

 Natividad MEDICAL CENTER
County of Monterey Agreement for Services
(Not to Exceed \$100,000)

This Agreement (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and AE & Associates, LLC hereinafter "CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties.").

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

GENERAL DESCRIPTION OF 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: On-Site ICD-10 Training.

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 \$19,000.00.

TERM OF AGREEMENT; the term of this Agreement is from July 1, 2013 through June 30, 2014 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.

NMC reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

SCOPE OF SERVICES AND 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

1. PERFORMANCE STANDARDS:

- 1.1. 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.
- 1.2. 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.
- 1.3. 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.

2. PAYMENT CONDITIONS:

- 2.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided herein. NMC (Monterey County) does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 2.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.
- 2.3. 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 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 30 days of receiving the certified invoice.
- 2.4. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

3. TERMINATION:

- 3.1. 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.
- 3.2. 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.

4. INDEMNIFICATION:

- 4.1. CONTRACTOR shall indemnify, defend, and hold harmless NMC (hereinafter "County"), its officers, agents and employees from any claim, liability, loss injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The CONTRACTOR shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the CONTRACTOR is obligated to indemnify, defend and hold harmless the County under this Agreement.

5. INSURANCE:

5.1. Evidence of Coverage:

- 5.1.1. 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.

5.1.2. 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.

5.1.3. 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.

5.2. 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.

5.3. 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:

5.4. 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.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

5.5. 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 \$500,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

5.6. 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.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

5.7. 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.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval)

6. Other Insurance Requirements:

- 6.1. 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.
- 6.2. 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.
- 6.3. 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.
- 6.4. 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 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.
- 6.5. 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.

7. RECORDS AND CONFIDENTIALITY:

- 7.1. 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.
- 7.2. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
- 7.3. 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.
- 7.4. 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.
8. 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.
9. 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.
10. 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.

11. 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 and 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.

12. 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.

NATIVIDAD MEDICAL CENTER:

Sid Cato
Management Analyst, Contracts
Natividad Medical Center
1441 Constitution Blvd
Salinas, CA. 93906
Phone: 831.783-2620
catosl@natividad.com

CONTRACTOR:

Name: Arnold T. Ardevela
Title: _____
Address: 506 Queensland Circle, Corona, CA 92879
FAX: 951-278-3670
Phone: 951-278-3477
Email: arnold.a@aeaallc.com

13. MISCELLANEOUS PROVISIONS:

- 13.1 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.
- 13.2 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 13.3 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.
- 13.4 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.
- 13.5 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 13.6 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.

- 13.7 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.
- 13.8 Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 13.9 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 13.10 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 13.11 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 13.12 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.
- 13.13 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.
- 13.14 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.
- 13.15 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.
- 13.16 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.

Signature Page to follow

NATIVIDAD MEDICAL CENTER


By: 
Sid Cato, Management Analyst / Contracts Manager

Date: 9-7-13

By: 
Harry Weis, NMC Chief Executive Officer

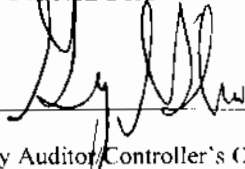
Date: 8/6/13

APPROVED AS TO LEGAL PROVISIONS

By: 
Anne Brauer
Monterey County, Deputy County Counsel

Date: Sept 3, 2013

APPROVED AS TO FISCAL PROVISIONS


By: 
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 9-4-13

CONTRACTOR

AE & Associates LLC

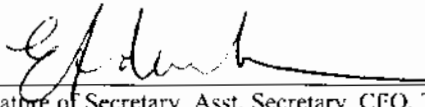
Contractor's Business Name*** (see instructions)


Signature of Chair, President, or Vice-President

Arnold Ardevela, President

Name and Title

Date: 7/3/13

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

Ester Ardevela, CFO

Name and Title

Date: 7/3/13

*****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 (two signatures required).

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 (two signatures required).

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 (one signature required).

AE & ASSOCIATES, LLC
506 Queensland Circle
Corona, CA 92879
PH: 951.278.3477
FX: 951.278.3670
www.aeandassociatesllc.com



Proposal for Services On-Site ICD-10 Training

July 3, 2013

Prepared For: Kim Williams
Director, Health Information Management
Natividad Medical Center
1441 Constitution Blvd.
(831) 755-4111

Prepared By: Arnold Ardevela, MBA, CCS, CPC, CPC-H, CPC-I, C-CDI
President
AHIMA Approved ICD-10 CM/PCS Ambassador and Trainer
AAPC Approved Trainer
Arnold.A@aeaallc.com

Edward Ringor, BA, CCS, CPC
Business Development
Edward.R@aeaallc.com

Purpose

The purpose of this proposal to inform the **Natividad Medical Center** of the services of AE & Associates, LLC which can meet their need for a vendor that can provide on-site ICD-10 training for their medical coding staff of 7.

Project start date of October 7, 2013 and ending on November 7, 2013 with a total cost not to exceed \$19,000.00.

* Information contained in this proposal is confidential and is to be used solely for the purpose of evaluating the proposal and is not to be disclosed to anyone outside of the evaluation group without our written authorization.



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Executive Summary

Natividad Medical Center is a 172-bed acute care hospital owned and operated by Monterey County. They provide healthcare access to all patients regardless of their ability to pay. **Natividad Medical Center** operates with a medical staff of over 235 physicians and has several specialty clinics and outpatient primary care clinics operated by Monterey County Health Department. They are fully accredited by The Joint Commission and is governed by a Board of Trustees, under the guidance of the Monterey County Board of Supervisors.

In order for the medical coding staff to be ready for the transition to ICD-10 in 2014, **Natividad Medical Center** recognizes the importance of them receiving education and training on the new code sets to ensure proper reimbursement for the hospital so they can continue servicing the people of Monterey County. Kim Williams, the Director of Health Information Management, is seeking to identify interest from individuals and agencies willing and qualified to provide ICD-10 training to the medical coders of **Natividad Medical Center**.

Objective

The objective of this proposal is to offer the services of AE & Associates, LLC to provide on-site ICD-10CM/PCS instruction to the medical coding staff at **Natividad Medical Center** so that they will be able to demonstrate the following:

- ✦ Expertise in reviewing and coding for diagnoses, procedures and services using ICD-10.
- ✦ A sound knowledge of medical coding rules and regulations including compliance and reimbursement for ICD-10.
- ✦ Working knowledge of ICD-10 relevant to the work done at their departments.
- ✦ Preparation for the conversion to ICD-10 on October of 2014.



Company Background

AE & Associates, LLC provides interim and/or long-term staffing to health care organizations with an emphasis on medical record coding, coding audits, interim health information management, clerical staffing and coding education. Our trained, experienced, and credentialed healthcare professionals can help to resolve and/or prevent workflow backlogs and to provide staffing for special projects.

