

**PROFESSIONAL SERVICES EMPLOYMENT AGREEMENT:**  
**NATIVIDAD MEDICAL CENTER CHIEF EXECUTIVE OFFICER**

**THIS AGREEMENT FOR PROFESSIONAL SERVICES** (“Agreement”) is entered into as of the date set forth below by and between the COUNTY of MONTEREY (“COUNTY”), on behalf of Natividad Medical Center (“NMC” or “Hospital”) and Dr. Gary Gray, (“Gray,” “Employee” or “Contractor”).

**RECITALS**

**A.** The County owns and operates a general acute care, teaching Hospital facility located in Salinas, California, known as NATIVIDAD MEDICAL CENTER which is fully accredited by The Joint Commission (“TJC”). Hospital requires a Chief Executive Officer (“CEO”) to operate and administer the functions of the Hospital, including its activities and programs.

**B.** NMC is a 172 bed acute care Hospital owned and operated by the County of Monterey as a disproportionate share financed healthcare facility critical to the health and welfare of the residents of Monterey County and the business community; and

**C.** NMC was recently designated the first Level II Trauma Center on the Central Coast; and

**D.** Health care delivery models are changing rapidly due to technological innovations and implementation of the Affordable Care Act performance requirements and regulations, and hospital success will require innovation and flexibility; and

**E.** To meet these various needs, the Board of Supervisors delegated authority and control over the Hospital’s Human Resources, Purchasing and Information Technology operations to the Hospital’s CEO in order to enhance dedicated operational efficiencies and provide effective oversight at the Hospital, thereby improving the level of service and Hospital operating revenues, as well as increasing the Hospital’s business efficiencies. Such delegations may be rescinded as the Board determines appropriate;

**F.** Dr. Gray is currently the Interim CEO and Chief Medical Officer, is a duly qualified and experienced professional with many years of service in healthcare, and has the skills to lead NMC; and

**NOW, THEREFORE,** in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged by each party, the parties agree as follows:

**1. Appointment:** Dr. Gray is hereby appointed Chief Executive Officer at NMC. Dr. Gray will also retain the title of Chief Medical Officer (“CMO”) until such time as a new CMO is appointed. Dr. Gray will receive no additional compensation for services as CMO.

2. **Professional Services.** The parties agree respectively to accept and be bound by the Terms and Conditions and Exhibits of this contractual Agreement, Sections I through XVII, and those other Attachments (if any) appended hereto, which are incorporated herein by this reference and form an integral part of this Agreement as if recited herein in full over the signatures affixed below. No external reference(s) are intended, and none are to be implied.

3. **Term.** The term of this agreement commences Saturday September 19, 2015. CEO is appointed by and serves at the pleasure of the Monterey County Board of Supervisors. This agreement is for at-will employment and may be terminated as set forth below in Exhibit A.

4. **Letters.** Reference in this Agreement to the letters below shall be to the information set forth following each letter.

(A) Name of Contractor: Dr. Gary Gray

(B) Hospital Department: Administration

(C) Attachment(s): **Ex. "A"** – Terms and Conditions of Employment Agreement;  
**Ex. "B"** – Scope of Work

(D) 1. Compensation: \$418,184.85 per year, paid bi-weekly.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year executed by both parties.

**MONTEREY COUNTY BOARD OF SUPERVISORS**

**DATED:** September \_\_\_\_, 2015

By \_\_\_\_\_  
Simon Salinas, Chair

NMC CEO

**DATED:** September \_\_\_\_, 2015

By \_\_\_\_\_  
Gary Gray, D.O.

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

\_\_\_\_\_  
County Counsel  
DATE: September \_\_\_\_, 2015

**EXHIBIT A TO CEO EMPLOYMENT  
AGREEMENT WITH DR. GARY GRAY  
TERMS AND CONDITIONS OF EMPLOYMENT**

**I. EMPLOYMENT AND DUTIES.**

**A. Employment.** The County owns and operates a general acute care, teaching Hospital facility located in Salinas, California, known as NATIVIDAD MEDICAL CENTER ("NMC"), which is fully accredited by The Joint Commission ("TJC"). Hospital is in need of a Chief Executive Officer ("CEO") to operate and administer the functions of the Hospital, its activities and programs. Subject to and strictly within the terms, conditions and provisions of applicable law and regulations, and the Hospital's Bylaws, the Employer hereby employs Gary Gray, a duly qualified, experienced hospital executive to be the Hospital's Chief Executive Officer and perform professional services under the direction and designation of the Employer, on an "at will" basis.

