

UCSF at Natividad Medical Center

PROFESSIONAL SERVICES AGREEMENT
(Pediatric Hospital Medicine Program Services)

This PROFESSIONAL SERVICES AGREEMENT- PEDIATRIC HOSPITAL MEDICINE PROGRAM SERVICES (the "Agreement") is entered into effective February 1, 2016 (the "Effective Date"), by and between The Regents of the University of California, a public corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics (hereinafter referred to as "UCSF"), and the County of Monterey ("COUNTY") on behalf of Natividad Medical Center ("HOSPITAL"), and sets forth the terms and conditions under which UCSF will provide services to Hospital.

RECITALS

A. The County of Monterey is the owner and operator of Natividad Medical Center, an acute care hospital which offers a variety of medical services, including Level III neonatal intensive care services in its Department of Pediatrics ("Department").

B. UCSF operates a School of Medicine which includes a Department of Pediatrics and employs or contracts with physicians who are licensed to practice medicine in the State of California and are qualified to provide the services identified in this Agreement.

C. HOSPITAL is in need of program development for a Pediatric Hospital Medicine Program that is integrated in the community and with existing key programs including: Neonatology, Neonatal nurse practitioners, Family practice residents, Emergency Department, Nursery and Nursing. It is also in need of one qualified physician to serve as Chief Pediatric Hospitalist for HOSPITAL's Pediatrics Department to provide customary medical direction and other administrative services with respect to such Pediatric Hospital Medicine Program Services. At HOSPITAL, this position is referred to as "Chief Pediatric Hospitalist," and will be referred to as such for the remainder of this agreement.

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 teaching as well as involvement in research and community service.

E. HOSPITAL has considered the following factors in determining the necessity and amount of compensation payable to UCSF pursuant to this Agreement: (1) the nature of UCSF's duties as contemplated by this Agreement; (2) UCSF's qualifications; (3) the difficulty in obtaining qualified physicians to provide the services described in this Agreement to HOSPITAL; (4) the benefits to HOSPITAL's community resulting from UCSF's performance of the services described in this Agreement; and (5) the economic conditions locally and in the health care industry generally.

NOW, THEREFORE, for and in consideration of the mutual foregoing recitals, covenants and agreements, and for other good and valuable consideration, conditions and restrictions set forth herein, the parties agree as follows:

1. RESPONSIBILITIES OF UCSF

1.1. Medical Direction and Administrative Services. During the term of this Agreement, UCSF shall provide a UCSF Physician(s) (as defined below in Section 1.2) acceptable to HOSPITAL to act as Chief Pediatric Hospitalist and provide Medical Direction for the UCSF Pediatric Hospitalist Program at Natividad Medical Center (the "Program") in accordance with the terms of this Agreement. The Chief Pediatric Hospitalist, at all times during the terms of this Agreement, shall be duly licensed as a physician under California law, shall be a board certified or eligible pediatrician, shall be a member in good standing of the Medical Staff of the HOSPITAL, shall comply with all applicable standards and recommendations of the Joint Commission, and shall hold all clinical privileges appropriate to the discharge of his or her obligations under this Agreement.

The Chief Pediatric Hospitalist shall perform the medical direction and administrative services ("Chief Hospitalist Services") as set forth in Exhibit 1 attached hereto and incorporated herein by this reference. The Chief Pediatric Hospitalist and a representative of HOSPITAL shall meet monthly to discuss the performance of Chief Pediatric Hospitalist Services in the Department.

1.2. Professional Services and Coverage. During the term of this Agreement, UCSF shall provide professional services by its employed physicians, who are board certified or eligible pediatricians (the "UCSF Physician(s)"), to HOSPITAL patients in need of pediatric hospitalist services while admitted as inpatients at HOSPITAL (the "Professional Services," and together with the Chief Hospitalist Services provided by Chief Pediatric Hospitalist are hereinafter collectively known as "Contracted Services") as set forth in Exhibit 1. The UCSF Physicians shall be available in the Department on the schedule established by UCSF and HOSPITAL by mutual agreement

1.3. Program Development. During the term of this Agreement, UCSF shall provide program development services for HOSPITAL's Pediatric Hospital Medicine Program as set forth in Exhibit 1 attached hereto and incorporated herein by this reference.