AE & Associates, LLC is distinguished by its use of only credentialed health information professionals. Many of the company's credentialed coders and auditors are also trained physicians and nurses.

The company has been in business for 13 years however our company president, Mr. Arnold Ardevela has been in the industry for over twenty-five years. In addition to his executive management experience, Mr. Ardevela is a trained physician, multi-credentialed coder, and approved coding instructor. Mr. Ardevela has nearly thirty years of healthcare experience in hospitals, national healthcare consulting firms and healthcare claims management. He also holds a Master of Business Administration in Health Care Management.

Mr. Ardevela is a credentialed coder through both the American Health Information Management Association (AHIMA) and the American Academy of Professional Coders (AAPC). In the forefront of the ICD-10 transition, Arnold is an AHIMA certified ICD-10/PCS Trainer. Arnold is also an approved Professional Medical Coding Curriculum Instructor through the AAPC and a Certified Healthcare Compliance Consultant (CHCC). He has conducted numerous DRG audits nationally beginning in 2003. As a trained physician, Arnold has had significant success in educating other physicians with regard to the benefits of improved documentation on reimbursement.

He has served as President of AE & Associates, LLC since its beginning in 2000. Since then the company has grown significantly in services, revenue and client relationships under his leadership.



Expertise and Experience

Established over thirteen years ago, AE & Associates, LLC has partnered with a large clientele of healthcare organizations throughout Southern California and various parts of the nation. We are currently working with one of the largest healthcare organizations in which we provide coding and auditing services, administrative and consulting work as well.

AE & Associates, LLC currently conducts Evaluation & Management and Charge Capture coding for all Kaiser Permanente facilities in Southern California. AE also provides HCC coding as well as MOCK RADV audits for health plans. AE has the experience, knowledge and resources to assist large and diverse healthcare organization such as **Natividad Medical Center**.

We have a handpicked staff of healthcare professionals in which many of them are multi-credentialed. A majority of our staff members have credentials in both medical coding and clinical training as well from LVNs and RNs to Physicians. We would not only have knowledge in medical coding but in medical practice as well.

AE & Associates, LLC has been conducting ICD-10 training for healthcare facilities, not only locally, but overseas as well. We have a team of AHIMA certified ICD-10 trainers as well as an ICD-10 Ambassador that have experience to customize a complete training seminar for a facility as large as **Natividad Medical Center**.

In addition AE & Associates, LLC has a long history of educating healthcare professionals for a career as Medical Coders. This Institution offers one of the most comprehensive Medical Coding Programs in Southern California. We offer courses for both AHIMA and AAPC credentials and offer many courses that result in continued education units for both organizations.

All of the instructors for AE & Associates, LLC and their subsidiary school, Tri-County Allied Health School are certified coders and many of them have strong clinical backgrounds, such as foreign medical graduates, (FMGs). All of the instructors for their ICD-10 training program are graduates of AHIMA's ICD-10 Trainer program.



Organizational Structure

Arnold Ardevela, MBA, CCS, CPC, CPC-H, CPC-I, CHCC, CPC-I, CCDS
President / CEO

Ester Ardevela, MSN, RN, NP-C, CCS
Chief Financial Officer

Laurie Stutzman, BS, PA, CCS, CPC, CPC-I, CPC-H
Coding Educator

Lerma Veloso, BSC, CPC
Payroll Manager

Paul Apusen, CPC, CCS, CIRCC, CPMA, CHONC, FMG
Coding Educator

Mark Ardevela, RN, BSN
Operations Manager

Romy Malimban, CCS, CPC, CIRCC
Project Manager Nevada, Coding Educator

Nicole Ardevela, BA
Business Development

Evelyn Estrada, CCS, CPC, CIRCC, FMG
E&M Instructor

Edward Ringor, BA, CCS, CPC
Project Coordinator

Myrna Francisco, CCS, CPC, CPC-I, FMG
Coding Educator

Gary Tran
Corporate Attorney

Company Locations

Headquarters:

506 Queensland Circle
Corona, CA 92879
(951) 278-3477
Fax: (951) 278-3670

Education and Training Facility:

Tri-County Allied Health School
512 Queensland Circle
Corona, CA 92879
(951) 479-4775

Satellite Office:

11556 Timber Mountain Avenue
Las Vegas, NV 89135
(702) 462-6637

Satellite Classroom:

4515 Eagle Rock Blvd, Suite 143
Los Angeles, CA 90041
(951) 278-3477



References

Prime Healthcare Management (CDI Group)

Mr. Ajith Kumar, MB, MHA
3300 East Guasti Road, 3rd Floor
Orange, CA 92868
Contact Number: (714) 937-7029

Citizens Choice Healthplan HMO

Ligaya Dolar, CPC, CPUR
Risk Adjustment Manager
17315 Studebaker Road, Suite 200
Cerritos, CA 90703
323-728-7232 x 2163 Office

St. Mary Medical Center (A Dignity Hospital)

Ms. Genevieve Del Mundo, CCA, CCS, CDIP
Coding Manager
1050 Linden Avenue
Long Beach, CA 90813
Contact Number: (562) 491-9000 ext. 2661

Community Hospital of Huntington Park (An Avanti Hospital)

Ms. Antoinette Scott, CCS
HIM Director
2623 E. Slauson Avenue
Huntington Park, CA 90255
Contract Number: (323) 583-1931

Los Angeles Community Hospital

Mr. Oleg Korsakov, RHIT, CCS, CPC, COSC
Director of HIM
13222 Bloomfield Avenue
Norwalk, CA 90650
Contact Number: (323) 267-0477



Job Approach

Initial Assessment Test

At the beginning of the first training day, AE & Associates, LLC will provide the trainees with an assessment test. This test will be used to establish their current coding skills and understanding of ICD-10 coding. This will also be used in making any adjustments, if needed, to the curriculum to make the training more effective for the group.

Exit Test

A final test will be given to the trainees to measure their understanding of the material that was presented. The results of the Exit Test will be compared to those of the Initial Assessment Test to give the managers and/or directors of **Natividad Medical Center** a measurement of growth of the trainees' knowledge of ICD-10 coding.

Instructional Methodology

All instruction will be conducted in a traditional classroom setting. The instructional method used will include but is not limited to lectures, discussions, audio and video presentations, assignments and testing. Training facility will be provided by **Natividad Medical Center**.

Training Schedule

Training will be held at a location designated by **Natividad Medical Center**. Training will be for 6 hours per day and the days are those listed below. *Days and times are tentative according to the availability of the trainees and classroom facility as determined by **Natividad Medical Center**.

