

AMENDMENT NO. 2
to the Amended and Restated Agreement
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN RehabCare Group Management Services Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Rehabilitation Program Management Services

This Amendment No. 2 to Amended and Restated Agreement to Professional Services Agreement ("Agreement"), dated July 10, 2010, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and RehabCare Group Management Services Inc. (Contractor), with respect to the following:

RECITALS

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2012 via Amendment No.1; and

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue, and to increase the amount by \$2,199,695 of the Agreement because of the term end date extension.

AGREEMENT

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

1. Exhibit D to the Amended and Reinstated Agreement for Acute Rehabilitation Services, attached to this Amendment No. 2, is hereby incorporated into the Amended and Reinstated Agreement for Acute Rehabilitation Services. All references in Exhibit D shall be construed to refer to the Amended and Reinstated Agreement for Acute Rehabilitation Services.
2. Section 1. "PAYMENTS BY NMC" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$7,946,735*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. (A-09333/MYA456) shall not exceed the total sum of \$10,146,430 for the full term of the Agreement*".
3. Section 2. "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from July 1, 2010, to June 30, 2014, unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is from July 1, 2010 to June 30, 2015 unless sooner terminated pursuant to this Agreement*".
4. Except as provided herein, all remaining terms, conditions and provisions of the Amended and Restated Agreement and Amendment No.1 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment No. 2 and all previous amendments shall be attached to the original Agreement No. (A-09333/MYA456).
6. The effective date of this Amendment No. 2 is July 1, 2014.

Amendment No. 2
RehabCare Group Management Services Inc.
Rehabilitation Program Management Services
Natividad Medical Center
Term: July 1, 2010 thru June 30, 2015
Not to Exceed: \$ 10,146,430.00

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: _____
Sid Cato, NMC Contracts Manager

Date: _____

By: _____
Harry Weis, NMC Chief Executive Officer

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____
Anne Brauer
Monterey County, Deputy County Counsel

Date: _____


APPROVED AS TO FISCAL PROVISIONS

By: _____
Gary Giboney
Monterey County Auditor/Controller's Office

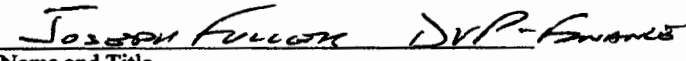
Date: _____

CONTRACTOR

Contractor's Business Name*** (see instructions)



Signature of Chair, President, or Vice-President



Name and Title

Date: _____

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

Name and Title

Date: _____

*****Instructions**

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

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


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

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

Natividad Medical Center

By: _____
Sid Cato, NMC Contracts Manager

Date: _____

By: 
Harry Weis, NMC Chief Executive Officer

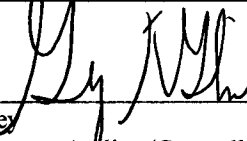
Date: 5/29/14

APPROVED AS TO LEGAL PROVISIONS

By: 
Anne Brauer
Monterey County, Deputy County Counsel

Date: 5/30/14

APPROVED AS TO FISCAL PROVISIONS

By: 
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 5/30/14

CONTRACTOR

Contractor's Business Name*** (see instructions)

Signature of Chair, President, or Vice-President

Name and Title

Date: _____

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

Name and Title

Date: _____

*****Instructions**

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

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

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

Amendment No. 2
RehabCare Group Management Services Inc.
Rehabilitation Program Management Services
Natividad Medical Center
Term: July 1, 2010 thru June 30, 2015
Not to Exceed: \$ 10,146,430.00

**SECOND MODIFICATION TO THE AMENDED AND RESTATED
AGREEMENT FOR ACUTE REHABILITATION SERVICES**

This Second Modification to the Amended and Restated Agreement for Acute Rehabilitation Services ("Second Modification") is made and entered into as of this _____ day of June, 2014 by and between The County of Monterey, a political subdivision of the State of California, for Natividad Medical Center ("County") and RehabCare Group Management Services, Inc. d/b/a RehabCare ("Contractor").

WHEREAS, County and Contractor entered into that certain Amended and Restated Agreement for Acute Rehabilitation Services dated July 1, 2010, ("Original Agreement") relating to an intensive inpatient rehabilitation program ("Program") in Hospital and a First Modification dated April 18, 2012 ("First Modification"); and

WHEREAS, County and Contractor desire to continue the Program and to contract with one another on the basis of the Original Agreement as modified by this Second Modification.