**B. Duties.** Dr. Gray shall diligently perform all duties assigned to the position of Chief Executive Officer, NMC, as contained within the most recent Board of Supervisors' approved NMC Bylaws and attachments, and as set forth in **Exhibit "B," Scope of Work**, as well as within the expected standards of best practices in the industry and other related duties assigned from time to time.

Employee shall comply with all applicable County personnel and other County policies and procedures, as adopted or amended from time to time, whether referenced in this Agreement or not. In addition, the Employee shall comply with all applicable NMC and Medical Staff Bylaws, regulations, policies and procedures as may be adopted or amended from time to time.

In the performance of his duties and obligations under this Agreement, Employee shall comply with all applicable laws, regulations and County policies as adopted or amended from time to time as they relate to the services to be rendered by Employee hereunder, whether referenced in this Agreement or not.

**C. Performance.** Employee shall perform to the expected best practices and standards of the industry for such positions. The Hospital's Board of Trustees and the County Board of Supervisors may evaluate the performance of the CEO at times and duration at the Boards' discretion.

**II. TERM.**

**A. Term.** The commencement date and term of employment hereunder are set forth in Paragraph 3 of this Agreement. Employment is subject, however, to earlier termination as provided hereinafter.

**III. STATUS OF EMPLOYEE.**

**A. “Full-time employment”** under the provisions of this Agreement is defined as the time commitment associated with a highly compensated executive rendering professional and administrative services on behalf of the Employer consistent with the highest standards of the industry.

**B. “At-Will” Employment Status.** In executing this Agreement, Employee specifically acknowledges that his employment status pursuant to this Agreement is "At-Will," subject only to the terms and conditions contained or specifically referenced herein. It is expressly agreed by the parties hereto that no work, act, commission or omission of the Employee, shall be construed to make or render him a “permanent” County and/or Hospital Employee with a vested property right either to continued County and/or Hospital employment, or to any County employee benefits other than those specifically set forth herein. Without limiting the foregoing, no offer or obligation of permanent employment with the County or with the Hospital is intended or implied in any manner by this Agreement.

**C. Overtime.** The parties acknowledge and understand that Employee, as an executive and as a highly compensated employee, is exempt from the minimum wage and overtime provisions of the statutes and regulations of the Fair Labor Standards Act, Title 29 U.S.C. Section 201, *et seq.*

**D. Outside Employment.** No outside employment shall be undertaken by the Employee which does or may present a conflict of interest, or which has or may have the appearance of a conflict of interests with the duties and obligations of the Employee under the provisions of this Agreement. No outside employment may be undertaken without consent of the Board of Supervisors.

**IV. COMPENSATION.**

**A.** The Employee shall be compensated during the term of this Agreement at a Salary Rate of Four Hundred Eighteen Thousand One Hundred Eighty Four Dollars and Eighty-Five cents (\$418,184.85) per year, paid bi-weekly, in arrears, commencing with the Employer’s first payroll after the beginning of the term hereof.

**V. EMPLOYMENT BENEFITS, BENEFIT PROGRAMS AND SALARY CHANGES.**

**A.** Employee shall receive the same benefits, changes in benefits, benefit program options, changes in benefit program options and general salary adjustments as all other “Y” Unit employees of County.

**VI. HONORARIA AND CONFLICTS OF INTEREST.**

**A.** Honoraria are subject to the policies, practices and procedures that are adopted,

amended and revoked from time to time, by or under the authority of the County's Board of Supervisors, County Administrative Officer or the Fair Political Practices Commission (FPPC). Income received from professional honoraria, writings, patents, licenses, public appearances, lectures (outside of and apart from Employee's contractual obligations pursuant to this Agreement), medical business ventures and non-medical activities shall belong to Employee, who shall be solely responsible for payment of any applicable taxes and deductions therefrom; and Employee shall have the sole right to set the fees for such matters. Outside income-producing activities that may conflict or have the appearance of conflict with contractual obligations shall be discussed in advance with the Board of Supervisors, and prior written approval to engage in such activity must be obtained by the Employee, which approval shall not be unreasonably withheld. Employee agree at all times to adhere to FPPC or other applicable laws, rules and regulations.

