

## PHYSICIAN SERVICES AGREEMENT

This Agreement is entered into as of October 1, 2008 (the "Effective Date"), between Lucile Salter Packard Children's Hospital at Stanford ("LPCH"), a California non-profit public benefit corporation, and COUNTY OF MONTEREY on behalf of its HEALTH DEPARTMENT (the "County"), a political subdivision of the State of California.

WHEREAS, The Health Department operates community clinics certified by the State of California under the provisions of Health & Safety Code § 1206 (b) and designated Federally Qualified Health Centers (hereafter "Clinic(s)"). County has determined that it requires professional physician services provided to perinatology patients in order to meet the needs of its patients.

WHEREAS, the County desires the assistance of certain physicians who can provide specialized services at sites of service convenient to patients of the County;

WHEREAS, LPCH desires to increase the access of patients to high-quality, cost-effective care by placing specialized physicians in community settings and is willing to make a physician from the Stanford University Department of Obstetrics and Gynecology available to the County on the terms set forth below.

NOW, THEREFORE, the parties agree as follows:

### 1. RESPONSIBILITIES AND DUTIES OF LPCH

a. Professional Services. LPCH shall provide the County with the professional services of the physician listed on Exhibit A (the "Physician"), each of whom shall be available to provide professional medical services on behalf of the County to patients of the County at the sites of service and in accordance with the schedule described in Exhibit B; provided, however, that Physician shall not serve as a "supervising physician" of non-physician personnel of the County for any purpose, including without limitation, in connection with the provision of ancillary services that are billed by the County on a so-called "incident to" basis, e.g., x-ray, said supervision to be performed by a full-time member of the County. All references to services provided under this Agreement shall be understood to apply solely to services provided by the Physician to patients of the County at the sites of service specified in Exhibit B (sometimes referred to as the "Contracted Services"). LPCH shall assure that the Physician provides services to patients of the County, and complete all medical records and other required reports, in accordance with this Agreement and with the applicable policies, procedures and contractual obligations of the County of which LPCH and the Physician is aware.

b. Excluded Provider Representation and Warranty. LPCH represents and warrants that it has not been excluded, debarred, or otherwise made ineligible to participate in any Federal Healthcare program as defined in 42 USC § 1320a-7b(f). LPCH represents and warrants that it (i) is not currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 USC § 1320a-7b(f) (the "Federal healthcare programs"); (ii) is

not convicted of a criminal offense related to the provision of healthcare items or services, but has not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal healthcare programs, and (iii) is not under investigation or otherwise aware of any circumstances which may result in being excluded from participation in the Federal healthcare programs. This shall be an ongoing representation and warranty during the terms of this Agreement and LPCH shall immediately notify the Facility of any change in the status of the representation and warranty set forth in this section. If LPCH becomes excluded from Federal program participation, this Agreement may be terminated immediately by County for cause.

c. Physician Compensation Warranty. LPCH warrants that Physician will not be compensated in any manner that varies with the volume or value of services provided under this Agreement.

d. Medicare/Medicaid Participation. During the term of this Agreement, each Physician shall be and remain authorized to participate in the Medicare and Medicaid Programs.

e. Laboratory Test Utilization Monitoring. Physician will take appropriate measures to monitor laboratory testing ordered for each patient, so as to assure that tests ordered are medically necessary for diagnosis and/or treatment. The Physician, prior to ordering, so as to assure that all tests included within the bundle are individually and medically necessary and appropriate for the particular patient, will review any and all bundled tests.

f. Physician Qualifications. Physicians providing services under this Agreement shall be licensed in California as a physician and board certified. LPCH shall provide the County with provider specific credentialing information such as a copy of the California medical license, DEA certificate, NPI document, proof of professional liability insurance, and board certification at a minimum of two weeks prior to the provision of Contracted Services. For emergent situations, LPCH will provide the County with credentialing information at least forty-eight (48) hours prior to the provision of Contracted Services.

## **2. RESPONSIBILITIES AND DUTIES OF THE COUNTY**

a. The County shall coordinate the delivery of services provided to patients of the County by the Physician under this Agreement. The County shall, at its sole expense, furnish the Physician with adequate office space, medical supplies, and employ such nurses or medical assistants and any other non-physician personnel ("Non-Physician Personnel") necessary for the delivery of services by the Physician under this Agreement and shall be solely responsible for payment of Non-Physician Personnel salary, social security, workers compensation and other employee benefits of any kind as well as for any liabilities that may arise in connection with the employment on Non-Physician Personnel by the County and for their direction and control. Such Non-Physician Personnel shall not be deemed to be employees of the Physician or LPCH for any purpose. Except as explicitly provided for herein, the County shall be solely responsible for all costs associated with the provision of services by the Physicians pursuant to this Agreement, including the cost, if any, associated with obtaining and maintaining privileges at the sites of service which are specified in Exhibit B to this Agreement and credentials with respect to managed care organizations with which the County contracts. The County shall be solely responsible for complying with all applicable laws, regulations and ordinances, including

without limitation all such laws and regulations associated with third party reimbursement.

