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 Peter A. Ripper & Associates, Inc., D/B/A PARA 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: provide a Revenue Integrity Program for NMC.

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 95,000.00.

TERM OF AGREEMENT; the term of this Agreement is from July 1, 2016 through June 30, 2017 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
Exhibit B: Business Associates Agreement
Exhibit C: PARA Data Requirements
Addendum #1 to Standard Terms and Conditions

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:

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

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

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:

Natividad Medical Center
Attn: Contracts Division
Natividad Medical Center
1441Constitution Blvd
Salinas, CA. 93906
FAX: 831-757-2592

CONTRACTOR:

Name: Peter A. Ripper & Associates, Inc.
Attn: Peter A. Ripper
Address: 4801 East Copa De Oro Drive
City, State, Zip: Anaheim, CA 92807
FAX: 877-284-7755
Email: pripper@para-hcfs.com

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: _____
Gary R. Gray, DO, CEO

Date: 6/2/16

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 6/1 2016

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 6-1-16

CONTRACTOR

Peter A. Ripper & Associates, Inc. (dba PARA)
Contractor's Business Name*** (see instructions)

_____
Signature of Chair, President, or Vice-President

PETER A. RIPPER PRESIDENT
Name and Title

Date: MAY 25TH 2016

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

_____
Name and Title

Date: _____

***__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 SCOPE OF SERVICES & PAYMENT PROVISIONS

I. Description of All Services to be Rendered by CONTRACTOR:

A. PARA Revenue Integrity Program (PRIP) Services

1) NMC hereby engages CONTRACTOR to provide services to assist NMC in the analysis of its financial operations by providing a Revenue Integrity Program for NMC which includes but is not limited to:
   a. PARA Data Editor monthly subscription fee-Included in PRIP and includes webinar training and teleconference support
   b. Market Based Pricing
   c. CDM Line Item Review
   d. Claim Review (includes 100 Outpatient claims)
   e. Director of Audit Services On-site Meetings (Includes 3 days onsite)
   f. Director of Audit Services Office Hours (1.5 hours each month for billing, coding and compliance questions, included at no additional cost if services E-G are contracted at time of engagement)

2) The PARA Revenue Integrity Program (PRIP) shall audit and enhance each aspect of the revenue cycle process to ensure that all appropriate revenue is created, captured, coded, priced and paid correctly within compliance guidelines. Due to the current reduction in reimbursement and utilization, hospitals need to gain efficiencies; the **PRIP** will allow your hospital to dedicate Staff and resources to areas which will provide a greater return. The **PRIP** will also integrate your Department Managers into the revenue cycle to make them active participants in charge creation, capture and reimbursement.

B. Purchase Item Master (PIM) Review Services

The goal of the PIM review is to identify all billable items contained within the PIM and reconcile the PIM by line item to the Charge Description Master (CDM). The review also analyzes the Healthcare Common Procedure Coding System (HCPCS) and revenue codes for the PIM/CDM items, to ensure compliant and appropriate supply billing practices.

1) PARA shall ensure NMC is capturing billing supply charges accurately for the following five (5) items, thus reducing the risk of lost revenues and other compliance concerns.
   a. ***Routine Items:*** Low cost, bulk stock items (i.e. Band-Aids, syringes, wipes, gowns, gloves, drapes, and packs) are not to be charged. The cost is to be billed using the OR time charge.
   b. ***Sterile***- Higher cost items are itemized on the charge form; multiple units are allowed. These items are to be billed with a HCPCS code (if possible) and 0272 revenue code.
   c. ***Implants***- Hard items which remain in the patient post-procedure, these items may have a HCPCS code and are billed using a 0278 revenue code.
   d. ***IOL Lenses***- Billed using a HCPCS code (if possible) and a 0276 revenue code. High cost lenses can be billed to the patient (lens cost less the $150 Medicare allowance.)
   e. ***Pacemakers***- Requires a HCPCS code and a 0275 or 0278 revenue code.

2) NMC hereby engages PARA to provide services to assist NMC in the analysis of its financial operations, which includes but is not limited to:
   a. An analysis which compares the PIM to the CDM and identifies the link between the two systems.

b. The review will determine which items are included in the PIM but not in the CDM files and which are in the CDM but not in the PIM.
c. PIM items which are not currently contained in the CDM will be created and activated in the CDM. PARA shall create the CDM updates by reconciling the purchase item master against the original CDM identifying unlinked PIM items.
d. PARA shall script in BAR, CDM and PIM for a one-time fee and only at the request of NMC.
e. PARA shall follow the naming convention as provided by NMC.
f. PARA Coding Staff shall review each line item in the PIM to determine its Medicare billable status.
g. All revenue and HCPCS codes for supply items will be reviewed and updated for correct coding. The PARA Coding Staff will review each line item in the PIM to determine if the item is billable to Medicare.
h. The PIM billable supply items are then "linked" to the charge master.
i. Charge master procedure numbers will be updated in the PIM. PARA shall provide the necessary one-time scripting services upon the request by NMC.
j. PIM lines which are not currently contained in the charge master will be created and linked.

All revenue and HCPCS codes for supply items will be reviewed and updated for correct assignment.

II. CONTRACTOR Obligations:

1) At all times during the term of this Agreement, PARA shall keep all information and records regarding patient care, quality assurance, managed care contract rates and terms, utilization review and peer review strictly confidential and shall disclose such information and/or records only in accordance with relevant law and only after providing PROVIDER with at least fifteen (15) days prior written notice of any request for or intended disclosure.
2) PARA shall upon the written request of the Secretary of Health and Human Services of the Comptroller General or any duly authorized representatives make available the contract documents necessary to verify the services provided under this agreement. Such inspection shall be available up to 4 years after the rendering of such services. If PARA carries out any of this agreement through a subcontractor with a value of $10,000.00 or more over a 12-month period with a related individual or organization, PARA agrees to include this requirement in any such subcontract(s). This section is included pursuant to Public Law 96-499, Sec. 952 (Sec. 1861 (v) (1) of the Social Security Act). No attorney-PROVIDER, accountant-PROVIDER, or other legal privilege will be deemed to have been waived by the PROVIDER or PARA by virtue of this Agreement.
3) PARA shall at all times provide Services in a manner consistent with relevant law, regulation (including all published CMS reimbursement regulations), Deficit Reduction Act provisions, accreditation standards, professional standards, PROVIDER policy and procedure, and PROVIDER philosophy and values. PARA agrees that Services shall be provided in a competent, efficient and effective manner and as described herein. Further, PARA agrees that any agents of PARA that assist PARA in the provision of Services shall satisfy the requirements of this Agreement as well.
4) PARA shall agree to use and disclose Protected Health Information in compliance with

the Standards for Privacy of Individually Identifiable Health Information ("Privacy Rule") (45 C.F.R. Parts 160 and 164) under the Health Insurance Portability and Accountability Act of 1996. The definitions set forth in the Privacy Rule are incorporated by reference into this Agreement (45 C.F.R. §§ 160.103 and 164.501).

5) PARA shall process any data and/or updated file(s) submitted by the PROVIDER via the secure PARA File Transfer link within the PARA Data Editor, that is relevant to the scope of services outlined herein within 10 business days from date of submission.
6) PARA maintains all information technology (IT) infrastructure in a SAS-70 Level 2, PCI Level 1 compliant data center. PARA's servers, databases, and applications are connected to the Internet through multiple, redundant backbone routers and switches for optimum/fail-over routing. This provides PARA with a resilient and redundant facility and network designed to provide continuous connectivity to the Internet and therefore to the end user. All scheduled maintenance takes place on the weekends during off hours (12am-6am). PARA's applications are continuously monitored 24 hours/day for availability and critical IT staff notified immediately if there is a failure.
7) Security: Physical access to PARA's hardware is strictly enforced via magnetic card readers through the Network Operations Control room staffed 24x7x365. Only the most critical IT employees are granted such access with government issued photo identification. All exterior and interior areas are monitored by CCTV 24x7x365 and server racks locked at all times. All applications and underlying data are secured via strict permission-based user access utilizing strong passwords and rigorous staff security policies. PARA does not initiate or accept the insecure transmission of PHI or otherwise confidential data. Web-based applications and data files that contain sensitive information are transmitted over the Internet via secure sockets layer and encrypted up to 1024 bits.
8) U.S. Government Rights: This product includes CPT which is commercial technical data and/or computer data bases and/or commercial computer software and/or commercial computer software documentation, as applicable, which was developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois, 60510. U.S. Government rights to use, modify, reproduce, release, perform, display or disclose these technical data and/or computer data bases and/or computer software and/or computer software and/or computer software documentation are subject to the limited rights restrictions of DFARS 252.227-7015(b) (2) (November 1995) and/or subject to the restrictions of DFARS 227.7202 -1(a) (June 1995) and DFARS 227.7202-3(a) (June 1995), as applicable, for U.S. Department of Defense procurements and the limited rights restrictions of FAR 52.227-14 (June 1987) and/or subject to the restricted rights provisions of FAR 52.227-14 (June 1987) and FAR 52.227-19 (June 1987), as applicable, and any applicable agency FAR Supplements, for non-Department of Defense Federal procurements.

