

AGREEMENT FOR SERVICES

#653-PHD0707

with

CALIFORNIA SHOCK/TRAUMA AIR RESCUE

regarding

EMERGENCY AIR AMBULANCE ADVANCED LIFE SUPPORT SERVICES

THIS AGREEMENT made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "COUNTY") through its Public Health Department Emergency Medical Services (EMS) Agency; and California Shock/Trauma Air Rescue, d.b.a., CALSTAR, an Advanced Life Support Provider (hereinafter referred to as "CALSTAR"), whose principal place of business is 4933 Bailey Loop, McClellan, CA 95652;

WITNESSETH

WHEREAS, COUNTY is a political subdivision of the State of California duly authorized under the laws of the State of California; and

WHEREAS, COUNTY provides prehospital Advanced Life Support and dispatch services under a public utility model to the residents of El Dorado County; and

WHEREAS, COUNTY desires to ensure that when persons in El Dorado County request, or have dispatched, prehospital Advanced Life Support service, be it for an emergency, at a special event, or for routine medical transportation, they will receive a consistent level of service that meets or exceeds the minimum acceptable standards as established by the Health and Safety Code, Division 2.5; California Code of Regulations, Title 22, Division 9; the California Emergency Medical Services Authority; and the El Dorado County Emergency Medical Services Agency; and

WHEREAS, CALSTAR is a nonprofit corporation formed for the purpose of providing Emergency Medical Air Ambulance Advanced Life Support Services and Dispatch Services and desires to provide said services within COUNTY's jurisdiction; and

WHEREAS, the El Dorado County EMS Agency is responsible for designation and approval of Advanced Life Support (ALS) prehospital care providers within its jurisdiction, in accordance with the California Health and Safety Code, Division 2.5 and the California Code of Regulations, Title 22, Division 9; and

WHEREAS, the California Code of Regulations, Title 22, Division 9, Chapter 8 requires that an EMS agency that chooses to integrate EMS aircraft into its prehospital care system shall develop a program which, at a minimum, classifies EMS aircraft, incorporates utilization of EMS aircraft into its EMS plan, establishes policies and/or procedures to assure compliance, and develops written agreements specifying conditions to routinely serve its jurisdiction; and

WHEREAS, COUNTY has determined that the critically ill and injured persons in El Dorado County will benefit from rapid air ambulance transportation to facilities capable of providing the specialty critical care needs of said persons; and

WHEREAS, CALSTAR has represented to COUNTY that it is specially trained, experienced, and competent to perform the special services required hereunder, and COUNTY has determined to rely upon such representations; and

WHEREAS, County desires to designate, approve, and authorize, CALSTAR to provide the emergency air ambulance dispatch services described herein in exchange for CALSTAR's agreement to comply with the requirements set forth below; and

WHEREAS, it is the intent of the parties hereto that such services be in conformity with all applicable federal, State and local laws; and

NOW THEREFORE, in consideration of the recitals and the mutual obligation of the parties as expressed herein, both COUNTY and CALSTAR do hereby expressly agree as follows:

SECTION I - DEFINITIONS

The following terms and definitions apply to this Agreement:

1. AAMS means Association of Air Medical Services.
2. Administrator on Call (AOC) means the individual designated by CALSTAR that has program responsibility for making critical decisions after normal duty hours.
3. Advanced Life Support (ALS) means special services designed to provide definitive prehospital emergency medical care, including, but not limited to cardiopulmonary resuscitation, cardiac monitoring, cardiac defibrillation, advanced airway management, intravenous therapy, administration of specified drugs and other medicinal preparations, and other specified techniques and procedures administered by authorized personnel under the direct supervision of a base hospital as part of a local EMS system at the scene of an emergency, during transport to an acute care hospital, during interfacility transfer, and while in the emergency department of an acute care hospital until responsibility is assumed by the emergency or other medical staff of that hospital or as otherwise defined by the Centers for Medicare and Medicaid Services (CMS), formerly known as Federal Health Care Finance Administration (HCFA).

4. Advanced Life Support (ALS) Rescue Aircraft means a rescue aircraft whose medical flight crew has at a minimum of one attendant certified or licensed in Advanced Life Support.
5. Air Ambulance means any aircraft specially constructed, modified or equipped, and used for the primary purpose of responding to emergency calls and transporting critically ill or injured patients whose medical flight crew has a minimum of two (2) attendants certified in Advanced Life Support.
6. Authorization means the process required by the California Code of Regulations, Title 22, Division 9, Chapter 8, that the COUNTY must follow in order to allow EMS aircraft providers to provide service within the COUNTY.
7. Auxiliary Rescue Aircraft means a rescue aircraft which does not have a medical flight crew, or whose medical flight crew do not meet the minimum requirements established in the California Code of Regulations, Title 22, Division 9, Chapter 8, Article 1, Section 100283.
8. CALSTAR Medical Director means a licensed physician and surgeon who has substantial experience in the practice of emergency medicine, and is designated by CALSTAR to provide medical control and to assure medical accountability throughout the planning, implementation and evaluation of the California Shock/Trauma Air Rescue (CALSTAR) air ambulance service.
9. CAMTS means Commission on Accreditation of Medical Transport Services, a national independent commission committed to patient care and the safety of the transport environment.
10. COUNTY means County of El Dorado, the political subdivision of the State of California. The Public Health Department through its local county EMS agency is responsible for the direct oversight of prehospital emergency and non-emergency medical care in El Dorado County.
11. Designated Dispatch Center, for the purpose of this Agreement, means the Grass Valley Emergency Communications Center designated by the El Dorado County EMS Agency as the dispatch agency for CALSTAR, for the purpose of coordinating air ambulance or rescue aircraft response to the scene of a medical emergency within the jurisdiction of the El Dorado County EMS agency.
12. El Dorado County EMS Agency Medical Director means a licensed physician and surgeon who has substantial experience in the practice of emergency medicine, and is designated by the COUNTY to provide medical control and to assure medical accountability throughout the planning, implementation and evaluation of the EMS system.
13. Emergency means a condition or situation in which an individual has a need for immediate medical attention, or where the potential for such need is perceived by emergency medical personnel, a public safety agency, or may reasonably be perceived by any prudent lay person;