b. Restrictions on Use. The Clinic premises shall be used solely for the normal conduct of professional medical services for the Clinic's patients, and only in accordance with the terms and conditions of this Agreement. Except as provided above, no part of the Clinic office space, equipment, personnel or services provided by the County shall be used at any time by LPCH, as an office for the general practice of medicine or for any purpose inconsistent with the provisions of this Agreement, except while performing the Contracted Services pursuant to this Agreement.

c. The County shall be solely responsible for complying with all federal, state and local environmental and health and safety laws, regulations and ordinances ("Environmental Laws") and all environmental and health and safety permits, licenses and authorizations ("Environmental Permits"), and for otherwise operating its premises (including that which it provides to the Physician) in a manner which is protective of human health and the environment. The responsibilities of the County include, but are not limited to: (a) obtaining and maintaining all necessary Environmental Permits, (b) being the designated generator of wastes and otherwise arranging for the lawful treatment, storage, disposal, transport and other management of medical and hazardous materials, chemicals and wastes associated with the activities conducted by the Physician, subject to Physician complying with good biohazardous waste management procedures and professional practices, (c) providing any reports, warnings or other notifications that may be required of the County, LPCH or the Physician under any Environmental Laws or Environmental Permits, (d) identifying, investigating and remediating any threatened or actual releases of medical or hazardous materials, chemicals or wastes to the environment, whether or not caused by Physician, and (e) providing for the safety and well being of persons who enter its premises, including but not limited to, the exposure of persons to medical and hazardous materials, chemicals, wastes building materials, and environmental media or other conditions at and in the vicinity of such premises. The County on its own behalf and on behalf of any persons entering the premises provided to LPCH expressly waives and releases any claims against the Physician, LPCH and their respective successors, members, officers, directors, trustees, employees and agents in connection with the environmental matters addressed herein.

d. The County will promptly advise LPCH in writing of any suit, proceeding, investigation, other action or event commenced or threatened against the County which, if adversely determined, would result in a material adverse change in the condition or business, financial or otherwise, of the County and of any facts that come to the County's attention which might materially affect the operation of the County or its ability to properly carry out the terms and conditions of this Agreement.

e. Any and all of County's medical records and charts created at County facilities as a result of performance under this Agreement shall be and shall remain the property of the County. The County shall permit LPCH and/or LPCH's authorized representatives, during normal business hours and as often as reasonably requested, to visit and inspect, at the expense of LPCH, County's records, including its visit and patient statistics, records and patient records, for purposes of monitoring the quality and amount of professional services rendered by Physician pursuant to this Agreement.

### 3. PAYMENT OF SALARY OF PHYSICIAN

The County shall not pay and shall have no responsibility to pay salary, social security, workers compensation, or other employee benefits of any kind to or on behalf of Physician. Notwithstanding the preceding sentence, for the purpose of complying with third-party payor billing rules, this Agreement shall be regarded as a "leased employee" arrangement whereby LPCH requires Physician to perform the Contracted Services as a deemed employee of the County. There is no compensation between County and Physician by virtue of this "leased employee" status.

### 4. INSURANCE

The County shall, at its expense, maintain policies of general and professional liability insurance in an amount of at least one million dollars per occurrence and three million aggregate to insure it, its employees and agents under this Agreement, against claims and liabilities arising out of or related to this Agreement. Evidence of such coverage shall be presented to LPCH upon execution of this Agreement. In the event that such coverage is written on a claims-made basis, each party shall arrange for appropriate tail coverage consistent with the requirements of this Section in the event that such claims-made policy is canceled or not renewed.

a. Evidence of Insurance. Prior to commencement of this Agreement, LPCH 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, a certified copy of the policy or policies shall be provided by LPCH upon request.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. LPCH shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

b. Qualifying Insurers. All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

c. Insurance Coverage Requirements. Without limiting LPCH's duty to indemnify, LPCH shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

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

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 \$1,000,000 per occurrence.

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

Workers' Compensation Insurance, if LPCH 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 \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

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

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, LPCH shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

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

d. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date LPCH completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for LPCH and additional insureds 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 LPCII'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 LPCII's insurance.

Prior to the execution of this Agreement by the County, LPCH shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that LPCH has in effect the insurance required by this Agreement. LPCH shall file a new or amended certificate of insurance within five 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.

