



# COUNTY OF MONTEREY - BOARD OF SUPERVISORS

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File #:	A 14-086	Name:	Mc Kesson (CPACS) Amendment No.1 for InterQual
Type:	BoS Agreement	Status:	Consent Agenda
File created:	5/14/2014	In control:	Board of Supervisors
On agenda:	5/20/2014	Final action:	

**Title:** Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the McKesson Master Agreement MA 135605204 with McKesson Technologies Inc. for Cardio Picture Archiving & Communication System (CPACS) services, adding InterQual software services in the amount of \$169,296 for the period May 20, 2014 to June 30, 2019 and increasing the total maximum liability under the Agreement from \$954,669 to \$1,123,965. (ADDED VIA ADDENDUM)

**Attachments:** [1. McKesson Interqual Amedment Product Schedule 5.pdf](#), [2. McKesson Interqual Order Form. Exhibits pdf.pdf](#), [3. Prior McKesson Cardiology \(CPACS\) Agreement Board Order Correction.pdf](#), [4. Completed Board Order](#)

[History \(0\)](#)   
[Board Report](#)

## Title

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the McKesson Master Agreement MA 135605204 with McKesson Technologies Inc. for Cardio Picture Archiving & Communication System (CPACS) services, adding InterQual software services in the amount of \$169,296 for the period May 20, 2014 to June 30, 2019 and increasing the total maximum liability under the Agreement from \$954,669 to \$1,123,965. (ADDED VIA ADDENDUM)

## Report

### RECOMMENDATION:

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the McKesson Master Agreement MA 135605204 with McKesson Technologies Inc. for Cardio Picture Archiving & Communication System (CPACS) services, adding InterQual software services in the amount of \$169,296 for the period May 20, 2014 to June 30, 2019 and increasing the total maximum liability under the Agreement from \$954,669 to \$1,123,965.

## SUMMARY/DISCUSSION:

Amendment No. 1 to the McKesson Master Agreement MA135605204 for CPACS includes CareEnhance Review Manager Enterprise ("Review Manager") and InterQual Learning Source training services. These services will provide a web-based, stand-alone product for use by the Case Management department as a decision support tool for determination of admission status, level of care, and medical necessity reviews as required by the Federal Government Conditions of Participation for Hospitals. The web-based tool contains content and algorithms based on medical standards of care and backed by evidence-based practices. NMC's current practice has been to apply individual collaborative consideration among physicians and case managers and determine levels of care and/or medical necessity for admission on either inpatient or outpatient with observation services. The subjective nature of the decisions could potentially have a negative impact on the quality of care, assignment of appropriate level...

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## Monterey County

168 West Allsal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

### Board Order

#### Agreement No. A-12525

Upon motion of Supervisor Parker, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 1 to the McKesson Master Agreement MA 135605204 with McKesson Technologies Inc. for Cardio Picture Archiving & Communication System (CPACS) services, adding InterQual software services in the amount of \$169,296 for the period May 20, 2014 to June 30, 2019 and increasing the total maximum liability under the Agreement from \$954,669 to \$1,123,965.

PASSED AND ADOPTED on this 20th day of May 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on May 20, 2014.

Dated: May 20, 2014  
File Number: A 14-086

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By  Deputy

**AMENDMENT**

THIS AMENDMENT (the "Amendment") to McKesson Master Agreement No. MA135605204, (MHS No. 15519) dated June 11, 2013, (the "MA") is effective upon execution by the Natividad Medical Center Purchasing Manager (the "Amendment Effective Date") between McKesson Health Solutions LLC, a division of McKesson Technologies Inc., on behalf of itself and the McKesson Affiliates ("McKesson") and The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County ("Customer").

WHEREAS, the Parties desire to amend the MA as of the Amendment Effective Date on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual exchange of promises set forth herein, McKesson and Customer agree to amend the MA as follows:

1. Except as defined herein or otherwise required by the context herein, all capitalized terms used in this Amendment have the meaning set forth in the MA.
2. The MA is hereby amended to add Product Schedule Claims Performance and Medical Management Solutions including InterQual Products attached hereto as Exhibit 1. In addition, the Product Schedule table on Page 1 of the MA is replaced with the table below.

