

THIRD AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS THIRD AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of October 1, 2014, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and JUAN CALZETTA, M.D., an individual (“**Contractor**”) with respect to the following:

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics (collectively, the “**Clinic**”) under its acute care license.

B. Contractor and Hospital have entered into that certain Professional and Call Coverage Services Agreement effective as of July 1, 2011, as amended on July 1, 2012 and July 1, 2013 (collectively, the “**Agreement**”), pursuant to which Contractor provides professional consultation and treatment in the Specialty to Hospital Patients.

C. Hospital and Contractor desire to amend the Agreement to modify the compensation arrangement, to increase the aggregate amount payable by \$450,000 and to extend the term.

AGREEMENT

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

1. **Defined Terms**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. **Section 1.1**. Section 1.1 to the Agreement is hereby amended to read in its entirety as follows:

“1.1 Professional Services.

(a) Contractor shall provide professional services in the Specialty to Hospital Patients upon the terms and subject to the conditions set forth in this Agreement (the “**Professional Services**”).

(b) Contractor shall be available on an on-call basis to provide Specialty medical care and treatment for ED patients and/or Hospital inpatients requiring Specialty evaluation, treatment consultation, admission and/or follow-up (“**Coverage Services**”), upon the terms and conditions set forth in this Agreement.

(c) Contractor shall provide timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If Contractor is the physician on-call at the time of the referral, Contractor shall provide any necessary follow-up care for such patients regardless of the patient's ability to pay for services at the time of the first visit."

3. **Exhibit 1.1(a)**. Exhibit 1.1(a) to the Agreement is hereby deleted in its entirety.
4. **Section 2.1**. Section 2.1 to the Agreement is hereby amended to read in its entirety as follows:

2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the "**Compensation**"), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed One Million Two Hundred Eighty Seven Thousand Four Hundred Dollars (\$1,287,400) in the aggregate."
5. **Section 5.1**. Section 5.1 to the Agreement is hereby amended to read in its entirety as follows:

5.1 Term. This Agreement shall become effective on July 1, 2011 (the "**Effective Date**"), and shall continue until June 30, 2016 (the "**Expiration Date**"), subject to the termination provisions of this Agreement."
6. **Exhibit 2.1**. Exhibit 2.1 to the Agreement is hereby replaced in its entirety and incorporated by this reference with the attached **Exhibit 2.1**.
7. **Counterparts**. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.
8. **Continuing Effect of Agreement**. Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.
9. **Reference**. After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

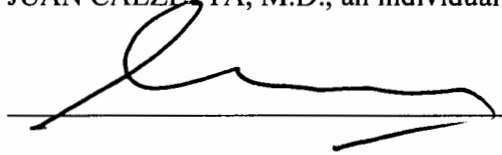
[signature page follows]

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

CONTRACTOR

JUAN CALZETTA, M.D., an individual

Date: 8/13, 2014



Tax I.D. No. _____

NATIVIDAD MEDICAL CENTER

Purchase Order Number

By: _____
Contracts /Purchasing Manager

Date: _____, 20__

By: Uilly Bluforn
Natividad Medical Center Representative

Date: 19 August, 2014

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

Stacy Saetta
Stacy Saetta, Deputy County Counsel

Date: 8/21, 2014

Reviewed as to fiscal provisions
M. Miller
Auditor-Controller
County of Monterey 8-21-14

Exhibit 2.1

COMPENSATION

1. **Coverage Services.** Hospital shall pay to Contractor an amount equal to Nine Hundred Dollars (\$900) per unrestricted twenty-four (24) hour period of Coverage Services provided pursuant to this Agreement (the “**Coverage Stipend**”), provided, however, that Contractor is in compliance with the terms and conditions of this Agreement and applicable Laws.

2. **Uninsured Patient Services.**

(a) Hospital shall pay to Contractor an amount equal to then-current (as of the date of service), hospital-based, Medicare Physician Fee Schedule amount for Uninsured Services (as defined below) provided by Contractor (the “**Uninsured Patient Compensation**”). The Uninsured Patient Compensation shall be Contractor’s sole and exclusive compensation for Uninsured Services provided by Contractor pursuant to this Agreement and Contractor shall not seek further compensation from any other source. Contractor shall be paid on the CPT codes submitted and verified by Hospital professional billing office coders.

(b) For purposes of this Agreement, “**Uninsured Services**” shall mean medically necessary, professional medical services that are rendered to patients at Hospital who are not insured for medical care by any third-party payor at the time of service (collectively, the “**Uninsured Patients**”).

