

**PROFESSIONAL SERVICES AGREEMENT**

This Professional Services Agreement (the "Agreement") entered into effective July 1, 2017 (the "Effective Date"), by and between the Regents of the University of California, a California Constitutional corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Medicine (hereinafter referred to as "UCSF"), and County of Monterey ("COUNTY") on behalf of Natividad Medical Center ("HOSPITAL") HOSPITAL sets forth the terms and conditions under which UCSF will provide professional medical services to HOSPITAL.

**RECITALS**

A. County owns and operates HOSPITAL, a general acute care teaching hospital facility located in Salinas, California and offers a variety of medical services including Pediatrics;

B. UCSF operates a School of Medicine which includes a Department of Medicine and employs or contracts with physicians ("Physicians") who are licensed to practice medicine in the State of California and are qualified to provide the services identified in this Agreement for HOSPITAL patients;

C. HOSPITAL desires to provide for Services to be performed for its patients and does not have the full health professional personnel capable of doing so; and

D. UCSF desires to provide those services through its Physicians as set forth in this Agreement. In doing so, UCSF shall support the mission of the University of California by providing clinical service, teaching, and community service. NOW, THEREFORE, for and in consideration of the mutual covenants, conditions and restrictions set forth herein, the parties agree as follows:

**1. RESPONSIBILITIES OF UCSF**

1.1 Professional Services and Coverage. During the term of this Agreement, UCSF Physicians shall provide professional services to HOSPITAL patients as scheduled by HOSPITAL in mutual agreement with UCSF. UCSF shall have authority and responsibility for providing the UCSF Physicians to HOSPITAL (including recruiting, hiring, promoting, compensating, and disciplining) and for establishing the terms of his or her employment with UCSF. The UCSF Physicians shall be employees of UCSF and shall be carried on UCSF's payroll. The UCSF Physicians providing services under this Agreement are identified in **Exhibit 1.1**, attached hereto and incorporated herein by reference.

1.2 Scope of Services. The Services to be provided under this Agreement shall include inpatient services, outpatient services, and other services (collectively, the "Services"), all as described in greater detail in **Exhibit 1.2** attached hereto and incorporated herein by reference.

1.3 Physician Qualifications. UCSF Physicians providing services under this Agreement shall be licensed in California as a physician and surgeon and board certified in their specialty with medical staff privileges at HOSPITAL.

1.4 Scheduling. UCSF will provide 2 physicians, each of whom will provide 1,056 hours of services per year for a 2-year period unless other arrangements have been made as agreed to in writing by the parties. HOSPITAL will determine schedule, in mutual agreement with UCSF. The initial schedule will be 44, 24-hour shifts per year.

1.5 Standards. Each UCSF Physician providing services hereunder shall perform his or her professional medical duties in accordance with: (a) HOSPITAL's Medical Staff Bylaws, rules and regulations, and policies; and (b) all rules and regulations generally applicable to physicians practicing medicine in California.

1.6 Time Reports. UCSF Physician providing services shall maintain and submit to HOSPITAL monthly time sheets that provide a true and accurate accounting of time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as Exhibit 1.6. UCSF shall submit all such time sheets to HOSPITAL no later than the tenth (10th) day of each month for Contracted Services provided during the immediately preceding month.

## 2. RESPONSIBILITIES OF HOSPITAL

HOSPITAL shall provide the following space, equipment, services, supplies and personnel in this Article 2 in accordance with sound medical and legal practices and any applicable federal and state laws and regulations, including the requirements of the Medicare Conditions of Participation.

2.1 Space. HOSPITAL shall provide UCSF Physicians with suitable space to perform the Services at the times set forth in Section 1.4 above. UCSF Physicians will perform the services for HOSPITAL as set forth in this Agreement. HOSPITAL shall remain responsible for the overall operation of its Clinics and shall maintain such space and facilities in good and sanitary order, condition, and repair.

