

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 2, 2009	AGENDA NO.:
SUBJECT:	Approve and authorize the Purchasing Manager of Natividad Medical Center (NMC) to execute an Agreement with Salinas Valley Radiologists, Inc (SVR) in an amount not to exceed \$854,085 for radiology reading and interpretation services at Natividad Medical Center between June 1, 2009 and June 30, 2012.	
DEPARTMENT:	NATIVIDAD MEDICAL CENTER	

RECOMMENDATION:

It is recommended that the Board of Supervisors Approve and authorize the Purchasing Manager of Natividad Medical Center (NMC) to execute an Agreement with Salinas Valley Radiologists, Inc (SVR) in an amount not to exceed \$854,085 for radiology reading and interpretation services at Natividad Medical Center between June 1, 2009 and June 30, 2012.

SUMMARY/DISCUSSION:

Natividad Medical Center (NMC) had an Agreement (20-009) with Salinas Valley Radiologists, Inc. (SVR) to provide in-house radiology services Monday through Friday, 8am – 6pm, and after hours and weekend call services for radiological exams. NMC bills and collects all technical fees for all imaging studies, and SVR bills for the professional fees. The Agreement (20-009) had a 120-day termination provision by either party. This long time agreement expired on July 1, 2008. However, these vital patient services have continued throughout FY 2008/09 while complex negotiations to amend the Agreement have proceeded. We had continued to work under the provisions and terms of the (20-009) Agreement, in order to avoid disruption of patient care.

While NMC continued to negotiate with SVR, County Counsel advised NMC to enter into an Amendment with SVR. The Amendment covered the time period of July 1, 2008 through May 31, 2009. The Amendment was passed by the Board of Supervisors on April 14, 2009. Both parties agreed to enter into a new Agreement starting June 1, 2009. The new Agreement has new terms that include Radiologist performance measures and at risk compensation. These new terms will help better meet the current and future needs of the hospital. The term of the new agreement will be for 37 months, from June 1, 2009 through June 30, 2012.

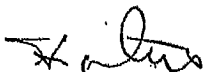
OTHER AGENCY INVOLVEMENT:

The Agreement has been reviewed and approved by County Counsel, the Auditor/Controller's Office and the Natividad Medical Center Board of Trustees.

FINANCING:

The total cost of this Agreement is \$854,085. The amount of \$300,085 is included in the FY 2008-09 Approved Budget and the FY 2009-10 Recommended Budget. This action will not require any additional General Fund subsidy in FY 2008-09 or FY 2009-10, and the remaining amounts will be budgeted for FYs 2011 and 2012.

Report Prepared by:
Andrea Rosenberg, Assistant Administrator
Date: April 8, 2009
Attachments: Board Order, Agreement



Harry Weis
Chief Executive Officer

**Before the Board of Supervisors in and for the
County of Monterey, State of California**

Agreement No: A - 11434

Approve and authorize the Purchasing Manager of Natividad)
Medical Center (NMC) to execute an agreement with Salinas)
Valley Radiologists, Inc. (SVR), in an amount not to exceed)
\$300,085 for radiology reading and interpretation services at)
Natividad Medical Center between June 1, 2009 and June 30, 2010.)

Upon motion of Supervisor Parker, seconded by Supervisor Potter, and carried by those members present, effective June 2, 2009, the Board hereby:

Approved and authorized the Purchasing Manager of Natividad Medical Center (NMC) to execute an agreement with Salinas Valley Radiologists, Inc. (SVR), in an amount not to exceed \$300,085 for radiology reading and interpretation services at Natividad Medical Center between June 1, 2009 and June 30, 2010.

PASSED AND ADOPTED this 2nd day of June, 2009, by the following vote, to wit:

- AYES: Supervisors Armenta, Salinas, Calcagno, Parker, Potter
- NOES: None
- ABSENT: None

I, Gail T. Borkowski, 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 74 for the meeting on June 2, 2009.

Dated: June 3, 2009

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By *F. F. [signature]* Deputy

Agreement: Salinas Valley Radiologist
Term: 6/1/09-6/30/12
Amount: \$854,085
FY 09/10: \$232,167
Balance: \$621,918

REQUESTED FY 10/11: \$280,000

View All (1 of 2) : This transaction exceeds the uncommitted funds for this budget. (...
BPO - 9600- 000000160- 1- New- Final

Action Menu

Load T and C Ship/Bill To Lines

Header



General Information

Document Name :	<input type="text"/>	PCard ID :	<input type="text"/>
Record Date :	07/14/2009	PCard Exp :	<input type="text"/>
Budget FY :	2010	Procurement Folder :	2735
Fiscal Year :	2010	Procurement Type :	Decentralized Purchases
Period :	1	Procurement Type ID :	3
Document Description :	SALINAS VALLY RADIOLOGISTS, COST	Cited Authority :	<input type="text"/>
Actual Amount :	\$287,000.00	Accounting Profile :	<input type="text"/>
Closed Amount :	\$232,166.62	Terms Template :	<input type="text"/>
Closed Date :		Confirmation Order :	<input type="checkbox"/>
Open Amount :	\$54,833.38	Default Form :	<input type="text"/>
		Last Print Date :	07/08/2010
		Total of Header Attachments :	0
		Total of All Attachments :	0

- Reference
- Contact
- Modification
- Extended Description
- Default Shipping/Billing
- Reporting
- Document Information

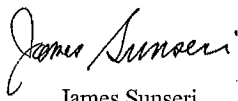
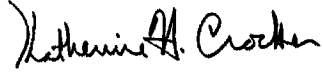
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Menu View Assembly Request

CERTIFICATE OF INSURANCE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy below.

Certificate Holder Natividad Medical Center 1441 Constitution Blvd. Building 300 Salinas, CA 93906		Name and Address of Insured Salinas Valley Radiologists, Inc. 627 Brunken Avenue, Suite A Salinas, CA 93901	
Current Medical Specialty: Organization		The above Insured is: <input checked="" type="checkbox"/> Named Insured <input type="checkbox"/> Insured <input type="checkbox"/> Locum Tenens	
Policy Number 101191	Insured's Effective Date 01/01/2011	Insured's Expiration Date 01/01/2012	Insured's Retroactive Date 11/01/1975
Coverage and Limits of Liability and Reimbursement Provided <input type="checkbox"/> Shared Limits of Liability and Reimbursement <input checked="" type="checkbox"/> Separate Limits of Liability and Reimbursement			
<input checked="" type="checkbox"/> COVERAGE A: Professional Liability Insurance - Claims Made <input checked="" type="checkbox"/> COVERAGE B: Limited Professional Office Premises Liability Insurance - Claims Made If both Coverage A and Coverage B are checked, they share in the Limits of Liability specified below.			
LIMITS OF LIABILITY:		DEDUCTIBLE:	
\$2,000,000 Each Claim		\$Nil Each Claim	
\$4,000,000 Aggregate Limit per Policy Period		\$Nil Aggregate per Policy Period	
<input checked="" type="checkbox"/> COVERAGE C: Physicians Administrative Defense Reimbursement Coverage - Claims Made \$30,000 Each Administrative Proceeding or Employment-Related Civil Action \$100,000 Aggregate Limit per Policy Period			
This is to certify that the policy of insurance listed above has been issued to the insured named above for the period indicated subject to payment of all billed premiums by the due date specified and all terms, conditions, and exclusions of the policy. It is the responsibility of the insured to inform recipients of Certificates of Insurance of any changes in coverage, declination of issuance, or cancellation before the expiration date. Failure by the insured to provide such notice shall impose no obligation or liability of any kind upon NORCAL, its agents, or representatives.			
By: NORCAL Mutual Insurance Company		Issue Date: October 30, 2010	
 James Sunseri President		 Katherine H. Crocker Secretary	

