

**EXHIBIT A**

~~AAA Natividad~~ MEDICAL CENTER  
**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES**  
**(MORE THAN \$100,000)**

This Professional Services Agreement (hereinafter "Agreement") is made by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California and Healthcare Services

Management (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of the Agreement. The services are generally described as follows: Provide Meditech EDM Module Consulting Services
2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of 250,000
3. **TERMS OF AGREEMENT** The term of this Agreement is from May 1, 2011 to April 30, 2012 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:  
  
Exhibit A Scope of Services/Payment Provisions
5. **PERFORMANCE STANDARDS.**
  - 5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
  - 5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
  - 5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment,

instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

## **6. PAYMENT CONDITIONS.**

6.1. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than thirty (30) days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.

6.2. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement; and then only in accordance with any applicable County policies.

## **7. TERMINATION.**

7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend and hold harmless, NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability, losses, whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the Contractor's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of NMC. "Contractor's performance" includes Contractor's action or inaction and the action or inaction of Contractor's officers, employees, agents and subcontractors.

## **9. INSURANCE.**

### **9.1. Evidence of Coverage:**

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements

executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

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

- 9.2. 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 NMC's Contracts/Purchasing Director.

- 9.3. Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, CONTRACTOR 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, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$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 CONTRACTOR employs other 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, the CONTRACTOR 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).

#### 9.4. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC 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 CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC 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 CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

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

#### 10. RECORDS AND CONFIDENTIALITY.

10.1. Confidentiality, CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this

Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.

10.2. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC and NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.

10.3. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and ~~records that may be required by federal, state, and County rules and regulations related to services~~ performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.4. Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.5. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for an obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and Contractor's contract administrators at the addresses listed below.

**FOR NATIVIDAD MEDICAL CENTER:**  
Contracts/Purchasing Manager

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
1441 Constitution Blvd, Salinas, CA. 93906

\_\_\_\_\_  
Address

\_\_\_\_\_  
831.755.4111

\_\_\_\_\_  
Phone

**FOR CONTRACTOR:**

\_\_\_\_\_  
David Devine, President

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
1 Battymarch Park, Quincy MA 02169

\_\_\_\_\_  
Address

\_\_\_\_\_  
781 749 4022

\_\_\_\_\_  
Phone

**15. MISCELLANEOUS PROVISIONS.**

15.1. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.2. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

15.3. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.4. Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

- 15.5. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement. NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15. Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

NATIVIDAD MEDICAL CENTER

By: \_\_\_\_\_  
NMC Contracts/Purchasing Agent

Date: \_\_\_\_\_

By: [Signature]  
Department Head (if applicable)

Date: 4/5/11

By: Stacy Saetta  
Stacy Saetta, Deputy County Counsel

Date: 4/13/11

By: [Signature]  
Auditor/Controller

Date: 4-22-11

CONTRACTOR

Healthcare Services Management, Inc.  
Contractor's Business Name\*\*\*

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

Dore Dervine, President  
Name and Title

Date: 3/24/11

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

CHRISTINA CLARK, VICE PRESIDENT  
Name and Title

Date: 3/24/11

\*\*\*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. 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. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.



Healthcare Services Management, Inc.

Exhibit A

Scope of Service & Agreement  
For  
Natividad Medical Center

March 24, 2011

**PROJECT SCOPE**

Natividad Medical Center is currently live with MEDITECH's Client-Server HCIS version 5.6. Natividad will be implementing Phase II of Meditech's Emergency Department Suite with an anticipated live date of November, 2011.

Client is seeking consulting assistance for purposes of providing advisory services, workflow design and/or redesign, system build planning, hands-on dictionary and application build, end-user training, integrated testing, go-live planning, post go-live assistance and support specific to the implementation of MEDITECH's Emergency Department Suite.

Consultant expert in the implementation, optimization and support of the MEDITECH Emergency Department Suite will be made available for the above mentioned services and other services requested by Client.

**STATEMENT OF WORK**

HSM is prepared to provide the following services:

- HSM will provide a MEDITECH subject matter expert for each application and/or application suite as requested.
- Consultant will assist with the implementation, optimization and support of the MEDITECH Emergency Department Suite.
- Consultant will assist with advisory services, workflow design and/or redesign, system build planning and hands-on dictionary building as mutually agreed upon.
- Consultant will assist with end-user training, integrated testing, go-live planning, post go-live assistance and oversight, and other services as mutually agreed upon.

**DELIVERABLES**

1. Project deliverables as mutually agreed upon.
2. Status reports as mutually agreed upon

**PROJECT TIMING**

Upon acceptance of this agreement, HSM and client will jointly determine the start date of the project. Consultants will be scheduled specific to Clients individual application implementation dates.