2.2 Equipment. HOSPITAL shall furnish all equipment and supplies necessary for UCSF Physicians to perform the Services [including but not limited to the specialized equipment described in Exhibit 2.2 attached hereto and incorporated herein by this reference]. HOSPITAL will be responsible for ensuring that the equipment used by UCSF Physicians pursuant to this Agreement is maintained in good operating order, including any necessary maintenance and/or repairs.

2.3 Services and Supplies. HOSPITAL shall provide or arrange for the provision of janitorial services, housekeeping services, laundry and utilities, together with such other services, including medical records, administrative and engineering services, and expendable supplies as HOSPITAL and UCSF agree is necessary for the proper operation and conduct of its Clinics.

2.4 Personnel. HOSPITAL shall employ or otherwise retain all non-physician personnel, including nurses, technicians, therapists, and clerical personnel necessary for the proper operation and conduct of its Clinics. HOSPITAL shall ensure that such personnel are appropriately trained and certified or licensed as necessary and are covered by HOSPITAL's insurance or have obtained equivalent coverage. HOSPITAL shall be solely responsible for satisfying any and all obligations for any personnel it retains, employs or contracts with to assist it to perform this Agreement. Such obligations shall include, but are not limited to, paying all federal and state withholding taxes applicable to employees, complying with federal and state wage-hour obligations (including overtime), workers compensation obligations, unemployment insurance obligations, and other applicable taxes and contributions to government mandated employment related insurance and similar programs.

### 3. COMPENSATION AND BILLING

3.1 Compensation to UCSF. HOSPITAL shall pay to UCSF the amount determined in accordance with Exhibit 3 (the "Compensation"), upon the terms and conditions set forth therein. The total amount payable by Hospital to UCSF under this Agreement shall not exceed the sum of Four Hundred Twenty Thousand Dollars (\$420,000):

Sriram Shamasunder  
University Of California, San Francisco  
533 Parnassus Ave  
Room U101 Box 0131  
San Francisco, CA 94143

3.2 Billing. Other than as expressly set forth in 3.1 above, UCSF shall not bill and collect third party payments for professional services provided by UCSF physicians and HOSPITAL shall retain all payments arising from such billings. HOSPITAL shall bill for professional services provided by the UCSF Physicians and HOSPITAL shall retain all payments arising from such billings. UCSF and the UCSF Physicians assigned to HOSPITAL shall provide assignments and otherwise comply with applicable laws and customary professional practices governing billing for Medicare and Medi-Cal programs.

3.3 Compliance with Laws. HOSPITAL represents that it maintains a compliance program designed to promote adherence to applicable federal and state laws, regulations, and interpretations. HOSPITAL shall use its best efforts to ensure that all claims relating to the Services satisfy all applicable payor rules, regulations, and instructions. Without limiting the scope of the indemnification provided in Section 7.1 below, HOSPITAL shall indemnify, defend and hold harmless UCSF and UCSF Physicians from any liability, loss, damage, claim, fine, or expense, including costs and reasonable attorneys' fees, arising from any actual or alleged billing errors, false claims, or insurance fraud relating to claims for any Service.

### 4. TERMS AND TERMINATION

4.1 Term. The term of this Agreement shall be for a two-year period beginning on July 1, 2017 and shall continue until June 30, 2019, unless terminated as set forth hereunder.

4.2 Termination Without Cause. After one year, either party may terminate this Agreement without cause upon at least thirty (30) days' prior written notice to the other party.

4.3 Termination With Cause. Either party may terminate this Agreement upon the material breach of this Agreement by the other party by giving the other party fifteen (15) days' prior written notice of such breach. If such breach is not cured by the breaching party within fifteen (15) days of receipt of this notice, this Agreement shall terminate at the end of such fifteen (15)-day period.