(c) Procedures with the following modifiers will be reimbursed at the Medicare allowable rate using the current established Medicare guidelines for reimbursement when using the modifier:

(i) Procedures that are or could be billed with the modifier 22 (unusual procedural services) will not be considered for additional reimbursement to be paid to Contractor; rather the procedure will be reimbursed at the Medicare allowable and if other modifiers are used, the procedure will be paid at the current established Medicare reimbursement rate applying Medicare guidelines for those modifiers.

(ii) If modifier 52 (reduced services) and/or 53 (discontinued services) is/are needed for billing, the percentage of the Medicare allowable to be paid to Contractor will be determined by the Hospital physician billing manager and the Hospital Chief Medical Officer (CMO).

(iii) Unless a code is specifically designated as an add-on code, the Medicare rules for multiple procedure guidelines shall apply (*i.e.*, the main procedure will be paid at 100% and subsequent procedures will be paid at 50%), consistent with Medicare reimbursement guidelines for modifiers.

(d) The Parties intend that Hospital will pay for Uninsured Services only if the

Uninsured Patient has no means of paying for those services (*e.g.*, independent wealth, third-party payor, etc.). If it is later determined that an Uninsured Patient or a third-party payor will pay for the Uninsured Services the following shall apply:

(i) Hospital shall have the sole and exclusive right to bill, collect and own any and all fees that might be collected for Uninsured Services provided by Contractor pursuant to this Agreement. Contractor hereby grants Hospital the right to retain any and all collections received by Hospital for Contractor's Uninsured Services. In the event that Contractor receives any payment from third-party payors for Uninsured Services that Contractor furnishes pursuant to this Agreement, Contractor shall promptly turn over such payments to Hospital. Contractor shall designate Hospital as Contractor's attorney-in-fact for billing for Uninsured Services provided by Contractor pursuant to this Agreement.

(ii) For any procedure without an established RVU value and/or not listed procedure (*e.g.*, x stop), Hospital will reimburse Contractor based upon Hospital's reimbursement from a payor if Hospital has received payment from a payor. In the event no payment is received from a payor, no reimbursement will be made to Contractor.

(iii) The Parties agree to resolve any and all billing, collection and reimbursement disputes as expeditiously as possible, up to and including the dispute resolution procedure outlined in this Section 2. If a claim is disputed by a payor, Contractor will make every effort to assist the Hospital billing manager to resolve the claim, If the claim is denied by the payor, and no payment is received within twelve (12) months of the service date, the amount of the disputed claim will be adjusted (recouped) from future payments due to Contractor after the twelve (12) month period.

(iv) Hospital will adjust future invoices if Hospital is unable to recover payment for surgery/treatment due to a procedure being classified by a payor as non-payable (*e.g.*, it is considered experimental, represents non-covered services, is categorized as medically unnecessary, or is otherwise excluded from coverage), or if Contractor is found to have breached a necessary reimbursement procedure (*e.g.*, scheduling a procedure from its office and not obtaining the authorization for the procedure to be performed at Hospital). No payment will be allowed to Contractor in these circumstances. At its discretion and at its sole cost and expense, Contractor may appeal to the payor any determination that a procedure is non-payable.

(e) For Uninsured Services, Hospital shall pay to Contractor the Uninsured Patient Compensation, so long as Contractor submits information relating to its patient encounters as follows:

(i) Contractor will complete an encounter charge form for Uninsured Services provided; Hospital will check both the diagnosis and the documentation to verify coding on encounter forms for one hundred percent (100%) of encounters. This review will require Contractor to dictate patient visit notes into the Hospital dictation system within twenty-four (24) hours of completion of an encounter so that documentation available is for review of the encounter charge form. Any encounter charge form for which there is not an accompanying dictated patient visit note shall not be reviewed by Hospital until the patient visit note is submitted to the Hospital. The sole exception to the dictation requirement shall be when Contractor is using

CPT code 99024 for post-operative visits and is not expecting payment for the visit, in which case the Contractor physician can hand write the visit note.

(ii) Contractor will submit an encounter charge form to Hospital within thirty (30) days from date of service and after the Patient is determined to have no payor source and identified as an Uninsured Patient.

3. **Clinic Services.** Contractor shall provide Professional Services in the Clinics (“Clinic Services”) as requested by Hospital from time to time; provided, however, that Contractor shall provide Clinic Services a minimum of ninety-six (96) half-days at Hospital’s Specialty Clinic. In recognition of the mutual obligations of the Parties hereunder, Hospital and Contractor acknowledge that there shall be no monetary compensation to Contractor for the Clinic Services furnished by Contractor hereunder.

4. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor’s submission of the monthly invoice of preceding month’s activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is “30 days after receipt of the certified invoice in the Auditor-Controller’s Office”.