

## **FQHC CO-APPLICANT AGREEMENT**

This Co-Applicant Agreement ("Agreement") shall memorialize and reiterate the nature of the relationship between County of Santa Cruz ("COUNTY") and the Santa Cruz County Community Health Centers Co-Applicant Commission, now known as County of Santa Cruz Integrated Community Health Centers Co-Applicant Commission ("COMMISSION") who shall be considered as Co-Applicants ("Co-Applicants") as applied to Health Resources and Services Administration (HRSA) Regulations and Authorities pertaining to the operation of a Federally Qualified Health Center ("FQHC") in the County of Santa Cruz, California, and

WHEREAS, the COUNTY, through its Health Services Agency, provides primary health care services to medically underserved communities and vulnerable populations in the County; and

WHEREAS, the United States Department of Health and Human Services Health Resources and Services Administration has established a program for Federally Qualified Health Centers; and

WHEREAS, under the Federally Qualified Health Center program, and subject to its requirements, the COUNTY may draw federal funding to provide primary health care services to medically underserved communities and vulnerable populations; and

WHEREAS, the COUNTY believes it can better serve these populations through COUNTY participation in the Federally Qualified Health Center program; and

WHEREAS, the COUNTY's participation in the Federally Qualified Health Center program requires the COUNTY to comply with the applicable law and the formal policies of the United States Department of Health and Human Services Health Resources and Services Administration; and

WHEREAS, the establishment of an independent Commission that assumes specified authority and oversight responsibility over Federally Qualified Health Centers is a legal requirement for the COUNTY's participation in the Federally Qualified Health Center program; and

WHEREAS, the oversight of the Federally Qualified Health Centers shall be undertaken in the manner specified in law and pursuant to the regulations promulgated by the federal Department of Health and Human Services and recognizing the Co-Applicant status of the COUNTY, a unit of local government;

WHEREAS, consistent with applicable Federal laws, regulations, and policies regarding the establishment of a Federally Qualified Health Center, the Parties have agreed to enter into a co-applicant arrangement for the purpose of the COUNTY's Health Center application for FQHC status; and

WHEREAS, under such arrangement the COUNTY through its Health Services Agency, the public entity responsible for the operation of the Health Center, shall retain authority over certain general policy-setting functions and management of the Health Center, including specified governance functions, and, to the extent permitted by the COUNTY's enabling legislation, the COUNTY and the COMMISSION shall share the authority to perform additional governance functions as specified in this Agreement; and

WHEREAS, the Parties wish to set forth in this Agreement, the authorities to be exercised by each Party and the shared responsibilities of the Parties with respect to the Health Center, in accordance with the Governance Requirements and other applicable Federal laws, regulations, policies and County Code; and

NOW, THEREFORE, the COUNTY and the COMMISSION agree as follows:

1. Role of the COMMISSION.

1.1 Composition. As described in the COMMISSION's Bylaws, this Agreement and Santa Cruz County Code Chapter 7.57, which may be modified from time to time, the COMMISSION provides community-based governance and oversight of the COUNTY's Health Center. The structure and composition of the COMMISSION shall be as follows:

(a) A majority, at least fifty-one percent (51%), of the Commissioners must be current, registered patients of the health center and must have accessed the health center in the past 24 months to receive at least one or more in-scope services(s) that generated a health center visit ("Patients"). A legal guardian of a dependent child or adult, or a legal sponsor of an immigrant, may also be considered a Patient for Commission composition purposes. Patients must be residents of Santa Cruz County and must be individuals who, taken collectively, reasonably represent the Health Center's patients in terms of demographic factors such as race, ethnicity, and gender.

(b) The remaining Commissioners shall be representative of the general community served by the Health Center, shall be residents of Santa Cruz County, and shall be selected for their skills, expertise and perspectives in, but not limited to, finance, legal affairs, business, health, managed care, social services, labor relations, and government. No more than one-half of such Commissioners may be individuals who derive more than ten percent (10%) of their annual income from the health care industry.

(c) The Health Center's Chief Executive Officer of Clinic Services shall be an ex-officio, nonvoting member of the Commission.