PRODUCT SCHEDULES	INCLUDED	
	(as of Effective Date)	
Product Schedule 1 (Hospital Solutions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 2 (McKesson Cardiology)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Product Schedule 3 (Automation Solutions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 4A (RelayHealth – Processing Services)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 4B (RelayHealth – Subscription Services)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 4C (RelayHealth – Revenue Cycle Outsourcing Services)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 4D (RelayHealth – RelayCare Software)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 5 (Claims Performance and Medical Management Solutions including InterQual Products)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Product Schedule 6 (Physician Practice Solutions)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Product Schedule 7 (Homecare)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

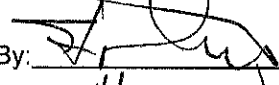
The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County  
SAP No. 1010301  
Amendment Number: 21923

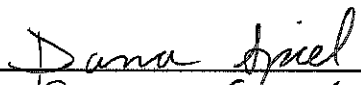
3. Except as otherwise modified by this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

THE COUNTY OF MONTEREY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA, ON BEHALF OF NATIVIDAD MEDICAL CENTER, AN ACUTE CARE TEACHING HOSPITAL OWNED AND OPERATED BY THE COUNTY

MCKESSON HEALTH SOLUTIONS LLC, A DIVISION OF MCKESSON TECHNOLOGIES INC.

By:   
Name: Harry Weiss  
Title: CEA  
Date: 4/18/14

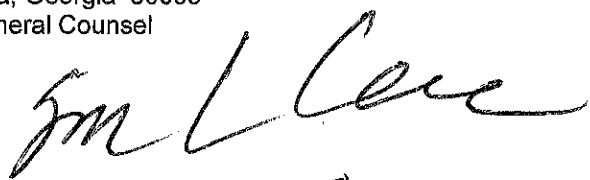
By:   
Name: Dana Spiel  
Title: Sales Executive  
Date: 4-10-14

Customer Address:  
1441 Constitution Boulevard  
Suite 300  
Salinas, CA 93906

McKesson Address:  
5995 Windward Parkway  
Alpharetta, Georgia 30005  
Attn: General Counsel

**FOR MCKESSON INTERNAL USE ONLY**

Submit fully executed contract to:  
McKesson  
Attn: Contract Operations  
5995 Windward Parkway  
Mailstop: ATHQ-0111  
Alpharetta, GA 30005  
Fax: 404.338.5161  
Email: [Contract.Ops@McKesson.com](mailto:Contract.Ops@McKesson.com)

  
Jim L Carr  
NMC CONTRACTS MGR  
5-20-14

	MHS	MTI
Customer Number	(NAT04)	(1080530)
Contract Number	(15519)	(MA135605204)

## EXHIBIT 1

### PRODUCT SCHEDULE 5

#### CLAIMS PERFORMANCE AND MEDICAL MANAGEMENT SOLUTIONS INCLUDING INTERQUAL PRODUCTS

The MA Terms and Conditions and this Product Schedule 5 apply to all Health Solutions Products and Services licensed or purchased by Customer under each Order Form referencing this Product Schedule 5.

#### SECTION 1: DEFINITIONS

**"Beds"** means the number of hospital beds regularly maintained (set up and staffed for use) for inpatients by Customer or a Facility.

**"Claim"** means a request for payment or a reported encounter received by Customer from a Provider, or from a Covered Life seeking reimbursement for such services, comprised of any number of lines.

**"Covered Lives"** means a primary member, subscriber or eligible dependent covered under a health plan or member who is included under a delegated risk arrangement under an agreement with Customer.

**"Customer's Website"** means Customer's secured website, to which access is limited to Providers who present a unique identifier and a password that corroborates the binding between the Provider and the unique identifier.

**"Facility"** means a healthcare facility or health plan located in the United States and operated by Customer that is identified in an Order Form. Customer acknowledges and agrees that notwithstanding Customer's Provider Identification Number or Tax Identification Number, each physical location shall constitute a separate Facility.

**"Provider"** means (a) a healthcare professional who provides services to Customer's members, and (b) such authorized employees of such Provider who are acting on behalf of the Provider. For purposes of the McKesson's Transparency and SmartSheet Software only, the definition of Provider will not include hospitals, health centers or other treatment facilities.

**"Release"** means an updated version of the Software which contains Software changes and/or configuration change(s), as applicable.

**"Reviews"** means each individual determination of clinical appropriateness performance for a patient.

**"Seat"** means a unique physical device such as a personal computer, work station, or terminal utilized to access the Software, either directly or at the physical device on which the Software is located or the location of the entity that has a license to use the Clinical Content.