1.4. Location of HOSPITAL Facilities. The Contracted Services shall be provided at HOSPITAL's facilities in the Department located at 1441 Constitution Boulevard, Salinas, California.

1.5. Scope of Services. A detailed description of the Contracted Services is described in Exhibit 1, attached hereto and incorporated herein by reference. Each UCSF Physician(s) providing Contracted Services herein 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.

UCSF shall assure that the UCSF Physician(s) provide their respective Contracted Services, and complete all medical records and other required reports, in accordance with this Agreement, and with the applicable policies, by-laws, regulations, procedures established by HOSPITAL.

1.6. Physician Qualifications. Each UCSF Physician providing services under this Agreement shall be licensed in California as a physician and surgeon and board certified or eligible in Pediatrics, and shall have medical staff privileges in good standing at HOSPITAL.

Prior to providing any Contracted Services under this Agreement, each UCSF Physician shall apply for and obtain membership on HOSPITAL's Medical Staff, with appropriate Department privileges. Performance of the terms of this Agreement by UCSF and by any of the

UCSF Physicians shall be subject to such Physician's admission to the Medical Staff, and to the granting of the privileges necessary to provide the Contracted Services described herein.

1.7 Employment and Compensation of Physicians. UCSF shall be solely responsible for establishing the terms of employment for the UCSF Physician(s). The UCSF Physician(s) shall be employees of UCSF and shall be carried on UCSF's payroll. UCSF shall pay and be solely responsible to pay, and HOSPITAL shall have no responsibility to pay salary, social security, workers compensation, or other employee benefits of any kind to the UCSF Physician(s).

1.8 Indigent Care: In order to further HOSPITAL's mission of providing quality healthcare to all segments of the community, the UCSF Physician(s) shall accept and provide Professional Services pursuant to this Agreement to all Medicare, Medi-Cal, and California Children's Services (CCS) patients.

1.9 Authorizations for Services. UCSF shall be responsible for obtaining authorization for Professional Services as described in Section 2.4 (Personnel). UCSF and the UCSF Physician(s) shall provide clinical documentation required to ensure timely and appropriate payment for hospital services provided by HOSPITAL.

2. RESPONSIBILITIES OF HOSPITAL

HOSPITAL shall provide the following support services, personnel, and other requirements for the Contracted Services performed at HOSPITAL: space, equipment, supplies and personnel in this Article 2 in accordance with sound medical and legal practices and any applicable federal and state laws and regulations, and wherever applicable, all HOSPITAL requirements necessary to comply with standards established by Medi-Cal and by California Children's Services (CCS).

2.1 Use of Space. HOSPITAL shall provide UCSF Physician(s) with suitable space to perform the Chief Hospitalist Services, the Administrative Services and the Professional Services at the times described in Exhibit 1. HOSPITAL shall remain responsible for the overall operation of the Department and shall maintain such space and facilities in good and sanitary order, condition, and repair.