any sudden or serious illness or injury requiring immediate medical or psychiatric attention under such circumstances in which a delay in providing such services may aggravate the medical condition or cause the loss of life or an unknown situation; furthermore, any case declared to be an emergency by a physician.

14. Emergency Medical Services (EMS) means the medical services provided in an emergency.
15. EMS (Emergency Medical Services) Agency means the administrative agency designated through the Public Health Department by the El Dorado County Board of Supervisors pursuant to Health and Safety Code, Section 1797.200.

“Authorizing EMS Agency” means local EMS agency that approves utilization of specific EMS Aircraft within its jurisdiction.

“Classifying EMS Agency” means the local EMS agency that categorizes the EMS aircraft into the groups identified in the California Code of Regulations, Title 22, Division 9, Section 100300(c)(3). This shall be the local EMS agency in the jurisdiction of origin that categorizes the emergency medical services aircraft, except for aircraft operated by the California Highway Patrol, the California Department of Forestry, or the California National Guard, which shall be classified by the EMS Authority.

16. Emergency Medical Services (EMS) Authority means the State Emergency Medical Services Authority, established by Health and Safety Code, Division 2.5 that establishes guidelines for local EMS agencies.
17. Emergency Medical Services Aircraft or EMS Aircraft means any aircraft utilized for the purpose of prehospital emergency patient response and transport. EMS aircraft includes air ambulances and all categories of rescue aircraft.
18. FAR means Federal Aviation Regulations as published within Title 14 of the Code of Federal Regulations (14 CFR).
19. Flight Nurse means an individual who is a registered nurse extensively trained in critical care and emergency medicine, and trained in all elements of prehospital Advanced Life Support; whose scope of practice provides comprehensive and effective medial care to patients, including assessment, planning implementation and evaluation of the critically ill and injured; and functions as a member of the flight team.
20. Jurisdiction of Origin means the local EMS jurisdiction within which the authorized air ambulance is operationally based.
21. Medical Flight Crew means the individuals, excluding the pilot, specifically assigned to care for the patient(s) during aircraft transport.
22. Ordinance means the Emergency Medical Service and Medical Transportation ordinance adopted by the El Dorado County Board of Supervisors that sets the standards and/or

definitions for emergency medical services and medical transport; personnel and training requirements; equipment and supply requirements; response times; communication requirements; and medical transportation service requirements. It empowers the El Dorado County Emergency Medical Services Agency through the County Public Health Department to issue permits to litter van and wheelchair van transport services, and enter into contracts or agreements with ground and air ambulance entities; monitor performance; enforce standards, if necessary; and act in an impartial manner as an arbitrator in matters of citizen complaints.

23. Physician means an individual licensed by the State as a doctor of medicine or doctor of osteopathy.
24. Pilot means one or more aircrew member(s) responsible for the control and operation of the aircraft. Each shall possess, at a minimum, a commercial airman's certificate or airline transport pilot certificate with ratings and type ratings appropriate for the operation of the aircraft employed and mission flown as required by part 61 of FAR's and shall comply with the requirements of Part 135 applicable to the certificate under which the operations are conducted. If more than one pilot is used, it shall be clearly designated which is the pilot in command.
25. Prehospital Care Report (PCR), for the purpose of this Agreement, means a form approved by the El Dorado County EMS Agency for the purpose of documenting all patient care provided in El Dorado County.
26. Registered Nurse means an individual licensed by the State of California Board of Registered Nursing.
27. Rescue Aircraft means an aircraft whose usual function is not prehospital emergency patient transport, but which may be utilized, in compliance with local EMS policy, for prehospital emergency patient transport when use of an air or ground ambulance is inappropriate or unavailable. Rescue aircraft includes ALS Rescue Aircraft, BLS Rescue Aircraft, and Auxiliary Rescue Aircraft.

SECTION II – SCOPE OF SERVICE

1. COUNTY classifies and categorizes CALSTAR's aircraft that is operationally based within El Dorado County as Air Ambulance, and authorizes CALSTAR to provide Emergency Medical Advanced Life Support Services within El Dorado County. Reclassification shall occur if there is a transfer of ownership or a change in the aircraft's category. CALSTAR's EMS Aircraft that is operationally based outside of El Dorado County shall be classified and authorized by the EMS Agency located in the jurisdiction where the air ambulance is operationally based. CALSTAR must submit to COUNTY a copy of said classification and authorization.
2. CALSTAR shall adhere to all federal, State and local statutes, ordinances, policies and procedures related to EMS aircraft operations, and any and all other applicable statute,

ordinance, and resolution regulating prehospital Advanced Life Support services relating to EMS aircraft operations, including qualifications of flight crews and aircraft maintenance. In the event of any conflicting statute, ordinance, or regulation, the statute, ordinance, or regulation setting forth the more stringent requirement shall be met.

