

**AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN AE& ASSOCIATES, LLC AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
CODING, AUDITS, ON-SITE TRAINING, AND REMOTE CODING SUPPORT SERVICES**

This Amendment No. 3 to the Services Agreement (“Agreement”) which was effective on August 1, 2019 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (“NMC”), and AE & Associates, LLC (“CONTRACTOR”); **From this point forward, the party referenced previously as “NMC” shall be referenced as “COUNTY” and collectively, COUNTY and CONTRACTOR are referred to as the “Parties” to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with AE & Associates, LLC for coding, audits, on-site training, and remote coding support services with a term August 1, 2019 through July 31, 2022 and a total Agreement amount not to exceed \$100,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend the term for an additional two (2) year period through July 31, 2024 for a revised term of Agreement (August 1, 2019 through July 31, 2024) with no change to the scope of services or billing rates, and to include Addendum No. 1 due to change in indemnity with a \$179,616 increase for a revised total Agreement amount not to exceed \$279,616; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to revise Exhibit A attached hereto as “Exhibit A-2 per Amendment No. 2” with no change to the term of Agreement (August 1, 2019 through July 31, 2024), to allow services to continue with a \$10,000 increase for a revised total Agreement amount not to exceed \$289,616; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement via Amendment No. 3 to extend it for an additional one (1) year period through July 31, 2025 for a revised term of Agreement (August 1, 2019 through July 31, 2025) to allow for services to continue with additions to the original scope of work attached hereto as “Exhibit A-3 per Amendment No. 4” with a \$400,000 increase for the added services for a total Agreement amount of \$689,616.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1 and Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. Paragraph titled, “PAYMENTS BY COUNTY” shall be amended to the following:
“COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A-2 per Amendment No. 2 plus EXHIBIT A-3 as per Amendment No. 3 attached hereto this Amendment No. 3. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of \$689,616.”

2. Section 2.4 titled, "PAYMENT CONDITIONS" shall be amended to the following:
"2.4 CONTRACTOR shall receive reimbursement for all travel expenses consistent with Monterey County Travel Expenses Policy."
3. Paragraph 3 titled, "TERMINATION" shall be amended to the following:
"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 termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall include all services provided prior to the date of termination."
3.2 Either party may cancel and terminate this Agreement for good cause effective immediately upon written notice to the other party. "Good cause" includes the failure of either party to perform the required services or payments at the time and in the manner provided under this Agreement."
4. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
"The term of this Agreement is from August 1, 2019 through July 31, 2025 unless sooner terminated pursuant to the terms of this Agreement."
5. Section 4/ Paragraph titled, "SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following:
"The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope of Services/Payment Provisions
Addendum No. 1 as per Amendment No. 1
Exhibit A-2 per Amendment No.2 SCOPE OF SERVICES AND PAYMENT PROVISIONS
Exhibit A-3: Additional Scope of Services/ Payment Provisions as per Amendment No. 3
Exhibit B: Business Associate Agreement"
6. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1 and Amendment No. 2.
7. A copy of this Amendment No. 3 shall be attached to the Agreement.
8. This Amendment No. 3 shall be effective when signed by both Parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 3 on the basis set forth in this document and have executed this Amendment No. 3 on the day and year set forth herein.

**COUNTY OF MONTEREY on behalf of
NATIVIDAD MEDICAL CENTER**

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
By: Stacy Saitta
CDECE1B99F444A8
Monterey County Deputy County Counsel

Date: 11/16/2023 | 7:08 PM PST

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EE64F57454F6
Monterey County Deputy Auditor/Controller

Date: 11/17/2023 | 7:06 AM PST

CONTRACTOR

AE & Associates, LLC

CONTRACTOR's Business Name
See instructions below

DocuSigned by:
By: Arnold T Ardevela
CB760969F587044D
(Signature of: Chair, President, or Vice-President)

Arnold T. Ardevela, CEO/President

Name and Title

Date: 10/25/2023 | 11:11 AM MST

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

Name and Title

Date: _____

*****Instructions*****

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Exhibit A-3: Revised Scope of Services/ Payment Provisions as per Amendment No. 3

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

CONTRACTOR shall provide ICD-10 Coding, Audits, On site training, remote coding support services, First (1st), Second (2nd), and Third (3rd) Level Appeals, and Charge Nurse Audits to Natividad Medical Center (“NMC”), Prunedale Clinic, and all future Natividad Medical Group (“NMG”) Clinics.

II. CONTRACTOR Obligations:

A) CONTRACTOR shall provide Natividad Medical Group Prunedale with the following services:

1. Evaluation/Management (E/M) Coding Audit; and
2. 2 days, 8 hours per day on-Site Provider Education for 5 providers (3 in person/on site and 2 via Zoom video conference), Backlog Coding of 430 records, Coder Training on Athena EMR system and audit processes, Post Training Audits of coders and providers (4 charts per coder, 6 coders max); and
3. Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (On or before 10/1/2023); and
4. Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (after 10/1/2023).