LPCH 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 County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify LPCH and LPCH shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by LPCH to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

## **5. INDEMNIFICATION**

LPCH shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by LPCH and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. LPCH shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which LPCH is obligated to indemnify, defend and hold harmless the County under this Agreement.

County shall indemnify, defend, and hold harmless LPCH its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by County and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by LPCH. It is the intent of the parties to this Agreement to provide the broadest possible coverage for LPCH. County shall reimburse LPCH for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the County is obligated to indemnify, defend and hold harmless LPCH under this Agreement.

## **6. COMPENSATION**

In consideration of the Contracted Services provided to the County by LPCH, the County shall pay LPCH within thirty (30) days of receiving each invoice the amounts specified in the compensation schedule described in Exhibit C.

## **7. CHARGES AND BILLINGS**

Medicare Assignment. LPCH agrees to be a "Participating Physician" in the

Medicare Program as defined in the Social Security Act, if required in order to permit Health Department to bill for Contracted Services.

The parties agree that LPCH shall not bill or charge any other party or entity including, without limitation, the Medicare program or any other third party payor, for Contracted Services provided under this Agreement. LPCH agrees for itself and on behalf of the Physicians that the County shall set any and all charges to patients of the County for the Contracted Services. To the extent permitted by law, the County shall be solely responsible for billing and collecting fees and charges from patients, payers or other responsible third parties for any professional medical services performed by Physicians under this Agreement. The indemnification obligation specified in Section 5 shall extend to any claim, liability, or loss arising out of the County's collection of such revenues, including the failure by the County to conform to the requirements of any governmental or third-party payor. This provision shall not affect such rights as LPCH may have to set any and all charges to patients for any services rendered by the Physicians which are not Contracted Services.

Physician shall be reasonably available during compensated hours of service to participate in any appeal or other action by or against any payor, reimbursement or payment program in connection with any denial, refund, or other payment dispute in which Physician's performance of professional medical services are at issue. Neither LPCH nor any Physician or other person shall attempt to bill and collect from any patient, payor or any other person for any of the Contracted Services performed by Physicians under this Agreement, other than as described in this Agreement. LPCH shall and hereby does assign to the County all of the Physician's rights, if any, to monies due on account of Contracted Services rendered by the Physicians to patients of the County under this Agreement. LPCH shall require each Physician to execute a separate assignment to the County in the form attached as Exhibit D. LPCH shall, and shall ensure that each Physician shall, cooperate fully with the County in facilitating such collections, including completion of all forms necessary for the collection of said monies. The provisions of this Section 7 shall not affect the right of LPCH to bill for services provided by the Physicians at sites other than those listed on Exhibit B.

## **8. CHOICE OF FACILITY**

The Parties understand that if Physician should determine that a patient of the County requires admission to an inpatient facility, the choice of facility shall be made in accordance with the following:

- i. Sound medical judgment in accordance with the quality standards established by the County and availability of service at the County;
- ii. Patient wishes.

The choice of facility shall be made without regard to the payor status of the patient.

9. **INTENT OF PARTIES**

Neither LPCH nor the County intend that any payments made under this Agreement be in return for the referral of ongoing business, if any, or in return for the purchasing, leasing, or ordering of any services other than the specific services described in this Agreement. All payments specified in this Agreement are consistent with what the parties reasonably believe to be a fair market value for the services provided.

10. **TERM AND TERMINATION OF AGREEMENT**

a. Term. This Agreement shall have an initial term of three (3) years, beginning on the Effective Date and shall be renewed for additional terms of one (1) year each upon the written consent of both parties.

b. Termination

i. Termination Without Cause. Either party may terminate this Agreement without cause or penalty by giving the other party ninety (90) days written notice which notice may be given any time on or after the first anniversary date of this Agreement.

ii. Termination For Cause. Either party may terminate this Agreement for cause by giving the other party thirty (30) days written notice and opportunity to cure the alleged default. Notwithstanding the foregoing, LPCH may terminate this Agreement for cause by giving the County ten (10) days written notice and opportunity to cure if the County fails to make any payment to LPCH required to be made under this Agreement. Notwithstanding the foregoing, the County may terminate this Agreement for cause: upon the occurrence of any of the events specified below, immediately upon written notice to LPCH, in accordance with the provisions of Section 13 hereof. For purposes of this Agreement, "Cause" for immediate termination by County shall include a determination by the County that any of the following events occurred:

a. If physician's license to practice medicine or rights to prescribe controlled substances is revoked, suspended or curtailed.

b. In the event of the death of Physician or in the event of the inability of Physician to perform his/her duties hereunder for a continuous period of sixty (60) days or more for ninety (90) days or more in any six (6) month period during this Agreement.

