

** 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 Pacific Medical, Inc. 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: **Orthopedic Soft Goods and Durable Medical Equipment (DME) and orthotics and prosthetics (O&P) services.**

**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 \$100,000.

**TERM OF AGREEMENT;** the term of this Agreement is from May 1, 2015 through April 30, 2016 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:** Addendum to Agreement
- Exhibit C:** Business Associate Agreement

**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:**

- 5.1.1. 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.
- 5.1.2. 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.
- 5.1.3. 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.

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**NATIVIDAD MEDICAL CENTER:**

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

**CONTRACTOR:**

Pacific Medical, Inc.  
Attn:  
1700 N Chrisman Road  
Tracy, CA 95304-9314  
FAX: 800-861-5950  
Email: ACHRemittance@pacmedical.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: [Signature]  
Gary R. Gray, DO, Interim CEO

Date: 5/11/15

**APPROVED AS TO LEGAL PROVISIONS**

By: [Signature]  
Monterey County Deputy County Counsel

Date: May 5, 2015

**APPROVED AS TO FISCAL PROVISIONS**

By: [Signature]  
Monterey County Deputy Auditor/Controller

Date: 5-6-15

**CONTRACTOR**

PACIFIC MEDICAL, INC  
Contractor's Business Name\*\*\* (See instructions)

[Signature]  
Signature of Chair, President, or Vice-President

JOHN PETLANSKY, CEO  
Name and Title

Date: 4.14.15

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

JEFF LEONARD, CFO  
Name and Title

Date: 4.14.15

**\*\*\*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 an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).



To Agreement by and between  
NATIVIDAD MEDICAL CENTER, hereinafter referred to as "NMC"  
AND  
Pacific Medical, Inc., hereinafter referred to as "CONTRACTOR"

**Scope of Work / Payment Provisions**

**A. Description of All Services to be Rendered by CONTRACTOR:**

Natividad Medical Center (NMC) routinely requires Orthopedic Soft Goods and Durable Medical Equipment ("DME") and orthotics and prosthetics (O&P) services for its patients. Natividad Medical Center does not have a DME (Durable Medical Equipment) License and are not able to charge for these types of equipment IE: Splints, Crutches, Orthopedic Soft Goods, Custom limbs etc. Pacific Medical, Inc. will provide Products & Services on a daily bases within NMC on what we currently stock and any additional items needed 24/7/365 a year. Pac Med will follow the Purchasing Guidelines IE: Policy Number 1:4900 Product Selection, Evaluation, Standardization Process with the policies, procedures and directions of Facility and applicable standards of relevant professional societies; and applicable local, state and federal laws and regulations. Pacific Medical, Inc. will provide Services in a manner designed to meet or exceed the recognized standard of care for technicians practicing under the same or similar circumstances.

In order to maintain consistent quality and improve cost effectiveness NMC will simplify its processes for obtaining and dispensing such Products & Services through Pacific Medical, Inc. Pacific Medical, Inc. has the ability to (a) serve as a preferred vendor and (b) maintain facilities at or near the NMC campus and provide Products & Services to individuals who wish to purchase such Products & Services. Pacific Medical, Inc. is a qualified vendor that employs staff who is skilled to provide Products & Services as requested.

**B. CONTRACTOR Obligations:**

- Timely delivery of requested Products.
- Provision of technicians to fit Products, on in as needed.
- Daily Maintenance of all DME Product inventories at NMC designated by NMC staff and in a manner to be logistically coordinated with NMC staff. NMC will allocate space for Pac Med to store and manage the Inventory for all DME Items within the Storeroom. We will allocate space working with the department needs so it can be managed without any stock outs.
- Implementation of storing DME Product inventories into Pyxis system will occur within 6 months of agreement start date.
- Ensure technicians are properly trained and credentialed to work in a hospital environment.
- Provide Products & Services upon request by NMC, at times and locations as agreed upon by the parties, and in accordance with written orders from the patient's physician ordering or approving of such Products & Services.
- Maintain workers' compensation insurance for its employees.
- Shall assign employees as required in connection with the provision of Products & Services and shall assure that each employee complies with the terms and conditions set forth in the Agreement at all times while the Agreement is in effect.
  - a. Current, unrestricted license and/or certification, as necessary, to provide Products & Services in the state in which NMC operates. A copy of each such employee's license will be provided to NMC before the employee provides Products or Services.
  - b. CONTRACTOR shall assure that each employee has an appropriate level of training to provide Products & Services assigned to that employee.

