.S.C. 1320a - 7b(b) Illegal remunerations which states, in part, that whoever knowingly and willfully: (A) Solicits or receives (or offers or pays) any remuneration (including kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, in return for referring (or to induce such person to refer) an individual to a person for the furnishing or arranging for the furnishing of any item or service, OR (B) In return for purchasing, leasing, ordering, or recommending purchasing, leasing, or ordering, or to purchase, lease, or order, any goods, facility, services, or itemFor which payment may be made in whole or in part under subchapter XIII of this chapter or a State health care program, shall be guilty of a felony and upon conviction thereof, shall be fined not more than \$25,000 or imprisoned for not more than five years, or both.
5. Items that require prior approval from the awarding office as indicated in 45 CFR Part 75 [Note: 75 (d) HRSA has not waived cost-related or administrative prior approvals for recipients unless specifically stated on this Notice of Award] or 45 CFR Part 75 must be submitted in writing to the Grants Management Officer (GMO). Only responses to prior approval requests signed by the GMO are considered valid. Grantees who take action on the basis of responses from other officials do so at their own risk. Such responses will not be considered binding by or upon the HRSA.

In addition to the prior approval requirements identified in Part 75, HRSA requires grantees to seek prior approval for significant rebudgeting of project costs. Significant rebudgeting occurs when, under a grant where the Federal share exceeds \$100,000, cumulative transfers among direct cost budget categories for the current budget period exceed 25 percent of the total approved budget (inclusive of direct and indirect costs and Federal funds and required matching or cost sharing) for that budget period or \$250,000, whichever is less. For example, under a grant in which the Federal share for a budget period is \$200,000, if the total approved budget is \$300,000, cumulative changes within that budget period exceeding \$75,000 would require prior approval). For recipients subject to 45 CFR Part 75, this requirement is in lieu of that in 45 CFR 75 which permits an agency to require prior approval for specified cumulative transfers within a grantee's approved budget. [Note, even if a grantee's proposed rebudgeting of costs falls below the significant rebudgeting threshold identified above, grantees are still required to request prior approval, if some or all of the rebudgeting reflects either a change in scope, a

- proposed purchase of a unit of equipment exceeding \$25,000 (if not included in the approved application) or other prior approval action identified in Part 75 unless HRSA has specifically exempted the grantee from the requirement(s).]
6. Payments under this award will be made available through the DHHS Payment Management System (PMS). PMS is administered by the Division of Payment Management, Financial Management Services, Program Support Center, which will forward instructions for obtaining payments. Inquiries regarding payments should be directed to: ONE-DHHS Help Desk for PMS Support at 1-877-614-5533 or PMSSupport@psc.hhs.gov. For additional information please visit the Division of Payment Management Website at www.DPM.PSC.GOV
 7. The DHHS Inspector General maintains a toll-free hotline for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Such reports are kept confidential and callers may decline to give their names if they choose to remain anonymous. Contact: Office of Inspector General, Department of Health and Human Services, Attention: HOTLINE, 330 Independence Avenue Southwest, Cohen Building, Room 5140, Washington, D. C. 20201. Email: Htips@os.dhhs.gov or Telephone: 1-800-447-8477 (1-800-HHS-TIPS).
 8. Submit audits, if required, in accordance with 45 CFR Part 75, to: Federal Audit Clearinghouse Bureau of the Census 1201 East 10th Street Jefferson, IN 47132 PHONE: (310) 457-1551 (310) 457-1551, (800)253-0696 (800)253-0696 toll free <http://harvester.census.gov/sac/facconta.htm>
 9. EO 13166, August 11, 2000, requires recipients receiving Federal financial assistance to take steps to ensure that people with limited English proficiency can meaningfully access health and social services. A program of language assistance should provide for effective communication between the service provider and the person with limited English proficiency to facilitate participation in, and meaningful access to, services. The obligations of recipients are explained on the OCR website at <http://www.hhs.gov/ocr/lep/revisedlep.html>.
 10. This award is subject to the requirements of Section 106 (g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.hrsa.gov/grants/trafficking.htm>. If you are unable to access this link, please contact the Grants Management Specialist identified in this Notice of Award to obtain a copy of the Term.
 11. The Consolidated Appropriations and Further Continuing Appropriations 2015 (P.L. 113-235) enacted December 16, 2014, limits the salary amount that may be awarded and charged to HRSA grants and cooperative agreements. HRSA funds may not be used to pay the salary of an individual at a rate in excess of \$183,300 - The Executive Level II of the Federal Executive Pay Scale salary is currently set at \$183,300, effective January 11, 2015. This amount reflects an individual's base salary exclusive of fringe and any income that an individual may be permitted to earn outside of the duties of the applicant organization. This salary limitation also applies to subawards/subcontracts for substantive work under a HRSA grant or cooperative agreement. The salary limitation does not apply to payments made to consultants under this award although, as with all costs, those payments must meet the test of reasonableness and be consistent with institutional policy. Your award amount will not necessarily be recalculated to adjust for necessary reductions in salaries included in your proposal. However, none of the funds in this award shall be used to pay the salary of an individual at a rate in excess of the salary limitation. **It is important to note that an individual's base salary, per se, is NOT constrained by the legislative provision for a limitation of salary. The rate limitation simply limits the amount that may be awarded and charged to HRSA grants and cooperative agreements.**
 12. To serve persons most in need and to comply with Federal law, services must be widely accessible. Services must not discriminate on the basis of age, disability, sex, race, color, national origin or religion. The HHS Office for Civil Rights provides guidance to grant and cooperative agreement recipients on complying with civil rights laws that prohibit discrimination on these bases. Please see <http://www.hhs.gov/ocr/civilrights/understanding/index.html>. HHS also provides specific guidance for recipients on meeting their legal obligation under Title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color or national origin in programs and activities that receive Federal financial assistance (P. L. 88-352, as amended and 45 CFR Part 75). In some instances a recipient's failure to provide language assistance services may have the effect of discriminating against persons on the basis of their national origin. Please see <http://www.hhs.gov/ocr/civilrights/resources/laws/revisedlep.html> to learn more about the Title VI requirement for grant and cooperative agreement recipients to take reasonable steps to provide meaningful access to their programs and activities by persons with limited English proficiency.
 13. Important Notice: The Central Contractor registry (CCR) has been replaced. The General Services Administration has moved the CCR to the System for Award Management (SAM) on July 30, 2012. To learn more about SAM please visit <https://www.sam.gov>.