4.4 Immediate Termination. Notwithstanding any other provision herein, this Agreement may be terminated immediately by either party if: (a) UCSF Physicians or HOSPITAL (including its individual physicians) have their respective license to practice medicine in the State of California suspended or revoked; (b) if the insurance coverage for UCSF physicians or HOSPITAL, as required hereunder, is canceled or modified; or (c) if HOSPITAL fails to meet the requirements of the Medicare conditions of participation.

4.5 Compliance. The Compliance Officer of either party, on advice of legal counsel, may terminate the Agreement at any time upon notice to the other party based upon a determination, in the Compliance Officer's reasonable discretion, that this Agreement presents a compliance risk for that party.

## 5. MEDICAL RECORDS

5.1 Confidentiality. The parties agree to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including but not limited to the California Confidentiality of Medical Records Information Act, codified at Section 56.1 of the California Civil Code and California Evidence Code Sections 1156 and 1157.

5.2 Ownership. All medical records and charts created at HOSPITAL by UCSF Physicians pursuant to this Agreement shall be and remain the property of HOSPITAL; provided, however, UCSF and/or UCSF Physicians shall be entitled to inspect and/or obtain copies of all such records upon request.

5.3 Notification of Disclosures. Each Party agrees to notify the other Party's Privacy Office of the unauthorized access, use, or disclosure of any personally identifiable information, or protected health information known or suspected by such Party within two days of learning of the same in order to ensure that the reporting of such unauthorized access, use or disclosure of this information is reported within five days of detection to the California Department of Public Health (CDPH) and as appropriate, to the Office of Civil Rights (OCR) and Centers for Medicare and Medicaid Services (CMS). Each Party's Privacy Office will oversee the required notification to CDPH.

5.4 Costs Associated with Disclosure. Each Party agrees that if they fail to adhere to any of the privacy, confidentiality, and/or data security provisions set forth herein and, as a result, personally identifiable information or protected health information is unlawfully accessed,

used or disclosed, that they agree to pay, upon written demand of the other Party, all costs associated with any notification to affected individuals required by law or deemed appropriate, and that they also agree to pay for any and all fines and/or administrative penalties imposed for such unauthorized, access, use or disclosure of personally identifiable information or protected health information or for delayed reporting.

## **6. STATUS OF THE PARTIES**

6.1 It is the express intention of the parties that the legal status of UCSF to HOSPITAL shall be that of an independent practice, furnishing the services of its employees to HOSPITAL under a contractual arrangement that constitutes neither a partnership, joint venture, or a cost-sharing arrangement. UCSF shall be solely responsible for paying or withholding all relevant taxes arising from the compensation of the UCSF Physicians, and UCSF shall be solely responsible for all other governmental requirements applicable to UCSF and the UCSF Physicians arising out of their employment relationship. The UCSF Physicians shall have no claim under this Agreement, or otherwise, against HOSPITAL for workers' compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits, or any other employee benefits, all of which shall be the sole responsibility of UCSF.

## **7. INDEMNIFICATION AND INSURANCE**

7.1 Indemnification by HOSPITAL. HOSPITAL shall defend, indemnify and hold UCSF, UCSF Physicians, its officers, employees and agents harmless from and against any and all liability, loss, expense, (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of HOSPITAL, its officers, employees, or agents.

7.2 Indemnification by UCSF. UCSF shall defend, indemnify and hold HOSPITAL, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of UCSF, its officers, employees, or agents.

7.3 Insurance for HOSPITAL. HOSPITAL shall secure and maintain the insurance coverage described in **Exhibit 7.3**, a copy of which is attached hereto and incorporated herein by this reference.

7.4 Insurance for UCSF Physicians. The University of California shall secure and maintain professional medical and hospital insurance on behalf of UCSF Physicians in accordance with University policies and procedures described in **Exhibit 7.4**, attached hereto and incorporated herein by this reference.

**8. USE OF NAME AND MARKETING**

8.1 Use of Name. The parties agree that any use of the “UCSF,” or the “University of California” name or other similar references to the University of California San Francisco, its physicians or facilities, shall be subject to the prior written approval of the Regents of the University of California in accordance with the provisions of applicable law, including but not limited to California Education Code Section 92000.