#### SECTION 2: CLINICAL CONTENT

2.1 Copying of Clinical Content. Customer may copy the Clinical Content on an ad-hoc basis in the smallest increments or portions feasible under the circumstances or as legally required for disclosure: (a) to a Provider who has submitted a Claim to Customer for reimbursement and is questioning the rationale to support Customer's decisions and solely for use for Claim specific

discussions with Customer; (b) to a Provider of health care service subject to Customer's medical necessity review and solely for use for case specific medical necessity discussions with Customer, as well as for payment determinations; (c) to a Provider in support of legislative and/or regulatory requirements for notification of material changes in payment policy and/or coding practices; (d) to a person included as one of Customer's Covered Lives under this MA or to such person's representative when the Clinical Content have been referenced in the process of denying, limiting, or discontinuing authorization of services for said person; (e) to a Provider for the sole purpose of marketing Customer's services; (f) to a public agency or independent review organization in connection with conducting an independent external review of or conducting an appeal of Customer's medical necessity determination in a specific case when the Clinical Content have been referenced in the process of making said determination; (g) to a public agency to comply with a statutory or regulatory mandate requiring the Clinical Content be filed with said agency (copy to be furnished to McKesson as soon as practicable prior to any such disclosure so that McKesson may, at its option, object to or dispute same); and (h) pursuant to a judicial order or subpoena (copy to be furnished to McKesson at least 5 business days notice prior to any such disclosure so that McKesson may, at its option, object to or dispute same, or, if the scheduled time for such disclosure is less than 5 business days, then as soon as possible prior to such disclosure). In connection with each disclosure/distribution, all Clinical Content copies will prominently display on the cover page and/or introductory screen McKesson's trademark and copyright notices, as dictated by herein, and Customer will maintain and furnish the disclosure/distribution to McKesson upon request.

"McKesson's Statement of Disclosure: The Clinical Content you are receiving is confidential and proprietary information and is being provided to you solely as it pertains to the information requested. Under copyright law, the Clinical Content may not be copied, distributed, or otherwise reproduced. The Clinical Content may contain advanced clinical knowledge which we recommend you discuss with your physician upon disclosure to you.

The Clinical Content reflects clinical interpretations and analyses and cannot alone either (a) resolve medical ambiguities of particular situations; or (b) provide the sole basis for definitive decisions. The Clinical Content is intended solely for use as screening guidelines with respect to medical appropriateness of healthcare services and not for final clinical or payment determinations concerning the type or level of medical care provided, or proposed to be provided, to a patient; all ultimate care decisions are strictly and solely the obligation and responsibility of your health care provider."

2.2 Responsibility for Clinical Content. The authority and responsibility to determine whether to adopt any Clinical Content, how and when to apply Clinical Content, and the final determination with respect to such Clinical Content will rest entirely and solely with Customer.

2.3 Transition of Clinical Content. The parties acknowledge and agree that McKesson currently provides the Clinical Content in a variety of formats. McKesson reserves the right to change the format and to provide such Clinical Content to Customer in a different medium at mutually agreed upon license fees.

2.4 Disclaimer. THE CLINICAL CONTENT (WITHOUT REGARD TO THE MEDIA IN WHICH IT IS EMBODIED OR EXPRESSED), IS PROVIDED ON AN "AS-IS" BASIS. With respect to a material defect in material or workmanship, written notice and an explanation of the circumstances of any claim that the Clinical Content has proved materially defective in material or workmanship will be given promptly by Customer to McKesson. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A MATERIAL DEFECT IN THE CLINICAL CONTENT IS EXPRESSLY LIMITED TO THE CORRECTION OF SUCH BY MCKESSON AT ITS SOLE EXPENSE.

2.5 Clinical Content Indemnification. Customer acknowledges and agrees that all ultimate care and payment decisions are strictly and solely the obligation and responsibility of Customer and its providers and reviewers with McKesson having no right or standing to direct or control their uses of the Software or Clinical Content. Accordingly, Customer assumes the risk of liability for, and agrees at its sole expense to indemnify and hold McKesson, the McKesson Affiliates, and all other McKesson affiliates, safe and harmless against, and will defend the same, their suppliers and their respective affiliates, from and against any and all liabilities, losses, damages, claims and expenses (including legal expenses of any kind and nature) (each a "Claim") arising out of Customer's use of or inability to use, the Clinical Content or the Software (or the use of or inability to use the Clinical Content or the Software by any person receiving the Clinical Content or the Software by or through Customer).

2.6 Historical Versions of Clinical Content. If Customer purchases Historical Versions of Clinical Content, Customer acknowledges and agrees that it shall (i) use the Historical Versions solely in the performance of retrospective reviews and (ii) use only the relevant Clinical Content for the applicable Clinical Content year the care was rendered. Customer further acknowledges and agrees that (i) McKesson shall have no further obligations whatsoever with regard to the Historical Versions, including, but not limited to, any obligation to deliver support services or provide maintenance or updates related to the Historical Versions, (ii) the Historical Versions are provided "as is" and any and all warranties relating to the Historical Versions have lapsed and become null and void, and (iii) any and all other obligations and/or liabilities of McKesson relating to the Historical Versions (including, without limitation, any indemnity obligations and any escrow obligations) have also lapsed and become null and void. For purposes of this Section, Historical Versions shall mean the Clinical Content that is no longer in production and is not one of the two most current versions.