**VII. MEDICAL / MENTAL EXAMINATIONS AND TESTING.**

**A.** Employee represents that he is physically and mentally capable of safely and competently performing the services required by this Agreement. During the term of this Agreement, the Employer, at its sole discretion, may require the Employee to undergo medical/mental examination(s), including all necessary testing, which will be performed by physicians and/or other health care professionals designated by the Employer and at the Employer's sole expense, to verify that Employee is currently capable of safely and competently performing the services required by this Agreement; and if not, to determine those limitations to which the Employee is subject. The Employee agrees to undergo such examination(s) if requested by the Employer, in accordance with County and/or Hospital policies, as adopted and amended from time to time.

**B.** It is the policy of Employer to maintain a workplace that is free of alcohol and drugs, in order to protect patients and co-workers, and Employer has adopted policies to that effect in compliance with federal and state law. Employee represents that he is now and will remain in compliance with this policy, so that he can safely and competently perform all of the services required by this Agreement. The parties mutually agree that abuse of drugs or alcohol is incompatible with health, safety, efficiency and the successful delivery of high quality health care to patients. Employees who are under the influence of or impaired by a drug or alcohol on the job endanger their own health and safety, as well as that of patients.

**1.** The conduct prohibited by this policy includes but is not limited, to the following:

- a.** the abuse of any legal drug;
- b.** the possession or use of any illegal drug;
- c.** the abuse of alcohol; and
- d.** working while impaired by the use of a legal drug, an illegal drug, and/or alcohol.

**2.** If Employer has a reasonable suspicion that Employee is performing services in an impaired condition, Employer may refer the matter to the hospital's Medical Director for handling in accordance with applicable Hospital policies and/or Medical Staff Bylaws and/or County policies, as amended and adopted from time to time. Employee's refusal to cooperate with

the process shall be deemed, within the Employer's discretion, a material breach of this Agreement, as set forth in Paragraph X.B.5.

## **VIII. COMPLIANCE WITH ETHICS AND LAWS.**

**A. Compliance Generally.** In providing professional and/or administrative services under this Agreement, Employee shall at all times comply with: (i) all applicable laws, rules and regulations of each governmental authority having jurisdiction over the Hospital, including, without limitation, regulations, federal and state laws which apply to the operation of the hospital; (ii) the Hospital Bylaws, policies, rules and regulations; and with (iii) the Hospital and its quality assurance, utilization review, and hospital compliance plan functions. (iv) In addition, in performing his responsibilities and obligations pursuant to the terms of this Agreement, Employee shall actively assist the Hospital in assuring that the Hospital meets the standards and requirements of the TJC, the requirements of Hospital licensure, and/or applicable third party payor certification requirements.

**B. Ethics.** The Employee covenants that in performing his duties for the Employer, the Employee will comply with all of the ethics, laws and regulations governing the provision of professional and administrative services by a hospital CEO, including all applicable federal, state and/or local statutes, regulations or ordinances applicable to the practice of medicine.

**C. Discrimination, Sexual Harassment and Workplace Violence.** The Employer has policies which prohibit discrimination in any of its forms, including sexual harassment, and which forbid violence in the workplace or anywhere else that has a nexus with the workplace. Employee's signature on this Agreement constitutes Employee's promise to become and remain informed regarding such policies, and to fully comply therewith.

During the performance of this Agreement, Employee 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 fulfilling his employment responsibilities and obligations or in the furnishing of services to recipients. Employee shall ensure that the evaluation and treatment of those persons he supervises, and applicants for employment, and all persons receiving or requesting services are free of such discrimination. Employee shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations that prohibit discrimination. The provision of services primarily or exclusively to a targeted population that may be designated in this Agreement shall not be deemed to be prohibited discrimination.

## **IX. TERMINATION OF EMPLOYMENT.**

**A. Termination of "At Will" Employment and Severance.** The Employee and Employer each acknowledge that employment pursuant to this Agreement is "at will" employment, that the terms of this Agreement constitute their entire working relationship, and that there is no other or additional agreement or covenant, either express or implied, between the Employee and the Employer, for long-term or permanent employment. The Employee and the Employer each have the separate and independent right to terminate this employment relationship at any time, without cause, within the sole discretion of each of them.

1. Written notice of termination of this Agreement by Employer shall be given. As set forth hereinabove, Employee shall not accrue any vested property right to or legally protected interest in continued or permanent employment because of this Agreement. The procedure(s) for termination of this employment Agreement shall be limited to that which is specifically set forth in this Agreement, any mutually agreed upon written amendment hereto or as required by law for executive at-will employees.

