



Monterey County Board of Supervisors

Board Order

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A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor John M. Phillips to:

Agreement No.: A-13218; Amendment No.: 3

- a. Authorize the Chief Executive Officer for Natividad or his designee to execute the Third Amendment to the Professional Services Agreement (A-13218) with CEP America-California, d.b.a. Vituity to provide emergency medicine services, extending the term by twenty-four months (July 1, 2022 to June 30, 2024) for a revised full agreement term of July 2016 to June 30, 2024, adding \$3,725,000, for a revised amount not to exceed \$14,026,277 in the aggregate; and
- b. Authorize the Chief Executive Officer for Natividad or his designee to sign up to three (3) amendments to this Agreement where the total amendments do not exceed 10% (\$301,266) of the original contract amount and do not significantly change the scope of work.

PASSED AND ADOPTED on this 21st day of June 2022, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Askew and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting June 21, 2022.

Dated: June 24, 2022
File ID: A 22-320
Agenda Item No.: 34

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of July 1, 2022, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and CEP AMERICA-CALIFORNIA, a California General Partnership, d.b.a. VITUITY (formerly known as California Emergency Physicians Medical Group) (“**Contractor**”) with respect to the following:

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California under its acute care license.

B. Contractor and Hospital have entered into that certain Professional Services Agreement dated effective July 1, 2016, as amended effective July 1, 2018 and July 1, 2020 (collectively, the “**Agreement**”) pursuant to which Contractor provides professional services in the Specialty to Emergency Department patients.

C. Hospital and Contractor desire to amend the Agreement to extend the term for an additional twenty-four (24) months and add Three Million Seven Hundred Twenty-Five Thousand Dollars (\$3,725,000) to the amount payable for services during the extended term.

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. **Exhibit 1.2**. Exhibit 2.1 to the Agreement is hereby amended and restated to read in its entirety as attached **Exhibit 1.2**.
3. **Section 1.3**. Subsection (a) to Section 1.3 to the Agreement is hereby amended to read in its entirety as follows:

“(a) Group shall provide and cause one Group Physician designated by Contractor and accepted by Hospital, to service as medical director (“**Medical Director**”) of the ED as required for the efficient and proper operation of the ED. Medical Director shall perform all director services set forth in **Exhibit 1.3(a)** (“**Director Services**”), no less than eighty (80) hours per month and in accordance with the Hospital Rules and upon the terms and subject to the conditions set forth in this Agreement.

4. **Section 2.1.** Section 2.1 to the Agreement is hereby amended 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 aggregate amount of Fourteen Million Twenty-Six Thousand Two Hundred Seventy-Seven Dollars (\$14,026,277).”

5. **Exhibit 2.1.** Exhibit 2.1 to the Agreement is hereby amended and restated to read in its entirety as attached **Exhibit 2.1.**

6. **Section 5.1.** Section 5.1 to the Agreement is hereby amended to read in its entirety as follows:

“5.1 Term. This Agreement shall become effective on July 1, 2016 (the **“Effective Date”**), and shall continue until June 30, 2024 (the **“Expiration Date”**), subject to the termination provisions of this Agreement.”

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

CEP AMERICA-CALIFORNIA, a California General Partnership, d.b.a. VITUIITY

DocuSigned by:
By: David Birdsall
Its David Birdsall, MD

6/3/2022
Date

By: _____
Its _____

NATIVIDAD MEDICAL CENTER

DocuSigned by:
Charles Harris
4E1F837D204E481...
Deputy Purchasing Agent

6/23/2022 | 4:31 PM PDT
Date

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
Stacy Saetta
C0ECE1B99E444A9...
Stacy Saetta, Deputy County Counsel

6/9/2022 | 3:01 PM PDT
Date

APPROVED AS TO FISCAL PROVISIONS:

DocuSigned by:
Gary Giboney
D3834BFEC1D8449...
Deputy Auditor/Controller

6/9/2022 | 3:10 PM PDT
Date

EXHIBIT 1.2

ED STAFFING

Contractor shall provide a sufficient number of qualified Group Physicians, Physician Assistants and/or Nurse Practitioners to be immediately available to provide all Services required for provision of patient care in and operation of the ED twenty-four (24) hours per day, seven (7) days per week. The initial minimum staffing pattern is as follows and may be modified from time to time with mutual agreement of Parties to ensure patient safety, quality care, high efficiencies and patient satisfaction.