III. NMC Obligations:

1). NMC shall provide the necessary financial data requested by PARA via a secure PARA File Transfer link within the PARA Data Editor.

2). NMC shall provide CONTRACTOR with the Purchase Item Master File and Charge Description Master File to allow for CONTRACTOR's analysis of the link between the

PIM and CDM systems. This file transfer shall follow the process found in PARA Data Requirements, attached hereto as Exhibit C.

IV. CONTRACTOR's Deliverables:

1). **PRIP Deliverables:** See attached PRIP Outline.

2). **PIM Deliverables**

a. CONTRACTOR shall provide NMC with a list of additions and deletions for the CDM
b. CONTRACTOR shall provide NMC with a list of updates for the PIM
c. CONTRACTOR shall provide NMC with a list of revenue and HCPCS updates for the CDM
d. CONTRACTOR shall provide NMC with the Remote Access Update option to script all recommended changes into the client system.
e. Upon receipt of file(s) from NMC, CONTRACTOR shall complete the services within a 30 – 45 day turnaround period.

V. Pricing/Fees:

1) CONTRACTOR shall be reimbursed as per the following:
   a. PRIP: CONTRACTOR's compensation for the PARA Revenue Integrity Program (PRIP) will be Two Thousand, Two Hundred and Ninety-two dollars ($2,292.00, per month), for services identified above, billed for twelve months.
   b. PIM: CONTRACTOR's compensation for the PARA Purchase Item Master Review will be Three Thousand, Three Hundred and Seventy-five dollars ($3,375.00, per month), for services identified above, billed for twelve months.
   c. CONTRACTOR's compensation for the one-time scripting services related to updating the charge master procedure numbers in the PIM will be a one-time fee not to exceed $10,000.
2) NMC and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at www.co.monterey.ca.us/auditor/policies.htm
3) To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.
4) 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.
5) Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.
6) County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.
7) No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

PRIP Outline
a component of the Agreement Exhibit A Scope of Services

The goal of the **PARA Revenue Integrity Program** (**PRIP**) is to audit and enhance each aspect of the revenue cycle process to ensure that all appropriate revenue is created, captured, coded, priced and paid correctly within compliance guidelines.

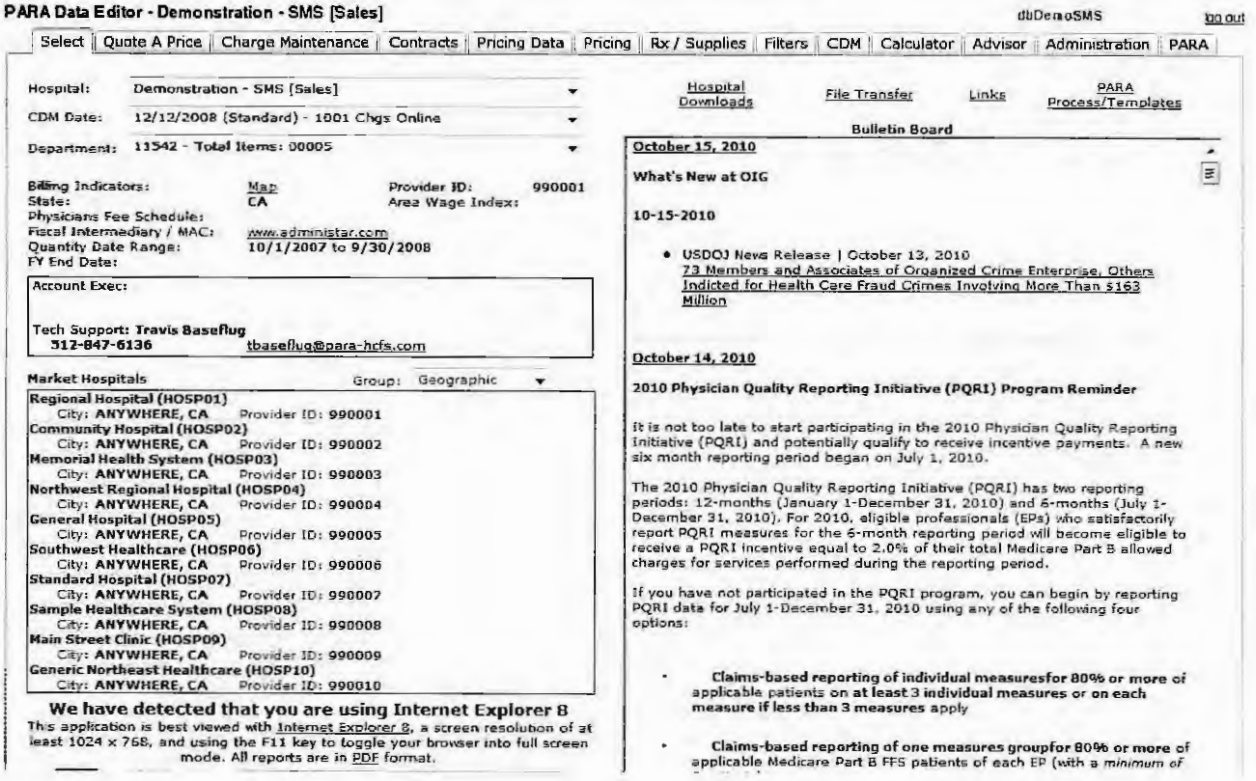
Due to the current reduction in reimbursement and utilization, hospitals need to gain efficiencies; the **PRIP** will allow your hospital to dedicate Staff and resources to areas which will provide a greater return.

The **PRIP** will also integrate your Department Managers into the revenue cycle to make them active participants in charge creation, capture and reimbursement.

<u>There are 5 components to the Program</u>

1. Claim audit – charge capture, coding and compliance
2. Pricing – market based pricing with a relationship to fee schedules or cost
3. Charge Master – code review and maintenance
4. Compliance – HIM / Business Office assigned codes and modifiers
5. Revenue Management Committee – oversight, governance and guidance

The **PARA Data Editor (PDE)** is utilized in every aspect of the **PRIP**.



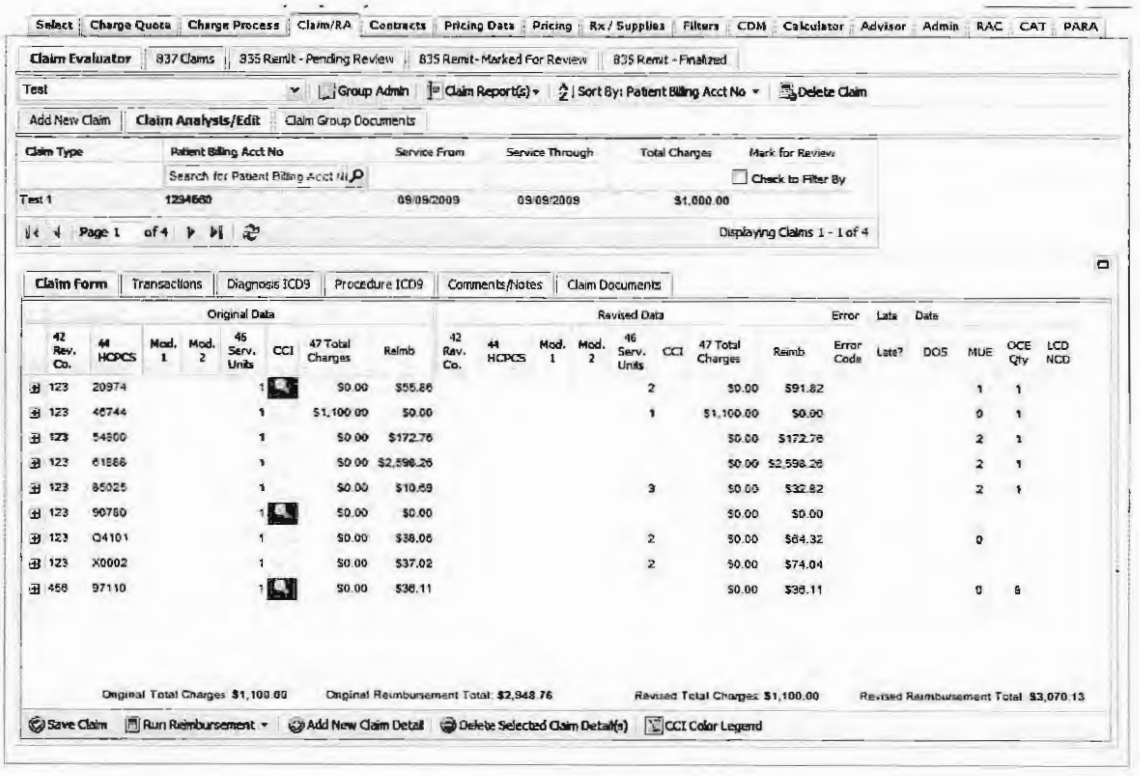
Claim audit – charge capture, coding and compliance

There are disparate data elements which flow together to create a patient claim, the goal of the claim review is to audit and reconcile as many data elements within the claim back to the originating source. The claim review will trace the following items from the claim to the medical record, departmental worksheets or remittance advices.