Confidential – Natividad Medical Center  
Emergency Department Management Consulting Services



# HSM Consulting

## TERMS & CONDITIONS

- A. **Mutual Non-Hire** - To ensure a mutually beneficial relationship, both parties agree to avoid hiring each other's employees, either directly or through third parties, for a period of 12 months following the expiration of this agreement. Any breaching party shall be liable for 20% of the recruited employee's first year salary.
- B. **Termination** - Either party may cancel this agreement with 30 days written notice. HSM will deliver all work in progress and will be paid for work delivered to Client, as well as any out of pocket expenses incurred. The sections covering mutual non-hire, limitation of liability and payment terms shall survive the termination.
- C. **Force Majeure** - This agreement is subject to force majeure. HSM can not be held responsible for delays or failure to provide services in the event of strikes, lockouts, labor trouble, riots, fires, explosions, weather, war, terrorist acts, natural disasters or Acts of God or other causes beyond its control, whether such causes to be of classes herein specifically provided for or not.
- D. In no event shall HSM or its officers, shareholders, subcontractors, employees, representatives or subsidiaries be liable, for any consequential, cost of cover, exemplary, indirect, punitive, incidental or special damages, even if informed of the possibility of such damages, whether foreseeable or unforeseeable, regardless of the cause of action, regardless of whether such damages are based upon lost goodwill, lost profits, loss of use of money, loss of data or interruption in the use or availability of data, stoppage of work, impairment of assets, or otherwise arising out of a breach of any express or implied warranty, breach of contract, negligence, misrepresentation, strict liability, and whether based on this Agreement, by any transaction performed or undertaken under or in connection with this Agreement, or otherwise. The Parties agree that in no event shall HSM's total liability to Client, regardless of the character or type of damages sought, exceed Ten Thousand (\$10,000.00) Dollars or the amount actually received pursuant to the services performed hereunder.
- E. **HIPAA Compliance** - HSM will assure its clients that its work and performance will be compliant with the HIPAA provisions. Chain of trust and other documents necessary to fulfill these requirements will be readily signed upon request.
- F. **Client Responsibilities** - Client shall provide the consultant(s) with the office space and equipment necessary to do their work. Client shall also provide access to the systems, data and the documentation reasonably necessary for the consultant(s) to accomplish assigned tasks.



#### ACCEPTANCE

Please sign this agreement to provide Natividad Medical Center with assistance according to this proposal dated March 24, 2011. Please send two signed copies of the original document to HSM to our address listed below. Upon receipt, we will sign one of the agreements and return it to you to keep for your records. To expedite the start of this engagement, you may fax and executed copy of this agreement to my attention at 617-507-1078.

~~Healthcare Services Management, Inc.~~

1 Batterymarch Park, Suite 311

Quincy, MA 02169

Telephone: 781-749-4022

Fax: 617-507-1078

Please Check the appropriate box: Natividad Medical Center is ☐/ is not ☐ organized as a tax exempt non-profit entity.

This proposal is accepted by:

Natividad Medical Center

HSM

Authorized Representative

David Devine, President

Harvey, David

Printed Name

3/24/11

Date

CEO

Title

4/5/11

Date

County of Monterey  
General Services- Contracts/Purchasing Division  
JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST

Purchase Requisition Number \_\_\_\_\_

Date 4/13/2011

Description of Item: Meditech EDM Module Consulting services

1. Please indicate the following:

Procurement:



Goods



Services

(Check One)



Sole Source:

Item is available from one source only. Item is a one-of-a-kind and is not sold through distributors. Manufacturer is exclusive distributor.



Sole Brand:

Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request.  
Each request is for a single one-time purchase only.

2. Vendor Selection:



Preferred Vendor



Sole Source

Vendor Name:

Healthcare Services Management (HSM)

Address:

1 Batterymarch Park #311 City: Quincy State: MA 02169

Phone Number:

(781) 744-4022

Fax: (617) 507-1078

Contact Person:

Susan Murray

Title: Regional Manager

Federal Employer #:

202882448

3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

a) Why were product and/or vendor chosen?

HSM will provide a Meditech Subject Matter Expert to assist with the implementation, optimization and support of the Meditech Emergency Department (EDM) module. The reason that HSM service is being proposed under sole source is because HSM was the consulting firm who led the implementation of Meditech SIS4 upgrade at NMC in March of 2010.

Revised:

March 1, 2006

- b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

HSM possesses the unique qualification to qualify as a sole source since they managed and implemented the Meditech 5.64 upgrade at Natividad. They are very familiar with the way every Meditech module is currently implemented here at Natividad.

- c) Why are these specific features/qualifications required?

The implementation of the Meditech EDM module will require seamless integration configuration to be made in order for the Emergency Dept process to work with the rest of the hospital units by way of Meditech.

- d) What other products/services have been examined and/or rejected?

None, this is a sole source.

- e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

Since EDM module interacts with all other modules within Meditech, the Subject Matter Expert who will assist with the implementation needs to have prior knowledge about the NMC specific Meditech module configurations. And since HSM was the one managed the entire Meditech upgrade for NMC, they are the only one who is qualified to do this.

- f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

EDM module is required for NMC to achieve EMR meaningful use, a mandatory government requirement. NMC cannot achieve this important goal without a successful implementation of the EDM module.

- g) Estimated Costs:

\$250,000

4. Is there an unusual or compelling urgency associated with this project?



No



Yes (Please describe)

The Federal government has the time table published for hospitals to achieve EHR meaningful use. In order for RMC to meet this time table, ERM module needs to be implemented by end of 2011 and therefore it is important to release the subject matter expert Reserve from RRM to assist with the ERM implementation.

THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative, and am aware of the County's requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County's criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor's protest.

Requestors Signature

*(Daniel Bigley)*

Date

4/19/11

Authorized Signature by Department Head

Date

#### Healthcare Services Management (HSM) Consulting Sole Source Justification Amendment #1

Healthcare Services Management (HSM) Consulting staff brings a unique set of skills and qualifications in the Meditech HCIS Advanced Clinical Systems. In addition to the firm's intimate knowledge of the NMC specific Meditech configurations, one of the unique qualifications of HSM Consulting is that many of their consultants are former Meditech employees. This unique qualification applies to the proposed Subject Matter Expert resource that has a strong track record of leading multiple EDM implementations when he was working as an employee of Meditech and, therefore the resource possesses superior skills across all Meditech modules.

---

~~Since Meditech is a very sophisticated HCIS systems and it's very rare to find a single resource with such~~ breath of knowledge and skills across the entire system. By hiring the HSM consulting to assist with the Meditech Emergency Department Module (EDM) implementation, it will greatly increase our probability of a successful delivery of this project in supporting our initiative to pursue EMR Meaningful Use.

If NMC were to seek other candidates locally or elsewhere, it would either (i) require multiple Subject Matter Expert resources who would need to assist with the integration of the EDM module with other key Meditech modules; or (ii) extend the implementation timeline of the EDM project to allow a single Subject Matter Expert resource to ramp up on the NMC specific Meditech configuration and acquire the knowledge of other Meditech modules that need to interoperate with the EDM modules. Both of these approaches would significantly increase the cost of this project and potentially delay our project delivery timeline.

## BUSINESS ASSOCIATE AGREEMENT

This Agreement, hereinafter referred to as "Agreement", is made effective May 1, 2009 by and between the County of Monterey, a political subdivision of the State of California, on behalf of the Medical Center, hereinafter referred to as "Covered Entity", and Healthcare Service Management, Inc., hereinafter referred to as "Business Associate"; (individually, a "Party" and collectively, the "Parties").

### WITNESSETH:

WHEREAS, Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as "the Administrative Simplification provisions," direct the Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information; and

WHEREAS, pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services has issued regulations modifying 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"); and

WHEREAS, the State of California has enacted statutes designed to safeguard patient privacy including, without limitation, the Confidentiality of Medical Information Act ("CMIA"), California Civil Code § 56.2, Senate Bill 541, enacted September 30, 2008, and Assembly Bill 211, enacted September 30, 2008; and

WHEREAS, the parties acknowledge that California law may include provisions more stringent and more protective of the confidentiality of health information than the provisions of HIPAA; and

WHEREAS, the Parties wish to enter into or have entered into an arrangement whereby Business Associate will provide certain services to Covered Entity, hereby referred to as the "Service Agreement" and, pursuant to such arrangement, Business Associate may be considered a "business associate" of Covered Entity as defined in the HIPAA Privacy Rule and under California law; and

WHEREAS, Business Associate may have access to Protected Health Information (as defined below) in fulfilling its responsibilities under such arrangement;

THEREFORE, in consideration of the Parties' continuing obligations under the Service Agreement, compliance with the HIPAA Privacy Rule, compliance with California law, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the provisions of this Agreement in order to address the requirements of the HIPAA Privacy Rule and California law and to protect the interests of both Parties.

### I. DEFINITIONS

Except as otherwise defined herein, any and all capitalized terms in this Section shall have the definitions set forth in the HIPAA Privacy Rule. In the event of an inconsistency between the provisions of this Agreement and the mandatory provisions of the HIPAA Privacy Rule, as amended, the HIPAA Privacy Rule shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of CMIA, or other California law, California law shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Privacy Rule and California law, but nonetheless are permitted by the HIPAA Privacy Rule and California law, the provisions of this Agreement shall control.

The term "Protected Health Information" means individually identifiable health information including, without limitation, all information, data, documentation, and materials, including without limitation, demographic,

Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

(c) Business Associate will implement appropriate safeguards to prevent access to, use of, or disclosure of Protected Health Information other than as permitted in this Agreement. The Secretary of Health and Human Services shall have the right to audit Business Associate's records and practices related to use and disclosure of Protected Health Information to ensure Covered Entity's compliance with the terms of the HIPAA Privacy Rule. Business Associate shall report to Covered Entity any access to, use, or disclosure of Protected Health Information which is not in compliance with the terms of this Agreement or which it becomes aware within five calendar days of discovering such improper access, use, or disclosure. In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of use, disclosure, or access of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

### III. AVAILABILITY OF PHI

Business Associate agrees to make available Protected Health Information to the extent and in the manner required by Section 164.524 of the HIPAA Privacy Rule. Business Associate agrees to make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Privacy Rule. In addition, Business Associate agrees to make Protected Health Information available for purposes of accounting of disclosures required by Section 164.528 of the HIPAA Privacy Rule.

### IV. TERMINATION

Notwithstanding anything in this Agreement to the contrary, Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. If Covered Entity reasonably believes that Business Associate will violate a material term of this Agreement and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the other term of this Agreement within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately, and seek injunctive and/or declaratory relief in a court of law having jurisdiction over Business Associate.