It is incumbent that you, as the recipient, maintain the accuracy/currency of your information in the SAM at all times during which your entity has an active award or an application or plan under consideration by HRSA, unless your entity is exempt from this requirement under 2 CFR 25.110. Additionally, this term requires your entity to review and update the information at least annually after the initial registration, and more frequently if required by changes in your information. This requirement flows down to subrecipients. Note: SAM information must be updated at least every 12 months to remain active (for both grantees and sub-recipients). Grants.gov will reject submissions from applicants with expired registrations. It is advisable that you do not wait until the last minute to register in SAM or update your information. According to the SAM Quick Guide for Grantees (https://www.sam.gov/sam/transcript/SAM_Quick_Guide_Grants_Registrations-v1.6.pdf), an entity's registration will become active after 3-5 days. Therefore, check for active registration well before the application deadline.

Reporting Requirement(s)

1. Due Date: Annually (Calendar Year) Beginning: 01/01/2015 Ending: 12/31/2015, due 75 days after end of reporting period.

The Uniform Data System (UDS) is a core set of information appropriate for reviewing the operation and performance of health centers. The UDS tracks a variety of information, including patient demographics, services provided, staffing, clinical indicators, utilization rates, costs, and revenues. It is reviewed to ensure compliance with legislative and regulatory requirements, improve health center performance and operations, and report overall program accomplishments. The data help to identify trends over time, enabling HRSA to establish or expand targeted programs and identify effective services and interventions to improve the health of underserved communities and vulnerable populations. UDS data are compared with national data to review differences between the U.S. population at large and those individuals and families who rely on the health care safety net for primary care. UDS data also inform Health Center programs, partners, and communities about the patients served by Health Centers. Health centers must report annually in the first quarter of the year. The UDS submission deadline is February 15 every year. Please consult the Program Office for additional instructions. Reporting technical assistance can be found at <http://bphc.hrsa.gov/healthcenterdatastatistics/reporting/index.html>.

2. Due Date: Annually (Budget Period) Beginning: Budget Start Date Ending: Budget End Date, due Quarter End Date after 90 days of reporting period.

The grantee must submit an annual Federal Financial Report (FFR). The report should reflect cumulative reporting within the project period and must be submitted using the Electronic Handbooks (EHBS). The FFR due dates have been aligned with the Payment Management System quarterly report due dates, and will be due 90, 120, or 150 days after the budget period end date. Please refer to the chart below for the specific due date for your FFR.

- Budget Period ends August – October: FFR due January 30
- Budget Period ends November – January: FFR due April 30
- Budget Period ends February – April: FFR due July 30
- Budget Period ends May – July: FFR due October 30

Failure to comply with these reporting requirements will result in deferral or additional restrictions of future funding decisions.

