

**RENEWAL AND AMENDMENT NO. 9
TO SERVICES AGREEMENT
BETWEEN QUEST DIAGNOSTICS, INC., AND
NATIVIDAD MEDICAL CENTER
FOR
Reference Laboratory Testing Services**

This Renewal and Amendment No. 9 to the Services Agreement ("Agreement"), dated July 1, 2005 is entered into by and between the County of Monterey, on behalf of **Natividad Medical Center** (hereinafter "NMC"), and **Quest Diagnostics Inc.** (hereinafter "CONTRACTOR"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for Reference Laboratory Testing Services with a two year term and a total Agreement amount not to exceed \$1,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2007 via Renewal Amendment No. 1, to extend the term for an additional one year period through June 30, 2008 and added an additional \$450,000, thereby increasing the total agreement amount to \$1,850,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2008 via Renewal Amendment No. 2, to extend the term for an additional one year period through June 30, 2009 and added an additional \$300,000, thereby increasing the total agreement amount to \$2,150,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2009 via Renewal Amendment No. 3, to extend the term for an additional one year period through June 30, 2010 and added an additional \$575,000, thereby increasing the total agreement amount to \$2,725,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2010 via Renewal Amendment No. 4, to extend the term for an additional one year period through June 30, 2011 and added an additional \$535,000, thereby increasing the total agreement amount to \$3,260,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2011 via Renewal Amendment No. 5, to extend the term for an additional one year period through June 30, 2012 and added an additional \$565,000, thereby increasing the total agreement amount to \$3,825,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2012 via Amendment No. 6, to extend the term for an additional one year period through June 30, 2013 and added an additional \$565,000, thereby increasing the total agreement amount to \$4,390,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2013 via Renewal Amendment No. 7, to extend the term for an additional one year period through June 30, 2014 with no increase to the total agreement amount of \$4,390,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on July 1, 2014 via Amendment No. 8, to extend the term for an additional one year period through June 30, 2015 with no increase to the total agreement amount of \$4,390,000; and

WHEREAS, the Agreement expired on June 30, 2015; and

WHEREAS, NMC and CONTRACTOR currently wish to renew the Agreement retroactive to July 1, 2015 on the same terms and conditions and also amend the Agreement to extend it for an additional one year period through June 30, 2016 and to add an additional \$850,000, thereby increasing the total agreement amount to \$5,240,000, and to include the MedAssets Letter of Commitment to incorporate updated MedAssets-Quest Diagnostics GPO pricing into the Agreement.

AGREEMENT

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

The Agreement is hereby renewed on the terms and conditions as set forth in Original Agreement, Renewal Amendment No.1, Renewal Amendment No. 2, Renewal Amendment No. 3, Renewal Amendment No. 4, and Renewal Amendment No. 5, Amendment No. 6, Renewal Amendment No. 7, and Amendment No. 8 incorporated herein by this reference, except as specifically set forth below.

1. Section 2, Paragraph titled "PAYMENTS BY COUNTY" shall be amended to the following; *"NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A per Renewal/Amendment No. 9 and Exhibit B Letter of Commitment (MedAssets) attached hereto this Renewal and Amendment No. 9. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$5,240,000 for the full term of the Agreement"*.
2. Section 3, Paragraph titled "TERM OF AGREEMENT" shall be amended to the following; *"The term of this Agreement is July 1, 2005 to June 30, 2016 unless sooner terminated pursuant to this Agreement"*
3. Section 4, Paragraph titled "ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following: *"The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:*

Exhibit A: Scope of Services/Payment Provisions per Amendment No. 9

Exhibit B: Letter of Commitment with MedAssets-Quest Diagnostics, Inc., GPO Agreement

4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 9 and shall continue in full force and effect as set forth in the Agreement, Renewal Amendment No. 1, Renewal Amendment No. 2, Renewal Amendment No. 3, Renewal Amendment No. 4, Renewal Amendment No. 5, Amendment No. 6, Renewal Amendment No. 7, and Amendment No. 8.
5. A copy of this Renewal and Amendment No. 9 shall be attached to the Original Agreement.
6. The effective date of this Renewal and Amendment No. 9 is July 1, 2015.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Renewal and Amendment No. 9 on the basis set forth in this document and have executed this Renewal and Amendment No. 9 on the day and year set forth herein.

