

MEMORANDUM OF UNDERSTANDING

Between

MONTEREY HOSPITALIST MEDICAL GROUP, INC

And

COUNTY OF MONTEREY

This Memorandum of Understanding ("MOU") is made and entered into this 1st day of December, 2010 ("Effective Date"), by and between Monterey Hospitalist Medical Group, Inc. a California professional corporation ("MHMG") and County of Monterey, a political subdivision of the State of California, on behalf of its Health Department Clinics (hereinafter referred to as "Provider"). The Health Department operates community clinics certified by the State of California under the provisions of Health & Safety Code § 1206 (b) and have been designated Federally Qualified Health Center Look-A-likes, hereafter referred to as "FQHCs". PROVIDER employs physicians, licensed to practice medicine in the State of California. Provider desires to secure inpatient primary care coverage for hospitalized patients at CHOMP for patients managed by provider in the clinics. This memorandum shall serve as an agreement between both parties and shall define those responsibilities and services provided by each party.

MHMG agrees to provide Provider with the services described below:

Services to be Provided

- 24 hour / 7 days per week coverage for inpatient admissions at CHOMP for patients assigned to Provider.
- 24 / 7 days per week coverage for patients admitted to the emergency room or outpatient observation at CHOMP for patients assigned to Provider.
- MHMG will provide this service at the request of the emergency department physician on duty or upon notification by the Provider.
- MHMG will notify the Provider of the patient's admission and discharge and will provide a timely discharge summary.

Provider agrees to provide MHMG with the services described below:

Services to be Provided

- Provider will contact MHMG prior to expected, or in a timely manner after unexpected, admissions to relay relevant medical history, outpatient medications, and social circumstances. Provider will furnish personal contact information to be used if a covering physician is unable to provide relevant information and/or make available clinical records for review by MHMG members upon request.
- Provider agrees that all clinic patients requiring an internal medicine or family practice consultation will be admitted and hospitalized at CHOMP through MHMG without consideration of the payer.
- Provider remains responsible for timely (within seven days) outpatient follow-up after discharge from the hospital.
- Provider will participate on a panel rotation for follow-up of unassigned patients admitted by MHMG at CHOMP and will provide timely (within seven days) outpatient follow-up after discharge from the hospital without consideration of the payer source.

**Term:** This MOU shall become effective on the Effective Date. Either party may terminate this MOU without cause upon providing a 30 day prior written notice to the other party. This MOU may be terminated immediately upon written notification by either party upon material breach of the terms of this MOU or in the event that this MOU is deemed to be unlawful in anyway. Provider's failure to admit all Provider's patients through MHMG as required above and failure to timely accept referrals of unassigned MHMG patients following discharge shall be considered a material breach.

MHMG:

Signature

Date

1-17-11

J. Barnum, Medical Director

Printed Name/Title

PROVIDER:

Signature

Date

1-24-11

Julie Edgcomb

Printed Name/Title

**GENERAL PROVISIONS**

**Licensure:** Both MHMG and PROVIDER shall maintain current and in full force and effect all licenses required by any applicable law or regulation for the business and operations of each party and for the services to be rendered under the terms of this Agreement.

**Insurance:** Both MHMG and PROVIDER shall maintain throughout the entire term of this Agreement, professional malpractice liability insurance with coverage limits that are standard in the industry for the services being provided. Both MHMG and PROVIDER shall submit verification of such insurance upon request.

**Billing:** Both MHMG and PROVIDER shall be solely responsible for the billing and collection of all services rendered as a result of services provided under this Agreement, and will bill and collect in compliance with all applicable laws.

**Delegation:** Both MHMG and PROVIDER are responsible for the performance of obligations under this Agreement; neither this Agreement nor any of the rights or duties under this Agreement may be assigned or delegated by either party to another party.

**Nondiscrimination:** Both HOSPITAL and PROVIDER agree not to discriminate in providing services based on race, color, national origin, ancestry, religion, gender, marital status, sexual orientation, or age.

**Governing Law:** This MOU shall be governed by and construed in accordance with the laws of the State of California, without reference to its principles of conflict of laws. Venue and jurisdiction for any litigation between the parties shall lie in Monterey County, California.

**Relationship of Parties:** MHMG and PROVIDER are at all times independent providers and are not agents, servants or employees of the other party. Nothing in this MOU is intended to or shall be deemed to create a relationship of partner, joint venture, or employer/employee between MHMG and PROVIDER, or between PROVIDER and any other person who contracts to deliver services to MHMG.

**Indemnification:** Both MHMG and PROVIDER agree to save, indemnify and hold harmless the other party for any liability, loss, costs and expenses incurred directly or indirectly from any act or omission made by MHMG or PROVIDER, their respective agents, employees or invitees from any cause arising from (1) the operations carried on by either party under this Agreement, and/or (2) the performance of the other party under this Agreement.

**Dispute Resolution:** If there is a dispute arising out of or relating to this Agreement, the parties shall make a reasonable and good faith effort to negotiate between themselves a resolution of the matter. If they are unable to agree between themselves, the parties shall further make a reasonable and good faith effort to agree upon a form and procedure for mediation of the dispute with the assistance of a neutral third party mediator through binding arbitration. If any action or proceeding shall be brought by reason of the breach of, or to enforce any provision of this Agreement, the party prevailing therein shall be entitled to recover costs and expenses, including reasonable attorney's fees.


**Compliance with Medicare Access to Records Law:** The parties agree to comply with Medicare requirements regarding access to books, documents and records of subcontractors set forth in Section 952 of the Omnibus Reconciliation Act of 1980 (P.L. 96 - 499) codified in 42 USCA §1395x(v)(1)(1) [Section 1861(v)(1)(1) of the Social Security Act], and the Regulations thereunder, as amended, or any successor law, if and to the extent applicable.

**Sanctions:** Both MHMG and PROVIDER represent and warrant that neither has not been sanctioned under the Medicare program or barred from any government procurement or non-procurement program at any time prior to the date of this Agreement.

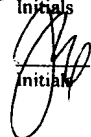
**Waivers/Modifications:** Any waiver or modifications of any terms and conditions of this Agreement must be in writing, and signed by the parties hereto. A waiver or modification of any of the terms and conditions hereof shall not be construed as a waiver of any other terms and conditions hereof.

**Medical Staff Membership:** MHMG providers shall be credentialed and maintain membership in good standing on the CHOMP medical staff and agree to be governed by the medical staff bylaws, rules and regulations, and policies and procedures.

MHMG:

  
Initials Date  
1/17/11

PROVIDER:

  
Initials Date  
1-24-11