Week 1	Wednesday	July 24, 2013
	Thursday	July 25, 2013
Week 2	Wednesday	July 31, 2013
	Thursday	August 1, 2013
Week 3	Wednesday	August 7, 2013
	Thursday	August 8, 2013
Week 4	Wednesday	August 14, 2013
	Thursday	August 15, 2013
Week 5	Wednesday	August 21, 2013
	Thursday	August 22, 2013

*Days listed above are tentative and may change.



Required Background

To successfully complete this course, students must demonstrate knowledge in the following areas:

- Advanced knowledge of Anatomy and Physiology*
- Understanding of basic coding principles

ICD-10 Books/Manuals

- Faye Brown ICD-10_CM/PCS Coding Handbook 2013
- Basic ICD-10-CM/PCS Coding Exercises, 4th Edition
- 2013 ICD-10 CM and PCS (options listed in Pricing page)

Additional Print Resources (Suggested/not mandatory)

Medical Dictionary / Drug Handbook

ICD-10 CM Curriculum:

Week 1	Day 1	ICD-10-CM Coding Conventions and Coding Guidelines Review	
		ICD-10-CM Case Scenarios	
		Infectious and Parasitic Diseases	
		Neoplasms	
		Diseases of the Blood and Blood-Forming Organs and Disorders	
	Day 2	Endocrine, Nutritional, and Metabolic Diseases	
		Mental and Behavioral Disorders	
		Diseases of the Nervous System	
		Diseases of the Circulatory System	
		Diseases of the Respiratory System	
Week 2	Day 3	Diseases of the Digestive System	
		Diseases of the Skin and Subcutaneous Tissue	
		Diseases of the Musculoskeletal System and Connective Tissue	
		Diseases of the Genitourinary System	
		Pregnancy, Childbirth, and the Puerperium	
		Newborn/Congenital Disorders	
	Day 4	Symptoms, Signs and Abnormal Clinical and Laboratory findings	
		Injury, Poisoning, and Certain Other Consequences of External Causes and External Causes of Morbidity	
		Complications	
		Factors Influencing Health Status	
		Post-Training Test	



ICD-10 PCS Curriculum:

Week 3	Day 5	Discussion of Definitions and Guidelines
		ICD-10-PCS Guidelines and Root Operations Review
Week 3	Day 6	Coding Procedures in the Medical and Surgical Section <ul style="list-style-type: none"> • Excision, Resection, Detachment, Destruction, Drainage, Extirpation, Fragmentation, Division, Release, Transplantation, Reattachment, Transfer...
		Coding Procedures in the Medical and Surgical Section continued... <ul style="list-style-type: none"> • Reposition, Restriction, Occlusion, Dilatation, Bypass, Insertion, Replacement, Supplement, Change, Removal Revision, Inspection, Map, Control, Repair, Fusion, Alteration, Creation...
Week 4	Day 7	Procedures in the Medical and Surgical-related Sections continued... <ul style="list-style-type: none"> • Obstetrics, Placement, Administration, Measurement and Monitoring, Extracorporeal Assistance and Performance, Extracorporeal Therapies, Osteopathic, Other Procedures, Chiropractic...
		Procedures in the Ancillary Sections <ul style="list-style-type: none"> • Imaging, Nuclear Medicine, Radiation Oncology, Physical Rehabilitation and Diagnostic Audiology, Substance Abuse Treatment...
Week 5	Day 9	Case Studies from Inpatient Health Records <ul style="list-style-type: none"> • Detailed and/or Complex cases and scenarios using ICD-10-CM and ICD-10PCS codes
	Day 10	Same



Pricing

ICD-10-CM/PCS Training

Item	Cost
10 students. (Pricing can change depending on the total number of students)	\$19,000.00 Total
Handouts/Printed Materials	Included
24 AHIMA CEUs	Included

Books / Training Material

Description	Cost
Faye Brown ICD-10 CM/PCS Coding Handbook	
AHIMA: ICD-10-CM Coding Workbook	100/per student
AHIMA: ICD-10 PCS Coding Workbook	included in the training cost above.
Optum: 2014 ICD-10-PCS*	
AAPC: 2014 ICD-10-CM*	

*NAIC
IS NOT
PURCHASING THE
BOOKS LISTED ABOVE
FROM THIS VENDOR*



Conclusion

By utilizing the services of AE & Associates, LLC, **Natividad Medical Center** will be able to attain the goal of having a qualified vendor provide on-site ICD-10 training for their medical coding staff.

We believe that through the training and education provided, the trainees will be ready for the ICD-10 transition in 2014. The knowledge and skills learned will be reflected by their coding performed and the reimbursement received giving **Natividad Medical Center** the ability to continue providing the best health care services to the people of its community.

Please let me know if you have any questions or need additional information, and what we need to do to earn your business.

Sincerely,



Arnold Ardevela – MBA, CCS, CPC, CPC-I, CPC-H, C-CDI, CCDS
President / CEO



**RENEWAL AND AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN AE & Associates, LLC AND
THE NATIVIDAD MEDICAL CENTER**

THIS RENEWAL AND AMENDMENT NO. 1 to the County of Monterey Agreement for Services (hereinafter, "RENEWAL") is made and entered into, by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "County"), and and AE & Associates, LLC (hereinafter, "CONTRACTOR") (collectively, the County and CONTRACTOR are referred to as the "Parties.") with respect to the following:

WHEREAS, the Parties had previously entered into an Agreement for Services (hereinafter, "Agreement"), on September 4, 2013; and

WHEREAS, the Agreement is attached hereto as Attachment 1; and

WHEREAS, that Agreement expired on June 30, 2014; and

WHEREAS, the Parties wish to renew the Agreement on the same or similar terms, beginning July 1, 2014 and increase the amount payable by \$21,000 to continue to provide services associated with Onsite CCS exam preparation using ICD-9 codes, ICD-10 training for October 2014 transition within the County of Monterey and to extend the term end date.

NOW, THEREFORE, the parties agree as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Attachment 1 incorporated herein by this reference, except as specifically set forth below.