(d) Except as provided in Section 1.1(c) above, no Commissioner shall be an employee or officer of the COUNTY's Health Services Agency, or an immediate family member (i.e. a spouse, child, parent, brother or sister

~~related by blood, adoption or marriage) to such an employee or officer of the COUNTY's Health Services Agency.~~

(e) The COMMISSION shall select Commission officers in accordance with the election process and nominating process described in the COMMISSION's Bylaws.

(f) The COMMISSION may recommend candidates for future COMMISSION membership to the COUNTY's Board of Supervisors for appointment. All appointments by the Board of Supervisors shall be reviewed and ratified by the Commission. Commissioners may be removed from the COMMISSION pursuant to the COMMISSION's Bylaws and may be removed by the COUNTY Board of Supervisors pursuant to County Code section 7.57.070.

(g) The term of office for COMMISSION members pursuant to COMMISSION Bylaws shall be four (4) years. A Commissioner shall be limited to no more than three (3) consecutive terms of membership. The effective date of membership corresponds to the date of appointment.

## 1.2 Governance Authorities and Responsibilities

Subject to Santa Cruz County Code, Chapter 7.57, the COMMISSION shall have authority and responsibility for the Health Center activities as set forth below.

(a) The COUNTY as a public agency. In accordance with federal requirements, the COUNTY and the COMMISSION, recognize that the COUNTY as a public agency is constrained by law in the delegation of certain government functions to other entities, and thus the COUNTY is permitted to retain authority over general policies for the operation of the public health center. Therefore, the COUNTY as a public agency center with an approved co-applicant board arrangement does not need further justification for the public agency to retain authority for the establishment of the following types of general policies:

1. Fiscal Policies
  - i. internal control procedures to ensure sound financial management procedures.
  - ii. Purchasing policies and standards.
2. Personnel Policies
  - i. Employee selection, performance review/evaluations and dismissal procedures.
  - ii. Employee compensation, including wage and salary scales and benefit packages.
  - iii. Position descriptions and classification.
  - iv. Employee grievance procedures.

v. Equal opportunity practices.

(b) Collaborative Exercise of Authority. While the COUNTY, as the public agency, is the recipient of the Health Center grant and is accountable for carrying out the approved Health Center Program scope of project, the term "co-applicant" is used to reflect that the public agency would not qualify on its own as meeting all the Health Center Program requirements. Both the COUNTY and the co-applicant COMMISSION collectively constitute the "Health Center." The COMMISSION however, retains the ultimate decision-making on duties and authorities beyond the general types of fiscal and personnel policies described above. The co-applicant arrangement allows for the COMMISSION and the COUNTY to work collaboratively in the exercise of governance responsibilities.

(c) Adoption of Policies. Subject to the COUNTY's fiscal and personnel policies, including collective bargaining requirements, the COMMISSION shall adopt the Health Center's policies concerning: (i) hours of operation; (ii) health services provided; (iii) quality-of-care audit procedures; and (iv) in the event of relocation or redevelopment of the physical plant, the locations of the Health Center's sites;

(d) Chief Executive Officer of Clinic Services. Subject to the COUNTY's personnel policies, the COMMISSION shall have final authority to select, remove, and evaluate the Health Center's Chief Executive Officer of Clinic Services, as described in this Agreement;

(e) Approval of the Annual Budgets. Subject to the COUNTY's fiscal policies, the COMMISSION shall have authority to approve the Health Center's annual operating and capital budget, consistent with this Agreement;

(f) Financial Management Protocol. Subject to and consistent with this Agreement, the COMMISSION shall consult with the COUNTY's Health Services Agency in establishing a written protocol regarding the adoption and periodic updating of policies for the financial management practices of the Health Center (including a system to assure accountability for the Health Center's resources, provision of an annual audit, long-range financial planning, billing and collection policies, and accounting procedures);

(g) Evaluation of the Health Center's Activities and Achievements. On at least an annual basis, the COMMISSION, in conjunction with the COUNTY's Health Services Agency, shall conduct an evaluation of the Health Center's activities and achievements and recommend, as necessary, revision of the Health Center's goals, objectives and strategic plan;

