

**THIRD MODIFICATION TO THE AMENDED AND RESTATED
AGREEMENT FOR ACUTE REHABILITATION SERVICES**

This Third Modification to the Amended and Restated Agreement for Acute Rehabilitation Services (“Second Modification”) is made and entered into as of this 22nd day of April, 2015 by and between The County of Monterey, a political subdivision of the State of California, for Natividad Medical Center (“County”) and RehabCare Group Management Services, Inc. d/b/a RehabCare (“Contractor”).

WHEREAS, County and Contractor entered into that certain Amended and Restated Agreement for Acute Rehabilitation Services dated July 1, 2010, (“Original Agreement”) relating to an intensive inpatient rehabilitation program (“Program”) in Hospital, a First Modification dated April 18, 2012 (“First Modification”), and a Second Modification dated July 1, 2014.

WHEREAS, County and Contractor desire to continue the Program and to contract with one another on the basis of the Original Agreement as modified by this Third Modification.

NOW THEREFORE, the parties agree that as of July 1, 2015, in consideration of the Original Agreement, the First Modification, the Second Modification, and this Third Modification, and the mutual covenants and agreements herein contained, County and Contractor agree to modify the following:

1. Section 4.4 shall be deleted in its entirety and replaced with the following:

4.4 Compensation for Temporary Therapy Services. Temporary Therapy Services shall be compensated separately from the other Services provided under this Agreement. The Temporary Therapy Services shall be provided and billed at the following hourly rates: (a) Forty Seven Dollars (\$47.00) per hour for Social Workers, Physical Therapy Assistants, and Certified Occupational Therapy Assistants; (b) Sixty Seven Dollars (\$67.00) per hour for Physical Therapists, Occupational Therapists, and Speech Language Pathologists; (c) Ninety Three Dollars (\$93.00) per hour for overtime for Physical Therapists, Occupational Therapists, and Speech Language Pathologists; and (d) negotiated rates (with prior County approval by County’s Department Director or Administrator) not to exceed Seventy Six Dollars (\$76.00) per hour on an as needed basis for Travelers in the event regular staff is not available. County shall provide thirty (30) days prior written notice to Contractor in the event any Traveler is no longer needed. Failure to provide such notice may result in additional associated fees. Contractor agrees to provide two (2) full time Speech Language Pathology staff and agrees that these two staff are not subject to the non-solicit provisions of this Agreement.

2. Section 5.1 (a) shall be deleted in its entirety and replaced with the following

5.1 Compensation for Services.

(a) Compensation for any unbilled or unpaid Inpatient Rehabilitation Services provided before the Effective Date shall be calculated, billed and due and payable in accordance with the terms and provisions set forth in the Original Agreement or any prior Modification. Effective July 1, 2015, for all of the Inpatient Rehabilitation Services, except Temporary Therapy Services, County shall pay Contractor a service fee each month for Services provided by Contractor pursuant to this Agreement (the “Service Fee”). Such Service Fee shall be \$59,306.28 per month, which Service Fee shall cover all Services provided by Contractor (excluding Temporary Therapy Services) plus a Therapy Staffing Fee based on the table below:

MONTHLY THERAPY STAFFING FEE		
IRF ADC	Therapy Staffing Fee	Therapy Staffing FTE Range
0.00 – 5.99	\$39,763.98	1.25 – 4.25 FTE
6.00 - 7.99	\$54,912.48	3.00 – 5.50 FTE

8.00 - 9.99	\$70,060.98	4.00 – 6.75 FTE
10.00 - 11.99	\$85,208.35	5.00 – 8.00 FTE
12.00 - 13.99	\$100,356.85	5.75 – 9.25 FTE
14.00 - 15.99	\$115,505.36	6.75 – 10.25 FTE
16.00 - 17.99	\$130,652.74	7.75 – 11.50 FTE
18.00 - 20.00	\$145,801.25	8.75 – 13.00 FTE

3. Section 5.5 shall be deleted in its entirety and replaced with the following:

5.5 Appeals of Denied Claims. As soon as practicable following Contractor’s receipt of a Denial Notice from County, Contractor shall, at its cost, appeal the Denied Claim in accordance with applicable Medicare regulations through the Administrative law Judge level of appeal. County shall cooperate fully with Contractor, including providing timely access to necessary medical records and personnel, as well as timely completion of all appeal forms, and by notifying Contractor within ten (10) days of any communication received by County related to the Denied Claim or the appeal process. If such Denied Claims are reversed through the aforementioned appeals processes, Contractor shall keep all service fees paid as set forth above. If, however, Contractor does not prevail in the appeals processes, through the Administrative Law Judge level of appeal (“unsuccessfully appealed claim”), Contractor will refund to County, for the specific date, the below amount per unsuccessfully appealed claim. If County experiences a significant increase in unsuccessfully appealed Denied Claims, the parties agree to readdress appeals processes and reimbursement arrangement for Denied Claims.

July 1, 2010 – June 30, 2012	\$4,800.00
July 1, 2012 – June 30, 2014	\$4,817.52
July 1, 2014 – June 30, 2015	\$4,962.04
July 1, 2015 – June 30, 2016	\$5,081.13

4. Section 6.1 shall be deleted in its entirety and replaced with the following:

6.1 Term. This term of this Agreement commenced on February 25, 2003, and shall continue until June 30, 2016 (the “Term”) unless sooner terminated in accordance with the provisions of this ARTICLE VI.

5. Section 14.13 shall be added to the Agreement with the following:


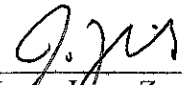
14.13 EEOC Executive Order 11246. Unless this Agreement is exempted by rules, regulations, or orders of the Secretary of the United States Department of Labor, the parties agree to comply with the Equal Employment Opportunity provisions of Executive Order 11246, § 503 of the Rehabilitation Act of 1973, and the Vietnam Era Veterans’ Readjustment Assistance Act.

The parties shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

The parties also agree, where applicable, to comply with the regulations set forth under 29 CFR part 471, Appendix A to Subpart A regarding NLRA compliance.


- 6. Except as provided herein, the Original Agreement and any fully executed Modifications to date shall continue in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

<p align="center">"COUNTY"</p> <p align="center">MONTEREY COUNTY, a political subdivision of the State of California</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Its: Contracts/Purchasing Manager</p>	<p align="center">"CONTRACTOR"</p> <p align="center">REHABCARE GROUP MANAGEMENT SERVICES, INC., a Delaware corporation</p> <p>By:  _____</p> <p>Print Name: <u>Joseph Fuller</u></p> <p>Its: Division Vice President of Finance</p> <p>By:  _____</p> <p>Print Name: <u>Jason Zachariah</u></p> <p>Its: Senior Vice President, Hospital Rehabilitation Services</p>
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<p align="center">"HOSPITAL"</p> <p align="center">NATIVIDAD MEDICAL CENTER, a political subdivision of the State of California</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Its: Chief Executive Officer</p>	<p align="center">APPROVED AS TO FORM:</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Deputy County Counsel, County of Monterey</p>
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AB _____
ABrerton
 Deputy County Counsel
 5-6-15

Reviewed as to fiscal provisions
 _____
 Auditor-Controller
 County of Monterey
 5-6-15