

HEALTH PLAN-PROVIDER INTERGOVERNMENTAL TRANSFER RATE RANGE PROGRAM AGREEMENT

This Health Plan-Provider Intergovernmental Transfer Rate Range Program Agreement (“**Agreement**”) is effective September 1, 2026 (“**Effective Date**”), by and between Orange County Health Authority, a California local agency doing business as CalOptima Health (“**PLAN**”), and the City of Orange, a California municipal corporation operating through its fire department (“**PROVIDER**”). PLAN and PROVIDER may each be referred to herein as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, PLAN is a county organized health system formed pursuant to California Welfare and Institutions Code § 14087.54 and Orange County Ordinance No. 3896 (as amended by Ordinance Nos. 00-8, 05-008, 06-012, 09-001, 11-013, 14-002 and 16-001).

WHEREAS, PLAN is party to a Medi-Cal managed care contract with the California Department of Health Care Services (“**DHCS**”), entered into pursuant to Welfare and Institutions Code § 14087.3, under which PLAN arranges and pays for the provision of covered Medi-Cal health care services to eligible members residing in Orange County and enrolled in PLAN’s Medi-Cal program (“**Members**”).

WHEREAS, PROVIDER is an emergency transport provider that provides transportation on a non-contract basis, including to Members.

WHEREAS, PLAN and PROVIDER desire to enter into this Agreement to provide Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases (“**IGT Rate Increases**”) from PLAN to PROVIDER to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries, as set forth in the Agreement.

NOW, THEREFORE, PLAN and PROVIDER, in consideration of the promises and the mutual covenants herein stated, hereby agree as follows:

AGREEMENT

1. **IGT Rate Range Increases**

A. Payment

Should PLAN receive any IGT Rate Increases from DHCS where the nonfederal share is funded by PROVIDER specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds (Contract # IGT-25-0018) between PROVIDER AND DHCS, (“**Intergovernmental Agreement**”) with a term of January 1, 2025 through June 30, 2028 for IGT Rate Increases, PLAN shall pay to PROVIDER the amount of the IGT Rate Increases received from DHCS, in accordance with Section 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range (“**Local Range**”) IGT payments. Local Range IGT payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

B. PLAN Administrative Fee

i. PLAN shall retain two percent (2.0%) of the IGT Rate Increase payments to PROVIDER (after reimbursing PROVIDER's initial contribution to the IGT Rate Increase ("Administrative Fee"), prior to disbursing Local Range IGT payments to PROVIDER. PLAN will expend the Administrative Fee to cover expenses for administering the IGT payments. PROVIDER's share of the IGT Rate Increase funds shall be calculated based on PROVIDER's proportionate share of the Local Range IGT Payment made by PLAN in Orange County to the respective funding entities.

ii. Any amounts referenced in this Agreement are estimates. The Parties understand and agree that the total amount of the IGT Rate Increases paid by DHCS to PLAN may fluctuate as a result of Member enrollment in PLAN's Medi-Cal program and the number of entities participating in the IGT program. The Parties further understand and agree that any such fluctuations will likewise affect the amount to be retained by PLAN and the amount payable to PROVIDER by the same percentage as the variance in the IGT Rate Increases, if any.

iii. PLAN will ultimately not retain any other portion of the IGT Rate Increases received from DHCS other than the Administrative Fee.

C. Conditions for PROVIDER Receiving Local Range IGT Payments

As a condition for receiving Local Range IGT payments, PROVIDER shall, as of the date the particular Local Range IGT Payment is due:

i. continue to provide emergency transport services to Members promptly and in a manner that ensures access to care consistent with PROVIDER's regular business practices for providing such services; and

ii. not discriminate against Members or in any way, including based on type of insurance, or impose limitations on the acceptance of Members for care or treatment that are not imposed on other patients of PROVIDER.