AGREEMENT No. _____

**PROFESSIONAL MEDICAL AND ADMINISTRATIVE SERVICES
AGREEMENT**

THIS PROFESSIONAL MEDICAL AND ADMINISTRATIVE SERVICES AGREEMENT ("Agreement") is made and entered into effective as of June 1, 2009, by and between COUNTY OF MONTEREY ("County") on behalf of Natividad Medical Center ("Hospital"), and SALINAS VALLEY RADIOLOGISTS, INC., A MEDICAL GROUP, a California professional corporation ("Contractor").

RECITALS

A. County owns and operates Hospital which serves as a general acute care teaching hospital located in Salinas, California.

B. As a community service and as a part of its general acute care facilities, Hospital operates a Diagnostic Imaging Department (the "Department") which provides diagnostic radiology services to Hospital's patients. Hospital also conducts medical clinics for patients requiring such services. Hospital has determined that it requires the services of physician services in the specialty of diagnostic radiology (the "Specialty") in order to meet the needs of its inpatients and outpatients as well as its teaching needs.

C. Contractor is a California professional corporation employing and/or contracting with duly qualified physicians, licensed to practice medicine in the State of California, who are experienced and qualified in the Specialty as well as certified or eligible for certification in the Specialty by the American Board of Radiology (collectively, "Physicians").

D. Hospital desires to retain Contractor to provide professional services in the Specialty and certain administrative services related to the operation of the Department as well as the medical clinic(s) operated by Hospital from to time ("Clinic").

E. County has determined that the operation of the Department on a closed-staff basis and the granting to Contractor of the exclusive right to provide professional services in the Specialty pursuant to this Agreement is an appropriate and effective means by which to ensure (i) adequate supervision and proper and consistent administration of the Department, (ii) necessary control and standardization of procedures performed in the Department, (iii) appropriateness and consistency of supervision and training of Department personnel, (iv) enhanced rapport and morale among the personnel and members of the Department, (v) continuous availability of Specialty services in the Department, (vi) exchange of information among the members of the Department, (vii) full use of the equipment at the Department, (viii) reduced costs related to the operation of the Department, and (ix) enhancement of the overall quality of patient care furnished through the Department.

F. County and Contractor hereby agree for Contractor to provide professional medical services in the Specialty as well as certain administrative services described herein at the Hospital

and Clinic, as an independent contractor, on an exclusive basis on the terms and conditions described herein.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, County hereby engages Contractor to provide, and Contractor agrees to provide, professional services in the Specialty and certain administrative services on an exclusive basis at Hospital and Clinic, on the terms and conditions set forth below:

1. HOSPITAL SERVICES.

1.1 Facilities, Equipment and Resources. Hospital shall provide or arrange for the provision of, at its sole cost and expense, such space, equipment, instruments, furniture, expendable and non-expendable supplies, drugs, non-physician personnel, scheduling and transcription services, and such other items and services as Hospital determines in good faith, after consultation with Contractor, to be necessary and appropriate for the operation of the Department. Hospital shall, at its sole cost and expense, keep and maintain all of the equipment and instruments within the Department in good working order and repair, provided that Contractor shall be responsible for the cost and expense of any repairs due to any intentional act of Contractor. Hospital shall consult with Contractor from time to time regarding the purchase of new equipment as well as the replacement of older and/or obsolete equipment.

1.2 Hospital Personnel. Hospital shall be responsible for obtaining, employing and/or contracting with, at its sole cost and expense, the paramedical and other non-physician personnel necessary for the proper and efficient conduct of the Department and Clinic. Hospital shall have the sole authority to select, contract with, promote and/or retain such personnel, after consulting with Contractor in good faith regarding such personnel. All Hospital personnel shall be subject to the supervision of Contractor while carrying out direct patient care tasks, subject to the overall direction of Hospital. The administration of compensation and personnel policies for employed non-physician personnel working in the Department shall be uniform and consistent with the same job classifications in other services of Hospital, consistent with the recognized hazards of the work. Contractor shall not remunerate or allow Physicians to remunerate Hospital employees or contractors. Contractor acknowledges and agrees that the personnel provided to the Department and/or clinic, as applicable, as of the commencement date hereof are adequate for the performance of those contractual services specified herein.

2. PROFESSIONAL SERVICES.

2.1 Medical Practice and Services. During the term hereof, Contractor shall maintain and conduct, on a regular basis, an independent medical professional practice specializing in the Specialty, to include professional medical services provided at the Department, the Clinic and/or a professional medical practice conducted on Hospital's premises. The professional services to be provided by Contractor are more fully described in Sections 1 and 2 of **Exhibit "A"** attached hereto and incorporated herein by this reference. Contractor agrees to negotiate in good faith with all third party payors with which Hospital contracts and to endeavor to enter into professional services contracts with all such payors, provided however (a) that in no event shall Contractor be required to discount its fees to such payors below rates that reflect fair market value

for such services and (b) that in no event shall Contractor be required to continue providing services under any such contract if it is not being compensated on a timely basis for such services. Contractor shall assist in ensuring that adequate physician coverage is available to meet the needs of patients of the Medical Staff and the Hospital by establishing and maintaining a radiology call schedule. Contractor shall use best efforts to serve the needs for services in the Specialty in the Department and Clinic and to meet the reasonably foreseeable needs of the medical staff and the Hospital. Contractor shall provide certain administrative services as set forth on Section 3 of **Exhibit "A"** hereof which is incorporated herein by this reference.

2.2 Non-Discrimination. Subject to scheduling constraints and except to the extent that a circumstance such as age, sex, preexisting medical condition, or physical or mental disability is medically significant to the provision of appropriate medical care to a patient, Contractor shall ensure that Contractor and Physicians shall not refuse to respond to a request for any administrative, professional or other service described herein on the basis of a patient's race, ethnicity, religion, national origin, citizenship, age, sex, sexual orientation, preexisting medical condition, physical or mental disability, insurance status, economic status, or ability to pay for medical services.

