

**FIRST AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES
AGREEMENT**

THIS FIRST AMENDMENT TO PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (the "**Amendment**") is made and entered into as of March 1, 2019, by and between COUNTY OF MONTEREY ("**County**") on behalf of NATIVIDAD MEDICAL CENTER ("**Hospital**"), and MONTEREY ANESTHESIA PROFESSIONALS, a California general partnership ("**Contractor**") with respect to the following:

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility and Level II Trauma Center located in Salinas, California and operates an anesthesia department (the "**Department**") under its acute care license.

B. Contractor and Hospital have entered into that certain Professional and Call Coverage Services Agreement dated January 1, 2017 (the "**Agreement**") pursuant to which Contractor provides Anesthesia Services.

C. Hospital and Contractor desire to amend the Agreement to modify the staffing model due to increased hours in the Hospital's operating room, to add compensation for such additional staffing and to extend the term of the Agreement as set forth herein.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, Hospital and Contractor agree as follows:

1. **Defined Terms**. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. **Section 5.1**. Section 5.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"5.1 Term. This Agreement shall become effective on January 1, 2017 (the "**Effective Date**"), and shall continue until the earlier of: (a) the effective date of any new agreement entered into by and between the Parties for the same or similar services as this Agreement, or (b) February 29, 2020 (the "**Expiration Date**"), subject to the termination provisions of this Agreement."
3. **Exhibit 1.2**. Exhibit 1.2 to the Agreement is hereby deleted and replaced in its entirety and attached hereto as **Exhibit 1.2**.
4. **Exhibit 2.1**. Exhibit 2.1 to the Agreement is hereby deleted and replaced in its entirety and attached hereto as **Exhibit 2.1**.

5. **Counterparts.** This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

6. **Continuing Effect of Agreement.** Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.

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

[signature page follows]

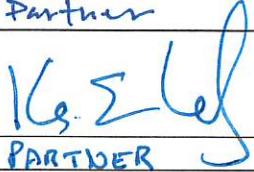
IN WITNESS WHEREOF, Hospital and Contractor have executed this Amendment as of the day and year first written below.

CONTRACTOR

MONTEREY ANESTHESIA
PROFESSIONALS, a California general
partnership

By: 
Its Partner

Date: Feb 13, 2019

By: 
Its PARTNER

NATIVIDAD MEDICAL CENTER


Deputy Purchasing Agent

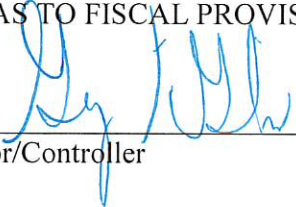
Date: 2/12, 2019

APPROVED AS TO LEGAL PROVISIONS:


Stacy Saetta, Deputy County Counsel

Date: 2/15, 2019

APPROVED AS TO FISCAL PROVISIONS:


Deputy Auditor/Controller

Date: 2-19, 2019

Exhibit 1.2

ANESTHESIA STAFFING

The Anesthesia Services shall be initially staffed as follows and may be modified by mutual agreement of the Parties from time to time as surgical volumes fluctuate and services are modified. Contractor shall adjust coverage as required to ensure patient safety, quality care, high efficiencies and patient satisfaction.