(h) Approval of Applications. The COMMISSION shall approve applications for annual FQHC recertification, annual Section 330 grants (as applicable), and other grant funds for the Health Center, in accordance with all applicable requirements of HRSA and other funding agencies;

(i) Compliance. The COMMISSION, in conjunction with the COUNTY's Health Services Agency, shall assure the Health Center's compliance with applicable federal, state and local laws, regulations and policies. The COUNTY's Health Services Agency shall provide the COMMISSION with periodic reports regarding the Health Center's legal and regulatory compliance program. On at least a biannual basis, the COMMISSION shall evaluate the Health Center's compliance activities and, recommend, as necessary, the revision, restructuring, or updating of the compliance program by the COUNTY's Health Services Agency;

(j) Quality Management. The COMMISSION shall evaluate the quality management programs developed and recommended by the staff of the Health Center and approved by the COUNTY's Health Services Agency in accordance with Section 2.2(j). The COMMISSION shall be integrated into the COUNTY's Health Services Agency's quality management activities related to the Health Center, including audits and state quality management reporting requirements. Quality management reports shall be shared periodically between the COMMISSION and the COUNTY's Health Services Agency representatives responsible for quality management matters at the Health Center. The Health Center's Chief Executive Officer of Clinic Services shall, as appropriate, report to the COMMISSION on matters concerning the quality of the medical services provided by the Health Center;

(k) Evaluation of the COMMISSION. On at least a quarterly basis, the COMMISSION shall evaluate its compliance with the Governance Requirements and report its findings and any recommendations for corrective action to the COUNTY's Health Services Agency. The COMMISSION shall evaluate itself and its actions for effectiveness, efficiency and compliance with the authorities set forth in this Agreement on a yearly basis, consistent with the requirements of Section 330; and

(l) Personnel Policies. Subject to and consistent with this Agreement, the COMMISSION ratifies and adopts the personnel policies and regulations developed and approved by the COUNTY (and as modified, revised or amended by the County) including, but not limited to, employee selection, performance review, evaluation, discipline and dismissal procedures, employee compensation, wage, salary and benefits, position descriptions and classifications, employee grievance procedures and processes, and equal employment opportunity practices.

~~1.3 Duties and Evaluation of the Chief Executive Officer of Clinic Services.~~

(a) Duties. The Chief of Clinic Services (a County employee) shall serve as the Chief Executive Officer of Clinic Services of the Health Center and shall have responsibility for the general care, management, supervision, and direction of the Health Center's affairs, consistent with the priorities and policies established by the COMMISSION. The Chief Executive Officer of Clinic Services shall report directly to the COMMISSION and shall act in that capacity in accordance with the best interests of the Health Center, regardless of and notwithstanding any employment arrangement between the Chief of Clinic Services and the COUNTY Health Services Agency. The Chief Executive Officer of Clinic Services shall be responsible for the proper administration of all personnel policies applicable to the Health Center. The Chief Executive Officer of Clinic Services shall also have the authority to administer all contracts for goods and services as required for the operation of the Health Center, subject to the laws and policies applicable to the COUNTY's procurement and purchasing, the Health Center approved budget, and the laws and policies applicable to the COUNTY Health Services Agency's administration of the budget and contracts.

(b) Evaluation. The Commission shall review the Chief Executive Officer of Clinic Services' performance annually and shall comply with all applicable personnel, collective bargaining, and other employment related requirements of the COUNTY. The review shall be coordinated and conducted by the COMMISSION's Executive Committee. The report of the annual review shall be submitted to the full COMMISSION and to the COUNTY's Health Services Agency.

1.4 Selection, Approval, and Removal of the Chief Executive Officer of Clinic Services.

(a) Search Committee.

(i) The Search Committee shall include representatives of the COMMISSION and the COUNTY.

(ii) The Search Committee shall evaluate and conduct preliminary interviews of candidates for the Chief Executive Officer of Clinic Services in accordance with the COUNTY's personnel policies and procedures.

(iii) The Search Committee shall recommend one or more candidates from those individuals previously evaluated and interviewed for presentation to the COMMISSION.

