



## Monterey County Board of Supervisors

### Board Order

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1st Floor  
Salinas, CA 93901  
831.755.5066  
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A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

**Agreement No.: A-15091**

- a. Ratify the execution by the Chief Executive Officer for Natividad Medical Center of the Professional and Call Coverage Services Agreement with Monterey Anesthesia Professionals (MAP) to provide anesthesia services, for an amount not to exceed \$12,000,000 for the period January 1, 2021 to December 31, 2022; and
- b. Authorize the Chief Executive Officer for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% (\$1,200,000) of the original contract amount and do not significantly change the scope of work.

PASSED AND ADOPTED on this 26<sup>th</sup> day of January 2021, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Askew and Adams  
NOES: None  
ABSENT: None  
(Government Code 54953)

I, Valerie Ralph, 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 82 for the meeting January 26, 2021.

Dated: January 27, 2021  
File ID: A 21-017  
Agenda Item No.: 27

Valerie Ralph, Clerk of the Board of Supervisors  
County of Monterey, State of California

  
Julian Lorenzana, Deputy

**PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT**

**by and between**

**NATIVIDAD MEDICAL CENTER (“Hospital”)**

**and**

**MONTEREY ANESTHESIA PROFESSIONALS (“Contractor”)**

## PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this “**Agreement**”) is entered into as of January 1, 2021, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and MONTEREY ANESTHESIA PROFESSIONALS, a California general partnership (“**Contractor**”). County, Hospital and Contractor are sometimes referred to in this Agreement as a “**Party**” or, collectively, as the “**Parties**.”

### RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility and Level II Trauma Center located in Salinas, California in which it operates an anesthesia department (the “**Department**”) under its acute care license.

B. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (“**ED**”) and/or who are admitted as Hospital inpatients in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital’s operating room (collectively, the “**Hospital Patients**”), without regard to any consideration other than medical condition.

C. Hospital desires to retain Contractor to provide professional services and certain administrative services related to the development and operation of the Department, through qualified physicians (collectively, the “**Group Physicians**” and each, a “**Group Physician**”) and certified nurse anesthetists (collectively, the “**Group CRNAs**” and each, a “**Group CRNA**”) who are employed or otherwise engaged by Group (collectively, the “**Group Providers**” and each, a “**Group Provider**”). Each Group Physician is board certified, or is otherwise in compliance with the board certification requirements set forth in the Hospital’s medical staff (“**Medical Staff**”) bylaws, for the practice of medicine in the specialty of anesthesia (the “**Specialty**”) and is a physician duly licensed and qualified to practice medicine in the State of California (the “**State**”). Each Group CRNA is trained and/or experienced in the Specialty, or in another specialty as deemed fit by Hospital, or is otherwise in compliance with the certification requirements set forth in the Hospital’s allied health professional staff (“**Allied Health Staff**”).

D. Hospital has considered the following factors in determining the necessity and amount of compensation payable to Contractor pursuant to this Agreement:

1. The nature of Contractor’s duties as contemplated by this Agreement.
2. Contractor’s qualifications.
3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.
4. The benefits to Hospital’s community resulting from Contractor’s performance of the services described in this Agreement.

## AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

### ARTICLE I. CONTRACTOR'S OBLIGATIONS

#### 1.1 Professional Services.

(a) Contractor, through its Group Providers, shall provide the professional services described in Exhibit 1.1(a) (the "Anesthesia Services") to Hospital Patients, upon the terms and subject to the conditions set forth in this Agreement.

(b) Contractor shall provide the required number of qualified Group Providers to be available to provide Anesthesia Services within Hospital's operating rooms (the "Operating Rooms") at the minimum staffing levels and in accordance with the staffing patterns set forth in Exhibit 1.1(b) and below, as modified by mutual agreement of the Parties from time to time:

(i) One (1) qualified Group CRNA shall be physically present and available to provide Anesthesia Services within the Hospital's Labor and Delivery Suites (the "Labor and Delivery Suites") twenty-four (24) hours a day, seven (7) days per week, including all holidays; and

(ii) One (1) Group Physician shall be physically present and immediately available to provide Anesthesia Services twenty-four (24) hours per day, seven (7) days per week, including all holidays, in accordance with the Hospital's Code Trauma Policy and the following terms and conditions:

- (A) the maximum acceptable response time for Level II trauma centers is fifteen (15) minutes from patient arrival for Code Trauma for the on-call in-house Group Physician, thirty (30) minutes from patient arrival for the Group Physician providing back-up call and thirty (30) minutes for Trauma Alerts (moderate trauma);
- (B) response time means the Group Physician on-call is physically present in the trauma resuscitation room as documented by the trauma scribe on the trauma run sheet;
- (C) demonstration of the attending Group Physician's prompt arrival for patients with appropriate activation criteria must be monitored by the Hospital's trauma Performance Improvement and Patient Safety (PIPS) program by documentation of the Group Physician's arrival as documented by the trauma scribe on the trauma run document;

- (D) Group Physician on call must identify himself/herself as present to the trauma scribe;
- (E) it is Group Physician's sole responsibility to ensure his/her presence in the trauma room is documented by the trauma scribe on the trauma run sheet; and
- (F) if Group Physician's presence is not documented, Group Physician will be considered not to be present, failure to meet these time restrictions will lead to immediate removal of Group Physician from the trauma call panel by the Hospital's Trauma Director.

(c) Contractor shall schedule Group Providers by day, location, and/or case, and shall also maintain a regular system for permitting individual surgeons to reasonably request a specific Group Provider to provide Anesthesia Services, including airway management (intubations), central line insertion and acute postoperative pain management, in a manner consistent with the efficient operation of the Department and Hospital (the "**Consult Services**").

(d) Contractor shall provide one (1) Group Physician to be designated by Hospital's Trauma Director to act as the liaison to the trauma program and participate in trauma committees and be present at least fifty percent (50%) of the committee meetings.

(e) Contractor shall ensure that qualified Group Physicians are available at reasonable times in accordance with the staffing patterns set forth in Exhibit 1.1(b), for consultation with individual members of the Medical Staff (and physicians consulting with such staff members), committees of the Medical Staff, and nursing and administrative employees of Hospital, regarding Anesthesia Services.

**1.2 Teaching Services.** Contractor shall provide to Hospital those teaching services set forth in Exhibit 1.2 (collectively, the "**Teaching Services**"). Contractor shall not be separately compensated for the provision of Teaching Services under this Agreement.

**1.3 Additional Services.** Contractor shall provide to Hospital those additional services set forth in Exhibit 1.3 (the "**Additional Services**"), upon the terms and subject to the conditions set forth in this Agreement.

**1.4 Medical Director Services.**

(a) Contractor shall provide and cause, a Group Physician ("**Medical Director**") designated by Contractor and accepted by Hospital, to serve as medical director of the Department. Medical Director shall perform the duties set forth on Exhibit 1.4(a) (the "**Director Services**") and shall perform all Director Services in accordance with the Hospital Rules and upon the terms and subject to the conditions set forth in this Agreement.

(b) Contractor shall cause Medical Director to devote whatever time is necessary to effectively provide the Director Services; provided, however, that Medical Director shall perform Director Services, a minimum of twelve (12) hours per month (“**Medical Director Minimum**”). Medical Director shall allocate time to Director Services when and as needed and as reasonably requested by Hospital from time to time.

(c) Medical Director shall be solely responsible for performing the Director Services. If for any reason Medical Director: (i) fails to satisfy any of the professional standards and qualifications set forth in this Article I of this Agreement; (ii) is no longer a Group Physician; (iii) is removed from service in accordance with Section 5.7 or Section 5.8; (iv) is unable to provide the Director Services due to illness, disability, vacation or any other absence; (v) is otherwise unable to perform the Director Services; or (vi) is removed from the position of Department medical director at the written request of Hospital, then Contractor shall designate a replacement Group Physician to provide Director Services on behalf of Medical Director, subject to approval by Hospital, which approval shall not be unreasonably withheld or delayed. Contractor shall ensure that any designated replacement meets all qualifications and satisfies all obligations of Medical Director under this Agreement. Contractor shall be solely responsible for compensating any designated replacement providing Director Services pursuant to this Agreement.

(d) The Anesthesia Services, Teaching Services, Additional Services, Director Services and Consult Services are sometimes referred to collectively in this Agreement as the “**Services.**”

**1.5 Time Commitment.** Contractor shall allocate time among the Services as reasonably requested by Hospital from time to time.

**1.6 Availability.** Contractor shall ensure that one (1) or more of its Group Physicians shall be available to provide the Services on a twenty-four (24) hour per day, seven (7) day per week basis. On or before the first (1st) day of each month, Contractor shall inform Hospital of Group Physicians’ schedule of availability to perform the Services during the following month. Group Physicians shall use their best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital’s needs for the Services.