1. HIM coded surgical procedures
2. Separately billable nursing procedures
3. Supplies – charge capture, codes and compliance of charges
4. Drugs - codes and unit multipliers
5. Determination of the evaluation and management levels for emergency and clinic visits
6. Business Office / HIM assigned modifiers
7. Payments and denials

Claims are processed into the **PDE** using the **Claim/RA Evaluator tab**; the claims are either loaded by processing data tables within the **PDE** (header and transaction tables), EDI 837 records or manual keying. The **PARA HIM Staff** will review the claims with the supporting documentation for reporting back to the Revenue Management Committee (**RMC**).

The members of the **RCM** have 24/7 access to all segments of the **PDE** for continuing review.



PRIP Outline
a component of the Agreement Exhibit A Scope of Services

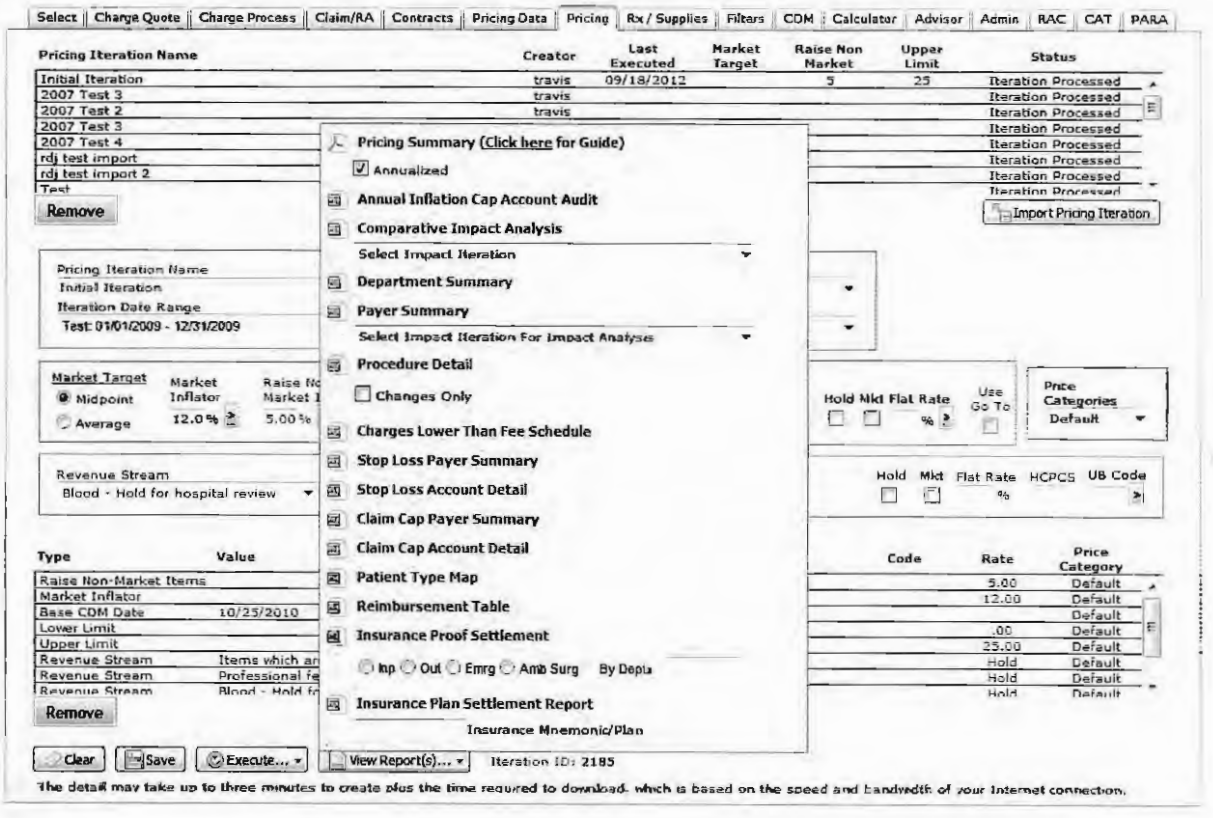
Pricing – market based pricing with a relationship to fee schedules or cost

Pricing is critical to revenue cycle success; the **PARA Market Based Pricing Program** is a sub-component of the **PRIP**.

The goal of the **MBPP** is to identify line items in the charge master which have negative patient satisfaction due to high prices, identify gross margin improvement opportunities due to low prices and to establish a rational pricing methodology by setting prices based on fee schedule, APC, cost or competitive market pricing data. There are seven steps in the **PARA** pricing process:

1. Interview with hospital finance administration to determine goals of the process
2. Assessment of competitive market pricing data, creation of "max" iteration
3. Loading of the managed care contract matrix into the **PDE Contracts tab**
4. Refinement of iteration parameters, processing of multiple iterations
5. Quality review, rounding and smoothing
6. Implementation
7. Follow-up

https://apps.para-hcfs.com/pde/documents/PARA_PricingProgramDeliverables.pdf



Pricing – market based pricing with a relationship to fee schedules or cost (continued)

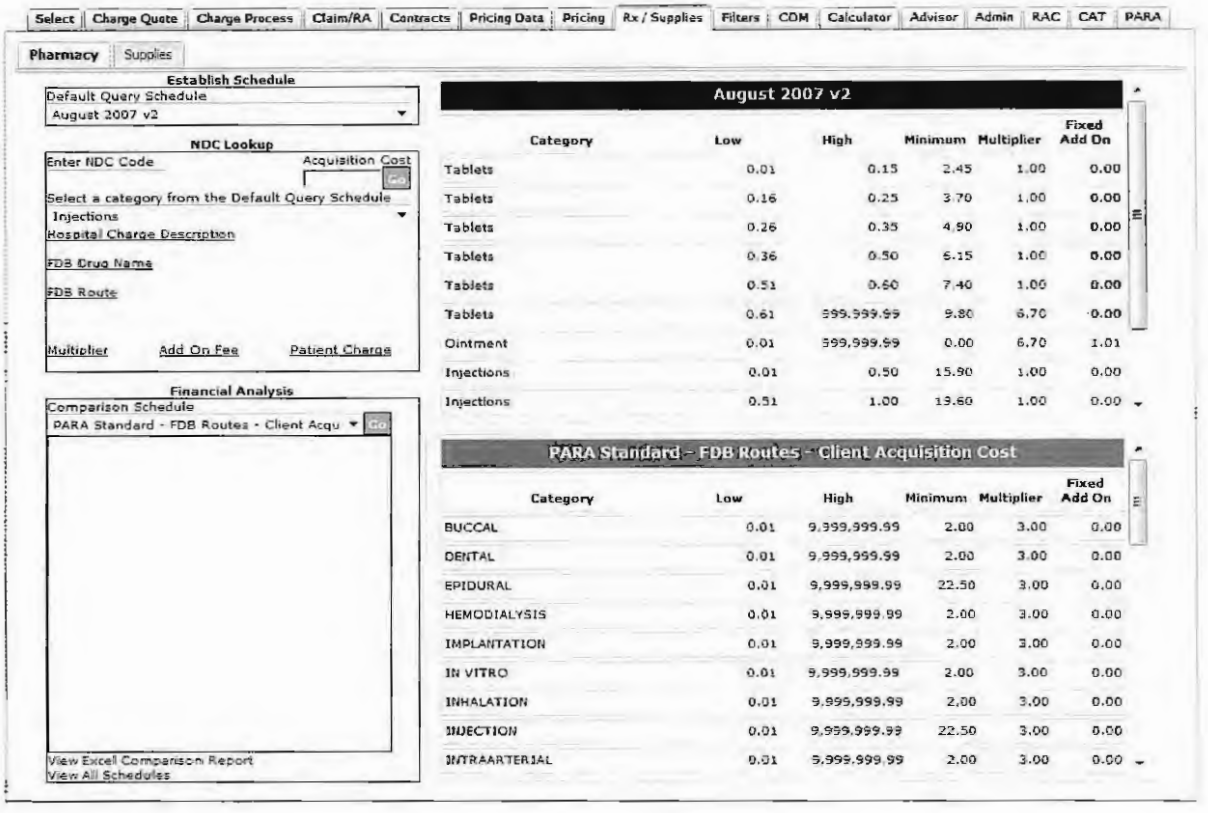
As a part of the annual pricing process, **PARA** will reset the pharmacy and materials mark-up schedules.

The **Rx / Supplies tab** within the **PDE** is utilized for this review.

PARA has the ability to price drugs on any cost basis or Wholesale Acquisition Cost, supplies are commonly priced on the basis of cost.

The tab also contains a process for researching pharmacy NDC codes and supply CMS "C" codes.

The **Rx / Supplies tab** also allows Department Managers a resource to price charge description master additions and changes utilizing the hospital specific mark-up schedule.



