

**AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN HEALTHCARE CODING AND CONSULTING SERVICES, LLC AND
NATIVIDAD MEDICAL CENTER
FOR
US-BASED REMOTE MEDICAL RECORD CODING AND CONSULTING SERVICES**

This Amendment No. 4 to the Services Agreement (“Agreement”) which was effective on August 22, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter “NMC”), and Healthcare Coding and Consulting Services, LLC. (hereinafter “CONTRACTOR”); (collectively, the County, NMC and CONTRACTOR are referred to as the “Parties”), with respect to the following: **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 for US-based remote medical record coding and consulting services with a term August 22, 2016 through August 21, 2017 and a total Agreement amount not to exceed \$90,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on April 22, 2017 via Amendment No. 1 to extend the term for an additional two (2) year period through August 21, 2019 and to add an additional \$570,000, thereby increasing the total Agreement amount to \$660,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 29, 2019 to extend it for an additional two (2) year period through August 21, 2021 to allow for services to continue with a \$1,167,000 increase for a total Agreement amount of \$1,827,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period (August 22, 2021 through August 21, 2022) for a revised Agreement term of August 22, 2017 through August 21, 2022 to allow for services to continue with a \$450,000 increase for a total Agreement amount of \$2,277,000.

WHEREAS, the Agreement expired on August 21, 2021; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, beginning August 22, 2021 on September 21, 2021 to extend it for an additional one (1) year period (August 22, 2021 through August 21, 2022) for a revised Agreement term of August 22, 2017 through August 21, 2022 to allow for services to continue with a \$450,000 increase for a total Agreement amount of \$2,277,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement with no change to the agreement term (August 21, 2016 through August 22, 2022) with additions to the original scope of work attached hereto as “Exhibit A-4 per Amendment No. 4” with a \$300,000 increase for the added services for a total Agreement amount of \$2,577,00.

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, Amendment No.1, Amendment No. 2 and in Renewal & Amendment No. 3 incorporated herein by this reference, except as specifically set forth below.

1. Paragraph titled, "PAYMENTS BY NMC" shall be amended to the following:
"COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A-4 as per Amendment No. 4 attached hereto this Amendment No. 4. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of \$2,577,000."
2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 4 and shall continue in full force and effect as set forth in the Agreement, Amendment No. 1, Amendment No. 2 and in Renewal & Amendment No. 3.
3. A copy of this Amendment No. 4 shall be attached to the Original Agreement.
4. This Amendment No. 4 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. 4 on the basis set forth in this document and have executed this Amendment No. 4 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, Interim CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By:  _____
Monterey County Deputy County Counsel

Date: 10/19/2021

APPROVED AS TO FISCAL PROVISIONS

By:  _____
Monterey County Deputy Auditor/Controller

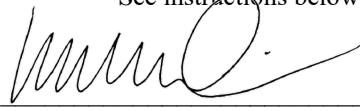
Date: 10/19/2021

CONTRACTOR

Healthcare Coding and Consulting Services, LLC


CONTRACTOR's Business Name

See instructions below

By:  _____
(Signature of: Chair, President, or Vice-President)

William D. Cronin, President
Name and Title

Date: 10/14/2021

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

Jennifer Burnham, CFO
Name and Title

Date: 10/14/2021

*****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-4 as per Amendment 4: Revised Additional Provisions and Scope of Services and Payment Provisions

Additional provisions and description of services and obligations between Healthcare Coding and Consulting Services LLC, (HCCS) and Natividad Medical Center (NMC).