**1.7 Time Reports.** Contractor shall maintain and submit to Hospital monthly time sheets that provide a true and accurate accounting of time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as **Exhibit 1.7**. Contractor shall submit all such time sheets to Hospital no later than the tenth (10th) day of each month for Services provided during the immediately preceding month.

**1.8 Medical / Allied Health Staff.** Each Group Provider shall be a member in good standing and active on the Hospital’s Medical Staff or Allied Health Staff, as applicable, and have and maintain all clinical privileges at Hospital necessary for the performance of Group Provider’s obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), any Group Provider is not a member in good standing or active on the Medical Staff or Allied Health Staff, as applicable, or does not hold all clinical privileges at Hospital necessary for the performance of Group Provider’s obligations hereunder, such Group Provider

shall have a reasonable amount of time, which in no event shall exceed sixty (60) calendar days from the Effective Date, to obtain such membership and/or clinical privileges; provided, however, that such Group Provider diligently pursues such membership and/or clinical privileges in accordance with the normal procedures set forth in the Medical Staff bylaws; and provided, however, that, at all times, Group Provider has been granted privileges to perform the Services. Any Group Provider may obtain and maintain medical staff privileges at any other hospital or health care facility at Group Provider's sole expense.

**1.9 Professional Qualifications.** Each Group Provider shall have and maintain an unrestricted license to practice in the State. Each Group Provider shall be board certified or board eligible in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Each Group Provider shall have and maintain a valid and unrestricted United States Drug Enforcement Administration ("DEA") registration.

**1.10 Review of Office of the Inspector General ("OIG") Medicare Compliance Bulletins.** The OIG from time to time issues Medicare compliance alert bulletins. To the extent applicable to Contractor's performance under this Agreement, Contractor and each Group Provider shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

**1.11 Performance Standards.** Contractor and each Group Provider shall comply with all bylaws, Medical Staff policies, rules and regulations of Hospital and the Medical Staff (collectively, the "**Hospital Rules**"), and all protocols applicable to the Services or the Hospital (the "**Protocols**").

**1.12 Code of Conduct.** Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.12** (the "**Code**"), and agrees that Contractor and each Group Provider has been given ample opportunity to read, review and understand the Code. With respect to Contractor's and the Group Providers' business dealings with Hospital and their performance of the Services described in this Agreement, neither Contractor nor any Group Provider shall act in any manner which conflicts with or violates the Code, nor cause another person to act in any manner which conflicts with or violates the Code. Contractor and each Group Provider shall comply with the Code as it relates to their business relationship with Hospital or any Affiliate, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

**1.13 Continuing Medical Education.** Contractor shall ensure that each Group Provider participates in continuing medical education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession.

**1.14 Use of Space.** Contractor and each Group Provider shall use Hospital's premises and space solely and exclusively for the provision of the Services, except in an emergency or with Hospital's prior written consent.

**1.15 Notification of Certain Events.** Contractor shall notify Hospital in writing within twenty-four (24) hours after the occurrence of any one or more of the following events:

- (a) Contractor or any Group Provider becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by: Medicare and Medicaid programs or any other Federal health care program, as defined at 42 U.S.C. Section 1320a-7b(f) (collectively, the “**Federal Health Care Programs**”) or state equivalent, any state’s medical board, any agency responsible for professional licensing, standards or behavior, or any medical staff;
- (b) the medical staff membership or clinical privileges of any Group Provider at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;
- (c) any Group Provider becomes the subject of any suit, action or other legal proceeding arising out of Contractor’s professional services;
- (d) any Group Provider voluntarily or involuntarily retires from the practice of medicine;
- (e) any Group Provider’s license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;
- (f) Contractor or any Group Provider is charged with or convicted of a criminal offense;
- (g) Contractor changes the location of Contractor’s office;
- (h) any act of nature or any other event occurs which has a material adverse effect on Contractor’s or any Group Provider’s ability to provide the Services; or
- (i) Contractor or any Group Provider is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

**1.16 Representations and Warranties by Contractor.** Contractor represents and warrants that: (a) no Group Provider’s license to practice in any state has ever been suspended, revoked or restricted; (b) neither Contractor nor any Group Provider has ever been reprimanded, sanctioned or disciplined by any licensing, certification or medical specialty board, as applicable; (c) neither Contractor nor any Group Provider has ever been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) no Group Provider has ever been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) no Group Provider’s medical staff or allied health staff membership, as applicable, or clinical privileges at any hospital or health care facility have ever been suspended, limited or revoked for a medical disciplinary cause or reason; and (f) no Group Provider has ever been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.



**1.17 Nondiscrimination.** Neither Contractor nor any Group Provider shall differentiate or discriminate in performing the Services on the basis of race, religion, creed, color, national origin, ancestry, sex, physical disability, mental disability, medical condition, marital status, age, sexual orientation or payor, or on any other basis prohibited by applicable law.

**1.18 Exclusive Services.**

(a) During the term of this Agreement, Hospital shall not, employ or contract with any person or entity other than Contractor to provide Professional Services in the Specialty, except with respect to pain management services. Nothing in this Section is intended or shall be construed to preclude Hospital from granting clinical privileges to any other physician or physicians consistent with the Hospital Rules that would permit such physician or physicians to provide professional services.

(b) In the event Contractor fails to or notifies Hospital that it is reasonably anticipated to be unable to provide staffing and/or coverage in accordance with the terms and conditions of this Agreement, Hospital shall have the right, at its option and notwithstanding any provision of this Agreement to the contrary, to make alternative arrangements for the provision of the Professional Services. Hospital's rights under this Section shall not (i) relieve Contractor of its obligations under this Agreement, (ii) affect Hospital's right to terminate this Agreement, or (iii) adversely affect Hospital's right to seek indemnity as a result of the breach of this Agreement by Contractor.

**1.19 Compliance with Grant Terms.** If this Agreement has been or will be funded with monies received by Hospital or County pursuant to a contract with the state or federal government or private entity in which Hospital or County is the grantee, Contractor and Group Providers shall 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, Hospital shall deliver a copy of said contract to Contractor at no cost to Contractor.

**1.20 Medical Records and Claims.**

(a) Contractor shall ensure that each Group Provider prepares complete, timely, accurate and legible medical and other records with respect to the services and treatment furnished to patients, in accordance with the Hospital Rules, federal and state laws and regulations, and standards and recommendations of such nationally recognized accrediting organization as Hospital designates from time to time. All such information and records relating to any patient shall be: (i) prepared on forms developed, provided or approved by Hospital; (ii) the sole property of Hospital; and (iii) maintained at Hospital in accordance with the terms of this Agreement and for so long as is required by applicable laws and regulations.

(b) Contractor shall maintain and upon request provide to patients, Hospital, and state and federal agencies, all financial books and records and medical records and charts as may be necessary for Contractor and/or Hospital to comply with applicable state, federal, and local laws and regulations and with contracts between Hospital and third party payors. Contractor shall cooperate with Hospital in completing such claim forms for patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors. Contractor shall retain all such records and information for at least ten (10) years following the expiration or termination of this Agreement. This Section 1.20(b) shall survive the expiration or termination of this Agreement.

**1.21 Records Available to Contractor.** Both during and after the term of this Agreement, Hospital shall permit Contractor and Contractor's agents to inspect and/or duplicate, at Contractor's sole cost and expense, any medical chart and record to the extent necessary to meet Contractor's professional responsibilities to patients, to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, and/or to fulfill requirements pursuant to provider contracts to provide patient information; provided, however, such inspection or duplication is permitted and conducted in accordance with applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Contractor shall be solely responsible for maintaining patient confidentiality with respect to any information which Contractor obtains pursuant to this Section.

**1.22 Response Times.** Contractor shall ensure that any and all Group Providers shall be promptly available and respond in person to a request for an emergency evaluation by the attending physician or any other Hospital physician within a response time frame as required by the patient's medical condition and in accordance with the Hospital Rules and ACS Requirements for a Level II Trauma Center.

**1.23 Group Providers.**

(a) Contractor shall employ, contract with, or otherwise engage Group Providers. Contractor has initially engaged those Group Providers listed (and identified by NPI number) on Exhibit 1.24(a) to provide the Services, which Group Providers are hereby approved and accepted by Hospital.

(b) Contractor may from time to time engage one (1) or more additional Group Providers (including locum tenens physicians) to provide the Services under this Agreement, subject to Hospital's prior written approval, which approval may be given, withheld or conditioned by Hospital in its sole discretion. In the event Hospital withholds approval with respect to any additional Group Provider, such Group Provider shall not be entitled to any "fair hearing" or any other hearing or appellate review under any provision of the Medical Staff Bylaws, unless Hospital determines that the withholding of approval is reportable to any state's medical board or other agency responsible for professional licensing, standards or behavior.