c. LPCH fails to provide provider or professional services contemplated by this Agreement in accordance with the performance standards required by this Agreement, by applicable law, or by the County's rules or regulations; provided, however, that in arriving at its determination of such failure to provide provider or professional services under the required standards ("Determination"), the County may obtain the review and recommendation of an outside medical consultant who

shall report to the County on such matters relating to the Determination as may be requested.

d. The declaration of bankruptcy by LPCH, the appointment of a receiver of LPCH's assets, or the assignment by LPCH for the benefit of its creditors or any relief taken or suffered by LPCH under any bankruptcy or insolvency act, or any attempt by LPCH to dissolve, merge, reorganize or sell or transfer all or substantially all of its assets, or cause any change in a twenty-five percent (25%) or greater ownership or controlling interest in LPCH.

iii. Termination Upon Occurrence of Action. If (i) either party receives notice of any Action (as defined below), and (ii) (A) the parties, acting in good faith, are unable to agree upon or make the amendments to this Agreement necessary to comply with the Action, or (B) the parties determine in good faith that compliance with the Action is impossible or infeasible, then either party may terminate this Agreement immediately upon giving written notice to the other. For purposes of this Section 10(b)(iii), "Action" shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any governmental or legislative body or agency or other third party, or any notice of a decision, finding or action by any governmental or private agency, court or other third party which, in the reasonable and good faith opinion of either counsel to either party, if or when implemented, would (I) revoke or jeopardize the status of any license or permit granted to either party or any of its affiliates, (ii) revoke or jeopardize the federal, state or local tax-exempt status of either party or any of its affiliates, or (iii) subject either party, or any of its employees or agents, to civil or criminal prosecution or liability on the basis of their participation in executing this Agreement or performing their obligations under this Agreement.

## **11. DISPUTE RESOLUTION.**

Any dispute, controversy or claim concerning or relating to this Agreement (a "Dispute"), shall be resolved in the following manner:

a. The parties shall use all reasonable efforts to resolve the Dispute through direct discussions between persons associated with each party who have the authority to resolve the Dispute. A party may give the other party notice of any Dispute not resolved in the normal course of business. Within ten (10) days after such notice is given, the receiving party shall submit to the other party a written response. The notice and response shall include (i) a statement of that party's position and a summary of arguments support in that position and (ii) the name and title of the person who will represent that party in any negotiations to resolve the dispute.

b. Within twenty (20) days of written notice that there is a Dispute, employees of each party with authority to settle such Dispute shall meet in a location mutually agreeable to the parties or confer by telephone in an effort to reach an amicable settlement and to explore alternative means to resolve the dispute expeditiously (*e.g.*, mediation).

c. If the Dispute, has not been resolved as a result of the procedure in (a) above or otherwise within forty five (45) days of the initial written notice that there is a Dispute (or such additional time to which the parties may agree), the matter shall be resolved by final and binding arbitration in a location mutually agreeable to the parties, administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedure. If the parties are unable to agree on the arbitrator within sixty (60) days of the original written notice of Dispute (or such additional time to which the Parties may agree), the parties shall each appoint one arbitrator approved by JAMS and the two arbitrators shall select a third neutral, independent and impartial arbitrator from the list of arbitrators approved by JAMS.

d. Judgment on an arbitral award may be entered by any court of competent jurisdiction, or application may be made to such a court for judicial acceptance of the award and any appropriate order including enforcement.

e. Nothing herein however shall prohibit either party from seeking judicial relief in the Monterey County or Santa Clara County, California Superior Court or the U.S. District Court for the Northern District of California (and the corresponding appellate venues), if such party would be substantially prejudiced by a failure by the other party to act during such time that such good faith efforts are being made to resolve the claim or controversy.

f. If any party should bring any action (arbitration, at law or in equity) to resolve any claim related to this Agreement or to interpret any term contained in this Agreement, the prevailing party in such action (as determined by the arbitrator(s) or judge (or equivalent)) shall be entitled to receive from the non-prevailing party all of its costs and expenses incurred in such action (including, without limitation, reasonable attorneys' fees). Subject to the foregoing, this Agreement shall be construed in accordance with the laws of the State of California, exclusive of its choice of law principles.

## **12. USE OF NAMES AND LOGOS**

Neither party may use the name, logo or corporate identity of the other party for any purpose without the prior written consent of the entity whose name, logo or corporate identity is proposed to be used; provided, however, that nothing herein shall prohibit Physician or the County from using the Stanford name solely to identify the Physician's status as a current member of the medical staff or faculty. Both parties understand and agree that:

- (i) Any use of the other party's name requires the prior written approval of the other party and, in the case of LPCH and Stanford, of the Dean of the Stanford University School of Medicine or his designee;
- (ii) Any restrictions on the use of the name that may be imposed from time to time shall be applicable to the other party's use of the name;
- (iii) The use of the name by the other party is subject to termination, and that any such termination shall effect a termination of the right to use the name; and

(iv) Either party has the right to terminate, with or without cause, the other party's right to use the name upon 30 days prior written notice to the other party.