D. Schedule and Notice of Transfer of Non-Federal Funds

i. PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of funds to DHCS referred to in the Intergovernmental Agreement within fifteen (15) calendar days of establishing such a schedule with DHCS. Additionally, PROVIDER shall notify PLAN in writing within seven (7) calendar days prior to any changes to an existing schedule with DHCS, including, but not limited to, changes to the amounts specified therein.

ii. PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after funds have been transferred by PROVIDER to DHCS for use as the nonfederal share of any IGT Rate Increases.

E. Form and Timing of Payments

PLAN agrees to pay Local Range IGT Payments owed to PROVIDER under this Agreement in the following form and according to the following schedule:

- i. PLAN agrees to pay the Local Range IGT payments to PROVIDER using the same mechanism through which compensation and payments are normally paid by PLAN to PROVIDER (e.g., electronic transfer).
- ii. PLAN will pay the Local Range IGT payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT Rate Increases from DHCS, unless PLAN cannot not make the payment until a later date based on no fault of PLAN, in which case PLAN will pay the Local Range IGT payment as soon as reasonably practicable.

F. Consideration

- i. As consideration for the Local Range IGT payments, PROVIDER shall use the Local Range IGT payments solely as follows:

- a. The Local Range IGT payments are compensation for emergency ambulance services rendered to Members by PROVIDER between January 1, 2025, and December 31, 2025 (“**Payment Period**”), and shall be used by PROVIDER solely to fund the costs that exceed the fee-for-service rates paid by PLAN for Medi-Cal-covered services provided to Members during the Payment Period.

To the extent that total payments received by PROVIDER under this Agreement exceed the cost of Medi-Cal-covered services provided to Members by PROVIDER during the Payment Period, the remaining Local Range IGT payment amounts shall constitute an overpayment, and PROVIDER shall return those funds to PLAN pursuant to Section 1.K.

- ii. Both Parties agree that none of these funds, either originally from PROVIDER or the federal matching funds will be recycled back to PROVIDER’S general fund, the State of California (“**State**”), including DHCS, or any other intermediary organization. Payments made by Plan to PROVIDER under the terms of this Agreement constitute patient care revenues.

G. Oversight and Compliance Responsibilities

- i. PLAN’s oversight responsibilities regarding PROVIDER’s use of the Local Range IGT payments are limited to this section. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which Local Range IGT payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Section 1.F. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN’s request.

- ii. PROVIDER shall ensure at all times that its use of Local Range IGT payments received under this Agreement complies with the terms of the Agreement, applicable laws, and Centers for Medicare & Medicaid Services (“**CMS**”) and DHCS requirements.

H. Cooperation Among Parties

i. Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the Agreement, including the Local Range IGT payments, PROVIDER and PLAN agree to meet and confer in good faith and cooperate in all respects to resolve the dispute and support and preserve the Local Range IGT payments to the full extent possible on behalf of the safety net in Orange County.

ii. If the Parties are unable to resolve any dispute arising out of or relating to this Agreement under Section 1.H.ii, either Party may submit the dispute for resolution exclusively through confidential, binding arbitration, instead of through trial by court or jury, in Orange County, California. The arbitration will be conducted by Judicial Arbitration and Mediation Services (“JAMS”) in accordance with the commercial dispute rules then in effect for JAMS; provided, however, that this Agreement shall control in instances where it conflicts with JAMS’s (or the applicable arbitration service’s) rules. The arbitration shall be conducted on an expedited basis by a single arbitrator. In making decisions about discovery and case management, it is the Parties’ express agreement and intent that the arbitrator at all times promote efficiency without denying either Party the ability to present relevant evidence. In reaching and issuing decisions, the arbitrator shall have no jurisdiction to make errors of law and/or legal reasoning or to give a remedy or award damages that would not be available to such prevailing Party in a court of law, nor will the arbitrator have the authority to award punitive, exemplary, or treble damages. The Parties shall share the costs of arbitration equally, and each Party shall bear its own attorneys’ fees and costs.