## Exhibit A: Scope of Services/Payment Provisions

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- c. Employee criminal background check acceptable to NMC.
  - d. Immunizations as required by NMC policies and procedures.
  - e. Timely and authenticated documentation of all Products applied and Services rendered to the patient as a Progress Note or Consultation Note, which shall become a permanent part of the patient's medical record.
  - f. Respond to all requests for service within three (3) hours of said request.
- CONTRACTOR agrees to maintain appropriate credentialing records for all technicians and provide copies to NMC. CONTRACTOR shall maintain proof of each employee's licenses and/or certifications at the NMC locations to which that employee is primarily assigned. CONTRACTOR shall make such records available to NMC upon request. CONTRACTOR agrees to cease assigning an employee to provide Services at NMC, upon request by NMC, with or without cause.
  - Regarding Availability: CONTRACTOR shall be responsible to ensure that adequate coverage is available in the event of any staff shortage or absence and to communicate call schedules and contact information to the appropriate staff at NMC
  - Medical Records: Upon NMC's request, CONTRACTOR will provide timely, appropriate and authenticated documentation of all Products & Services provided to NMC patients in the patient's NMC medical record. Such records shall remain the property of NMC but shall at all times be made accessible to CONTRACTOR to complete service and collection efforts or to meet regulatory requirements.
  - CONTRACTOR will provide Products & Services in compliance with the policies, procedures and directions of NMC, to the extent they do not conflict with any express term of the Agreement; applicable standards of relevant professional societies; and applicable local, state and federal laws and regulations. CONTRACTOR will provide Services in a manner designed to meet or exceed the recognized standard of care for technicians practicing under the same or similar circumstances. CONTRACTOR will provide Products & Services in a prompt, courteous, and non-discriminatory manner (that is, without regard to race, color, creed, condition, sex, age, national origin, economic or handicapped status or sexual orientation). CONTRACTOR will comply with the Compliance Program and Conflicts of Interest Policy of NMC, provided that NMC provides advance written notice of such policies and provided that they do not conflict with the terms of the Agreement. CONTRACTOR represents and warrants that it has not been and is not currently excluded from participating in the Medicare or Medicaid programs or any other federal sponsored health care program. CONTRACTOR further represents and warrants that none of its employees, agents, officers or directors have been excluded from participating in the Medicare or Medicaid programs or any other federal sponsored health care program.
  - Access and Identification: CONTRACTOR will follow the current process and to sign in at NMC Materials Management to obtain a "vendor badge" for use by CONTRACTOR employees while at any NMC location. CONTRACTOR shall be responsible to return badges back to Materials Management, and to ensure employees display such badges prominently while at NMC for business purposes.
  - Relationship of Parties: In performing the responsibilities described in the Agreement, CONTRACTOR is at all times acting as an independent contractor, and CONTRACTOR employees are at all times employees of CONTRACTOR. Nothing in the Agreement is intended to create an employer/employee relationship between NMC and any CONTRACTOR employee. CONTRACTOR will be responsible for all applicable state and federal payroll taxes, Social Security withholding, employee benefits and other taxes, expenses or deductions required in connection with the compensation received under the terms of the Agreement. Neither CONTRACTOR nor any CONTRACTOR employee will have any claim against NMC for vacation pay, sick leave, Social Security, worker's compensation or employee benefits of any kind. CONTRACTOR will maintain its own books and records relating to CONTRACTOR's business. This Section shall not apply to any NMC employee who has been leased by CONTRACTOR pursuant to a separate leasing agreement.

## **Exhibit A: Scope of Services/Payment Provisions**

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- CONTRACTOR shall furnish a Material Safety Data Sheet (MSDS) for all items which are applicable to the hazardous substances defined in the Hazardous Communication Act. Failure to furnish this documentation will be cause to terminate the Agreement if not cured within thirty (30) days after notice of violation.

### **C. NMC Obligations:**

- NMC will provide weekly written reports indicating what products were issued out while Pyxis Supply Automation System is established.
- NMC to provide Pyxis Supply Automation machine that will be utilized by CONTRACTOR to securely store products to be issued out to patients once system is established.
- NMC shall provide daily report from Pyxis Supply Automation machine via ADT Feed to CONTRACTOR indicating what products were issued out to patients once system is established.
- NMC shall pay an amount not to exceed \$100,000 for the performance of work set forth in the Scope of Services.

### **D. Intellectual Property Rights**

- All data provided by Natividad Medical Center (County of Monterey) belongs to Natividad Medical Center (County of Monterey). All records compiled by CONTRACTOR in completing the work described in this AGREEMENT, including but not limited to written reports, studies, drawings, blueprints, negatives of photographs, graphs, charts, plans, source codes, specifications and all other similar recorded data, shall become and remain the property of Natividad Medical Center (County of Monterey). Use or distribution of Natividad Medical Center (County of Monterey) data by CONTRACTOR is prohibited unless CONTRACTOR obtains prior written consent from Natividad Medical Center (County of Monterey).
- For systems hosted or stored on equipment not owned by Natividad Medical Center (County of Monterey), CONTRACTOR shall furnish all data to Natividad Medical Center (County of Monterey) upon request by Natividad Medical Center (County of Monterey) at any time during the term of this AGREEMENT in a useable format as specified by NMC and at no additional cost to Natividad Medical Center (County of Monterey).
- Notwithstanding anything to the contrary contained in this AGREEMENT, it is understood and agreed that CONTRACTOR shall retain all of its rights in its proprietary information including, without limitation, methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge and experience possessed by CONTRACTOR prior to this AGREEMENT.

### **E. Pricing/Fees:**

- For pricing, please refer to attached schedules titled 'Pacific Medical Hospital Partnership Direct Product Price List' and 'Pacific Medical Hospital Based Orthotics and Prosthetics Services' found in Exhibit A.
- There shall be no travel reimbursement allowed during the Agreement.
- CONTRACTOR to submit invoices upon completion of deliverables.
- NMC may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of the Agreement.
- CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.
- No payments in advance or in anticipation of services or supplies to be provided under the Agreement shall be made by NMC.
- NMC shall not pay any claims for payment of services submitted more than twelve (12) months after the calendar month in which the services were completed.