3. CALSTAR shall adhere to all applicable AAMS Safety Standards for the operation of rotorcraft air medical services.
4. CALSTAR shall respond to requests for service from the designated Dispatch Center on a seven (7) day per week, twenty-four (24) hour per day basis, as provided in the California Code of Regulations, Title 22, Division 9, Chapter 4, Article 7, Section 100167(b)(1). COUNTY recognizes that CALSTAR's ability to respond to requests for service may, from time to time, be negatively affected by weather conditions, mechanical failure, crew availability, command pilot discretion, unavailability due to request from another jurisdiction, and other safety considerations. If CALSTAR is unable to respond to a request for service, CALSTAR shall immediately notify the designated Dispatch Center, which then has the option of requesting a response from another provider.
5. CALSTAR's designated Dispatch Center is the Grass Valley Emergency Communications Center that is designated for the purpose of coordinating air ambulance and rescue aircraft. The designated Dispatch Center for ground ambulance for CSA No. 3 South Shore Area is the City of South Lake Tahoe Dispatch Center. The designated Dispatch Center for ground ambulance for CSA No. 3 Tahoe West Shore Area is Placer County Sheriff's Dispatch Center. The designated Dispatch Center for ground ambulance for CSA No. 7 West Slope Area is the Mt. Danaher California Department of Fire and Forestry Dispatch Center.
6. CALSTAR shall ensure that an air ambulance is immediately launched for all emergency requests for service to which CALSTAR has agreed to respond and shall complete that response, unless diverted by the designated Dispatch Center. Should CALSTAR be unable to immediately launch an air ambulance at time of request, CALSTAR shall notify the appropriate dispatch center of said inability at the time of request for service.
7. CALSTAR shall not cause or allow its air ambulances to respond to a location without receiving approval to respond from the designated Dispatch Center for such service at that location. CALSTAR medical flight crew shall notify the designated Dispatch Center to be assigned to an incident if circumstances are warranted.
8. CALSTAR shall adhere to the air ambulance response requirements established in the El Dorado County EMS Agency "EMS Aircraft" policy at all times when providing service in El Dorado County.
9. When CALSTAR's notification to the requesting dispatch agency to accept or reject a mission exceeds the response time requirements established in the El Dorado County EMS Agency "EMS Aircraft" policy, COUNTY reserves the right to request justification for delayed notification time(s). CALSTAR must provide justification within five (5) business days from receipt of COUNTY's request.

10. CALSTAR shall transport each patient in need of or requiring transport to the nearest hospital capable of providing the emergency medical services required for the patient's condition.
11. CALSTAR shall respond and participate or not participate at the discretion of the on-scene incident commander operating under Incident Command System (ICS). CALSTAR recognizes that, in some cases, the unneeded response of air ambulances to disaster and multi-casualty incidents can require on-scene personnel to divert their attention from necessary life safety duties to accommodate the establishment of a landing zone and the maintenance of scene security for the aircraft and flight crew. The on-scene incident commander will make the determination regarding the need for air ambulance response and the availability of adequate resources, including a suitable landing zone that does not compromise the safety of patients, bystanders and responders on the ground. Nothing in this provision shall be construed as limiting the authority of the pilot in command to decide not to utilize any assigned landing zone or to take any actions necessary to provide for the safety of the aircraft and its participants in the event of any emergency situation.
12. CALSTAR shall designate an on-duty or on-call management or supervisory staff Administrator on Call (AOC), to be available at all times, who is authorized to act on behalf of CALSTAR in all operational matters. The designated Dispatch Center shall at all times be advised and have available the contact information for the designated AOC staff.
13. CALSTAR shall ensure that all air ambulances are appropriately staffed and equipped to the Advanced Life Support level pursuant to the requirements established in the California Code of Regulations, Title 22, Division 9, Chapter 8, and articulated in this Agreement. Clinical performance must be consistent with approved COUNTY medical standards and protocols.
14. COUNTY recognizes that CALSTAR uses only Registered Nurses (RNs) as flight nurses. CALSTAR flight nurses provide care in accordance with the California Nurse Practice Act of 1974. COUNTY recognizes nurses cleared for flight duties by CALSTAR as authorized RNs to conduct activities as described under this Agreement.
15. COUNTY recognizes that CALSTAR provides air ambulance service utilizing a medical flight crew of Registered Nurses and that base hospital contact is not usually necessary. The designated Base Hospital for ground ambulance for CSA No. 3 South Shore Area is Barton Memorial Hospital. The designated Base Hospital for ground ambulance for CSA No. 3 Tahoe West Shore Area is Tahoe Forest Hospital. The designated Base Hospital for ground ambulance for CSA No. 7 West Slope Area is Marshall Hospital.
16. CALSTAR shall ensure that all flight nurses are licensed by the State of California. Flight nurses whose license has lapsed shall not be allowed to provide prehospital care within El Dorado County until they have met all requirements to bring their license current. CALSTAR shall ensure compliance with all regulations from the Health and Safety Code, Division 2.5; California Code of Regulations, Title 22, Division 9; and the California Nurse Practice Act of 1974. CALSTAR shall ensure that the portions of the El Dorado County

EMS Agency Prehospital Care Policy and Procedure Manual that apply to air ambulance service are followed.