8.2 Marketing of UCSF Physicians. HOSPITAL shall not advertise or use any of the UCSF Physician’s names in any marketing materials without UCSF’s prior written consent.

**9. COOPERATION IN DISPOSITION OF CLAIMS.**

HOSPITAL and UCSF agree to cooperate with each other in the timely investigation and disposition of certain audits, disciplinary actions and third-party liability claims arising out of any services provided under this Agreement; provided, however, that nothing shall require either HOSPITAL or UCSF to disclose any peer review documents, records or communications which are privileged under Section 1157 of the California Evidence Code, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege. To the extent permissible at law and in accordance with the applicable institution policies, the parties shall notify one another as soon as possible of any adverse event that may result in liability to the other party. The failure to provide notice shall not be deemed a breach of the agreement, and such failure to do so shall not relieve the indemnifying party of its indemnity obligations if such delay does not prejudice the defense thereof.

It is the intention of the parties to fully cooperate in the disposition of all such audits, actions or claims. Such cooperation may include, but is not limited to, timely notice, joint investigation, defense, disposition of claims of third parties arising from services performed under this Agreement, and making witnesses available; provided, however only to the extent consistent with UC policies and only so long as any personnel assistance by UCSF does not materially interfere with any UCSF employee’s performance of his or her UCSF employment responsibilities. The failure to provide notice shall not be deemed a breach of the agreement, and such failure to do so shall not relieve the indemnifying party of its indemnity obligations if such delay does not prejudice the defense thereof. UCSF shall be responsible for discipline of UCSF Physicians in accordance with UCSF’s applicable policies and procedures.

To the extent allowed by law, HOSPITAL and UCSF shall have reasonable and timely access to the medical records, charts, and/or de-identified quality assurance data of the other party relating to any claim or investigation related to services provided pursuant to this Agreement; provided, however, that nothing shall require either HOSPITAL or UCSF to disclose any peer review documents, records or communications which are privileged under Section 1157 of the California Evidence Code, under the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

**10. PATIENT RECORDS.**

Any and all of HOSPITAL's medical records and charts created at HOSPITAL's facilities as a result of performance under this Agreement shall be and shall remain the property of HOSPITAL. Both during and after the term of this Agreement, UCSF shall be permitted to inspect and/or duplicate, at UCSF's expense, any individual charts or records which are: (1) necessary to assist in the defense of any malpractice or similar claim; (2) relevant to any disciplinary action; (3) for educational or research purposes; and/or (4) necessary for UCSF to ensure compliance with all regulatory requirements. Such inspection and/or duplication shall be permitted and conducted pursuant to commonly accepted standards of patient confidentiality in accordance with applicable federal, state and local laws.

#### 11. COMPLIANCE WITH LAWS

The parties shall comply with all applicable state and federal laws and regulations.

#### 12. GENERAL

12.1 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with and subject to the laws of the State of California without regard for its conflict-of-law provision.

12.2 Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereto shall remain in full force and effect and shall in no way be affected, impaired or invalidated as a result of such decision.

12.3 Assignment. Neither party may assign, delegate or transfer in any manner the obligations and rights set forth in this Agreement.

12.4 Amendments. This Agreement or any part of it may be amended only by the mutual written consent of the duly authorized representatives of the parties unless otherwise provided in this Agreement.

12.5 Entire Agreement. This Agreement is the entire agreement between the parties relating to the subject matter of the Agreement and shall supersede all prior arrangements, negotiations, and understandings between the parties, whether oral or written. No waiver of any term, provision or condition of this Agreement shall be deemed to be, or shall constitute a waiver of any term, and no waiver of any present condition shall constitute a waiver of such condition occurring in the future.