### **SECTION 3: INTERFACE/INTEGRATION**

Customer may not install any interface and/or integration to the Software without the prior written consent of McKesson, which consent shall not be unreasonably withheld.

### **SECTION 4: ADDITIONAL LICENSE TERMS**

4.1 Size Representation. Customer will furnish to McKesson a written report detailing the volume of Customer's usage-based variable as set forth in each applicable Order Form at least 60 days prior to each anniversary of the Order Form Effective Date, as of such date.

### **SECTION 5: SOFTWARE MAINTENANCE SERVICES**

5.1 Software Maintenance Services Fees. The fees for Software Maintenance Services are included in the license fees for the applicable Software.

### **SECTION 6: GENERAL TERMS**

6.1 Security. Customer agrees to use commercially reasonable security measures to prevent unauthorized access to the Software and/or Clinical Content. Customer agrees to be responsible for any breach of the MA or any other unauthorized dissemination of the Software and/or Clinical Content or the content contained therein by any user accessing the Software and/or Clinical Content via Customer's Website.

6.2 Termination and Return of Software and Clinical Content. Section 5.6.2 of the MA Terms and Conditions does not apply to any Software or Clinical Content licensed under this Product Schedule 5. Notwithstanding Section 5.6.3 of the MA Terms and Conditions, one hardcopy of the InterQual®



Clinical Content may be retained in Customer's compliance office for archiving purposes only, provided that the MA or Order Form has not been terminated for Customer's default.

6.3 Acquisitions. If Customer acquires a health plan or health care facility ("**Acquired Entity**") that entered into a license for Software, Clinical Content, or ASP Services ("**Pre-Existing Contract**") prior to such acquisition, that Pre-Existing Contract will remain in effect until its termination. Upon the termination of the Pre-Existing Contract, or upon Customer's acquisition of an Acquired Entity that does not have a Pre-Existing Contract, Customer will pay McKesson for any additional usage-based variables specified in the applicable Order Form, including, but not limited to Covered Lives, Beds, Users, Seats, etc. ("**Usage-Based Variables**"), regardless of location, resulting from the acquisition of the Acquired Entity in accordance with this Order Form. Customer will disclose to McKesson the increase in the Usage-Based Variables it gained through the Acquired Entity within 30 days after such acquisition. If the Acquired Entity will not use the Software, Clinical Content, and ASP Services, no additional license fees will be due.

6.4 Price Increases. Section 4.6 of the MA will not apply to this Product Schedule 5. All price increases will be addressed in the Order Form.

Each signatory hereto represents and warrants that it is duly authorized to sign, execute, and deliver this Order Form on behalf of the party it represents and the applicable Facility.

THE COUNTY OF MONTEREY, A POLITICAL  
SUBDIVISION OF THE STATE OF  
CALIFORNIA, ON BEHALF OF NATIVIDAD  
MEDICAL CENTER, AN ACUTE CARE  
TEACHING HOSPITAL OWNED AND  
OPERATED BY THE COUNTY

MCKESSON HEALTH SOLUTIONS, A DIVISION  
OF MCKESSON TECHNOLOGIES INC.

By: [Signature]  
Name: H. [Signature]  
Title: CFO  
Date: 5/15/14  
Customer PO. No. \_\_\_\_\_

By: Dana Spiel  
Name: Dana Spiel  
Title: Sales Executive  
Date: 4/24/14

**CUSTOMER - For Execution:**  
McKesson no longer requires the  
exchanging and signing of hard copy  
contracts. Please fax or email  
(scanned document) the signed  
agreement to your sales executive  
or account manager.

McKesson Health Solutions, a division of  
McKesson Technologies Inc.  
5995 Windward Parkway  
Alpharetta, Georgia 30005  
Attn: General Counsel  
Fax: 404-338-5138

With a copy to:

McKesson Health Solutions, a division of  
McKesson Technologies Inc.  
275 Grove Street  
Suite 1-210  
Newton, MA 02466  
Attn: Vice President of Product Operations

Customer Number	NAT04
Service Contract Number	MHS9115
SAP Number	1010301
Contract Number	20559

[Signature]  
SUN & CATO  
NMC CONTRACTS Mon  
5-10-14

APPROVED AS TO FORM AND LEGALITY,  
[Signature]  
DEPUTY COUNTY COUNSEL  
COUNTY OF MONTEREY



**ORDER FORM**

**(CLAIMS PERFORMANCE AND MEDICAL MANAGEMENT SOLUTIONS)**

**ORDER FORM TO PRODUCT SCHEDULE 5** of McKesson Master Agreement No. MA135605204 (MHS No. 15519), dated June 11, 2013 and incorporating all referenced Exhibits, Schedules, and Attachments (“**Order Form**”) and is made binding as of the latest date in the signature block below.

