

**AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT BETWEEN
STAFF CARE, INC. AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR LOCUM TENENS PHYSICIAN SERVICES**

STAFF CARE, Inc. ("CONTRACTOR") and THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER ("NMC") entered into a Professional Services Agreement, on or about February 1, 2009 (the "Agreement"). Effective July 1, 2010 ("Amendment Effective Date") the parties hereby enter into this Amendment No. 1 to that Agreement ("Amendment No. 1") for the purpose of amending and modifying the terms of the Agreement as follows:

NOW, THEREFORE, for and in consideration of the mutual covenants, conditions, and restrictions set forth herein, the Parties agree as follows:

1. Exhibit A, Scope of Services/Payment Provisions, is replaced with Amendment No. 1 to Exhibit A. All references in the Agreement to Exhibit A shall be construed to refer to Amendment No. 1 to Exhibit A.
2. Section 2, PAYMENTS BY NMC is amended to add the following sentence:

During the period of July 1, 2010 to June 30, 2011, the maximum obligation of the County for services provided hereunder shall not exceed Two Hundred Thousand Dollars and No Cents (\$200,000.00).
3. Section 4, TERM OF AGREEMENT is amended to extend the terms from July 1, 2010 to June 30, 2011.
4. Section 6, PERFORMANCE STANDARDS is amended to add the following Paragraphs:
 - 6.4 Licensee and Certifications. Each Physician providing services under this Agreement shall be duly qualified and licensed to practice medicine in the State of California, and experienced and qualified in the medical practice of such Physician's practice specialty ("Specialty"). Each Physician shall, from and after the Effective Date, be and remain board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties or American Osteopathic Association (either, the "Certifying Board"); provided, however, that if a Physician is not certified in the Specialty by the Certifying Board as of the Effective Date, such Physician shall have a reasonable amount of time to obtain such certification, provided that such Physician diligently pursues such certification in accordance with the rules of the Certifying Board, and is certified in the Specialty by the Certifying Board.
 - 6.5 Notification of Certain Events. Contractor shall notify Hospital in writing within twenty-four (24) hours after becoming aware of the occurrence of any of the following events:
 - a. A Physician becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by, any Federal Health Care Program, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any hospital medical staff;
 - b. A Physician's medical staff membership or any clinical privileges at any health care facility (including Hospital) are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;
 - c. A Physician becomes the subject of any action or proceeding arising out of such Physician's professional services;
 - d. A Physician is charged with a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime related to such Physician's practice of medicine;
 - e. A Physician violates, or causes any other person or entity to violate, the Hospital Code of Conduct, and/or Hospital's corporate integrity program;
 - f. A Physician is excluded from or restricted in any manner from participation in a Federal Healthcare Program;

- g. Any other event occurs with respect to a Physician that materially interrupts or affects all or a portion of such Physician's ability to perform his/her obligations under this Agreement;
 - h. A Physician's license to practice medicine in the State or any other jurisdiction, or a Physician's Drug Enforcement Agency registration, is suspended, restricted, terminated, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto; or
 - i. A Physician's insurance policy required under this Agreement is terminated, not renewed, cancelled or reduced in coverage.
- 6.5 Billing for Professional Services. To the extent permitted by law, Contractor acknowledges and agrees that Hospital shall be solely responsible for billing Federal Health Care Programs, Managed Care Organizations, and other third party payors and patients for Professional Services performed by each Physician under this Agreement, and collecting such fees and charges. Contractor shall not attempt to bill and collect from any patient, payor or any other person for any of a Physician's Professional Services, other than as described in this Agreement.

Contractor shall assist NMC in securing any necessary physician provider enrollments and related paperwork, including Medicare and Medicaid supplier numbers, NPIs, and any reassignment forms necessary to permit payment to NMC (e.g., CMS Form 855s). Copies of pertinent documents will be provided to NMC immediately upon request.

5. Section 8. INDEMNIFICATION is replaced in its entirety with the following:

CONTRACTOR shall indemnify, defend and hold harmless, NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability, losses, (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to the extent caused by the negligent acts and omissions of the Contractor and excluding such claims, liabilities, or losses arising out of the negligence or willful misconduct of NMC. "Contractor's performance" includes Contractor's action or inaction and the action or inaction of Contractor's officers and employees. It is understood and agreed to by the parties that the foregoing duty to indemnify is expressly limited to duties outlined in this Agreement and does not contemplate a duty on the part of CONTRACTOR to indemnify County, its officers, agents and employees from and against any liability, claim, damages, actions, causes of action or suit which may be brought or levied against the County as a result of or in connection with any act or omission of each Locum Tenens physician arising out of the physician's performance of services.