HOSPITAL shall be solely responsible for complying with all federal, state and local environmental and health and safety laws, regulations and ordinances ("Environmental Laws"), and all environmental health and safety permits, licenses, and authorizations ("Environmental Permits"), and for otherwise operating its premises (including that which it provides to the Chief Pediatric Hospitalist and the other UCSF Physician(s)) in a manner which is protective of human health and the environment. The responsibilities of HOSPITAL include, but are not limited to: (a) obtaining and maintaining all necessary Environmental Permits, (b) being the designated generator of wastes and otherwise arranging for the lawful treatment, storage, disposal, transport and other management of medical and hazardous materials, chemicals and wastes associated with the activities conducted by UCSF Physician(s) hereunder, (c) providing any reports, warnings or other notifications that may be required of HOSPITAL or physicians providing care at HOSPITAL under any Environmental Laws or Environmental Permits, (d) identifying, investigating and remediating any threatened or actual releases of medical or hazardous materials, chemicals or wastes to the environment, whether or not caused by a UCSF Physician, and (e) providing for the safety and wellbeing of persons who enter its premises, including but not limited to, the exposure of persons to medical and hazardous materials, chemicals, wastes building materials, and environmental media or other conditions at and in the

vicinity of such premises. HOSPITAL on its own behalf and on behalf of any persons entering the premises provided to UCSF Physicians expressly waives and releases any claims against each UCSF Physician, UCSF and their respective successors, members, officers, directors, employees and agents in connection with the environmental matters addressed herein this Section 2.1.

2.2 Equipment. HOSPITAL shall furnish such equipment and supplies necessary for UCSF Physician(s) to perform the Contracted Services in the Department and the Neonatal Intensive Care Unit (NICU). HOSPITAL will be responsible for ensuring that the equipment so used by UCSF Physician(s) 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 the Program.

2.4 Personnel. HOSPITAL shall employ or otherwise retain all non-physician personnel, required to meet regulatory and programmatic standards for a Community level III Neonatal Intensive Care Unit, including the appropriate number of nurses to provide appropriate after hours coverage for the NICU, technicians, therapists, and other ancillary support personnel and clerical personnel necessary for the proper operation and conduct of the Department and NICU. 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 for Contract Services. HOSPITAL shall pay to UCSF the amount determined in accordance with Exhibit 2 (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 Three Hundred Thirty Four Thousand and Fifty Dollars (\$334,050)..

3.2 Billing. HOSPITAL shall be responsible for all billing and collection activities for Professional Services, and shall retain all related revenue. HOSPITAL shall 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 Professional Services satisfy

all applicable payer 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. TERM AND TERMINATION

4.1 Term. This Agreement shall become effective on February 1, 2016 (the “**Effective Date**”), and shall continue until January 31, 2018 (the “**Expiration Date**”), subject to the termination provisions of this Agreement.

4.2 Termination Without Cause. Either Party may terminate this Agreement without cause, expense or penalty, effective ninety (90) calendar days after written notice of termination is given 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 ninety (90) days' prior written notice of such breach. If such breach is not cured by the breaching party within thirty (30) days of receipt of this notice, this Agreement shall terminate at the end of such ninety (90)-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 have their respective license to practice medicine or operate a general acute care hospital in the State of California suspended or revoked; (b) if the insurance coverage for UCSF physicians or HOSPITAL, as required hereunder, is cancelled or modified; or (c) if HOSPITAL fails to maintain its JCAHO or meet the requirements of the Medicare conditions of participation.

4.5 Termination or Modification in the Event of Government Action.

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate thirty (30) calendar days after one Party notifies the other of such fact.

(c) For the purposes of this Section, “Government Action” shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to HOSPITAL, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

- (i) revoke or jeopardize the status of any health facility license granted to HOSPITAL or any Affiliate of HOSPITAL;
 - (ii) revoke or jeopardize the federal, state or local tax-exempt status of HOSPITAL or any Affiliate of HOSPITAL, or their respective tax-exempt financial obligations;
 - (iii) prevent UCSF or any Group Physician from being able to access and use the facilities of HOSPITAL or any Affiliate of HOSPITAL;
 - (iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if UCSF or any Group Physician referred patients to HOSPITAL or any Affiliate of HOSPITAL;
 - (v) prohibit HOSPITAL or any Affiliate of HOSPITAL from billing for services provided to patients referred to by UCSF or any Group Physician;
 - (vi) subject HOSPITAL or UCSF, any Group Physician, or any Affiliate of HOSPITAL, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or
 - (vii) jeopardize HOSPITAL's full accreditation with any accrediting organization as HOSPITAL designates from time to time.
- (d) For the purposes of this Agreement, "Affiliate" shall mean any entity which, directly or indirectly, controls, is controlled by, or is under common control with HOSPITAL.