**Exhibits**

<b>A-1</b>	<b>Payment Schedule, Term and Administration</b>
<b>A-2</b>	<b>Reserved</b>
<b>A-3</b>	<b>Medical Management Terms</b>
<b>B-1</b>	<b>Implementation, Education, and Consulting Services</b>
<b>C-1</b>	<b>Reserved</b>
<b>D-1</b>	<b>Reserved</b>
<b>E-1</b>	<b>Products and Services</b>
<b>F-1</b>	<b>AMA CPT Code Pass-Through Terms</b>

The pricing in this Order Form and McKesson’s corresponding offer to Customer expires unless McKesson receives this Order Form signed by Customer on or before June 30, 2014.

Customer’s purchase order (“**PO**”) number is required. Pre-printed terms on or attached to Customer’s purchase order will be of no force or effect. Failure to provide McKesson with a PO order number or copy will not relieve Customer of any obligation, including any payment obligation, under this Order Form. Customer must include Purchase Order Number in order for McKesson to process shipping.

By signing this Order Form, Customer acknowledges and agrees that (a) McKesson has made no warranty or commitment with regard to any functionality not Generally Available as of the OF Effective Date, whether or not included as part of Software Maintenance Services, for any of the Software licensed by this Order Form; and (b) Customer has not relied on the availability of any future version of the purchased Product or any other future Product in executing this Order Form.

Customer represents and warrants that it is a duly organized and validly existing entity and has complete and unrestricted authority to enter into and terminate any and all agreements on behalf of the Facility listed herein. Customer may act on behalf of such Facility and shall be held responsible for the compliance of such Facility to the terms and conditions of the MA.

Termination of Prior Agreements. Natividad Medical Center’s existing License Agreement No. 10015 with an Effective Date of May 28, 2004, will be terminated upon the Amendment Effective Date of Amendment No. 21923 signed contemporaneously herewith.

**FOR MCKESSON INTERNAL USE ONLY**

**Submit fully executed contract to:**

McKesson Health Solutions  
Attn. Account Management  
275 Grove St.  
Suite 1-110  
Auburndale, MA 02466  
Fax: 617-273-3777

**EXHIBIT A-1**

**PAYMENT SCHEDULE, TERM AND ADMINISTRATION**

**PAYMENT SCHEDULE**

**SOFTWARE, CLINICAL CONTENT, AND ASP SERVICES LICENSE FEES**

Notwithstanding anything to the contrary in the MA, the annual payments for the Software and Clinical Content and the number of Beds set forth herein are not subject to decrease.

<b>\$8,693.55*</b>	due on the date this OF is executed by the parties.	Such fee includes a fifteen percent (15%) discount.
<b>\$23,711.42*</b>	due on the first anniversary of the OF Effective Date.	Such fee includes a fifteen percent (15%) discount.
<b>\$23,711.42*</b>	due on the second anniversary of the OF Effective Date.	Such fee includes a fifteen percent (15%) discount.
<b>\$23,711.42*</b>	due on the third anniversary of the OF Effective Date.	Such fee includes a fifteen percent (15%) discount.
<b>\$23,711.42*</b>	due on the fourth anniversary of the OF Effective Date.	Such fee includes a fifteen percent (157%) discount.
<b>\$23,711.42*</b>	due on the fifth anniversary of the OF Effective Date.	Such fee includes a fifteen percent (15%) discount.
<b>\$5,737.97*</b>	due on the sixth anniversary of the OF Effective Date.	Such fee includes a fifteen percent (15%) discount and is prorated from the sixth anniversary of the OF Effective Date through June 30, 2019.

\*Plus applicable taxes.

**CALIFORNIA TAX:** When taking into consideration the expected tax of 7.75%, the estimated total invoice amount for license fees should be approximately \$143,295.23.

**PAYMENT SCHEDULE FOR SERVICES FEES.**

- \$17,000.00\*** due on the date this OF is executed by the parties.
- \$2,250.00\*** due on the first anniversary of the OF Effective Date.
- \$2,250.00\*** due on the second anniversary of the OF Effective Date.
- \$2,250.00\*** due on the third anniversary of the OF Effective Date.
- \$2,250.00\*** due on the fourth anniversary of the OF Effective Date.

\*Plus applicable taxes.

**MAXIMUM OBLIGATION:** Subject to the limitations set forth in this Order Form, Customer shall pay to McKesson during the Initial Term of this Order Form a maximum amount of \$169,295.23 for license and service fees under this Order Form. This amount is including applicable taxes as referenced in the California Tax provision above.