17. CALSTAR shall ensure that the medical flight crew meets the standards contained within the CAMTS certification requirements.
18. CALSTAR shall maintain a minimum staffing level of not less than two (2) Flight Nurses certified in Advanced Life Support, excluding the pilot.
19. CALSTAR shall ensure that all medical flight crew participate in continuing education requirements as required by their licensure or certification and aeromedical transportation.
20. CALSTAR shall ensure that the medical flight crew is familiar with local geography throughout El Dorado County.
21. CALSTAR's Medical Director shall provide direct medical control under the authority of the El Dorado County EMS Agency Medical Director for air ambulance service within El Dorado County. In this capacity, the CALSTAR Medical Director is responsible for establishment of CALSTAR protocols and standardized procedures, quality assurance and enforcement procedures.
22. COUNTY approves the use of the air ambulance medical standards established by the CALSTAR Medical Director for the services required in this Agreement. The El Dorado County EMS Agency Medical Director approves the policies, procedures and protocols developed by CALSTAR for air ambulance service for use in El Dorado County. CALSTAR shall provide to the COUNTY a copy of the policies, procedures and field treatment protocols including all updates and revisions as approved by the CALSTAR Medical Director. COUNTY will treat CALSTAR's policies and procedures in accordance with the California Public Records Act, California Government Code § 6250 et seq.
23. CALSTAR shall comply with any applicable standards for air ambulance medical equipment (required for the level of service being provided) as established by the El Dorado County EMS Agency Prehospital Care Policy and Procedure Manual promulgated by the El Dorado County EMS Agency. The El Dorado County EMS Agency shall provide to CALSTAR a copy of the El Dorado County EMS Agency Prehospital Care Policy and Procedure Manual including any updates on an ongoing basis. CALSTAR shall be charged with knowledge of this Manual. This Manual shall be updated from time to time as determined necessary by the El Dorado County EMS Agency.
24. CALSTAR shall possess and agree to maintain adequate drug and solution inventory, drugs, and supplies in compliance with the scope of practice established by the CALSTAR Medical Director and approved by El Dorado County EMS Agency Medical Director.
25. CALSTAR shall maintain all necessary radio communications equipment so as to provide for communications capability with the El Dorado County designated dispatch centers, designated Base Hospital facilities, BLS/ALS first responder agencies, ALS ambulance

34. CALSTAR shall, to the extent practical, participate in the COUNTY EMS system quality improvement program, and send a representative to organized patient care reviews in which CALSTAR's services were utilized in cases being audited.
35. CALSTAR shall cooperate with COUNTY in establishing disaster and multicasualty incident plans, policies and procedures; and assist in planning and participate in interagency disaster/multicasualty incident training exercises annually.
36. As mandated by State EMS Authority, CALSTAR shall agree and acknowledge that COUNTY shall have retrospective, concurrent and prospective medical control including access to information pertinent to evaluation and analysis by the EMS Agency Medical Director. COUNTY shall deny, suspend or revoke the authorization of CALSTAR to provide services in El Dorado County for failure to comply with applicable policies, procedures and regulations promulgated by the State of California or by COUNTY.

SECTION III – GENERAL REQUIREMENTS

ARTICLE I

County Operational Policies: CALSTAR shall be responsible to comply with all operational policies and standards for CALSTAR VI; the standards currently articulated in this Agreement and any subsequent amendments or modifications; the Health and Safety Code, Division 2.5; California Code of Regulations, Title 22, Division 9; Commission on Accreditation of Medical Transport Services (CAMTS); Association of Air Medical Services (AAMS); the California Emergency Medical Services Authority; and the El Dorado County EMS Agency.

ARTICLE II

Designated Authorized Operating Area: County Service Area No. 3, South Shore Area; County Service Area No. 3 Tahoe West Shore Area; and County Service Area No. 7 West Slope Area are non-exclusive operating areas for air ambulance service under the COUNTY's State confirmed EMS Plan. COUNTY reserves its rights to take any and all appropriate action, and to exercise its discretion with regard to any other public or private emergency and non-emergency medical transporters. The COUNTY reserves the right to utilize public or private EMS aircraft services as defined in Title 22, Chapter 8, Article 1, Section 100279, if such utilization is in the best interest of the public.

ARTICLE III

Venue: Any dispute resolution action arising out of this Agreement, including, but not limited to, litigation, mediation, or arbitration, shall be brought in El Dorado County, California, and shall be resolved in accordance with the laws of the State of California. CALSTAR waives any removal rights it might have under Code of Civil Procedure Section 394.

ARTICLE IV

Authorization Term: This Agreement shall become effective when fully executed by both parties hereto and shall expire on August 31, 2010. This Agreement may be extended for one additional two-year period if mutually agreed by both parties hereto, in writing, not less than thirty (30) days prior to this Agreement's expiration.