### V. MISCELLANEOUS

Except as expressly stated herein, in the HIPAA Privacy Rule, or under California law, the parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Agreement shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement and/or the business relationship of the parties, and shall otherwise bind Business Associate, its agents, employees, subcontractors, successors, and assigns as set forth herein.

This Agreement may be amended or modified only if a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than their independent parties contracting with each other solely for the purposes of affecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement will be governed by the laws of the State of California. No change, waiver or

medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

Business Associate acknowledges and agrees that all Protected Health Information that is reported, communicated, disclosed, written, or made available in any form, including paper-based, oral, computerized, electronic, or otherwise, to Business Associate or Covered Entity or is created or received by Business Associate on Covered Entity's behalf shall be subject to this Agreement.

### III. CONFIDENTIALITY REQUIREMENTS

(a) Business Associate agrees:

(i) to access, use, or disclose any Protected Health Information solely: (1) for meeting its obligations as set forth in any agreements between the Parties outlining their business relationship or (2) as required by applicable law, rule or regulation, or by accrediting or certifying organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement, the Service Agreement (if consistent with this Agreement), the HIPAA Privacy Rule, and California law, or the HIPAA Privacy Rule, or California law and (3) as otherwise permitted by the HIPAA Privacy Rule and California law if such use or disclosure was made by Covered Entity;

(ii) at termination of this Agreement, the Service Agreement (or any similar documentation) or the business relationship of the Parties, or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate will return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information, or if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the information and limit further access, uses, and disclosures to those purposes that make the return or destruction of the information not feasible; and

(iii) to ensure that its agents, including subcontractors, to whom it provides Protected Health Information received from or created by Business Associate on behalf of Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to such information. In addition, Business Associate agrees to take reasonable steps to ensure that its employees' actions or omissions do not cause Business Associate to breach the terms of this Agreement.

(b) Notwithstanding the prohibitions set forth in this Agreement, Business Associate may use and disclose Protected Health Information as follows:

(i) If necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that as to any such disclosure the following requirements are met:

(A) the disclosure is required by law; or  
(B) Business Associate obtains reasonable assurance from the person to whom the information is disclosed that it will be held confidentially and accessed, used, or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of violation it is aware of in which the confidentiality of the information has been breached, within five calendar days of discovering said breach of confidentiality.

(ii) for data aggregation services to be provided by Business Associate for the health care operations of Covered Entity pursuant to any agreements between the Parties outlining their business relationship. For purposes of this Agreement, data aggregation services means the combining of Protected Health Information by Business Associate with the protected health information received by

discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

The parties agree that, in the event that any documentation of the parties, pursuant to which Business Associate provides services, Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will prevail. The provisions of this Agreement are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information.

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event a party believes in good faith that any provision of this Agreement fails to comply with the then current requirements of the HIPAA Privacy Rule or California law, such party shall notify the other party in writing. For a period of up to thirty days, the parties shall attempt in good faith to address such noncompliance, amend the terms of this Agreement, if necessary to bring it into compliance. If, at the conclusion of such thirty day period, a party believes in good faith that the Agreement still fails to comply with the HIPAA Privacy Rule or California law, then either party has the right to terminate this Agreement and the Service Agreement upon written notice to the other party. Either party may terminate this Agreement without simultaneously terminating the Service Agreement, unless the parties mutually agree in writing to modify this Agreement or immediately replace it with a new Business Associate Agreement that fully complies with the HIPAA Privacy Rule and California law.

Business Associate acknowledges that Natividad Medical Center (NMC) has established a Corporate Compliance Program, and under this program NMC has developed a Code of Conduct Manual to provide guidance in the ethical and legal performance of our professional services. Business Associate further agrees to abide by all principles stated in the Code of Conduct while conducting business with Natividad Medical Center. A copy of the Code of Conduct & Principles of Compliance is available upon request.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year written above.

COVERED ENTITY:

BUSINESS ASSOCIATE:

By: \_\_\_\_\_

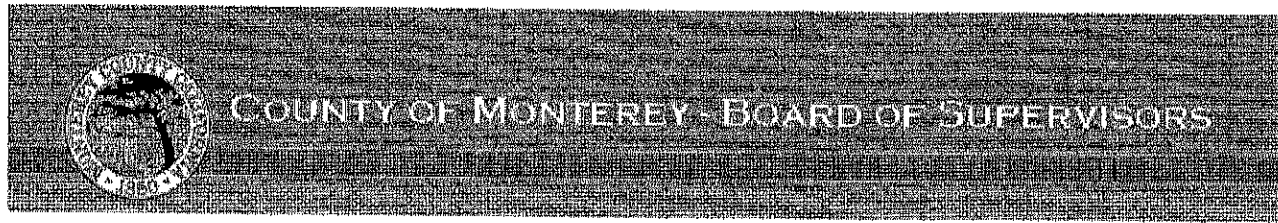
By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