2.3 Department Coverage. At Hospital's request, Contractor shall arrange to be physically present at the Department for the provision of physician services and consultations in the Specialty at least during those days and hours of the week which are mutually agreed upon, and Contractor shall also arrange for a regularly scheduled rotation of on-call physician coverage for medical emergencies in the Specialty, including without limitation Emergency Department radiology, twenty-four (24) hours per day, seven (7) days per week, as may be required by the Bylaws, rules, regulations, policies and procedures of Hospital and its Medical Staff. To the extent appropriate in the professional judgment of a Physician, such services may be furnished via teleradiology.

2.4 Restrictions on Use. Contractor shall use Hospital premises solely for the normal conduct of professional medical services for Hospital's patients and administrative services only in accordance with the terms and conditions of this Agreement. Except as provided above, no part of Hospital office space, equipment, personnel or services provided by Hospital shall be used at any time by Contractor, as an office for the general practice of medicine or for any purpose inconsistent with the provisions of this Agreement.

2.5 Professional Services. For purposes of this Agreement, Contractor's professional services provided at Hospital constitute "Professional Services" to the extent that such services: (i) are personally furnished for an individual patient by a Physician; (ii) ordinarily require performance by a physician; (iii) contribute directly to the diagnosis or treatment of an individual patient; and (iv) meet such other standards as may be promulgated from time to time to qualify for reimbursement as a physician service for purposes of Part B of the Medicare Program.

2.6 Qualifications. Physicians shall at all times (i) be and remain members with medical privileges in good standing on the Medical Staff of Hospital, and shall hold all clinical

privileges necessary to provide Professional Services in the Specialty; and (ii) be and remain fully and duly licensed to practice medicine on an unrestricted basis by the State of California.

2.7 Medical Records. Contractor shall prepare and maintain, or cause to be prepared and maintained, complete medical records for each patient treated by Contractor at Hospital and/or Clinic. Said medical records shall, at all times, be the property of the Hospital, but Contractor shall have reasonable access to such medical records and shall have the right to make copies thereof, at Contractor's sole cost and expense, upon reasonable notice to the Hospital to do so. The provisions of this section shall survive the termination of this Agreement.

2.8 Confidentiality. Contractor, its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws that provide for the confidentiality of records and other information, including §§ 261 – 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("the Administrative Simplification provisions") and regulations modifying 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"), and including California Civil Code § 56.10, et seq., which are incorporated herein by this reference as though set forth in full. Contractor shall not disclose any portions of the patient medical record or other confidential records and/or information received from Hospital or prepared in connection with the performance of this Agreement, unless Contractor is specifically authorized in writing to disclose such records or information or as permitted by the HIPAA Privacy Rules. Contractor shall not use any confidential information gained by Contractor in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations hereunder so long as such information is subject to the HIPAA Privacy Rule.

2.9 Performance Standards. The performance of professional physician services in the Department and in the Clinic shall meet or exceed the performance standards set forth on **Exhibit B,**" which is attached hereto and incorporated herein by this reference, as amended from time to time by written agreement of the parties.

2.10 Hospital Rules, Regulations and Bylaws. Neither Contractor nor the Physicians shall not be subject to the personnel policies of Hospital which are applicable to Hospital employees. Contractor shall perform its obligations hereunder in strict accordance with all applicable Hospital rules, policies and procedures and Hospital's Medical Staff Bylaws.

2.11 Compliance Program. Contractor agrees to attend educational or informational meetings as part of County's Compliance Program from time to time, as requested. All business relationships between Contractor and NMC are to be at arm's length and must comply with applicable law and regulation(s) and County's policies and procedures, including County's Compliance Program and Code of Conduct, as they may be amended from time to time.

2.12 Office of the Inspector General ("OIG") Medicare Compliance Bulletins. The OIG from time to time issues Medicare compliance alert bulletins, which are received by the Hospital. The Hospital undertakes to make both new and prior OIG Medicare compliance bulletins available to Contractor during the term of this Agreement, and Contractor undertakes to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

2.13 TJC Standards, Regulations and Directives. As a continuing condition of this Agreement, Contractor specifically acknowledges and agrees that pursuant to The Joint Commission ("TJC") Standards, the Hospital retains certain obligations regarding the quality and provision of patient care, treatment and services within its facilities. Contractor's performance of this Agreement shall comply with all applicable TJC standards, and Contractor's performance shall be evaluated on at least an annual basis.

2.14 Applicable Laws. In performing their respective obligations hereunder, Contractor, each Physician and Hospital shall comply with, without limitation: (i) all applicable federal and state laws, rules and regulations of each governmental authority having jurisdiction over the Department and Clinic including, without limitation, Titles 22 and 24 of the California Code of Regulations; (ii) the Hospital's quality assurance and utilization review functions; and (iii) Hospital's Code of Conduct. Contractor shall actively participate in meeting the standards established from time to time for the Hospital's Family Practice Residency Program. Contractor may serve and actively participate in various committees of the Hospital's Medical Staff, as set forth in the Medical Staff Bylaws, rules and regulations, and as reasonably requested by the Department Chief or Chief Medical Officer. Contractor shall actively assist Hospital in assuring that the Department meets the standards and requirements of the TJC, Hospital licensure requirements and/or third party payor certification requirements applicable to the Hospital.

3. INDEPENDENT CONTRACTORS.

3.1 In General. In the performance of the work, duties and obligations hereunder, it is mutually understood and agreed that the parties are at all times acting and performing as independent contractors and nothing in this Agreement shall be construed to create among County, Hospital and Contractor an employer/employee relationship, a joint venture relationship, or a lease or landlord/tenant relationship. Contractor, and its employees or agents, shall not become entitled by virtue of this Agreement, to any form of employee benefits or fringe benefits of any and all type(s) whatsoever, including but not limited to, workers compensation, unemployment compensation or insurance, vacation pay, annual leave, sick leave, overtime pay, retirement benefits, social security benefits, disability insurance benefits, or any other employee benefits.

Neither County nor Hospital shall have or exercise any control or direction over the methods by which Contractor or Physicians shall perform Contractor's obligations hereunder. The sole interest of the County is to assure that Hospital is operated in a competent, efficient, safe and satisfactory manner, and that all applicable provisions of the law and other rules and regulations of any and all governmental authorities relating to licensure, accreditation and regulation of physicians and Hospitals are fully complied with by all parties hereto.

3.2 Indemnification for Timely Payment of Tax Contributions. Contractor shall have no claim under this Agreement, or otherwise, against Hospital or County for employment compensation, or workers compensation, unemployment compensation or insurance, vacation pay, sick leave, retirement benefits, social security benefits, disability insurance benefits, or any

other employee benefits. It is expressly agreed by the parties hereto that no work, act, commission or omission of Contractor shall be construed to make or render any of the foregoing the agent, employee or servant of Hospital. Contractor agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or its independent contractors.

