

**SIXTEENTH AMENDMENT TO
THE PRIMARY HOSPITAL AND
OUTPATIENT LABORATORY SERVICES AGREEMENT**

This Sixteenth Amendment to the Primary Hospital and Outpatient Laboratory Services Agreement ("Amendment") is entered into and is effective this first day of January, 2014 ("Effective Date of Amendment"), by and between the Santa Cruz-Monterey-Merced Managed Medical Care Commission, doing business as the Central California Alliance for Health, a public entity organized under the laws of the State of California, hereinafter referred to as "Plan", and Natividad Medical Center, a County Hospital, hereinafter referred to as "Contractor".

RECITALS

- A. The Santa Cruz/Monterey Managed Medical Care Commission and Contractor entered into the Primary Hospital Services Agreement effective July 1, 2007, as amended. The Agreement became the Primary Hospital and Outpatient Laboratory Services Agreement as a result of the Fifth Amendment, effective August 1, 2009.
- B. On April 22, 2009, all rights and duties of the Santa Cruz/Monterey Managed Medical Care Commission were transferred to the Santa Cruz-Monterey-Merced Managed Medical Care Commission, pursuant to California Welfare and Institutions Code Section 14087.54, Merced County Code Chapter 9.43, Monterey County Code Chapter 2.45, and Santa Cruz County Code Chapter 7.58. The Santa Cruz-Monterey-Merced Managed Medical Care Commission filed with the California Secretary of State to do business as Central California Alliance for Health, effective July 1, 2009.
- C. Both Plan and Contractor desire to change certain terms of the Agreement.
- D. Subject to any necessary approval by the State, this Amendment shall be effective on the Effective Date of Amendment set forth above.
- E. References to Sections and Exhibits below are to Sections and Exhibits, respectively, of the Agreement.

NOW, THEREFORE, the parties hereby amend the terms of the Agreement as follows:

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1. Exhibit 5, Hospital Outpatient Clinical Laboratory Incentive Program for Medi-Cal Members, shall be amended and replaced with the attached Exhibit 5, Hospital Outpatient Clinical Laboratory Incentive Program for Medi-Cal Members.
2. In all other respects, the provisions of the Agreement are ratified and reconfirmed. In the event there is any inconsistency between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control. The Agreement, as amended, is the entire agreement of the parties and supersedes all prior negotiations, proposals or understandings relating to the subject matter of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized representatives.

Plan
Central California Alliance for Health

Contractor
Natividad Medical Center

By: AMT

By: [Signature]

Print Name: Alan McKay

Print Name: Henry Wei

Title: CEO

Title: CEO

Date: 3/20/14

Date: 2/24/14

EXHIBIT 5

HOSPITAL OUTPATIENT CLINICAL LABORATORY INCENTIVE PROGRAM FOR MEDI-CAL MEMBERS

A. Introduction.

This Exhibit sets forth the terms of the hospital outpatient clinical laboratory incentive program offered to Hospitals by Plan. This program is designed to compensate Hospital outpatient clinical laboratories for reported valid HEDIS Laboratory Test Results for all Medi-Cal Members on such forms and within such times as requested by Plan, as described herein (the "Outpatient Laboratory Incentive" or the "OLI").

The OLI continues for a limited term as described in Section G of this Exhibit 5, unless it is specifically extended by mutual written agreement of the parties hereto.

B. Definitions.

For the purposes of this Exhibit, the following definitions are applicable. Additional terms are defined in other sections of this Exhibit and in the Agreement.

1. HEDIS Laboratory Test Results are a set of standardized performance measures maintained by the National Committee for Quality Assurance. These measures may change annually.
2. Technical Participation Requirements are those requirements that must be met by Contractor's outpatient clinical laboratory to ensure the confidentiality and validation of data that are received by the Plan. Therefore, Contractor's outpatient clinical laboratory must have the ability to meet the following Technical Participation Requirements:
 - a. Establish communications through the internet with the Plan's system;
 - b. Create and transmit documents in the proper format and with the required detail as determined by Plan;
 - c. Receive reports from the Plan; and
 - d. Return corrected and/or missing data, when necessary.

C. Laboratory Test Results.

Contractor shall submit the following HEDIS Laboratory Test Results for Medi-Cal Members for the outpatient laboratory procedure codes as specified in the chart below:

HEDIS Outpatient Laboratory Test	HEDIS Laboratory Procedure Code
HbA1c	CPT 83036, 83037 CPT Category II 3044F, 3045F, 3046F LOINC 4548-4, 4549-2, 17856-6, 59261-8, 62388-4, 71875-9
LDL-C	CPT 80061, 83700, 83701, 83704, 83721 CPT Category II 3048F, 3049F, 3050F LOINC 2089-1, 12773-8, 13457-7, 18261-8, 18262-6, 22748-8, 39469-2, 49132-4, 55440-2
Urine Macroalbuminuria	CPT 81000-81003, 81005 CPT Category II 3062F, 3061F LOINC 5804-0, 20454-5, 50561-0, 53525-2, 57735-3

D. Submission of Data.

Contractor's outpatient clinical laboratory shall submit valid HEDIS Laboratory Test Results to Plan, according to specific data interchange requirements of Plan, on a regular basis in a Microsoft Excel spreadsheet, CSV (comma-separated values) file format, or text file.

E. Payment.

F. OLI Payment Determination Final.

Plan's calculation of payments under the OLI shall be based upon valid HEDIS Laboratory Test Results and shall be final. Contractor acknowledges that Plan would not be willing to offer the OLI if Plan's calculation of payments under the OLI would expose Plan to increased risk of disputes and litigation arising out of Plan's calculation.

Accordingly, in consideration of Plan's agreement to offer the OLI to Contractor, Contractor agrees that Contractor will have no right to dispute Plan's determination of payments due under the OLI, including determination of valid HEDIS Laboratory Test Results.

G. Term of Hospital Outpatient Clinical Laboratory Incentive Program.

The OLI shall cover HEDIS Laboratory Test Results for those HEDIS laboratory tests performed beginning January 1, 2014 and continuing through December 31, 2014 ("OLI Term"). All HEDIS Laboratory Test Results must be submitted by January 31, 2015 in order to be compensated under the OLI.


H. Incentive Programs for Future Periods.

Plan, in its sole and absolute discretion, may implement incentive programs for the reporting of HEDIS Laboratory Test Results for periods after completion of the OLI Term. Any such programs shall be on terms determined by Plan. Until Plan and Contractor enter into a written agreement with respect to any such new incentive program extending beyond the OLI Term, no such incentive program shall be binding upon Plan.

I. Effect of Termination of Agreement.

In the event of the termination of the Agreement for any reason prior to the expiration of the OLI Term, OLI incentive payments shall be made only for those calendar quarters in which the Agreement was in effect for the full three (3) months. No OLI incentive payments shall be earned for any quarter during which the Agreement is terminated or for any future quarter.


CENTRAL CALIFORNIA ALLIANCE FOR NATIVIDAD MEDICAL CENTER
HEALTH

By: 

Print Name: Alan McKay

Title: CEO

Date: 3/13/14

By: 

Print Name: Harvey Weiss

Title: CEO

Date: 2/28/14