[Monterey County Home](#)[Search Agenda Items](#)[Calendar](#)[Board of Supervisors](#)[Live Proceedings](#)[Video of Board Meetings](#)[Agenda Info 2009-2012](#)
[Share](#)
[Print](#)
[RSS](#)
[Alerts](#)
[Details](#)[Reports](#)

File #: A 12-070 Version: 1 Name: Healthcare Management Services  
 Renewal #1  
 Type: BoS Agreement Status: Consent Agenda  
 File created: 5/7/2012 In control: Board of Supervisors  
 On agenda: 6/12/2012 Final action:  
 Title: Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the Agreement (A-12118) with Healthcare Services Management for Senior Patient Care System and Emergency Department Management Consulting Services at NMC, extending the Agreement to June 30, 2013, and adding \$570,725 for a revised total Agreement amount not to exceed \$820,725 in the aggregate.  
 Attachments: Healthcare Services Management Renewal, Completed Board Order No. 42

[History \(0\)](#)[Text](#)**Title**

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the Agreement (A-12118) with Healthcare Services Management for Senior Patient Care System and Emergency Department Management Consulting Services at NMC, extending the Agreement to June 30, 2013, and adding \$570,725 for a revised total Agreement amount not to exceed \$820,725 in the aggregate.

**Body****RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the Agreement (A-12118) with Healthcare Services Management for Senior Patient Care System and Emergency Department Management Consulting Services at NMC, extending the Agreement to June 30, 2013, and adding \$570,725 for a revised total Agreement amount not to exceed \$820,725 in the aggregate.

**SUMMARY/DISCUSSION:**

As Natividad continues to pursue its initiative in achieving Meaningful Use, a program issued by the Centers of Medicare and Medicaid Services (CMS), one of the requirements is to implement functionality within Meditech's Emergency Department Management module. HSM was able to successfully complete the first phase of this project in fiscal year 2011/12, which was Computerized Provider Order Entry (CPOE) for NMC, and is now ready to start the second phase (10 month project timeline) which is Physician Documentation (Pdoc). HSM is a leading Healthcare Consulting firm specialized in support and maintenance of Meditech implementations. HSM possess unique qualifications and knowledge about the Meditech systems, specifically the Emergency Department module (EDM) and Patient Care System (PCS). The recommendation is to continue to obtain these services from Healthcare Services Management in order to support these hospital efforts.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Renewal and Amendment 1 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment 1 as to fiscal provisions. The Renewal and Amendment 1 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Renewal and Amendment 1 is \$570,725 and is included in the Fiscal Year 2012/2013 Recommended Budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Interim CIO, 783-2559

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Agreement, Renewal and Amendment 1.



## Monterey County

### Board Order

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

#### Agreement No: A-12118

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

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 1 to the Agreement (A-12118) with Healthcare Services Management for Senior Patient Care System and Emergency Department Management Consulting Services at NMC, extending the Agreement to June 30, 2013, and adding \$570,725 for a revised total Agreement amount not to exceed \$820,725 in the aggregate.

PASSED AND ADOPTED on this 12th day of June 2012, by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker, and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, 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 76 for the meeting on June 12, 2012.

Dated: July 26, 2012  
File Number: A 12-070

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By Denise Hancock  
Deputy

**RENEWAL  
TO THE PROFESSIONAL SERVICES AGREEMENT  
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND  
HEALTHCARE SERVICES MANAGEMENT**

**THIS RENEWAL** to the County of Monterey Agreement for Professional Services (hereinafter, "RENEWAL") is made and entered into, by and between the Natividad Medical Center (County of Monterey), a political subdivision of the State of California (hereinafter, "County"), and Healthcare Services Management (hereinafter, "CONTRACTOR") (collectively, the County and CONTRACTOR are referred to as the "Parties,").

**WHEREAS**, the Parties had previously entered into an Agreement for Professional Services (hereinafter, "Agreement"), on May 1, 2011 and;

**WHEREAS**, the Agreement is attached hereto as Attachment 1 and;

**WHEREAS**, that Agreement expired on April 30, 2012 and;

**WHEREAS**, the Parties wish to renew the Agreement on the same or similar terms, beginning May 1, 2012 and increase the amount payable by \$570,725 to continue to provide services associated with Senior Patient Care System and Emergency Department Management Consulting Services within the County of Monterey.

**NOW THEREFORE**, the Parties agree as follows:

1. The Agreement is hereby renewed on its prior terms and conditions as set forth in Attachment 1, incorporated herein by this reference, except as specifically set forth below.
2. Exhibit A to the Agreement is replaced with Renewal-1 to Exhibit A, attached to this Renewal. All references in the Agreement to Exhibit A shall be construed to refer to Amendment No. 1 to Exhibit A.
3. The term of this RENEWAL is from May 1, 2012 to June 30, 2013 unless sooner terminated pursuant to the terms of this RENEWAL, or extended in writing.
4. County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Attachment 1, subject to the limitations set forth in this RENEWAL. The total amount payable by County to CONTRACTOR shall not exceed the sum of \$820,725
5. If there is any conflict or inconsistency between the provisions of Agreement, or this RENEWAL, the provisions of this RENEWAL shall govern.