3.3 Liability for Actions. Each party shall be responsible for any and all costs and expenses, including attorney fees, incurred by such party in connection with its obligations hereunder provided that nothing in the section shall preclude either party's right to contribution from the other in accordance with California law.

3.4 Cooperation. If the Internal Revenue Service or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor with respect to Hospital, the parties hereto mutually agree that: (i) each shall inform the other party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the agency, regardless of who initiated such discussions or negotiations. In the event the agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement effective immediately upon written notice.

4. EXCLUSIVE SERVICES

4.1 Contractor's Services Not Limited to Hospital and Clinic. Hospital acknowledges that Contractor and the Physicians currently provide professional radiology services at one or more hospital and non-hospital locations other than Hospital and the Clinic. Nothing in this Agreement shall be construed to prevent Contractor or any Physician from furnishing professional medical and/or administrative services of the type which are the subject of this Agreement at any other location. However, during the term of this Agreement, Contractor shall undertake to retain the service capacity necessary to provide those professional medical services described in this Agreement, to the extent necessary to serve the reasonably foreseeable patient needs for medical care at Hospital.

4.2 Contractor as Exclusive Provider at Hospital. Hospital believes for the reasons stated in Recitals to this Agreement, that the desired standard of patient care at Hospital and Clinic can best be achieved if Contractor continues to have exclusive responsibility for the Department and for Specialty services at Hospital and Clinic. Accordingly, County and Hospital engage Contractor to be the exclusive provider of all professional services in the Specialty at Hospital and the Clinic. Specialty services shall include, without limitation, radiographic, fluoroscopic, diagnostic and therapeutic nuclear medicine, computerized axial tomography, ultrasound, mammography, SPECT, digital subtraction radiography, magnetic resonance angiography, Emergency Department radiology, bone densitometry, PET, diagnostic imaging

special procedures, diagnostic imaging non-invasive vascular testing and magnetic resonance imaging.

Additionally, during the term of this Agreement and any renewals thereof, as Hospital and/or Clinic add new technologies, modalities or procedures, the provision or interpretation of which is considered by the American College of Radiology to be appropriate by radiologists, all such technologies, modalities and procedures made available at Hospital and/or Clinic shall be included in the foregoing paragraph and shall be provided exclusively by Contractor during the term of this Agreement.

In addition, County shall use its best efforts to see that Contractor is offered the opportunity to be the exclusive provider of professional services in the Specialty at any other facility in which Hospital or any of its subsidiaries or affiliated entities has a financial interest or administrative responsibility.

5. COMPENSATION AND EXPENSES.

5.1 Services.

5.1.1 As full and total compensation for the performance of certain Professional Services and Administrative Services to be performed by Contractor pursuant to this Agreement, and in addition to provisions set forth in this Section 5, Hospital shall pay Contractor fees described on Section 4 of **Exhibit "A"** which is attached hereto and incorporated herein by this reference.

5.1.2 Hospital shall pay or reimburse fees paid by Contractor for the provision of after-hours services in the Department on a monthly basis in accordance with Section 4 of **Exhibit "A"** of this Agreement.

5.1.3 To the extent permitted by law and in accordance with Section 4 of **Exhibit "A"** of this Agreement, Hospital shall reimburse Contractor at Medi-Cal rates for all procedures or consultations rendered to in- and out-patients at Hospital who are indigent and covered by the MIA or Tobacco Tax Programs.

5.1.4 Other than as expressly provided herein, Contractor shall be solely responsible for billing and collecting for Professional Services rendered pursuant to this Agreement. Contractor shall bill patients and third party payors for Professional Services at its own expense and under its own provider number, except where direct patient billing is prohibited. Contractor shall accept assignment with respect to services provided to Government Health Care Program beneficiaries, to the extent permissible under applicable rules and regulations. Contractor and Physicians shall, to the extent permitted by law, any third party payor agreements, and the terms of this Agreement, look exclusively to patients, or those third party payors responsible for the payment of the Professional Services, as the sole source of its compensation for Professional Services provided by Contractor pursuant to this Agreement.

5.1.5 Other than as set forth herein, each party shall separately bill all patients for its respective fees and charges, and neither Contractor nor Hospital shall bill for, guarantee the ability to collect, or have any claim or interest in or to the amounts billed or collected by the other. Each party shall ensure that its billing and coding for services rendered with respect to the Department and Clinic is in compliance with applicable laws and regulations, customary professional practice, the Government Health Care Programs and other third party payor programs, whether public or private. To assist Contractor in its separate billing, Hospital shall: (i) provide Contractor, by electronic means, with a daily report of all professional and Hospital services provided to patients by the Physicians in Hospital and the Clinic, and with other information necessary for Contractor's billing that Hospital may obtain concerning such patients; (ii) distribute to each patient who receives services in the Department or the Clinic materials provided by Contractor which describe the separate billing arrangement; (iii) assist Contractor to obtain any signed informed consents deemed necessary and/or appropriate from patients receiving Specialty services, (iv) assist Contractor in collecting co-payments and deductibles from patients, where applicable; (v) assist Contractor in obtaining required patient signatures on assignments of insurance benefits, waivers, and other similar forms as reasonably requested by Contractor; and (vi) required insurance pre certifications and approvals for services to patients.

5.1.6 Contractor agrees to: (i) prepare and submit accurate and complete time records documenting separately the time spent by Contractor rendering teaching and/or administrative services rendered under this Agreement, on forms acceptable to the Hospital if required for payment for said services is provided for on an hourly basis; and (ii) retain all time records and other agreements required by this Section, for not less than four (4) years after the end of Hospital's fiscal year to which such documents relate. The parties acknowledge and agree that the sole purpose of recording hours of activity and of determining compensation based thereon is the imposition of regulations pursuant to Medicare Law, and does not reflect an employer/employee relationship.

5.2 **Medicare Assignment.** Contractor agrees to participate in the Medicare Program as defined in the Social Security Act.

5.3 **Restriction.** Notwithstanding anything herein to the contrary, nothing in this Agreement or in any amendment hereto is intended to contemplate or require, nor shall any such provision be deemed to contemplate or require, that any payment, fee or consideration is or shall be made or given in return for the referral of any patient to or from any party hereto. Any payment, fee or consideration of any kind provided for in this Agreement or in any amendment hereto to be made or given by or between Hospital and Contractor shall be made or given only as fair market consideration in return for the performance of services provided in accordance with this Agreement and shall not constitute, or be deemed to constitute, under any circumstances, consideration in return for patient referrals. In the event that any governmental agency, or should any court or other judicial body of competent jurisdiction, as applicable, issue an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either party may at its option terminate this Agreement forthwith.

5.4 Indemnification for Billing Information. Each party hereby agrees to indemnify the other, its officers, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by the party resulting from grossly negligent acts or grossly negligent omissions of the party which result in inaccurate and/or improper billing information furnished by such party to the other and relied on by the other, to the extent such act or omission results in liability, cost, loss, penalty or expense in excess of the amount of payment or reimbursement actually received by the party for such services.