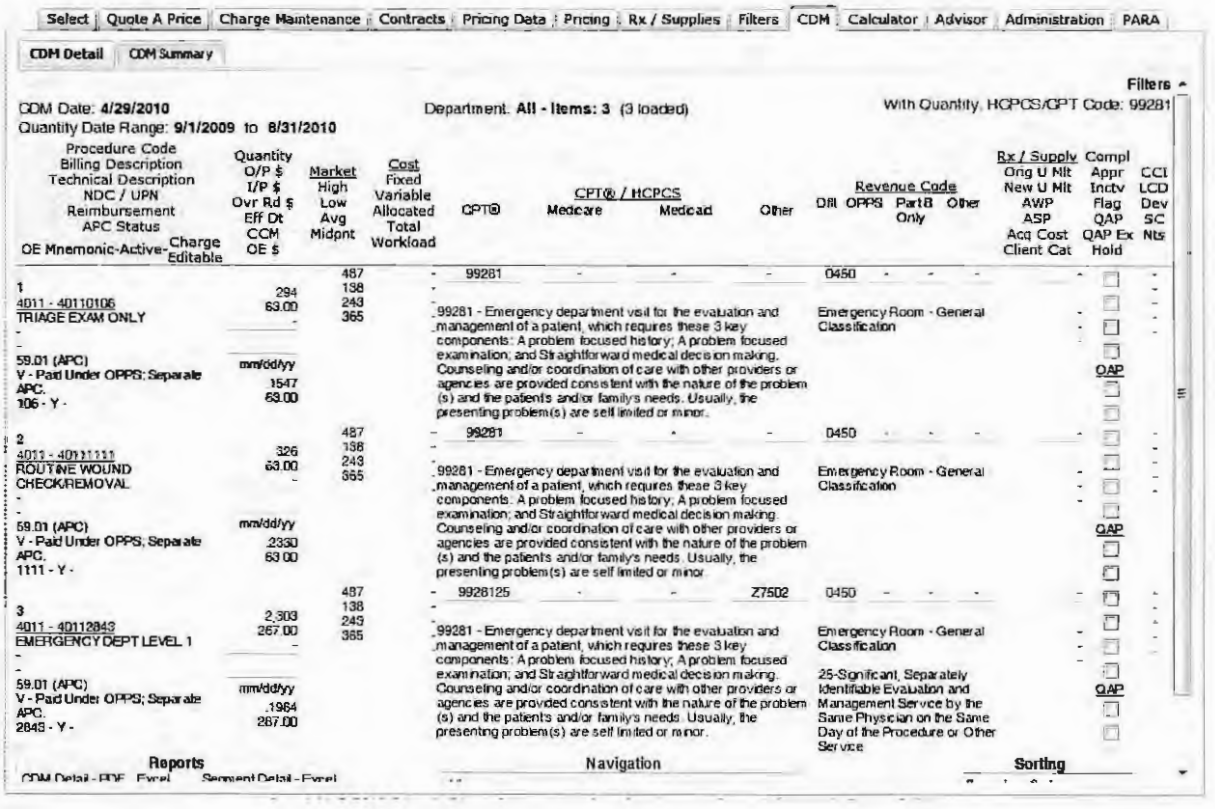
Charge Master – code review and maintenance

With the emergence of codes as the basis for almost all forms of reimbursement, charge master coding and maintenance has become a daily chore.

The **PARA HIM Staff** will review Medicare, Medicaid and Workers Comp code changes on a monthly basis and update the charge master where required, any changes which impact the charge creation and capture process will be reviewed in the monthly **RMC**.

The **PDE** will become the focal point for the charge master review, and the updates and changes will be available 24/7 for Manager review and comment. The **PDE** will also provide the Department Manager a one stop view of many different data elements within the revenue cycle.

1. Billing and technical descriptions
2. Pharmacy unit of service multipliers
3. Order entry mnemonics
4. Charge, cost and reimbursement
5. Summary market pricing data
6. CCI, LCD and NCD indicators



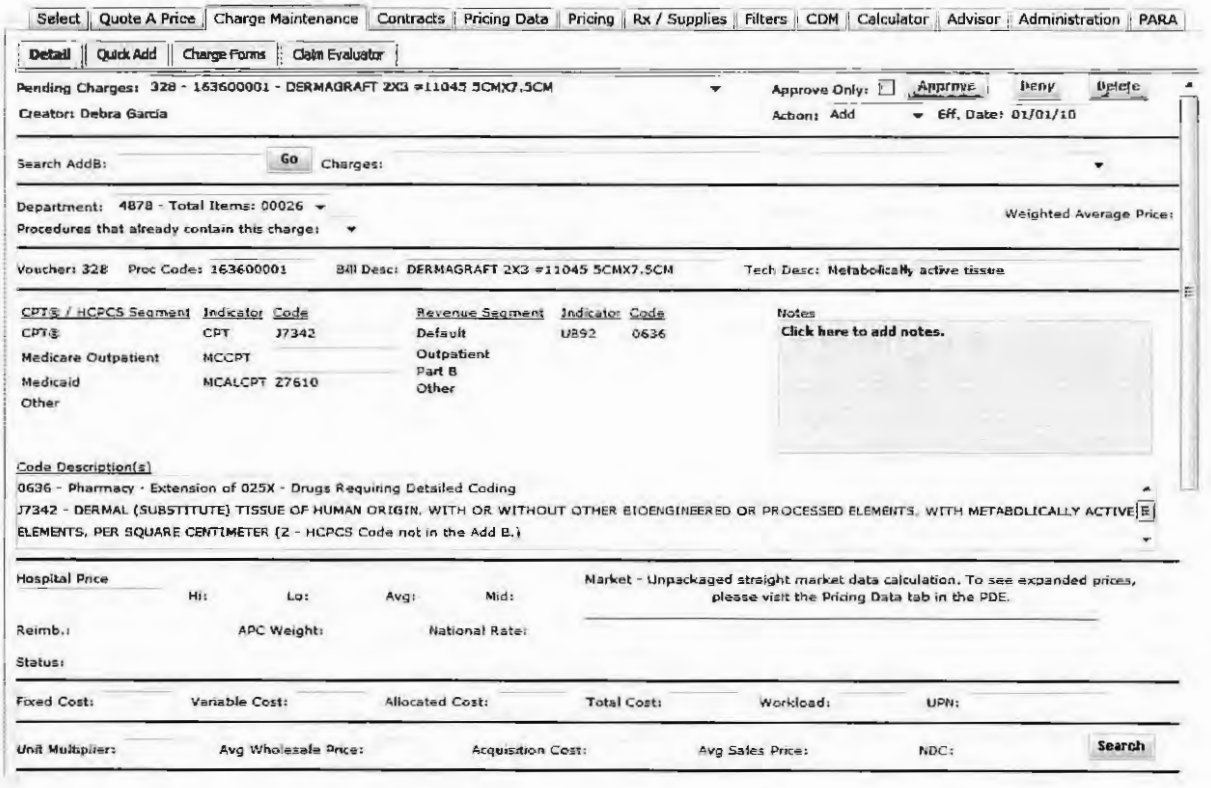
Charge Master – code review and maintenance (continued)

One of the main goals of the **PRIP** is to empower and unleash the entrepreneurial forces contained within each Department Manager. Managers are encouraged to update codes, prices and add services throughout the month, Managers are often frustrated by the slow pace of the current charge maintenance process.

The process within the **PDE** for initiating, approving and implementing changes to the charge master is the **Charge Maintenance tab**.

The charge maintenance process provides a secure email centric creation, approval and implementation process for which the Managers can monitor the progress 24/7, if a charge maintenance item is "lingering" on a desk for approval, the Manager will know the point of delay and be able to take action.

The **PARA HIM Staff** will review and implement all changes within 48 hours of receipt, with email confirmation back to the originating Manager; all charge maintenance is accessible to the Manager impacted by the charge items 24/7.