1. The AGREEMENT is renewed retroactive to July 1, 2014, and all of its provisions shall be deemed to have been in effect continuously since that time.
2. The term of this RENEWAL AND AMENDMENT NO. 1 is from July 1, 2014 to June 30, 2015 unless sooner terminated pursuant to the terms of this RENEWAL AND AMENDMENT NO. 1, or extended in writing.
3. Exhibit A to the Agreement is replaced with Renewal and Amendment No. 1 to Exhibit A, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Renewal and Amendment No. 1 to Exhibit A.
4. County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Attachment 1, subject to the limitations set forth in this RENEWAL AND AMENDMENT NO. 1. The total amount payable by County to CONTRACTOR shall not exceed the sum of \$40,000.
5. If there is any conflict or inconsistency between the provisions of Agreement, or this RENEWAL AND AMENDMENT NO. 1, the provisions of this RENEWAL shall govern.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: [Signature]
Sid Cato, NMC Contracts Manager

Date: 4-25-14

By: [Signature]
DR. MAIT O'KEEFE, Chief Executive Officer

Date: 8/25/14

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]
Anne Brereton
Monterey County, Deputy County Counsel

Date: Aug 19, 2014

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 8-20-14

CONTRACTOR

AE & Associates, LLC
Contractor's Business Name*** (see instructions)

[Signature]
Signature of Chair, President, or Vice-President

ARNOLD T. ARDEVOLA, PRESIDENT
Name and Title

Date: 7/21/14

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

ESTER ARDEVOLA, CFO
Name and Title

Date: 7/21/14

***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 (two signatures required).

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 (two signatures required).

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 (one signature required)

Amendment No. 1 to Exhibit A



AE & ASSOCIATES, LLC

A Healthcare Company Providing You with Excellent Service

506 Queensland Circle
Corona, CA 92879
PH: 951.278.3477
FX: 951.278.3670
www.aeandassociatesllc.com

PROPOSAL FOR TRAINING SERVICES

May 13, 2014

Prepared For: Kim Williams-Neal, MCAL, BSBM, RHIT
Health Information Management Director
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
(831) 783-2440
williams-nealk@natividad.com

Prepared By: Arnold Ardevela, MBA, CCS, CPC, CPC-H, CPC-I, C-CDI, CCDS
President
Arnold.A@aeaallc.com

Edward Ringor, BA, CCS, CPC
Business Development
Edward.R@aeaallc.com



PURPOSE

The purpose of this proposal is to inform the **Natividad Medical Center** of the services of AE & Associates, LLC which can meet their need for a vendor with the experience and expertise to provide exam preparation for the CCS credential using ICD-9 codes as well as ongoing ICD-10 education and preparation to their staff of medical coders to ensure they are ready for the transition to ICD-10 coding by October 1, 2015.

* Information contained in this proposal is confidential and is to be used solely for the purpose of evaluating the proposal and is not to be disclosed to anyone outside of the evaluation group without our written authorization.



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EXECUTIVE SUMMARY

Natividad Medical Center is a 172-bed acute care hospital owned and operated by **Monterey County**. They provide healthcare access to all patients regardless of their ability to pay. **Natividad Medical Center** operates with a medical staff of over 235 physicians and has several specialty clinics and outpatient primary care clinics operated by **Monterey County Health Department**. They are fully accredited by The Joint Commission and are governed by a Board of Trustees, under the guidance of the **Monterey County Board of Supervisors**.

In order for the medical coding staff to be ready for the transition to ICD-10 in 2014, **Natividad Medical Center** recognizes the importance of receiving education and training on the new code sets and has contracted **AE & Associates, LLC** to provide training to their medical coders which was completed on November 13, 2013.

Kim Williams-Neal, the Director of Health Information Management, is seeking to identify interest from individuals and agencies willing and qualified to provide ongoing ICD-10 training and Dual Coding to continue sharpening the skills of their coders and keeping them updated with the most current ICD-10 information to ensure that they will be ready for the official transition on October 1, 2015. She is also looking for a vendor that can prepare her some of her team member for the Certified Coding Specialist credentialing exam through the American Health Information Management Association.

OBJECTIVE

The objective of this proposal is to offer the services of **AE & Associates, LLC** to provide training and education in the form of:

- ↓ Onsite CCS exam preparation using ICD-9 codes.
- ↓ Ongoing ICD-10 training to update and sharpen coding skills in preparation for October 1, 2015.
- ↓ Remote ICD-10 training via GotoMeeting.com on a biweekly basis.
- ↓ Providing coding backlog during dual coding performed by hospital staffed coders.
- ↓ Provide onsite training and supervision the week of the transition to ICD-10.



COMPANY BACKGROUND

AE & Associates, LLC provides interim and/or long-term staffing to health care organizations with an emphasis on medical record coding, coding audits, interim health information management, clerical staffing and coding education. Our trained, experienced, and credentialed healthcare professionals can help to resolve and/or prevent workflow backlogs and to provide staffing for special projects.

AE & Associates, LLC is distinguished by its use of only credentialed health information professionals. Many of the company's credentialed coders and auditors are also trained physicians and nurses.

The company has been in business for 13 years however our company president, Mr. Arnold Ardevela has been in the industry for over twenty-eight years. In addition to his executive management experience, Mr. Ardevela is a trained physician, multi-credentialed coder, and approved coding instructor. Mr. Ardevela has nearly thirty years of healthcare experience in hospitals, national healthcare consulting firms and healthcare claims management. He also holds a Master of Business Administration in Health Care Management.

Mr. Ardevela is a credentialed coder through both the American Health Information Management Association (AHIMA) and the American Academy of Professional Coders (AAPC). In the forefront of the ICD-10 transition, Arnold is an AHIMA certified ICD-10/PCS Trainer. Arnold is also an approved Professional Medical Coding Curriculum Instructor through the AAPC and a Certified Healthcare Compliance Consultant (CHCC). He has conducted numerous DRG audits nationally beginning in 2003. As a trained physician, Arnold has had significant success in educating other physicians with regard to the benefits of improved documentation on reimbursement.

He has served as President of AE & Associates, LLC since its beginning in 2000. Since then the company has grown significantly in services, revenue and client relationships under his leadership.



EXPERIENCE AND EXPERTISE

Established over thirteen years ago, AE & Associates, LLC has partnered with a large clientele of healthcare organizations throughout Southern California and various parts of the nation. We are currently working with one of the largest healthcare organizations in which we provide coding and auditing services, administrative and consulting work as well.

AE & Associates, LLC currently conducts Evaluation & Management and Charge Capture coding for all Kaiser Permanente facilities in Southern California. AE also provides HCC coding as well as MOCK RADV audits for several health plans. AE has the experience, knowledge and resources to assist large and diverse organizations such as **Natividad Medical Center**.

We have a handpicked staff of healthcare professionals in which many of them are multi-credentialed. A majority of our staff members have credentials in both medical coding and clinical training as well from LVNs and RNs to Physicians. We would not only have knowledge in medical coding but in medical practice as well.

In addition AE & Associates, LLC has a long history of educating healthcare professionals for a career as Medical Coders. This Institution offers one of the most comprehensive Medical Coding Programs in Southern California. We offer courses for both AHIMA and AAPC credentials and offer many courses that result in continued education units for both organizations.