6. INSURANCE

6.1 Insurance Coverage Requirements: The parties acknowledge and mutually agree that all Professional Services rendered under this Agreement shall be covered by insurance. Accordingly, Contractor shall maintain in full force and effect throughout the term of this Agreement hereof, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

6.1.1 Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than One-Million Dollars (\$1,000,000) per occurrence.

6.1.2 The parties specifically understand and mutually agree that none of the professional and/or administrative services performed pursuant to this Agreement shall involve or require the use by Contractor of any mechanical means of transportation, such as, e.g., a motor vehicle. Accordingly, Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than Three-Hundred Thousand Dollars (\$300,000) per occurrence.

6.1.3 Covering Contractor and each Physicians performing services under this Agreement in the amount of not less than One-Million Dollars (\$1,000,000) per occurrence and Three-Million Dollars (\$3,000,000) in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of the Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors and/or omissions made in the course of rendering professional services under this Agreement.

6.1.4 Workers' Compensation Insurance, to the extent required by California law with liability limits not less than One-Million Dollars (\$1,000,000) each person, \$1,000,000 each accident and \$1,000,000 each disease.

6.2 Tail Coverage. If any professional liability insurance covering Contractor is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor shall either continue such coverage or obtain extended reporting coverage ("Tail Coverage"), as appropriate,

upon the occurrence of any of the following: (i) change of coverage if such change shall result in a gap in coverage; or (ii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until longest statute of limitations for professional and general liability for acts committed has expired.

6.3 Premiums. In the event that Contractor does not purchase the liability insurance set forth in this Section, and without limiting any rights or remedies of County, County may at its option and within its sole discretion provide the liability insurance required by this Section and continue to pay the premiums therefor. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the unpaid premium amount(s) against Contractor's fees payable under this Agreement, in addition to such other rights or privileges as the County may have at law or in equity.

6.4 Other Insurance Requirements. All insurance required by this Agreement shall be with a company reasonably acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date Contractor completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insured's with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Prior to the execution of this Agreement by the County, Contractor shall file certificates of insurance with County's contract administrator and County's Contracts/Purchasing Division, showing that the Contractor has in effect the insurance required by this Agreement. Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify Contractor and Contractor shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this

Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

6.5 Insurance for Administrative Services. Hospital shall include Contractor and Physicians as additional insured under its policies in regard to administrative services provided hereunder.

7. TERM AND TERMINATION

7.1 General Provision. Subject to the provisions contained herein, this Agreement shall commence on June 1, 2009 and remain in full force and effect for three (3) years, and shall thereafter automatically renew from year to year thereafter on each anniversary unless earlier terminated as provided in this Agreement or unless either party gives the other 120 days' prior written notice of its intent to not renew the Agreement on an anniversary date after the initial term. After the expiration of the initial three (3) year term, either party may terminate this Agreement without cause by giving the other party one-hundred twenty (120) days' prior written notice. In addition, the termination of this Agreement shall not affect the status or privileges of any Physician, provided, however, any exclusive rights or privileges of Physicians derived solely under this Agreement shall thereupon immediately terminate without compliance with any Medical Staff rules or procedures, to the extent permitted by law.

7.2 Termination with Cause. Either party may, at its option, cancel and terminate this Agreement for cause upon thirty (30) days' prior written notice upon the breach of any material term or condition of this Agreement, unless such breach is cured within such thirty (30) day cure period. In addition to the foregoing, County may cancel and terminate this Agreement for cause (1) upon the occurrence of any of the events specified below, immediately upon written notice to Contractor; or (2) in accordance with the provisions of Section 8 hereof. For purposes of this Agreement, "cause" for immediate termination by County shall include a determination by the Hospital's Board of Trustees or its designee that any of the following events occurred:

a. If a Physician's license to practice medicine or rights to prescribe controlled substances is revoked, suspended or curtailed; or if a Physician's Medical Staff privileges are suspended, curtailed, or terminated pursuant to the Medical Staff Bylaws, and Contractor fails to remove such Physician from providing services hereunder promptly after becoming aware of the same.

b. Contractor fails to provide Provider or Professional Services contemplated by this Agreement in accordance with the performance standards required by this Agreement, by applicable law, by Hospital's or its Medical Staff's Bylaws, rules or regulations or under the requirements of the TJC or applicable payers; provided, however, that in arriving at its good faith determination of such failure to provide provider or professional services under the required standards ("Determination"), the Board of Trustees or the Chief Executive Officer of Hospital shall obtain the review and recommendation of an independent, disinterested, outside independent medical consultant in the Specialty who shall report to the Board or the Chief Executive Officer on such matters relating to the Determination as may be requested.

c. The declaration of bankruptcy by Contractor, the appointment of a receiver of Contractor's assets, or the assignment by Contractor for the benefit of its creditors or any relief taken or suffered by Contractor under any bankruptcy or insolvency act, or any attempt by Contractor to dissolve, merge (other than in the event that Contractor survives the merger), reorganize or sell or transfer all or substantially all of its assets, or cause any change in more than fifty percent (50%) ownership interest in Contractor.

7.3 Contractor's Performance. County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within the Hospital. County or Hospital, in such case, shall communicate to Contractor the results of such evaluation.

7.4 Rights of County Hospital upon Termination. Upon the expiration or earlier termination of the Agreement for any reason, Contractor shall immediately vacate and surrender to the Hospital all materials located upon such premises belonging to County/Hospital on the effective date of termination.

8. ILLEGALITY. Notwithstanding anything to the contrary herein contained, in the event performance by either party hereto of any term, covenant, condition or provision of this Agreement should jeopardize the license of either party, its participation in or reimbursement from the Medicare, Medi-Cal, Blue Cross or other reimbursement or payment programs, its tax-exempt status or the tax-exempt status of interest earned on any of its bonds or other financial obligations, or its full accreditation by TJC or any other state or nationally recognized accreditation organization, or if any other reason said performance should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the Medical or Hospital fields, the parties shall use their best efforts to resolve the illegality through the renegotiation of the applicable portions of this Agreement but shall strive to preserve the economic bargain of the parties. If the parties are unable to reach an agreement on such changes within forty five (45) days after initiating negotiations, County or Contractor may, at its option, terminate this Agreement upon thirty (30) days' prior written notice to the other party.

9. NOTICES. Notices under this Agreement shall be sent to the parties by personal delivery, by electronic facsimile, or by certified registered mail, return receipt requested, postage prepaid in the United States Postal Service at the addressed set forth below. Notice shall be deemed effective upon delivery or transmission if delivered or sent by facsimile and on the third (3rd) business day after mailing. Either party hereto may change its respective address by written notice in accordance with this Agreement.

