



Monterey County Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Upon motion of Supervisor Phillips, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute a Letter of Agreement with The Advisory Board Company for a three year membership in an amount not to exceed \$204,922 for a retroactive term of December 31, 2015 through December 30, 2018.

PASSED AND ADOPTED on this 14th day of June 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas and Potter

NOES: None

ABSENT: Supervisor Parker

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on June 14, 2016.

Dated: June 15, 2016
File ID: A 16-154

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy



February 18, 2016

Daniel Leon
Chief Financial Officer
Natividad Medical Center
1441 Constitution Blvd. | PO Box 81611
Salinas, CA 93912-1611

Re: Amended and Restated Letter of Agreement ("LOA") – Health Care Advisory Board

Dear Daniel:

Thank you again for the time you have afforded us to evaluate the Health Care Advisory Board (the "**Membership**"). The Advisory Board Company (the "**Advisory Board**" or "**we**") are excited about the opportunity to work with the County of Monterey, on behalf of Natividad Medical Center ("**Member**" or "**you**") and are submitting this document for your signature to enroll your organization as a member of the Membership.

The parties hereby agree that this LOA is intended to amend, restate, and supersede the previous LOA dated December 14, 2015 in its entirety as of the date of this LOA.

I. Terms of Coverage

Under the terms of this LOA, Advisory Board research, services and materials made available to you, as described in the **Membership Overview** attached hereto as Exhibit A, are for the sole use of Member.

The following institutions are included in this LOA:

Natividad Medical Center

II. Terms of Membership

The term of your Membership will begin retroactively from December 31, 2015 and end December 30, 2018 (the "**Term**" and each year therein, a "**Year**"). The Advisory Board is pleased to provide the preferred Membership details outlined below, including your contribution amounts and membership dates. In addition, the Standard Terms of Membership attached hereto as Exhibit B and incorporated herein by reference are applicable to the Membership. The Advisory Board requests payment of the full Preferred Annual Contribution within 30 days of each Year. For those organizations that prefer to spread the Preferred Annual Contribution across the year, the Advisory Board requests an additional contribution of \$1,000 to offset carrying costs of delayed invoicing. For this contract, the Advisory Board is pleased to waive the \$1,000 delayed invoicing fee and will delay invoicing for Year 1 Preferred Annual Contribution until February 29, 2016. Preferred Annual Contribution for each Year beyond Year 1 shall increase by five percent. Membership pricing is attached hereto as Exhibit C.

II. Additional Provisions/Exhibits:

Exhibit A: Membership Overview

Exhibit B: Terms and Conditions

Exhibit C: Membership Pricing

III. Enrollment

To initiate your involvement as a member of the Membership under these terms of this LOA, please return a signed copy of this LOA no later than December 31, 2015 (after which the fees set forth above are subject to change).

The Advisory Board Company:

By: alexis Drumheller
Name: Alexis M. Drumheller
Title: Director

Natividad Medical Center

By: [Signature]
Name: Gregory Gray
Title: CEO

AB
AB return
May 25, 2016
Dep. County Counsel

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey
FJS-16

EXHIBIT A – Membership Overview

Health Care Advisory Board

The Advisory Board is a membership of over 2,800 of the country's largest and most progressive health systems. Gathering data across and beyond the membership, the Advisory Board publishes 50 major studies and more than 3,000 customized research briefs each year on progressive management and clinical practices in health care. In general, the research focuses on the best (and worst) demonstrated practices, helping member institutions benefit from one another's learning curves.