2. Termination by employer without cause is subject to severance payment of twelve (12) months compensation at the then current rate paid within thirty (30) days of the effective date of termination. No severance shall be paid if employee is terminated for cause or breach.

**B. Termination For Cause or Breach of Agreement.** Except as otherwise set forth herein, the employment of the Employee shall terminate immediately upon the occurrence of any one or more of the following events, and such termination shall constitute “termination for cause:”

1. The suspension or debarment of Employee or NMC from participation in Medicare programs;

2. The Employer determines that the Employee has violated Employer’s policies for an alcohol/drug free workplace;

3. The Employee is charged with a serious violation of law, regulation, or professional ethics that the Employer determines may result in harm either to patient care or to the reputation of the Employer;

4. The Employer determines that the Employee is in material violation or breach of any provision of this Agreement, and thirty (30) days has passed since written notice of the violation or breach has been given by the Employer, without remedy thereof by the Employee to the satisfaction of the Employer;

5. The Employer determines that any representation made by the Employee in this Agreement, hereinabove, is in any material respect false, untrue or misleading, including any material omission;

6. The Employer determines that the Employee has failed to give prompt written notice to the Employer of the existence of an investigation concerning the professional competence of the Employee by the medical staff of a hospital or health care facility at which the Employee has been granted staff privileges, by the applicable California licensing Board or the equivalent licensing authority of any other state, or of the existence of any pending or threatened action or proceeding concerning the Employee involving allegations of professional misconduct, malpractice or incompetence, or sexual harassment on the part of the Employee, or of the existence of any pending or threatened action or proceeding concerning the Employee involving allegations of Medicare fraud;

7. A finding of “Reasonable Cause” to believe, after investigation, that the

Employee has committed acts of discrimination, and/or sexual harassment, and/or workplace violence, either in or having a nexus with the workplace.

**8.** A finding, after investigation, that the Employee has violated a workplace policy and/or procedure that the Employer determines have resulted in harm either to patient care or to the reputation of the Employer.

**C. Breaches Generally.** With respect to any material breach not specifically listed hereinabove, including the Employee's failure to meet the performance criteria established by the Board of Trustees of Employer, as modified from time to time, for either the provision of professional services or administrative performance, the parties mutually agree that each party shall give the other notice of any such breach, and shall afford the other a reasonable amount of time, not to exceed thirty (30) days, to cure said breach prior to giving notice of termination of this Agreement for cause.

**D. Proration.** Except as otherwise provided in this Agreement, the Employee's compensation and benefits under this Agreement shall be prorated to the last day during which the Employee actually performs services for the Employer.

**F. Withholding of Amounts Owed by Employee to Employer at Termination.** The Employer shall have the right to withhold from the Employee's compensation any amounts owed by the Employee to the Employer at the termination of employment, to the extent allowed by law, and Employee hereby expressly consents to such withholding.

**X. TERMINATION BECAUSE OF DEATH OR ILLEGALITY.**

**A.** In the event of the Employee's death during the term hereof, Employee's employment hereunder shall terminate immediately.

**B.** Notwithstanding anything to the contrary herein contained, in the event performance by either party hereto of any term, covenant, condition or provision of this Agreement should jeopardize the Hospital's license(s), its participation in or reimbursement from the Medicare, Medi-Cal, Blue Cross or other reimbursement or payment programs, its tax-exempt status or the tax-exempt status of interest earned on any of its bonds or other financial obligations, or its full accreditation by the TJC or any other state or nationally recognized accreditation organization, or if for any other reason said performance should be in violation of any statute, ordinance, or be otherwise deemed illegal, or be deemed unethical by any recognized body, agency, or association in the medical or hospital fields, the parties shall use their best efforts to resolve the illegality through the renegotiation of the applicable portions of this Agreement. If the parties are unable to reach agreement on such changes within thirty (30) days after initiating negotiations, Employer or Employee may, at its/his option, terminate this Agreement upon thirty (30) days' prior written notice to the other party. Such termination shall not render Employee eligible for severance.

**XI. GENERAL PROVISIONS.**

**A. Notices in Writing.** Notices under this Agreement shall be sent to the parties by



personal delivery, by electronic facsimile, via electronic mail or by certified U.S. mail, return receipt requested, postage prepaid to the United States Postal Service. Notice shall be deemed effective upon delivery or transmission if delivered or sent by facsimile/electronic mail, and on the third (3rd) day after mailing. All notices required by this Agreement shall be sufficient if given in writing that is delivered to Employee personally or to Employee's last known residence address, or sent by first class or by certified mail to the Employee's last known residence, employee's electronic mail address or facsimile number, as to the Employee, or to the Employer's Administrative Office as to the Employer. Employee undertakes to keep Employer notified at all times of Employee's current address, electronic mail address and telephone number. Either party hereto may change its respective address by written notice in accordance with this Agreement.