All of the instructors for AE & Associates, LLC and their subsidiary school, Tri-County Allied Health School are certified coders and many of them have strong clinical backgrounds, such as foreign medical graduates, (FMGs). All of the instructors for their ICD-10 training program are graduates of AHIMA's ICD-10 Trainer program.

All instructors used for any project performed overseas, such as the Philippines, will have the ability to communicate in both English and the main native language of the country such as Tagalog.



ORGANIZATIONAL STRUCTURE

Arnold Ardevela, MBA, CCS, CPC, CPC-H, CPC-I, CHCC, CPC-I,
CCDS
President / CEO

Ester Ardevela, MSN, RN, NP-C, CCS
Chief Financial Officer

Laurie Stutzman, BS, PA, CCS, CPC, CPC-I, CPC-H
Coding Educator

Lerma Veloso, BSC, CPC
Payroll Manager

Paul Apusen, CPC, CCS, CIRCC, CPMA, CHONC, FMG
Coding Educator

Mark Ardevela, RN, BSN
Operations Manager

Romy Malimban, CCS, CPC, CIRCC
Project Manager Nevada, Coding Educator

Nicole Ardevela, BA
Business Development

Evelyn Estrada, CCS, CPC, CIRCC, FMG
E&M Instructor

Edward Ringor, BA, CCS, CPC
Project Coordinator

Myrna Francisco, CCS, CPC, CPC-I, FMG
Coding Educator

Gary Tran
Corporate Attorney

COMPANY LOCATIONS

Headquarters:

506 Queensland Circle
Corona, CA 92879
(951) 278-3477

Satellite Office:

11556 Timber Mountain Avenue
Las Vegas, NV 89135
(951) 278-3477

Education and Training Facility:

Tri-County Allied Health School
512 Queensland Circle
Corona, CA 92879
(951) 479-4775



REFERENCES

Prime Healthcare Management (CDI Group)

Mr. Ajith Kumar, MB, MHA
VP or Reimbursement Management
3300 East Guasti Road, 3rd Floor
Orange, CA 92668
Contact Number: (714) 937-7029
akumar@primehealthcare.com

Isla Medical Services Bureau, Inc.

Ms. Elvie G. Santos
Chief Executive Officer
415 Chalan San Antonio, Ste. 315
Tamuning, Guam 96913
Contact Number: (671) 646-0231
elvsan@islamedicalservices.net

Citizens Choice Healthplan HMO

Ligaya Dolar, CPC, CPUR
Risk Adjustment Manager
17315 Studebaker Road, Suite 200
Cerritos, CA 90703
323-728-7232 x 2163 Office

Los Angeles Community Hospital

Mr. Oleg Korsakov, RHIT, CCS, CPC, COSC
Director of HIM
13222 Bloomfield Avenue
Norwalk, CA 90650
Contact Number: (323) 267-0477

St. Mary Medical Center (A Dignity Hospital)

Ms. Genevieve Del Mundo, CCA, CCS, CDIP
Coding Manager
1050 Linden Avenue
Long Beach, CA 90813
Contact Number: (562) 491-9000 ext. 2661
Genevir.delmundo@dignityhealth.org



COMPANY STRENGTHS AND BENEFITS

Quality staff equals quality service

- ↓ AE & Associates, LL provides the most highly qualified professionals to handle all your coding, auditing and training needs. We boast a long list of credentialed health information professionals with years of experience in their respective fields. A majority of our staff employees are foreign graduate physicians and nurses who have extensive medical knowledge of coding processes and its principles and guidelines.

Exceeds standards and expectations

- ↓ Work is audited and monitored based on not only the client's standards but ours as well. The knowledge and experience of our staff on handling different project needs and their ability to exceed productivity and accuracy standards are what sets us apart from other organizations.

Relationship based company

- ↓ AE & Associates' industry knowledge, broad range of resources and years of experience are what makes them a leader in healthcare assistance and education. However, it is their partnership with their clients and their strong commitment to offer custom-tailored personal service that differentiates them from all others.

Tailored Service

- ↓ Whether you are in need of short-term assistance to alleviate backlogs, a longer-term resource to cover staff shortages or information on how to implement a more cost effective workplace AE & Associates will provide you will the right qualified person to give you the service you deserve.

We maintain professionalism

- ↓ Whether our staff is on-site or working remotely our personnel works with the utmost sense of professionalism and follows all rules and regulations set forth by our clients and other governing bodies.



PROJECT APPROACH

Methodology

1. CCS Exam Preparation

- ↓ AE & Associates, LLC will provide a qualified instructor to provide onsite test preparation for the Certified Coding Specialist (CCS) credential through AHIMA.
- ↓ CCS exam preparation will still be based on ICD-9 diagnoses and procedural codes as well as CPT 2014 codes.
- ↓ Training will be for four (4) consecutive days and each day will consist of 6 hours of training and mock testing.
- ↓ Training will take place in the month of November 2014.
- ↓ The instructional method used will include but is not limited to lectures, discussions, audio and video presentations, assignments and testing.

2. Ongoing ICD-10 Training

- ↓ AE & Associates, LLC will provide ongoing ICD-10 CM and PCS education and training.
- ↓ Training will be conducted biweekly starting April 1, 2015 and end on September 16, 2015.
- ↓ Remote training sessions will be for 4 hours for a total of 52 hours.
- ↓ Training will be conducted remotely using GoToMeeting.com.
- ↓ Time of training will be dependent on the availability and schedule of the trainees.
- ↓ The instructional method used will include but is not limited to lectures, discussions, audio and video presentations, assignments and testing.

3. Dual Coding

- ↓ AE & Associates, LLC can assist with dual coding services. It is important for the coding staff at **Natividad Medical Center** to understand the differences in outcomes from coding in ICD-9 and ICD-10 and should begin dual coding 4 months prior to the ICD-10 implementation date of October 1, 2015.
- ↓ AE will provide backlog assistance by coding 60% of the inpatient records using ICD-9 codes, while staff coders perform dual coding on the remaining of 40% of the inpatient records using ICD-9 and ICD-10 codes simultaneously.



- ↓ AE will perform its coding remotely through VPN or other access setup by **Natividad Medical Center**.
- ↓ AE will audit the ICD-10 coding performed by the staff coder to ensure accuracy.
- ↓ The findings will then be used as a comparison to see what codes, if any, the staff coders may be incorrectly coding or not using.
- ↓ Audit schedule will be as follows.
 - June 2015 50% of records coded in ICD-10
 - July 2015 30% of records coded in ICD-10
 - August 2015 20% of records coded in ICD-10
 - September 2015 10% of records coded in ICD-10

4. Onsite ICD-10 Training and Supervision during Transition

- ↓ Training and supervision will then take place onsite on the week of September 28 to October 2nd, 2015.
- ↓ AE will send an expert in ICD-10 to be onsite at **Natividad Medical Center** for 5 business days (8 hours per day) to ensure a smooth transition to ICD-10.
- ↓ The instructional method used will include but is not limited to auditing of codes, discussions, assignments and testing.

