



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-11514

Upon motion of Supervisor Potter, seconded by Supervisor Armenta and carried by those members present, the Board of Supervisors hereby:

- a. Approved and directed the Purchasing Manager for Natividad Medical Center (NMC) to execute the Second Amendment to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics ("UCSF"), and Natividad Medical Center ("NMC") to provide Neonatology Services at NMC, extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$550,000 for a revised amount not to exceed \$1,600,000 in the aggregate (for the period November 1, 2008 to February 28, 2015); and
- b. Authorized the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

PASSED AND ADOPTED on this 25th day of February 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas and Potter


NOES: None

ABSENT: Supervisor Parker

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 77 for the meeting on February 25, 2014.

Dated: February 26, 2014
File Number: A 14-019

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

By  Deputy



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: A 14-019

February 25, 2014

Introduced: 2/10/2014

Current Status: Scheduled PM

Version: 1

Matter Type: BoS Agreement

- a. Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the Second Amendment to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics ("UCSF"), and Natividad Medical Center ("NMC") to provide Neonatology Services at NMC, extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$550,000 for a revised amount not to exceed \$1,600,000 in the aggregate (for the period November 1, 2008 to February 28, 2015); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute the Second Amendment to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics ("UCSF"), and Natividad Medical Center ("NMC") to provide Neonatology Services at NMC, extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$550,000 for a revised amount not to exceed \$1,600,000 in the aggregate (for the period November 1, 2008 to February 28, 2015); and
- b. Authorize the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

SUMMARY/DISCUSSION:

Natividad Medical Center's Neonatal Intensive Care Unit ("NICU") provides stabilization of the initially ill newborn and intermediate intensive care as well as continuing care for growing newborns. NMC has an agreement with UCSF School of Medicine Department of Pediatrics effective November 1, 2008; amended on November 1, 2012; and extended by Letter Agreement on November 1, 2013 to provide two highly trained neonatologists / pediatricians for physician coverage of infants admitted to the NICU as well as oversight and medical direction of the unit.

NMC wishes to amend the Agreement with UCSF to extend the term so that UCSF providers can continue to provide the same scope of services without interruption to the critical care unit at NMC. This Second Amendment does not change the rate of pay or the scope of services

already being provided under the current Agreement. UCSF is paid according to the terms of the Agreement. The additional \$550,000 includes \$300,000 for the professional services provided during the additional twelve months of the Agreement and \$250,000 which is the estimate cost of recruiting a new physician to replace a departing physician and the cost of locum tenens (temporary) physicians to cover service while UCSF is searching for the replacement physician. This cost NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

The parties have agreed to the terms of the Second Amendment at the time of the Board Report, however, the Amendment has not been signed. The Second Amendment will be signed by both parties by February 28, 2014.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Amendment/Agreement as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Amendment/Agreement as to fiscal provisions. The Amendment/Agreement has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The total cost for this Amendment/Agreement is \$1,600,000 for the period November 1, 2008 to February 28, 2015. \$18,102 was disbursed in Fiscal Year 2008/09; \$300,994 was disbursed in Fiscal Year 2009/10; \$110,407 in Fiscal Year 2010/11; \$90,477 in Fiscal Year 2011/12 and \$350,698 in Fiscal Year 2012/13. \$350,000 is included in the Fiscal Year 2013/14 Adopted Budget. \$179,322 is part of the current Agreement, of which \$1,237 was disbursed (8 months) and \$170,678 is part of this Amendment. The remaining \$200,000 will be budgeted in Fiscal Year 2014/15. NMC's FY2013-2014 appropriation obligations exceeded its budget for the period July 2013 through December 2013 (six months). NMC has received additional Disproportionate Share funding from the State and is forecasted to be back on budget. There is no impact to the General Fund.

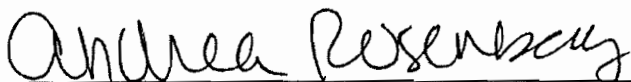
Prepared by: Jeanne-Ann Balza, Management Analyst, 783.2506

Approved by: Harry Weis, Chief Executive Officer, 783.2553

Attachments:

Second Amendment; Letter of Agreement; First Amendment; Agreement

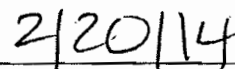
Attachments on file at the Clerk of the Board



Andrea Rosenberg

Assistant Administrator Operations & Support Services
for

Harry Weis, CEO



Date

SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of March 1, 2014, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and 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 PEDIATRICS (“**UCSF**”) with respect to the following:

RECITALS

- A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California under its acute care license.
- B. UCSF and Hospital have entered into that certain Professional Services Agreement effective as of November 1, 2008; amended November 1, 2012; extended by Letter Agreement November 1, 2013 (collectively the “**Agreement**”) pursuant to which UCSF provides professional consultation and treatment in the Specialty to Hospital Patients.
- C. Hospital and UCSF desire to amend the Agreement to extend the term of the Agreement an additional twelve months and to increase the amount payable to the Contractor by for services provided during the extended term.