## Exhibit A: Scope of Services/Payment Provisions

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- CONTRACTOR shall bill for Products & Services provided in accordance with all applicable laws, rules, and regulations, and in a timely manner. Payment Terms shall be thirty (30) days from receipt of a certified invoice in the Office of the Auditor-Controller. All bills will be itemized and detailed clearly to identify the Products & Services provided, and name of the patient. In no event will CONTRACTOR bill for services provided without appropriate physician order, and NMC will not reimburse CONTRACTOR for any such services.
- CONTRACTOR and NMC will, in connection with the Agreement, cooperate fully with each other by, among other things, generating, maintaining and making available all necessary records in order to assure that NMC and CONTRACTOR will be able to meet all requirements for participation and payment associated with public and private third party payment programs including, but not limited to, matters covered by Section 1861(v)(1)(I) of the Social Security Act. CONTRACTOR and NMC will continue to comply with this Section following the effective termination date of the Agreement.
- Except for Products & Services provided to Medicare and Medicaid in-patients – i.e. patients requiring greater than twenty-three (23) hour stays in the healthcare NMC - CONTRACTOR or third party vendors shall be solely responsible for billing patients and/or payors for services provided. Fees shall be reasonable and consistent with fees charged for similar services in the community. A copy of CONTRACTOR's fee schedules will be maintained at NMC for the benefit of patients. CONTRACTOR will not bill NMC for any services outside of Exhibit A. NMC will have no financial responsibility to CONTRACTOR except as specifically set forth in Exhibit A.
- CONTRACTOR shall bill NMC directly for Products & Services pursuant to the pricing set forth (pricing page to follow) to (1) Medicare in-patients; (2) Medicaid in-patients; (3) any other patient who is a beneficiary of any third party payor where such payor requires NMC to bill for such services rather than CONTRACTOR ("NMC Payor") or (4) in cases where medical insurance is not available and/or Entity has implemented a policy and procedure for payment assistance for its low income and/or uninsured patient populations, Entity and CONTRACTOR recognize the requirement that CONTRACTOR, as a supplier/vendor, shall comply with all regulatory requirements of providing products and services for Entity and not provide free goods and/or services to Entity or its patient population as an inducement for referrals or as a payment in violation of the anti-kickback statutes. As such, the parties agree as follows:
  - a. In the event a patient or member qualifies for payment assistance under the terms of the Policy and Procedures for payment assistance or is uninsured, NMC shall reimburse CONTRACTOR for the goods and services provided by CONTRACTOR to said patient as set forth in Exhibit A.
  - b. On a timely basis, NMC shall provide CONTRACTOR a list of said patient's status under the Payment Assistance program. Within 15 days of receipt, Pacific Medical shall provide a corresponding invoice/purchase order (based on the pricing set forth in Exhibit A for the goods and services provided to the patients listed by NMC on the Payment Assistance list.
  - c. NMC shall in turn pay the CONTRACTOR Invoice within thirty (30) days of receipt.
  - d. This policy and practice shall be evaluated by the Oversight committee on an annual basis and may change as deemed necessary by the parties. Any changes shall only be valid after an Amendment has been approved.
- Annual audits of NMC product inventory must be conducted and documented. The audit reports must be signed by a CONTRACTOR sales representative and an account representative. NMC is only responsible for the Product listed on the most current valid audit report; provided that any consigned Product losses in excess of five percent (5%) of inventory annually shall be charged to NMC at the prices provided in Exhibit A.

**Exhibit A: Scope of Services/Payment Provisions**

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- In no event will CONTRACTOR bill any Medicare or Medicaid in-patient (or NMC Payor patient, if NMC Payor contractually prohibits NMC from doing so) directly for covered services provided under the terms of the Agreement.