(c) Contractor shall ensure that, during the term of this Agreement, any and all Group Providers (including locum tenens physicians) providing the Services satisfy the professional standards and qualifications set forth in this Article I of this Agreement.

(d) Contractor shall provide prompt written notice to Hospital in the event any Group Provider resigns, is terminated by Contractor, or otherwise ceases to provide the Services.

(e) Contractor shall ensure that the Services are performed only [on the Hospital's premises] by Group Providers who have been approved and accepted by Hospital, and have not been removed in accordance with this Agreement.

(f) Contractor shall cause each Group Provider providing the Services to comply with all obligations, prohibitions, covenants and conditions imposed on Contractor pursuant to this Agreement. Contractor shall cause each Group Provider to execute and deliver to Hospital a letter of acknowledgment in the form attached as Exhibit 1.24(f) prior to providing any Services under this Agreement

## **ARTICLE II. COMPENSATION**

**2.1 Compensation.** Hospital shall pay to Contractor the amount determined in accordance with Exhibit 2.1 (the "**Compensation**"), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of Twelve Million Dollars (\$12,000,000).

**2.2 Billing and Collection.** Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Patients by Contractor or any Group Provider under this Agreement. Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such Professional Services.

(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all Anesthesia Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims, demands and rights of Contractor for any and all Anesthesia Services rendered by Contractor pursuant to this Agreement.

(b) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to Anesthesia Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to Anesthesia Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(c) **Hospital as Exclusive Source for Compensation for Anesthesia Services.** Contractor shall seek and obtain compensation for the performance of Anesthesia Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or

charge of any type against any Hospital patient or any other person or entity for Anesthesia Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor or any Group Provider for Anesthesia Services rendered by Contractor or any Group Provider pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for Anesthesia Services rendered by Contractor or any Group Provider pursuant to this Agreement.

(d) **Joint and Several Liability.** Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to Anesthesia Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(e) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Anesthesia Services rendered by Contractor to Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services.

### **2.3 Third Party Payor Arrangements.**

(a) Contractor shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations.

(b) To enable Hospital or the Clinic to participate in any third party payor arrangement, Contractor shall, not more than ten (10) business days following Hospital's request:

- (i) Initiate enrollment as a provider (if required by the third party payor), separate from Hospital and Clinic, with any third party payor or intermediate organization (including any independent practice association) (each, a "**Managed Care Organization**") designated by Hospital for the provision of Professional Services to Hospital patients covered by such Managed Care Organization;
- (ii) Complete any documents (e.g., CAQH Universal Provider Datasource form) as may be reasonably necessary or appropriate to effectuate enrollment;
- (iii) Enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision

of Professional Services to Hospital patients covered by such Managed Care Organization; and/or

- (iv) Enter into a written agreement with Hospital regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization.

### **ARTICLE III. INSURANCE AND INDEMNITY**

**3.1 Evidence of Coverage.** 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. This verification of coverage shall be sent to Hospital's Medical Staff Office, 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 Hospital has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

**3.2 Qualifying Insurers.** All coverages 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 Hospital's Contracts/Purchasing Director.

**3.3 Insurance Coverage Requirements.** Without limiting Contractor's or Group Provider's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

(a) **Professional liability insurance,** covering Contractor and each Group Provider with coverage of not less than One-Million Dollars (\$1,000,000) per Provider per occurrence and Three-Million Dollars (\$3,000,000) per Provider in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors or omissions made in the course of rendering services under this Agreement. If any professional liability insurance covering Contractor and Group Provider is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor and Group Provider shall either continue such coverage or obtain extended reporting coverage ("**Tail Coverage**"), as appropriate, upon the occurrence of any of the following: (i) termination or expiration of this Agreement; (ii) change of coverage if such change shall result in a gap in coverage; or (iii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until the greater of: (a) three (3) years or (b) the longest statute of limitations for professional and general liability for acts committed has expired. All insurance required by this

Agreement shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State.

(b) **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 One Million Dollars (\$1,000,000) per occurrence.

Exemption/Modification (Justification attached; subject to approval).

(c) **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 One Million Dollars (\$1,000,000) per occurrence.

Exemption/Modification (Justification attached; subject to approval).

(d) **Workers' Compensation Insurance**, if Contractor employs others in the performance of this Agreement, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than One Million Dollars (\$1,000,000) each person, One Million Dollars (\$1,000,000) each accident and One Million Dollars (\$1,000,000) each disease.

Exemption/Modification (Justification attached; subject to approval).

**3.4 Other Insurance Requirements.** All insurance required by this Agreement shall be with a company acceptable to Hospital and issued and executed by an admitted insurer authorized to transact insurance business in the State. 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 (3) years following the date Contractor and Group Providers complete their performance of services under this Agreement.

Each liability policy shall provide that Hospital shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor, Group Providers, 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.

*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.*

The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by Hospital, Contractor shall file certificates of insurance with Hospital's Medical Staff Office, 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 (5) 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.

Contractor and each Group Provider 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 Hospital, annual certificates to Hospital's Medical Staff Office. If the certificate is not received by the expiration date, Hospital shall notify Contractor and Contractor shall have five (5) 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 Hospital, at its sole discretion, to terminate the Agreement immediately.

### **3.5 Right to Offset Insurance Costs.**

(a) In the event that Contractor does not purchase or otherwise have the liability insurance set forth in this Section at any time during the term of this Agreement, and without limiting any rights or remedies of County, County may at its option and within its sole discretion provide the liability insurance required by this Section and continue to pay the premiums therefore. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the compensation due to Contractor under this Agreement, in addition to such other rights or privileges as County may have at law or in equity.

(b) The County's option to provide such insurance and to offset the compensation otherwise due to the Contractor shall also apply to the "Tail Coverage" referenced in Section 3.3, including for general liability if during the term of the Agreement such coverage has been written on a claims made basis, which is required to remain effective after the expiration or termination of this Agreement for any reason.

### **3.6 Indemnification.**

(a) **Indemnification by Contractor.** Contractor and each Group Provider shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's or Group Providers' performance

of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "Contractor's performance" includes Contractor's and Group Providers' acts or omissions and the acts or omissions of Contractor's officers, employees, agents and subcontractors.

(b) **Indemnification by County.** County agrees to defend, indemnify, and hold harmless Contractor and Group Providers, to the extent permitted by applicable law, from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damages, injury or death arising out of or connected with any negligent act or omission or willful misconduct of County or any of its agents or employees.

**3.7 Indemnification for Timely Payment of Tax Contributions.** It is expressly agreed by the Parties hereto that no work, act, commission or omission of Contractor or any Group Provider shall be construed to make or render Contractor or any Group Provider the agent, employee or servant of County. Contractor and each Group Provider agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against County or Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or independent contractors.

**3.8 Hospital Services.** Hospital shall retain professional and administrative responsibility for the operation of the Hospital and/or Clinic, as and to the extent required by Title 22, California Code of Regulations, Section 70713. Hospital's retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Contractor under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in this Article III.

**3.9 Survival of Obligations.** The Parties' obligations under this Article III shall survive the expiration or termination of this Agreement for any reason.

#### ARTICLE IV.

#### **RELATIONSHIP BETWEEN THE PARTIES**

##### **4.1 Independent Contractor.**

(a) Contractor and each Group Provider is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's and Group Provider's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Contractor or Hospital and any Group Provider. No Group Provider shall hold himself or herself out as an officer, agent or employee of Hospital, and shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) If the Internal Revenue Service ("IRS") or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor or any Group Provider with respect to County, the Parties hereto mutually agree that: (i) each shall



inform the other Party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the taxing agency, regardless of who initiated such discussions or negotiations. In the event the taxing agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement effective immediately upon written notice. In the event of such termination, the Parties remain free to negotiate an employer/employee contract with any Group Provider.

**4.2 Limitation on Control.** Hospital shall neither have nor exercise any control or direction over Contractor's or any Group Provider's professional medical judgment or the methods by which Contractor or any Group Provider performs professional medical services; provided, however, that Contractor and Group Providers shall be subject to and shall at all times comply with the Protocols and the bylaws, guidelines, policies and rules applicable to other members of the Medical Staff.