AGREEMENT

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

- 1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
- 2. Agreement is modified to include Section 1.1.3, which states that:

“Medical Director providing Services shall contemporaneously record the actual number of hours and a description of the actual Services provided on a monthly time report in the form attached hereto as Exhibit 1.1.3, as modified from time to time by HOSPITAL, which notice and copies sent to UCSF and Medical Director. Medical Director shall deliver to HOSPITAL a completed and signed copy of the time report within fifteen (15) days after the end of each calendar month during the term of this Agreement. Upon request of HOSPITAL, Medical Director shall from time to time complete and execute such other time reports or allocation statements on forms provided by HOSPITAL as may be required to comply with applicable Medicare and other legal requirements.

- 3. Section 3, COMPENSATION AND BILLING, shall be deleted in its entirety and replaced with the following:

“3. COMPENSATION AND BILLING.”

3.1 Billing.

a) **Professional Services Fee Schedule.** UCSF shall have discretion in establishing its professional fees for Professional Services provided pursuant to this Agreement; provided, however, that all professional fees shall be competitive with customary local fees for comparable services.

b) **UCSF Billing.** UCSF shall be solely responsible for billing and collecting for Professional Services provided by Physician pursuant to this Agreement. UCSF is enrolled with Centers for Medicare and Medicaid Services (CMS), and other federal and state health care programs for reimbursement for services provided to federal and state healthcare beneficiaries.

c) **Billing Compliance.** UCSF shall use its best efforts to comply with all applicable Laws, including those of the federal health care programs, customary professional practice, and other third-party payor programs, whether public or private, in connection with billing and coding for Professional Services provided pursuant to this Agreement. UCSF and Hospital shall cooperate in good faith to resolve any billing issues that arise under the Agreement. UCSF shall bill patients and/or appropriate third party payors in a timely manner.

d) **Patient Information.** Hospital shall take all necessary and reasonable steps to provide sufficient patient information and obtain and provide any required insurance authorization to UCSF for services provided to facilitate UCSF's billing and collecting for Professional Services provided pursuant to this Agreement. Hospital shall provide to UCSF appropriate demographics for billing as well as insurance authorization information including outpatient registration and inpatient registration, including each admission face sheet.

e) **Separate Billing.** Each Party shall separately bill all patients for its respective fees and charges, and neither UCSF 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 Party. UCSF shall cooperate, and shall ensure that Physician cooperates with Hospital in completing such claim forms for Hospital patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third-party payors.

f) **Debt Collection Practices.** UCSF shall comply, and shall use its best efforts to ensure that any collection agency engaged by UCSF, in relation to the Professional Services hereunder, complies, with the UCSF's charity care policy.

3.2 Third-Party Payor Arrangements. UCSF shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third-party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. UCSF shall have no obligation to enter into any third party payor contracts or arrangements with any of Hospital's third party payors. UCSF and Hospital will work together to facilitate alignment with each party's respective third party payor contracts or arrangements to the extent possible.

3.3 Compensation to UCSF.

a) The HOSPITAL agrees to pay UCSF one hundred twenty-five dollars (\$125.00) per hour of actual documented hours of Services provided under this Agreement by one physician as Medical Director, and recorded on the monthly Time Reports, up to a maximum total of \$50,000 for services of one physician as Medical Director. HOSPITAL agrees that all infants admitted to the Neonatal Intensive Care Unit shall be admitted to the services of a UCSF physician, provided that the Intensive Care Unit is fully staffed by UCSF physicians.

b) HOSPITAL represents and warrants to UCSF under this Agreement that the compensation paid or to be paid by HOSPITAL to UCSF is and will at all times be fair market value for services and items actually provided by UCSF, not taking into account the value or volume of referrals or other business generated by UCSF for HOSPITAL.

c) HOSPITAL will provide payment for Medical Direction Services rendered pursuant to this Agreement at the commencement of the Agreement and annually thereafter. Payments shall be made by check made payable to "the Regents of the University of California" and mailed to: Department of Pediatrics, 505 Parnassus Avenue, San Francisco, CA 94143-0110.

d) The HOSPITAL also agrees to pay to UCSF the differences (backstop) between the salaries for two UCSF Neonatal physicians (negotiated salaries plus 25% for benefits) and Net Collections on charges for patient care submitted by the Physicians. For purposes of this section, the term "Collections" means all net income (fees and charges minus taxes and direct pass through expenses) to UCSF on behalf of the Professional Services performed under this Agreement.