12.6 Notice. Any written notification required hereunder shall be personally served or mailed by certified mail, return receipt requested, to the following:

If to UCSF:

Director – Government & Business Contracts  
Office of Sponsored Research  
University of California, San Francisco

3333 California Street, Suite 315  
San Francisco, CA 94143-0962 (94118 for express mail)

If to Hospital:

Deputy Purchasing Agent  
Natividad Medical Center  
1441 Constitution Boulevard  
Salinas, CA 93906

12.7 Change in Law. In the event that a change in state or federal law, statute, regulation, or enforcement or same materially affects this Agreement, the parties agree to negotiate immediately, in good faith, any necessary or appropriate amendment(s) to the terms of this Agreement. If the parties fail to reach a mutually agreeable amendment within thirty (30) days of such negotiation period, this Agreement shall terminate at the end of such thirty (30) day period.

12.8 Third Parties. This Agreement is not intended and shall not be construed to create any rights for any third party.

12.9 Exhibits. All Exhibits referred to herein are hereby incorporated herein. In the event that any provision of this Agreement conflicts with any Exhibit to this Agreement, the Exhibit shall control with respect to the subject matter of such Exhibit.

12.10 Counterparts. This Agreement may be executed in any number or counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

12.11 Ability to Enter Agreement. Each party represents and warrants that it is free to enter into this Agreement and to perform each of the terms and conditions of the Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the day and year set forth in Article 4 above.

THE REGENTS OF THE UNIVERSITY OF  
CALIFORNIA, on behalf of UCSF,  
Department of Medicine("UCSF")

NATIVIDAD MEDICAL CENTER

By:  \_\_\_\_\_

Its: Vice Dean, UCSF School of Medicine

\_\_\_\_\_  
Deputy Purchasing Agent

Date: \_\_\_\_\_



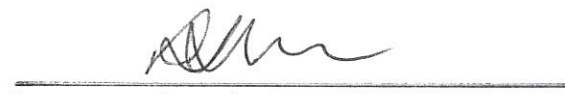
APPROVED AS TO LEGAL PROVISIONS:



Stacy Saetta, Deputy County Counsel

Date: 4/28/2017

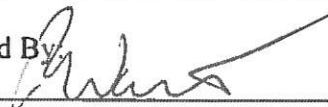
APPROVED AS TO FISCAL PROVISIONS:



Deputy Auditory / Controller

Date: 5/2/17

Date: \_\_\_\_\_

Acknowledged By: 

Its: Chair of the Department of Medicine

By: Robert Wachter, MD

## EXHIBIT 1.1

### UCSF PHYSICIANS PROVIDING SERVICES

The Physicians shall provide direct patient care services under the terms of this Contract, in accordance with the standards of care established by recognized medical care organizations, and in accordance with the policies and procedures of the HOSPITAL Medical Staff Bylaws, Rules and Regulations.

This Contract is for the provision of professional medical services. Professional medical services shall be provided in an inpatient and outpatient setting, which include consultation services during evening and weekend shifts.

- The Physician will provide full time inpatient and outpatient care. The Physician's schedule will be determined based on a schedule determined and used by other physicians in like positions at HOSPITAL.
- The Physician must have an excellent grasp of clinical care medicine, including ventilator management; central line and right heart catheter placement and use, as well as general internal medicine.
- The Physician shall have particular and proven expertise in the inpatient care of patients with end stage renal disease, cardiac disease (including acute myocardial infarction), infectious diseases, and patients needing peri-operative management and medical consultation.
- The Physician must possess excellent communication and interpersonal skills to optimize the care of our inpatients.
- Handwriting must be legible.
- The Physician must prepare appropriate medical records for all patients seen to assure the accumulation and organization of all pertinent clinical data needed to provide comprehensive medical care. The physician shall use the Electronic Health Record in use at HOSPITAL.
- The Physician will refer patients to appropriate contracted medical or other government facilities, providing full clinical information for care and diagnostic procedures that cannot be adequately provided here. The Physician will coordinate and integrate information obtained into the ongoing Health Care Program at HOSPITAL and assures the provision of timely follow-up care as required.
- The Physician will work closely with allied health professionals (i.e., Community Health Nurse, Social Workers, Health Educator, etc.) to utilize and coordinate the services of other health care professionals in the management of the patient's medical, psychological and social problems.