4.6 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 (within the limits of Section 4.3) 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 Health Information Portability and Accountability Act (HIPAA), 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. Both during and after the term of this Agreement, UCSF and/or UCSF Physicians shall be permitted to inspect and/or duplicate at HOSPITAL's expense any individual charts or obtain copies of all such records which are: (1) necessary for billing purposes; (2) necessary to assist in the defense of any malpractice or similar claim; and/or (3) relevant to any disciplinary action. 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 for educational or research purposes. 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 law 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, except as specified in the Joint Participation Agreement. 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.

6.2 Independence of HOSPITAL and UCSF. The governing bodies of UCSF and HOSPITAL shall have exclusive control of policies, management, assets, and affairs of their respective institutions. Neither UCSF nor HOSPITAL shall assume any liability by virtue of this Agreement for any debts or obligations incurred by the other party, or any liability for the quality of care rendered by the other party.

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 3, a copy of which is attached hereto and incorporated herein by this reference.

7.4 Insurance for UCSF Physicians. UCSF shall provide and maintain, or provide for the provision and maintenance, of insurance on behalf of UCSF and the UCSF Physicians in accordance with University of California policies and procedures described in Exhibit 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, trademarks or other proprietary symbols, names and marks or other similar references to the University of California San Francisco, UCSF Children's Hospital, its physicians or facilities, shall be subject to the prior written approval of the Dean of the UCSF School of Medicine in accordance with the provisions of applicable law, including but not limited to California Education Code Section 92000. UCSF may not use the name, trademarks or other proprietary symbols, names and marks of HOSPITAL in any advertising or other promotional material without the prior written consent of HOSPITAL and on such terms, including the power to revoke such consent, as HOSPITAL shall require.

8.2 Marketing of UCSF Physicians. HOSPITAL shall not advertise or use any of the UCSF Physician's names in any marketing, advertising, or other promotional materials without UCSF's prior written consent. HOSPITAL may recite its collaboration with UCSF with regards to inpatient pediatric hospitalists and neonatologists in general terms on its website as set forth thereon as of the Effective Date of this Agreement; any material change thereto shall require UCSF's prior written consent.

9. 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 law.

10. 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. 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 Contracted 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 the Attorney-Client Privilege or under the Attorney Work-Product Privilege.

To the extent allowed by law and in accordance with the applicable institution policies, the parties shall notify one another as soon as possible of any adverse event which 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. UCSF shall be solely responsible for the discipline of UCSF Physician(s) and personnel.

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 Contracted 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.

11. COMPLIANCE WITH LAWS AND REQUIREMENTS

The parties shall comply with all applicable state and federal laws and regulations and with the requirements of CCS.

11.1. Records. If required by the applicable provisions of the Social Security Act related to reasonable cost determinations of hospitals, until the expiration of four (4) years after the termination of this Agreement, UCSF shall make available upon written request from the Secretary of the United States Department of Health and Human Services, or upon request from the Comptroller General of the United States, or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to verify the nature and extent of the costs of the services provided by UCSF under this Agreement.

11.2. Nature of Services, Compensation. Neither UCSF nor any Physician shall perform hereunder, and none is being compensated hereunder for, any marketing services with respect to the Contracted Services to be performed at HOSPITAL. HOSPITAL represents and warrants that no part of the compensation paid hereunder is in exchange for the referral or arrangements for referral of any patient to HOSPITAL. UCSF represents and warrants that, in connection with the Contracted Service to be performed by Physicians hereunder, all compensation to its employees, independent contractors or other entities or persons performing services on behalf of UCSF pursuant to this Agreement shall be compensation in a manner that complies fully with a "safe harbor" to the Federal Anti-Kickback Statute, an exception to the Stark Laws and an appropriate exception to any state statutes similar to either or both of the foregoing

federal statutes, as applicable.