*Pricing Page to follow*

HCPC	DESCRIPTION	2015 CA Medicare Allowable	CA Medicare less 15%
A8000	NON-MOLDED HELMET, SOFT, PREFAB	\$ 170.22	\$ 144.69
L0120	FOAM CERVICAL COLLAR	\$ 31.67	\$ 26.92
L0140	PLASTIC CERVICAL COLLAR	\$ 57.29	\$ 48.70
L0150	CERVICAL COLLAR, SEMI-RIGID, CHIN CUP, CUSTOM FIT	\$ 128.95	\$ 109.61
L0160	CERVICAL COLLAR, SEMI-RIGID, MANDIBULAR SUPPORT	\$ 158.20	\$ 134.47
L0172	CERVICAL COLLAR, SEMI-RIGID, THERMOPLASTIC FOAM 2 PIECE	\$ 142.48	\$ 121.09
L0174	CERVICAL COLLAR, SEMI-RIGID, THERMOPLASTIC FOAM 2 PIECE WITH THORACIC EXTENSION	\$ 327.81	\$ 278.64
L0180	CERVICAL MULTIPLE POST COLLAR, OCCIPITAL/MANDIBULAR SUPPORTS, ADJUSTABLE	\$ 424.98	\$ 361.23
L0190	CERVICAL MULTIPLE POST COLLAR, OCCIPITAL/MANDIBULAR SUPPORTS, ADJUSTABLE CERVICAL BARS	\$ 591.11	\$ 502.44
L0200	RIGID MULTIPLE POST CERVICAL SUPPORT WITH EXT.	\$ 616.13	\$ 523.71
L0454	TLSO, SOFT	\$ 833.16	\$ 708.19
L0456	TLSO, FLEXIBLE	\$ 929.15	\$ 789.78
L0458	TLSO, TRIPLANAR CONTROL, 2 RIGID PLASTIC SHELLS, PREFABRICATED	\$ 833.16	\$ 708.19
L0460	TLSO	\$ 997.77	\$ 797.10
L0462	TLSO, TRIPLANAR CONTROL, 3 RIGID PLASTIC SHELLS, PREFABRICATED	\$ 1,166.46	\$ 991.49
L0464	TLSO, TRIPLANAR CONTROL, 4 RIGID PLASTIC SHELLS, PREFABRICATED	\$ 1,388.64	\$ 1,180.34
L0468	TLSO	\$ 540.37	\$ 459.31
L0472	TLSO, ANT FRAME, HYPEXT, PREFAB	\$ 482.51	\$ 410.13
L0482	TLSO CUSTOM FABRICATED	\$ 1,651.15	\$ 1,403.48
L0486	TLSO, CLAMSHELL, CUSTOM FABRICATED	\$ 2,012.40	\$ 1,710.54
L0621	SACROILLIAC ORTHOTIC	\$ 110.04	\$ 93.53
L0627	LUMBAR ORTHOSIS	\$ 384.02	\$ 326.42
L0630	LSO, RIGID POSTERIOR PANELS	\$ 151.31	\$ 128.61
L0631	LSO, SAGITTAL CONTROL, RIGID ANT & POST PANELS PREFAB	\$ 959.04	\$ 815.18
L0637	LSO	\$ 1,130.25	\$ 960.71
L0639	LSO, CUSTOM FIT, AP/LAT CONTROL, PREFAB	\$ 1,130.25	\$ 960.71
L0710	CTL SO	\$ 2,492.22	\$ 2,118.39
L0810	HALO	\$ 3,078.03	\$ 2,616.33
L0820	CERVICAL HALO INCORP INTO PLASTER BODY JACKET	\$ 2,426.43	\$ 2,062.47
L0830	HALO CERV ORTHOSIS MILWAUKEE	\$ 3,741.94	\$ 3,180.65
L0859	HALO MRI COMPATIBLE SYSTEM	\$ 1,090.29	\$ 926.75
L0984	PROTECTIVE BODY SOCK	\$ 61.81	\$ 52.54
L1200	TLSO LOW PROFILE	\$ 1,869.70	\$ 1,589.25
L1220	ANTERIOR THORACIC EXT.	\$ 264.37	\$ 224.71
L1686	CUSTOM FIT POST-OP HIP ABDUCTION ORTHOSIS	\$ 1,083.53	\$ 921.00
L1810	KNEE ORTHOSIS PRE FABRICATED	\$ 116.28	\$ 98.84
L1830	CANVAS KNEE IMMOBILIZER	\$ 104.39	\$ 88.73
L1831	KNEE ORTHOSIS WITH LOCKING KNEE JOINTS	\$ 274.95	\$ 233.71
L1832	KNEE ORTHOSIS WITH ADJUSTABLE JOINTS	\$ 649.73	\$ 552.27
L1930	CUSTOM FIT PLASTIC AFO	\$ 282.29	\$ 239.95
L1960	AFO PLASTIC CUSTOM FABRICATED	\$ 681.43	\$ 562.22
L1970	CUSTOM MOLDED ARTICULATED AFO	\$ 691.63	\$ 587.89
L2136	RIGID FEMORAL FRACTURE CAST ORTHOSIS	\$ 1,411.20	\$ 1,199.52
L2180	PLASTIC SHOE INSERT WITH ANKLE JOINTS	\$ 139.75	\$ 118.79
L2200	LIMITED MOTION ANKLE JOINT	\$ 56.73	\$ 48.22
L2624	BI-POLANAR CONTROL HIP JONT	\$ 395.15	\$ 335.88
L2830	SOFT INTERFACE FOR AK SECTION, MOLDED PLASTIC, ADD TO LE	\$ 112.11	\$ 95.29
L3760	ELBOW ORTHOSIS	\$ 425.18	\$ 361.40
L3908	WRIST HAND ORTHOSIS	\$ 69.96	\$ 59.47
L3917	HAND ORTHOSIS	\$ 89.84	\$ 76.36
L3960	SHOULDER ELBOW WRIST HAND ORTHOSIS	\$ 858.18	\$ 729.45
L3980	UPPER EXTREMITY FRACTURE ORTHOSOS	\$ 360.90	\$ 306.77
L3995	FRACTURE SOCK	\$ 33.37	\$ 28.36
L4386	WALKING BOOT	\$ 148.12	\$ 125.90
L4396	ANKLE CONTRACTURE SPLINT	\$ 154.15	\$ 131.03
L4398	FOOT DROP SPLINT	\$ 70.97	\$ 60.32
L5450	POST OP RIGID DRESSING BELOW KNEE	\$ 388.46	\$ 330.19
L5460	POST OP RIGID DRESSING ABOVE KNEE	\$ 519.92	\$ 441.93
L8300	TRUSS	\$ 107.24	\$ 91.15
L8440	BELOW KNEE SHRINKER	\$ 53.17	\$ 45.19
L8460	ABOVE KNEE SHRINKER	\$ 84.73	\$ 72.02

# Pacific Medical Hospital Partnership Direct Product Price List

082814 ml

Manufacturer	Part	Description	Price
Aircast	02MLL	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MLR	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MML	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MMR	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MSL	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MSR	Aircast Airsport Ankle Brace	\$ 30.39
Aircast	02MXLL	Airsport Ankle Brace	\$ 30.39
Aircast	02MXLR	Airsport Ankle Brace	\$ 30.39
Alimed	60404-L	Desc Uco Adjustable Heel Lift	\$ 6.62
Alimed	60404-M	Desc Uco Adjustable Heel Lift	\$ 6.62
Alimed	60404-S	Desc Uco Adjustable Heel Lift	\$ 6.62
Alimed	65636	Pedifix Gelstep Heel Pad Uncovered w/ Soft Center Spot	\$ 17.50
Alimed	65637	Pedifix Gelstep Heel Pad Uncovered w/ Soft Center Spot	\$ 17.50
Alimed	65638	Pedifix Gelstep Heel Pad Uncovered w/ Soft Center Spot	\$ 17.50
Aspen	984002	Vista Cervical Collar w/ Replacement Pads	\$ 83.08
Aspen	984100	Vista Cervical Collar TX	\$ 67.76
Benik	W-303-LL-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-LM-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-LS-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-LXS-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-RL-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-RM-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-RS-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Benik	W-303-RXS-B	Pediatric Wrist/Hand Thumb Support	\$ 39.90
Bledsoe	AL185003BB	Wee Walker	\$ 72.24
Bledsoe	AL185007BB	Wee Walker	\$ 72.24
Breg	00123	Post OP Rehab Knee Brace	\$ 118.58
Breg	07714	Breg T-Scope Post-Op Brace	\$ 122.44
Breg	08512	Kool Sling Immobilizer	\$ 48.02
Breg	08513	Kool Sling Immobilizer	\$ 48.02
Breg	08513	Kool Sling Immobilizer	\$ 48.02
Breg	08514	Kool Sling Immobilizer	\$ 48.02
Breg	08515	Kool Sling Immobilizer	\$ 48.02
Breg	11042	Breg Lateral Stabilizer	\$ 40.67
Breg	11043	Breg Lateral Stabilizer	\$ 40.67
Breg	11044	Breg Lateral Stabilizer	\$ 40.67
Breg	11045	Breg Lateral Stabilizer	\$ 40.67
Breg	11052	Breg Lateral Stabilizer	\$ 40.67
Breg	11053	Breg Lateral Stabilizer	\$ 40.67
Breg	11054	Breg Lateral Stabilizer	\$ 40.67
Breg	11055	Breg Lateral Stabilizer	\$ 40.67
Breg	21732	Shortrunner ,Airmesh,Open Back	\$ 88.69
Breg	21733	Shortrunner ,Airmesh,Open Back	\$ 88.69
Breg	21734	Shortrunner ,Airmesh,Open Back	\$ 88.69
Breg	21735	Shortrunner ,Airmesh,Open Back	\$ 88.69

