



Monterey County Board of Supervisors

Board Order

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A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor John M. Phillips to:

Agreement No.: A-13218, 2nd Amendment

- a. Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute the Second Amendment to the Professional Services Agreement (A-13218) with CEP America-California, a California General Partnership, d.b.a. Vituity to provide emergency medicine services at NMC, extending the term by twenty-four months (July 1, 2020 to June 30, 2022) for a revised full agreement term of July 2016 to June 30, 2022, adding \$3,725,000, for a revised amount not to exceed \$10,301,277 in the aggregate; and
- b. Authorize the Deputy Purchasing Agent for NMC or his designee to sign up to three (3) amendments to this Agreement where the total amendments do not exceed 10% (\$301,266) of the original contract amount and do not significantly change the scope of work.

PASSED AND ADOPTED on this 9th day of June 2020, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Lopez, Parker 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 June 9, 2020.

Dated: June 9, 2020
File ID: A 20-142
Agenda Item No.: 20

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

Joel G. Pablo, Deputy

SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of July 1, 2020, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and CEP AMERICA-CALIFORNIA, a California General Partnership, d.b.a. VITUITY (formerly known as California Emergency Physicians Medical Group) (“**Contractor**”) with respect to the following:

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California under its acute care license.

B. Contractor and Hospital have entered into that certain Professional Services Agreement dated effective July 1, 2016, as amended effective July 1, 2018 (collectively, the “**Agreement**”) pursuant to which Contractor provides professional services in the Specialty to Emergency Department patients.

C. Hospital and Contractor desire to amend the Agreement to extend the term for an additional twenty-four (24) months, add Three Million Seven Hundred Twenty-Five Thousand Dollars (\$3,725,000) to the amount payable for services during the extended term, and add the Director Services exhibit.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and the mutual promises and covenants contained herein, Hospital and Contractor agree as follows:

1. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
2. **Section 1.3.** Subsection (a) to Section 1.3 to the Agreement is hereby amended to read in its entirety as follows:

“(a) Group shall provide and cause one Group Physician designated by Contractor and accepted by Hospital, to service as medical director (“**Medical Director**”) of the ED as required for the efficient and proper operation of the ED. Medical Director shall perform all director services set forth in **Exhibit 1.3(a)** (“**Director Services**”), in accordance with the Hospital Rules and upon the terms and subject to the conditions set forth in this Agreement.
3. **Exhibit 1.3(a).** A new Exhibit 1.3(a) is hereby added to the Agreement and attached hereto as **Exhibit 1.3(a)**.

4. **Section 2.1.** Section 2.1 to the Agreement is hereby amended to read in its entirety as follows:

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 aggregate amount of Ten Million Three Hundred One Thousand Two Hundred Seventy-Seven Dollars (\$10,301,277).”

5. **Exhibit 2.1.** Exhibit 2.1 to the Agreement is hereby amended and restated to read in its entirety as attached **Exhibit 2.1.**

6. **Section 5.1.** Section 5.1 to the Agreement is hereby amended to read in its entirety as follows:

5.1 Term. This Agreement shall become effective on July 1, 2016 (the “**Effective Date**”), and shall continue until June 30, 2022 (the “**Expiration Date**”), subject to the termination provisions of this Agreement.”

7. **Counterparts.** This Amendment 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.

8. **Continuing Effect of Agreement.** Except as herein provided, all of the terms and conditions of the Agreement remain in full force and effect from the Effective Date of the Agreement.

9. **Reference.** After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

[signature page follows]

IN WITNESS WHEREOF, Hospital and Contractor have executed this Amendment as of the day and year first written above.

CONTRACTOR

CEP AMERICA-CALIFORNIA, a California
General Partnership, d.b.a. VITUITY

DocuSigned by:
By: David Birdsall
Its David Birdsall, M.D., COO

Date: May 1, 2020


By: _____
Its _____

NATIVIDAD MEDICAL CENTER


Deputy Purchasing Agent

Date: 6/16, 2020

APPROVED AS TO LEGAL PROVISIONS:


Stacy Saefta, Deputy County Counsel

Date: 5/14/2020, 20__

APPROVED AS TO FISCAL PROVISIONS:


Deputy Auditor/Controller

Date: 05/18/2020, 20__

Exhibit 1.3(a)

DIRECTOR SERVICES

Contractor shall:

