

COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
(MORE THAN \$100,000)

This Professional Services Agreement (hereinafter "Agreement") is made by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California and Interim Physicians, LLC, (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: **Provide Locum Tenens Physician Services.**
2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of **\$200,000.**
3. **TERM OF AGREEMENT.** The term of this Agreement is from July 1, 2010 to June 30, 2011, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A: Scope of Services/Payment Provisions
Exhibit B: Insurance Justification
Exhibit C: Certification of Physicians

5. PERFORMANCE STANDARDS.

- 5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
- 5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment,

instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.1. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than thirty (30) days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.

6.2. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement; and then only in accordance with any applicable County policies.

7. TERMINATION.

7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend and hold harmless, NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability, losses, whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Contractor's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of NMC. "Contractor's performance" includes Contractor's action or inaction and the action or inaction of Contractor's officers, employees, agents and subcontractors.

8.1. NMC and the County of Monterey (hereinafter "County") shall indemnify, defend and hold harmless, CONTRACTOR, its officers, agents and employees from any and all claims, liability, losses, whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of

this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the NMC's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of Contractor. "NMC's performance" includes NMC's action or inaction and the action or inaction of NMC's officers, employees, agents and subcontractors.

9. INSURANCE.

9.1. Evidence of Coverage:

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.2. Qualifying Insurers: All coverage's except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.3. Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, If CONTRACTOR employs other in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.4. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.1. Confidentiality. CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.
 - 10.2. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC and NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
 - 10.3. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
 - 10.4. Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess or \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
 - 10.5. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.
11. **NON-DISCRIMINATION**. During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the

furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.
13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for an obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.
14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and Contractor's contract administrators at the addresses listed below.

FOR NATIVIDAD MEDICAL CENTER:

Contracts/Purchasing Manager

Name and Title

**1441 Constitution Boulevard
Salinas, CA 93906**

Address

831.755.4111

Phone

FOR CONTRACTOR:

Frank Phillips – VP of Sales Operations

Name and Title

**12140 Woodcrest Executive Drive
St. Louis, MO 63141**

Address

404.257.4461

Phone

15. MISCELLANEOUS PROVISIONS.

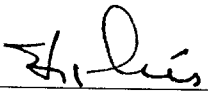
- 15.1. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.2. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 15.3. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.4. Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.
- 15.5. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement. NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

- 15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15. Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations. Representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