HOSPITAL:

Chief Executive Officer
Natividad Medical Center
1441 Constitution Boulevard
Salinas, California 93906

CONTRACTOR:

Michael Basse, M.D.
Salinas Valley Radiologists, Inc.
627 Brunken Avenue, Suite A
Salinas, CA 93901

10. WAIVER. No waiver or modification of this Agreement or of any covenant, condition or limitation herein contained shall be valid unless in writing and duly executed by the party to be changed therewith, and no evidence of any waiver or modification shall be offered or received in evidence in any proceeding or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as foresaid, and the parties further agree that the provisions of this Section may not be waived except as herein set forth.

11. ASSIGNMENT. Neither party shall have the right to assign this Agreement nor to delegate any of its respective rights or obligations unless consented to in writing by the other party, and any attempted or purported assignment or delegation other than in accordance with this Section shall be null and void and of no effect.

12. RIGHT OF ENTRY AND INSPECTION.

12.1 Right to Enter. Health Department and County Officials and their designees shall have the right to enter Hospital at all times for the purposes of inspection, making repairs, cleaning the premises, or for any other reasonable purpose.

12.2 Right to Inspect. Upon reasonable prior written notice, Health Department and County Officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of the Hospital or Contractor.

13. VERIFICATION OF COSTS. If and to the extent required by Section 1395(x)(v)(1) of Title 42 of the United States Code, until the expiration of four (4) years after the termination of this contract, Contractor shall make available upon written request to the Secretary of the United States Department of Health and Human Services, or upon the request to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of this contract and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Contractor under this Agreement. Contractor further agrees in the event Contractor carries out any of its duties under this Agreement through a subcontractor, with a value or cost of Ten-Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such contract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of the United States Department of Health and Human Services, or upon request to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of such subcontract and such books, documents and records of such organization as are necessary to verify the nature and extent of such costs.

14. GENERAL PROVISIONS.

14.1 Conflict of Interest. Contractor represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

14.2 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and Contractor.

14.3 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by County and Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

14.4 Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor behalf in the performance of this Agreement.

14.5 Disputes. Contractor shall continue to perform under this Agreement during any dispute.

14.6 Assignment and Subcontracting. Contractor shall not assign, sell or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County, except the parties agree that Contractor shall have the right to subcontract for nighthawk services. Notwithstanding any such subcontract, Contractor shall continue to be liable for the performance of all requirements of this Agreement.

14.7 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and Contractor under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

14.8 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

14.9 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

14.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

14.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

14.12 Construction of Agreement. The County and Contractor agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

14.13 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

14.14 Authority. Any individual executing this Agreement on behalf of the County or the Contractor represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

14.15 Integration. This Agreement, including the exhibits, represent the entire Agreement between County and Contractor with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between them as of the effective date of this Agreement.

14.16 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

14.17 Incorporation of Exhibits and Recitals. All exhibits and recitals referred to in this Agreement are an integral part of this Agreement and are incorporated in this Agreement by this reference as though at this point set forth in full.

14.18 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

14.19 No Third Party Rights. The parties do not intend the benefits of this Agreement to inure to any third person not a signatory hereto.

14.20 Further Assurances. Each party agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as the other may reasonably require to consummate, evidence or confirm the agreements contained herein in the manner contemplated hereby.

IN WITNESS WHEREOF, County and Contractor have executed this Agreement as of the dates written below.

CONTRACTOR:

SALINAS VALLEY RADIOLOGISTS, INC.
A MEDICAL GROUP

By: Michael Basse
Name: MICHAEL BASSE
Title: PRES - SVR
Tax I.D. No. 94-1723382

Date: 5/12, 2009

COUNTY OF MONTEREY

By: [Signature]

Date: 6/10, 2009

By: [Signature]
Natividad Medical Center Representative

Date: _____, 2009

APPROVED AS TO LEGAL FORM:
CHARLES J. McKEE, County Counsel

[Signature]
Stacy Saetta, Deputy County Counsel

DATE: 5/19, 2009

Reviewed as to fiscal provisions
[Signature]
Auditor/Controller
County of Monterey

5-20-09

EXHIBIT "A"

SCOPE OF SERVICES

1. GENERAL RADIOLOGY

- a) **Diagnostic Imaging Services:** Contractor shall perform and interpret the professional component of radiology imaging services, including without limitation, the following procedures:
- a. Radiographic examinations
 - b. Fluoroscopy Procedures
 - c. Diagnostic and Therapeutic Nuclear Medicine including SPECT
 - d. Computerized Axial Tomography (CT and CTA examinations)
 - e. Ultrasound and non-invasive Vascular Testing
 - f. Mammography
 - g. Magnetic Resonance Imaging (MRI and MRA examinations)
 - h. Emergency Department Radiology
 - i. Bone Densitometry
 - j. Interventional Radiology Procedures as defined in Section 2 below.

Contractor will provide procedure results for use of the members of the Hospital's medical staff or area physicians in the diagnosis and/or treatment of patients on a timely basis as required on the attached **Exhibit "B"** related to Group Performance Standards and Incentive Compensation. Additionally, during the term of this Agreement or any Term Extensions hereof, as Hospital and/or Clinic add new technologies, modalities or procedures the provision or interpretation of which is considered by the American College of Radiology to be appropriate by radiologists, all such technologies, modalities and procedures shall be deemed included as radiology imaging services for purposes of this Agreement and shall be provided exclusively by Contractor during the term of this Agreement.

Notwithstanding the foregoing, Emergency Department physicians may perform Limited Focused Ultrasound in the ED and OB and L&D physicians may perform "bedside fast exams" and ultrasound exams to determine fetal position, placenta localization, amount of fluid and estimated fetal weight. Additionally, family practice physicians may perform investigative OB ultrasound for presentation and OB ultrasounds to determine amniotic fluid index and placental localization. Physicians performing these tests will be responsible for providing their interpretation on patient medical records and will be responsible for the professional component.

- b) **Staffing During Business Hours:** Contractor shall provide professional coverage of the Diagnostic Imaging Department as described on the attached **Exhibit "B"** related to Group Performance Standards and Incentive Compensation on a 24-hour/7-day per week basis. Contractor will maintain communications with physicians referring patients to the Diagnostic Imaging Department. Contractor shall provide services for all imaging procedures or

consultations rendered to in and out-indigent patients at Hospital covered by the MIA or Tobacco Tax Programs with Hospital compensating Contractor for such services as described in **Exhibit "A"** relating to compensation. Contractor physicians shall at a minimum, provide services on-site from Mondays through Fridays from 8am to 5pm, other than on holidays observed by Hospital. Contractor will provide remote coverage between 5pm and 8am either through Contractor physicians or through Rad-Image Group or other after-hours reading service agreed upon by the parties. Contractor and Hospital will meet at least monthly to ensure that Radiologist staffing levels are appropriate.