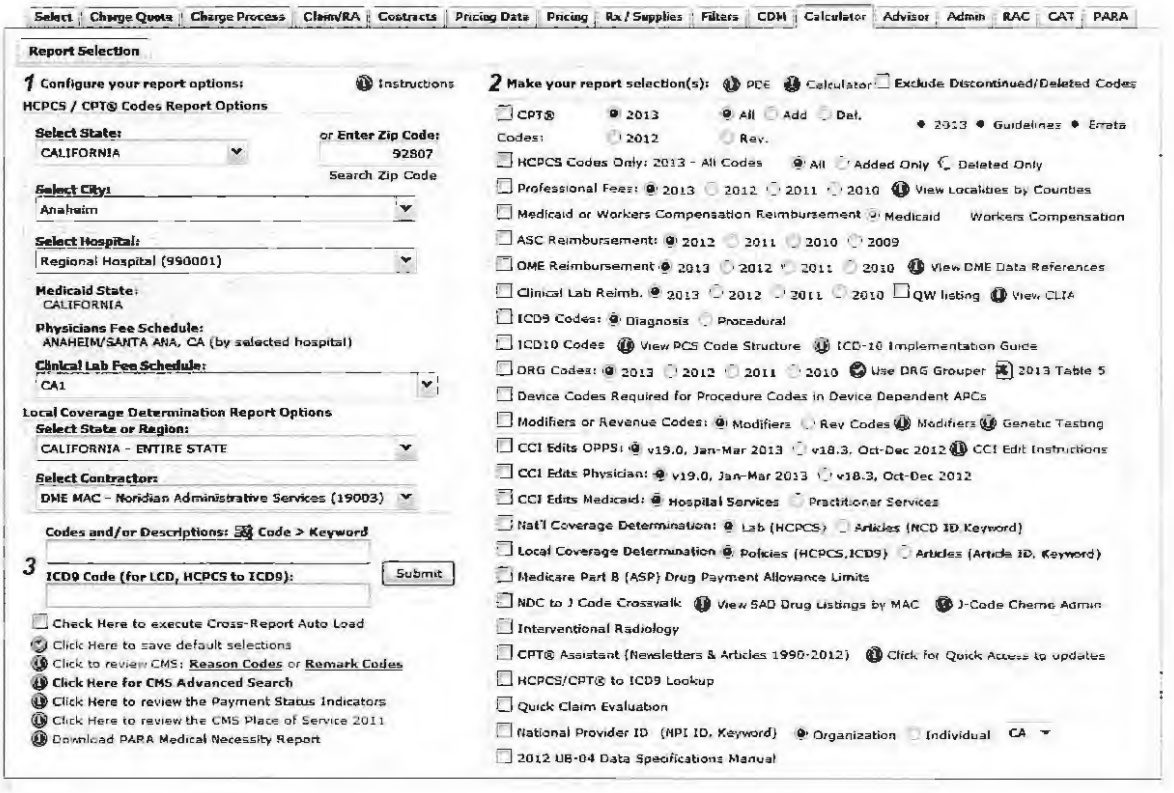


Charge Master – code review and maintenance (continued)

One of the many resources **PARA** brings to a hospital to support the revenue department Managers, Business Office and HIM staff is the **PDE Calculator**.

The **Calculator** provides 20 different resources accessible 24/7, with up to 5 years of history for CPT / HCPCS codes and 22 years of CPT Assistant.

1 2013 CPT Codes
2 HCPCS / CPT Codes 2009 – 2013
3 Professional Fees 2010 – 2013
4 Medicaid / Workers Comp Fee Schedule
5 ASC Reimbursement 2009 - 2012
6 DME Reimbursement 2010 – 2013
7 ICD9 Codes Diagnosis and Procedural
8 ICD10 Codes
9 DRG's 2010 - 2013
10 Device Dependent Codes
11 Modifiers and Revenue codes
12 CCI OPPS Edits - 2 periods
12 CCI Physician Edits – 2 periods
13 CCI Medicaid Edits
14 National Coverage Determination
15 Local Coverage Determination
16 Medicare Part B ASP Drug Payments
17 NDC to J Code Crosswalk
18 Interventional Radiology Crosswalk
19 CPT Assistant – 22 years of history
20 HCPCS/CPT to ICD9 Crosswalk
21 Quick Claim Evaluation
22 National Provider ID database lookup
23 2012 UB-04 Data Specifications Manual



Compliance – HIM / Business office assigned codes and modifiers

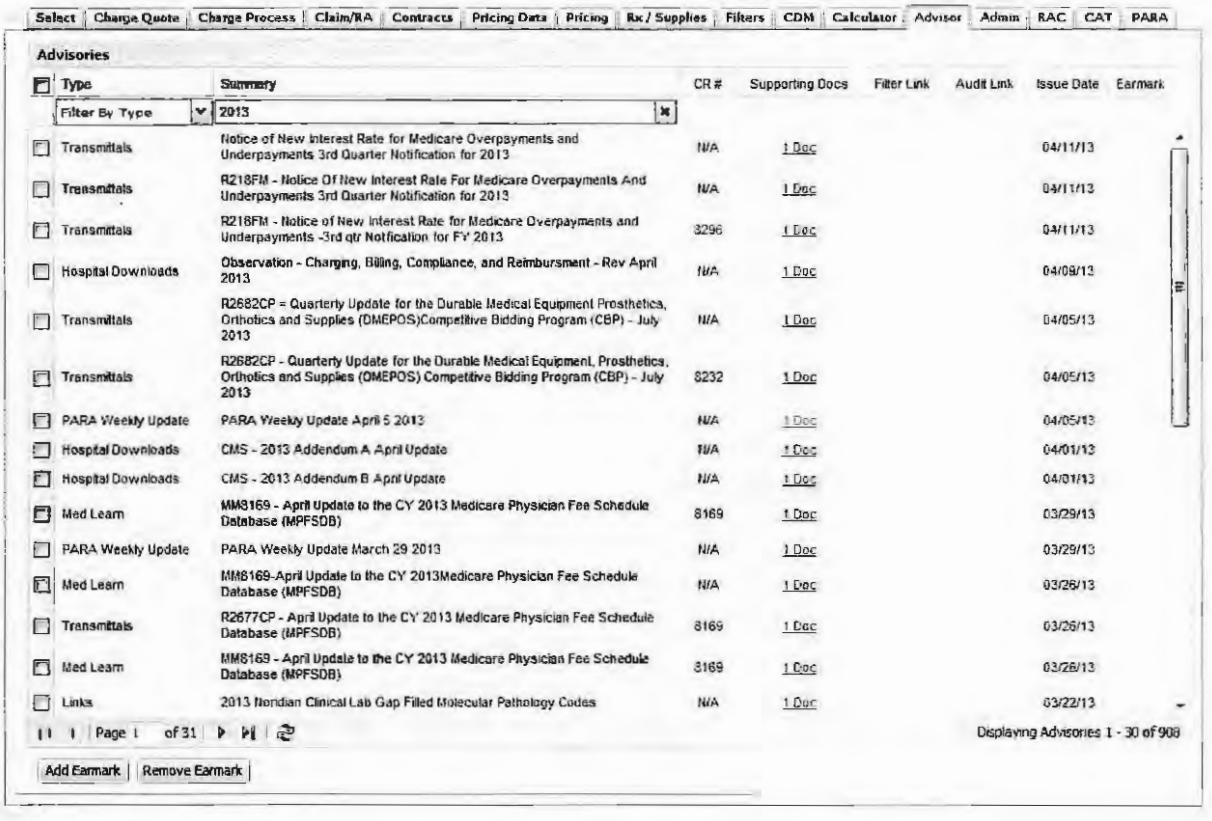
With the growth of RAC type audits, the quality and accuracy of claims is a financial requisite, the time, effort and penalties associated with a claim error are onerous.

The **PRIP** will assist and advise the HIM and Business Office in the correct application and use of codes and modifiers, the coding will be furthered reviewed on an ongoing basis with the claim audits.

The **PDE Advisory Tab** will also provide the Departments Managers a resource to access in regards to regulations and updates.

The most important part of the compliance process is the questioning of modifiers assigned without HIM review, or automatically by the charge master, again the claim review will bring these issues to the forefront.

On an annual basis **PARA** will audit the pharmacy NDC codes, J codes assignment and unit of service multiplier, which again have been a focus of audits.



PRIP Outline
a component of the Agreement Exhibit A Scope of Services

Revenue Management Committee – oversight, governance and guidance

The key component to the **PRIP** is the Revenue Management Committee (**RMC**). The **RMC** is composed of the following:

1. Finance Administration
2. Business Office
3. Health Information Management
4. PARA Staff
5. Nursing Services
6. Surgical Services
7. Laboratory
8. Radiology
9. Pharmacy
10. Materials
11. Rehab Medicine
12. Cardio Pulmonary

The goal of the **RMC** is to bring together the key "players" in the revenue cycle to resolve problems and develop processes.

The standing agenda of the **RMC** is as follows:

1. Review and acceptance of previous months minutes
2. Presentation of claim audit findings – insurance and patient requests
3. Claim denial presentation
4. Discussion of coding, billing and pricing issues
5. Current regulatory findings
6. Updates to the PARA Data Editor
7. Projects and focus for the month

The PARA HIM Staff will attend the **RMC** usually by conference call (GoTo Meeting), **PARA** will maintain the minutes of the meeting and coordinate activities.

EXHIBIT B
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective July 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 Peter A. Ripper, Inc. (DBA PARA) ("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 ("EPHI"), 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 one-hundred and twenty (120) 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:
Peter A. Ripper & Associates, Inc.
4801 East Copa De Oro
Anaheim, CA 92807
Attn: Peter A. Ripper
Phone:800-999-3332 ext.211
Fax: 877-284-7755

If to Covered Entity, to:
Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA 93906
Attn: Contracts Division
Phone: 831-755-4111
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]

By: _____

Print Name: Peter A. Ripper

Print Title: President

Date: May 25th 2016

COUNTY OF MONTEREY, ON BEHALF OF NATIVIDAD MEDICAL CENTER

By: _____

Print Name: Gary R. Gray

Print Title: CEO

Date: 6/2/16

Exhibit C
PARA Data Requirements

This document contains the complete data file requirements for all **PARA** services; please refer to Page 2 to determine the exact files required for each of the specific engagements.

The secure **PARA** file transfer process is included on Page 13 for reference.