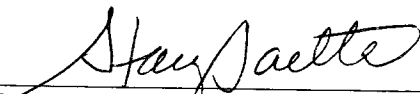
NATIVIDAD MEDICAL CENTER

By: _____
NMC Contracts/Purchasing Agent

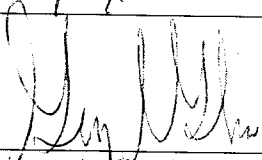
Date: _____

By: 
Harry Weis, NMC CEO

Date: 6/25/10

By: 
Stacy Saetta, Deputy County Counsel

Date: 6/30/10

By: 
Gary Giboney, Auditor/Controller

Date: 7-1-10

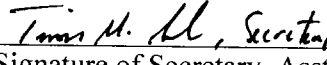
CONTRACTOR


Contractor's Business Name***

By: 
Signature of Chair, President, or Vice-President

TIMOTHY P. HANS, CEO
Name and Title

Date: 6/18/10

By: 
Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer

Timothy M. Serlone, Secretary
Name and Title

Date: 6/21/10

***INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.

EXHIBIT A

INTERIM PHYSICIANS ALL-INCLUSIVE RATE SHEET FOR July 2010-June 2011

Specialty	Rate Per Hour	Overtime Per Hour	Beeper Rate, per weeknight	Weekend On Call, per day
<i>Anesthesiology</i>	\$262.50	\$300.00	\$300.00	\$1050.00
<i>Cardiologist- Interventional</i>	\$250.00	\$375.00	\$355.00	\$1000.00
<i>Cardiologist-Non-Interventional</i>	\$225.00	\$337.50	\$350.00	\$900.00
<i>Critical Care</i>	\$150.00	225.00	210.00	600.00
<i>Dermatology</i>	\$121.00	\$181.50	\$125.00	\$484.00
<i>Emergency Medicine/Hourly</i>	N/A	N/A	N/A	N/A
<i>Family Practice</i>	\$121.00	181.50	\$125.00	\$484.00
<i>Family Practice w/ OB</i>	\$125.00	187.50	130.00	500.00
<i>Gastroenterology</i>	\$287.50	\$200.00	\$200.00	\$1150.00
<i>General Surgery</i>	\$212.50	\$200.00	\$200.00	\$1400.00
<i>Hospitalist</i>	\$145.00	\$200.00	\$200.00	\$580.00
<i>Internal Medicine</i>	\$121.00	\$181.50	\$125.00	\$484.00
<i>Medical/Hematology Oncology</i>	\$212.50	\$200.00	\$200.00	\$1700.00
<i>Neurology</i>	175.00	250.00	200.00	700.00
<i>Neonatology</i>	\$3148.00 per 12 hr day	250.00	\$200.00	\$2300.00
<i>Neurosurgery</i>	\$387.50	\$425.00	\$425.00	\$2800.00
<i>Occupational Medicine</i>	\$125.00	\$187.50	\$200.00	\$500.00
<i>OB/GYN</i>	\$187.50	\$200.00	\$200.00	\$1500.00
<i>Orthopedic Surgery</i>	\$237.50	\$356.25	\$300.00	\$950.00
<i>Otolaryngology</i>	\$145.00	\$200.00	\$200.00	\$580.00
<i>Pathology</i>	\$137.50	\$206.25	\$200.00	\$550.00
<i>Pediatrics</i>	\$121.00	\$181.50	\$125.00	\$484.00
<i>Pediatric Hospitalist</i>	\$145.00	\$200.00	\$200.00	\$580.00
<i>Psychiatry-Adult</i>	\$160.00	\$240.00	\$200.00	\$640.00
<i>Psychiatry-Child/Adolescent</i>	\$180.00	\$270.00	\$250.00	\$700.00
<i>Pulmonology</i>	\$135.00	\$200.00	\$200.00	\$500.00
<i>Interventional Radiology</i>	\$381.25	\$290.00	\$290.00	\$2500.00
<i>General Radiology</i>	\$312.50	\$290.00	\$290.00	\$2500.00
<i>Urgent Care/Ambulatory Care</i>	\$125.00	\$187.50	\$200.00	\$500.00

Permanent Placement Fee = \$18,000.00 per placement

Submitted 6/14/201

EXHIBIT B

INSURANCE JUSTIFICATION

CONTRACTOR: Interim Physicians, LLC

Commercial General Liability Insurance Endorsement

Business Justification:

Based on the Scope of Services provided herein, the endorsement to the Commercial General Liability Insurance is not applicable. The hospital does not foresee any potential liability risks associated with this justification.

Automobile Liability Insurance Endorsement

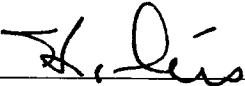
Business Justification:

The vendor has provided proof Automobile Liability Insurance at the County required limits. Based on the Scope of Services, NMC Administration requests that the Additional Insured Endorsement be waived for this vendor.

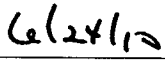
Workers' Compensation Insurance Requirements

Business Justification:

The vendor has no California employees at this time. However, in the event the vendor hires an employee(s), vendor agrees to obtain Workers' Compensation Insurance coverage pursuant to this Agreement.



Harry Weis
Chief Executive Officer



Date

EXHIBIT C

CERTIFICATION OF PHYSICIANS

The Professional Services Agreement between the County of Monterey on behalf of Natividad Medical Center and Interim Physicians, LLC (the "Agreement") is hereby modified to include the following:

Section 6. PERFORMANCE STANDARDS.