**4.3 Practice of Medicine.** Contractor and Hospital acknowledge that Hospital is neither authorized nor qualified to engage in any activity which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, Hospital in this Agreement is construed or deemed to constitute the practice of medicine, the performance of such act or service by Hospital shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

**4.4 No Benefit Contributions.** Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor, Contractor shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

**4.5 Referrals.** Contractor and the Group Providers shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor or the Group Providers best qualified to deliver medical services to any particular patient; provided; however, that neither Contractor nor any Group Provider shall refer any Hospital patient to any provider or health care services which either Contractor or any Group Provider knows or should have known is excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program or state equivalent. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor or Hospital and the Group Providers, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to Hospital or any Affiliate. In the event that any governmental agency, any court or any other judicial body of competent jurisdiction, as applicable, issues an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either Party may at its option

terminate this Agreement with three (3) days' notice to the other Party. Contractor's rights under this Agreement shall not be dependent in any way on the referral of patients or business to Hospital or any Affiliate by Contractor, Group Provider or any person employed or retained by Contractor.

**4.6 Form 1099 or W-2.** If required to do so under applicable law, Hospital shall issue an Internal Revenue Service Form 1099 or Form W-2 to Contractor.

**4.7 Contractor Compensation Arrangements.** Contractor represents and warrants to Hospital that the compensation paid or to be paid by Contractor to any Provider is and will at all times be fair market value for services and items actually provided by such Provider, not taking into account the value or volume of referrals or other business generated by such Provider for Hospital or any Affiliate. Contractor further represents and warrants to Hospital that Contractor has and will at all times maintain a written agreement with each Provider receiving compensation from Contractor.

**4.8 Cooperation.**

(a) The Parties recognize that, during the term of this Agreement and for an undetermined time period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties hereby agree to cooperate in good faith, using their best efforts, to address such risk management and legal issues, claims, or actions.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an "**Action**") arises with a third party wherein both the Parties are included as defendants, each Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each Party shall make every reasonable attempt to include the other Party in any settlement offer or negotiations. In the event the other Party is not included in the settlement, the settling Party shall immediately disclose to the other Party in writing the acceptance of any settlement and terms relating thereto, if allowed by the settlement agreement.

(c) Contractor shall cooperate with the individual designated by Hospital to have principal responsibility for the administration and operation of the Hospital and/or Clinic. Such cooperation shall include supervision, selection, assignment, and evaluation of personnel; management and direction of equipment maintenance; development of budgets; and oversight of the acquisition of materials, supplies, and equipment.

(d) Contractor shall assist Hospital, as reasonably requested by Hospital, in Hospital's compliance with applicable laws and the standards, requirements, guidelines and recommendations of any governing or advisory body having authority to set standards relating to

the operation of Hospital, or any nationally recognized accrediting organization that Hospital designates from time to time.

**4.9 Contractor's Performance.** County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within Hospital.

**4.10 Right of Inspection.** Upon reasonable prior written notice, Hospital and County officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor or any Group Provider to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of Hospital or Contractor.

**4.11 Access to and Audit of Records.** Hospital 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 of Ten Thousand Dollars (\$10,000), the Parties may be subject, at the request of Hospital or as part of any audit of Hospital, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

## **ARTICLE V.** **TERM AND TERMINATION**

**5.1 Term.** This Agreement shall become effective on January 1, 2021 (the "Effective Date"), and shall continue until December 31, 2022 (the "Expiration Date"), subject to the termination provisions of this Agreement.

**5.2 Termination by Hospital.** Hospital shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

(a) breach of this Agreement by Contractor or any Group Provider where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) neglect of professional duty by Contractor or any Group Provider in a manner that poses an imminent danger to the health or safety of any individual, or violates Hospital's policies, rules or regulations;

(c) there is a "substantial change" in Contractor which has not received prior written approval or subsequent ratification by Hospital. The retirement, withdrawal, termination, or suspension of one (1) or more Group Providers of Contractor at any time during the term of this Agreement shall be considered to be a "substantial change" in Contractor only if there is a reduction in hours equivalent to in excess of one full-time Group Provider. Notwithstanding anything in the foregoing to the contrary, the retirement, withdrawal, termination, or suspension of any single Group Provider of Contractor shall not constitute a "substantial change" in Contractor as that term is used herein;

(d) breach by Contractor or any Group Provider of any HIPAA Obligation (as defined in Exhibit 6.3);

(e) Contractor makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law of any jurisdiction;

(f) the insurance required to be maintained by Contractor under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or Contractor) for any reason, and Contractor has not obtained replacement coverage as required by this Agreement prior to the effective date of such termination, reduction, non-renewal or cancellation;

(g) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(h) upon a sale of all or substantially all assets comprising Hospital's acute care hospital facility, any change of control in Hospital's organization, or any change in control of its day to day operations, whether through a membership change or by management contract. Hospital shall notify Contractor in writing of such sale or change of control at least thirty (30) days prior to the closing date of any such sale or the effective date of any such change of control.

**5.3 Termination by Contractor.** Contractor shall have the right to terminate this Agreement upon breach of this Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Contractor gives written notice of the breach to Hospital.

**5.4 Termination or Modification in the Event of Government Action.**

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate ten (10) calendar days after one Party notifies the other of such fact.

(c) For the purposes of this Section, "**Government Action**" shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to Hospital, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

(i) revoke or jeopardize the status of any health facility license granted to Hospital or any Affiliate of Hospital;

- (ii) revoke or jeopardize the federal, state or local tax-exempt status of Hospital or any Affiliate of Hospital, or their respective tax-exempt financial obligations;
- (iii) prevent Contractor or any Group Provider from being able to access and use the facilities of Hospital or any Affiliate of Hospital;
- (iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if Contractor or any Group Provider referred patients to Hospital or any Affiliate of Hospital;
- (v) prohibit Hospital or any Affiliate of Hospital from billing for services provided to patients referred to by Contractor or any Group Provider;
- (vi) subject Hospital or Contractor, any Group Provider, or any Affiliate of Hospital, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or
- (vii) jeopardize Hospital's full accreditation with any accrediting organization as Hospital designates from time to time.

(d) For the purposes of this Agreement, "**Affiliate**" shall mean any entity which, directly or indirectly, controls, is controlled by, or is under common control with Hospital.

**5.5 Termination without Cause.** Either Party may terminate this Agreement without cause, expense or penalty, effective one hundred twenty (120) calendar days after written notice of termination is given to the other Party.

**5.6 Effect of Termination or Expiration.** Upon any termination or expiration of this Agreement:

(a) all rights and obligations of the Parties shall cease except: (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement (ii) those rights and obligations which expressly survive termination or expiration of this Agreement; (iii) Contractor's obligation to continue to provide services to Hospital patients under Contractor's and Group Providers' care at the time of expiration or termination of this Agreement, until the patient's course of treatment is completed or the patient is transferred to the care of another Provider;

(b) upon Hospital's request, Contractor and any Group Provider shall immediately vacate the premises, removing any and all of Contractor's and Group Providers'

personal property, and Hospital may remove and store, at Contractor's expense, any personal property that either Contractor or any Group Provider has not so removed;

(c) Contractor and Group Providers shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, in Contractor's or Group Providers' possession or under Contractor's or Group Providers' control;

(d) Contractor and Group Providers shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of the Services, or interferes in any way with any relationship between Hospital and any other person or entity who may be engaged to provide the Services to Hospital;

(e) The expiration or termination of this Agreement shall not entitle Contractor or Group Providers to the right to a "fair hearing" or any other similar rights or procedures more particularly set forth in the Medical Staff bylaws or otherwise; and

(f) This Section 5.6 shall survive the expiration or termination for any reason of this Agreement.

**5.7 Immediate Removal of Group Providers.** Contractor shall immediately remove any Group Provider from furnishing Services under this Agreement who:

(a) has his or her Medical Staff membership or clinical privileges at Hospital terminated, suspended, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(b) has his or her license to practice medicine in the State, DEA registration denied, suspended, restricted, terminated, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(c) is convicted of a felony, a misdemeanor involving fraud, dishonesty, or moral turpitude, or any crime relevant to Professional Services or the practice of medicine;

(d) is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent;

(e) fails to satisfy any of the standards and qualifications set forth in Sections 1.8, 1.9, 1.11 and 1.13 of this Agreement; or

(f) fails to be covered by the professional liability insurance required to be maintained under this Agreement.

**5.8 Removal of Group Providers upon Hospital Request.** Upon written request by Hospital, Contractor shall immediately remove any Group Provider from furnishing Services under this Agreement who:

(a) engages in conduct that, in Hospital's good faith determination, jeopardizes the mental or physical health, safety or well-being of any person or damages the reputation of Hospital;

(b) fails to comply with any other material terms or conditions of this Agreement after being given written notice of that failure and a reasonable opportunity to comply;

(c) is unable to perform services as required under this Agreement for more than thirty (30) days in the aggregate over any three (3) month period; or

(d) within a twelve (12) month period, has two (2) or more medical malpractice judgments filed against him or her, or he or she becomes the subject of two (2) or more proceedings by the Medical Staff regarding the performance of professional medical services.