The Health Care Advisory Board is the Advisory Board Company's flagship research program, offering tools, insights, and guidance to address the most pressing issues facing hospital CEOs and their executive teams. Our principal research terrains include:

- Margin management
 - Physician partnership
 - Business model evolution
 - Care model transformation
-

2014 - 2015 Health Care Advisory Board Research Agenda

- State of the Union— The Emerging Era of Choice
- Blueprint for Growth 2020
- The Care Transformation Business Model
- The Shared Accountability Care Model

Publications and Research Briefs

- 11 Insights on Engaging Patients in Ongoing Management
- The Care Transformation Business Model
- Why a Successful Population Health Strategy Must Include Medicare Advantage
- Blueprint for Growth 2020
- How to Design a Cost-Effective Clinical Workforce

Tools and Analytics

The Health Care Advisory Board membership includes a suite of forecasting and analytical tools designed to inform future strategy and investment decisions. The suite is expanded and updated on a regular basis and our Data and Analytics Group is available on call to assist as needed. The following tools are currently available to member hospitals and health systems:

Care Transformation

- Care Transformation Capability Assessment
- Preventable Admissions Identification Assessment
- Population Health Staffing Toolkit
- Medical Home Health Coach Practice Impact Calculator

- Avoidable ED Utilization Assessment
- Regional Preventable Admissions Profiler
- Health Care Reform Crosswalk
- Clinical Integration Investment Calculator

Margin Performance

- Hospital Benchmark Generator
- Critical Access Hospital Benchmark Generator
- Customized Benchmark Portal
- Cost Reduction Opportunity Assessment
- Technology Financing Decision Support
- Staff-Generated Cost-Cutting Ideas Campaign Tool

Operational and Financial Performance

- Nursing Productivity Benchmarks
- Throughput Gap Analysis Calculation Tool
- Practice Performance Gap Analysis Workbook
- Point-of-Service Collection Opportunity Analysis
- Self-Pay Discount Calculator
- ED Overutilization Reduction Program Tool
- Credit Rating Strength Diagnostic Tool

Growth and Physical Plant

- Outpatient Market Estimator
- Inpatient Market Estimator
- Emergency Department Market Estimator
- Service Line Prioritization Toolkit
- 100-Day Volume Campaign Toolkit
- Physician Practice Acquisition Due Diligence Evaluation
- ED Treatment Space Calculator
- Bed Demand Forecaster
- Operating Room Forecaster

Payment Policy and Transformation

- Pay for Performance Assessment
- Value-Based Purchasing (VBP) Impact Assessment
- Hospital Acquired Condition (HAC) Penalty Estimator
- Readmissions Penalty Estimator
- Two Midnight Impact Assessment
- Episodic Cost Profiler
- Inpatient Bundled Payment Impact Calculator
- Customized Post-Acute Care Transfer Opportunity Assessment

- Medicare Inpatient Payment Assessment
- APC Rate Calculator

Onsite Presentation

The Health Care Advisory Board's onsite service brings a senior member of the research team to member organizations to discuss major industry trends and present our latest research. Select from a variety of topics and presentation formats. Current onsite presentation offerings include:

- The Emerging Era of Choice:
- Blueprint for Growth: *Product, Pricing, and Sales Tactics for a Retail Market for Health Care*
- The Care Transformation Business Model: 14 Tactics to Aggregate Covered Lives and Build a High-Performing Care Delivery Network
- The New Network Advantage: *Assembling the Scale, Scope, and Assets Needed to Secure Profitable Growth*
- The Consumer Oriented Ambulatory Network: *Converting Patient Preference into Durable System Advantage*
- 12 'Must-Do' Strategies for Protecting Future Margins
- Deploying the Clinical Workforce of the Future
- The High-Performance Medical Group: *From Aggregators of Employed Practices to Integrated Clinical Enterprises*
- The Care Transformation Business Model: *14 Tactics to Aggregate Covered Lives and Build a High-Performing Care Delivery Network*
- The Shared Accountability Care Model:
- Playbook for Population Health: *Lessons Learned on Operating the High-Performance Care Management Enterprise*
- The Scalable Population Health Enterprise: *Generating Clinical and Financial Returns from Cost-Effective Care Management*
- The Advanced Medical Home: *Improving Primary Care Practice Economics, Care Coordination, and Patient Engagement*
- Prioritizing Population Health Interventions: *From Data Aggregation to Actionable Insights*

Archived On-Demand Webconferences

Pulse Check on Obamacare

Big court cases. New insurance premium rates. ACO dropouts. The Affordable Care Act has been in the news a lot these past few weeks, and it isn't going anywhere.