1. In all instances, HCCS will be considered an Independent Contractor and will not be considered an employee or agent of Natividad Medical Center.
2. HCCS shall work with NMC to draft a "Coding Profile" that sets forth the coding procedure HCCS is to follow when coding for NMC. Coding Profile includes, but is not limited to, items such as E/M leveling, coding with or without a discharge summary, abstracting, physician querying, charge entry, and user permission requests. NMC may also use the HCCS standard hospital coding profile, which includes all usual and customary coding and abstracting elements. NMC may request modifications to the Coding Profile at any time.
3. HCCS shall assign sufficient coders to NMC account and NMC shall provide HCCS with sufficient accesses to information necessary to accurately code NMC's health records and meet turnaround time obligations. The information necessary to code said health records is determined by legal and statutory requirements, accepted industry standards, and supplemented by the Coding Profile. Upon receiving said health records, HCCS shall code said health records as set forth in the Coding Profile created by HCCS and approved by NMC. All coding shall be in compliance with all legal and statutory requirements. Medical records will be coded and returned to NMC for billing within an average of twenty-four (24) hours of their receipt by HCCS (excludes weekends and federal holidays).
4. To access and code health records, HCCS will use NMC's EHR (Meditech) and encoder (3M). HCCS coders will work within NMC's IS via VPN or Citrix environment to enter codes, abstract data, and generate charge codes as delineated in agreed upon NMC Profile.
5. HCCS warrants that the services will be performed in a good and workmanlike manner and will not be in violation of any federal or state laws, rules or regulations. The services shall conform to all CMS Medical Reporting requirements and will meet or exceed established guidelines.
6. All HCCS coders coding at NMC will be US-based and will possess current RHIA, RHIT, CCS and/or CPC coding credentials.
7. HCCS's staff of coding auditors will conduct ongoing internal audits on HCCS coders, auditing a random sample of between 3% and 6% of all accounts coded with the monthly sample size for each coder capped at 25 accounts per facility and chart type. Provided that NMC has granted the necessary access to HCCS auditors, HCCS will send monthly audit reports to NMC within 45 days of each month's end, beginning with the first full month of coding at NMC. Customized reports are available on demand. Audit reports include the accuracy of each aspect of coding (e.g., ICD-10, CPT, E/M, POA, Modifiers, DRG, APC) broken down by facility, chart type, and coder. This report will include details on coding errors and any action taken correct errors and prevent future errors. Auditors will immediately notify NMC of any coding errors that necessitate a rebill.

8. HCCS's standard for coding accuracy is 98%. If a coder scores below 95% accuracy in any month, corrective action is taken and documented in the monthly audit reports. Any time a coder falls below these levels, HCCS will increase sample size to at least 6% of the coder's total volume for the month. This larger sample size is typically focused on areas identified as weaknesses in the original audit sample. If a coder's accuracy is still below acceptable levels in the larger sample size, the coder is placed on concurrent audit status, meaning up to 100% of the coder's charts are reviewed by an auditor before the chart is finalized.
9. All HCCS Coders newly assigned to NMC will be concurrently audited by the designated account Auditor. This rate will begin at 100% and gradually reduce at the discretion of HCCS Auditor. No coder will be released from concurrent status until the HCCS Auditor is confident the coder will maintain HCCS and NMC accuracy standards. This concurrent auditing/training period is typically two weeks for coders new to HCCS and one week for established HCCS coders that are new to the NMC account.
 - a. For a period of one week following the start of new HCCS coders at NMC, average turnaround time for records assigned to new coders may exceed 24 hours, but will not exceed 48 hours; this is to accommodate the concurrent auditing process.
10. Should a payer subsequently deny any health records coded by HCCS, HCCS agrees to assist NMC in the reconsideration process. If the denial is due to a coding error, this assistance shall consist of the drafting defense for use in all necessary letters to the payer, supported by necessary documentation from the chart (provided by NMC), and consulting with NMC staff as to the best defensible position. HCCS will refund the amount paid to HCCS by NMC for coding of claims denied by payer due to coding errors.
11. Compensation: In consideration for the Services and in accordance with the schedule of payment set forth in the Pricing section of this agreement, NMC agrees to pay HCCS all undisputed amounts within thirty (30) days following satisfactory completion of the Services and NMC's receipt of an itemized invoice detailing the Services performed, date(s) of performance, and time required (if payment is on an hourly fee basis).
12. NMC has the right to audit or verify any or all of HCCS's work by any means it may deem appropriate.
13. NMC may terminate this contract at any time, without cause and with no notice. HCCS may terminate this Agreement at any time and without cause by providing 60 days' written notice.
 - a. If NMC is satisfied with HCCS services, but wishes to significantly decrease the volume of coding requested HCCS requests that NMC gives at HCCS as much notice as possible. This gives HCCS time to find alternative work for employees assigned to NMC, preventing both layoffs and the significant cost of retaining employees that have no work.
14. Non-solicitation: NMC shall not solicit or hire any employee of HCCS who has performed services for NMC under this Agreement during or within twelve (12) months following termination of this Agreement without the prior written consent of HCCS. If HCCS permits NMC to hire such employee during such prohibited time period, then NMC shall pay to HCCS a placement fee equal to 25% of such individual's starting annual salary with NMC (including any bonuses).
15. This Agreement shall define the obligations of the parties regarding the services described herein. To the extent this Agreement is inconsistent with any prior agreements between the parties, this Agreement shall control and take precedence. No oral agreements between the parties exist.