11.3. Application of Requirements. HOSPITAL and UCSF specifically recognize that it is each party's intent to provide services to patients covered by the Medicare program (Title XVIII of the Social Security Act) and that each has an obligation to comply with the requirements of the Medicare program for payment for services provided by hospital-based physicians to the extent that such services are provided pursuant to this Agreement. Each party hereby agrees to cooperate with the other in order to assure that these requirements are met.

11.4. Compliance, Generally. Both parties to this Agreement shall comply fully with all applicable provisions of federal and state law and other rules and regulations of any and all governmental authorities and accrediting agencies relating to the transfer of patients, including without limitation EMTALA, the Consolidated Omnibus Budget Reconciliation Act (42 U.S.C. section 1395dd, also known as COBRA), the Health Insurance Portability Act of 1996 (42 U.S.C. § 1320 through d-8, also known as HIPAA), California laws and regulations.

12 CHARGES

12.1 HOSPITAL's Charges, Generally. Billing and collection of professional services shall be the sole responsibility of HOSPITAL.

13 CHOICE OF FACILITY

The Parties understand that if a physician should determine that a patient of HOSPITAL requires admission/transfer to an inpatient facility, the choice of facility shall be made in accordance with written policies and procedures adopted and consistently applied by UCSF requiring that such choice be made based upon the following criteria:

- a) Sound medical judgment of the treating physician;
- b) Facility choice requirements, if any, of third party payers;
- c) Patient wishes.

Except as provided in (b) above, the choice of facility shall be made without regard to the payer status of the patient. The choice of facility shall never be made on any basis that is inconsistent with the principles set forth in Section 14 (Intent of the Parties).

14 INTENT OF THE PARTIES

It is not the intent of UCSF or HOSPITAL that any payments made under this Agreement be in return for the referral of ongoing or new business, if any, or in return for the purchasing, leasing, or ordering of any services other than the specific services described in this Agreement. All payments specified in this Agreement are consistent with what the parties reasonably believe to be a fair market value for the services provided.

15. GENERAL

15.1 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.

15.2 No Effect Upon Medical Staffs. Nothing in this Agreement shall affect or interfere with the rules and regulations of either UCSF or HOSPITAL as they relate to medical staff

membership privileges of physicians at either institution.

15.3 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.

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

15.5 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. Any modifications or amendments shall be attached to and become part of this Agreement and shall be kept in the administrative files of each party for ready reference.

15.6 Professional Standards and Confidentiality. UCSF and HOSPITAL each shall observe all recognized professional standards and legal requirements of confidentiality.

15.7 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.

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

If to UCSF: UCSF Department of Pediatrics
Phil O'Brien
Associate Chair, Finance and
Administration
55016th Street
San Francisco, CA 94143-0110

If to HOSPITAL:
Gary Gray, DO
Chief Executive Officer
Natividad Medical Center
1441 Constitution Boulevard
Salinas, CA 93906

15.9 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 one hundred sixty (160) day period.

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


15.11 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.

15.12 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.

15.13 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 Pediatrics ("UCSF")


Neal Cohen
Vice Dean School of Medicine

Date: 1/7/2015

Read and Acknowledged:


Donna Ferriero, M.D., M.S.
Chair, Department of Pediatrics

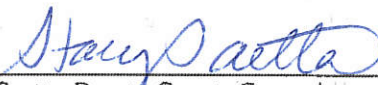
Date: 1/7/15

NATIVIDAD MEDICAL CENTER

Deputy Purchasing Agent

Date: _____

APPROVED AS TO LEGAL PROVISIONS:


Stacy Saetta, Deputy County Counsel

Date: 1/11/16

APPROVED AS TO FISCAL PROVISIONS:


Deputy Auditor/Controller

Date: 1/2/16

EXHIBIT 1
UCSF SCOPE OF SERVICES

UCSF shall provide a UCSF physician to serve as a Chief Pediatric Hospitalist who will work with HOSPITAL's Director of Pediatrics and other UCSF, HOSPITAL and community leadership.