## EXHIBIT 1.2

### DESCRIPTION OF SERVICES

The Physician shall complete clinical reports, including completing all notes, charting and any required attestation, according to the policies and procedures of HOSPITAL and complete correspondence on patients under his/her care in a timely fashion. Clinical data reports for the records of each patient shall be maintained in compliance with CMS Standards.

HOSPITAL will provide the facilities, equipment, tools, resources, and support necessary for the Physician to perform his/her duties as stated in this Contract.

### QUALIFICATIONS

Physician's Certificates and Licenses must all be current.

The Physician must submit legible copies of the following documents and any other documents required for credentialing/privileging.

- ✓ A Valid, current, full and unrestricted license to practice medicine in any state or territory within the United States, District of Columbia, or the Commonwealth of Puerto Rico.
- ✓ Be Board eligible or Board Certified with the American Board of their field of specialty. If the physician is to perform outside the normal training parameters of his/her specialty, the physician shall provide certification of education, training or experience for such privileges in the additional field(s) of practice.
- ✓ Current and valid BLS certification.
- ✓ Copy of current required immunizations for MMR (within two years), TB skin test (within one year), Hepatitis B and evidence of receiving the flu vaccine.
- ✓ Current DEA (Drug Enforcement Agency) certification.

### CREDENTIALING

The Physician must be credentialed and clinical privileges granted by the HOSPITAL Board of Directors before providing services.

### ACCREDITATION

The Physician agrees to perform in compliance with HOSPITAL existing standards of care and quality, which comply with the standards adopted by the Joint Commission CMS. If Physician is present during preparation for or during any surveys or inspections by the CMS, Physician will cooperate with the HOSPITAL participation in those surveys, as reasonably necessary.

### CONDITIONS OF SERVICES

Physician shall be subject to the same quality assurance, credentials, licensure, and other qualification standards as those required of HOSPITAL personnel.

# EXHIBIT 1.6

## TIME REPORT



Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day. Directions and examples are located on back of timesheet.

Name: Employee ID: Dept Name: Cost Center: Period Ending:		Direct		Hospital Administrations and Teaching Services							Other Admin		Non-Billable Activities			Total		
		00001		00002	00003	00004	00005	00006	00007	00008	00009	00010	00011	00012				
		Direct Patient Care Services		Supervision & Training of Nurses & Technicians	Utilization Review and Other Committee Meetings	Quality Control Medical Review Activity	Supervision of Interns and Residents	Teaching of Interns & Residents	Teaching & Supervision of Professional Staff	Other Administrative Hospital	Continuing Education and Training	Non-Productive Time		Other Non-Billable Activities	TOTAL HOURS			
		On-Call (PR)	In-House On-Call (PR)	Off-Site Call (PR)								Call (PR)	Continuing Education and Training (PR)	Non-Productive Time (PR)	Holiday (PR)	Research (PR)		
1	Date	A Hospital & IMC Clinic Time																
		B Non-Hosp & Non-IMC Clinic Time																
2	Date	A Hospital & IMC Clinic Time																
		B Non-Hosp & Non-IMC Clinic Time																
3	Date	A Hospital & IMC Clinic Time																
		B Non-Hosp & Non-IMC Clinic Time																
4	Date	A Hospital & IMC Clinic Time																
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13	Date	A Hospital & IMC Clinic Time																
		B Non-Hosp & Non-IMC Clinic Time																
14	Date	A Hospital & IMC Clinic Time																
		B Non-Hosp & Non-IMC Clinic Time																

**SIGN IN BLUE INK**

**SIGN IN BLUE INK**

I certify that the above information is a true and accurate statement of the hours and locations indicated.