Blueprint for Growth 2020,

Network of Choice: Win the Loyalty of Patients, Partners and Purchasers

Discover the most important takeaways from our 2014-2015 national meeting on the emerging retail health insurance market, winning consumer and employer preference, achieving ROI on population health, and engaging patients in their own care

What We Told Hospital CEOs

Discover the most important takeaways from our 2014 CEO Special Sessions on the emerging retail health insurance market, provider partnerships, and clinical network strategy.

THE ADVISORY BOARD COMPANY

STANDARD TERMS OF MEMBERSHIP

The Agreement (together with any attachments and any subsequent amendments or addenda thereto, the “LOA”) to which these Standard Terms of Membership (these “Terms”) are incorporated (collectively, the “Agreement”) constitute an agreement between the entity to which the LOA is addressed (“Member” or “County”) and The Advisory Board Company (the “Advisory Board”) regarding the services described in the LOA or in its attachments (the “Services”). Capitalized terms not otherwise defined herein will have the meanings given to them in the LOA.

1. Member-Provided Data. Member shall provide or make available to the Advisory Board the information as required pursuant to the LOA. Member acknowledges and agrees that the Advisory Board exercises no control whatsoever over the content of such information that Member so supplies to be used in connection with the Services (such information, “Member-Provided Information” or “M-P Information”).
2. Fees and Payment. Member will pay the Advisory Board fees for the Services as stated in the LOA. Unless expressly stated otherwise in the LOA, Member shall pay the Advisory Board within 30 days of receipt of a certified invoice in the Office of the Auditor-Controller. For avoidance of doubt, the Advisory Board will continue to submit a standard invoice to Member.
3. The Advisory Board will provide the following required insurance documents:
4. Insurance.
 - Evidence of Coverage:

Prior to commencement of this Agreement, the Advisory Board shall provide a “Certificate of Insurance” certifying that coverage as required herein has been obtained

This verification of coverage shall be sent to Member’s Contracts/Purchasing Department, unless otherwise directed. The Advisory Board shall not receive a “Notice to Proceed” with the work under this Agreement until it has obtained all insurance required and member has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Advisory Board.

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 member’s Contracts/Purchasing Director.

- Insurance Coverage Requirements: Without limiting member’s duty to indemnify, Advisory Board shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:
- 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)

- Business Automobile Liability Insurance, covering all motor vehicles, including 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)

- Workers' Compensation Insurance, If Advisory Board 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)

- 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 Advisory Board 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)

5. Other Insurance Requirements:

- All insurance required by this Agreement shall be with a company acceptable to member 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 Advisory Board completes its performance of services under this Agreement.
- The Advisory Board shall provide Member notice in writing at least thirty days in advance of any material reduction in coverage or limit, cancellation, or intended non-renewal thereof.
- **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 Advisory Board'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 Advisory Board's insurance.**
- Advisory Board shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement.

6. INDEMNIFICATION:

Advisory Board shall indemnify, defend, and hold harmless County, its officers, agents and employees from any claim, liability, loss injury or damage arising out of, or in connection with, the gross negligence or willful misconduct of the Advisory Board 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 Advisory Board shall reimburse the County for all costs, reasonable attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Advisory Board is obligated to indemnify, defend and hold harmless the County under this Agreement.