GENERAL DATA PROCESSING GUIDELINES

In order to facilitate accurate and timely data processing, general guidelines were developed for the data files. The general guidelines are listed below:

- A record layout defining field names, lengths, types, etc. should be provided for each file
- Control totals of Dollar and Quantity fields should be provided for each file
- A record count should be provided for each file
- DATA files ONLY (For migration into a SQL Server database)
- NO comma or quote delimited files (Due to the use of comma and quotes in the description fields)
- NO translated fields
- NO comma or dollar signs in monetary fields

FINANCIAL AND SYSTEM METRICS

Please provide as much of the following information as possible:

- Healthcare Information System
- Operating Cost to Charge Ratio
- Capital Cost to Charge Ratio
- Federal Payment Rate – blended rate
- DRG Operating Payment (weight of 1.00)
- DRG Capital Payment (weight of 1.00)
- Geographic Adjustment Factor
- Area Wage Index

PARA Data Requirements

REQUIRED DATA TABLES BY PARA ENGAGEMENT:

Required Data Tables by PARA Engagement	Charge Master Analysis	Charge Master Management	Durable Medical Equipment (DME) Analysis	Emergency Room Charge Analysis	Managed-Care Contract Analysis	Market Based Pricing Analysis
Charge Description Master (Page 3)	◊	◊	◊	◊	◊	◊
Account Header & Transaction Files (Page 5)		◊			◊	◊
Billing Coded ICD-9/10 & CPT Files (Page 6)					◊	
Revenue and Usage (Page 7)	◊		◊	◊		
Detailed Materials Data (Page 8)						
Materials Markup Schedules (Page 8)						
Detailed Pharmacy Data (Page 9)						
Pharmacy Markup Schedules (Page 9)						
Patient Type and Insurance Crosswalks (Page 10)		◊			◊	◊
Payer Contract Information (Page 10)		◊			◊	◊
Pharmacy NDC (Page 10)	◊	◊				
Claims Data		◊				

Required Data Tables by PARA Engagement	Materials/ Purchasing Pricing Review	PARA Data Editor - Basic	PARA Data Editor - Complete	Perioperative Charge Analysis	Pharmacy Pricing Review	Revenue Integrity
Charge Description Master (Page 3)	◊	◊	◊	◊	◊	◊
Account Header & Transaction Files (Page 5)			◊			◊
Billing Coded ICD-9/10 & CPT Files (Page 6)						
Revenue and Usage (Page 7)	◊	◊		◊	◊	
Detailed Materials Data (Page 8)	◊		◊			
Materials Markup Schedules (Page 8)	◊		◊			
Detailed Pharmacy Data (Page 9)			◊		◊	
Pharmacy Markup Schedules (Page 9)			◊		◊	
Patient Type and Insurance Crosswalks (Page 10)			◊			◊
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Pharmacy NDC (Page 10)			◊			◊
Claims Data						◊

PARA Data Requirements

CHARGE DESCRIPTION MASTER (CDM)

The CHARGE DESCRIPTION MASTER files contain information about the method the hospital uses to charge patients for services and supplies provided. The file shows, by department, what services and supplies can be charged to a patient. Each individual charge item has coding details associated with it that allow that specific item to be billed appropriately. Send only active line items for **PARA** processing/review.

CHARGE DESCRIPTION MASTER FILE

Field Number	Description	Field Name	Format	Length
1	**Department Code*	DEPT_CODE	text	1-10
2	**Charge Item Number*	PROC_CODE	text	1-20
3	Department Name	DEPT_NAME	text	null-30
4	**Charge Descriptian*	PROC_DESC	text	null-250
5	Technical Description	TECH_DESC	text	null-250
6	Quantity	QTY	**integer	
7	**Unit Price*	UNIT_PRICE	***numeric / decimal	
8	Unit Multiplier	UNIT_MULT	text	null-6
9	**CPT Code*	CPT_CODE	text	null-11
10	HCPCS Code	HCPCS_CODE	text	null-11
11	Medicaid Code	MEDICAID_CODE	text	null-11
12	Workers Comp Code	WCOMP_CODE	text	null-11
13	BLX Code	BLX_CODE	text	null-11
14	TriCare Code	TRICARE_CODE	text	null-11
15	Other Code	OTHER_CODE	text	null-11
16	**Rev Code Default*	UB_DEFAULT	text	null-11
17	Rev Code OPPS	UB_OPPS	text	null-11
18	Rev Code Part B Only	UB_PARTB	text	null-11
19	Rev Code Other	UB_OTHER	text	null-11
20-30	CPT Code - Additional	CPT_CODE1 - CPT_CODE10	text	null-11
31-41	HCPCS Code - Additional	HCPCS_CODE1 - HCPCS_CODE10	text	null-11

* Required
**Number: Decimal not allowed.
**Number: Currency amount (cents optional) Optional thousands separators; optional two-digit fraction

CHARGE DESCRIPTION MASTER (CDM) (CONTINUED)

In order to meet billing requirements for different payers, data is often extracted from the charge master and changed at the time of billing. For example, a CPT code may be changed to an alpha-numeric HCPCS code when Medicare is the payer.

To achieve the complete picture for each individual charge item we need to see how that item is changed or transformed at the time of billing. All the specific coding information on how an item is billed or charged may not be in the charge master file. This data may be found in many different areas, such as the claim dictionary, claim scrubber, bill write system, claim edit system, or claims management system.

The ADDITIONAL CODING SEGMENTS file lists additional coding fields that hospitals may or may not utilize in their billing processes. If the hospital utilizes more than just the standard CPT Code and National Revenue Code fields, then those additional coding fields should be added DIRECTLY to the CDM file for each record.

ADDITIONAL CODING SEGMENTS (add to the CDM file)

Field Description	Field Name Example	Data Type
Medicare Code With Modifiers	HCPCS	Character
Medicaid / RVS / SMA Code with Modifiers	MCD or "State"	Character
Worker's Compensation Code with Modifiers	WK COMP	Character
Individual Payer Codes with Modifiers	BLUEX	Character
Medicare Only Revenue Code	MC REV or UB92	Character

PATIENT LEVEL ACCOUNT AND TRANSACTION

The PATIENT LEVEL detail files contain information about specific patient accounts, both at a summary and a detailed level.

The HEADER file shows a summary about each patient account during the given time frame. It contains data elements such as the date range of the patient's stay, the patient type, total charges assigned to the account, and the patient's discharge status or location to which they were discharged (e.g., discharged to home, Skilled Nursing Facility, transferred to another facility, etc.)

The TRANSACTION file shows the detailed information for all the accounts during that time. There will be many records for each account because the file provides specific line item detail on what each patient was charged on specific dates during their stay. These records will match to the charge master file on department code and charge code combinations.

The 2 BILLING CODES files (CPT and ICD9) are additional details, by account, that help identify the reason the patient received services and what specific surgical procedures they received. The information contained in these files is usually entered into the system during the Medical Records or Billing process.

ACCOUNT HEADER FILE (SUMMARY)

Field Description	Field Name Example	Data Type
Unique Patient Identifier	ACCT#	Character
Insurance Plan (Payer) Identifier	INS	Character
Type of Patient (IP, OP, ER, etc)	PT TYPE	Character
Admission Date	ADMIT DATE	Date
Discharge Date	DC DATE	Date
Location to which the Patient was Discharged	DC LOC	Character
Diagnosis Related Group	DRG	Character
Final Bill Date	FINAL DATE	Date
Total Charges	CHGS	Money
Total Payments Received	PYMTS	Money
Total Adjustments	ADJMTS	Money

PATIENT LEVEL ACCOUNT AND TRANSACTION (CONTINUED)

ACCOUNT TRANSACTIONS FILE (DETAILED)

Field Description	Field Name Example	Data Type
Unique Patient Identifier	ACCT#	Character
Department Number	DEPT#	Character
Charge Item Number	CHG#	Character
Default CPT or HCPCS code	CPT	Character
Number of Units	QTY	Integer
Total Charges	CHGS	Money
Date of Service Provided	TRANS DATE	Date

BILLING CODED CPT (HIM)

Field Description	Field Name Example	Data Type
Unique Patient Identifier	ACCT#	Character
CPT or HCPCS assigned by Medical Records or Billing ****	CPT	Character

BILLING CODED ICD-9 (HIM)

Field Description	Field Name Example	Data Type
Unique Patient Identifier	ACCT#	Character
ICD-9 Diagnosis Codes ****	ICD9 DX	Character
ICD-9 Surgical Codes ****	ICD9 SURG	Character

NOTES:

**** Each of these Codes can have more than one code per account # (for example: CPT1, CPT2, CPT3, etc.)

REVENUE AND USAGE

The REVENUE AND USAGE statistics file is required when the PATIENT LEVEL DETAIL files are **not** available.

The REVENUE AND USAGE statistics file contains the overall QTY and REVENUE broken out by charge item, by type of patient, and by type of insurance. This file does not contain any specific patient account information.

REVENUE & USAGE STATISTICS

Field Description	Field Name Example	Data Type
Department Number	DEPT#	Character
**Charge Item Number*	CHG#	Character
Type of Patient (IP, OP, ER, etc)	PT TYPE	Character
Insurance Plan (Payer) Identifier	INS	Character
**Quantity of Items Charged for Date Range*	QTY	Integer
Gross Revenue (Total Charges)	REV	Money

** Required*

NOTES:

The time frame of this data is required.

