

FIRST AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS FIRST AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of September 1, 2022, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and MONTEREY ANESTHESIA PROFESSIONALS, a California general partnership (“**Contractor**”) with respect to the following:

RECITALS

- A. County owns and operates Hospital, a general acute care teaching hospital facility and Level II Trauma Center located in Salinas, California in which it operates an anesthesia department (the “**Department**”) under its acute care license.
- B. Contractor and Hospital have entered into that certain Professional and Call Coverage Services Agreement dated effective as of January 1, 2021 (the “**Agreement**”) pursuant to which Contractor provides Specialty Services to Hospital Patients.
- C. Hospital and Contractor desire to amend the Agreement to modify the Additional Services, modify the compensation, extend the term an additional twelve (12) months and add Seven Million Eight Hundred Thousand Dollars (\$7,800,000) to the aggregate amount payable to Contractor.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, Hospital and Contractor agree as follows:

- 1. **Defined Terms**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
- 2. **Section 2.1**. Section 2.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

“**2.1 Compensation**. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the “**Compensation**”), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of Nineteen Million Eight Hundred Dollars (\$19,800,000).”
- 3. **Section 5.1**. Section 5.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

“**5.1 Term**. This Agreement shall become effective on January 1, 2021 (the “**Effective Date**”) and shall continue until December 31, 2023 (the “**Expiration Date**”), subject to the termination provisions of this Agreement.

4. **Exhibit 1.1(b)**. Exhibit 1.1(b) to the Agreement is hereby deleted and replaced in its entirety, and incorporated by reference herein, as set forth in the attached **Exhibit 1.1(b)**.

5. **Exhibit 1.3**. Attachment A of Exhibit 1.3 to the Agreement is hereby deleted and replaced in its entirety, and incorporated by reference herein, as set forth in the attached **Attachment A**.

6. **Exhibit 2.1**. Exhibit 2.1 to the Agreement is hereby deleted and replaced in its entirety, and incorporated by reference herein, as set forth in the attached **Exhibit 2.1**.

7. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

8. **Continuing Effect of Agreement**. Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.

9. **Reference**. After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

[signature page follows]

IN WITNESS WHEREOF, Hospital and Contractor have executed this Amendment as of the day and year first written above.

CONTRACTOR

MONTEREY ANESTHESIA
PROFESSIONALS, a California general
partnership

By: Amish Shah
Its B0F182B629BA432...

Date: 8/19/2022 | 11:50 PM PDT

By: _____
Its _____

Date: _____

NATIVIDAD MEDICAL CENTER

Deputy Purchasing Agent

Date: _____

APPROVED AS TO LEGAL PROVISIONS:

By: Stacy Saetta
Its C0ECE1B99F444A9...
Stacy Saetta, Deputy County Counsel

Date: 8/19/2022 | 4:51 PM PDT

APPROVED AS TO FISCAL PROVISIONS:

By: Gary Giboney
Its D3834BFEC1D8449...
Deputy Auditor/Controller

Date: 8/19/2022 | 4:57 PM PDT

Exhibit 1.1(b)**ANESTHESIA STAFFING**

The Surgical Services relies heavily on the leadership and participation of the anesthesiologists. Contractor must be an active, cooperative member of the Surgical Services team with focused efforts to: 1) be service oriented; 2) manage surgery volume; 3) reduce costs; 4) increase staff and operating room productivity; and 5) continuously improve quality of care. The Anesthesia Services shall be initially staffed as follows and may be modified by mutual agreement of the Parties from time to time as surgical volumes fluctuate and services are modified.

Anesthesia Staffing	Monday - Friday							Saturday, Sunday, Holidays						
	OR1	OR2	OR3	OR4	Trauma	Backup	OB	OR1	OR2	OR3	OR4	Trauma	Backup	OB
7:00 AM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
8:00 AM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
9:00 AM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
10:00 AM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
11:00 AM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
12:00 PM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
1:00 PM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
2:00 PM	MD	MD	MD		MD		CRNA	MD/CRNA				MD	MD	CRNA
3:00 PM					MD	MD	CRNA	MD/CRNA				MD	MD	CRNA
4:00 PM					MD	MD	CRNA	MD/CRNA				MD	MD	CRNA
5:00 PM					MD	MD	CRNA	MD/CRNA				MD	MD	CRNA
6:00 PM					MD	MD	CRNA	MD/CRNA				MD	MD	CRNA
7:00 PM					MD	MD	CRNA					MD	MD	CRNA
8:00 PM					MD	MD	CRNA					MD	MD	CRNA
9:00 PM					MD	MD	CRNA					MD	MD	CRNA
10:00 PM					MD	MD	CRNA					MD	MD	CRNA
11:00 PM					MD	MD	CRNA					MD	MD	CRNA
12:00 AM					MD	MD	CRNA					MD	MD	CRNA
1:00 AM					MD	MD	CRNA					MD	MD	CRNA
2:00 AM					MD	MD	CRNA					MD	MD	CRNA
3:00 AM					MD	MD	CRNA					MD	MD	CRNA
4:00 AM					MD	MD	CRNA					MD	MD	CRNA
5:00 AM					MD	MD	CRNA					MD	MD	CRNA
6:00 AM					MD	MD	CRNA					MD	MD	CRNA
Hours per day	8	8	8		24	16	24	12				24	24	24

1. Scheduled hours shall be determined by the Director of Surgical Services based on Hospital and Department needs.
2. Contractor shall assign room coverage so that the surgery schedule is maintained; no cases are rejected because of unavailable anesthesia coverage, and surgeries are on time and uninterrupted.
3. Contractor shall adjust coverage as required to ensure patient safety, quality care, high efficiencies and patient satisfaction.