**5.9 Effect of Removal.** Upon the removal of a Group Provider pursuant to Section 5.7 or Section 5.8 of this Agreement, Contractor shall employ, contract with, or otherwise engage, at its cost and expense, a qualified substitute for the removed Group Provider, or shall demonstrate to Hospital's satisfaction Contractor's ability to continuously perform the Services without such a substitute. Failure to take such action shall constitute a material breach of this Agreement, subject to Section 5.2. Nothing herein shall be construed to limit Hospital's rights under Section 5.2 or any other provision of this Agreement.

**5.10 Return of Property.** Upon any termination or expiration of this Agreement, Contractor shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, which is in Contractor's or any Group Provider's possession or under Contractor's or any Group Provider's control.

**5.11 Termination or Amendment in Response to Reduction of Government Funding.** Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the County for services that are to be provided under this Agreement, County, in its sole and absolute discretion after consultation with the Contractor, may elect to terminate this Agreement by giving written notice of termination to Contractor effective immediately or on such other date as County specifies in the notice. Alternatively, County and Contractor may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

## **ARTICLE VI. GENERAL PROVISIONS**

**6.1 Amendment.** This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties and attached to this Agreement.

**6.2 Assignment.** This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Contractor. Contractor shall be solely responsible for providing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement. Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

**6.3 Compliance with HIPAA.** Contractor and Group Providers shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, "**HIPAA**," the obligations collectively referred to herein as "**HIPAA Obligations**"), as set forth in **Exhibit 6.3**. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

**6.4 Compliance with Laws and Accreditation.** Contractor and Group Providers shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, "**Laws**") applicable to Contractor and Group Providers, the provision of the Services, or the obligations of Contractor and Group Providers under this Agreement, including without limitation laws that require Contractor or any Group Provider to disclose any economic interest or relationship with Hospital, the Emergency Medical Treatment and Active Labor Act and the rules and regulations thereunder ("**EMTALA**"), and California Health and Safety Code Section 1317 and the rules and regulations thereunder ("**Health and Safety Code §1317**"). Contractor shall perform and handle all patient transfers and reports in accordance with applicable Laws, including EMTALA, and Health and Safety Code §1317. Contractor and Group Providers shall take actions necessary to ensure that the Hospital and/or Clinic are operated in accordance with; all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

**6.5 Compliance with Medicare Rules.** To the extent required by law or regulation, Contractor shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, a copy of this Agreement and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Hospital of the nature and scope of such request, and Contractor shall make available, upon written request of Hospital, all such books, documents or records. Contractor shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. This Section shall survive the expiration or termination for any reason of this Agreement.



If Contractor carries out any of the duties of the contract through a subcontract, with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of ten (10) years after the furnishing of such Services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary, or upon request by the Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

#### **6.6 Confidential Information.**

(a) During the term of this Agreement, Contractor and Group Providers may have access to and become acquainted with Trade Secrets and Confidential Information of the other Party. "Trade Secrets" includes information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. "Confidential Information" includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that one Party discloses or otherwise makes available in any manner to the other Party (including any of Contractor's Group Providers), or to which such Party (including Contractor's Group Providers) may gain access in the performance of the Services under this Agreement, or which a Party knows or has reason to know is confidential information of the other Party; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of a Party, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession

(b) Confidential Information shall be and remains the sole property of the Party that produced or created such Confidential Information, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Neither Party shall use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of the other Party. Contractor and Group Providers, on the one hand, and Hospital on the other, shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor and any Group Provider protects his, her, or its own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that Contractor and Group Providers prepare, or Confidential Information that might be given to Contractor in the course of providing Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Each Party shall return to the other Party all Confidential Information and all copies thereof in such Party's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of the other Party upon termination or expiration of this Agreement. Neither Party shall copy, duplicate or reproduce any Confidential Information without the prior written consent of the other Party.

(d) This Section shall survive the expiration or termination of this Agreement.

**6.7 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

**6.8 Disclosure of Interests.** Contractor or any Group Provider shall provide to Hospital, as requested by Hospital from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, or any of Contractor's or any Group Provider's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. This Section shall not impose on Hospital any disclosure or reporting requirements or obligations imposed on Contractor or any Group Provider under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor and Group Providers shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

**6.9 Dispute Resolution.** In the event of any dispute, controversy, claim or disagreement arising out of or related to this Agreement or the acts or omissions of the Parties with respect to this Agreement (each, a "Dispute"), the Parties shall resolve such Dispute as follows:

(a) **Meet and Confer.** The Parties shall, as soon as reasonably practicable, but in no case more than ten (10) days after one Party gives written notice of a Dispute to the other Party (the "Dispute Notice"), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties (the "Meet and Confer"). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws.

(b) **Arbitration.** If any Dispute is not resolved to the mutual satisfaction of the Parties within ten (10) business days after delivery of the Dispute Notice (or such other period as may be mutually agreed upon by the Parties in writing), the Parties shall submit such Dispute to arbitration conducted by Judicial Arbitration and Mediation Services, Inc. ("JAMS"), or other arbitration and/or mediation services company as agreed to by the Parties, in accordance with the following rules and procedures:

(i) Each Party may commence arbitration by giving written notice to the other Party demanding arbitration (the "Arbitration Notice").

The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the Party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

- (ii) The arbitration shall be conducted in the County in which the Hospital is located and in accordance with the commercial arbitration rules and procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.
- (iii) The arbitration shall be conducted before a single impartial retired member of the JAMS panel of arbitrators (or panel of arbitrators from such other arbitration company as mutually agreed to by the Parties) covering the County in which the Hospital is located (the “Panel”). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the Panel, and those arbitrators shall select a single impartial arbitrator from the Panel to serve as arbitrator of the Dispute.
- (iv) The Parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each Party shall have the right to conduct no more than four (4) depositions and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions and up to two (2) requests for production documents.
- (v) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or modify the limitation on the discovery rights of the Parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the

arbitrator and mailed to each of the Parties and their respective legal counsel.

- (vi) Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State.
- (vii) The fees and costs of JAMS (or other arbitration company as mutually agreed to by the Parties) and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the Parties, unless otherwise agreed to by the Parties.
- (viii) Except as set forth in Section 6.9 (b)(vii), each Party shall be responsible for the costs and expenses incurred by such Party in connection with the arbitration, including its own attorneys' fees and costs; provided, however, that the arbitrator shall require one Party to pay the costs and expenses of the prevailing Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration if the arbitrator determines that the claims and/or position of a Party were frivolous and without reasonable foundation.

(c) **Waiver of Injunctive or Similar Relief.** The Parties hereby waive the right to seek specific performance or any other form of injunctive or equitable relief or remedy arising out of any Dispute, except that such remedies may be utilized for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Except as expressly provided herein, upon any determination by a court or by an arbitrator that a Party has breached this Agreement or improperly terminated this Agreement, the other Party shall accept monetary damages, if any, as full and complete relief and remedy, to the exclusion of specific performance or any other form of injunctive or equitable relief or remedy.

(d) **Injunctive or Similar Relief.** Notwithstanding anything to the contrary in this Section, the Parties reserve the right to seek specific performance or any other form of injunctive relief or remedy in any state or federal court located within the County in which the Hospital is located for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Contractor hereby consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the Laws of any other state to object to jurisdiction within the State, and consents to the service of process in any such action or proceeding, in addition to any other manner permitted by applicable Law, by compliance with the notices provision of this Agreement. The non-prevailing Party in any such action or proceeding shall pay to the prevailing Party reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs and the fees and costs of experts and

consultants. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction), whether or not the action or proceeding proceeds to final judgment or award.

(e) **Survival.** This Section shall survive the expiration or termination of this Agreement.

**6.10 Entire Agreement.** This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

**6.11 Exhibits.** The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated by reference into this Agreement, wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

**6.12 Force Majeure.** Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

**6.13 Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State.

**6.14 Headings.** The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

**6.15 Litigation Consultation.** Contractor shall ensure that no Group Provider accepts consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against Hospital or any Affiliate named, or expected to be named as a defendant. Contractor shall ensure that no Group Provider accepts similar consulting assignments if (a) the defendants or anticipated defendants include a member of the medical staff of Hospital or any Affiliate, and (b) the matter relates to events that occurred at Hospital or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which a Group Provider served as a treating Provider.

**6.16 Master List.** The Parties acknowledge and agree that this Agreement, together with any other contracts between Hospital and Contractor, will be included on the master list of physician contracts maintained by Hospital.

**6.17 Meaning of Certain Words.** Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

**6.18 New Group Providers.** Each new Group Provider shall agree in writing to be bound by the terms of and conditions of this Agreement.