The Chief Pediatric Hospitalist will provide:

- 0.5 FTE for clinical coverage of hospitalist service (one week (7 days) per four weeks)
- 0.3 FTE for administrative time (six days per four weeks in Salinas; additional administrative work to be accomplished via remote access and video link)

Specific position responsibilities of Chief Pediatric Hospitalist are as followings:

- Provide clinical leadership and oversight of the Pediatric Hospital Medicine Program.
- Coordinate pediatric hospitalists' scheduling to ensure efficiency and maximum productivity.
- Assures pediatric hospitalists' competency in pediatric and neonatal resuscitation techniques.
- Review pediatric hospitalists' medical staff CME and competencies.
- Ensure pediatric hospitalists perform their professional medical duties consistent with HOSPITAL's Medical Staff Bylaws, rules, regulations and policies, as well as to national standards for hospital-based pediatric care.
- Assist in professional development and growth of pediatric hospitalists.
- Participate in the development, review and implementation of HOSPITAL's Pediatric Unit policies, procedures and protocols to optimize clinical outcomes and ensure regulatory compliance.
- Work collaboratively with HOSPITAL's management to ensure services are available and cost effective, and meeting quality and regulatory guidelines.
- Supervise continuous quality assessment and quality improvement activities for pediatric patients treated at HOSPITAL.
- Collaborate with hospital management to develop goals of the Pediatric Service and provide ongoing assessment to achieve objectives.
- Participate in the development, coordination and completion of educational programs for medical and hospital staff, patients and community.
- Ensure that pediatric hospitalists provide appropriate supervision and oversight for Family Medicine residents, and medical students in HOSPITAL's Pediatric Unit.
- Participate in community outreach activities.
- Work cooperatively and supportively with Emergency Department, Surgical Services and diagnostic and therapeutic services to ensure availability, and effective use of services.
- Evaluate current state of inpatient pediatric program, including potential collaboration and refinement of staffing model for neonatal services at HOSPITAL
- Evaluate feasibility of pediatric hospitalist coverage and/or involvement with:
 - Urgent Care
 - Overnight coverage
 - Integration with Family Practice residency
 - Newborn care
- Within a 1 year period, develop pediatric hospital medicine plan for integrated pediatric and neonatal services at HOSPITAL that support improved clinical quality growth, increased efficiency, increased revenue, and improved cost-effectiveness.

UCSF shall also provide:

- Academic and strategic resources to help guide overall program development for all pediatric services at HOSPITAL.
- Business development oversight for growth of hospital based pediatric and neonatal programs.
- Exploration of telemedicine services by pediatric specialists to augment care provided by on-site physicians.
- Academic affiliation and membership in UCSF's regional community hospital medicine and neonatal quality collaboratives.
- Integration of HOSPITAL into UCSF's Northern California Children's Health Network.

**EXHIBIT 2
COMPENSATION**

1. **Compensation.** HOSPITAL shall pay to UCSF the amount of One Hundred Sixty-Seven Thousand Twenty-Five Dollars (\$167,025) per contract year for Services rendered by UCSF under this Agreement; provided, however, that UCSF is in compliance with the terms and conditions of this Agreement. 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 Services performed by UCSF in equal monthly installments 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 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 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 three (3) 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 five million dollars (\$5,000,000) per occurrence. If such insurance is written on a claims-made form, it shall continue for three (3) 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 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 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 three (3) 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).
2. Comprehensive General Liability Insurance with self-insured retention of five million dollars (\$5,000,000) per occurrence.
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.

University, 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.