4. Contractor shall use best efforts to utilize operating room primetime hours, 7:00 a.m. to 3:00 p.m. and minimize the after-hours caseload.
5. Contractor may use a combination of Group Physicians and CRNA's to staff the Department in accordance with Hospital Rules and ACS guidelines.
6. Contractor shall work with Hospital and OR leadership to develop an alternative staffing model supports the growing case volumes within three (3) to six (6) months after the Effective Date of the First Amendment.
7. Modifications to the initial staffing levels set forth in this **Exhibit 1.1(b)** shall be in writing and approved by the Chief Medical Officer or his/her designee.

Attachment A**ADDITIONAL OBLIGATIONS**

The quality program developed, implemented and monitored by Hospital and Contractor shall require:

1. Contractor to minimally comply with the performance standards, guidelines, and practice parameters, as established by the American Society of Anesthesiologists.
2. Contractor to work with Hospital to develop a perioperative management program to reduce cancellations.

Quality Initiative	Measure	Target Performance
Performance Improvement	First case of the day was delayed due to anesthesia (total cases)	<1%
	OR case cancellations related to Anesthesia	<5%
	Average turnaround times less than 30 minutes	<30 minutes
Quality Initiative	Patient Satisfaction Scores to the following questions	Target Performance
Patient Satisfaction	Post op nausea requiring intervention (given Zofran, Reglan or Phenergan in PACU)	<10%
	Cases that had elevated pain Score (8 or higher) upon arrival to PACU	<10%
	Cases that went to PACU that had normothermia >35 degrees at first entry	>90%

COMPENSATION

For the period September 1, 2022 to December 31, 2023

1. Anesthesia Services.

(a) Hospital shall pay to Contractor an amount equal to Four Million Six Hundred Forty-Nine Thousand Four Hundred Dollars (\$4,649,400) per Contract Year for Anesthesia Services and coverage services provided by a Group Physician on a restricted basis (“**Restricted Physician Coverage**”) pursuant to this Agreement (the “**Anesthesiologist Compensation**”). Such compensation shall be paid monthly in the amount of Three Hundred Eighty-Seven Thousand Four Hundred Fifty Dollars (\$387,450) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b). Parties recognize that the number of Operating Rooms and the hours of Restricted Physician Coverage required to staff such Operating Rooms as set forth in Exhibit 1.1(b) (*i.e.*, Fourteen Thousand Seven Hundred Sixty (14,760) hours per Contract Year) (“**Minimum Restricted Physician Coverage Hours**”) may increase or decrease due to patient volumes or coverage needs. Consequently, the Anesthesiologist Compensation shall be adjusted in consideration of the actual coverage furnished by Contractor as a result of the adjustments, as determined by Hospital and agreed to by Contractor. In the event that Contractor does not provide the Minimum Restricted Physician Coverage Hours or Hospital determines that it needs to increase such minimum, Hospital shall adjust the Anesthesiologist Compensation by an amount equal to Three Hundred Fifteen Dollars (\$315) per hour (“**Anesthesiologist Compensation Adjustment**”).

(b) Hospital shall pay to Contractor an amount equal to Two Hundred Seventy Thousand Four Hundred Dollars (\$270,400) per Contract Year for back-up call coverage services (“**Backup Call**”) provided by a Group Physician on an unrestricted basis pursuant to this Agreement (the “**Backup Call Coverage Stipend**”). Such compensation shall be paid monthly in the amount of Twenty-Two Thousand Five Hundred Thirty-Three Dollars (\$22,533) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b). In addition to the Backup Call Coverage Stipend, Hospital shall pay to Contractor, an amount equal to Two Hundred Seventy-Five Dollars (\$275) per each hour that Group Physician assigned to provide Backup Call, is required to be physically present at Hospital to provide Anesthesia Services, not to exceed Three Thousand Three Hundred Thirty Dollars \$3,330 per twenty-four (24) hour shift (the “**Response Payment**”). The Response Payment shall be calculated monthly using Hospital’s Operating Room log showing surgery start and finish times and approved by the Director of Surgical Services. Contractor shall include the calculation of the aggregate Response Payments on its monthly invoice to Hospital.

2. Hospital shall pay to Contractor an amount equal to One Million Seven Hundred Fifty-Two Thousand Dollars (\$1,752,000) per Contract Year for Anesthesia Services and coverage services provided by a Group Provider on a restricted basis (“**OB Coverage**”) pursuant to this Agreement (the “**OB Coverage Compensation**”). Such compensation shall be paid monthly in the amount of One Hundred Forty-Six Thousand Dollars (\$146,000) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b).

3. **Add-On Services.** In the event that Hospital determines that the coverage needs have increased, Contractor shall be paid as follows, (the “**Add-On Services Compensation**”):

MD Restricted	\$315 per hour
Unrestricted	\$40 per hour
CRNA Restricted	\$200 per hour

4. **Director Services.** Hospital shall pay to Contractor an amount equal to Thirty Thousand Dollars (\$30,000) per Contract Year for Director Services provided pursuant to this Agreement (“**Director Services Compensation**”). Such compensation shall be paid monthly in the amount of Two Thousand Five Hundred Dollars (\$2,500) per month. In the event that Contractor does not meet the Medical Director Minimum, the Director Services Compensation shall be reduced by Two Hundred Eight Dollars and Thirty-Three Cents (\$208.33) per hour for each hour of Director Services that Contractor does not provide as compared to the Medical Director Minimum.

5. **Timing.** Hospital shall pay the Anesthesiology Compensation, the CRNA Compensation and the Director Services Compensation in equal monthly installments, with each payment due for Services performed by Contractor in the immediately preceding month within thirty (30) days of the end of the month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is “30 days after receipt of the certified invoice in the Auditor-Controller’s Office”.