ARTICLE V

Changes to Agreement: This Agreement may be amended by mutual consent of the parties hereto. Said amendments shall become effective only when in writing and approved by the duly authorized boards and fully executed by duly authorized officers of the parties hereto.

ARTICLE VI

Product Endorsement/Advertising: CALSTAR shall not use the name or equipment of COUNTY for the endorsement of any commercial product or service without the expressed written permission of COUNTY.

ARTICLE VII

Independent Contractor Liability: CALSTAR is, and shall be at all times, deemed independent and shall be wholly responsible for the manner in which it performs services required by terms of this Agreement. CALSTAR exclusively assumes responsibility for acts of its employees, associates, and subcontractors, if any are authorized herein.

ARTICLE VIII

Nondiscrimination in Services, Benefits, and Facilities:

- A. CALSTAR certifies under the laws of the State of California that CALSTAR shall not unlawfully discriminate in the provision of services because of race, color, creed, national origin, sex, age, or physical or mental disability as provided by State and federal law and in accordance with Title VI of the Civil Rights Act of 1964 [42 USC 2000(d)]; Age Discrimination Act of 1975 (42 USC 6101); Rehabilitation Act of 1973 (29 USC 794); Education Amendments of 1972 (20 USC 1681); Americans with Disabilities Act of 1990 (42 USC 12132); Title 45, Code of Federal Regulations, Part 84; provisions of the Fair Employment and Housing Act (Government Code Section 129000 et seq.); and regulations promulgated thereunder (Title 2, CCR, Section 7285.0 et seq.); Title 2, Division 2, Article 9.5 of the California Government Code, commencing with Section 11135; and Title 9, Division 4, Chapter 6 of the California Code of Regulations, commencing with Section 10800.
- B. For the purpose of this Agreement, discriminations on the basis of race, color, creed, national origin, sex, age, or physical or mental disability include, but are not limited to, the following: denying a participant any service or providing a benefit to a participant which is different, or is provided in a different manner or at a different time from that provided to other participants under this Agreement; subjecting a participant to segregation or separate treatment in any matter related to the receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; and/or treating a participant differently from others in determining whether the

participant satisfied any admission, enrollment, eligibility, membership or other requirement or condition which individuals must meet in order to be provided any service or benefit.

ARTICLE IX

Notice to Parties: All notices to be given by the parties hereto shall be in writing and served by depositing same in the United States Post Office, postage prepaid, Certified, Return Receipt Requested.

Notices to COUNTY shall be in duplicate and addressed as follows:

EL DORADO COUNTY PUBLIC HEALTH DEPARTMENT
931 SPRING STREET
PLACERVILLE, CA 95667
ATTN: GAYLE ERBE-HAMLIN, DIRECTOR

or to such other location as the County directs.

Notices to CALSTAR shall be addressed as follows:

CALIFORNIA SHOCK/TRAUMA AIR RESCUE CALSTAR VI
4933 BAILY LOOP
McClellan, CA 95652
ATTN: JOSEPH F. COOK, PRESIDENT AND CHIEF EXECUTIVE OFFICER

or to such other location as CALSTAR directs.

ARTICLE X

Indemnity: CALSTAR shall indemnify, defend and hold harmless COUNTY, its officers, agents, employees and representatives from and against any and all claims, losses, liabilities or damages, demands and actions including payment of reasonable attorney's fees, arising out of or resulting from or in any way related to the performance of Emergency Medical Air Ambulance Advanced Life Support Services and Dispatch Services under this Agreement, caused in whole or in part by any negligent or willful act or omission of CALSTAR, its officers, agents, employees, subcontractors, or anyone directly or indirectly employed by any of them.

ARTICLE XI

Insurance: CALSTAR shall provide proof of a policy of insurance satisfactory to the El Dorado County Risk Management Division and documentation evidencing that CALSTAR maintains insurance for the CALSTAR VI that meets the following requirements set forth hereinafter:

- A. Full Worker's Compensation and Employers' Liability Insurance covering all employees of the CALSTAR VI as required by law in the State of California.
- B. Commercial General Liability Insurance of not less than \$5,000,000 combined single limit per occurrence for bodily injury and property damage.

- C. Air Ambulance, Hull and Liability Insurance of not less than \$5,000,000 is required on owned, hired, leased and non-owned aircraft used in connection with the CALSTAR VI air ambulance operations.
- D. Professional liability (for example, malpractice insurance) is required with a limit of liability of not less than \$1,000,000 per occurrence, \$3,000,000 aggregate.
- E. CALSTAR shall furnish a certificate of insurance satisfactory to the El Dorado County Risk Management Division as evidence that the insurance required above is being maintained.
- F. The insurance shall be issued by an insurance company acceptable to the El Dorado County Risk Management Division, or be provided through partial or total self-insurance likewise acceptable to the El Dorado County Risk Management Division.
- G. CALSTAR agrees that the insurance required above shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, CALSTAR agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the County Risk Management Division, and CALSTAR agrees that no work or services shall be performed prior to the giving of such approval. In the event CALSTAR fails to keep in effect at all times insurance coverage as herein provided, El Dorado COUNTY may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
- H. The certificate of insurance must include the following provisions stating that:
 - 1. The insurer will not cancel the insured's coverage without thirty (30) days prior written notice to County, and;
 - 2. The County of El Dorado, its officers, officials, employees, and volunteers are included as additional insured, but only insofar as the operations under this Agreement are concerned. This provision shall apply to all liability policies except worker's compensation and professional liability insurance policies.
- I. CALSTAR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees or volunteers shall be in excess of CALSTAR's insurance and shall not contribute with it.
- J. Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. CALSTAR shall not change these deductibles and retentions without the approval of COUNTY.