- c) **After-Hours Reading Services:** Contractor shall arrange for preliminary after-hour reading services during the hours of 5pm to 8am on business days and 24 hours on non-business days. Such services shall be provided by Contractor, Rad-Image Medical Group or other provider approved by Hospital. The parties agree that the definition of "after-hours" and reimbursement related thereto as described on **Exhibit "A"** may be modified by mutual agreement. Hospital shall reimburse Contractor for after-hour services described in this subsection as set forth in **Exhibit "A."**

2. INTERVENTIONAL RADIOLOGY

- a) Contractor shall perform at Hospital those interventional radiology procedures that it, in its professional judgment, determines may be performed safely at Hospital.
- b) An interventional radiologist will be available for emergency procedures 7 days per week in accordance with a schedule Contractor provides Hospital from time to time.
- c) Contractor shall assist with central vein line placement if hospital personnel need such assistance and no other physicians with central line placement privileges in Hospital are available to provide assistance.
- d) An interventional radiologist will be available for non-emergency/elective procedures three days a month unless the parties agree that demand for services requires modification to such schedule. Contractor will schedule procedures within 24 hours after receipt of a request and after completing any applicable protocols including without limitation, discussions with requesting physicians when appropriate, prior to scheduling the procedure. Contractor shall use its best efforts, subject to customary scheduling of an interventional radiologist at Hospital in accordance with this **Exhibit "A,"** to schedule elective procedures within seven business days after completion of all applicable protocols. Contractor shall perform emergent or emergency procedures as agreed upon between the Contractor physician and physician requesting the same.
- e) Hospital shall compensate Contractor for interventional radiologist services as set forth in **Exhibit "A."**

3. ADMINISTRATIVE SERVICES

- a) Contractor shall provide a radiology physician to serve as Service Director of Hospital's Diagnostic Imaging Department. The Service Director shall oversee and direct the provision of medical services in the Diagnostic Imaging Department. Service Director shall review the equipment and staffing needs of the Department and report to the Hospital in regard to the same as appropriate. The Service Director shall further consult with Hospital as requested, in regard to recruiting and selection of personnel for the Department and education and training of its personnel. The Service Director shall participate in appropriate medical staff committees pursuant to Medical Staff By-Laws. Pursuant to California Unemployment Insurance Code section 656, Service Director shall be an independent contractor of the County and shall not be an employee of the County. Service Director shall not become entitled by virtue of this Agreement to receive from the County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits.
- b) Contractor shall provide education and in-service instruction programs in the field of radiology for Hospital's medical staff, nursing staff and ancillary personnel in the operation of the Diagnostic Imaging Department as reasonably requested by Hospital from time to time. Contractor shall provide training in the area of diagnostic radiology in cooperation with the Hospital's Family Practice Residency training program curriculum as reasonably requested from time to time. Provision of training services will not be less than quarterly.

At a minimum, Contractor will educate resident physicians by:

- i Supervising patient care in a constructive and supportive way.
- ii Providing or arranging didactic education sessions on matters of clinical relevance.
- iii Creating a professional role model*.
- iv Evaluating resident performance in a meaningful, objective fashion.

*This is a performance expectation of every member of the medical staff and not a compensable service under this Agreement.

Pursuant to California Unemployment Insurance Code section 656, any radiology physicians provided by Contractor for educational, in-service instructional, or training purposes shall be independent contractors of the County, shall not be employees of the County, and shall not become entitled by virtue of this Agreement to receive from the County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits.

- c) Contractor will participate in Quality Assurance activities of Diagnostic Imaging Department, including review of records, as described on **Exhibit "B"** related to Group Performance Standards and Incentive Compensation and cooperate with Hospital's Quality Assurance Committee and Medical Staff.

- d) Contractor shall participate in peer review activity as defined by Hospital including Ongoing Professional Practice Evaluation (OPPE) and Focused Professional Practice Evaluation (FPPE) activity and in accordance with The Joint Commission (TJC) and other regulatory bodies' requirements.
- e) Contractor shall review and update Diagnostic Imaging Department protocols, policies and procedures as appropriate and in conjunction with Hospital's administrative director of radiology.
- f) Contractor will meet with Hospital on a monthly basis, or more frequently as the need arises, to ensure smooth operations of the Diagnostic Imaging Department.

4. COMPENSATION

Hospital shall compensate Contractor for Professional Services and Administrative Services as follows:

- a) **MIA**: Hospital shall reimburse Contractor for all procedures or consultations rendered to indigent in and out patients at Hospital covered by the MIA or Tobacco Tax Programs. Reimbursement rate shall be forty-eight thousand dollars (\$48,000) annually payable in equal monthly installments. Contractor shall not bill these patients or the County MIA fund for those patient receiving services at NMC. Contractor shall accept said payment as payment in full for professional services provided to such patients. In the event that Hospital is required to refund or return any Medi-Cal payment made pursuant to this subsection for any reason involving physician care, and said fees have been paid to Contractor, Contractor shall immediately pay the amount of the refund or return funds to Hospital; or, in the alternative, the parties may mutually agree that Hospital may offset said amount against future payments to Contractor hereunder.
- b) **Interventional Radiologist Services**: For the provision of interventional radiologist services as described in Section 2 of this **Exhibit "A,"** Hospital shall pay Contractor an annual stipend of eighty-five thousand dollars (\$85,000), payable in equal monthly installments.
- c) **After-Hours Reading Services**: In order to enable Contractor to arrange for preliminary after hour reading services during the night by Rad-Image Medical Group ("after-hours services"), Hospital shall reimburse Contractor its costs associated with after-hours services up to an annual maximum of ninety thousand dollars (\$90,000), payable in equal monthly installments. Contractor shall submit documentation to Hospital that adequately permits Hospital to verify its monthly cost of providing after-hours services. Contractor shall be responsible for any excess to the extent its actual costs for after-hours services in any month exceed the amount payable by Hospital. Contractor shall oversee the quality of after-hours services. In the event Contractor's actual costs for after-hours services materially increase over Contractor's actual costs as of the effective date of this Agreement, the parties shall initiate further discussions regarding the reimbursement maximum for after-hours services. In no event, however, shall Hospital pay Contractor extra compensation for after-hours services already rendered.

Contractor represents and warrants to Hospital that no portion of the amount paid by Hospital pursuant to this Section will be billed to a patient or third party payor, provided that the foregoing shall not preclude Contractor from billing for professional services.

- d) **Administrative Services.** Contractor shall provide teaching and administrative services as described in Section 3, subdivisions (b) through (f) of this **Exhibit "A."** Hospital shall pay Contractor an annual stipend of twenty-four thousand dollars (\$24,000) for such services payable in equal monthly installments.
- e) **Incentive Compensation.** Hospital shall further compensate Contractor a total annual amount of thirty thousand dollars (\$30,000) for services rendered hereunder, subject to offset in accordance with the **Exhibit "B"** of this Agreement related to Group Performance Standards and Incentive Compensation.
- f) **Payment Conditions:** Contractor shall submit to Hospital an invoice on a form acceptable to Hospital. Contractor shall submit to Hospital, as an attachment to Contractor's monthly invoice, a completed time study/documentation form provided by Hospital. Contractor may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. Hospital shall not certify an invoice without submission of a completed time study/documentation form. The County Auditor-Controller shall pay the amount certified within 30 days of receipt of the certified invoice.