**B. Waiver of Breach.** The waiver by either party of a specific breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.

**C. Integration, Modification, Waiver of Agreement.** Each party agrees that the making, execution and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement, including the recitals, attachments and exhibits hereto, embodies the entire understanding of the parties. There are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof, unless expressly referred to by reference herein. Without limiting the foregoing, this Agreement shall supersede all prior agreements between the parties as of the effective date hereof. This Agreement may be amended or modified only by an instrument in writing, signed by the party to be charged.

The parties mutually agree that no evidence of any waiver or modification of this Agreement shall be offered or received in evidence in any administrative or court proceeding, or in any litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of any party hereunder, unless such waiver or modification is in writing, duly executed as aforesaid. The parties further agree that the provisions of this section may not be waived except as herein set forth.

**D. Interpretation.** Article and Paragraph headings in this Agreement are not to be considered a part of this Agreement; they are included solely for convenience and reference, and are not intended to be full or accurate descriptions of the content thereof. They shall therefore not be interpreted to affect the validity of this Agreement or to limit or affect any rights, obligations, or responsibilities of the parties arising hereunder. This Agreement is to be interpreted as a whole document, taking into account the intent of its various provisions. Throughout this Agreement, the singular shall include the plural and one gender shall include the other gender wherever necessary.

**E. Partial Invalidity.** If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws or regulations, without invalidating the remaining provisions hereof, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

**F. Severability.** If any provision of this Agreement shall be for any reason invalid or unenforceable, the remaining provisions shall nevertheless remain in effect.

**G. Binding Effect.** This Agreement shall bind and shall inure to the benefit of the heirs, successors and assigns of the parties. Notwithstanding the foregoing, this Agreement, and the rights, duties and obligations created hereunder are personal to the Employee and may not be assigned or delegated by the Employee.

**H. Survival.** Except as otherwise expressly provided in this Agreement, all covenants, agreements, representations and warranties, express and implied, shall survive the execution of this Agreement, and shall remain in effect and binding upon the parties until they have fulfilled all of their obligations hereunder and the statute of limitations shall not commence to run until the time such obligations have been fulfilled.

**I. Confidentiality.** Employer and Employee shall each comply with all applicable federal and state laws regarding the confidentiality of any and all patient medical records and other Protected Health Information in the Hospital.

**Records and Confidentiality.** Employee shall comply with any and all federal, state, and local laws that provide for the confidentiality of records and other information. Employee shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits Employee to disclose such records or information. Employee shall promptly transmit to County any and all requests for disclosure of any confidential records or information. Employee shall not use any confidential information gained by Employee in the performance of this Agreement except for the sole purpose of carrying out Employee's obligations under this Agreement.

**County Records.** When this Agreement expires or terminates, Employee shall return to County any County or Hospital records that Employee used or received from County to perform services under this Agreement.

**J. Construction of Agreement.** The parties agree that each party and its counsel, if any, have 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 or exhibit hereto.

**K. Agreement to Perform Necessary Acts.** Each party agrees to perform any further acts and to execute and deliver any further documents as may be reasonably necessary to fully effectuate the provisions of the Agreement during the term thereof.

**L. Statutes and Regulations.** Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

**M. Governing Law.** This Agreement is executed and is intended to be performed solely in the State of California. Any dispute as to the validity, construction, enforcement, or

performance of this Agreement or any provision hereof shall be determined in accordance with the laws of the State of California. Venue for any legal action brought by a party pursuant to this Agreement shall be in the Courts of Monterey County.

**N. Cumulation of Remedies.** The various rights, options, elections, powers, and remedies of the respective parties hereto contained in, granted, or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative, and no one of them is exclusive of any of the others, or of any right or priority allowed by law.

**O. Subcontracting, Delegation of Performance and Assignment.** This Agreement and the rights, privileges, duties and obligations of the parties hereunder shall not be subcontracted, delegated and/or assigned by the Employee to a third party.

**P. Time of Essence.** The parties agree that time is of the essence throughout the term of this Agreement and any extension or renewal thereof, and of every provision hereof in which time is an element. No extension of time for performance of any obligations or acts shall be deemed an extension of time for performance of any other obligations or acts.