Deliverable Overview

- ↓ Trainer/Educator experienced in preparing trainees to sit for the CCS exam through AHIMA.
- ↓ AE and Associates, LLC will assign an experienced trainer/instructor(s) in ICD-10 coding who is approved to provide ICD-10 training from AAPC and is an AHIMA certified ICD-10 trainer.
- ↓ AE will provide an experienced ICD-10 coder/trainer to be onsite to help train and supervise hospital coders the week of the official transition to ICD-10.
- ↓ AE & Associates, LLC will provide the following
 - Quizzes, Tests, Homework and Assessments
 - GotoMeeting access
- ↓ Dual Coding:
 - AE will setup remote terminals for coding to take place remotely.



- AE will provide a team of coders to code 60% of the inpatient records to assist with backlog while staff coders at Natividad Medical Center dual code 40% of their records.
- The assigned team of coders will be credentialed through AHIMA with either a CCS, RHIT or RHIA credential.
- AE coders will code to a minimum 95% accuracy
- Coding will be completed within a 48hour turn around time



PRICING

Training and Education	Cost
<ul style="list-style-type: none"> CCS Exam Preparation (24 hrs) Remote ICD-10 Training and Education (52 hrs) Onsite ICD-10 Education and Supervision during Transition period (40 hrs) 	\$21,000.00
Travel Expenses for Onsite CCS Prep	
Air Fare	Included
Transportation	Included
Travel Expenses for Onsite ICD-10 Training and Supervision	
Air Fare	Included
Transportation	Included
Instructional Material	
Comprehensive Anatomy and Physiology for ICD-10-CM and PCS Coding, 2014, Soft cover, by Optum. Retail \$149.95 Quantity: 8	Included
GoToMeeting Access	Included
Training handouts	Included
Total Cost for Training	\$21,000

Dual Coding	Productivity	Cost
Remote inpatient coding in ICD-9	3 charts/ hour	\$65 / hr
Auditing of ICD-10 Coding performed	2 charts/ hour	\$65 / hr
Total Cost for Dual Coding	Based on # of charts assigned to AE	



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CONCLUSION

By utilizing the services of AE & Associates, LLC, **Natividad Medical Center** will be able to attain the goal of having a qualified vendor provide on-going ICD-10 training for their medical coding staff. The ongoing training will ensure their readiness for the transition to ICD-10 on October 1, 2015. The knowledge and skills learned will be reflected by their coding performed and the reimbursement received giving **Natividad Medical Center** the ability to continue providing the best health care services to the people of its community.

Please let me know if you have any questions or need additional information, and what we need to do to earn your business.

Sincerely,



Arnold Ardevela – MBA, CCS, CPC, CPC-I, CPC-H, C-CDI, CCDS
President / CEO



**RENEWAL AND AMENDMENT NO. 2
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
AE & ASSOCIATES, LLC FOR
ON-SITE ICD-9 AND ICD-10 TRAINING SERVICES**

This Renewal and Amendment No. 2 to the Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and AE & Associates, LLC (hereinafter, "CONTRACTOR") (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties.").

WHEREAS, the Parties had previously entered into an Agreement for Training Services (hereinafter, "Agreement") on July 1, 2013 for a one year term and a total Agreement amount not to exceed \$19,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement via Renewal and Amendment No. 1 to extend the term through June 30, 2015 and added \$21,000 to continue to provide services associated with onsite CCS exam preparation using ICD-9 codes, and ICD-10 training for an October 2014 transition, thereby increasing the total agreement amount to \$40,000; and

WHEREAS, the Agreement expired June 30, 2015; and

WHEREAS, the Parties wish to renew and amend the Agreement on the same or similar terms, retroactive to July 1, 2015, to continue to provide onsite CCS exam preparation using ICD-9 codes, and ICD-10 training for NMC, to extend the term of the Agreement through April 30, 2016 to allow for needed services to continue, to add services to the original scope of work attached hereto as "Exhibit A-2 per Amendment No. 2", and to add an additional \$10,000 for the added term and services thereby increasing the total agreement amount to \$50,000.

NOW, THEREFORE, the parties agree to renew and amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Original Agreement and Renewal and Amendment No. 1, incorporated herein by this reference except as specifically set forth below.

1. "PAYMENTS BY NMC" shall be amended to the following: *"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A of the original Agreement plus EXHIBIT A-2 as per Amendment No. 2 attached hereto. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$50,000. "*
2. The paragraph "TERM OF AGREEMENT" shall be amended to the following:
"The term of this Agreement is from July 1, 2013 through April 30, 2016 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."
3. "ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following: *"The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:*

Exhibit A: Scope of Services/Payment Provisions as per original Agreement

Exhibit A-2: Revised Scope of Services/Payment Provisions as per Renewal and Amendment No. 2

4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Renewal and Amendment No. 1.
5. A copy of this Renewal and Amendment No. 2 shall be attached to the original Agreement.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Renewal & Amendment No. 2 on the basis set forth in this document and have executed this Renewal & Amendment No. 2 on the day and year set forth herein.

Natividad Medical Center

By: [Signature]
Gray R. Gray DO, Interim CEO

Date: 12/02/15

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]
County Deputy County Counsel

Date: 12-17-15

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
County Chief Deputy Auditor/Controller

Date: 12-18-15

CONTRACTOR

AE & Associates LLC
CONTRACTOR's Business Name***

[Signature]
Signature of Chair, President, or Vice-President

ARNOLD T. ARDEVELA, PRESIDENT
Name and Title

Date: 12/1/15

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

ESTER C. ARDEVELA - CFO
Name and Title

Date: 12/01/15

***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 (two signatures required).
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 (two signatures required).
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 (one signature required)

EXHIBIT A-2

**To Agreement by and between
Natividad Medical Center hereinafter referred to as "NMC"
AND
AE & Associates LLC, hereinafter referred to as "CONTRACTOR"**

A. SCOPE OF SERVICES

CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below: All services shall be provided as needed and as requested by NMC.