**6.19 No Conflicting Obligations.** Contractor represents and warrants that the execution and delivery of this Agreement and the performance of its obligations hereunder do not and will not: (a) present a conflict of interest or materially interfere with the performance of Contractor's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation to which Contractor is a party or by which Contractor is bound. Contractor shall immediately inform Hospital of any other agreements to which Contractor is a party that may present a conflict of interest or materially interfere with performance of Contractor's or Group Providers' duties under this Agreement.

**6.20 No Third Party Beneficiary Rights.** The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

**6.21 Notices.** All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice shall be deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to:

If to Hospital, addressed to:

NATIVIDAD MEDICAL CENTER  
1441 Constitution Blvd., Bldg. 300  
Salinas, California 93906  
Attention: Physician Services

If to Contractor, addressed to:

MONTEREY ANESTHESIA PROFESSIONALS  
1522 Constitution Blvd, #123  
Salinas, CA 93905  
Attn: Amish Shah, M.D.

**6.22 Participation in Federal Health Care Programs.** Contractor hereby represents that neither it nor any Group Provider is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

**6.23 Representations.** Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

**6.24 Severability.** If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

**6.25 Statutes and Regulations.** Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

**6.26 Waiver.** No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

*[signature page follows]*

The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

**CONTRACTOR**

MONTEREY ANESTHESIA  
PROFESSIONALS, a California general  
partnership

Date: December 18, 2020

*Amish Shah*  
By: Amish Shah  
Its Partner

*Viyaal Reddy*  
By: Viyaalakshmi Reddy  
Its Partner

**NATIVIDAD MEDICAL CENTER**

  
Deputy Purchasing Agent

Date: 12/30, 2020

**APPROVED AS TO LEGAL PROVISIONS:**

*Stacy Saetta*  
Stacy Saetta, Deputy County Counsel

Date: 12/22/2020, 2020

**APPROVED AS TO FISCAL PROVISIONS:**

*Gary K Giboney*  
Deputy Auditor/Controller

Date: 12-22-2020, 2020




The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

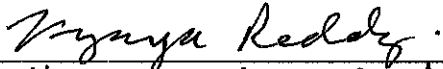
**CONTRACTOR**

MONTEREY ANESTHESIA  
PROFESSIONALS, a California general  
partnership

Date: December 16, 2020



By: Amish Shah  
Its Partner



By: Vijayalakshmi Reddy  
Its Partner

**NATIVIDAD MEDICAL CENTER**

\_\_\_\_\_  
Deputy Purchasing Agent

Date: \_\_\_\_\_, 20\_\_

**APPROVED AS TO LEGAL PROVISIONS:**

\_\_\_\_\_  
Stacy Saetta, Deputy County Counsel

Date: \_\_\_\_\_, 20\_\_

**APPROVED AS TO FISCAL PROVISIONS:**

\_\_\_\_\_  
Deputy Auditor/Controller

Date: \_\_\_\_\_, 20\_\_

**Exhibit 1.1(a)**

**ANESTHESIA SERVICES TO BE PROVIDED BY CONTRACTOR**

Contractor shall:

1. perform accepted procedures commonly used to render patients insensible to pain during the performance of surgical, obstetrical and other pain-producing clinical and surgical procedures;
2. perform life support functions during the period in which anesthesia is administered, including, without limitation, induction and intubation procedures;
3. conduct pre-anesthesia histories and physical examinations, which shall be personally performed by the Group Providers in a timely manner that promotes efficient, quality patient care;
4. provide post-anesthesia management of patients;
5. consult regarding patient care, such as emergency cardio-pulmonary resuscitation, respiratory therapy, and special problems in pain relief, upon request;
6. assist in intubation of non-surgical patients, upon request;
7. consult regarding patient-controlled administration of pain-relieving medications, upon request;
8. provide anesthesia-related support services for other departments of Hospital and Medical Staff, upon request;
9. subject to this Agreement, provide a reasonable amount of uncompensated medical care to members of Hospital's communities, in accordance with community medical standards and as reasonably requested by Hospital from time to time; and
10. any other Anesthesia Services required by Hospital for pediatric and adult inpatients and outpatients, as determined by the patient's attending physician and Group Providers.

Exhibit 1.1(a)

**Exhibit 1.1(b)**

**ANESTHESIA STAFFING**

The Anesthesia Services shall be initially staffed as follows and may be modified by mutual agreement of the Parties from time to time as surgical volumes fluctuate and services are modified.

Anesthesia Staffing	OR 1 (MD)	OR 2 (MD)	OR 3 (MD)	OR 4 (CRNA)	Trauma (MD)	OB (CRNA)	Back-up (MD)		Annual MD	Annual CRNA	Annual Back-up
Scheduled Hours - Monday-Friday	0700-1900	0700-1900			0700-0700	0700-0700	1900-0700				
Monday-Friday (250)	12	12	0	0	24	24	12	=	12000	6000	3000
Scheduled Hours - Saturday				0700-1900	0700-0700	0700-0700	0700-0700				
Saturday (52)	0	0	0	12	24	24	24	=	1248	1872	1248
Scheduled Hours - Sunday					0700-0700	0700-0700	0700-0700				
Sunday (52)	0	0	0	0	24	24	24	=	1248	1248	1248
Scheduled Hours - Holiday					0700-0700	0700-0700	0700-0700				
Holiday (11)	0	0	0	0	24	24	24	=	264	264	264
<b>Total Hours</b>									<b>14760</b>	<b>9384</b>	<b>5760</b>

1. Contractor shall adjust coverage as required to ensure patient safety, quality care, high efficiencies and patient satisfaction.
2. Modifications to the initial staffing levels set forth in this **Exhibit 1.1(b)** shall be in writing and approved by the Chief Medical Officer or his designee.
3. Contractor shall use best efforts to utilize operating room primetime hours and minimize the after-hours caseload.

Exhibit 1.2

**TEACHING SERVICES TO BE PROVIDED BY CONTRACTOR**

Contractor shall:

1. supervise patient care in a constructive and supportive way;
2. demonstrate effective interviewing, physical examination, procedures, use of diagnostic and therapeutic interventions, and medical records documentation;
3. create a professional role model; and
4. evaluate resident performance in a meaningful, objective fashion.

### Exhibit 1.3

#### **ADDITIONAL SERVICES TO BE PROVIDED BY CONTRACTOR**

Contractor shall:

1. provide teaching, educational or training services, as reasonably requested by Hospital;
2. participate in utilization review programs, as reasonably requested by Hospital;
3. participate in risk management, quality assurance and peer review programs, as reasonably requested by Hospital;
4. accept third party insured patients and referrals of patients which are made by members of the Medical Staff, subject only to the limitations of scheduling and Contractor's professional qualifications;
5. assist Hospital in monitoring and reviewing the clinical performance of health care professionals who provide services to Hospital's patients; including reviewing incident reports and patient satisfaction studies relevant to the Specialty, and assisting Hospital in implementing any necessary corrective actions to address any issues identified during the course of such review;
6. assist in monitoring the performance of those professionals who are not meeting Hospital quality and/or performance standards, including, without limitation, direct observation of the provision of care by such professionals, and in disciplining any professionals who continue poor performance, recognizing that the Hospital Board of Directors is ultimately responsible for maintaining the standards of care provided to patients;
7. assist Hospital management with all preparation for, and conduct of, any inspections and on-site surveys of Hospital or Clinic conducted by governmental agencies or accrediting organizations, including those specific obligations set forth in **Attachment A**;
8. cooperate with Hospital in all litigation matters affecting Contractor or Hospital, consistent with advice from Contractor's legal counsel;
9. cooperate and comply with Hospital's policies and procedures which are pertinent to patient relations, quality assurance, scheduling, billing, collections and other administrative matters and cooperate with Hospital's efforts to bill and collect fees for services rendered to Hospital's patients. All business transactions related to the Services provided by Contractor, such as enrollment, verification and billings, shall be conducted by and in the name of Hospital; and
10. assist Hospital in developing, implementing and monitoring a program by which quality measures are reportable to Hospital with respect to the Specialty. The quality program shall include at the least those characteristics set forth in **Attachment A**.

**Attachment A**

**ADDITIONAL OBLIGATIONS**

The quality program developed, implemented and monitored by Hospital and Contractor shall require:

1. Contractor to minimally comply with the performance standards, guidelines, and practice parameters, as established by the American Society of Anesthesiologists.
2. Contractor to work with Hospital to develop a perioperative management program to reduce cancellations.