**IN WITNESS WHEREOF**, the parties hereby execute this RENEWAL as follows:

NATIVIDAD  
MEDICAL CENTER

By: [Signature]  
NMC Contracts/Purchasing Agent

Date: 7-11-12

By: [Signature]  
Department Head (if applicable)

Date: 4/26/12

By: [Signature]  
Stacy Saetta, Deputy County Counsel

Date: 5/3/12

By: [Signature]  
Auditor/Controller

Date: 10-2-12

CONTRACTOR

Healthcare Services Mgmt, Inc  
Contractor's Business Name\*\*\*

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

David Devine President  
Name and Title

Date: 4/23/12

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. 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. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.

Healthcare Services Management, Inc.

Exhibit A *RENEWAL - / TO EXHIBIT A*

Scope of Service for Natividad Medical Center

April 12, 2012

## **PROJECT SCOPE**

Natividad Medical Center is currently live with MEDITECH's Client-Server HCIS version 5.6. Natividad will be implementing the Physician Documentation component of MEDITECH's Emergency Department Suite Phase II. Natividad is also looking for staff augmentation services for MEDITECH's Patient Care Systems Suite.

Client is seeking consulting assistance for purposes of providing advisory services, workflow design and/or redesign, system build planning, hands-on dictionary and application build, end-user training, integrated testing, go-live planning, post go-live assistance and support specific to the implementation of MEDITECH's Emergency Department Suite and Physician Documentation component.

Client is also seeking consulting assistance for purposes of providing advisory services, workflow design and/or redesign, system build planning, hands-on dictionary and application build, end-user training, integrated testing, and support specific to MEDITECH Patient Care System Suite.

Consultants with expertise in the implementation, optimization and support MEDITECH's Emergency Department and Patient Care System Suite will be made available for the above mentioned services and other services requested by Client.

## **STATEMENT OF WORK**

HSM is prepared to provide the following services:

- HSM will provide a MEDITECH subject matter expert for each application and/or application suite as requested.
- Consultant will assist with the implementation, optimization and support of the MEDITECH Patient Care System and Emergency Department Suite.
- Consultant will assist with advisory services, workflow design and/or redesign, system build planning and hands-on dictionary building as mutually agreed upon.
- Consultant will assist with end-user training, integrated testing, oversight, go-live planning, post go-live assistance and oversight, and other services as mutually agreed upon.

## **DELIVERABLES**

- Project deliverables as mutually agreed upon
- Status reports as mutually agreed upon

**PROJECT TIMING**

Consultant (s) is expected to start May 1, 2012 and be scheduled through June 30, 2013.

**FEE SCHEDULE & PAYMENT TERMS**

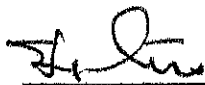
Based upon our discussion of Client requirements we have proposed access to the consulting resources and have included estimated hours. The below schedule is an estimate of hours and consulting fees.

| Service(s)                                 | Rate/Hr | Hours | Estimated Consulting Fees |
|--------------------------------------------|---------|-------|---------------------------|
| MEDITECH Application Consulting            |         |       |                           |
| Senior Patient Care System Consultant      | \$186   | 870   | \$345,960                 |
| Emergency Department Management Consultant | \$186   | 215   | \$224,775                 |
| Total Estimated Consulting Fees            |         |       | \$570,735                 |

*\*Rates inclusive of travel and out-of-pocket expenses*

This Agreement is accepted by:

Natividad Medical Center

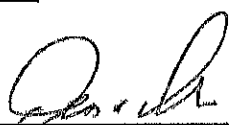
  
\_\_\_\_\_

Harvey Weiss  
Printed Name

CEO  
Title

7/26/12  
Date

HSM

  
\_\_\_\_\_  
David Devine, President

7/23/12  
Date

## MONTEREY COUNTY BOARD OF SUPERVISORS

|                    |                                                                                                                                                                                                                                                                                                        |                            |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| <b>MEETING:</b>    | <b>October 18, 2011</b>                                                                                                                                                                                                                                                                                | <b>AGENDA NO.: CONSENT</b> |
| <b>SUBJECT:</b>    | Retroactively approve, and authorize the Purchasing Manager for Natividad Medical Center ("NMC") to execute, the Agreement with Healthcare Services Management for Meditech EDM Module Consulting Services at NMC in an amount not to exceed \$250,000 retroactive from May 1, 2011 to April 30, 2012. |                            |
| <b>DEPARTMENT:</b> | Natividad Medical Center                                                                                                                                                                                                                                                                               |                            |

### RECOMMENDATION:

It is recommended the Board of Supervisors retroactively approve, and authorize the Purchasing Manager for Natividad Medical Center ("NMC") to execute, the Agreement with Healthcare Services Management for Meditech EDM Module Consulting Services at NMC in an amount not to exceed \$250,000 retroactive from May 1, 2011 to April 30, 2012.

### SUMMARY/DISCUSSION:

As Natividad continues to pursue its initiative in achieving Electronic Medical Record (EMR) Meaningful Use, a program issued by the Centers of Medicare and Medicaid Services (CMS), one of the requirements is to implement the Emergency Department module within Meditech. A project of this magnitude requires oversight and management from highly skilled, back office-experienced individuals and Healthcare Services Management provides these services. Healthcare Services Management (HSM) has been a leading Healthcare Consulting firm specialized in support Meditech implementations. HSM possess unique qualifications and knowledge about the Meditech systems and the Emergency Department module (EDM). The recommendation is to obtain the necessary subject matter expertise services from Healthcare Services Management in order to support the Meditech EDM implementation.