Breg	21736	Shortrunner ,Airmesh,Open Back	\$ 88.69
Breg	21752	Shortrunner ,Airmesh,Wraparound,Open Back	\$ 88.69
Breg	21753	Shortrunner ,Airmesh,Wraparound,Open Back	\$ 88.69
Breg	21754	Shortrunner ,Airmesh,Wraparound,Open Back	\$ 88.69
Breg	21755	Shortrunner ,Airmesh,Wraparound,Open Back	\$ 88.69
Breg	96500	16" Knee Immobilizer	\$ 32.34
Breg	96510	20" Knee Immobilizer	\$ 32.34
Breg	96520	24" Knee Immobilizer	\$ 32.34
Chopat	CP02	Dual Action Knee Strap	\$ 28.81
Chopat	CP03	Dual Action Knee Strap	\$ 28.81
Chopat	CP04	Dual Action Knee Strap	\$ 28.81
Chopat	CP05	Dual Action Knee Strap	\$ 28.81
Chopat	CP-15	Chopat Knee Strap	\$ 13.16
Chopat	CP-17	Chopat Knee Strap	\$ 13.16
Chopat	CP-19	Chopat Knee Strap	\$ 13.16
Chopat	CP-21	Chopat Knee Strap	\$ 13.16
Chopat	CP-22	Chopat Knee Strap	\$ 13.16
Darco	NS3B	Pneumatic Night Splint	\$ 43.30
Deroyal	13780300	Female Rib Belt (male)	\$ 13.41
Deroyal	13780400	Female Rib Belt (female)	\$ 13.41
DJ Ortho	11-1543-2	Serf Strap	\$ 81.21
DJ Ortho	11-1543-3	Serf Strap	\$ 81.21
DJ Ortho	11-1543-4	Serf Strap	\$ 81.21
DJ Ortho	11-1544-2	Serf Strap	\$ 81.21
DJ Ortho	11-1544-3	Serf Strap	\$ 81.21
DJ Ortho	11-1544-4	Serf Strap	\$ 81.21
galveston	101L	Metacarpal Brace	\$ 75.60
galveston	101M	Metacarpal Brace	\$ 75.60
galveston	101S	Metacarpal Brace	\$ 75.60
galveston	101XL	Metacarpal Brace	\$ 75.60
hapad	HP35	3 x 5/16" Heel Pads	\$ 9.10
hapad	ML	Arch Metatarsal Pad	\$ 8.40
hapad	MM	Arch Metatarsal Pad	\$ 8.40
hapad	MS	Arch Metatarsal Pad	\$ 8.40
Hely & Weber	364-M	Cast Shoe, Molded Sole	\$ 12.04
hely & weber	3709	Mat Pat Support Strap	\$ 18.59
hely & weber	3835-L	Neoprene Elbow Sleeve	\$ 14.28
hely & weber	3835-M	Neoprene Elbow Sleeve	\$ 14.28
hely & weber	3835-S	Neoprene Elbow Sleeve	\$ 14.28
hely & weber	3835-XL	Neoprene Elbow Sleeve	\$ 14.28
hely & weber	3838L	Tennis Elbow Brace w/ Compression Pad	\$ 13.94
hely & weber	3838M	Tennis Elbow Brace w/ Compression Pad	\$ 13.94
hely & weber	3838S	Tennis Elbow Brace w/ Compression Pad	\$ 13.94
hely & weber	3838XL	Tennis Elbow Brace w/ Compression Pad	\$ 13.94
hely & weber	3838XS	Tennis Elbow Brace w/ Compression Pad	\$ 13.94
hely & weber	3842	Santa Barba Splint	\$ 22.23
hely & weber	3848-LT	TKO Knuckle Orthosis	\$ 30.18
hely & weber	3848-RT	TKO Knuckle Orthosis	\$ 30.18
hely & weber	393-FM	Wooden Post Op Shoe	\$ 14.28
hely & weber	393-MM	Wooden Post Op Shoe	\$ 14.28