EXHIBIT "B"

GROUP PERFORMANCE STANDARDS AND INCENTIVE COMPENSATION

The parties agree that the following constitute performance standards for incentive based compensation in the total amount of \$30,000 per year. The incentive based compensation shall be equally apportioned among each of the items below. Accordingly, each item shall be apportioned \$3,000 of the total incentive compensation per year. Hospital shall pay Contractor all of the incentive based compensation in equal monthly installments, provided however, the amount allocated to any one or more items may be reduced if Contractor does not achieve 95% or greater compliance in any given month in regard to any specific item. If Contractor achieves compliance of 90% to 94% in any specific item in any given month, Contractor will be entitled to 75% of the compensation allocated to such item for such month. If Contractor achieves compliance of 85% to 89% in any specific item in any given month, Contractor will be entitled to 50% of the compensation allocated to such item for such month. If Contractor achieves less than 85% compliance for any specific item in any given month, Contractor shall not be entitled to incentive compensation allocated to that specific item for that specific month. Failure to achieve less than 95% compliance in any given month shall not affect incentive compensation for the same item in another month; nor shall it affect incentive compensation for a different item.

For example, if Contractor achieves 96% compliance in May, 2009 for item A, the entire amount allocated to item one for that month shall be due and payable. In the event Contractor achieves 94% compliance with item A in June, 2009, Contractor shall be entitled to 75% of the amount allocated to such item for that month.

Subject to the foregoing, the parties hereby agree on the attached standards and goals for compliance.

PERFORMANCE STANDARDS FOR INCENTIVE BASED COMPENSATION

Performance Standard	Goal for Compliance
A. Ensure completeness and accuracy of reports for the specific type of examination. Hospital and Contractor shall agree upon hospital guidelines applicable to reports for specific examinations. Contractor shall comply with such guidelines.	100% compliance
B. Compliance with Dictation and Transcription System: Hospital and Contractor shall agree on hospital guidelines applicable for complying with Hospital's Dictation and Transcription System. Contractor shall comply with such guidelines.	100% compliance
C. Reports shall be signed in a timely manner as set forth	100% compliance

<p>below.</p> <p>Radiologist shall sign reports within 72 business hours after being made available to them in the Dictation System. Reports must be signed prior to going on vacation.</p>	
<p>D. Reports must be dictated in a timely manner as set forth below.</p> <p>Radiologists shall dictate reports for exams, excluding mammography, within one business day after exam results are made available to radiologist. Radiologists shall dictate mammography exam results within two business days,</p>	100% compliance
<p>E. Peer Review Program.</p> <p>Contractor shall, in conjunction with Hospital, develop a peer review program for the Imaging Services Department. Such program shall require Contractor to review a minimum of 20 exams and reports each week from a variety of modalities including Mammography. Hospital shall provide radiologists with exams and dictated reports to review. Peer review documentation must be completed and turned in to the Chief Medical Officer on a weekly basis.</p>	100% compliance
<p>F. Quality Assurance Activities</p> <p>Contractor's quality assurance activities shall include implementation of procedures and documentation as per Joint Commission standards and consistent with Section 3 of Scope of Services.</p>	100% compliance
<p>G. Wet Reads and After-Hours Over Reads.</p> <p>Radiologist shall review ER preliminary reads of radiographic (plain film x-rays) exams, inclusive of completion of and signing or initialing appropriate forms by noon the following day.</p> <p>Radiologists shall over read all exams initially reviewed by after-hours service and initial or sign final reads of the same within 24 hours.</p>	100% compliance
<p>H. Development of Protocols.</p>	Contractor and Hospital shall cooperate and use their reasonable

<p>Radiologists shall assist in development of protocols as per Section 3d of Scope of Services.</p>	<p>best efforts to complete such protocols on a timely basis.</p>
<p>I. Professional Conduct.</p> <p>Radiologists shall conduct themselves in a professional and courteous manner. Contractor agrees to work with Hospital to develop a staff and physician survey to determine satisfaction with Contractor's services and physicians. The parties shall cooperate in conducting the survey and discuss results thereof.</p>	<p>Minimum score of 90% reflecting some degree of satisfaction with Contractor's services and physician interaction.</p>
<p>J. STAT/Urgent Exams</p> <p>Contractor shall read stat exams during business hours within two hours after exam is made available to radiologists.</p>	<p>100% exams randomly selected</p>



CERTIFICATE OF LIABILITY INSURANCE

OP ID: CB

DATE (MM/DD/YYYY)

09/22/11

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER InterWest Insurance Services License #0B01094 330 Tres Pinos Road Suite A-1 Hollister, CA 95023 David J. Dias		831-636-4919 831-635-9237	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: SALVA10
INSURED Salinas Valley Radiologists Inc., Carmel Valley Imaging, LLC, Silicon Valley MRI & CT 627 Brunken Ave., Ste A Salinas, CA 93901	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : The Hartford		22357
	INSURER B : CompWest Insurance Company		12177
	INSURER C :		
	INSURER D :		
	INSURER E :		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL INSURANCE	SUBJECT	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	X		57UUNPV3261	12/01/10	12/01/11	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/CP AGG \$ 2,000,000 Emp Ben. \$ 1,000,000
	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						X
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DEDUCTIBLE RETENTION \$			57XHUPV2510	12/01/10	12/01/11	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	CA005004960003	07/02/11	07/02/12	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: Physician Contract. The County of Monterey, its officers, agents & employees are named as Additional Insured per attached CG2026 11/85 and CA2048 02/99 forms. Primary/Non-Contributory verbiage included for both GL and AL.

CERTIFICATE HOLDER

MON1441

County of Monterey
 Contracts/Purchasing Dept
 168 W. Alisal Street, 3rd FL
 Salinas, CA 93901

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT
CAREFULLY.**

DESIGNATED INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

<p>Name of Person(s) or Organization(s): The County of Monterey, its officers, agents and employees</p>
--

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to the endorsement.)

Each person or organization shown in the Schedule is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in **Section II** of the Coverage Form.

**COMMERCIAL LIABILITY
CGL – ENDORSEMENTS**

COMMERCIAL GENERAL LIABILITY

INSURED : Salinas Valley Radiologists
POLICY # : 57UUNPV3261
INSURANCE COMPANY : The Hartford

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED
DESIGNATED PERSON OR ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. **NAME OF PERSON OR ORGANIZATION:** The County of Monterey, its officers, agents & employees

(If no entry appears above, information required to complete this endorsement will be shown in the declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the schedule, but only with respect to liability arising out of your operations or premises owned by or rented to you.

CG 20 26 11 85