6. Section 11. RECORDS AND CONFIDENTIALITY is amended as follows:

- a. Paragraph 11.1. CONFIDENTIALITY shall be replaced in its entirety with the following:

11.1 Confidentiality. 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 an 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. Pursuant to California Business and Professions Code section 2416 and California Unemployment Insurance Code section 656, Contractor's Locum Tenens

physicians are independent contractors of Contractor and the County and are not employees of either Contractor or the County. Physicians shall not become entitled by virtue of this Agreement to receive from the County or CONTRACTOR any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. NMC agrees to use appropriate security measures to protect CONTRACTOR employee, client and/or locum tenens physicians' personal information from unauthorized access, destruction, use, modification or disclosure in accordance with applicable law.

- b. Paragraph 11.8 shall be added as follows:

11.8. Confidentiality of Protected Health Information. To the extent determined to be a Business Associate under HIPAA requirements and only if CONTRACTOR receives Protected Health Information from NMC, shall this Section 11.8 apply: Contractor shall comply with the applicable provisions of the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320 through d-8 ("HIPAA"), and the requirements of any regulations promulgated thereunder, including, without limitation, the federal privacy regulations as contained in 45 C.F.R. Part 164, and the federal security standards as contained in 45 C.F.R. Part 142 (collectively, the "Regulations"). Contractor shall not use or further disclose any protected health information, as defined in 45 C.F.R. § 164.504, or individually identifiable health information, as defined in 42 U.S.C. § 1320d (collectively, the "Protected Health Information"), of Hospital patients, other than as permitted by this Agreement, Hospital policies and procedures, and the requirements of HIPAA or the Regulations. Contractor shall implement appropriate safeguards to prevent the use or disclosure of Protected Health Information other than as contemplated by this Agreement. Contractor shall promptly report to Hospital any use or disclosures, of which Contractor becomes aware, of Protected Health Information in violation of HIPAA or the Regulations. In the event that Contractor contracts with any agents to whom Contractor provides Protected Health Information, Contractor shall include provisions in such agreements pursuant to which Contractor and such agents agree to the same restrictions and conditions that apply to Contractor with respect to Protected Health Information. Contractor shall make Contractor internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary to the extent required for determining compliance with HIPAA and the Regulations. No attorney-client, accountant-client or other legal or equitable privilege shall be deemed to have been waived by Contractor or Hospital by virtue of this Section. The provisions set forth herein shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

7. Section 17, PHYSICIAN CERTIFICATION shall be added as follows:

17. PHYSICIAN CERTIFICATION. Contractor shall ensure that prior to NMC's provision to Contractor of written confirmation of a Physician's assignment, each Physician providing Services under this Agreement shall execute a copy of the PHYSICIAN CERTIFICATION attached hereto as Exhibit C. Prior to the start date of such Physician's assignment, Contractor shall deliver to NMC the original of the PHYSICIAN CERTIFICATION executed by the Physician.