- 6.3 Licenses and Certifications. Each Physician providing services under this Agreement shall be duly qualified and licensed to practice medicine in the State of California, and experienced and qualified in the medical practice of such Physician's practice specialty ("Specialty"). Each Physician shall, from and after the Effective Date, be and remain board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties or American Osteopathic Association (either, the "Certifying Board"); provided, however, that if a Physician is not certified in the Specialty by the Certifying Board as of the Effective Date, such Physician shall have a reasonable amount of time to obtain such certification, provided that such Physician diligently pursues such certification in accordance with the rules of the Certifying Board, and is certified in the Specialty by the Certifying Board.
- 6.4 Hospital Rules, Regulations and By-Laws. Each Physician shall provide the Services in strict accordance with all applicable Hospital rules, regulations, policies and procedures, and with any applicable Medical Staff Bylaws, Rules and Regulations, and rules of the Hospital department that supervises the Specialty (the "Department"). Each Physician shall be and remain a member of the Medical Staff of Hospital with medical privileges in good standing, including holding all Medical Staff credentials and privileges necessary to provide professional physician services in the Specialty.
- 6.5 Compliance Program. Each Physician shall attend educational or informational meetings as part of NMC's Compliance Program from time to time, as requested by NMC. All business relationships between Contractor, each Physician and NMC are to be at arm's length and must comply with applicable law and regulation(s) and NMC's policies and procedures, including NMC's Compliance Program and Code of Conduct, as they may be amended from time to time.
- 6.6 Representations and Warranties by Physicians. Each Physician represents and warrants that: (i) Physician's license to practice medicine in any state has never been suspended, revoked or restricted; (ii) Physician has never been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (iii) Physician has never been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (iv) Physician has never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (v) Physician's medical staff membership or clinical privileges at any hospital or health care facility have never been suspended, limited or revoked for a medical disciplinary cause or reason; and (vi) Physician has never been charged with or convicted of a felony, a misdemeanor

involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.

6.7 Specific Compliance Requirements. In providing the Professional Services set forth in this Agreement, each Physician shall, without limitation: (i) comply with all applicable federal and state laws, rules and regulations of each governmental authority having jurisdiction over the Department and the outpatient clinic owned and operated by NMC (the "Clinic") including, without limitation, Titles 22 and 24 of the California Code of Regulations; (ii) comply with the NMC and Hospital Medical Staff Bylaws, rules, regulations and policies, and Hospital's quality assurance and utilization review functions; (iii) comply with the NMC Code of Conduct; (iv) actively participate in meeting the standards established from time to time for the Department and Hospital's Family Practice Residency Program; (v) as requested by Hospital's Service Chief or Chief Medical Officer, serve and actively participate in the various committees of Hospital's Medical Staff, as set forth in the Medical Staff Bylaws, rules and regulations; (vi) at all times comply with all applicable Federal Healthcare Program rules and regulations; (vii) is not currently suspended or barred from participation in any Federal Healthcare Program and is not the subject of a Federal Program compliance audit or investigation; and (viii) actively assist Hospital in assuring that Hospital meets the standards and requirements of the Joint Commission, Hospital licensure requirements and/or third party payor certification requirements applicable to Hospital.

6.8 Notification of Certain Events. Each Physician shall notify Hospital in writing within twenty-four (24) hours after becoming aware of the occurrence of any of the following events:

A Physician becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by, any Federal Health Care Program, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any hospital medical staff;

A Physician's medical staff membership or any clinical privileges at any health care facility (including Hospital) are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

A Physician becomes the subject of any action or proceeding arising out of such Physician's professional services;

A Physician is charged with a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime related to such Physician's practice of medicine;

A Physician violates, or causes any other person or entity to violate, the Hospital Code of Conduct, and/or Hospital's corporate integrity program;

A Physician is excluded from or restricted in any manner from participation in a Federal Healthcare Program;

Any other event occurs with respect to a Physician that materially interrupts or affects all or a portion of such Physician's ability to perform his/her obligations under this Agreement;

A Physician's license to practice medicine in the State or any other jurisdiction, or a Physician's Drug Enforcement Agency registration, is suspended, restricted, terminated, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto; or

A Physician's insurance policy required under this Agreement is terminated, not renewed, cancelled or reduced in coverage.

- 6.9 Continuing Education. Each Physician shall, from and after the Effective Date, participate in continuing education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community for the Specialty.
- 6.10 Billing for Professional Services. To the extent permitted by law, Contractor and each Physician acknowledge and agree that Hospital shall be solely responsible for billing Federal Health Care Programs, Managed Care Organizations, and other third party payors and patients for Professional Services performed by each Physician under this Agreement, and collecting such fees and charges. Neither Contractor, any Physician nor any other person shall attempt to bill and collect from any patient, payor or any other person for any of a Physician's Professional Services, other than as described in this Agreement.