(b) Selection and Approval. Subject to the COUNTY's personnel and hiring policies, the COMMISSION shall have authority to select and

~~approve the Chief Executive Officer of Clinic Services from the slate of candidates presented by the Search Committee.~~

(c) Removal.

(i) In accordance with the COUNTY's personnel policies, the Executive Committee identified in the COMMISSION Bylaws shall develop criteria for removal of the Chief Executive Officer of Clinic Services, which will be presented to the full COMMISSION for approval.

(ii) Subject to the COUNTY's personnel policies, collective bargaining agreements and related requirements, the COMMISSION shall have authority to require the removal of the Chief Executive Officer of Clinic Services from his or her position based on the criteria developed by the Executive Committee.

2. Role of the COUNTY.

2.1 Notwithstanding the terms of this Agreement or the Bylaws of the Co-Applicant and subject to the authorities shared with the COMMISSION, neither Party shall take any action inconsistent with the COUNTY's authority to manage:

(a) Fiscal Controls.

(i) The COUNTY through its Health Services Agency shall develop and shall provide preliminary recommendation for the annual operating and capital budgets of the Health Center. The Health Services Agency shall recommend such budgets to the COMMISSION for review and final approval. In the event that the COMMISSION does not approve the recommended budget, the COUNTY through its Health Services Agency and the COMMISSION shall meet and confer to develop an appropriate budget that is satisfactory. If the COUNTY Health Services Agency and the COMMISSION fail to develop a mutually agreed upon budget within thirty (30) days, then the dispute shall be resolved in accordance with Section 7. Subject to the requirements for adoption and approval of a public agency budget, the COMMISSION shall have final authority to approve the annual operating and capital budgets of the Health Center.

(ii) The Parties shall not materially deviate from the adopted budget except that the COUNTY through its Health Services Agency, as manager of the Health Center, may modify planned fiscal activities if there is a reduction in available resources (e.g. decreased levels of reimbursement, diminished revenues, or adverse labor events). The COUNTY through its Health Services Agency shall immediately notify the COMMISSION of any budgetary change that would materially modify the

scope of the FQHC project and seek the necessary approvals of such changes.

(iii) The COUNTY through its Health Services Agency shall be solely responsible for the management of the financial affairs of the Health Center, including capital and operating borrowing.

(iv) The COUNTY through its Health Services Agency shall have sole authority to develop and implement financial policies and controls related to the Health Center, in consultation with the COMMISSION, as set forth in this Agreement.

(v) All funds received for services provided and all income otherwise generated by the Health Center, including fees, premiums, third-party reimbursements and other state and local operational funding, and Section 330 grant funds ("Program Income"), as well as all Program Income greater than the amount budgeted ("Excess Program Income"), shall be under the control of the COUNTY. All Program Income and Excess Program Income shall be used to further the goals of the Health Center's federally-approved program and consistent with the policies and priorities established by the COMMISSION.

(vi) The COUNTY through its Health Services Agency shall have sole authority to receive, manage, allocate, and disburse, as applicable, revenues necessary for the operation of the Health Center, consistent with this Agreement.

(b) Funding From Governmental and Charitable Sources. Neither Party shall take any action that would negatively impact the COUNTY's funding from federal, state, or local sources or financial support from foundations or other charitable organizations.

(c) Employer-Employee Relations.

(i) Subject to the limitation of Section 1.4 of this Agreement regarding the selection, evaluation, approval and removal of the Health Center's Chief Executive Officer of Clinic Services, the COUNTY and its Health Services Agency shall have sole authority over employment matters and development and approval of personnel policies and procedures, including but not limited to, the selection, discipline and dismissal, salary and benefit scales, employee grievance procedures and processes, equal employment opportunity practices, collective bargaining agreements, labor disputes and other labor and human resources issues, as well as agreements for the provision of staff who are employees of other agencies or organizations. Consistent with this Agreement, the COMMISSION shall ratify and adopt the personnel policies and procedures developed and approved by the COUNTY.