MATERIALS / PURCHASING

The MATERIALS files contain information about the materials and supplies used in the hospital.

There are two materials files: Detailed Materials Data and Current Materials Mark-Up Schedule.

DETAILED MATERIALS DATA

Field Description	Field Name Example	Data Type
Date of Data Cut to **PARA**	DATE_STAMP	Date Time
Hospital System's Item Number	ITEM CODE	Character
Hospital System's Item Description	ITEM DESC	Character
**Charge Item Number*	CDM ITEM CODE	Character
Package Description (i.e. Box of a Dozen)	PKG SIZE	Character
Unit Item Size (i.e. 1 Syringe,)	UNIT SIZE	Character
Units Per Package (i.e. 12 syringes/box)	UNITS/PKG	Character
Unit Item Acquisition Cost	ACQ COST	Money
**Unit Item Cost*	COST	Money
Unit Item Charge	UNIT PRICE	Money
Unit of Service Adjustor/Unit Multiplier (If applicable)	UNIT ADJ	Numeric
Supply Type (Med/Surg, Cardiac....)	TYPE	Character

MATERIALS MARK-UP SCHEDULE

Field Description	Field Name Example	Data Type
**Minimum $ value of tier*	RANGE MIN	Money
**Maximum $ volue of tier*	RANGE MAX	Money
**Mark-up*	MARKUP %	Numeric
**Add-on Fee*	ADD ON	Money
**Handling Fee*	HANDLING	Money
**Other Fee*	ADMIN	Money
**Minimum Charge Amount*	MIN CHARGE	Money
Rounding Factor	ROUND	Numeric

** Required*

PHARMACY CLINICAL

The PHARMACY CLINICAL files contain information about the method the hospital uses to charge patients for Pharmacy services and supplies provided. The file shows, by department, what services and supplies can be charged to a patient. Each individual charge item has coding details associated with it that allow that specific item to be billed appropriately.

DETAILED PHARMACY DATA

Field Description	Field Name Example	Data Type
Date of Data Cut to **PARA**	DATE STAMP	Date Time
Item Code in Pharmacy System	ITEM CODE	Character
Item Desc in Pharmacy System (Generic and Brand if available)	ITEM DESC	Character
Strength	STR	Character
Form	FORM	Character
# of Units in Package	PKG QTY	Character
Dept #	CDM DEPT CODE	Character
**Charge Item Number*	CDM PROC CODE	Character
**Item Acquisition Cost*	COST	Money
**Item AWP*	AWP	Character
NDC Number* **Must Be Separated into the 3 Standard Segments, or pad the null positions with zeros **(for example: 1234-123-1 or 12345-1234-12)**	NDC	Character
Drug Type (Injection, Oral, etc.)	TYPE	Character
**Pricing Category*	CAT	Character
Pricing Category Description	CAT DESC	Character

PHARMACY MARK-UP SCHEDULE

Field Description	Field Name Example	Data Type
**Pricing Category*	CAT	Character
Pricing Category Description	CAT DESC	Character
**Minimum $ value of tier*	RANGE MIN	Money
**Maximum $ value of tier*	RANGE MAX	Money
**Mark-up*	MARKUP %	Character
**Add-on Fee*	ADD ON	Money
**Handling Fee*	HANDLING	Money
**Other Fee*	ADMIN	Money
**Minimum Charge Amount*	MIN CHARGE	Money
Rounding Factor	ROUND	Numeric

** Required*

PHARMACY CLINICAL (CONTINUED)

PHARMACY NDC

Field Description	Field Name Example	Data Type
**Charge Item Number*	CDM PROC CODE	Character
NDC Number* **Must Be Separated into the 3 Standard Segments, or pad the null positions with zeros **(for example: 1234-123-1 or 12345-1234-12)**	NDC	Character

** Required*

INSURANCE CROSSWALK

The INSURANCE CROSSWALK files are used to link the Insurance and the Patient Type fields (used in the Patient Detail files) to the complete descriptions of those codes.

PATIENT TYPE FILE

Field Description	Field Name Example	Data Type
**Type of Patient (IP, OP, ER, etc)*	PT TYPE	Character
**Description of the Type of Patient (Inpatient, etc)*	PT NAME	Character

** Required*

INSURANCE FILE

Field Description	Field Name Example	Data Type
**Insurance Plan (Payer) Identifier (BCBS, UHS, etc)*	INS	Character
**Full Name of the Insurance Plan (Payer) – (Blue Cross, etc)*	INS NAME	Character

** Required*

PAYER CONTRACT INFORMATION

Please provide as much contract data as possible:

- Hard or electronic copies of actual contracts
- Copies of any contract matrices
- Stop Loss matrices or detail

ORDER ENTRY

The ORDER ENTRY file is used to link order entry mnemonics to CDM charge codes

ORDER ENTRY

Field Description	Field Name Example	Data Type
**Department Number*	DEPT#	Character
**Charge Item Number*	CHG#	Character
**Item Mnemonic*	MNEMONIC	Character
Item Price	PRICE	Boolean
**Indicate if the item is active*	ACTIVE	Boolean
**Indicate if the item is editoble*	EDITABLE	Boolean

** Required*

EXPLODE CODES

The EXPLODE CODES file is used to link parent charges to the child charges they trigger.

EXPLODE CODES

Field Description	Field Name Example	Data Type
**Parent Charge Item Number*	PROC_CODE	Character
**Child Explode Charge Item Number Of Parent*	EXP_ PROC_CODE	Character

** Required*

DATA DICTIONARY

There are alternate terms that may be used in your files for the data sent to **PARA**. This data dictionary lists some of the alternate terms.

Term	Alternative Terms
Charge Item Number	Procedure Code Item Number Charge Code Input Code CDM# CDM Code IVNUM Service Code SIM Code Billing Code Charge Number
Date of Service Provided	Transaction Date Service Date Encounter Date
Department Number	Department Code Revenue Center Cost Center
National Revenue Code	UB04 UB92 UB82 Revenue Code UB Code
Patient Identifier	Account Number Encounter # Medical Record # Patient ID

PARA Data Requirements

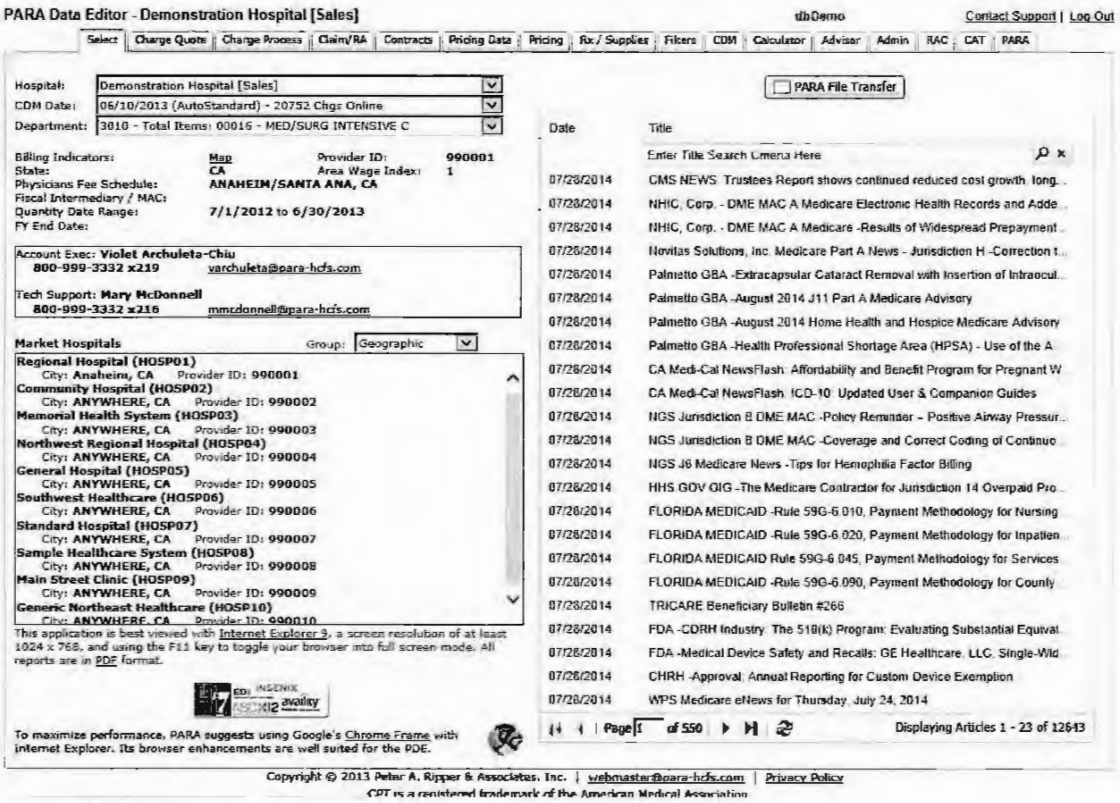
PARA SECURE FILE TRANSFER SERVICE:

The **PARA** File Transfer Service provides secure, web based, multiple file transfer services.