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Provider: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

Service Director: \_\_\_\_\_  
Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

REV 4/20/2011

**EXHIBIT 2.2**

**EQUIPMENT**

No Specialized Equipment Required

## EXHIBIT 3.1

### COMPENSATION

1. Compensation. HOSPITAL shall pay to UCSF the amount of Two Hundred Ten Thousand Dollars (\$210,000) per contract year for Services rendered by UCSF under this Agreement (the "Compensation"); provided, however, that UCSF is in compliance with the terms and conditions of this Agreement. Such Compensation shall be paid monthly in an equal amount of Seventeen Thousand Five Hundred Dollars (\$17,500) per month. For purposes of this Agreement, the term "Contract Year" shall mean each consecutive twelve (12) month period beginning on the Effective Date during the term of this Agreement.

2. Timing. HOSPITAL shall pay the Compensation due for Contracted Services performed by UCSF after UCSF's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if UCSF 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 UCSF for Contracted 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."

## EXHIBIT 7.3

### HOSPITAL INSURANCE

HOSPITAL, at its sole cost and expense, shall insure its activities in connection with this Agreement, and obtain, keep in force and maintain insurance as follows:

1. Professional Medical Liability Insurance with financially sound and reputable companies with limits of five million dollars (\$5,000,000) per occurrence and a general aggregate of ten million dollars (\$10,000,000). If such insurance is written on a claims-made form, it shall continue for five (5) years following termination of this Agreement. The insurance shall have a retroactive date prior to coinciding with the effective date of this Agreement and a deductible of no more than five hundred thousand dollars (\$500,000). In the event that a claims-made policy is canceled or non-renewed, then HOSPITAL shall obtain extended reporting (tail) coverage for the remainder of the five (5)-year period.
2. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) with a limit of (1) one million dollars (\$1,000,000) per occurrence (2) one million dollars (\$1,000,000) Personal and Advertising Injury; and (3) five million (\$5,000,000) General Aggregate. If such insurance is written on a claims-made form, it shall continue for five years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the effective date of this Agreement.
3. Workers' Compensation Insurance in a form and amount covering HOSPITAL's full liability as required by law under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
4. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of the parties against other insurance risks relating to performance.

It should be expressly understood, however, that the coverages required under this Agreement shall not in any way limit the liability of HOSPITAL.

HOSPITAL, upon execution of this Agreement, shall furnish UCSF with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further provide for thirty (30) days' advance written notice to UCSF of any modification, change or cancellation of any of the above insurance coverages.

## EXHIBIT 7.4

### UCSF PHYSICIANS' INSURANCE

The University warrants that it maintains a program of self-insurance that covers its activities in connection with this Agreement as follows:

1. Professional Medical Liability Insurance with self-insured retention of five million dollars (\$5,000,000) per occurrence, with a general aggregate of ten million dollars (\$10,000,000). If such insurance is written on a claims-made form, it shall continue for five years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the effective date of this Agreement and a deductible of no more than five hundred thousand dollars (\$500,000). In the event that a claims-made policy is canceled or non-renewed, then University shall obtain extended reporting (tail) coverage for the remainder of the five (5) year period.
2. Comprehensive or Commercial Form General Liability Insurance (contractual liability included) with a limit of (1) one million dollars (\$1,000,000) per occurrence (2) one million dollars (\$1,000,000) Personal and Advertising Injury; and (3) five million (\$5,000,000) General Aggregate. If such insurance is written on a claims-made form, it shall continue for five years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the effective date of this Agreement.
3. Worker's Compensation Liability Insurance with self-insured retention in amounts required by the State of California.
4. Such other insurance in such amounts from time to time may be reasonably required by the mutual consent of the parties against other insurance risks relating to performance.

It should be expressly understood, however, that the coverages required under this Agreement shall not in any way limit the liability of UCSF.

UCSF, upon execution of this Agreement, shall furnish HOSPITAL with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further provide for thirty (30) days' advance written notice to HOSPITAL of any modification, change or cancellation of any of the above insurance coverages.