8. All other terms and conditions of the Agreement shall remain in full force and effect.

EXHIBIT A-1

STAFF CARE, INC.
 FEE SCHEDULE-ALL INCLUSIVE RATES
 7/1/2010 to 6/30/2011

Specialty	Daily Rate -8hr day unless otherwise specified	Premium (Hourly) -Paid after 8 hr/day	Weeknight On-Call -Premium paid for all hours worked	Weekend On- Call (24 hr period) -Premium paid for all hours worked	24 hr call only (24 hr period) -includes 1 hr of patient contact. Premium paid for all hours worked past 4	Reassignment Fee
Anesthesia (General)	2000	300	300	1,800	NA	20,000
Anesthesia (Transplant)	2078	325	325	1,860	NA	20,000
Anesthesia (Heads & Hearts)	2200	325	325	1,800	NA	20,000
Cardiology (Non-Invasive)	1700	270	270	1700	NA	20,000
Cardiology (Interventional)	2178	360	360	2175	NA	20,000
Cardiology (Invasive)	1950	310	310	1980	NA	20,000
Dermatology	1750	325	250	1,750	NA	20,000
Endocrinology	1450	230	230	1460	NA	20,000
Emergency Medicine (Hourly)	280	use hourly rate	280	2000	NA	20,000
Family Practice (Outpatient)	980	180	180	980	NA	20,000
Family Practice (Full Scope)	1025	170	170	1025	NA	20,000
Family Practice (With OB)	1160	210	210	1180	NA	20,000
Gastroenterology	2150	320	320	2150	NA	20,000
General Surgery	1360	345	300	1,350	1,800	20,000
Hematology/Oncology	1775	260	260	1775	NA	20,000
Infectious Disease	1450	230	230	1460	NA	20,000
Internal Medicine (Outpatient)	1000	160	160	1000	NA	20,000
Hospitalist (Hourly)	175	use hourly rate	200	NA	NA	20,000
Neonatology	2600	270	270	2600	NA	20,000
Nephrology	1660	260	260	1650	NA	20,000
Neurology	1600	260	260	1600	NA	20,000
Neurosurgery	2300	400	400	2,600	3,600	20,000
OB/GYN Day shift (OP Clinic/Hospital Coverage)*	1610	NA	NA	NA	NA	20,000
OB/GYN Restricted Night Call Shift (8p-8a)*	1690	NA	NA	NA	NA	20,000
Occupational Medicine (Hourly)	155	NA	NA	NA	NA	20,000
Oncology (Medical)	1775	280	280	1775	NA	20,000
Oncology (Radiation)	1700	280	280	1575	1700	20,000
Orthopedic Surgery	1650	300	350	1,650	2,300	20,000
Otorhinolaryngology (ENT)	1600	300	350	1,600	2,000	20,000
Pathology	1500	240	240	1500	NA	20,000
Pediatrics (Outpatient)	970	145	145	970	NA	20,000
Pediatric Hospitalist (Hourly)	128/hr	use hourly rate	160	NA	NA	20,000
Maternal Fetal Medicine	1800	400	450	2,600	3,750	20,000
Physical Medicine/Rehabilitation	1350	280	280	1350	NA	20,000
Psychiatry (General)	1240	180	180	500	NA	20,000
Psychiatry (Child/Adolescent)	1285	190	180	500	NA	20,000
Pulmonology	2300	325	270	2300	NA	20,000
Radiology (General)	2550	400	400	1500	2650	20,000
Radiology (Interventional)	2750	460	480	1800	2750	20,000
Rheumatology	1775	280	280	1775	NA	20,000
Trauma Surgery	1680	300	300	1,500	2,200	20,000
Urgent Care (Hourly)	145	NA	NA	NA	NA	20,000
Urology	1550	300	300	1,550	2,300	20,000
Vascular Surgery	1690	300	300	1,600	2,500	20,000

*OBGYN shift rates include an unlimited number of patient contact hours. Day shift is based on a 8hr day.

Definitions

Daily Rate-Charged daily and defined as an 8 hour work day. Premium rate is charged for all hours of patient contact in excess of 8.

Premium Rate-Hourly overtime rate.

Weeknight On-Call-Charged nightly to have PROVIDER on call. Premium rate is charged for all hours of patient contact on call.

Weekend On-Call-Charged by 24 hour period to have PHYSICIAN on call. Premium rate is charged for all hours of patient contact on call.


24 Hour Call-Used for call only assignments. Charged per 24 hour period. Rate includes 4 hours of patient contact. Premium rate is charged for all hours worked in excess of 4 each 24 hour period.

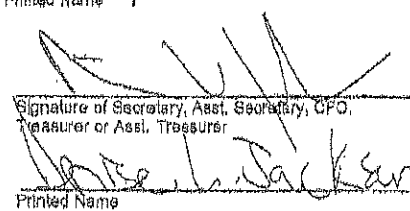
Reassignment Fee-NMC agrees to pay CONTRACTOR reassignment fee as indicated on the above fee schedule of the reassignment of each PHYSICIAN presented to NMC or any organization affiliated with NMC if such PHYSICIAN becomes a permanent employee of NMC or an affiliate of NMC within (1) years after such PHYSICIAN is presented to NMC or after PHYSICIAN ceases to provide services to NMC.

Holiday Premium-A rate of one half of the Daily Rate will be charged for New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas, or any holiday that is recognized by the NMC if PHYSICIAN remains in the assignment community, whether or not services are actually provided on those days. If PHYSICIAN is required to be on call, NMC will pay the full Daily Rate for PHYSICIAN for each holiday. If PHYSICIAN has any patient contact or is required to report to NMC'S facility on one of these holidays, NMC will pay the full Daily Rate for PHYSICIAN plus the Holiday Premium which includes up to 4 hours of professional services. NMC will be charged at the Premium Rate for all hours performed over four hours on any of these holidays.

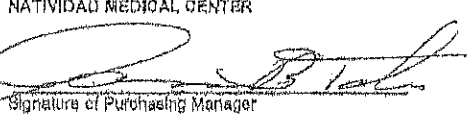
IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year executed by both parties.


CONTRACTOR


Signature of Chair, President or Vice President
6/17/2010
Date
TIMOTHY M. BESS
Printed Name
PRESIDENT
Title



Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer
6-17-10
Date
Robert Jackson
Printed Name
Secretary
Title


NATIVIDAD MEDICAL CENTER


Signature of Purchasing Manager
8/3/10
Date


Signature of NMC - CEO
6/24/10
Date

Approved as to Legal Form:
Charles J. McKee, County Counsel

By 
Nancy Saatin, Deputy
Attorneys for County and NMC
6/30/10
Date

Reviewed as to fiscal provisions

Auditor-Controller
County of Monterey 7-1-10