- K. Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the COUNTY, its officers, officials, employees or volunteers.
- L. The insurance companies shall have no recourse against the County of El Dorado, its officers and employees or any of them for payment of any premiums or assessments under any policy issued by any insurance company.
- M. CALSTAR's obligations shall not be limited by the foregoing insurance requirements and shall survive expiration of this Agreement.
- N. In the event CALSTAR cannot provide an occurrence policy, CALSTAR shall provide insurance covering claims made as a result of performance of this Agreement for not less than three (3) years following completion of performance of this Agreement.
- O. Certificate of insurance shall meet such additional standards as may be determined by the contracting County Department either independently or in consultation with the El Dorado County Risk Management Division, as essential for protection of the COUNTY.

ARTICLE XII

HIPAA: Under this Agreement, CALSTAR will provide services to COUNTY, and in conjunction with the provision of such services, certain Protected Health Information ("PHI") may be made available to CALSTAR for the purposes of carrying out its obligations. CALSTAR agrees to comply with all the terms and conditions of Exhibit A, HIPAA Business Associate Agreement, attached hereto and made by reference a part hereof, regarding the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the regulations promulgated thereunder.

ARTICLE XIII

Concurrence with Laws: CALSTAR agrees to comply with all federal and State regulations and laws, and also agrees that the State or COUNTY may take all necessary and authorized actions to enforce those regulations and laws, including denial of authorization to serve the operating area without COUNTY's permission.

ARTICLE XIV

Administrator: The COUNTY officer or employee with responsibility for administering this Agreement is Gayle Erbe-Hamlin, El Dorado County Director of Public Health, or her successor.

ARTICLE XV

Authorized Signatures: The parties to this Agreement represent that the undersigned individuals executing this Agreement on their respective behalves are fully authorized to do so by law or other appropriate instrument and to bind upon said parties to the obligations set forth herein.

ARTICLE XVI

Partial Invalidity: If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect without being impaired or invalidated in any way.

ARTICLE XVII

Final Authority: Except as provided by law, the Board of Supervisors shall be the final authority for COUNTY.

ARTICLE XVIII

Compliance: Upon the occurrence of any default of the provisions of this Agreement, COUNTY shall give written notice of said default to CALSTAR (notice). If CALSTAR does not cure the default within ten (10) days of the date specified on the notice (time to cure), then CALSTAR shall be in default. The time to cure may be extended at the discretion of COUNTY. Any extension of time to cure must be in writing, prepared by CALSTAR for signature by COUNTY and must specify the reason(s) for the extension and the date in which the extension of time of to cure expires.

Notice given under this section shall specify the alleged default and the applicable Agreement provision and shall demand that CALSTAR perform the provisions of this Agreement within the applicable period of time. No such notice shall be deemed a termination of this Agreement unless COUNTY so elects in this notice, or COUNTY so elects in a subsequent written notice after the time to cure has expired.

ARTICLE XIX

Termination and Cancellation:

- A. **Ceasing Performance:** County may terminate this Agreement in the event Contractor ceases to operate as a business, or otherwise becomes unable to substantially perform any term or condition of this Agreement.
- B. **Termination or Cancellation without Cause:** County may terminate this Agreement in whole or in part seven (7) calendar days upon written notice by County for any reason. Upon receipt of a Notice of Termination, Contractor shall promptly discontinue all services affected, as of the effective date of termination set forth in such Notice of Termination, unless the notice directs otherwise.


ARTICLE XX

County Business License: It is unlawful for any person to furnish supplies or services, or transact any kind of business in the unincorporated territory of El Dorado County, without possessing a County business license, unless exempt under County Code, Section 5.08.070.

ARTICLE XXI

Entire Agreement: This document and the documents referred to herein or exhibits hereto are the entire agreement between the parties, and they incorporate or supersede all prior written or oral agreements or understandings.

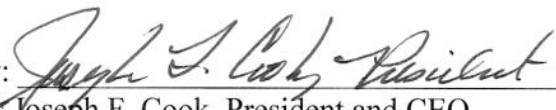
DEPARTMENT HEAD CONCURRENCE

By: 
Gayle Erbe-Hamlin, Director
Public Health Department

Date: 11/8/07

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated below, the latest of which shall be deemed to be the effective date of this Agreement.