iii. With the exception of any dispute that under applicable laws may not be settled through arbitration, arbitration under Section 1.H.ii is the exclusive method to resolve a dispute between the Parties arising out of or relating to this Agreement that is not resolved through the meet-and-confer processes. Notwithstanding the foregoing, either Party may institute proceedings in a federal or state court of competent jurisdiction to seek temporary or preliminary injunctive relief to enforce the status quo in any dispute relating to this Agreement pending the resolution of that dispute through arbitration.

iv. PROVIDER acknowledges that Government Code § 911.2 requires a claim against a government entity to be brought no later than one (1) year after the accrual of the cause of action. As such, the Parties agree that arbitration under Section 1.H.ii must be initiated within one (1) year of the earlier of the date the dispute arose, was discovered, or should have been discovered with reasonable diligence; otherwise, the dispute will be deemed waived, and the complaining Party shall be barred from initiating arbitration or other proceedings related to the dispute, including any civil action in state or federal court. The deadline to file arbitration shall not be subject to waiver, tolling, alteration, or modification of any kind or for any reason other than fraud.

v. By agreeing to binding arbitration as set forth in Section 1.H.ii, the Parties acknowledge that they are waiving certain substantial rights and protections which otherwise may be available if a dispute between them was determined by litigation in a court, including the right to a jury trial, attorneys’ fees, and certain rights of appeal.

I. Reconciliation and Overpayment

i. Within one hundred twenty (120) calendar days after the end of each PLAN fiscal year in which PLAN made Local Range IGT payments to PROVIDER, PLAN shall perform a reconciliation of the Local Range IGT payments transmitted to the PROVIDER during the preceding fiscal year, including requesting PROVIDER to furnish proof of compliance with this Agreement and applicable laws, to ensure that the supporting amount of IGT Rate Increases were received by PLAN from DHCS.

ii. PROVIDER agrees to return to PLAN any overpayment of Local Range IGT payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution process set forth in Section 1.H.

iii. PROVIDER shall report to PLAN any overpayment received under this Agreement and identified by PROVIDER and to repay such overpayment to PLAN within sixty (60) days of such identification by PROVIDER. PROVIDER acknowledges and agrees that, if PLAN determines that an amount has been overpaid or paid in duplicate, or that funds were paid which were not due under this Agreement to PROVIDER, PLAN may recover such amounts from PROVIDER by recoupment or offset from current or future amounts due from PLAN to PROVIDER under any contract between the Parties, after giving notice and an opportunity to return/pay such amounts.

iv. The reconciliation process established under this section is distinct from the indemnification provisions set forth in Section 1.J below. PLAN agrees to transmit to the PROVIDER any underpayment of Local Range IGT payments within thirty (30) calendar days of PLAN's identification of such underpayment.

J. DHCS Payment and Indemnification

i. PROVIDER agrees to and acknowledges the following: (1) PLAN has no obligation to make any payments hereunder until PLAN has received IGT Rate Increases from DHCS; (2) PLAN is not responsible for DHCS payments to PLAN, including any mathematical calculations made by DHCS, and (3) PLAN is not responsible for the timing of the payments from DHCS to PLAN (including the conditions precedent to the timing of such payments, which includes the timing of DHCS submission to CMS and/or CMS review and approval). In addition, PLAN and PROVIDER agree and acknowledge that nothing herein is intended to create an obligation on the part of PLAN to agree to delays in capitation payment(s) from DHCS in order to accommodate payments under this Agreement.

ii. Each Party agrees to defend, indemnify, and hold each other and DHCS harmless with respect to any claims, costs, damages and expenses, including reasonable attorneys' fees, that are related to or arise out of (i) the negligent or willful performance or non-performance by the indemnifying Party of any functions, duties, or obligations of the Party under this Agreement, or (ii) a Party's violation of applicable law.

2. Term and Termination

A. This agreement shall commence on the Effective Date and shall expire on June 30, 2028.

B. Either Party may terminate this Agreement upon thirty (30) days' prior written notice to the other Party if the other Party materially breaches a provision of the Agreement and does not cure the breach within the thirty (30)-day notice period.

C. Either Party may terminate this Agreement without cause upon sixty (60) days' prior written notice to the other Party.