Anesthesia	OR 1	OR 2	OR 3	*** OR Extended Hours	OR 4*	In-House Call	OB (CRNA)	Back- up Call
Monday	0700-1530	0700-1530	0700-1530	1530-2330	0900-1900	24 hr	24 hr	16 hr
Tuesday	0700-1530	0700-1530	0700-1530	1530-2330	0900-1900	24 hr	24 hr	16 hr
Wednesday	0700-1530	0700-1530	0700-1530	1530-2330	0900-1900	24 hr	24 hr	16 hr
Thursday	0700-1530	0700-1530	0700-1530	1530-2330	0900-1900	24 hr	24 hr	16 hr
Friday	0700-1530	0700-1530	0700-1530	1530-2330	0900-1900	24 hr	24 hr	16 hr
Saturday	--	--	**	--	0700-1900	24 hr	24 hr	24 hr
Sunday	--	--	**	--	0700-1900	24 hr	24 hr	24 hr
Holidays	--	--	**	--	0700-1900	24 hr	24 hr	24 hr
	<p>*Contractor may staff one (1) of the four (4) operating rooms with a CRNA.</p> <p>**On weekends and holidays, Contractor may staff one (1) of the two (2) operating rooms with the in-house call physician, if the back-up call physician is also available according to the terms of the Agreement</p> <p>***Commencing on a date that is mutually agreeable by both Parties, Contractor will provide sufficient staff to cover additional hours in the Operating Room(s).</p>							

Exhibit 2.1

COMPENSATION

1. **Annual Compensation.**

(a) Hospital shall pay to Contractor an amount equal to Three Million Five Hundred Sixty-One Thousand Five Hundred Thirty-Five Dollars (\$3,561,535) per Contract Year for Coverage Services provided pursuant to this Agreement (the “**Annual Compensation**”). Such compensation shall be paid monthly in the amount of Two Hundred Ninety-Six Thousand Seven Hundred Ninety-Five Dollars (\$296,795) per month.

(b) Hospital shall pay to Contractor an amount equal to Twenty-Eight Thousand Nine Hundred Forty-Seven Dollars (\$28,947) per month for Operating Room Extended Hours provided under this Agreement according to the staffing levels in **Exhibit 1.2**, fewer services than as stated will result in a proportionate pro-rata reduction in this fee at the rate of One Hundred Sixty-Seven Dollars (\$167) per hour.

2. **Medical Director Services.** Hospital shall pay to Contractor an amount equal to Twenty-Eight Thousand Eight Hundred Dollars (\$28,800) per Contract Year for Director Services provided pursuant to this Agreement (“**Director Services Compensation**”). Such compensation shall be paid monthly in the amount of Two Thousand Four Hundred Dollars (\$2,400) per month.

3. **Timing.** Hospital shall pay the Annual Compensation and Director Services Compensation in equal monthly installments, with each payment due for Services performed by Contractor in the immediately preceding month within thirty (30) days of the end of the month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is “30 days after receipt of the certified invoice in the Auditor-Controller’s Office”.

4. **Incentive Compensation.** In addition to the Annual Compensation, Contractor shall be eligible for an incentive bonus of up to One Hundred Fifty Thousand Dollars (\$150,000) per Contract Year (the “**Incentive Compensation**”). Such Incentive Compensation shall be based on the patient satisfaction data collected by Professional Research and core measure performance using Hospital’s Core Measure data. Hospital shall pay Contractor the Incentive Compensation on an annual basis, commencing twelve (12) months from the Effective Date (each such payment occurring on the “**Payment Date**”), and shall be calculated quarterly as follows for the twelve (12) months preceding each Payment Date.

Quality Initiative	Measure*	Target Performance	Annual Incentive
Performance Improvement (data collected by Hospital and approved by Operating Room (OR) Director)	OR first case of the day started on time, ≤1% of total cases related to Anesthesia	100%	\$25,000
	OR case cancellations related to Anesthesia, ≤5% total cancellations related to Anesthesia	100%	\$25,000
	Average turnaround times ≤30 minutes	100%	\$25,000
Patient Satisfaction (data collected from Hospital's third party vendor)	Pain management during surgical procedure	≥90% Very Good - Excellent	\$25,000
	Explained to patient what to expect during and after procedure	≥90% Very Good - Excellent	\$25,000
	Overall quality of anesthesiologist	≥90% Very Good - Excellent	\$25,000

*Core Measure questions and/or Patient Satisfaction questions may be deleted and replaced with new questions in order to comply with the quality program and Hospital's quality and/or performance standards. Any such changes shall be in writing, dated and signed by the Parties and attached to this Agreement.