**UNAVAILABILITY OF FUNDS:** For purposes of this Order Form, McKesson agrees to comply with California Code relating to the unavailability of funds. Both parties agree that, following the first twelve (12) months from the Order Form Effective Date, should funds become unavailable because of Monterey County Board of Supervisors' failure to continue to fund Customer's obligations under this Order Form,

then this Order Form will be terminated thereafter immediately upon written notice by Customer to McKesson without penalty. Upon such termination, Customer agrees to remit all amounts due and payable up to and including the termination date of this Order Form.

**UPGRADES:** Installation and/or implementation of the Software by McKesson as a result of Upgrades to the Software and/or new Releases of the Software are beyond the scope of services outlined hereunder . Unless otherwise addressed by this Order Form, such services shall be contracted for separately and additional fees will apply. McKesson and Customer will determine the scope of the additional services to be provided and the terms and conditions pursuant to which such additional services shall be provided by McKesson.

**TERM:** The term of this Order Form will commence upon execution by the Natividad Medical Center Purchasing Manager (the **"OF Effective Date"**) and ends on June 30, 2019 (the **"Initial Term"**).

**INCREASE IN USAGE BASED VARIABLES:** If, during the Initial term, Customer's Usage-Based Variables increase above the limitation set forth herein, or in an Order Form, for any reason other than Customer's acquisition of another entity (**"Natural Growth"**), Customer will pay the Prevailing Rates for such increased Usage-Based Variables.

Pursuant to this Section, the parties acknowledge and agree that Customer will provide notification of any increase in the Usage-Based Variables and McKesson shall bill Customer accordingly for any increase in fees.

Customer is solely responsible for reporting all discounts or appropriate net prices received from McKesson pursuant to this Order Form on cost reports filed by Customer with any government entity.

Unless Customer provides McKesson prior to the OF Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added, or other similar taxes or duties, McKesson will invoice Customer for all such taxes applicable to the transactions under this Order Form.

**ADMINISTRATION:**

<b>Sold To:</b>	<b>Bill To:</b>
The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County	The County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County
1441 Constitution Boulevard	1441 Constitution Boulevard
Suite 300	Salinas, CA 93906
Salinas, CA 93906	Attention: Sharon Fiola, Interim Case Management Director
Taxable: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Telephone: 831.772.7496
<b>Ship To:</b> See Facility information on Exhibit E-1.	E-mail: fiolas@natividad.com
	<b>Download Central Administrator:</b>
	Sharon Fiola, Interim Case Management Director
	E-mail: fiolas@natividad.com

## EXHIBIT A-3

### MEDICAL MANAGEMENT TERMS

#### SECTION 1: CAREENHANCE<sup>®</sup> REVIEW MANAGER ENTERPRISE SOFTWARE ("REVIEW MANAGER")

The following terms apply to the Review Manager Software and Clinical Content:

1.1 HL-7 Interface. Customer acknowledges that the HL-7 Interface Enabler licensed from McKesson is a tool to allow Customer to develop an interface to Review Manager and that McKesson is not delivering an interface to Customer nor will McKesson support, maintain or develop any such interface unless expressly agreed to in writing by McKesson and Customer. Customer further acknowledges and agrees that changes to any such interface may be required as a result of the installation of new Releases of Review Manager.

1.2 Interface/Integration. Only interfaces and/or integrations from McKesson's Alliance Partners, or other interfaces and integrations that have been approved by McKesson in writing, are permitted to be used in conjunction with Review Manager. Additionally, notwithstanding anything to the contrary in the MA, Customer is solely responsible for securing the installation, support, and maintenance of any interface or integration. Customer will not implement an Alliance Partner interface or integration for a new release or update until the Alliance Partner has obtained a validation certificate from McKesson.

1.3 Display of CPT Codes. McKesson and Customer acknowledge and agree that the display and search functionality of the CPT Codes within the CareEnhance<sup>®</sup> Review Manager Bookview and the InterQual<sup>®</sup> SmartSheets<sup>™</sup> is for Customer's internal use only. Should Customer desire to make the Clinical Content available over the internet or to its Provider network, the parties will execute an amendment for such expanded use.