Contacts

NoA Email Address(es):

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Note: NoA emailed to these address(es)

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TAB E: Required Statements

By signature on the cover letter of this submittal and by including this proposal, the undersigned, as a duly authorized officer of and on behalf of Western Sierra Medical Clinic, Inc. ("WSMC"), attests and agrees to the following:

A. Scope of Work and Addenda

WSMC will perform the services and adhere to the requirements described in RFP No. 10541, including the following addenda issued by the County: Addendum No. 1 dated December 11, 2015, Addendum No. 2 dated December 17, 2015, Addendum No. 3 dated December 18, 2015, and Addendum No. 4 dated January 13, 2016.

B. Public Records Act

WSMC acknowledges that subsequent to award of RFP 10541, all of part of this submittal may be released to any person or firm who may request it, as prescribed by the State of California Public Records Act (Govt. Code 6250 et seq.), and that:

The portions of this submittal identified below are proprietary and/or confidential for the reasons stated:

None.

WSMC acknowledges that the above statements may be subject to legal review and challenge.

C. Non-Substitution of Designated Staff

WSMC assures that the designated project team, including sub-consultants (if any), is used for this project and that departure or reassignment of, or substitution for, any member of the designated project team or sub-consultant(s) shall not be made without the prior written approval of the County.

D. Non-Conflict of Interest

WSMC warrants that no official or employee of the County has an interest, has been employed or retained to solicit or aid in the procuring of the resulting contract, nor that any such person will be employed in the performance of such contract without immediate divulgence of such fact to the County.

E. Non-Collusion

WSMC warrants that this proposal is made without any previous understanding, agreement or connection with any person, firm or corporation submitting a separate proposal for the same project and is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action.

F. Insurance Requirements

WSMC agrees to the indemnification and insurance requirements provided in the draft contract attached to the original RFP No. 10541 and that the cost of complying with the insurance requirements is included in the submitted pricing. The undersigned agrees to provide complete and valid insurance certificates within ten (10) days of the County's written request and acknowledges that failure to provide the documents within the time stated may result in rejection of this proposal.

G. Debarment and Suspension Certification (Title 49, Code of Federal Regulations, Part 29)

The undersigned, under penalty of perjury, certifies that he or any other person associated with the undersigned and WSMC in the capacity as director or officer:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- Does not have a proposed disbarment pending; and
- Has not been indicted, convicted, or had a civil judgment rendered against him, her or it by a court of competent jurisdiction in any manner involving fraud or official misconduct within the past 3 years.

WESTERN SIERRA MEDICAL CLINIC, INC.

By: 
Scott McFarland, CEO

TAB R: Exceptions

WSMC proposes changes to the form of agreement attached to the RFP as Attachment B:

Section 1: Changes may be required to the extent WSMC's proposal that Placer County Health and Human Services operate the Auburn and Kings Beach clinics until a transition point is accepted. Moreover, none of the exhibits to the agreement are attached and will have to be negotiated.

Section B: Changes may be required to the extent WSMC's proposal is accepted with respect to Placer County Health and Human Services operating the Auburn and Kings Beach clinics until a transition point at which time WSMC takes responsibility for care of the transitioned patients. Moreover, none of the exhibits to the agreement are attached and will have to be negotiated.

Section 3: Changes may be required to the extent WSMC's proposal is accepted with respect to Placer County Health and Human Services operating the Auburn and Kings Beach clinics until a transition point at which time WSMC takes responsibility for care of the transitioned patients. Moreover, none of the exhibits to the agreement are attached and will have to be negotiated.

Section 4: None of the exhibits to the agreement are attached and will have to be negotiated.

Section 5: Changes may be required to the extent WSMC's proposal is accepted with respect to Placer County Health and Human Services operating the Auburn and Kings Beach clinics until a transition point at which time WSMC takes responsibility for care of the transitioned patients. Moreover, none of the exhibits to the agreement are attached and will have to be negotiated.

Section 6: WSMC proposes changes to reflect that once the agreement is awarded to WSMC, WSMC will begin to make tenant improvements and interview and hire providers, at which point the agreement should become terminable only in the event of a breach by WSMC upon written notice of the breach with a minimum of fifteen days to cure. Additionally, all records, or at a minimum copies of records, for patients transitioned to WSMC should become the property of WSMC for purposes of patient care and legal compliance. All writings and other proprietary information belonging to WSMC as of the date of the contract (and not relating to the RFP, agreement and transition of patients) must remain the property of WSMC and shall not be transferred to Placer County without WSMC's consent.

Section 15(A) (3): In the last line, insert "and/or Contractor" in the last line after, "which County".

Section 19: All records, or at a minimum copies of records, relative to patients transitioned to WSMC should become the property of WSMC for purposes of patient care and legal compliance. Moreover, all writings and other proprietary information belonging to WSMC as of the date of the contract (and not relating to the RFP, agreement and transition of patients) must remain the property of WSMC and shall not be transferred to Placer County without WSMC's consent.