hely & weber	450-LT	Titan Wrist	\$ 15.62
hely & weber	450-LT-XS	Titan Wrist	\$ 15.62
hely & weber	450-RT	Titan Wrist	\$ 15.62
hely & weber	450-RT-XS	Titan Wrist	\$ 15.62
hely & weber	450TINY-LT	Titan Wrist	\$ 15.62
hely & weber	450TINY-RT	Titan Wrist	\$ 15.62
hely & weber	452-LT	Titan Wrist Lacing Orthosis	\$ 21.17
hely & weber	452-RT	Titan Wrist Lacing Orthosis	\$ 21.17
hely & weber	455-LT	Titan Wrist/Thumb Brace	\$ 26.32
hely & weber	455-RT	Titan Wrist/Thumb Brace	\$ 26.32
hely & weber	500-L	Black H&W Arm Sling	\$ 14.50
hely & weber	500-M	Black H&W Arm Sling	\$ 14.50
hely & weber	500-S	Black H&W Arm Sling	\$ 14.50
hely & weber	500-XS	Black H&W Arm Sling	\$ 14.50
hely & weber	5819-L	Modabber Wrist Orthosis	\$ 17.42
hely & weber	5819P-L	Pediatric Modabber Wrist	\$ 17.42
hely & weber	5819P-R	Pediatric Modabber Wrist	\$ 17.42
hely & weber	5819-R	Modabber Wrist Orthosis	\$ 17.42
hely & weber	661-L	Clavicle Spint	\$ 13.33
hely & weber	661-M	Clavicle Spint	\$ 13.33
Mckesson	4704-L	Snoopy Arm Sling	\$ 21.66
Mckesson	4704-M	Snoopy Arm Sling	\$ 21.66
Mckesson	4704-S	Snoopy Arm Sling	\$ 21.66
Mckesson	4704-XS	Snoopy Arm Sling	\$ 21.66
Medline	MDSV80534	Crutches	\$ 13.92
Medline	MDSV80535	Crutches	\$ 13.92
Medline	MDSV80536	Crutches	\$ 13.92
Ortho Outfitter	264032	Ankle Stabilizing Orthosis Ankle Brace w/ Stays	\$ 32.13
Ortho Outfitter	264034	Ankle Stabilizing Orthosis Ankle Brace w/ Stays	\$ 32.13
Ortho Outfitter	264035	Ankle Stabilizing Orthosis Ankle Brace w/ Stays	\$ 32.13
Ortho Outfitter	264036	Ankle Stabilizing Orthosis Ankle Brace w/ Stays	\$ 32.13
Ortho Outfitter	37-2161	Extended Length Humeral Splint	\$ 107.16
Ortho Outfitter	37-2162	Extended Length Humeral Splint	\$ 107.16
Ortho Outfitter	37-2163	Extended Length Humeral Splint	\$ 107.16
Ortho Outfitter	37-2164	Extended Length Humeral Splint	\$ 107.16
Ossur	209133	Airform Inflatable Back Support	\$ 35.70
Ossur	209135	Airform Inflatable Back Support	\$ 35.70
Ossur	209137	Airform Inflatable Back Support	\$ 35.70
Ossur	209138	Airform Inflatable Back Support	\$ 35.70
Ossur	209139	Airform Inflatable Back Support	\$ 35.70
Ossur	308-L	Cast Boot, Open Toe	\$ 9.86
Ossur	308-M/LG	Cast Boot, Open Toe	\$ 9.86
Ossur	308-S	Cast Boot, Open Toe	\$ 9.86
Ossur	308-XS	Cast Boot, Open Toe	\$ 9.86
Ossur	B-221500000	Rehab Contour Full Foam	\$ 108.57
Ossur	B-242900002	Rebound Air Walker	\$ 78.13
Ossur	B-242900003	Rebound Air Walker	\$ 78.13
Ossur	B-242900004	Rebound Air Walker	\$ 78.13
Ossur	GB28	Hot/Cold Gel Insert for Airform Inflatable Back Support	\$ 6.30
Ossur	OSS-PAR-100	Papoose Infant Immobilizer	\$ 155.75

Ossur	W0200	Equalizer Premium Walker	\$ 30.10
Ossur	W0400	Equalizer Premium Walker	\$ 30.10
Ossur	W0600	Equalizer Premium Walker	\$ 30.10
Ossur	W0800	Equalizer Premium Walker	\$ 30.10
Ossur	W1000	Equalizer Premium Walker	\$ 30.10
Ossur	W-10601	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10602	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10603	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10605	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10607	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10608	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-10609	Ankle Gameday w/ Stay	\$ 16.66
Ossur	W-823101	Innovator X Post OP Elbow	\$ 108.36
Procure	72117	Padded Colles Splint	\$ 4.14
Procure	72127	Padded Colles Splint	\$ 4.14
Procure	79-83275	Aspen Collar	\$ 24.09
Procure	79-83278	Aspen Collar	\$ 24.09
Procure	81110	Rocker Cast Boot/Sandal	\$ 5.21
Procure	81111	Rocker Cast Boot/Sandal	\$ 5.21
Procure	83222	Miami J Collar w/ Repl Pad	\$ 69.08
Procure	83227	Miami J Collar w/ Repl Pad	\$ 69.08
Procure	83228	Miami J Collar w/ Repl Pad	\$ 43.20
Procure	83275	Aspen PD3 Cervical Collar	\$ 24.09
Procure	84100	Deluxe Shoulder Immobilizer	\$ 7.53
Procure	85023	Heavy Padded Clavical Splint Support Brace	\$ 6.48
Procure	85025	Heavy Padded Clavical Splint Support Brace	\$ 6.48
Procure	85027	Heavy Padded Clavical Splint Support Brace	\$ 6.48
Procure	85028	Heavy Padded Clavicle Splint	\$ 6.48
Procure	85100	Clavical Splint	\$ 7.03
Procure	87073	Elastic Wrist Brace	\$ 3.71
Procure	87075	Elastic Wrist Brace	\$ 3.71
Procure	87077	Elastic Wrist Brace	\$ 3.71
Procure	87078	Elastic Wrist Brace	\$ 3.71
Procure	87083	Elastic Wrist Brace	\$ 3.71
Procure	87085	Elastic Wrist Brace	\$ 3.71
Procure	87087	Elastic Wrist Brace	\$ 3.71
Procure	87088	Elastic Wrist Brace	\$ 3.71
Procure	89376	10" Abdominal Binder	\$ 12.25
Procure	92470	Cuff & Collar	\$ 10.60
Procure	92471	Cuff & Collar	\$ 10.60
rhino	CS-M	Pediatric Clavicle Strap	\$ 12.60
rhino	CS-S	Pediatric Clavicle Strap	\$ 12.60
rhino	CS-XS	Pediatric Clavicle Strap	\$ 12.60
rhino	WR6.5-L	Forearm splint	\$ 21.00
rhino	WR6.5-R	Forearm splint	\$ 21.00
rhino	WR7.5 L	Rhino Wrist/Forearm Sppt.	\$ 21.00
rhino	WR7.5 R	Rhino Wrist/Forearm Sppt.	\$ 21.00
rhino	WR8.5 L	8" Pediatric Wrist Support	\$ 21.00
rhino	WR8.5 R	8" Pediatric Wrist Support	\$ 21.00
Sammons & Preston	A571200	Edema Glove, Open Finger	\$ 12.54