~~(ii) The Chief Executive Officer of Clinic Services of the Health Center shall be an employee of the COUNTY Health Services Agency. Removal of the Chief Executive Officer of Clinic Services by the COMMISSION pursuant to this Agreement shall not constitute a termination of employment by the COUNTY nor impede the continuation of the Chief of Clinic Services' employment relationship with the COUNTY.~~

2.2 Operational Responsibilities. Subject to the governance responsibilities exercised by the COMMISSION as administered by the Chief Executive Officer of Clinic Services, the COUNTY shall conduct the day-to-day operations of the Health Center. Such operational responsibilities shall include but not be limited to:

(a) Applying for and maintaining all licenses, permits, certifications, accreditations and approvals necessary for the operation of the Health Center.

(b) Receiving, managing and disbursing, as applicable, revenues of the Health Center consistent with the approved budget for the Health Center. The Health Services Agency shall not be required to disburse funds for any expenditure not authorized by the approved budget.

(c) Subject to the limitations set forth in this Agreement, employing or contracting personnel to perform all clinical, managerial, and administrative services necessary to assure the provision of high-quality health care services to the Health Center's patients.

(d) Subject to the limitations set forth in this Agreement, managing and evaluating all Health Center staff and, if necessary disciplining, terminating or removing such staff pursuant to the COUNTY's personnel policies and processes.

(e) Preparing and submitting cost reports, supporting data, and other materials required in connection with reimbursement under Medicare, Medicaid, and other third-party payment contracts and programs.

(f) Providing for the annual audit of the Health Center, which shall be undertaken in consultation with the COMMISSION in accordance with this Agreement, consistent with the requirements of the United States Office of Management and Budget Circular A-133, and the compliance supplement applicable to the consolidated Health Center Program to determine, at a minimum, the fiscal integrity of financial transactions and reports and compliance with Section 330 requirements and the fiscal policies of the COUNTY.

(g) Preparing monthly financial reports, which shall be submitted to the COMMISSION, and managing financial matters related to the operation of the Health Center.

(h) Developing and managing internal control systems, in consultation with the COMMISSION as set forth in this Agreement (as applicable), in accordance with sound management procedures and Section 330 that provide for:

(i) eligibility determinations,

(ii) development, preparation, and safekeeping of records and books of account relating to the business and financial affairs of the Health Center;

(iii) separate maintenance of the Health Center's business and financial records from other records related to the finances of the Health Services Agency so as to ensure that funds of the Health Center may be properly allocated;

(iv) accounting procedures and financial controls in accordance with generally accepted accounting principles;

(v) a schedule of charges and partial payment schedules (i.e., a sliding fee schedule of discounts) for services provided to certain uninsured and underinsured patients with annual incomes at or below 200% of the federal poverty level, and a nominal fee policy for those with annual incomes at or below 100% of the federal poverty level, and in compliance with, but not greater than, the requirements set forth in the California State law (California Welfare and Institutions Code § 17000, et seq.);

(vi) billing and collection of payments for services rendered to individuals who are: (1) eligible for federal, state or local public assistance; (2) eligible for payment by private third-party payors and (3) underinsured or uninsured and whose earnings fit the low-income criteria; and

(vii) compliance with the terms and conditions of the FQHC Look-Alike and/or Grantee designation, as applicable.

(i) Unless otherwise stated in this Agreement, establishment of the Health Center's operational, management, and patient care policies.

(j) Establishing ongoing quality improvement programs.

(k) Ensuring the effective and efficient operation of the Health Center.

3. Mutual Obligations.

3.1 Compliance with Laws and Regulations. The Parties shall have a mutual commitment and responsibility to work together to ensure that the Health Center provides care in compliance with all applicable federal, state and local laws, policies and regulations.

3.2 Financial Responsibility. Each Party agrees not to undertake expenditures in excess of the authorized budget and the available resources and to recognize the COUNTY Health Services Agency's responsibility with respect to the Fiscal Controls and related financial matters described in this Agreement.

3.3 Expenses of Parties. The expenses of the COUNTY and the COMMISSION incurred in carrying out its respective obligations for governance and operation of the Health Center pursuant to this Agreement shall be considered expenses incurred in furtherance of the health center program and thus shall be reimbursed in accordance with applicable program requirements and the fiscal policies of the COUNTY.