**EXHIBIT B-1**

**IMPLEMENTATION, EDUCATION, and CONSULTING SERVICES**

**CareEnhance® Review Manager Enterprise (“Review Manager”) Implementation Services and InterQual® Learning Source (“ILS”) Training**

Table 1 (MHS9115-C): Services for The County of Monterey, A Political Subdivision of the State of CA, on behalf of Natividad Medical Center

<b>ILS Training Package(s)</b>	<b>*Number of Participants</b>	<b>Fee (Year 1)</b>	<b>Annual Fee (Years 2-5)</b>
<u>Review Manager Implementation Services - HL-7</u> <ul style="list-style-type: none"> <li>Remote Project Management Support</li> <li>Remote Technical Installation Services</li> <li>Remote Technical Consulting on the HL-7 Interface</li> </ul>		\$12,750.00	
<u>ILS: Review Manager Non-Integrated for System Administrators</u> <ul style="list-style-type: none"> <li>VILT - Review Manager System Administration (Non Integrated)</li> </ul> Material: 75005576	Up to 4 participants	\$1,000.00	
<u>ILS: Review Manager Reports</u> <ul style="list-style-type: none"> <li>VILT - Review Manager Reports</li> </ul> Material: 75005577	Up to 4 participants	\$1,000.00	
<u>ILS LOC: InterQual® Acute Criteria with Review Manager</u> <ul style="list-style-type: none"> <li>VILT - LOC: InterQual® Acute Criteria (Review Manager)</li> </ul> Material: 75005568	Up to 10 participants annually	\$2,250.00	\$2,250.00
<b>Fixed Fee Total:</b>		<b>\$17,000.00</b>	<b>\$2,250.00</b>

**Payment Terms - Services Fees**

- \$17,000.00\* due on the date this OF is executed by both parties.
- \$2,250.00\* due on the first anniversary of the OF Effective Date.
- \$2,250.00\* due on the second anniversary of the OF Effective Date.
- \$2,250.00\* due on the third anniversary of the OF Effective Date.
- \$2,250.00\* due on the fourth anniversary of the OF Effective Date.

\* plus any applicable taxes



### **1.0 STATEMENT OF PROJECT SCOPE**

The Services listed in the Service Pricing table include Review Manager Implementation and ILS Training Services in accordance with the **McKesson Health Solutions, a division of McKesson Technologies Inc. Guide to Standard Implementation and Training Services** ("Services Guide").

### **2.0 ASSUMPTIONS**

- 2.1 Customer will incur additional fees and training material costs for each additional participant beyond the agreed upon maximum number of participants identified herein and/or each additional instructor-led session requested beyond the McKesson recommended number of session(s). Customer will be billed separately for additional participants attending an instructor-led session without pre-registering and/or being covered by this Order Form.
- 2.2 The Services Guide may be amended from time to time at McKesson's discretion. To obtain the most current version of the Services Guide, contact your McKesson Sales Executive, Account Manager or download from Customer Hub.
- 2.3 Customer acknowledges that Services will be provided only for Facilities licensed under the Agreement.
- 2.4 Training Services will not be carried over from prior years.
- 2.5 Training includes all applicable self paced trainings.
- 2.6 All applicable self paced trainings should be completed prior to any VILT session(s).

### **3.0 DEFINITIONS**

**"CareEnhance<sup>®</sup> Review Manager Enterprise" ("Review Manager")** also referred to as "the Software."

**"Fixed Fee (FF)"** means that the Services will be delivered by McKesson at a set price, determined by McKesson, taking into account the project scope and the time and resources necessary to complete the Services.

**"VILT"** means virtual instructor-lead training. This method of delivering traditional classroom courses using the Internet and teleconferencing technologies whereby the instructor and students are at independent locations.

## EXHIBIT E-1

### PRODUCTS AND SERVICES

1. On the following page, any Product for which the "No. of Copies" is blank or "0" is either available online or included in another Product.

2. As of the date this Order Form is executed by the parties, Customer is granted a license to the following Products which will be added to the Natividad Medical Center Facility:

- a. InterQual® Clinical Evidence Summaries;
- b. CareEnhance® Review Manager Enterprise (Access and SQL Versions);
- c. Business Objects Crystal Report (Third Party Product); and
- d. Symphonia HL7 Interface Enabler.

3. As of the OF Effective Date, all other Products set forth on the following page were renewed.

4. After April 1, 2014, the InterQual Clinical Evidence Summaries set forth on the following page(s) will not be delivered or made available as a separate product, and the appropriate portions thereof will be included as part of the applicable Clinical Content module. Notwithstanding the foregoing, if Customer licenses the MDX Clinical Content or McKesson Diagnostics Exchange™ (DEX) Clinical Content, the InterQual® Clinical Evidence Summaries will continue to be made available as a separate product.

5. Customer acknowledges and agrees that it will maintain the associated licenses, hardware and software set forth in the Required Environments Guide for the Software and ASP Services.

