

SECOND AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS SECOND AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (the "**Amendment**") is made and entered into as of July 1, 2017, by and between COUNTY OF MONTEREY ("**County**") on behalf of NATIVIDAD MEDICAL CENTER ("**Hospital**"), and SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM, a local health care district organized and operating pursuant to Division 23 of California Health and Safety Code, dba and owner of SALINAS VALLEY MEDICAL CLINIC, a California Health and Safety Code Section 1206(b) clinic ("**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 "**Clinics**") under its acute care license.
- B. Contractor and Hospital have entered into that certain Professional and Call Coverage Services Agreement dated effective as of April 1, 2015, as amended effective January 1, 2016, and as corrected through an erratum on March 16, 2016 (collectively, the "**Agreement**") pursuant to which Contractor provides Specialty services to Hospital Patients.
- C. Hospital and Contractor desire to amend the Agreement to extend the term by an additional twenty-four (24) months, to add pulmonary/critical care services and compensation for such services, and to add Two Hundred Thousand Dollars (\$200,000) to the aggregate amount payable for Services provided during the extended 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. **Recital B.** Recital B to the Agreement is hereby amended to read in its entirety as follows:

"B. Contractor owns and operates outpatient clinics under California Health and Safety Code Section 1206(b) under the laws of the State of California (the "**State**"), consisting of employees and contractors (collectively, "**Group Physicians**") and each, a "**Group Physician**"), each of whom is a physician duly licensed and qualified to practice medicine in the State. Each Group Physician shall be board certified for the practice of medicine in one or more of the following specialties of neurology, pulmonology/critical care, hematology and/or oncology (collectively, the "**Specialty**")."

3. **Recital C.** Recital C to the Agreement is hereby amended to read in its entirety as follows:

“C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (“**ED**”) and/or who are admitted as Hospital inpatients, are intensive care unit (“**ICU**”) patients or presents to the Clinics in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital’s operating room and the Clinic (collectively, the “**Patients**”).”

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 the aggregate amount of Seven Hundred Seventeen Thousand Dollars (\$717,000) during the term of this Agreement.”

5. **Exhibit 2.1.** **Exhibit 2.1** to the Agreement is hereby deleted and replaced in its entirety and attached hereto as **Exhibit 2.1.**

6. **Section 2.2.** Section 2.2 to the Agreement is hereby amended and restated to read in its entirety as follows:

2.2 Billing and Collections. Contractor shall be solely responsible for billing and collecting for all Professional Services rendered to Patients while Group Physicians are providing Coverage Services (“**Coverage Patients**”) pursuant to this Agreement (“**Physician Services**”). Contractor agrees that such collections shall be Contractor’s sole compensation for Physician Services. All billing shall be in compliance with applicable laws, customary professional practice, the Medicare and Medicaid Programs and other third party payor programs, whether public or private.

(a) **Billing Compliance.** Contractor shall 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 Physician Services provided pursuant to this Agreement. Contractor shall adopt and maintain billing and coding compliance policies and procedures to ensure Contractor’s compliance with applicable Laws, including those of the Federal Health Care Programs. Hospital shall have reasonable access to Contractor’s records in order to assure Contractor’s compliance with this Agreement.

(b) **Patient Information.** Hospital shall take all necessary and reasonable steps to provide Contractor appropriate patient information to facilitate Contractor’s billing for the Physician Services rendered pursuant to this Agreement.

(c) **Separate Billing.** Neither Contractor 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. Contractor shall cooperate with Hospital in completing such claim forms for Coverage Patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(d) **Debt Collection Practices.** Contractor shall comply, and shall ensure that any collection agency engaged by Contractor complies, with the Fair Debt Collection Practices Act (15 U.S.C. 1692, et seq.) and Section 1788, et seq. of the California Civil Code (collectively, the “**Debt Collection Acts**”). Contractor shall not, and shall ensure that any collection agency engaged by Contractor does not, with respect to any Hospital patient who is not enrolled in any HMO, PPO, POS or other third party payor plan or program, or Medicare, Medicaid or any other government funded health care benefit plan or program: (i) use wage garnishments or liens on primary residences as a means of collecting unpaid bills for Physician Services rendered by Contractor pursuant to this Agreement, or (ii) report adverse information to a consumer credit reporting agency or commence civil action against any such patient for nonpayment at any time prior to one hundred fifty (150) days after initial billing for Physician Services rendered by Contractor pursuant to this Agreement.