B) CONTRACTOR shall provide the following additional services are needed and as requested by COUNTY:

1. **CODING SERVICES:** CONTRACTOR shall provide support coding for the Health Information Management department in the form of:
 - 1.1 Emergency Room coding
 - 1.2 Evaluation & Management Coding
 - 1.3 Outpatient Surgery
 - 1.4 Observation
 - 1.5 Inpatient Coding
 - 1.6 Interventional Radiology/Cardiovascular Coding

Coding Type	Productivity Standard
Emergency Department Coding (<i>without E&M</i>)	7 charts / hour
Ancillary Coding	15 charts / hour
Evaluation & Management Facility Coding	TBD charts / hour
Outpatient Surgery Coding	5 charts / hour
Observation Coding	5 charts / hour
Inpatient Coding	2.25 charts/hour

2. **AUDITING SERVICES:** CONTRACTOR shall provide the following auditing services for the facility:

- 2.1 Concurrent ICD Coding Audit
- 2.2 Concurrent Medical Surgical Coding Audit
- 2.3 MS-DRG Audit
- 2.4 APC Audit
- 2.5 RAC Defense Audit
- 2.6 Nurse Defense Audit
- 2.7 Admit to Observation Audit

3. **OTHER SERVICES:** CONTRACTOR shall provide additional services but not limited to as requested by COUNTY for the following:

- 3.1 First (1st) Level Appeals
- 3.2 Second (2nd) Level Appeals
- 3.3 Third (3rd) Level Appeals
- 3.4 Charge Nurse Audits
- 3.5 Evaluation/Management (E/M) Coding Audit for Natividad Medical Group Prunedale
- 3.6 On-Side Provider Education, Backlog Coding, Coder Training, Provider Post Training Audits for Natividad Medical Group Prunedale.
- 3.7 Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (On or before 10/1/2023) for Natividad Medical Group Prunedale.
- 3.8 Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (after 10/1/2023) for Natividad Medical Group Prunedale and future specific medical groups acquired by COUNTY.

- 3.9 Trauma Registry Coding for the Natividad Medical Center Trauma Services Department with a minimum billing of 2,080 hours within 12 months of initial assignment.

III. Pricing/Fees:

A) Natividad Medical Group Prunedale Project Fees:

Type of service	Cost
Evaluation/Management (E/M) Coding Audit	\$8,000.00
2 days, 8 hours per day on-Site Provider Education for 5 providers (3 in person/on site and 2 via Zoom video conference), Backlog Coding of 430 records, Coder Training on Athena EMR system and audit processes, Post Training Audits of coders and providers (4 charts per coder, 6 coders max)	\$36,071.30
Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (On or before 10/1/2023)	4 charts per hour @ \$14.50 per chart
Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (after 10/1/2023)	6 charts per hour @ \$9.66 per chart

B) Future specific medical groups acquired by COUNTY:

Type of service	Cost
Concurrent Evaluation Management (E/M) Coding by six (6) part time coders (after 10/1/2023)	6 charts per hour @ \$9.66 per chart

C) In consideration for the services to be performed by CONTRACTOR, **COUNTY agrees to pay CONTRACTOR as follows:**

TYPE OF SERVICE	COST
Support Coding Services	
Emergency Department Coding	\$56.00 / Hour
Ancillary Coding	\$56.00 / Hour
Evaluation & Management Facility Coding	\$58.00 / Hour
Outpatient Surgery Coding	\$56.00 / Hour
Observation Coding	\$56.00 / Hour
Inpatient Coding	\$60.00 / Hour

Trauma Department Coding	\$74.00 / Hour (Minimum billable of \$153,920 within 12 months of initial appointment)
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Interventional Radiology and Cardiovascular Coding	
IR Coding (1-5 codes submitted)	\$22.00 / Encounter
IR Coding (6-10 codes submitted)	\$27.00 / Encounter
IR Coding (11-15 codes submitted)	\$35.00 / Encounter
IR Coding (16+ codes submitted)	\$50.00 / Encounter

Auditing Services	
Concurrent ICU Coding Audit	See Concurrent Pricing Chart
Concurrent Medical Surgical Coding Audit	See Concurrent Pricing Chart
MS-DRG Audit	\$53.00 / Chart
APC Audit	\$33.00 / Chart
RAC Defense Audit	\$200.00 / Chart
Nurse Defense Audit	\$30.00 / \$1,000.00 Billed
Admit to Observation Audit	TBD

Other Services	
IP Denial Appeals	TBD
Evaluation & Management Education for Coder	TBD
Peer to Peer E/M Education for Physicians	TBD
ICD-10 Education	TBD
CDI Development and Monitoring	TBD

Other Services	
First (1 st) Level Appeal –Clinical Validation/Medical Necessity	\$200.00/Hour
First (1 st) Level Appeal-Inpatient Coding/ MS-DRG Downgrade	\$225.00/Per Case
First Level Appeal	\$50 for up to two additional & \$75 for each additional diagnosis thereafter 75diagnose and
Second (2 nd) Level Appeal	\$200.00/Case

Third (3 rd) Level and Subsequent if Applicable	\$350.00/Hour (including preparation and construction of appeal letter and /or discussion with pater, medical director, or other payer representative
Nurse Charge Audit	\$200.00

Concurrent Coding	
1-3 Days	\$70.00 / Chart
4-6 Days	\$80.00 / Chart
7-10 Days	\$90.00 / Chart
11-15 Days	\$100.00 / Chart
16-20 Days	\$110.00 / Chart
21-30 Days	\$120.00 / Chart
31 and over	\$130.00 / Chart

- D) Revised total Agreement amount shall not exceed \$689,616.
- E) CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.
- F) Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.
- G) COUNTY may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.
- H) No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COUNTY.