NOW THEREFORE, the parties agree that as of **July 1, 2014**, in consideration of the Original Agreement, the First Modification, and this Second Modification, and the mutual covenants and agreements herein contained, County and Contractor agree to modify the following:

1. Section 4.4 shall be deleted in its entirety and replaced with the following:

4.4 Compensation for Temporary Therapy Services. Temporary Therapy Services shall be compensated separately from the other Services provided under this Agreement. The Temporary Therapy Services shall be provided and billed at the following hourly rates: (a) Forty Six Dollars (\$46.00) per hour for Social Workers, Physical Therapy Assistants, and Certified Occupational Therapy Assistants; (b) Sixty Six Dollars (\$66.00) per hour for Physical Therapists, Occupational Therapists, and Speech Language Pathologists; (c) Ninety One Dollars (\$91.00) per hour for overtime for Physical Therapists, Occupational Therapists, and Speech Language Pathologists; and (d) negotiated rates (with prior County approval by County's Department Director or Administrator) not to exceed Seventy Five Dollars (\$75.00) per hour on an as needed basis for Travelers in the event regular staff is not available. County shall provide thirty (30) days prior written notice to Contractor in the event any Traveler is no longer needed. Failure to provide such notice may result in additional associated fees. Contractor agrees to provide two (2) full time Speech Language Pathology staff and agrees that these two staff are not subject to the non-solicit provisions of this Agreement.

2. Section 5.1 (a) shall be deleted in its entirety and replaced with the following

5.1 Compensation for Services.

(a) Compensation for any unbilled or unpaid Inpatient Rehabilitation Services provided before the Effective Date shall be calculated, billed and due and payable in accordance with the terms and provisions set forth in the Original Agreement or any prior Modification. Effective July 1, 2014, for all of the Inpatient Rehabilitation Services, except Temporary Therapy Services, County shall pay Contractor a service fee each month for Services provided by Contractor pursuant to this Agreement (the "Service Fee"). Such Service Fee

shall be \$57,916.29 per month, which Service Fee shall cover all Services provided by Contractor (excluding Temporary Therapy Services) plus a Therapy Staffing Fee based on the table below:

MONTHLY THERAPY STAFFING FEE		
IRF ADC	Therapy Staffing Fee	Therapy Staffing FTE Range
0.00 – 5.99	\$38,832.01	1.25 – 4.25 FTE
6.00 - 7.99	\$53,625.47	3.00 – 5.50 FTE
8.00 - 9.99	\$68,418.93	4.00 – 6.75 FTE
10.00 - 11.99	\$83,211.28	5.00 – 8.00 FTE
12.00 - 13.99	\$98,004.74	5.75 – 9.25 FTE
14.00 - 15.99	\$112,798.20	6.75 – 10.25 FTE
16.00 - 17.99	\$127,590.57	7.75 – 11.50 FTE
18.00 - 20.00	\$142,384.03	8.75 – 13.00 FTE”

3. Section 5.1 (c) Outpatient Services shall be deleted in its entirety.
4. Section 5.5 shall be deleted in its entirety and replaced with the following:

5.5 Appeals of Denied Claims. As soon as practicable following Contractor’s receipt of a Denial Notice from County, Contractor shall, at its cost, appeal the Denied Claim in accordance with applicable Medicare regulations through the Administrative law Judge level of appeal. County shall cooperate fully with Contractor, including providing timely access to necessary medical records and personnel, as well as timely completion of all appeal forms, and by notifying Contractor within ten (10) days of any communication received by County related to the Denied Claim or the appeal process. If such Denied Claims are reversed through the aforementioned appeals processes, Contractor shall keep all service fees paid as set forth above. If, however, Contractor does not prevail in the appeals processes, through the Administrative Law Judge level of appeal (“unsuccessfully appealed claim”), Contractor will refund to County, for the specific date, the below amount per unsuccessfully appealed claim. If County experiences a significant increase in unsuccessfully appealed Denied Claims, the parties agree to readdress appeals processes and reimbursement arrangement for Denied Claims.

July 1, 2010 – June 30, 2012	\$4,800.00
July 1, 2012 – June 30, 2014	\$4,817.52
July 1, 2014 – June 30, 2015	\$4,962.04

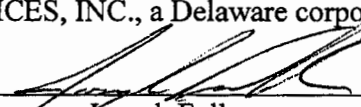
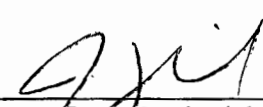
5. Section 6.1 shall be deleted in its entirety and replaced with the following:

6.1 Term. This term of this Agreement commenced on February 25, 2003, and shall continue until June 30, 2015 (the “Term”) unless sooner terminated in accordance with the provisions of this ARTICLE VI.

6. Except as provided herein, the Original Agreement and any fully executed Modifications to date shall continue in full force and effect.

EXHIBIT D TO THE AMENDED AND REINSTATED AGREEMENT FOR ACUTE REHABILITATION SERVICES

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

<p>"COUNTY" MONTEREY COUNTY, a political subdivision of the State of California</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Its: Contracts/Purchasing Manager</p>	<p>"CONTRACTOR" REHABCARE GROUP MANAGEMENT SERVICES, INC., a Delaware corporation</p> <p>By:  _____</p> <p>Print Name: <u>Joseph Fuller</u></p> <p>Its: Division Vice President of Finance</p> <p>By:  _____</p> <p>Print Name: <u>Jason Zachariah</u></p> <p>Its: Senior Vice President, Hospital Rehabilitation Services</p>
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<p>"HOSPITAL" NATIVIDAD MEDICAL CENTER, a political subdivision of the State of California</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Its: Chief Executive Officer</p>	<p>APPROVED AS TO FORM:</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Deputy County Counsel, County of Monterey</p>
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