Accessing

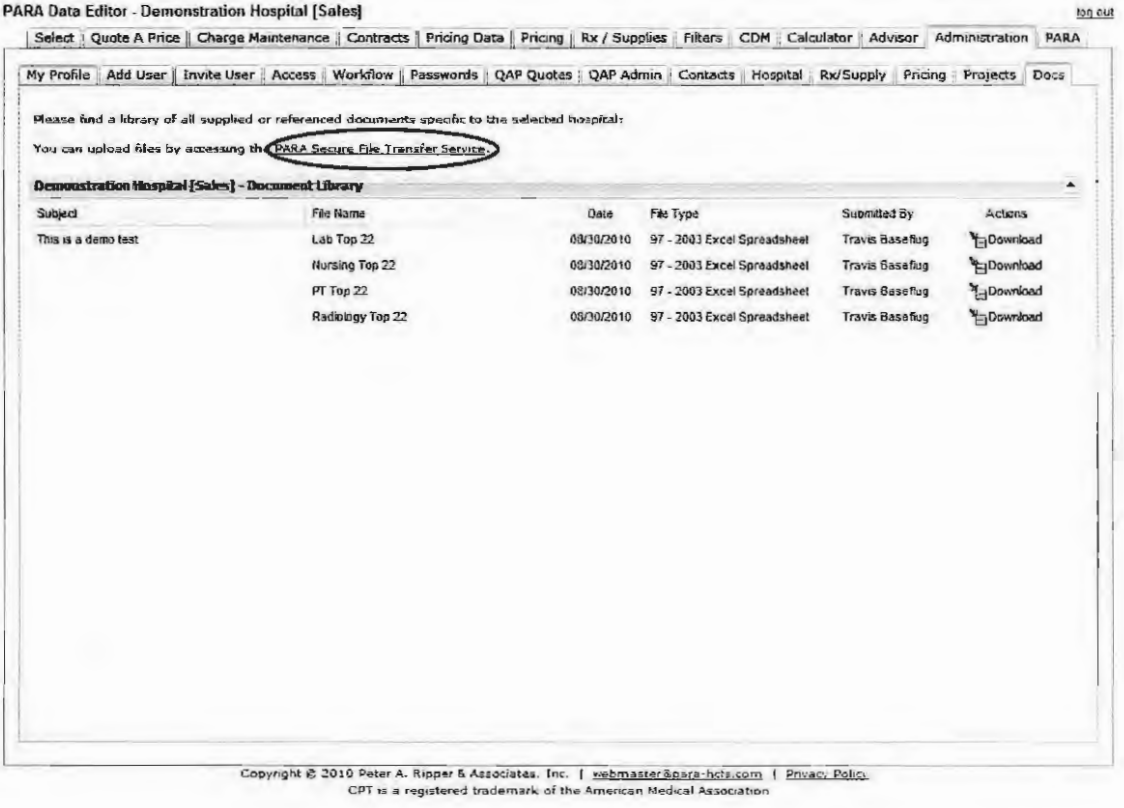
There are two ways to access the File Transfer Service...

From the Select tab:



PARA SECURE FILE TRANSFER SERVICE (CONTINUED):

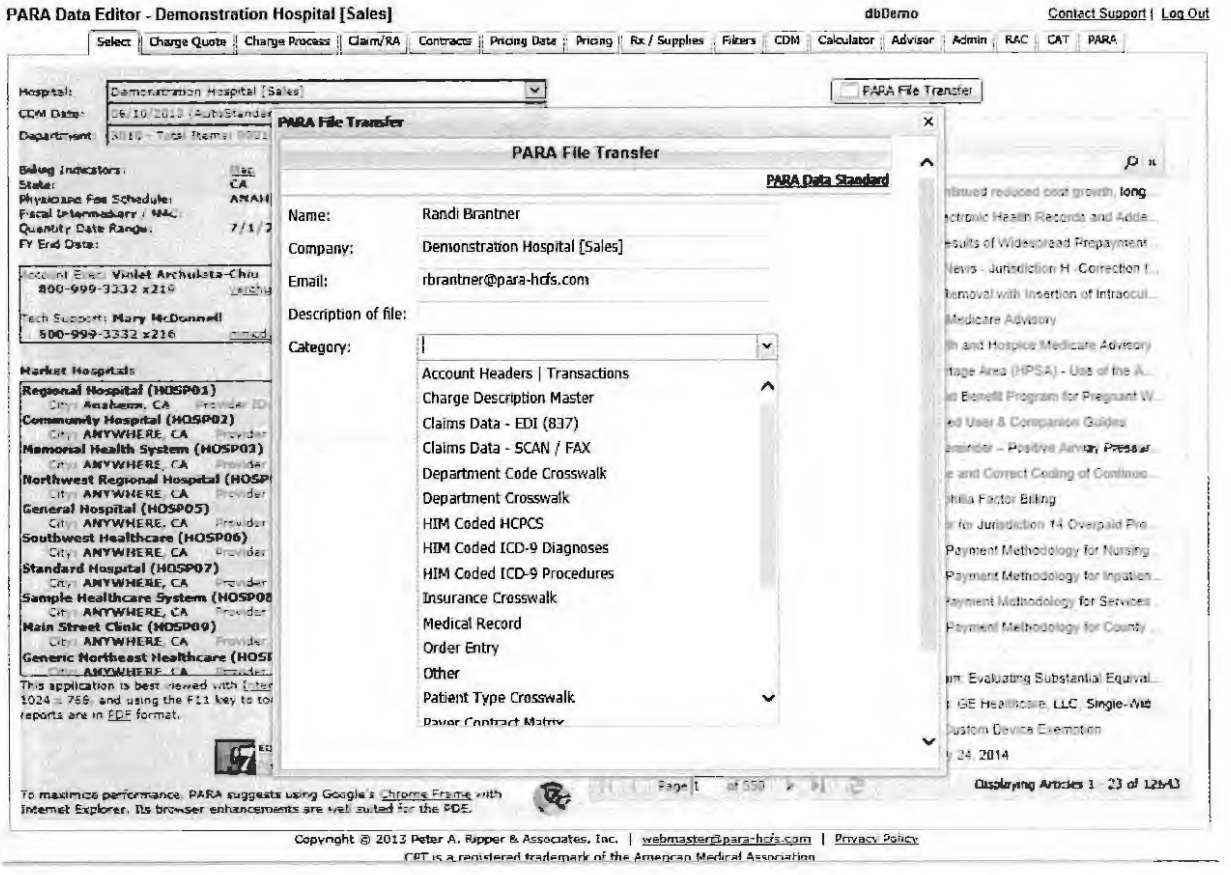
Admin level users may also access the service in the Administration, Docs tab:



PARA SECURE FILE TRANSFER SERVICE (CONTINUED):

Uploading Files

Begin by selecting a category for the files to be uploaded. If you are unsure, select, "Other".



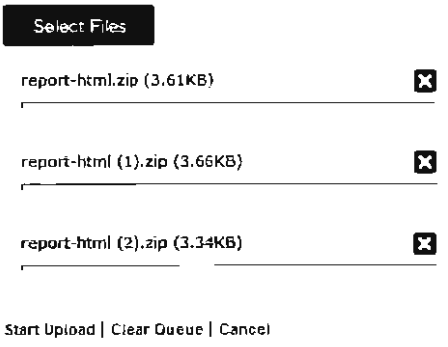
The Name, Email and Company fields are auto-completed using your current information on file.

To locate files for upload on your computer, click the Select Files button. If Flash is enabled, you may select multiple files. The file size limit is set at 2GB for each individual file selected.

PARA SECURE FILE TRANSFER SERVICE (CONTINUED):

Any file type is supported but it is recommended that all files be compressed.

After you've selected all the files to upload, click Start Upload.



Each file that is uploaded will be processed by a virus scanner at the server. The result of that scan will be displayed for each file in the list and a summary of those stats will be displayed at the bottom of the queue list.

A copy of the transfer results will be emailed to the address given and to **PARA** staff for further processing.

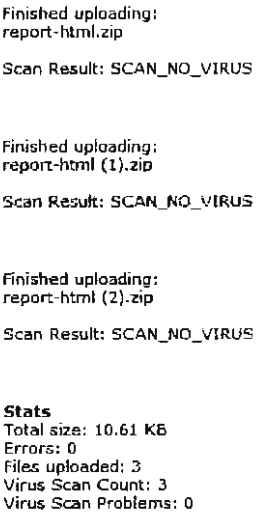


Figure 1 transfer results

ADDENDUM #1

TO AGREEMENT BY AND BETWEEN PETER A. RIPPER & ASSOCIATES, INC. DBA PARA AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER FOR THE DEVELOPMENT

This Addendum #1 amends, modifies, and supplements the County of Monterey Agreement for Services (hereinafter "Agreement") by and between Peter A. Ripper & Associates, Inc. DBA PARA (hereinafter "CONTRACTOR") and the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, NMC and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

Agreement paragraph 3.1, "TERMINATION", shall be amended to:

3.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to CONTRACTOR at least one-hundred and twenty days (120) 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.