3. Miscellaneous Provisions

A. Any failure of a Party to insist upon strict compliance with any provision of this Agreement shall not be deemed a waiver of such provision or any other provision of this Agreement. To be effective, a waiver must be in writing and signed and dated by the Parties.

B. Neither Party may assign this Agreement, either in whole or in part, without the prior written consent of the other Party.

C. This Agreement may only be amended in a writing signed by both Parties.

D. Any notices required or permitted under this Agreement shall be in writing and delivered to the addresses set forth below in this Section 3.D. Any notice not related to termination of this Agreement may be sent electronically to the other Party's e-mail address listed in this section or such other address as may be provided by a Party to the other Party from time to time. If notice relates to termination of this Agreement, such notice shall be sent by registered or certified mail, postage prepaid, return receipt requested, or by any other overnight delivery service that delivers to the noticed destination and provides proof of delivery to the sender. All notices sent to the addresses set forth in this section shall be effective (i) when first received by the Party, or (ii) upon refusal of delivery by the Party to which it was sent. Any Party whose address changes during the term of the Agreement shall promptly notify the other Party in writing. If PLAN cannot complete notice under this Section 3.D because PROVIDER's addresses are incorrect and/or PROVIDER failed to notify PLAN of the change, PLAN shall provide notice under this Section 3.D, including for Agreement termination, by making commercially reasonable efforts to deliver notice in any manner reasonably calculated to give PROVIDER actual notice, and notice shall be deemed delivered upon the completion of those efforts.

If to PLAN: 505 City Parkway West Orange, CA 92868

Attention: Strategic Development

If to PROVIDER: 1176 E. Chapman Avenue Orange, CA 92866

E. Each Party shall be excused from performance hereunder for any period that it is prevented from meeting the terms of this Agreement as a result of a catastrophic occurrence or natural disaster, including an act of war and excluding labor disputes (each a "**Force Majeure**

Event”). A Party invoking this clause shall provide the other Party with prompt written notice of any delay or failure to perform that occurs by reason of a Force Majeure Event. If the Force Majeure Event continues for a period of ten (10) days, the Party unaffected by the Force Majeure Event may terminate this Agreement upon notice to the other Party.

F. Each Party and any of its agents or employees of PROVIDER shall act in an independent capacity and not as officers, employees, or agents of the other Party under this Agreement. PROVIDER’s relationship with PLAN under this Agreement is that of an independent contractor. PROVIDER’s personnel performing services under this Agreement shall be at all times under PROVIDER’s exclusive direction and control and shall be employees and/or agents of PROVIDER. PROVIDER shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers’ compensation, and similar matters.

G. This Agreement shall be governed by and construed in accordance with all laws of the State of California. Subject to the restrictions in Section 1.H, PROVIDER shall bring any and all legal proceedings against PLAN under this Agreement in California State courts in Orange County, California, unless mandated by law to be brought in federal court, in which case such legal proceeding shall be brought in the Central District Court of California.

H. If any provision of this Agreement is rendered invalid or unenforceable by applicable laws or is declared null and void by any court of competent jurisdiction, the remainder of the provisions hereof shall remain in full force and effect as though the invalid or unenforceable parts had not been included herein.

I. This Agreement, including its recitals and attachments, constitutes the entire agreement between the Parties and supersedes and terminates any previous agreements between the Parties. All prior or contemporaneous agreements, promises, negotiations or representations, either oral or written, relating to the subject matter and period governed by this Agreement not expressly set forth herein shall be of no further force, effect, or legal consequence after the Effective Date.

J. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument.

K. The persons executing this Agreement on behalf of the Parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the Parties are formally bound.

[signature page follows]

SIGNATURES

PLAN: CalOptima Health

By: Yunkyung Kim, Chief Operating Officer

Date: _____

PROVIDER: City of Orange

By: Daniel R. Slater, Mayor

Date: _____

ATTEST:

Pamela Coleman, City Clerk

Date: _____

APPROVED AS TO FORM:

Connor Hyland, Senior Assistant City Attorney

Date: _____

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