**13. NOTICES**

All notices required by this Agreement shall be deemed given when in writing and delivered personally, sent by overnight delivery service, electronic facsimile or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or on such other address as the party may designate in writing in accordance with this Section:

To LPCH: Lucile Salter Packard Children's Hospital at Stanford  
725 Welch Road  
Palo Alto, California 94304  
Attn: Christopher G. Dawes, President & CEO

With a copy to: Stanford University School of Medicine  
Department of Obstetrics and Gynecology  
750 Welch Rd. Suite 315  
Palo Alto, CA 94304  
Attn: Division Administrator

With a copy to: Office of the General Counsel  
Stanford University  
Building 170, 3<sup>rd</sup> Floor, Main Quad  
Stanford, CA 94304  
Attn: Chief Hospital Counsel

To the County: County of Monterey  
1270 Natividad Road  
Salinas, California 93906  
Attn: Len Foster, Director of Health

With a copy to: Clinic Services Division  
County of Monterey, Health Department  
1615 Bunker Hill Way, Suite 100  
Salinas, CA 93906  
Attn: Clinic Service Director

**14. BINDING EFFECT**

This Agreement shall be binding upon and shall inure to the benefit of LPCH and its successors and assigns, and shall be binding upon and shall inure to the benefit of the County and its successors and assigns.

**15. GOVERNING LAW**

This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California.

**16. NON-ASSIGNMENT**

No assignment of this Agreement or of the rights and obligations hereunder shall be valid without the specific written consent of the County and LPCH. However, LPCH may wish to assign all or any part of this Agreement to Stanford University; or to an entity that succeeds to the business of LPCH, or both, through a sale, merger, asset transfer or other corporate transaction and, similarly, the County may wish to assign all or any part of this Agreement to a County affiliate; or to an entity that succeeds to the business of County, or both, through sale, merger, asset transfer or other corporate transaction. In either case, the consent of the other party shall be sought, and such consent shall not unreasonably be withheld.

**17. RELATIONSHIP OF PARTIES**

None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for the purpose of effecting the provisions of this Agreement. The parties are not, and shall not be construed to be in a relationship of joint venture, partnership or employer-employee. Notwithstanding the preceding sentence, this Agreement shall be construed as a "leased employee" agreement for the provision of Contracted Services to patients of the County at the sites of service specified herein solely for the purpose of complying with third-party payor billing rules and obligations. Neither party shall have the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided for herein.

**18. AMENDMENTS**

This Agreement and each Exhibit to this Agreement may be amended only by a written instrument signed by the parties.

**19. ENTIRE AGREEMENT**

This Agreement, including all Exhibits, represents the entire agreement of the parties and supersedes any previous agreements between the parties relating to the same subject matter.

**20. 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.

**21. SEVERABILITY**

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

**22. 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, and shall apply to the specific instance expressly stated.

**23. FORCE MAJEURE**

Neither Party shall be liable for any default or delay in the performance of its obligations under this Agreement if (a) to the extent the default or delay is caused, directly or indirectly, by fire, flood, elements of nature or acts of God, or any other cause beyond the reasonable control of the Party, including a declared emergency at SHC or LPCH which would require the Physician providing Contracted Services under this Agreement to report to the SHC Emergency Department and be available for assignment to various care teams, and (b) the non-performing Party is without fault and the default or delay could not have been prevented by reasonable precautions. In such event, the non-performing Party is excused from further performance for as long as such circumstances prevail and the Party continues to use its best efforts to recommence performance. The non-performing Party shall provide notice to the Party to whom performance is due and describe the circumstances causing the delay or default.

**24. VERIFICATION OF COSTS.**

If and to the extent required by Section 1395(x)(v)(1) of Title 42 of the United States Code, until the expiration of four (4) years after the termination of this contract, LPCH shall make available upon written request to the Secretary of the United States Department of Health and Human Services, or upon the request to the Comptroller General of the United States General Accounting Office, or any of their duly authorized representatives, a copy of this contract and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by LPCH under this Agreement.

**25. COMPLIANCE WITH APPLICABLE LAW.**

The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

**26. HEADINGS.**

The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

27. **TIME IS OF THE ESSENCE.**

Time is of the essence in each and all of the provisions of this Agreement.

28. **NON-EXCLUSIVE AGREEMENT.**

This Agreement is non-exclusive and both County and LPCH expressly reserve the right to contract with other entities for the same or similar services.