3.4 Record-Keeping and Reporting.

(a) Each Party shall maintain records, reports, supporting documents and all other relevant books, papers and other documents so as to enable the Parties to meet all Health Center-related reporting requirements. Records shall be maintained for a period of four (4) years from the date this Agreement expires or is terminated, unless state and/or federal law requires that records be maintained for a period greater than the four (4) year period specified herein ("the retention period"). If an audit, litigation, or other action involving the records is started before the end of the retention period, the Parties agree to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. The Parties shall make available to each other, DHHS and the Comptroller General of the United States, the California Department of Health Care Services, the Office of the Comptroller of the State of California or any of their duly authorized representatives, upon appropriate notice, such records, reports, books, documents, and papers as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to each Party's personnel for purposes of interview and discussion related to such documents.

(b) Confidentiality. Subject to the COUNTY's obligations, if any, to make public its records in accordance with applicable law, the Parties agree that all information, records, data, and data elements collected and maintained for the administration of this Agreement (in any form, including,

but not limited to, written, oral, or contained on video tapes, audio tapes, computer diskettes or other storage devices) shall be treated as confidential and proprietary information. Accordingly, each Party shall take all reasonable precautions to protect such information from unauthorized disclosure; however, nothing contained herein shall be construed to prohibit any authorized Federal or other appropriate official from obtaining, reviewing, and auditing any information, record, data, and data element to which (s)he is lawfully entitled. The Parties (and their directors, officers, employees, agents, and contractors) shall maintain the privacy and confidentiality of all protected health information ("PHI") of the patients receiving care provided by the Health Center, in accordance with all applicable state and federal laws and regulations, including the Health Insurance Portability and Accountability Act ("HIPAA").

(c) Medical Records. The Parties agree that the COUNTY's Health Services Agency, as the operator of the Health Center, shall retain ownership of all medical records established and maintained relating to diagnosis and treatment of patients served by the Health Center.

### 3.5 Insurance.

(a) The COUNTY shall maintain Professional Liability Insurance, Workers' Compensation Insurance, and General Liability and Property Damage Insurance to cover Health Center activities.

(b) Directors' and Officers' Insurance for the COMMISSION shall be required.

(c) Survival of Section 3.5. This Section 3.5 shall survive the termination of this Agreement without regard to the cause for termination.

3.6 Ownership of Property Acquired with Grant Funds. The provisions of 45 C.F.R. § 74.40, et seq., apply to tangible property acquired under this Agreement. The Parties agree that the COUNTY shall be the title holder to all property purchased with grant funds.

3.7 Copyrightable Material. If any copyrightable material is developed under this Agreement, the Health Services Agency, Co-Applicant and the U.S. Department of Health & Human Services ("HHS") shall have a royalty-free, non-exclusive and irrevocable right to reproduce, publish, authorize others or otherwise use such material.

## 4. Governing Law.

4.1 Applicable Laws, Regulations and Policies. This Agreement shall be governed and construed in accordance with applicable Federal laws, regulations, and policies. In addition, each Party covenants to comply with all applicable laws, ordinances and codes of the State of California and all

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local governments in the performance of the Agreement, including all licensing standards and applicable accreditation standards.

- 4.2 New HRSA Directives. The Health Center's Chief Executive Officer of Clinic Services shall submit promptly to each Party any directives or policies that are received from HRSA after execution of this Agreement and are pertinent to applicable Section 330 grants, and the Parties shall comply with such additional directives/policies, as they become applicable.
- 4.3 Non-Discrimination. By signing this Agreement, the COMMISSION agrees to comply with the COUNTY's Equal Employment Opportunity Non-Discrimination Policy and all related personnel policies as well as all related federal requirements.
5. Term. This Agreement shall remain in effect during the project period of any Section 330 grant award that the Health Services Agency receives with Co-Applicant as its co-applicant, unless terminated at an earlier date in accordance with the terms of Section 6 of this Agreement.
6. Termination.
  - 6.1 Immediate Termination. This Agreement shall terminate immediately upon the non-renewal or termination of the Section 330 grant.
  - 6.2 For Cause Termination. Either party may terminate this Agreement "for cause" in the event that the other Party fails to meet its material obligations under this Agreement. Such "for cause" termination shall require ninety days prior written notice of intent to terminate during which period the Party that has allegedly failed to meet its material obligations may cure such failure or demonstrate that no such failure has occurred. Any dispute between the Parties regarding whether a breach of a material obligation has occurred, or that such a breach has been satisfactorily cured, will be resolved in accordance with this Agreement.
  - 6.3 Termination by Mutual Agreement. This Agreement may be terminated upon the mutual approval of the Parties in writing.
  - 6.4 Termination Contingent Upon HRSA Approval. With the exception of a termination for cause arising from the voluntary or involuntary loss of the Health Center's FQHC designation (or its Section 330 grant), either party may terminate this agreement on 120 days written notice; however, such termination shall not become effective unless and until HRSA issues its written approval of such termination.
7. Dispute Resolution and Mediation. The Parties shall first attempt to resolve any dispute or impasse in decision-making arising under or relating to this Agreement by informal discussions between the Chief Executive Officer of Clinic Services of the Health Center and the Chair of