1. provide general administration of the day-to-day operations of the ED;
2. advise and assist in the development of protocols and policies for the ED;
3. ensure physician coverage of the ED;
4. schedule, coordinate and supervise the provision of medical and ancillary services within the ED;
5. ensure 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 ED;
6. coordinate and consult with Hospital and Medical Staff regarding the efficiency and effectiveness of the ED, and make recommendations and analyses as needed for Hospital to improve services provided in the ED and reduce costs;
7. develop, review, and provide training programs for Medical Staff and Hospital personnel;
8. prepare such reports and records as may be required by this Agreement, Hospital or the Medical Staff;
9. participate in Hospital and Medical Staff committees upon request by Hospital;
10. participate in continuing medical education, research and teaching activities upon request by Hospital;
11. participate in utilization review programs, as reasonably requested by Hospital;
12. participate in risk management and quality assurance programs, as reasonably requested by Hospital; and
13. assist Hospital management with preparation for, and conduct of, any inspections and on-site surveys of Hospital or the ED conducted by governmental agencies, accrediting organizations, or payors contracting with Hospital.

Exhibit 2.1

COMPENSATION

For the period from July 1, 2020 to June 30, 2022:

1. **Coverage Stipend.** As compensation for the Coverage Services rendered pursuant to this Agreement, Hospital shall pay to Contractor the amount of Seventy-Nine Thousand Nine Hundred Thirty-Three Dollars (\$79,933) per month (the “**Coverage Stipend**”), provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Rapid Medical Evaluation Services.** As compensation for RME Services, Hospital shall pay to Contractor the amount of Fifty-Five Thousand Eight Hundred Eighty Four Dollars (\$55,894) per month (the “**RME Compensation**”).

3. **Annual RME Staffing Adjustment.** The Parties recognize that the RME Staffing is based on patient volumes in the ED. For every patient visit below the Base Number of Visits, Contractor shall pay Hospital an amount equal to Twenty-Five Dollars (\$25) per visit (the “**Annual RME Staff Adjustment**”), as follows:

- a. The RME Staffing Adjustment owed by Contractor shall not exceed One Hundred Thousand Dollars (\$100,000) per Contract Year and shall be paid annually.
- b. For purposes of this Agreement, the “**Base Number of Visits**” shall mean the number of ED visits based on Hospital’s third party vendor, calculated using the prior Contract Year’s same twelve (12) month period.
- c. For purposes of this Agreement, “**Contract Year**” shall mean (i) from the Execution Date until the Expiration Date; and (ii) thereafter, each consecutive twelve (12) month period for the remainder of the term of this Agreement.

4. **Incentive Compensation.** Contractor shall be eligible for an incentive bonus of up to eight percent (8%) of the aggregate annual Coverage Stipend payable to Contractor for the Coverage Services provided by Group Physicians under this agreement (the “**Incentive Compensation**”). Such Incentive Compensation shall be paid on an annual basis for Performance Improvement and Percent of Patients Who Left Without Being Seen metrics and shall be calculated as follows using data collected during the preceding twelve (12) months; and shall be measured monthly and paid quarterly for the Patient Satisfaction metric and shall be calculated as follows.

Quality Initiative	Measure*	Target Performance	Incentive	Target Performance	Maximum Incentive
Performance Improvement (data collected from Hospital's third party vendor)	Discharged Patients Length of Stay ¹	<150 minutes	0.5%	<145 minutes	1%
	Median Admitted Patients Length of Stay ²	Median less 5 minutes	0.5%	<270 minutes	1%
	Sepsis Bundle Compliance	>52%	1.0%	>65%	2%

Measure*	Target	Incentive	Target	Incentive	Target	Incentive
Percent of patients who Left Without Being Seen (LWBS)	≤2%	.5%	≤1.5%	.75%	≤1%	1%

Quality Initiative	Measurement (Monthly)*	Compensation (Quarterly)
Patient Experience – EDCAHPS MD Communication Composite (data collected from Hospital's third-party vendor)	Percentage of Top Box scores (5 out of 5) Threshold = 50% top box Target = 60% top box Max = 70% top box	\$1,750 for Threshold \$3,500 for Target \$7,000 if > Max Payment Prorated between Target and Threshold, and Threshold & Max; up to 3% of the aggregate annual Coverage Stipend

¹ Defined as median time from patient arrival in ED to departure from the ED (discharged patients only).

² Defined as median time from patient arrival in ED to departure from the ED (admitted patients only).

*Performance improvement and patient satisfaction questions may be deleted and/or replaced with new questions in order to comply with the quality program and Hospital's quality and or performance standards.

5. **Director Services Compensation.** In recognition of the mutual obligations of the Parties hereunder, Hospital and Contractor acknowledge that there shall be no separate monetary compensation to Contractor for the Director Services furnished by Contractor hereunder.

6. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that 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".