Sammons & Preston	A571201	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571202	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571203	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571204	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571205	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571206	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571207	Edema Glove, Open Finger	\$ 12.54
Sammons & Preston	A571212	Edema glove full finger glove wrist length	\$ 12.54
Sammons & Preston	A571213	Edema glove full finger glove wrist length	\$ 12.54
Sammons & Preston	A571214	Edema glove full finger glove wrist length	\$ 12.54
Sammons & Preston	A571215	Edema glove full finger glove wrist length	\$ 12.54
Serola Biomechanics	NSIB-L	Serola SI Belt	\$ 29.40
Serola Biomechanics	NSIB-M	Serola SI Belt	\$ 29.40
Serola Biomechanics	NSIB-S	Serola SI Belt	\$ 29.40
Serola Biomechanics	NSIB-XL	Serola SI Belt	\$ 29.40
Sunrise Medical	53314	Adjustable Aluminum Children Crutches	\$ 25.55
Top Shelf	500102	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500103	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500104	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500105	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500106	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500112	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500113	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500114	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500115	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500116	7" I-Fit Foam Wrist Support	\$ 10.50
Top Shelf	500202	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500203	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500204	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500205	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500206	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500212	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500213	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500214	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500215	Foam Wrist/Forearm Support	\$ 13.23
Top Shelf	500600	Thumb Splint	\$ 12.60
Top Shelf	500820	7" Lace Up Wrist Support	\$ 11.55
Top Shelf	500830	7" Lace Up Wrist Support	\$ 11.55
Top Shelf	500920	10" Lace Up Wrist Support	\$ 13.30
Top Shelf	500930	10" Lace Up Wrist Support	\$ 13.30
Top Shelf	500940	7" Thumb Lacer	\$ 13.30
Top Shelf	500950	7" Thumb Lacer	\$ 13.30
Top Shelf	501922	Ankle Stabilizer	\$ 18.34
Top Shelf	501923	Ankle Stabilizer	\$ 18.34
Top Shelf	501924	Ankle Stabilizer	\$ 18.34
Top Shelf	501925	Ankle Stabilizer	\$ 18.34
Top Shelf	501926	Ankle Stabilizer	\$ 18.34
Top Shelf	501927	Ankle Stabilizer	\$ 18.34
Top Shelf	502002	Arm Sling	\$ 4.55
Top Shelf	502002	Arm Sling	\$ 4.55

Top Shelf	502006	Arm Sling	\$ 4.55
Top Shelf	502023	Arm Sling w/ Padded Strap	\$ 10.01
Top Shelf	502024	Arm Sling w/ Padded Strap	\$ 10.01
Top Shelf	502025	Arm Sling w/ Padded Strap	\$ 10.01
Top Shelf	502026	Arm Sling w/ Padded Strap	\$ 10.01
Top Shelf	502070	Stable Sling	\$ 58.80
Top Shelf	502202	Shoulder Immobilizer w/ foam strap	\$ 12.32
Top Shelf	502203	Shoulder Immobilizer w/ foam strap	\$ 12.32
Top Shelf	502204	Shoulder Immobilizer w/ foam strap	\$ 12.32
Top Shelf	502205	Shoulder Immobilizer w/ foam strap	\$ 12.32
Top Shelf	502206	Shoulder Immobilizer w/ foam strap	\$ 12.32
Top Shelf	502233	Clinic Shoulder Immobilizer	\$ 7.28
Top Shelf	502234	Clinic Shoulder Immobilizer	\$ 7.28
Top Shelf	502235	Clinic Shoulder Immobilizer	\$ 7.28
Top Shelf	502350	8½" Stabilizing Air Gel Ankle Brace	\$ 20.51
Top Shelf	502351	9" Stabilizing Air Gel Ankle Brace	\$ 20.51
Top Shelf	502352	9½" Stabilizing Air Gel Ankle Brace	\$ 20.51
Top Shelf	502421	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502422	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502423	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502424	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502425	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502426	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502427	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502428	Post Op Shoe, Flex	\$ 6.86
Top Shelf	502602	Walk on Walker, Short	\$ 42.00
Top Shelf	502603	Walk on Walker, Short	\$ 42.00
Top Shelf	502604	Walk on Walker, Short	\$ 42.00
Top Shelf	502605	Walk on Walker, Short	\$ 42.00
Top Shelf	502606	Walk on Walker, Short	\$ 42.00
Top Shelf	502612	Walk on Walker Tall	\$ 43.40
Top Shelf	502613	Walk on Walker, Tall	\$ 43.40
Top Shelf	502614	Walk on Walker, Tall	\$ 43.40
Top Shelf	502615	Walk on Walker, Tall	\$ 43.40
Top Shelf	502616	Walk on Walker Tall	\$ 43.40
Top Shelf	502616	Walk on Walker, Tall	\$ 43.40
Top Shelf	502800	T-Scope Post-Op Brace	\$ 177.80
Top Shelf	503010	3" Cervical Collar Black	\$ 11.90
Top Shelf	503020	4" Cervical Collar Black	\$ 11.90
Top Shelf	503030	2-1/2" Cervical Collar Black	\$ 11.90
Top Shelf	505001	1 1/2" Patellar Tendonitis Knee Strap	\$ 9.80
Top Shelf	505003	Deluxe Tendonitis Strap	\$ 14.56
Top Shelf	505111	Knee Immobilizer 12"	\$ 21.21
Top Shelf	505112	Knee Immobilizer 14"	\$ 21.21
Top Shelf	505113	Knee Immobilizer 16"	\$ 21.21
Top Shelf	505114	Knee Immobilizer 18"	\$ 21.21
Top Shelf	505115	Knee Immobilizer 20"	\$ 21.21
Top Shelf	505253	Knee Sleeve w/ Open Patella	\$ 9.37
Top Shelf	505254	Knee Sleeve w/ Open Patella	\$ 9.37
Top Shelf	505255	Knee Sleeve w/ Open Patella	\$ 9.37