the Co-Applicant Commission. Any dispute or impasse not resolved within a reasonable time following such discussions (not to exceed thirty (30) days) shall be resolved by mediation by the County Administrative Officer. If the Parties are unable to resolve the dispute through mediation, either Party may pursue any remedy available at law.

8. Notices. All notices permitted or required by this Agreement shall be deemed given when made in writing and delivered personally or deposited in the United States Mail, first class postage prepaid, Certified and Return Receipt Requested, addressed to the other Party at the addresses set forth below, or such other addresses as the Party may designate in writing:

For Co-Applicant:

Chairperson  
County of Santa Cruz Integrated Community Health Centers Co-Applicant  
Commission  
1080 Emeline Ave  
Santa Cruz, CA 95060

For Health Center Operations:

Chief Executive Officer of Clinic Services  
Health Center  
1080 Emeline Ave  
Santa Cruz, CA 95060

For the County of Santa Cruz:

Health Services Agency Director  
County of Santa Cruz Health Services Agency  
1080 Emeline Ave  
Santa Cruz, CA 95060

9. Assignment.

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective transferees, successors and assigns; provided that neither Party shall have the right to assign, delegate or transfer this Agreement, or its rights and obligations hereunder, without the express prior written consent of the other Party and HRSA. Furthermore, the Co-Applicant shall not execute a merger, consolidation, or major structural or contractual affiliation with a third-party that materially impacts the governance or operation of the Health Center or materially impairs its performance under this Agreement without the written consent

of the County of Santa Cruz. The Parties agree that the Co-Applicant's designation by HRSA as an FQHC cannot be transferred to another entity without express prior written consent from HRSA.

10. Severability.

The terms of this Agreement are severable, and the illegality or invalidity of any term or provision shall not affect the validity of any other term or provision, all of which shall remain in full force and effect.

11. Amendments.

The Parties may agree to amend this Agreement which shall be in writing and signed by the Parties.

12. Waiver.

No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer or representative of the waiving Party.

13. Agency.

Except as may be required by the State as a condition of licensure, neither Party is, nor shall be deemed to be, an employee, agent, co-venture or legal representative of the other Party for any purpose. Neither Party shall be entitled to enter into any contracts in the name of, or on behalf of the other Party, nor shall either Party be entitled to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

14. Third-Party Beneficiaries.

None of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including, without limitation, any creditor of either Party. No third-party shall obtain any right under any provision of this Agreement or shall by reason of any provisions make any claim relating to any debt, liability, obligation or otherwise against any Party to this Agreement.

15. Force Majeure.

In the event either Party is unable to timely perform its obligations hereunder due to causes that are beyond its control, including, without limitation, strikes, riots, earthquakes, epidemics, war, fire, or any other general catastrophe or act of God, neither Party shall be liable to the other for any loss or damage resulting therefrom.

16. Co-Applicant Commission Bylaws.

Duly approved bylaws have been enacted by the COMMISSION and are party to this agreement articulating an enduring structure and scope of authority guiding the activities of the COMMISSION. Those bylaws mirror this Agreement and are intended for the regulation of the COMMISSION and shall be regarded as rules and regulations of the COMMISSION.