Contractor and each Physician shall assist NMC in securing any necessary physician provider enrollments and related paperwork, including Medicare and Medicaid supplier numbers, NPIs, and any reassignment forms necessary to permit payment to NMC (e.g., CMS Form 855s). Copies of pertinent documents will be provided to NMC immediately upon request.

Contractor, each Physician and NMC agree that charges, coding and reimbursement procedures will follow established Medicare guidelines in effect upon the date the service is provided.

Section 7. PAYMENT CONDITIONS

- 7.3 Time Reporting. Contractor and each Physician agree to: (i) prepare and submit accurate and complete time records documenting separately the time spent by each Physician rendering Professional Services and/or Provider Services, on forms acceptable to Hospital; (ii) at such times as requested by Hospital, execute and update a written allocation agreement, on a form furnished by Hospital, specifying the respective amounts of time to be spent in furnishing Professional Services, Provider Services, and any services which do not fall into either category, and/or executing and updating such other agreement(s) as may be required by the Federal Health Care Programs from time to time; and (iii) retain such allocation agreement and all amendments thereto, and all time

records and other agreements required by this Section, for not less than four (4) years after the end of Hospital's fiscal year to which such documents relate. The parties and each Physician acknowledge and agree that the sole purpose of recording hours of activity and of determining compensation based thereon is the imposition of rules and regulations pursuant to the Federal Health Care Programs, and does not constitute an employer/employee relationship.

Section 9. RECORDS AND CONFIDENTIALITY

- 9.1.1 Confidentiality. Contractor, its officers, employees, agents, and subcontractors and each Physician, shall comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320 through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Part 164, and the federal security standards as contained in 45 C.F.R. Part 142 (collectively, the "Regulations"). Contractor and each Physician shall not use or further disclose any protected health information, as defined in 45 C.F.R. § 164.504, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively, the "Protected Health Information"), of Hospital patients, other than as permitted by this Agreement, Hospital policies and procedures, and the requirements of HIPAA or the Regulations. Contractor and each Physician shall implement appropriate safeguards to prevent the use or disclosure of Protected Health Information other than as contemplated by this Agreement. Contractor and each Physician shall promptly report to Hospital any use or disclosures, of which Contractor or a Physician becomes aware, of Protected Health Information in violation of HIPAA or the Regulations. In the event that Contractor or a Physician contracts with any agents to whom Contractor or a Physician provides Protected Health Information, Contractor or such Physician shall include provisions in such agreements pursuant to which Contractor or the Physician and such agents agree to the same restrictions and conditions that apply to Contractor and Physician with respect to Protected Health Information. Contractor and each Physician shall make Contractor and each Physician's internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary to the extent required for determining compliance with HIPAA and the Regulations. No attorney-client, accountant-client or other legal or equitable privilege shall be deemed to have been waived by Contractor [each Physician] or Hospital by virtue of this Section. The provisions set forth herein shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.
- 9.2.1 Medical Records. Each Physician shall prepare and maintain, or cause to be prepared and maintained, complete medical records, in accordance with Hospital requirements for documentation, timeliness and completeness, for each patient who is treated by a Physician at Hospital, including but not limited to within the Department or the Clinic. Said medical records shall, at all times, be the property of Hospital, but each Physician shall have reasonable access to such medical records and shall have the right to make copies thereof, at such Physician's sole cost and expense, upon reasonable notice to Hospital to do so.

Section 10. PHYSICIAN CERTIFICATION

Contractor shall assure that each Physician providing Services under this Agreement shall execute the PHYSICIAN CERTIFICATION attached hereto as Exhibit C, and shall provide an executed copy of the PHYSICIAN CERTIFICATION to NMC for each Physician prior to such Physician's provision of Services hereunder.

CERTIFICATION OF PHYSICIANS

Each Physician signing below acknowledges that he or she has read and understands the terms of the attached Agreement, agrees to be bound by the terms of the Agreement applicable to Physician, and certifies that Physician is in compliance with, and will continue to be in compliance with throughout the term of the Agreement,, all representations, warranties, duties and obligations of Physician as set forth in the Agreement, including without limitation the provisions of Section 6, Section 7 and Section 9 of the Agreement.

Sign Name: _____

Print Name: _____

Specialty: _____

Date: _____