#### 6. THIRD PARTY TERMS.

As indicated on the following page, Customer agrees to the applicable Third Party Terms and conditions, as set forth at <http://customerportal.mckesson.com>, which Customer may access using the following confidential login information:

User ID: contractprovisions@mckesson.com  
Password (case sensitive): Portal!Access

For the avoidance of doubt, if there are no terms for the Third Party Products listed on the McKesson Customer Portal, then no Third Party Terms and conditions apply. In the event that a Third Party Software provider raises its licensing fees of such Third Party Software, McKesson may increase its annual license fees upon the next anniversary of such Order Form.

**Facility**

Natividad Medical Center  
1441 Constitution Boulevard  
Suite 300  
Salinas, CA 93906

**Attn:** Sharon Fiola, Interim Case Management Director  
**Tel:** +1 (831) 772 7496  
**E-Mail:** FiolaS@natividad.com

	Size / Type	Users	No. of Copies
<b>InterQual® Clinical Content</b>			
Acute Adult Criteria	123 / Beds	0	0
Acute Pediatric Criteria	123 / Beds	0	0
InterQual® Clinical Evidence Summaries	123 / Beds	0	
SIMplus	123 / Beds	0	
<b>Software</b>			
CareEnhance® Review Manager Enterprise (Access)	123 / Beds	0	0
CareEnhance® Review Manager Enterprise (SQL)	123 / Beds	0	0
InterQual® View (Access)	123 / Beds	0	
InterQual® View (SQL)	123 / Beds	0	
<b>3rd Party</b>			
AMA CPT Codes IQ	123 / Beds	0	
Business Objects Crystal Reports	123 / Beds	0	
Symphonia HL7 Interface Enabler	123 / Beds	0	

## EXHIBIT F-1

### AMA CPT CODES PASS-THROUGH TERMS

The following provisions relating to Customer's sublicense for CPT codes and terminology differ from the general license provisions set forth in the License Agreement, Master Agreement, Contract Supplement or Order Form pursuant to which the CPT codes and terminology are licensed (collectively, for purposes of this Exhibit, the "Agreement").

A. The following definition will apply solely for purposes of permitting Customer's use of CPT (as defined below):

**"User"** is an individual who:

- (a) accesses, uses, or manipulates CPT Editorial Content contained in the Software; or
- (b) accesses, uses, or manipulates the Software to produce or enable an output (data, reports, or the like) that could not have been created without the CPT embedded in the Software even though CPT Editorial Content may not be visible or directly accessible; or
- (c) makes use of an output of the Software that relies on or could not have been created without the CPT Editorial Content embedded in the Software even though CPT Editorial Content may not be visible or directly accessible.

**"Editorial Content"** means content from the print publication *Current Procedural Terminology, Fourth Edition* ("CPT Book") and the data file(s) of *Current Procedural Terminology* ("CPT<sup>®</sup>") including Tiers I, II, and/or III, all as available from the AMA (individually and collectively called "CPT Data File") published by the AMA in the English language as used in the United States (collectively, "CPT"), a coding work of nomenclature and codes for reporting of healthcare services. "Editorial Content" and "CPT Editorial Content" are used interchangeably in the Agreement.

B. The Software listed in this Exhibit incorporates the CPT terminology developed and copyrighted by the American Medical Association ("AMA"). The CPT codes and terminology are provided pursuant to a license agreement between McKesson and the AMA.

C. Customer acknowledges that the AMA reserves all rights, whether statutory or common-law, in the CPT terminology and that no rights therein are hereby conveyed to Customer except to the extent that Customer has been granted a license to the Software. THE EDITORIAL CONTENT IS LICENSED "AS IS" AND THE AMA MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE EDITORIAL CONTENT, INCLUDING, WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. THE AMA DISCLAIMS RESPONSIBILITY FOR ANY ERRORS IN THE EDITORIAL CONTENT AND FOR ANY CONSEQUENCES ATTRIBUTABLE TO OR RELATED TO ANY USES, NONUSE, OR INTERPRETATION OF INFORMATION CONTAINED IN OR NOT CONTAINED IN THE EDITORIAL CONTENT. CUSTOMER FURTHER ACKNOWLEDGES THAT THE AMA SHALL NOT BE LIABLE TO CUSTOMER FOR ANY DAMAGES OF ANY NATURE WHETHER DIRECT, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL, ARISING FROM THIS AGREEMENT. The AMA shall not be deemed a party to the Agreement, and Customer shall look solely to McKesson for the performance of any obligations due Customer hereunder.

D. In the event that one or more of the provisions contained in the Agreement shall for any reason be held invalid or unenforceable in any respect, such invalidity or unenforceability shall not affect the validity or enforceability of this Exhibit.

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G. Customer acknowledges that the AMA is a third party beneficiary of the Agreement.

H. Provision of updated Editorial Content in the Software is dependent upon the continuing contractual relationship between McKesson and the AMA.