1. Provide direct ongoing training via webinar for the ICD9 and ICD10 coding so that NMC staff may obtain coding credentials. ICD10 training and education, via webinar begins April 17, 2015 through September 18, 2015 every other Friday, four (4) hours per session.
2. Provide on-Site ICD10 support (to refresh NMC's staff training and answer questions) pre and post go live for October 2015 transition. There is no charge to NMC for this on-site support.
3. Provide training and review of coded encounters by NMC, including support, for the (IR) Interventional Radiology and Cardiovascular Coding Services, which requires certified expertise knowledge; this service will be provided remotely.
4. Provide instructional training material to NMC for every training offered at no additional cost to NMC. All instructional training material and handouts (becomes the property of NMC) are kept and utilized by NMC coders as a reference tool.
5. Provide coding upon request by NMC in the event that NMC staff are not fully trained and certified to perform all of NMC's coding needs. Such coding shall be billed on an hourly basis except for IR coding which shall be billed on a per-encounter basis as per below.

B. PAYMENT/COMPENSATION PROVISIONS

CONTRACTOR'S compensation for services rendered shall be based on the rates enclosed below in Sections C and D.

1. There shall be no travel reimbursement allowed during this Agreement.
2. CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.
3. No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.
4. Fees are outlined in Sections C and D below.

C. Pricing for ICD-9 and ICD-10:

Training and Education	Cost
<ul style="list-style-type: none"> • CCS Exam Preparation (24 hrs.) • Onsite ICD-10 Education and Supervision during 	\$21,000.00
Instructional Material	Included
Comprehensive Anatomy and Physiology for ICD-10-CM and PCS Coding, 2014, Soft cover, by Optum. Retail \$149.95 Quantity: 8	Included
GoToMeeting Access	Included
Training handouts	Included
Total Cost for Training	\$21,000.00

Dual Coding	Productivity	Cost
Remote inpatient coding in ICD-9	3 charts/ hour	\$65/hr
Auditing of ICD-10 Coding performed	2 charts/ hour	\$65/hr
Total Cost for Dual Coding	Based on # of charts assigned to AE	

D. Pricing for (IR) Interventional Radiology and Cardiovascular Coding Support Fees

In consideration for the IR and Cardiovascular services to be performed by Contractor, NMC agrees to pay CONTRACTOR as follows:

Type of Service	Cost
Coding of IR Records: Vascular & Non-Vascular	
IR Record (1-5 codes submitted)	\$22.00/Encounter*
IR Record (6-10 codes submitted)	\$27.00/Encounter*
IR Record (11-15 codes submitted)	\$35.00/Encounter*
IR Record (16+ codes submitted)	\$50.00/Encounter*
*Preferred customer pricing.	
IR Training and Education	
40 Hours of IR Training and Education	\$3,200.00
Consulting and One-on-One Training/Education	\$120.00/Hour

**Encounter" means and/or refers to the visit or inpatient stay*

**NATIVDAD MEDICAL CENTER (MONTEREY COUNTY) INSURANCE
REQUIREMENTS FOR SERVICE PROVIDERS**

I. To avoid unnecessary delays in becoming a contractor, please provide Insurance Certificates for the following policies:

1. **General Liability:** One million dollars (\$1,000,000.00) per occurrence (Minimum \$2,000,000 aggregate).
2. **Auto Liability:** One million dollars (\$1,000,000.00) per occurrence.
3. **Worker's Compensation** (required only if vendor has employees): One million dollars (\$1,000,000.00) per person,
One million dollars (\$1,000,000.00) each a ccident,
One million dollars (\$1,000,000.00) each disease
4. *ONLY if applicable:* **Professional Liability** for the professional services (examples; doctor, architect, engineer, etc.): One million dollars (\$1,000,000.00) per claim and two million dollars (\$2,000,000.00) in the aggregate.

The only exceptions permitted are if the executed Agreement included an exemption for paragraph 2 or 3 above.

II. As a contracted service provider you are also required to provide either one of the following:

An "Additional Insured" Endorsement which lists the "The County of Monterey, Its Officers, Agents and Employees", as an additional insureds who are "non-contributory", and which states that the insurance is "primary" **for BOTH the GL AND Auto policies** whereby the endorsements clearly state the policy number

OR

A copy of the GL and Auto policy document which includes sections to acknowledge that the "Additional Insured", "Primary" and "Non-contributory" language is applicable when required by written Agreement.

Please note the required "Additional Insured", "Primary" and "Non-contributory" language must be clearly stated in whichever option above from paragraph II is provided to NMC. Merely listing the County as an additional insured on the certificate of insurance is not sufficient.

Note: The Certificate (typically on an ACORD form) is issued as a matter of information only and confers no rights upon the certificate holder. The certificate itself does not amend, extend or alter the coverage afforded by the policy, it merely states a summary.

Sample Endorsement documents are available upon request.

Submitting Insurance Documents

New Contracts:

All required insurance documents should be emailed to the NMC Contracts Analysts you have been working with to establish the new services agreement. Documents may also be faxed to 831-757-2592.

Annual Submittal of Certificates

As long as you are contracted for services your insurance carrier is required to mail annually updated Insurance Certificates for policies stated above in paragraph I. The mailing address for the updated certificates is:

Natividad Medical Center
Attn: Contracts Division
1441 Constitution Blvd.
Salinas, CA 93906

**AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN AE & ASSOCIATES, LLC AND
NATIVIDAD MEDICAL CENTER
FOR
ON-SITE ICD-9 AND ICD-10 TRAINING SERVICES**

This Amendment No. 3 to the Services Agreement ("Agreement") which was effective on July 1, 2013 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and AE & Associates, LLC (hereinafter "CONTRACTOR"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed on July 1, 2013 with a one year term for ICD-10 billing code training and exam preparation services on ICD-9 codes for NMC staff with a total Agreement amount not to exceed \$19,000; and

WHEREAS, NMC and CONTRACTOR renewed and amended the Agreement via Renewal and Amendment No. 1 to add coding services to the Scope of Services, to extend the term for an additional one year period through June 30, 2015 and added an additional \$21,000 thereby increasing the total Agreement amount to \$40,000, to continue to provide training services and CCS exam preparation; and

WHEREAS, NMC and CONTRACTOR renewed and amended the Agreement via Renewal and Amendment No. 2 to extend the term for an additional eleven month period through April 30, 2016 and added an additional \$10,000 for continued coding services, training services and CCS exam preparation services, thereby increasing the total Agreement amount to \$50,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional sixteen month period through August 31, 2017 to allow for services to continue as per the revised Scope of Services attached hereto as "Exhibit A-3 per Amendment No. 3", and to add \$50,000 to the Agreement for a total Agreement amount of \$100,000, and to include a Business Associates Agreement as an attachment to this Agreement.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Original Agreement and in Renewal and Amendment No. 1, and Renewal and Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. Paragraph titled, "PAYMENTS BY NMC" shall be amended to the following: ***"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A plus EXHIBIT A-3 as per Amendment No. 3 attached hereto this Amendment No. 3. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$100,000."***
2. The first sentence of paragraph titled, "TERM OF AGREEMENT" shall be amended to the following: ***"The term of this Agreement is July 1, 2013 through August 31, 2017 unless sooner terminated pursuant to this Agreement."***