CONTRACTOR

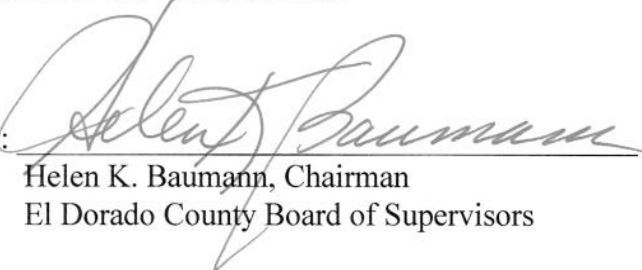
By: 
Joseph F. Cook, President and CEO
CALSTAR

Date: 9/27/2007

By: 
Feli T. Gonzalez, CFO
CALSTAR

Date: 9/27/07

COUNTY OF EL DORADO

By: 
Helen K. Baumann, Chairman
El Dorado County Board of Supervisors

Date: 10/30/07

ATTEST:
Cindy Keck, Clerk

By:  Date: 10/30/07
Deputy Clerk

EXHIBIT A
HIPAA Business Associate Agreement

This HIPAA Business Associate Agreement is made part of the base contract (“Underlying Agreement”) to which it is attached, as of the date of commencement of the term of the Underlying Agreement (the “Effective Date”).

RECITALS

WHEREAS, County and Contractor entered into the Underlying Agreement pursuant to which Contractor provides services to County, and in conjunction with the provision of such services, certain Protected Health Information (“PHI”) and Electronic Protected Health Information (“EPHI”) may be made available to Contractor for the purposes of carrying out its obligations under the Underlying Agreement; and

WHEREAS, the provisions of the Health Insurance Portability and Accountability Act, Pub. L. No. 104-161 of 1996 (“HIPAA”), more specifically the regulations found at Title 45, CFR, Parts 160 - 164 (the “Privacy and Security Rule”), as may be amended from time to time, which are applicable to the protection of any disclosure of PHI pursuant to the Underlying Agreement; and

WHEREAS, County is a Covered Entity, as defined in the Privacy Rule; and

WHEREAS, Contractor, when a recipient of PHI from County, is a Business Associate as defined in the Privacy Rule; and

WHEREAS, “Individual” shall have the same meaning as the term “individual” in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.202(g); and

WHEREAS, the parties agree that any disclosure or use of PHI or EPHI be in compliance with the Privacy and Security Rule or other applicable law;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Definitions. Unless otherwise provided in this Business Associate Agreement, capitalized terms shall have the same meanings as set forth in the Privacy Rule, as may be amended from time to time.
2. Scope of Use and Disclosure by Contractor of County Disclosed PHI
 - A. Contractor shall be permitted to use PHI disclosed to it by the County:
 - (1) on behalf of the County, or to provide services to the County for the purposes contained herein, if such use or disclosure would not violate the Privacy Rule if done by the County, or the minimum necessary policies and procedures of the County
 - (2) as necessary to perform any and all of its obligations under the Underlying Agreement.
 - B. Unless otherwise limited herein, in addition to any other uses and/or disclosures permitted or authorized by this Business Associate Agreement or Required by Law, Contractor may:

- (1) use the PHI in its possession for its proper management and administration and to fulfill any legal obligations.
 - (2) disclose the PHI in its possession to a third party for the purpose of Contractor's proper management and administration or to fulfill any legal responsibilities of Contractor. Contractor may disclose PHI as necessary for Contractor's operations only if:
 - (a) The disclosure is Required by Law; or
 - (b) Contractor obtains written assurances from any person or organization to which Contractor will disclose such PHI that the person or organization will:
 - (i) hold such PHI in confidence and use or further disclose it only for the purpose of which Contractor disclosed it to the third party, or as Required by Law; and,
 - (ii) the third party will notify Contractor of any instances of which it becomes aware in which the confidentiality of the information has been breached.
 - (3) aggregate the PHI and/or aggregate the PHI with that of other data for the purpose of providing County with data analyses related to the Underlying Agreement, or any other purpose, financial or otherwise, as requested by County.
 - (4) not disclose PHI disclosed to Contractor by County not authorized by the Underlying Agreement or this Business Associate Agreement without patient authorization or de-identification of the PHI as authorized in writing by County.
 - (5) de-identify any and all PHI of County received by Contractor under this Business Associate Agreement provided that the de-identification conforms to the requirements of the Privacy Rule, 45 CFR and does not preclude timely payment and/or claims processing and receipt.
- C. Contractor agrees that it will neither use nor disclose PHI it receives from County, or from another business associate of County, except as permitted or required by this Business Associate Agreement, or as Required by Law, or as otherwise permitted by law.
3. Obligations of Contractor. In connection with its use of PHI disclosed by County to Contractor, Contractor agrees to:
- A. Use or disclose PHI only as permitted or required by this Business Associate Agreement or as Required by Law.

- B. Use reasonable and appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Business Associate Agreement.
- C. To the extent practicable, mitigate any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of this Business Associate Agreement.
- D. Report to County any use or disclosure of PHI not provided for by this Business Associate Agreement of which Contractor becomes aware.
- E. Require sub-contractors or agents to whom Contractor provides PHI to agree to the same restrictions and conditions that apply to Contractor pursuant to this Business Associate Agreement.
- F. Use appropriate administrative, technical and physical safeguards to prevent inappropriate use or disclosure of PHI created or received for or from the County.
- G. Implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of the County and to follow generally accepted system security principles as required in final rule 45 CFR Parts 160-164.
- H. Contractor will report any security incident of which it becomes aware to the County. Security incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations. This does not include trivial incidents that occur on a daily basis, such as scans or "pings".
- I. Obtain and maintain knowledge of the applicable laws and regulations related to HIPAA, as may be amended from time to time.
- J. May use PHI to report violations of law to appropriate Federal and State Authorities, consistent with § 164.502(j) (1).