7. Ownership. The Advisory Board is authorized to use such M-P Information to the extent expressly authorized in these Terms. As between the parties, the Advisory Board owns all right, title and interest in and to the research, research results, tools, methods, analyses, reports, or other materials or information relating to the Services (including, without limitation, any such materials based on or incorporating M-P Information, except for the M-P Information therein) (collectively, "Materials"), the Services, the know-how, techniques or procedures used or acquired in creating the Materials or performing the Services, and any derivative works of any of the foregoing. Except as stated in these Terms, no right, license, permission or interest of any kind in the Services or Materials is intended to be given, transferred to or acquired by Member by the Agreement. Member is authorized to use such items only to the extent expressly authorized in these Terms. Upon termination of the Agreement, Member's rights to and its use of the applicable Services and Materials shall promptly cease, except that Member shall continue to be able to use, solely for internal purposes, any Materials provided to Member prior to the expiration of the term of the Agreement.
8. Confidentiality; Reference. Except as required by law or as reasonably necessary in the performance of the Services or as otherwise agreed to by Member, the Advisory Board will keep confidential any and all M-P Information. Advisory Board understands that Member is a public entity and these Standard terms of Membership and LOA will be made public unless specifically discussed with Member and noted as proprietary or confidential documents. Notwithstanding the foregoing, Member agrees that the Advisory Board shall not be obligated to maintain the confidentiality of M-P Information that is known to the Advisory Board prior to receiving the M-P Information from Member or that becomes known (independently of disclosure by Member) directly or indirectly from a source other than one having an obligation of confidentiality to Member.

The Materials are confidential to the Advisory Board and its suppliers, if any. Thus, Member shall not disseminate to, or permit the use of, and shall take reasonable precautions to prevent such dissemination or use of, Materials by any of its Personnel (as defined below) to any third party. Member may use, copy and distribute the Materials provided by the Advisory Board to Member during the term of this Agreement internally (including on a secure, password protected internal website for the benefit of Member's Personnel) at the Member site(s) specified in the LOA. In addition, except as required by law or as specifically discussed with member and noted as proprietary and confidential, Member shall not disclose the fees charged by the Advisory Board to Member to any third party, other than its Personnel or professional services providers (e.g., accountants or legal counsel) who need to know such information in order to provide their respective professional services to Member and, in each case, are bound by confidentiality obligations to Member, other than the fees as set forth in the LOA and any subsequent contractual agreement. Member shall not remove from the Materials any confidential markings, copyright notices and other similar indicia therein. For purposes of these Terms, "Personnel" means a party's officers, directors, trustees, employees and agents.

The Advisory Board may use Member's name on a list of members in Advisory Board programs.

9. Limitations on Liability. Except for the indemnification obligations set forth in Section 6 or personal injury or property damage, Member agrees that neither the Advisory Board nor its Personnel will be liable to Member for any claims, liabilities, or expenses relating to the Services, the Materials or the Agreement for an aggregate amount in excess of two (2) times the fees paid by Member to the Advisory Board pursuant to this Agreement during the 12 month period before the claim, liability, or expense arose, except to the extent finally judicially determined to have resulted from the Advisory Board's bad faith or intentional misconduct. In no event will a party or its Personnel be liable to the other party and/or its Personnel for consequential, special, indirect, incidental, punitive or exemplary loss, damage, or expense relating to the Services, the Materials or the Agreement. In addition, the Advisory Board will not be liable in respect of the following: (a) any decisions made by Member as a result of the performance of the Services or as a result of any transactions made in reliance upon any of the Materials, or (b) Member's misuse of the Services, Materials or other data provided to Member in connection with the Services.
10. Taxes. Fees are exclusive of Taxes and, Member will promptly pay or reimburse the Advisory Board for all Taxes arising out of the Agreement. For purposes of the Agreement, "Taxes" means any sales, use and other taxes (other than taxes on the Advisory Board's income), export and import fees, customs

duties and similar charges applicable to the transactions contemplated by the Agreement that are imposed by any government or other authority. Member hereby confirms that the Advisory Board can rely on the member sites in the Agreement as being the place of supply for sales tax purposes. If Member is legally entitled to an exemption from the payment of any Taxes, Member will promptly provide the Advisory Board with legally sufficient tax exemption certificates for each taxing jurisdiction for which it claims exemption. Unless otherwise prohibited by law, the Advisory Board will apply the benefits of any requested tax exemption to charges occurring under Member's account after the date the Advisory Board receives and processes such tax exemption certificates.