(e) **Collection Agencies.** Hospital shall have the right to object to Contractor’s use of any collection agency that engages in conduct that violates the Debt Collection Acts or Section 2.2(d) of this Agreement, or that results in the unreasonable annoyance or harassment of patients. Contractor shall either cure this problem or discharge the collection agency within thirty (30) days following written notice of objection by Hospital. If this problem occurs a second time, Contractor shall discharge the collection agency within thirty (30) days following written notice of objection by Hospital.

7. **Section 2.4.** Section 2.4 to the Agreement is hereby amended and restated to read in its entirety as follows:

“2.4 Billing and Collection. Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Clinic and ICU Patients by Contractor or any Group Physician (“**Clinic/ICU Patients**”) under this Agreement (the “**NMC Services**”). Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such NMC Services.

(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims,

demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement.

(b) **Fees and Rates.** Hospital shall have the right to determine, after consultation with Contractor, all rates and charges for NMC Services rendered by Contractor pursuant to this Agreement, including fee-for-service rates.

(c) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to NMC Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to NMC Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(d) **Hospital as Exclusive Source for Compensation for NMC Services.** Contractor shall seek and obtain compensation for the performance of NMC Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or charge of any type against any Hospital patient or any other person or entity for NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor or any Group Physician for NMC Services rendered by Contractor or any Group Physician pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor or any Group Physician pursuant to this Agreement.

(e) **Joint and Several Liability.** Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to NMC Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(f) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Professional Services rendered by Contractor to Clinic/ICU Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services."

8. **Section 5.1.** Section 5.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

“5.1 Term. This Agreement shall become effective on April 1, 2015 (the **“Effective Date”**), and shall continue until June 30, 2019 (the **“Expiration Date”**), subject to the termination provisions of this Agreement.”

9. **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.

10. **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.

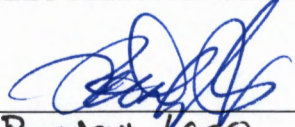
11. **Reference.** After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

[signature page follows]

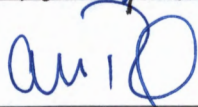
IN WITNESS WHEREOF, Hospital and Contractor have executed this Amendment as of the day and year first written above.

CONTRACTOR

SALINAS VALLEY MEMORIAL
HEALTHCARE SYSTEM, DBA SALINAS
VALLEY MEDICAL CLINIC

By: 
Its President/CEO

Date: 5/3, 2017

By: 
Its Chief Medical Officer

Date: 5-1-17, 20__

NATIVIDAD MEDICAL CENTER

Deputy Purchasing Agent

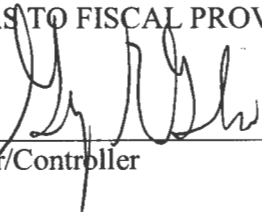
Date: _____, 20__

APPROVED AS TO LEGAL PROVISIONS:


Stacy Saetta, Deputy County Counsel

Date: 5/12, 2017

APPROVED AS TO FISCAL PROVISIONS:


Deputy Auditor/Controller

Date: 5/15, 2017

Exhibit 2.1

COMPENSATION

1. **Neurology Coverage Services.** Hospital shall pay to Contractor an amount equal to Three Hundred Dollars (\$300) per twenty-four (24) hour Shift of neurology Coverage Services provided pursuant to this Agreement, not to exceed \$109,500 per contract year.
2. **Hematology/Oncology Coverage Services.** Hospital shall pay to Contractor an amount equal to Three Hundred Fifty Dollars (\$350) per twenty-four (24) hour Shift of hematology/oncology Coverage Services provided pursuant to this Agreement, not to exceed \$127,750 per contract year.
3. **Hematology/Oncology Clinic Services.** Hospital shall pay to Contractor an amount equal to Two Hundred and Fifty Dollars (\$250) per hour for hematology/oncology Clinic services provided pursuant to this Agreement, a minimum of three (3) hours per week, which may increase due to patient volume.
4. **Pulmonary/Critical Care Services.** Hospital shall pay to Contractor an amount equal to One Hundred Eight-Five Dollars (\$185) per hour for hourly rounding on ICU Patients provided pursuant to this Agreement, when Contractor is scheduled to provide such services from time to time as needed.
5. **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".