Group Physician	40 hours per day	(4)-10 hour shifts per day
Physician Assistant / Nurse Practitioner	35 hours per day	Flexible

Exhibit 2.1

COMPENSATION

1. **Coverage Stipend.** As compensation for the Coverage Services rendered pursuant to this Agreement, Hospital shall pay to Contractor the amount of Seventy-Nine Thousand Nine Hundred Thirty-Three Dollars (\$79,933) per month (the “**Coverage Stipend**”), provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Rapid Medical Evaluation Services.** As compensation for RME Services, Hospital shall pay to Contractor the amount of Fifty-Five Thousand Eight Hundred Eighty Four Dollars (\$55,894) per month (the “**RME Compensation**”).

3. **Annual RME Staffing Adjustment.** The Parties recognize that the RME Staffing is based on patient volumes in the ED. For every patient visit below the Base Number of Visits, Contractor shall pay Hospital an amount equal to Twenty-Five Dollars (\$25) per visit (the “**Annual RME Staff Adjustment**”) as follows:

- a. The RME Staffing Adjustment owed by Contractor shall not exceed One Hundred Thousand Dollars (\$100,000) per Contract Year and shall be paid annually.
- b. For purposes of this Agreement, the “**Base Number of Visits**” shall mean the number of ED visits based on Hospital’s third party vendor, calculated using the prior Contract Year’s same twelve (12) month period.
- c. For purposes of this Agreement, “**Contract Year**” shall mean (i) from the Execution Date until the Expiration Date; and (ii) thereafter, each consecutive twelve (12) month period for the remainder of the term of this Agreement.

4. Incentive Compensation. Contractor shall be eligible for an incentive bonus of up to 8% of the aggregate annual Coverage Stipend payable to Contractor for the Coverage Services provided by Group Physicians under this agreement per Contract Year (the “**Incentive Compensation**”). Such Incentive Compensation shall be paid on an annual basis for Performance Improvement and shall be calculated as follows using data collected during the preceding twelve (12) months; and shall be measured monthly and paid quarterly for the Patient Satisfaction metric and shall be calculated as follows.

Quality Initiative	Measure	Quarter	Tier One	Incentive	Tier Two	Incentive
Clinical Standards	Discharged Patients Length of Stay (LOS)	Q1	<150	\$2,398	<145 minutes	\$4,796
		Q2	<150	\$2,398	<145 minutes	\$4,796
		Q3	<150	\$2,398	<145 minutes	\$4,796
		Q4	<150	\$2,398	<145 minutes	\$4,796
Clinical Standards	3- Hour Sepsis Bundle Compliance 1) obtain blood culture before antibiotics, 2) obtain lactate level, 3) administer broad-spectrum antibiotics, and 4) administer 30 mL/kg of crystalloid fluid for hypotension when appropriate	Q1	>52%	\$2,398	>62%	\$4,796
		Q2	>52%	\$2,398	>62%	\$4,796
		Q3	>52%	\$2,398	>62%	\$4,796
		Q4	>52%	\$2,398	>62%	\$4,796
Quality Initiative	Measure	Quarter	Tier One	Incentive	Tier Two	Incentive
Patient Experience	EDCAHPS MD Communication Composite: Percentage of Top Box scores 5 out of 5 (data collected from Hospital's third party vendor)	Q1	Aggregate Score ≥ CMS 75th Percentile	\$4,796	Aggregate Score ≥ CMS 90th Percentile	\$9,592
		Q2	Aggregate Score ≥ CMS 75th Percentile	\$4,796	Aggregate Score ≥ CMS 90th Percentile	\$9,592
		Q3	Aggregate Score ≥ CMS 75th Percentile	\$4,796	Aggregate Score ≥ CMS 90th Percentile	\$9,592
		Q4	Aggregate Score ≥ CMS 75th Percentile	\$4,796	Aggregate Score ≥ CMS 90th Percentile	\$9,592

*Performance improvement and patient satisfaction questions may be deleted and/or replaced with new questions in order to comply with the quality program and Hospital’s quality and or performance standards.

5. Director Services Compensation. In recognition of the mutual obligations of the Parties hereunder, Hospital and Contractor acknowledge that there shall be no separate monetary compensation to Contractor for the Director Services furnished by Contractor hereunder.

6. Timing. Hospital shall pay the compensation due for Services performed by Contractor after Contractor’s submission of the monthly invoice of preceding month’s activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that 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”.