16. Payments, notices and all other written communications from NMC to HCCS shall be given either in person, by United States postage prepaid, or by email or other electronic format, addressed as follows:

William D. Cronin, CEO
HCCS
8000 Summerlin Lakes Drive, Suite 200
Fort Myers, FL 33907
email: bc@hccscoding.com
Phone: 239-443-3901

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Pricing

HCCS invoices monthly or bi-monthly (client choice) with terms of net 30. Our standard invoices are line itemed by coding type and quantity. Invoices are fully customizable to suit Natividad Medical Center’s preferences.

Coding Specialty	Chart Type	Price Per Chart
ED	ED Facility or Pro (no E/M)	\$5.40
	ED Facility or Pro (with E/M)	\$6.00
	ED Facility & Pro (with one E/M)	\$8.50
	ED Facility & Pro (with both E/Ms)	\$9.75
	Urgent Care (with E/M)	\$5.80
IP	IP	\$26.00
	IP-HD (LOS >10 or charges > \$100k)	\$50.00
	IP Rehabilitation	\$35.00
OBS	OBS - Observation	\$18.50
OP	Clinic (Diagnosis and Procedure)	\$3.50
	Clinic (Diagnosis Only)	\$2.50
	LAB	\$2.10
	ONC - Oncology	\$2.40
	RAD - Radiology	\$2.70
	RCR - Reoccurring Accounts	\$3.10
	SDS	IVR - Interventional Radiology
SDS - Same Day Surgery		\$13.50
Pro Fee*	Pro IP	\$18.25
	Pro OBS	\$13.50
	Pro SDS	\$12.50
	Pro Clinic**	\$6.50

*All Physician chart prices include appropriate E/M coding.

**Pro Clinics can be broken down by specialty.

Pricing is guaranteed for 12 months from the signature date below

HCCS will perform APR-DRG audits of IP Medi-Cal and Medi-Cal HMO charts. HCCS will ensure that the correct APR-DRG is assigned to each account – currently these charts have MS-DRG codes assigned. The price for this work is \$55 per chart.

Ninety days following the transition of NMC’s ED coding to HCCS, NMC and HCCS will meet to analyze the productivity being achieved by HCCS coders for this ED coding.

- For every percentage point beyond 10% above expected coding productivity (100 per day), HCCS will reduce the the following quarter’s invoice by 1%. In other words, if HCCS realizes a productivity level that is 15% higher than what we expected, and therefore based the per chart price on, HCCS will reduce the next quarter’s invoice for ED coding by 5%. This will be repeated every 3 months until HCCS and NMC mutually agree that it is no longer necessary.



In witness, the parties hereto have executed this agreement on the day and the year set forth below:

Healthcare Coding & Consulting Services
8000 Summerlin Lakes Drive, Suite 200
Fort Myers, FL 33907

Natividad Medical Center
1441 Constitution Boulevard
Salinas, CA 93906

Signed: 

Signed: _____

Name: William D. Cronin

Name: _____

Title: CEO

Title: _____

Date: 10/14/2021

Date: _____