3. *“The Business Associates Agreement attached hereto this Amendment No. 3 as Exhibit B shall become a binding part of the Agreement.”*
4. Paragraph titled, “SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS” shall be amended to the following:
*“The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope of Services/Payment Provisions
Exhibit A-3: Revised Scope of Services/Payment Provisions as per Amendment No. 3
Exhibit B: Business Associates Agreement”*
5. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement and in Renewal and Amendment No. 1 and Renewal and Amendment No. 2.
6. A copy of this Amendment No. 3 shall be attached to the Original Agreement.
7. This Amendment No. 3 is effective when signed by both parties.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment No. 3 on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Signature page to follow

Natividad Medical Center

By: 
Gary R. Gray, DO, CEO

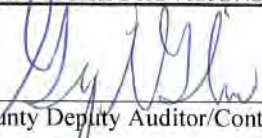
Date: 4/28/16

APPROVED AS TO LEGAL PROVISIONS

By: 
Monterey County Deputy County Counsel

Date: 4/27/2016

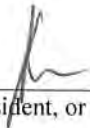
APPROVED AS TO FISCAL PROVISIONS

By: 
Monterey County Deputy Auditor/Controller

Date: 4-27-16

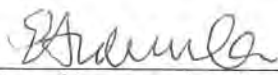
CONTRACTOR

AE & Associates, LLC
CONTRACTOR's Business Name*** (see instructions)


Signature of Chair, President, or Vice-President

ARNOLD T. ARDEVELA, CEO
Name and Title

Date: 4/7/16

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

Ester Ardevela - CFO
Name and Title

Date: 4/07/2016

*****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 (two signatures required).

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 (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required)

**EXHIBIT A - 3 REVISED PER
AMENDMENT NO. 3 TO
SERVICE AGREEMENT**

NMC and CONTRACTOR hereby amend the Service Agreement originally signed by NMC on September 7, 2013 and by CONTRACTOR on July 3, 2014, as follows:

1. Scope of Services

Effective May 1, 2016 forward, CONTRACTOR shall provide the following additional services are needed and as requested by NMC.

A. CODING SERVICES: AE & Associates, LLC will provide support coding for the Health Information Management department in the form of:

- Emergency Room coding
- Evaluation & Management Coding
- Outpatient Surgery
- Observation
- Inpatient Coding
- Interventional Radiology/Cardiovascular Coding

Coding Type	Productivity Standard
Emergency Department Coding (<i>without E&M</i>)	7 charts / hour
Ancillary Coding	15 charts / hour
Evaluation & Management Facility Coding	TBD charts / hour
Outpatient Surgery Coding	5 charts / hour
Observation Coding	5 charts / hour
Inpatient Coding	2.25 charts/hour

B. AUDITING SERVICES: AE & Associates, LLC will provide the following auditing services for the facility.

- Concurrent ICD Coding Audit
- Concurrent Medical Surgical Coding Audit
- MS-DRG Audit
- APC Audit
- RAC Defense Audit
- Nurse Defense Audit
- Admit to Observation Audit

**EXHIBIT A - 3 REVISED PER
AMENDMENT NO. 3 TO
SERVICE AGREEMENT**

C. OTHER SERVICES

2. Payment

In consideration for the services to be performed by CONTRACTOR, **effective May 1, 2016 forward,**
NMC agrees to pay CONTRACTOR as follows:

Type of Service	Cost
Support Coding Services	
Emergency Department Coding	\$56.00 / Hour
Ancillary Coding	\$56.00 / Hour
Evaluation & Management Facility Coding	\$58.00 / Hour
Outpatient Surgery Coding	\$56.00 / Hour
Observation Coding	\$56.00 / Hour
Inpatient Coding	\$60.00 / Hour

Interventional Radiology and Cardiovascular Coding	
IR Coding (1-5 codes submitted)	\$22.00 / Encounter
IR Coding (6-10 codes submitted)	\$27.00 / Encounter
IR Coding (11-15 codes submitted)	\$35.00 / Encounter
IR Coding (16+ codes submitted)	\$50.00 / Encounter

Auditing Services	
Concurrent ICU Coding Audit	See Concurrent Pricing Chart
Concurrent Medical Surgical Coding Audit	See Concurrent Pricing Chart
MS-DRG Audit	\$50.00 / Chart
APC Audit	\$30.00 / Chart
RAC Defense Audit	\$200.00 / Chart
Nurse Defense Audit	\$3.00 / \$1,000.00 Billed
Admit to Observation Audit	TBD

Other Services	
IP Denial Appeals	TBD
Evaluation & Management Education for Coder	TBD
Peer to Peer E/M Education for Physicians	TBD
ICD-10 Education	TBD
CDI Development and Monitoring	TBD

**EXHIBIT A - 3 REVISED PER
AMENDMENT NO. 3 TO
SERVICE AGREEMENT**

Concurrent Coding	
1-3 Days	\$70.00 / Chart
4-6 Days	\$80.00 / Chart
7-10 Days	\$90.00 / Chart
11-15 Days	\$100.00 / Chart
16-20 Days	\$110.00 / Chart
21-30 Days	\$120.00 / Chart
31 and over	\$130.00 / Chart

Exhibit B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”), effective May 1, 2016 (“Effective Date”), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center (“Covered Entity”) and AE & Associates, LLC (“Business Associate”) (each a “Party” and collectively the “Parties”).

Business Associate provides certain services for Covered Entity (“Services”) that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity (“PHI”). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the “Privacy Rule”), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the “Security Rule”), under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (“HITECH”). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* (“CMIA”), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“Red Flag Rules”). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information (“E PHI”), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. **DEFINITIONS**

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

2. **PERMITTED USES AND DISCLOSURES OF PHI**

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents

agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R. § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

AE ASSOCIATES, LLC
506 QUEENSLAND CIRCLE
CORONA, CA 92879
Attn: ARNOLD T. ABOVELLA
Phone: 951-278-3477
Fax: 951-278-3670

If to Covered Entity, to:

Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
Attn: Contracts Division
Phone: (831) 783-2617
Fax: (831) 757-2592

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

[BUSINESS ASSOCIATE]

**COUNTY OF MONTEREY, ON BEHALF OF
NATIVIDAD MEDICAL CENTER**

By: _____

By: _____

Print Name: ARNOLD T. ARNEVEN

Print Name: Gary Coey

Print Title: CEO

Print Title: CEO

Date: 4/7/16

Date: 4/28/16