17. Incorporation by Reference of Portions of the County Code.

Santa Cruz County Code Chapter 7.57 is hereby incorporated by this reference as though stated in full herein.

18. Entire Agreement.

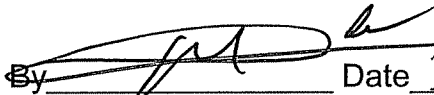
This Agreement constitutes the entire agreement between the Parties and no statements, promises or inducements made by a Party or by agents of either Party which are not contained in this Agreement shall be valid or binding.

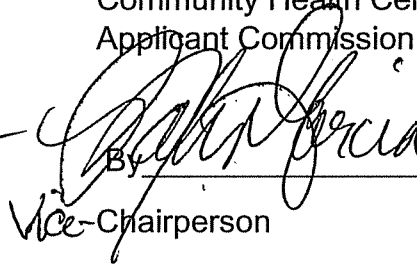
Execution:

In witness whereof, the parties have executed this agreement below by their duly authorized representatives.

County of Santa Cruz

County of Santa Cruz Integrated  
Community Health Centers Co-  
Applicant Commission

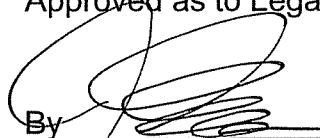
By  Date 3-5-15

By  Date March 4, 2015

Giang T. Nguyen, Director  
Health Services Agency

Vice-Chairperson  
COMMISSION

Approved as to Legal Form:

By  Date 3/5/15

Office of the County Counsel



CoApplicant Agreement Timeline

	Commission	Commission Exec. Comm	County HSA	Frequency
Subject to the COUNTY's personnel policies, the COMMISSION shall have final authority to select, remove, and evaluate the Health Center's Chief Executive Officer of Clinic Services	X			As needed
Subject to the COUNTY's fiscal policies, the COMMISSION shall have authority to approve the Health Center's annual operating and capital budget	X			Annually
Conduct an evaluation of the Health Center's activities and achievements and recommend, as necessary, revision of the Health Center's goals, objectives and strategic plan.	X		X	Annually
FQHC recertification, annual Section 330 grants (as applicable), and other grant funds for the Health Center.	X			Annually
Compliance with applicable federal, state and local laws, regulations and policies.	X		X	As needed
The COUNTY's Health Services Agency shall provide the COMMISSION with periodic reports regarding the Health Center's legal and regulatory compliance program.			X	As needed
Evaluate the Health Center's compliance activities and, recommend, as necessary, the revision, restructuring, or updating of the compliance program by the COUNTY's Health Services Agency.	X			Biannual
Evaluate the quality management programs developed and recommended by the staff of the Health Center and approved by the COUNTY's Health Services Agency in accordance with Section 2.2(j).	X			As needed
The COMMISSION shall be integrated into the COUNTY's Health Services Agency's quality management activities related to the Health Center, including audits and state quality management reporting requirements. Quality management reports shall be shared periodically between the COMMISSION and the COUNTY's Health Services Agency representatives responsible for quality management matters at the Health Center. The Health Center's Chief Executive Officer of Clinic Services shall, as appropriate, report to the COMMISSION on matters concerning the quality of the medical services provided by the Health Center	X		X	As needed

CoApplicant Agreement Timeline

	Commission	Commission Exec. Comm	County HSA	Frequency
Evaluate compliance with the Governance Requirements and report findings and any recommendations for corrective action to the COUNTY's Health Services Agency.	X			Quarterly
Evaluate itself and its actions for effectiveness, efficiency and compliance with the authorities set forth in this Agreement, consistent with the requirements of Section 330.	X			Yearly
Review the Chief Executive Officer of Clinic Services' performance and shall comply with all applicable personnel, collective bargaining, and other employment related requirements of the COUNTY. The review shall be coordinated and conducted by the COMMISSION's Executive Committee. The report of the annual review shall be submitted to the full COMMISSION and to the COUNTY's Health Services Agency.		X		Annually
Preparing monthly financial reports, which shall be submitted to the COMMISSION, and managing financial matters related to the operation of the Health Center			X	Monthly