11. Warranties. The Advisory Board represents and warrants that it will provide the Services in a professional and workmanlike manner. Member represents and warrants that its LOA signatory is authorized enter into this Agreement on behalf of Member. EXCEPT AS EXPRESSLY PROVIDED IN THESE TERMS, THE ADVISORY BOARD MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE SERVICES AND MATERIALS AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.
12. Termination. Member represents and warrants that it has the funds available for the first year of its Membership hereunder. Member's payments to Advisory Board under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for Member's purchase of the indicated quantity of services after the first year, then Member may give not less than sixty (60) days advance written notice of this fact to Advisory Board, and the obligations of the parties under this Agreement shall terminate thereafter, unless in the meanwhile the parties enter into a written amendment modifying this Agreement. The Agreement may also be terminated by a party upon written notice to the other party if such other party (a) fails to perform any material obligation required of it under the Agreement, and such failure is not cured within 60 days of receipt of written notice thereof, or (b) files a petition for bankruptcy or insolvency, has an involuntary petition filed against it, commences an action providing for relief under bankruptcy laws, files for the appointment of a receiver, or is adjudicated a bankrupt concern. Upon termination pursuant to clause (a) of the preceding sentence by (i) the Advisory Board, all fees due to the Advisory Board under the Agreement shall promptly become due and payable and (ii) Member, the Advisory Board will waive (or refund, as applicable) a pro-rata portion of any prepaid fees for Services (i.e., fees due for Services to be performed after the termination date) and, in each case, the Advisory Board will be released from any further obligation to provide the Services.
13. Independent Contractor; Subcontractors. In performing the Services, the Advisory Board will act as an independent contractor and not as Member's employee or agent. The Advisory Board shall have the right to use third parties, including, without limitation, its affiliates, in performance of its obligations and Services hereunder.
14. Assignment; Successors. The Agreement is not assignable by either party without the other party's prior written consent, which shall not be unreasonably withheld or delayed, except that an assignment by operation of law shall not require the consent of the other party. The Agreement is binding upon, and inures to the benefit of, the parties and their respective successors and assigns.
15. Notice. Any notices under the Agreement shall be in writing and sent by overnight courier, ~~or~~ or mail-~~or~~ or ~~facsimile~~. For the Advisory Board, notice shall be sent to The Advisory Board Company, Attn: General Counsel, 2445 M Street, NW, Washington, DC 20037. For Member, notice shall be sent to: c/o Chief Financial Officer, Natividad Medical Center, 1441 Constitution Blvd., Salinas, CA 93912.
16. Entire Agreement; Amendment. The Agreement consists only of the LOA and these Terms and supersedes in its entirety all other understandings and agreements regarding the provision of the Services. This Agreement constitutes a legal, valid, binding and enforceable obligation of each party. In the event of an express conflict between any provision of these Terms and of the LOA, the provision of the LOA shall control.
17. General. The terms and conditions contained in these Terms shall govern and shall take precedence over any different or additional terms and conditions which Member may have included in any documents attached to or accompanying the LOA. Any handwritten changes on the face of this document shall be ignored and have no legal effect.

18. **Governing Law; Survival.** The Agreement is to be governed by and construed in accordance with the laws of the State of California, without regard to conflict of laws rules. Sections 3, 4, 5, 6, 7, 8, 10, 11, 12 and 13 of these Terms, and any provision of the Agreement that by its nature should survive, shall survive the expiration or termination of the Agreement.

PROPRIETARY AND CONFIDENTIAL
EXHIBIT C: PRICING