Natividad Medical Center

By: _____
Gary R. Gray, D.O., Chief Executive Officer

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: AB _____
Deputy County Counsel

Date: Oct 13 2015

APPROVED AS TO FISCAL PROVISIONS

By: [Signature] _____
Chief Deputy Auditor/Controller

Date: 10/15

CONTRACTOR

Quest Diagnostics, Inc.
CONTRACTOR's Business Name*** (see instructions)

[Signature]
Signature of Chair, President, or Vice President

Rob Moverley, Regional VP, Operations
Name and Title

Date: 10.8.15

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

Jean-Marc Halbout, Regional VP, Commercial
Name and Title

Date: 10.8.15

***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)

EXHIBIT A

COUNTY OF MONTEREY, D/B/A NATIVIDAD MEDICAL CENTER SCOPE OF SERVICES

This Scope of Services is entered into by and between **Natividad Medical Center**, hereinafter referred to as (“NMC”) and **Quest Diagnostics Inc.**, hereinafter referred to as (“CONTRACTOR”) pursuant to the Service Agreement between NMC and CONTRACTOR attached hereto with a start date of July 1, 2005 (the “Agreement”) and is subject to terms and conditions of the Agreement.

A. SERVICE AND DELIVERABLES: CONTRACTOR shall provide a full range of clinical laboratory and anatomic pathology diagnostic testing capabilities to execute required tests on referred specimens as requested by NMC. All clinical reference laboratory testing shall be executed in accordance with standard industry practices.

A.1 Certification Requirements: CONTRACTOR shall have the following certifications and provide NMC with current licensure information as requested:

- a. Clinical Laboratory Improvement Act (CLIA)
- b. California State Licensure, or other state licensure as appropriate
- c. College of American Pathologists (CAP)
- d. Board Certified Pathologists in Clinical and Anatomic Pathology

A.2 Courier Services: CONTRACTOR shall provide courier pick-up to transport specimens to the testing location on a regular schedule daily, seven (7) days per week.

- a. CONTRACTOR shall provide all materials and supplies required to stabilize samples and maintain samples integrity in transit to the laboratory; such supplies shall be provided to NMC as needed.
- b. CONTRACTOR shall provide shipping containers in accordance with Department of Transportation (DOT) guidelines for the transfer of specimens between facilities.

A.3 Reporting/Billing: CONTRACTOR shall provide results electronically to NMC through the fully functional bi-directional Quest/NMC interface. Results that cannot be transmitted electronically will be mailed confidentially to NMC laboratory.

- a. CONTRACTOR shall call all critical results directly to NMC laboratory within 1 hour of the result being validated.
- b. CONTRACTOR shall maintain the Quest/ NMC interface at no additional charge to NMC.
- c. CONTRACTOR shall provide NMC a reference manual, or equivalent, to include test codes, test names, specimen requirements, dates tests performed, turnaround times, normal values, CPT Codes, and pricing.
- d. CONTRACTOR shall provide a representative to oversee and coordinate all the activities of the Referred Laboratory Testing Services and to promptly resolve any problems inherent thereto.
- e. CONTRACTOR shall bill NMC in accordance with the MedAssets-Quest Diagnostics GPO Agreement rates as per Exhibit B attached to Renewal and Amendment No. 9.

EXHIBIT A

- f. CONTRACTOR shall bill NMC monthly for all testing charges which include patient's identification, date of service, accession number, testing performed, CPT codes, test price, and purchase order number.

A.4 Metric Reports: CONTRACTOR shall provide quality reports to laboratory manager via email with frequency noted:

- a. Test utilization: Monthly by the 15th of the following month.
- b. Turnaround Time: Monthly by the 15th of the following month.
- c. Tests Not Performed: Monthly by the 15th of the following month.

A.5 Turnaround Time: Turnaround time is defined as the time the referral laboratory receives the sample until the result is made available to NMC laboratory. CONTRACTOR must meet a minimum 90% of the published turnaround time for the specimen testing.

A.6 Timely Notification of Tests Not Performed: CONTRACTOR shall notify NMC laboratory within 24 hours of identification when a specimen is inadequate for testing. **The CONTRACTOR will notify NMC of any testing major testing delays such as reagent backorders, instrument failure or other causes that delay test reporting beyond a reasonable length of time.** If available and recommended by the CONTRACTOR, a referral test may be offered to NMC on a case by case basis.

Tests Not Performed allowable conditions are as follows:

- 1. Specimens lost after accessioning;
- 2. Specimens compromised by breakage/leakage after accessioning;
- 1. Specimens that cannot be tested due to laboratory analytical error; and/or
- 2. Specimens that cannot be tested due to contamination caused after accessioning.

B. NMC OBLIGATIONS:

- 1. NMC shall validate all patient charges prior to approval for payment.
- 2. NMC shall verify the accuracy of the CPT codes invoiced for billing purposes.