29. **CONFIDENTIALITY.**

The parties agree to maintain the confidentiality of all medical records pertaining to the provision of services under this Agreement in accordance with applicable federal and state laws and regulations including but not limited to the Health Information Portability and Accountability Act ("HIPAA"), the California Confidentiality of Medical Records Information Act, codified at Section 56.1 of the California Civil Code and California Evidence Code Sections 1156 and 1157.

IN WITNESS, the duly authorized representatives of the parties have executed this Agreement in duplicate as of the Effective Date.

**LUCILE SALTER PACKARD CHILDREN'S HOSPITAL AT STANFORD**

By:  9-24-08  
Christopher G. Dawes, Chief Executive Officer

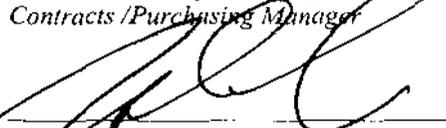
Approved as to Content:

By:   
Department Chair

**COUNTY OF MONTEREY**

By:   
Contracts/Purchasing Manager

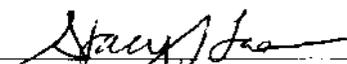
RA1394333  
Purchase Order Number  
Date: 1-7-, 2009

By:   
Len Foster, Director  
Department of Health

Date: 12/15, 2008

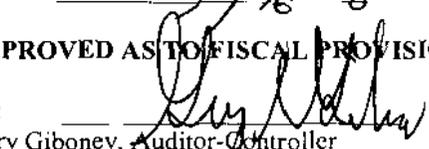
**APPROVED AS TO LEGAL FORM:**

CHARLES J. MCKEE, County Counsel

  
~~Erroy W. Blankenship, Assistant County Counsel~~  
Nancy J. Lee, Deputy

DATE: 9/16, 2008

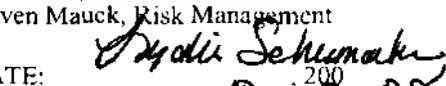
**APPROVED AS TO FISCAL PROVISIONS:**

By:   
Gary Giboney, Auditor-Controller

DATE: 9/16, 2008

**APPROVED AS TO LIABILITY PROVISIONS:**

By: Steven Mauck, Risk Management

DATE:   
10-17-08, 2008

Board of Supervisors' Agreement Number: \_\_\_\_\_

## **EXHIBIT A**

### **Physician Providing Contracted Services**

Amen Ness, M.D.  
Martha Rhodes, M.D.  
Mark Taslimi, M.D.

The Physicians listed above are provided by LPCH subject to his/her availability. If the scheduled Physician is not available, LPCH reserves the right to substitute and add another similarly qualified Physician with the prior approval of County. Only one LPCH Physician will be present at each of the clinic sessions.

## **EXHIBIT B**

### **1. Sites of Service**

The services shall primarily be provided at the Laurel Women's Health Clinic, 1441 Constitution Blvd., Bldg. 200, Floor One, Suite 101, Salinas, CA 93906.

### **2. Services Schedule and Requirements**

The Physician shall provide the professional services one (1) full day per week to perinatology patients of County during the term of this Agreement, at Sites of Service during regular operating hours (i.e., 8 am to 5 pm, excluding holidays recognized by Stanford University and vacation as allowed under Stanford University's employment policies and scheduled with County) according to a mutually agreed upon schedule.

Clinics falling on a County holiday will be cancelled or rescheduled on agreement between Physician and County. If patients are unable to obtain a clinic appointment within a reasonable time period, additional clinics may be arranged by Physician with the approval of the County's Outpatient Services Manager and/or Director of Clinic Services.

### **3. Description of Services**

LPCH Physician shall:

A. Provide all perinatology medical services (*i*) in accordance with the standards of ethics and practice and quality consistent with the standards of medical practice in the community and in conformity with all applicable legal requirements, and (*ii*) adhere to the provisions of this Agreement, to all applicable federal, state and local statutes, regulations and rules, and to applicable County policies.

B. Be provided with applicable medical records and results from required diagnostic tests, including laboratory and radiology, available for review at the time of patient visit.

C. Provide guidance to the mid-levels and those working in the clinics.

D. Perform routine administrative duties ancillary to provision of patient services such as referrals, medication refills, dictation, resolution of billing issues, and completion of forms and reports. When a patient requires hospital admission, the LPCH Physician will consult with clinic staff and/or ob-gyn physician(s), who will direct that process in consultation with the LPCH Physician.