e) On a quarterly basis, UCSF will submit an Invoice to HOSPITAL for the actual difference between unmatched professional fee collections and total compensation during that quarter. Final reconciliation of the backstop payments will occur between UCSF and Natividad based on matched payments once all matched payments are collected; This reconciliation will take place no later than 12 months after the end of each fiscal year, and with mutual agreement may be sooner.

f) UCSF shall submit to HOSPITAL a quarterly invoice on a form acceptable to HOSPITAL, an example of which is attached hereto and incorporated by reference as Exhibit 3.1. The Invoice shall set forth the amounts its compliance with Section 3, 3.(c) above for the previous period, together with an itemized basis for the amounts Invoiced. Hospital shall promptly submit such Invoice to the County Auditor-Controller for payment, The County Auditor -Controller shall pay the amount certified by HOSPITAL within 30 days of receiving the certified Invoice. Payment shall be made by check made payable to "The Regents of the University of California" and mailed to: Department of Pediatrics, 505 Parnassus Avenue, San Francisco, CA 94143-0110.

g) Hospital shall pay to Contractor the amount determined in accordance with this Section 3. (the “Compensation and Billing”), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Six Hundred Thousand Dollars (\$1,600,000) for the full term of this Agreement.”

4. Section 4.1. Section 4.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

4.1 Term. This Agreement shall become effective on November 1, 2008 (the “**Effective Date**”), and shall continue until February 28, 2015 (the “**Expiration Date**”), subject to the termination provisions of this Agreement.”

5. Agreement is modified to include Exhibit 1.6, which is attached hereto this Second Amendment and incorporated herein by reference.”

6. 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.

7. 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.

8. Reference. After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

(signature page to follow)

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

UCSF
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 PEDIATRICS

By: [Signature]
Its Vice Dean, School of Medicine

By: [Signature]
Its CHAIR (PEDIATRICS)

Date: 2/13, 2014

~~NATIVIDAD MEDICAL CENTER~~
By: [Signature]

Contracts /Purchasing Manager

Date: 2/27/14, 2014

By: [Signature]
Natividad Medical Center Representative
Date: 2/14, 2014

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

[Signature]
Stacy Saetta, Deputy County Counsel
Date: 2/18, 2014

Purchase Order Number _____

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey
2-18-14

Exhibit 1.6



MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	Effective: 05/09 Reviewed/Revised: 08/11
Standard: MSP004-2	Approved: MEC 08/11 BOT 09/11

As a member of the Medical Staff or an Allied Health Professional (AHP) of Natividad Medical Center (NMC) (collectively Practitioners), I acknowledge that the ability of Practitioners and NMC employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team. I recognize that patients, family members, visitors, colleagues and NMC staff members must be treated in a dignified and respectful manner at all times.

POLICY

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of NMC, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at NMC, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the NMC health care team.
2. Recognize the individual and independent responsibilities of all other members of the NMC health care team and their right to independently advocate on behalf of the patient.
3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, NMC employees, and all other health care professionals.
4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.
5. Contribute to the overall educational mission of NMC.
6. Reflect positively upon the reputation of the health care profession, the Medical Staff, and NMC in their language, action, attitude, and behavior.

Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior. Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of NMC, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

EXAMPLES OF PROFESSIONAL BEHAVIOR

Practitioners are expected to exhibit professional behavior at NMC, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the NMC health care team in patient care and other professional responsibilities.
2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.
3. Demonstrate language, action, attitude and behavior which consistently convey to patients, families, colleagues, and all other members of the NMC health care team a sense of compassion and respect for human dignity.
4. Understand and accept individual cultural differences.
5. Maintain appropriate, timely, and legible medical record entries which enable all NMC professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post-discharge planning and follow-up.
6. Respect the right of patients, families or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.
7. Treat patients and all persons functioning in any capacity within NMC with courtesy, respect, and human dignity.
8. Conduct one's practice at NMC in a manner that will facilitate timely commencement of medical/surgical procedures at NMC, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of NMC owned property.
2. Falsification of medical records, including timekeeping records and other NMC documents.

3. Working under the influence of alcohol or illegal drugs.
4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.
5. Possession, distribution, purchase, sale, transfer, transport or use of illegal drugs in the workplace.
6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.
7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or NMC employees should be reported on a NMC Quality Review Report form and submitted pursuant to NMC policy and should not be entered into the patient's medical record.
8. Harassment
 - a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:
 1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;
 2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;
 3. Otherwise adversely affects an individual's employment opportunity.
 - b. Harassing conduct includes, but is not limited to:
 1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.
 2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on NMC's premises or circulated in the workplace.
9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects;

10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages;
11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling or shouting at a person, or threatening violence or retribution;
12. Single incident of egregious behavior, such as an assault or other criminal act.
13. Criticism of NMC staff in front of patients, families, or other staff.

PROCEDURE

1. Any person who functions in any capacity at NMC who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident on a NMC Quality Review Report form.
2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.