In May 2011 NMC permitted Healthcare Services Management under this Agreement to begin work to ensure that the hospital could meet all required compliance deadlines for "Meaningful Use" (Electronic Health Record). In an effort to ensure that NMC would receive all possible funds from the state it was deemed necessary that these individuals be brought on immediately. NMC acknowledges that it should have waited until the Board of Supervisors approved the Agreement before allowing Healthcare Services Management to begin work. In the future, NMC will engage in better planning to ensure that contracts with vendors are approved and purchase orders issued before initiating work.

### OTHER AGENCY INVOLVEMENT:

The Agreement has been reviewed and approved by County Counsel, the Auditor/Controller's office and the Natividad Medical Center Board of Trustees.

### FINANCING:

The cost for this Agreement is \$250,000 and is included in the Recommended Fiscal Year 2011-12 Budget. This action will not require any additional General Fund subsidy.

Prepared by:

Jim Fenstermaker, Interim IT Director  
796-1647

September 1, 2011

Attachments: Agreement, Board Order

\_\_\_\_\_  
Harry Weis

Chief Executive Officer

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

**Agreement No. A-12118**

Retroactively approve and authorize the Purchasing )  
Manager for Natividad Medical Center ("NMC") to )  
execute, the Agreement with Healthcare Services )  
Management for Meditech EDM Module Consulting )  
Services at NMC in an amount not to exceed \$250,000 )  
retroactive from May 1, 2011 to April 30, 2012.)

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

Retroactively approved and authorized the Purchasing Manager for Natividad Medical Center ("NMC") to execute, the Agreement with Healthcare Services Management for Meditech EDM Module Consulting Services at NMC in an amount not to exceed \$250,000 retroactive from May 1, 2011 to April 30, 2012.

PASSED AND ADOPTED on this 11<sup>th</sup> day of October, 2011, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Potter, and Parker

NOES: None

ABSENT: None

I, Gail T. Borkowski, 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 75 for the meeting on October 11, 2011.

Dated: October 13, 2011

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By Christ A. Muel  
Deputy



# COUNTY OF MONTEREY - BOARD OF SUPERVISORS

[Monterey County Home](#)
[Search Agenda Items](#)
[Calendar](#)
[Board of Supervisors](#)
[Live Proceedings](#)
[Video of Board Meetings](#)
[Agenda Info 2009-2012](#)
[Share](#) [RSS](#) [Alerts](#)
[Details](#)
[Reports](#)

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                      |                                                          |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------------------------|
| <b>File #:</b>       | A 14-002                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Name:</b>         | Healthcare Services Management<br>Renewal & Amendment #2 |
| <b>Type:</b>         | BoS Agreement                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Status:</b>       | Scheduled PM                                             |
| <b>File created:</b> | 1/6/2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>In control:</b>   | Natividad Medical Center                                 |
| <b>On agenda:</b>    | 3/18/2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Final action:</b> |                                                          |
| <b>Title:</b>        | Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (A-12118) with Healthcare Services Management (HSM) for ICD-10 (International Classification of Diseases - version 10) code set implementation, training and consulting services at NMC, extending the agreement to June 30, 2015 and adding \$1,202,950 for a revised total agreement amount not to exceed \$2,023,675 in the aggregate. |                      |                                                          |
| <b>Sponsors:</b>     | Sid Cato                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                      |                                                          |
| <b>Attachments:</b>  | 1. <a href="#">Healthcare Services Management Renewal &amp; Amendment #2</a> , 2. <a href="#">Healthcare Services Management Spend Sheet</a> , 3. <a href="#">HSM Renewal &amp; Amendment #2 and History (Attachment A)</a> , 4. <a href="#">Completed Board Order</a>                                                                                                                                                                                                         |                      |                                                          |

[History \(0\)](#)
[Board Report](#)

## Title

Approve and direct the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (A-12118) with Healthcare Services Management (HSM) for ICD-10 (International Classification of Diseases - version 10) code set implementation, training and consulting services at NMC, extending the agreement to June 30, 2015 and adding \$1,202,950 for a revised total agreement amount not to exceed \$2,023,675 in the aggregate.

## Report

### **RECOMMENDATION:**

It is recommended the Board of Supervisors approve and authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (A-12118) with Healthcare Services Management (HSM) for ICD-10 (International Classification of Diseases - version 10) code set implementation and training consulting services at NMC, extending the agreement to June 30, 2015 and adding \$1,202,950 for a revised total agreement amount not to exceed \$2,023,675 in the aggregate.

### **SUMMARY/DISCUSSION:**

The Department of Health and Human Services (HHS) has established several changes for national coding with the purpose of meeting the growing demands of the complex payment environment in healthcare. As of October 1, 2014, reporting claims for medical diagnoses and inpatient procedures, once submitted to payers using ICD-9 code sets, will need to be submitted using the new ICD-10 (International Classification of Diseases - version 10) code sets.