Exhibit 1.4

**DIRECTOR SERVICES**

Subject to the terms of the Agreement, Contractor shall ensure that the Medical Director:

1. provides general administration of the day-to-day operations of the Department;
2. advises and assists in the development of protocols and policies for the Department;
3. ensures physician coverage of the Department;
4. schedules, coordinates and supervises the provision of medical and ancillary services within the Department;
5. ensures the maintenance of consistently high quality service, and advise Hospital in the development and implementation of an appropriate quality assurance program with respect to the Department;
6. coordinates and consults with Hospital and Medical Staff regarding the efficiency and effectiveness of the Department, and makes recommendations and analyses as needed for Hospital to improve services provided in the Department and reduce costs;
7. develops, reviews, and provides training programs for Medical Staff and Hospital personnel;
8. prepares such reports and records as may be required by this Agreement, Hospital or the Medical Staff;
9. participates in Hospital and Medical Staff committees upon request by Hospital;
10. participates in continuing medical education, research and teaching activities upon request by Hospital;
11. participates in utilization review programs, as reasonably requested by Hospital;
12. participates in risk management and quality assurance programs, as reasonably requested by Hospital; and
13. assists Hospital management with preparation for, and conduct of, any inspections and on-site surveys of Hospital or the Department conducted by governmental agencies, accrediting organizations, or payors contracting with Hospital.

**Exhibit 1.7**

**CONTRACTOR'S MONTHLY TIME REPORT**

**(See attached.)**



Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day. Directions and examples are located on back of timesheet.

		Direct		Hospital Administrations and Teaching Services							Other Admin		Non-billable Activities			Total		
		00001		00002	00003	00004	00005	00006	00007	00008	00009		00010		00011		00012	
Name:		Direct Patient Care Services		Supervision & Training of Nurses & Techs, etc.	Utilization Review and Other Comm-tee Meetings	Quality Control, Medical Review, Autopsy	Supervision of Interns and Residents	Teaching of Allied Health Professionals	Teaching & Supervision of Allied Health Professionals	Other Administrative (specify)	CME (PR)	Conferences and Training (PR)	Non-Productive Hrs			Other Non-Billable Activities (specify)	TOTAL HOURS	
Employee #:		Sched. IP/OP Care (PR)	In House On-Call (PR)										Off-Site Call (PR)	CAE (PR)	Conferences and Training (PR)			Paid Time Off (Sick/Vacation) (PB)
Dept Name:		Period Ending:																
1	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
2	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
3	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
4	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
5	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
6	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
7	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
8	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
9	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
10	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
11	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
12	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
13	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																
14	Date:	A Hospital & NMC Clinic Time																
		B. Non-Hosp & Non-NMC Clinic Time																

**SIGN IN BLUE INK**

**SIGN IN BLUE INK**

I certify that the above information is a true and accurate statement of the hours and locations indicated.

Provider: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Service Director: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Date: \_\_\_\_\_

REV. 4/20/2011



**Exhibit 1.12**

**MEDICAL STAFF POLICY**

<b>Title:</b> Practitioner Code of Conduct	<b>Effective:</b> 05/09 <b>Reviewed/Revised:</b> 08/11
<b>Standard:</b> MSP004-2	<b>Approved:</b> MEC 08/11 BOT 09/11

As a member of the Medical Staff or an Allied Health Professional (AHP) of Natividad Medical Center (NMC) (collectively Practitioners), I acknowledge that the ability of Practitioners and NMC employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team. I recognize that patients, family members, visitors, colleagues and NMC staff members must be treated in a dignified and respectful manner at all times.

**POLICY**

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of NMC, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at NMC, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the NMC health care team.
2. Recognize the individual and independent responsibilities of all other members of the NMC health care team and their right to independently advocate on behalf of the patient.
3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, NMC employees, and all other health care professionals.
4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.
5. Contribute to the overall educational mission of NMC.
6. Reflect positively upon the reputation of the health care profession, the Medical Staff, and NMC in their language, action, attitude, and behavior.

Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior. Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of NMC, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

#### **EXAMPLES OF PROFESSIONAL BEHAVIOR**

Practitioners are expected to exhibit professional behavior at NMC, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the NMC health care team in patient care and other professional responsibilities.
2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.
3. Demonstrate language, action, attitude and behavior which consistently convey to patients, families, colleagues, and all other members of the NMC health care team a sense of compassion and respect for human dignity.
4. Understand and accept individual cultural differences.
5. Maintain appropriate, timely, and legible medical record entries which enable all NMC professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post-discharge planning and follow-up.
6. Respect the right of patients, families or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.
7. Treat patients and all persons functioning in any capacity within NMC with courtesy, respect, and human dignity.
8. Conduct one's practice at NMC in a manner that will facilitate timely commencement of medical/surgical procedures at NMC, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

#### **EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR**

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of NMC owned property.
2. Falsification of medical records, including timekeeping records and other NMC documents.

3. Working under the influence of alcohol or illegal drugs.
4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.
5. Possession, distribution, purchase, sale, transfer, transport or use of illegal drugs in the workplace.
6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.
7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or NMC employees should be reported on a NMC Quality Review Report form and submitted pursuant to NMC policy and should not be entered into the patient's medical record.
8. Harassment
  - a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:
    1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;
    2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;
    3. Otherwise adversely affects an individual's employment opportunity.
  - b. Harassing conduct includes, but is not limited to:
    1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.
    2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on NMC's premises or circulated in the workplace.
9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects;

10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages;
11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling or shouting at a person, or threatening violence or retribution;
12. Single incident of egregious behavior, such as an assault or other criminal act.
13. Criticism of NMC staff in front of patients, families, or other staff.

#### **PROCEDURE**

1. Any person who functions in any capacity at NMC who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident on a NMC Quality Review Report form.
2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.

**Exhibit 1.23(a)**

**GROUP PHYSICIANS/GROUP PROVIDERS**

<b>Group Provider</b>	<b>NPI Number</b>
Bhown, Nivedita, M.D.	1154401792
Braun, Ronald J., MD	1700865367
Cintron, Linda M., MD	1578778171
Hanlon, Stacey C., M.D.	1821110388
Heess, John E., M.D.	1225542806
Hlavacek, James M., M.D.	1578548236
Leahy, Kevin E., M.D.	1295710978
Medina Ramirez, Hilario, M.D.	1538517768
Patel, Arpit A., M.D.	1447668926
Proctor, Roger S., M.D.	1184761090
Reddy, Vijayalakshmi M., M.D.	1598828022
Ryan, Caroline A., M.D.	1114084209
Shah, Amish A., M.D.	1902882137
Appleget, Joseph M., CRNA	1568980472
Beals, Steven A., CRNA	1548372899
Bogard, Annette, CRNA	1902204423
Clark, Paula A., CRNA	1215110580
Elison, Casey J., CRNA	1073086310
Fulton, Megan L., CRNA	1457983801
Gardner, Kelley R., CRNA	1366493140
Hardy, Lee-Ana G., CRNA	1043832512
Hopkins, Michael J., CRNA	1912347246
Iwata, Eriko, CRNA, ACNP	1215181367
Matheis, Bill M., CRNA	1184652653
Mayerhofer, Alexa A., CRNA	1922396712
Molton, Caryl S., CRNA	1114032232
Northern, Robert D., CRNA	1952442675
Orduno Jr., Ramon R., CRNA	1487823902
Oswalt, Bridget M., CRNA	1952458077
Saft, Amy B., CRNA	1649493842
Scarlet, Darrell, CRNA	1861746679
Tapchom, Ange B., CRNA	1881238178
Tosto, Lori R., CRNA, MSN	1063742450
Umeh, Ugochukwu, CRNA	1639642812
Vu, Minh Q., CRNA	1427522457

Exhibit 1.23(f)

LETTER OF ACKNOWLEDGEMENT

NATIVIDAD MEDICAL CENTER  
1441 Constitution Blvd., Bldg. 300  
Salinas, California 93906

I acknowledge that NATIVIDAD MEDICAL CENTER ("*Hospital*") and MONTEREY ANESTHESIA PROFESSIONALS ("*Contractor*") have entered into a Professional and Call Coverage Services Agreement ("*Agreement*") under which Contractor shall perform specified Services (as defined in the Agreement), and that I have been engaged by Contractor to provide Professional Services as a "*Group Provider*" (as defined in the Agreement). In consideration of Hospital's approval of me as a Group Provider eligible to furnish the Services, I expressly:

1. Acknowledge that I have read those portions of the Agreement referenced in this Letter of Acknowledgement, and agree to abide by and comply with all of the requirements of the Agreement applicable to Group Providers;

2. Acknowledge that I have read the Code, and agree to abide by and comply with the Code as they relate to my business relationship with Hospital or any Affiliates, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind;

3. Acknowledge that I have no employment, independent contractor or other contractual relationship with Hospital, that my right to practice at Hospital as a Group Provider is derived solely through my employment or contractual relationship with Contractor;

4. Acknowledge that upon the expiration or termination of the Agreement for any reason, or the termination of my employment or other affiliation with Contractor for any reason, my clinical privileges to provide Anesthesia Services and my [Medical][Allied Health] Staff membership if such clinical privileges are the only privileges I hold, will each immediately be relinquished, without any action on the part of Hospital and/or the [Medical][Allied Health] Staff;

5. Acknowledge that, with regard to all of the foregoing, I will not be entitled to any "fair hearing" or any other hearing or appellate review under any provision of the Medical Staff Bylaws, unless Hospital determines that my removal, or the termination of my right to provide Anesthesia Services, as applicable, is reportable to any state's medical board or other agency responsible for professional licensing, standards or behavior, and hereby waive any right to demand or otherwise initiate any such hearing or appellate review under any provision of the [Medical][Allied Health] Staff Bylaws.