Top Shelf	505256	Knee Sleeve w/ Open Patella	\$ 9.37
Top Shelf	505257	Knee Sleeve w/ Open Patella	\$ 9.37
Top Shelf	505313	Economy Hinged Knee, Wrprnd, Kewl Mesh, w/Open POP	\$ 45.50
Top Shelf	505314	Economy Hinged Knee Wraparnd, Kewl Mesh, w/Open Pop	\$ 45.50
Top Shelf	505315	Economy Hinged Knee Wraparnd, Kewl Mesh, w/Open Pop	\$ 45.50
Top Shelf	505316	Economy Hinged Knee Wraparnd, Kewl Mesh, w/Open Pop	\$ 45.50
Top Shelf	505317	Economy Hinged Knee Wraparnd, Kewl Mesh, w/Open Pop	\$ 45.50
Top Shelf	505501	Tele-Range Post Op Knee Brace	\$ 93.80
Top Shelf	505603	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505604	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505605	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505606	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505607	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505608	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505623	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505624	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505625	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505626	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505627	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	505628	Lateral Patella Stabilizer with Contour Hinge	\$ 46.41
Top Shelf	510133	Boa lite	\$ 35.49
Top Shelf	510134	Boa Lite	\$ 35.49
Top Shelf	510135	Boa Lite	\$ 35.49
Top Shelf	510136	Boa Lite	\$ 35.49
Top Shelf	510136	Boa Lite	\$ 35.49
Top Shelf	510137	Boa lite	\$ 35.49
Top Shelf	510149	Boa Extension Panel	\$ 18.20
Top Shelf	510150	7 degree Lordotic Inserts	\$ 17.64
Top Shelf	510151	10 degree Lordotic Inserts	\$ 17.64
Top Shelf	510152	12 degree Lordotic Inserts	\$ 17.64
Top Shelf	510165	Short Rigid Chairback 13"	\$ 23.55
Top Shelf	510166	Short Rigid Chairback 13"	\$ 23.55
Top Shelf	510167	Short Rigid Chairback 13"	\$ 23.55
Top Shelf	510174	Female Boa	\$ 151.90
Top Shelf	510175	Female Boa	\$ 151.90
Top Shelf	510176	Female Boa	\$ 151.90
Top Shelf	510177	Female Boa	\$ 151.90
Top Shelf	510178	Female Boa	\$ 151.90
Top Shelf	510243	Boa SI Belt	\$ 48.02
Top Shelf	510244	Boa SI Belt	\$ 48.02
Top Shelf	510245	Boa SI Belt	\$ 48.02
Top Shelf	510503	Boa Duel TLSO	\$ 289.10
Top Shelf	510504	Boa Duel TLSO	\$ 289.10
Top Shelf	510505	Boa Duel TLSO	\$ 289.10
Top Shelf	510506	Boa Duel TLSO	\$ 289.10
Top Shelf	510507	Boa Duel TLSO	\$ 289.10
Top Shelf	550020	Shoulder Therapy Kit	\$ 36.40
Top Shelf	550020-2	Shoulder Therapy Pulley Kit	\$ 17.29

**Addendum to Agreement by and between  
NATIVIDAD MEDICAL CENTER, hereinafter referred to as "NMC"  
AND  
Pacific Medical, Inc., hereinafter referred to as "CONTRACTOR"**

This Addendum amends, modifies, and supplements the Service Agreement issued by NATIVIDAD MEDICAL CENTER ("NMC") to Pacific Medical, Inc. ("CONTRACTOR"). This Addendum has the full force and effect as if set forth within the Service Agreement. To the extent that any of the terms or conditions contained in this Addendum may contradict or conflict with any of the Service Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum shall take precedence and supersede the attached Terms.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree that the Terms will be amended, modified, and supplemented as follows:

- I. Section 3.1: During the term of this Agreement, either party may terminate the Agreement for any reason by giving written notice of termination to the other party at least thirty (30) days prior to the effective date of the termination. Such notice shall set forth the effective date of termination. In the event of such termination, all amounts due from products and services provided prior to the termination date shall be paid in full within thirty (30) days of termination date.
  
- II. Section 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 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.

## BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective May 1, 2015 ("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 Pacific Medical, Inc. ("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;

*BAA Approved by County BOS 09/16/14. Revised on 09/30/14.*

(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 thirty (30) 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:

Pacific Medical, Inc.

1700 N. Chrisman Road

Tracy, CA 95304-9314

Attn: Jim Moran

Phone: 510-676-5365

Fax: 408-564-0138

If to Covered Entity, to:

Natividad Medical Center

1441 Constitution Blvd.

Salinas, CA 93906

Attn: NMC 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.

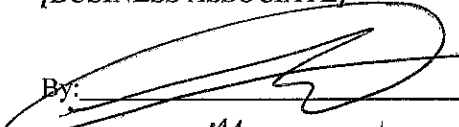
5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule 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.

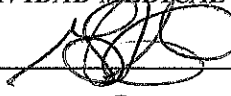
*BAA Approved by County BOS 09/16/14. Revised on 09/30/14.*

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: MARK WENTRAK  
Print Title: General Counsel  
Date: 4.13.15

**COUNTY OF MONTEREY, ON BEHALF OF  
NATIVIDAD MEDICAL CENTER**

By:   
Print Name: Gary B Gray  
Print Title: Interim CEO  
Date: 5/11/15