E. Prepare appropriate and timely patient medical records accurately detailing care and treatment services rendered.

F. Perform functions assigned by the clinic's Medical Director, including:

- a. Patient care reviews
- b. Evaluation of patient care practice

G. Cooperate with clinic staff, peers and supervisors in providing perinatology services. Comply with all applicable laws, standards, regulations, and accreditation requirements applicable to the operation of the clinics.

H. Use best efforts to keep current with developments and changes occurring in his/her field of practice or scope of employment.

I. Comply with all Bylaws, Policies, Rules and Regulations of the Health Department, the Medical Staff, and LPCH's Clinical Medical Department, and with all State and Federal laws and regulations regarding the transfer of patients and treatment of emergency department patients.

J. Not be required by this Agreement to treat a type of illness or injury that falls outside the scope of obstetrics and gynecology. Physician is expected to make every reasonable effort to arrange for alternate treatment for such a patient.

K. Provide guidance and leadership to the Women's Health Clinic, High Risk Obstetrics Program, which includes consulting on high risk OB patients; being role models for respectful communication; working with clinic staff to establish a quality agenda and to develop a quality dashboard that demonstrates quality of care; developing reliable care pathways for common clinical diagnoses and assisting in the development of measurements for these pathways.

L. Actively participate in the weekly High Risk Obstetrics meeting.

M. Give Grand Rounds each year.

N. Consult with the clinic's physicians to develop the highest quality OB ultrasound capabilities.

## EXHIBIT C

### Compensation for Contracted Services

A. Physician will render professional services under Exhibit B and the County will be solely responsible for billing and collecting professional fees for those services as outlined in Section 7 of the Agreement. In consideration for performance of Contracted Services, County will pay LPCH the amount of One Hundred Twenty Thousand Dollars (\$120,000.00) per year (Ten Thousand Dollars (\$10,000.00) per month) for services provided by Physician at the Clinic during the term of this Agreement. County shall not pay LPCH for clinic sessions falling on a holiday nor days Physician is not in Clinic per the service schedule stated in Exhibit B. Compensation under this Agreement shall only be for one physician providing services per clinic session. The County shall not compensate LPCH for additional providers in Clinic.

B. LPCH shall invoice County on a monthly basis and County shall make all payments to the "Lucile Salter Packard Children's Hospital at Stanford" on or before the first day every month during the term of this Agreement. All payments, along with a copy of the invoice, shall be sent to the following address:

Accounting Department  
Lucile Salter Packard Children's Hospital at Stanford  
725 Welch Road, MC 5553  
Palo Alto CA 94304  
Attn: Controller

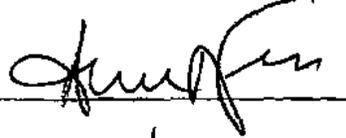
With a copy to:

Stanford University School of Medicine  
Department of Obstetrics and Gynecology  
750 Welch Rd. Suite 315  
Palo Alto, CA 94304  
Attn: Division Administrator

**EXHIBIT D**

**Reassignment**

At the direction of Stanford University and LPCH, I hereby reassign to the County, all of my rights, if any, to bill and receive payment for my services furnished to patients at the sites of service specified in Exhibit B and rendered pursuant to the agreement effective September 15, 2008 between LPCH and the County. This reassignment shall terminate upon termination of the above-referenced agreement or upon written notice by LPCH to the County.

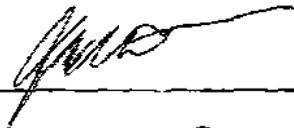
Signed  (Ness)

Date 9/25/08

**EXHIBIT D**

**Reassignment**

At the direction of Stanford University and LPCH, I hereby reassign to the County, all of my rights, if any, to bill and receive payment for my services furnished to patients at the sites of service specified in Exhibit B and rendered pursuant to the agreement effective September 15, 2008 between LPCH and the County. This reassignment shall terminate upon termination of the above-referenced agreement or upon written notice by LPCH to the County.

Signed  (Rhodes)

Date 9/29/08

**EXHIBIT D****Reassignment**

At the direction of Stanford University and LPCH, I hereby reassign to the County, all of my rights, if any, to bill and receive payment for my services furnished to patients at the sites of service specified in Exhibit B and rendered pursuant to the agreement effective September 15, 2008 between LPCH and the County. This reassignment shall terminate upon termination of the above-referenced agreement or upon written notice by LPCH to the County.