4. PHI Access, Amendment and Disclosure Accounting. Contractor agrees to:

- A. Provide access, at the request of County, within five (5) days, to PHI in a Designated Record Set, to the County, or to an Individual as directed by the County.
- B. To make any amendment(s) to PHI in a Designated Record Set that the County directs or agrees to at the request of County or an Individual within sixty (60) days of the request of County.
- C. To assist the County in meeting its disclosure accounting under HIPAA:
 - (1) Contractor agrees to document such disclosures of PHI and information related to such disclosures as would be

required for the County to respond to a request by an Individual for an accounting of disclosures of PHI.

- (2) Contractor agrees to provide to County or an Individual, within sixty (60) days, information collected in accordance with this section to permit the County to respond to a request by an Individual for an accounting of disclosures of PHI.
 - (3) Contractor shall have available for the County the information required by this section for the six (6) years preceding the County's request for information (except the Contractor need have no information for disclosures occurring before April 14, 2003).
- D. Make available to the County, or to the Secretary of Health and Human Services, Contractor's internal practices, books and records relating to the use of and disclosure of PHI for purposes of determining Contractor's compliance with the Privacy Rule, subject to any applicable legal restrictions.
 - E. Within thirty (30) days of receiving a written request from County, make available any and all information necessary for County to make an accounting of disclosures of County PHI by Contractor.
 - F. Within sixty (60) days of receiving a written request from County, incorporate any amendments or corrections to the PHI in accordance with the Privacy Rule in the event that the PHI in Contractor's possession constitutes a Designated Record Set.
 - G. Not make any disclosure of PHI that County would be prohibited from making.
5. Obligations of County.
- A. County agrees that it will make its best efforts to promptly notify Contractor in writing of any restrictions on the use and disclosure of PHI agreed to by County that may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Business Associate Agreement.
 - B. County agrees that it will make its best efforts to promptly notify Contractor in writing of any changes in, or revocation of, permission by any Individual to use or disclose PHI, if such changes or revocation may affect Contractor's ability to perform its obligations under the Underlying Agreement, or this Business Associate Agreement.
 - C. County agrees that it will make its best efforts to promptly notify Contractor in writing of any known limitation(s) in its notice of privacy practices to the extent that such limitation may affect Contractor's use of disclosure of PHI.
 - D. County shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if

done by County, except as may be expressly permitted by the Privacy Rule.

- E. County will obtain any authorizations necessary for the use or disclosure of PHI, so that Contractor can perform its obligations under this Business Associate Agreement and/or the Underlying Agreement.

6. Term and Termination.

- A. Term – this Business Associate Agreement shall commence upon the Effective Date and terminate upon the termination of the Underlying Agreement, as provided therein when all PHI provided by the County to Contractor, or created or received by Contractor on behalf of the County, is destroyed or returned to the County, or, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions in this Section.
- B. Termination for Cause. Upon the County's knowledge of a material breach by the Contractor, the County shall either:
 - (1) Provide Notice and a 10-day opportunity for the Contractor to cure the breach or end the violation and terminate this Agreement if the Contractor does not cure the breach or end the violation within the time specified by the County.
 - (2) Immediately terminate this Agreement if the Contractor has breached a material term of this Agreement and cure is not possible; or
 - (3) If neither termination nor cures are feasible, the County shall report the violation to the Secretary.
- C. Effect of Termination.
 - (1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, the Contractor shall return or destroy all PHI received from the County, created or received by the Contractor on behalf of the County. This provision shall apply to PHI that is in the possession of subcontractors or agents of the Contractor. Contractor shall retain no copies of the PHI.
 - (2) In the event that the Contractor determines that returning or destroying the PHI is infeasible, Contractor shall provide to the County notification of the conditions that make return or destruction infeasible. Upon {negotiated terms} that return or destruction of PHI is infeasible, Contractor shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as the Contractor maintains such PHI.

7. HIPAA Business Associate Indemnity

Contractor shall indemnify and hold harmless all Agencies, Districts, Special Districts and Departments of the County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives from any liability whatsoever, based or asserted upon any services of Contractor, its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Business Associate Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever including fines, penalties or any other costs and resulting from any reason whatsoever arising from the performance of Contractor, its officers, agents, employees, subcontractors, agents or representatives from this Business Associate Agreement. Contractor shall defend, at its sole expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and settlements or awards all Agencies, Districts, Special Districts and Departments of the County, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives in any claim or action based upon such alleged acts or omissions.

With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at their sole cost, have the right to use counsel of their choice, subject to the approval of County, which shall not be unreasonably withheld, and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of County; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification to County as set forth herein. Contractor's obligation to defend, indemnify and hold harmless County shall be subject to County having given Contractor written notice within a reasonable period of time of the claim or of the commencement of the related action, as the case may be, and information and reasonable assistance, at Contractor's expense, for the defense or settlement thereof. Contractor's obligation hereunder shall be satisfied when Contractor has provided to County the appropriate form of dismissal relieving County from any liability for the action or claim involved.

The specified insurance limits required in the Underlying Agreement of this Business Associate Agreement shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless the County herein from third party claims arising from the issues of this Business Associate Agreement.

In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the Contractor from indemnifying the County to the fullest extent allowed by law.