**Q. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the day and year first above written.

**COUNTY OF MONTEREY**

**DATED:** \_\_\_\_\_, 2015

By \_\_\_\_\_  
Simón Salinas, Chair  
Board of Supervisors

**EMPLOYEE:**

**DATED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Gary Gray, D.O.

**APPROVED AS TO LEGAL FORM:**

\_\_\_\_\_  
CHARLES J. McKEE, County Counsel

DATE: \_\_\_\_\_, 2015

**EXHIBIT B TO CEO EMPLOYMENT  
AGREEMENT WITH DR. GARY GRAY  
SCOPE OF SERVICES**

The parties acknowledge that Natividad Medical Center (“NMC”) is a general acute care teaching hospital wholly owned and operated by the County of Monterey, that is fully accredited by The Joint Commission (“TJC”) and which provides both outpatient and inpatient care to meet the varied needs of both the general and indigent County populace.

Within policies established by the County Board of Supervisors and/or the NMC's Board of Trustees, Employee shall plan, organize, direct, coordinate, manage and administer all aspects of hospital activities to ensure Hospital compliance with established objectives, policies and goals in the treatment and care of patients and effective operation of NMC. Employee shall ensure quality and economical health care services are provided in accordance with all applicable laws and regulations, and with recognized applicable national and community standards.

The CEO shall have responsibility for planning, and for the overall functioning and general administrative direction of NMC, to include: medical, nursing, financial, ancillary and auxiliary support, residency program, procurement, research and other related hospital services, as well as overseeing the creation and implementation of the Hospital's business plan. The CEO shall also have oversight management responsibility for the Hospital's human resources, purchasing and information technology functions, in accordance with Memoranda of Understanding approved by the County Administrative Officer and the Board of Supervisors. It is understood that the CEO's duties shall be substantially the same as those of a Chief Executive Officer in a business corporation. The Chief Medical Officer, Chief Financial Officer, Chief Information Officer, Assistant Administrator(s), and Chief Nursing Officer, , among others, shall each report directly to Employee. Individuals who report directly to the CEO shall be consistent with the approved NMC table of organization. The CEO's duties shall be carried out independently, with broad discretion in exercising control over the facility, its functions and the implementation of policy. The CEO is therefore vested with authority to act on behalf of the NMC Board of Trustees in accordance with the Bylaws and policies adopted by that Board and/or by the Board of Supervisors, as amended from time to time.

The CEO shall advise the NMC Board of Trustees and the County's Board of Supervisors on various issues related to the Hospital's strategic business plan and managed care plans that affect both the County and NMC. The CEO shall negotiate services and reimbursement under managed care plans with third party payors, and make specific recommendations relating to proposed contracts. The CEO shall provide consultation to NMC physicians in their role as participants in managed care plans.

The CEO shall actively assist the Hospital in assuring that the Hospital, its Departments and/or clinics meet the standards and requirements of the TJC, the requirements of Hospital licensure, and/or applicable third party payor certification requirements. He shall actively participate in assuring that the Hospital meets the standards established from time to time by the Accreditation Council for Graduate Medical Education (“ACGME”)’s Residency Review Committee for Family Practice (“RRC”) for the Hospital's Family Practice Residency Program. He

shall assure compliance with all applicable Medicare rules and regulations relating to Hospital functions.

The CEO shall perform his duties in accordance with all applicable laws and regulations, Hospital By-laws, rules, regulations, policies and procedures, with any applicable Medical Staff By-laws, Rules and Regulations, and County rules and regulations. Examples of such include, without limitation:

- a. All laws, rules and regulations of governmental authorities having jurisdiction over the Hospital, including Titles 22 and 24 of the California Code of Regulations, and federal and state laws and regulations applicable to the Hospital, its operation, and the provision of professional medical services therein;
- b. The Hospital's and its Medical Staff's quality assurance and utilization review functions.

**COUNTY OF MONTEREY**

**DATED:** \_\_\_\_\_, 2015

By \_\_\_\_\_  
Simon Salinas, Chair  
Board of Supervisors

**EMPLOYEE:**

**DATED:** \_\_\_\_\_, 2015

\_\_\_\_\_  
Gary Gray, D.O.

**APPROVED AS TO LEGAL FORM:**

\_\_\_\_\_  
CHARLES J. McKEE, County Counsel

DATE: \_\_\_\_\_, 2015