Signed  (TASLIM)

Date 9, 24, 08

**Before the Board of Supervisors in and for the  
County of Monterey, State of California**

**Agreement No: A – 11332**

- a. Approve and authorize the Director of Health to sign a Professional Services Agreement in the amount of \$120,000 per year, with Lucile Salter Packard Children's Hospital at Stanford University to provide perinatology services in the Health Department Clinic Services Division, beginning October 1, 2008, with an initial term of three (3) years, renewable for additional terms of one (1) year each upon the written consent of both parties; and )
- b. Authorize the Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not exceed ten percent (10%) of the original contract amount, and do not significantly change the scope of work. )

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

- a. Approved and authorized the Director of Health to sign a Professional Services Agreement in the amount of \$120,000 per year, with Lucile Salter Packard Children's Hospital at Stanford University to provide perinatology services in the Health Department Clinic Services Division, beginning October 1, 2008, with an initial term of three (3) years, renewable for additional terms of one (1) year each upon the written consent of both parties; and
- b. Authorized the Director of Health to sign up to three (3) future amendments to this Agreement where the amendments do not exceed ten percent (10%) of the original contract amount, and do not significantly change the scope of work.

PASSED AND ADOPTED this 9<sup>th</sup> day of December, 2008, by the following vote, to wit:

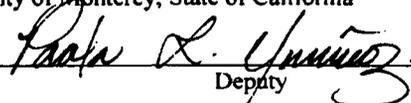
AYES: Supervisors Armenta, Calcagno, Salinas, Mettee-McCutchon, Potter  
NOES: None  
ABSENT: None

I, Denise Pennell, Interim 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 74 for the meeting on December 9, 2008.

Dated: December 12, 2008

Denise Pennell, Interim Clerk of the Board of Supervisors  
County of Monterey, State of California

By

  
Deputy

**MONTEREY COUNTY BOARD OF SUPERVISORS**

<b>MEETING:</b> December 9, 2008 - Consent	<b>AGENDA NO.:</b>
<b>SUBJECT:</b> a. Approve and authorize the Director of Health to sign a Professional Services Agreement in the amount of \$120,000 per year, with Lucile Salter Packard Children's Hospital at Stanford University to provide perinatology services in the Health Department Clinic Services Division, beginning October 1, 2008 with an initial term of three (3) years, renewable for additional terms of one (1) year each upon the written consent of both parties; and b. Authorize the Director of Health to sign up to three future amendments to this Agreement where the amendments do not exceed ten percent (10%) of the original contract amount, and do not significantly change the scope of work.	
<b>DEPARTMENT:</b> Health - Clinic Services	

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Director of Health to sign a Professional Services Agreement in the amount of \$120,000 per year, with Lucile Salter Packard Children's Hospital at Stanford University to provide perinatology services in the Health Department Clinic Services Division, beginning October 1, 2008 with an initial term of three (3) years, renewable for additional terms of one (1) year each upon the written consent of both parties; and
- b. Authorize the Director of Health to sign up to three future amendments to this Agreement where the amendments do not exceed ten percent (10%) of the original contract amount, and do not significantly change the scope of work.

**SUMMARY/DISCUSSION:**

The Health Department's Clinic Services Division (Division) operates seven Federally Qualified Health Centers. In support of the Division's mission to provide specialty care medical services, the Lucile Salter Packard Children's Hospital (LPCH) will provide specialty services in the area of perinatology for high risk obstetrical patients. Currently, there is a limited supply of perinatologists in Monterey County who are available to care for the indigent and Medi-Cal patients. The availability and willingness of LPCH to provide perinatology services will increase the Division's ability to provide accessible, high quality medical care. By providing this critical service, the reliance on emergency services will be reduced and will contribute significantly to the health and well being of this population.

**OTHER AGENCY INVOLVEMENT:**

County Counsel, Risk Management and the Auditor-Controller have reviewed and approved the Agreement as to legal form, insurance requirements, and fiscal provisions.

FINANCING:

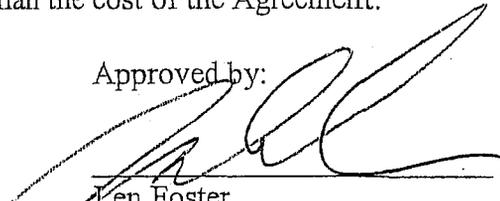
Due to the effective date of October 1, 2008, the total cost for this Agreement is \$80,000 for Fiscal Year 2008-09. The Division budgeted \$45,000 for perinatology services and will fund the remaining \$35,000 from savings in physician reimbursements from Natividad Medical Center that were lower than expected for Quarter 1. There will be no increase in Net County Cost. The Division has restructured this physician service from a non-revenue generational consultant to a revenue generational provider in the clinic. This restructure generates viability for this Agreement in the out years, as revenues will be greater than the cost of the Agreement.

Prepared by:

  
\_\_\_\_\_  
Sheena Rentar, 759-6556  
Management Analyst II

12/1/08  
Date

Approved by:

  
\_\_\_\_\_  
Len Foster  
Director of Health

12-1-08  
Date

cc: Auditor-Controller  
County Administrative Office