Sincerely,

---

Group Provider

## Exhibit 2.1

### COMPENSATION

#### 1. Anesthesia Services.

(a) Hospital shall pay to Contractor an amount equal to Four Million Fourteen Thousand Seven Hundred Twenty Dollars (\$4,014,720) per Contract Year for Anesthesia Services and coverage services provided by a Group Physician on a restricted basis (“**Restricted Physician Coverage**”) pursuant to this Agreement (the “**Anesthesiologist Compensation**”). Such compensation shall be paid monthly in the amount of Three Hundred Thirty-Four Thousand Five Hundred Sixty Dollars (\$334,560) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b). Parties recognize that the number of Operating Rooms and the hours of Restricted Physician Coverage required to staff such Operating Rooms as set forth in Exhibit 1.1(b) (*i.e.*, Fourteen Thousand Seven Hundred Sixty (14,760) hours per Contract Year) (“**Minimum Restricted Physician Coverage Hours**”) may increase or decrease due to patient volumes or coverage needs. Consequently, the Anesthesiologist Compensation shall be adjusted in consideration of the actual coverage furnished by Contractor as a result of the adjustments, as determined by Hospital and agreed to by Contractor. In the event that Contractor does not provide the Minimum Restricted Physician Coverage Hours or Hospital determines that it needs to increase such minimum, Hospital shall adjust the Anesthesiologist Compensation by an amount equal to Two Hundred Seventy-Two Dollars (\$272) per hour (“**Anesthesiologist Compensation Adjustment**”). In the event that Hospital determines that its Restricted Physician Coverage needs have increased, the Anesthesiologist Compensation Adjustment shall not exceed Three Thousand Two Hundred Sixty-Four Dollars (\$3,264) per day.

(b) Hospital shall pay to Contractor an amount equal to Two Hundred Eighteen Thousand Eight Hundred Eighty Dollars (\$218,880) per Contract Year for back-up call coverage services (“**Backup Call**”) provided by a Group Physician on an unrestricted basis pursuant to this Agreement (the “**Backup Call Coverage Stipend**”). Such compensation shall be paid monthly in the amount of Eighteen Thousand Two-Hundred Forty Dollars (\$18,240) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b). In addition to the Backup Call Coverage Stipend, Hospital shall pay to Contractor, an amount equal to Two Hundred Thirty-Four Dollars (\$234) per each hour that Group Physician assigned to provide Backup Call, is required to be physically present at Hospital to provide Anesthesia Services, not to exceed Two Thousand Eight Hundred Eight Dollars \$2,808 per twenty-four (24) hour shift (the “**Response Payment**”). The Response Payment shall be calculated monthly using Hospital’s Operating Room log showing surgery start and finish times, and approved by the Director of Surgical Services. Contractor shall include the calculation of the aggregate Response Payments on its monthly invoice to Hospital.

(c) Hospital shall pay to Contractor an amount equal to One Million Three Hundred Thirteen Thousand Seven Hundred Sixty Dollars (\$1,313,760) per Contract Year for Anesthesia Services and coverage services provided by a Group Provider on a restricted basis (“**Restricted CRNA Coverage**”) pursuant to this Agreement (the “**CRNA Compensation**”). Such compensation shall be paid monthly in the amount of One Hundred Nine Thousand Four Hundred Eighty Dollars (\$109,480) per month, provided under this Agreement according to the staffing levels in Exhibit 1.1(b). Contractor may utilize a Group Physician to cover the CRNA Services described in Exhibit 1.1(b) with written approval by the Chief Medical Officer or his designee. Parties recognize that the number of Operating Rooms and the hours of Restricted CRNA Coverage required to staff such Operating Rooms as set forth in Exhibit 1.1(b) (*i.e.*, Nine Thousand Three Hundred Eighty-Four (9,384) hours per Contract Year) (“**Minimum Restricted CRNA Coverage Hours**”) in Exhibit 1.1(b) may increase or decrease due to patient volumes or coverage needs. Consequently, the CRNA Compensation shall be adjusted in consideration of the actual coverage furnished by Contractor as a result of the adjustments, as determined by Hospital and agreed to by Contractor. In the event that Contractor does not provide the Minimum Restricted CRNA Coverage Hours or Hospital determines that it needs to increase such minimum, Hospital shall adjust the CRNA Compensation by an amount equal to One Hundred Forty Dollars (\$140) per hour (“**CRNA Compensation Adjustment**”). In the event that Hospital determines that its Restricted CRNA Coverage needs have increased, the CRNA Compensation Adjustment shall not to exceed One Thousand Six Hundred Eighty Dollars (\$1,680) per day.

2. **Director Services.** Hospital shall pay to Contractor an amount equal to Thirty Thousand Dollars (\$30,000) per Contract Year for Director Services provided pursuant to this Agreement (“**Director Services Compensation**”). Such compensation shall be paid monthly in the amount of Two Thousand Five Hundred Dollars (\$2,500) per month. In the event that Contractor does not meet the Medical Director Minimum, the Director Services Compensation shall be reduced by Two Hundred Eight Dollars and Thirty-Three Cents (\$208.33) per hour for each hour of Director Services that Contractor does not provide as compared to the Medical Director Minimum.

3. **Timing.** Hospital shall pay the Annual Compensation and Director Services Compensation in equal monthly installments, with each payment due for Services performed by Contractor in the immediately preceding month within thirty (30) days of the end of the month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is “30 days after receipt of the certified invoice in the Auditor-Controller’s Office”.

4. **Incentive Compensation.** In addition to the Annual Compensation, Contractor shall be eligible for an incentive bonus of up to One Hundred Fifty Thousand Dollars (\$150,000) per Contract Year (the “**Incentive Compensation**”). Such Incentive Compensation shall be based on the patient satisfaction data collected by Professional Research and core measure performance using Hospital’s Core Measure data. Hospital shall pay Contractor the Incentive Compensation on an annual basis, commencing twelve (12) months from the Effective Date (each such payment occurring on the “**Payment Date**”), and shall be calculated quarterly as follows for the twelve (12) months preceding each Payment Date.



Quality Initiative	Measure*	Target Performance	Target Incentive
Performance Improvement	First case of the day (M-F) was delayed due to anesthesia	≤1%	\$25,000
	OR case cancellations related to Anesthesia	≤5%	\$25,000
	Average turnaround times less than 30 minutes	≤30 minutes	\$25,000

Quality Initiative	Patient Satisfaction Scores to the following questions*	Target Performance	Target Incentive
Patient Satisfaction	Post op nausea requiring intervention (given Zofran, Reglan or Phenergan in PACU)	≤10%	\$25,000
	Cases that had elevated pain Score (8 or higher) upon arrival to PACU	≤10%	\$25,000
	Cases that went to PACU that had normothermia >35 degrees at first entry	≥90%	\$25,000

\*Performance Improvement questions and/or Patient Satisfaction questions may be deleted and replaced with new questions in order to comply with the quality program and Hospital's quality and/or performance standards. Any such changes shall be in writing, dated and signed by the Parties and attached to this Agreement.



### Exhibit 6.3

#### **BUSINESS ASSOCIATE AGREEMENT**

This Business Associate Agreement (“Agreement”), effective January 1, 2021 (“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 Monterey Anesthesia Professionals (“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;

(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:

Monterey Anesthesia Professionals  
1522 Constitution Blvd  
Salinas, CA 93905  
Attn: Amish Shah, M.D.  
Phone: 831.261.8090  
Fax: 831.218.4118

If to Covered Entity, to:

Natividad Medical Center  
1441 Constitution Boulevard  
Salinas, CA 93906  
Attn: Compliance Officer  
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.

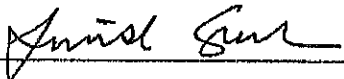
5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

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.

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.

**MONTEREY ANESTHESIA PROFESSIONALS**

By: 

Print Name: Amish Shah

Print Title: Partner

Date: December 18, 2020

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

By: 

Print Name: Gary Gray

Print Title: CEO

Date: 12/18/20