Exhibit B

Rev. Eff. April 1, 2014
MedAssets/Quest Diagnostics, Inc.
LB01066

MedAssets Performance Management Solutions, Inc.
and
Quest Diagnostics Incorporated
Exhibit B – Letter of Commitment / Designation Form

MedAssets Member(s) Natividad Medical Center/Monterey County (34838)
(Please attach listing of facilities)
Address 1441 Constitution Blvd
City/State/Zip Salinas, CA 93906-3100
Telephone Number (831) 755-4111 Fax Number (831) 755-6254
HIN 3V546W900 GLN 1100002761936
Quest Diagnostics Account Number(s) _____

The above-named MedAssets Member(s) designates **MedAssets Performance Management Solutions, Inc.** as its group purchasing organization for purchases made under this Agreement, and agrees to the following:

Upon examination of this Letter of Commitment ("LOC") by Participating Member, and delivery to and acceptance by Quest Diagnostics, Quest Diagnostics shall supply Services to Participating Member pursuant to the MedAssets Performance Management Solutions, Inc. Vendor Agreement LB01066 for Reference Laboratory Testing ("Vendor Agreement"). By executing this LOC, Participating Member agrees to the following:

- Participating Member will purchase from Quest Diagnostics a minimum of eighty percent (80%) of this annual requirement for the Services covered by the Vendor Agreement (in U.S. Dollars). If Quest Diagnostics reasonably suspects that Member is not complying with this minimum commitment, Quest Diagnostics may audit the Participating Member's books and records, upon reasonable notice to the Participating Member. Members who are not eligible to purchase services per this LOC include long-term care facilities, home health care, dialysis centers, managed care organizations, Members participating in joint ventures, outsourcing, or management contracts with Vendor.
- Participating Member agrees to properly disclose and appropriately reflect the specified dollar value of discounts or reductions in price it receives on products and/or services covered by this LOC in the costs claimed or charges made by Participating Member under Medicare or any other federal or state health care program in accordance with applicable law.
- Participating Member will comply in all material respects with all laws and regulations applicable to it, including licensing and certification requirements, in connection with the transactions contemplated by this LOC. Any Services ordered by Participating Member will be ordered on by individuals licensed under applicable laws to order such Services.
- Participating Member represents and warrants that it is not an Excluded Provider. For purposes of this Section, the term "Excluded Provider" means a person or entity that either (i) has been convicted of a crime related to health care, or (ii) is currently listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded programs (including without limitation, federally-funded health care programs such as Medicare and Medicaid). If Participating Member becomes an Excluded Provider during the term of this Agreement, Participating Member shall immediately notify Quest Diagnostics. Quest Diagnostics shall have the right to terminate this Agreement immediately at any time after learning that Participating Member is an Excluded Provider. For purposes of this Section, the term "Participating Member" shall include, as applicable, the (i) person entering into this Agreement and any partners, associates, or agents or that person (including without limitation subcontractors), or (ii) the entity entering into this Agreement and any such entity's principles, shareholders, directors, and officers, and any agents of such entity (including with limitation subcontractors). The term "Participating Member" shall include, as applicable, any person legally authorized by state law to order clinical testing or who supervises the

ordering of such testing. In addition, the term "Excluded Provider" also includes a person who has had a professional medical license revoked, terminated, or suspended by a government entity.

- Participating Member agrees to pay Quest Diagnostics any undisputed amount within thirty (30) days' of receipt by the County Auditor-Controller of the invoice for services provided. Quest Diagnostics may terminate the Services provided hereunder to any Member if Quest Diagnostics has not received payment of any invoiced amount within ninety (90) days after it has been sent to the Member. Participating Member shall not disclose the terms of this LOC, including the pricing granted hereunder, to any other person or entity outside of its organization, except as required by law. Members reserve the right to disclose all confidential information to hospital officers, employees, auditors, agents, consultants, legal advisors, non-employed physicians, payers and patients when appropriate or engaged to assist in managing its business. The obligations of this paragraph shall survive any termination of this LOC.
- Participating Member may be required to sign a separate CPU/ Interface Agreement with Quest Diagnostics when a direct interface and/or hardware is supplied by Quest Diagnostics as part of the provision of laboratory services, for the purposes of ordering laboratory tests and/or receiving test result reports.

Quest Diagnostics shall provide to Participating Member, a pricing schedule that outlines the specific costs of laboratory services provided to such Member, including any customer specific pricing for referred tests and any additional handling fees, or other fees that may be applicable.

IN WITNESS WHEREOF, the undersigned duly authorized representative of Participating Member has executed this LOC on behalf of Participating Member as of the date below written.

MEDASSETS MEMBER

Authorized Signature _____

Print/Name/Title _____

Date _____

Return to: Commitment Form Coordinator
MedAssets Performance Management Solutions, Inc.
280 South Mount Auburn Road
Cape Girardeau, MO 63703
FAX: 573/332-2301
E-Mail: LOCSupport@MedAssets.com

Return to Supplier: craig.r.miller@questdiagnostics.com