ICD codes are the common system of codes used to classify diseases and other health problems on many types of health records. ICD means International Classification of Diseases. ICD codes are alphanumeric designations given to every diagnosis, description of symptoms and cause of death attributed to human beings. This means that each diagnosis a human being may be given has a code that goes with it. That code means that every medical professional in the United States and many other parts of the world will understand the diagnosis the same way.

ICD code sets are critical to NMC. They are required for the hospital to retrieve revenue for services rendered, used to calculate payments for covered services, compile statistics and assess quality within a healthcare setting. The transition to ICD-10 is being mandated because ICD-9 codes (currently used nation-wide) produce limited data about patients'

medical conditions and hospital inpatient procedures. ICD-9 is 30 years old, has outdated terms, and is inconsistent with current medical practices.

With a federally mandated compliance deadline for ICD-10 code sets effective October 1, 2014, it is important for NMC to start the implementation and prepare and train staff as soon as possible. To help facilitate this endeavor and meet the federal deadline, NMC will need to engage consulting assistance from HSM for the purpose of providing ICD-10 subject matter expertise, financial impact analysis, project planning, code set implementation, and physician and staff education and training.

HSM will also provide implementation assistance to help NMC complete assessment recommendations and prepare the hospital for the transition to ICD-10. Utilizing an enterprise-wide approach, HSM will collaborate with NMC with implementing a strategy and roadmap for ICD-10 that will assist NMC in achieving and maintaining compliance. For a complete list of services requested per this Renewal and Amendment No. 2 with associated costs, and history of the Agreement, please see Attachment A; "*HSM Renewal and Amendment No. 2 and History*".

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed and approved this Renewal and Amendment No. 2 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment No. 2 as to fiscal provisions. The Renewal and Amendment No. 2 has also been reviewed and approved by Natividad Medical Center's Executive Committee.

**FINANCING:**

The cost for this Renewal and Amendment No. 2 is \$1,202,950 over two years. \$600,000 is included in the Fiscal Year 2013/2014 Adopted Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. NMC's FY 2013-2014 appropriation obligations exceeded its budget for the period July 2013 through December 2013 (six months). NMC has received additional Disproportionate Share funding from the State and is forecasted to be back on budget. There is no impact to the General Fund.

Prepared by: Jim Fenstermaker, Senior IT Strategist 783-2559

Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Renewal and Amendment No. 2, Original Agreement, Renewal and Amendment 1, Attachment A: "*HSM Renewal and Amendment No. 2 and History*", Spend Sheet



## Monterey County

### Board Order

168 West Alisal Street,  
1st Floor  
Salinas, CA 93901  
831.755.5066

**Agreement No.: A-12118**

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

Approved and directed the Purchasing Manager for Natividad Medical Center (NMC) to execute Renewal and Amendment No. 2 to the Agreement (A-12118) with Healthcare Services Management (HSM) for ICD-10 (International Classification of Diseases - version 10) code set implementation, training and consulting services at NMC, extending the agreement to June 30, 2015 and adding \$1,202,950 for a revised total agreement amount not to exceed \$2,023,675 in the aggregate.

PASSED AND ADOPTED on this 18th day of March 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Parker and Potter

NOES: None

ABSENT: Supervisor Salinas

I, Gail T. Borkowski, 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 77 for the meeting on March 18, 2014.

Dated: March 21, 2014  
File Number: A 14-002

Gail T. Borkowski, Clerk of the Board of Supervisors  
County of Monterey, State of California

By Janise Hancock  
Deputy

**RENEWAL AND AMENDMENT NO. 2  
TO THE SERVICES AGREEMENT  
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND  
HEALTHCARE SERVICES MANAGEMENT INC.**

**THIS RENEWAL** to the County of Monterey Agreement for Services (hereinafter, "RENEWAL") is made and entered into, by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "County"), and Healthcare Services Management Inc. (hereinafter, "CONTRACTOR") (collectively, the County and CONTRACTOR are referred to as the "Parties.").

**WHEREAS**, the Parties had previously entered into an Agreement for Services (hereinafter, "Agreement"), on May 1, 2011; and

**WHEREAS**, the Agreement is attached hereto as Attachment 1; and

**WHEREAS**, that Agreement expired on June 30, 2013; and

**WHEREAS**, the Parties wish to renew the Agreement on the same or similar terms, beginning July 1, 2013 and increase the amount payable by \$1, 202,950 to continue to provide services associated with ICD-10 Project Management Services within the County of Monterey.

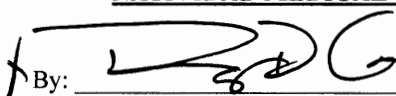
**NOW THEREFORE**, the Parties agree as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in Attachment 1 incorporated herein by this reference, except as specifically set forth below.

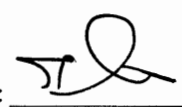
1. The term of this RENEWAL is from July 1, 2013 to June 30, 2015 unless sooner terminated pursuant to the terms of this RENEWAL, or extended in writing.
2. Exhibit A to the Agreement is replaced with Renewal and Amendment-No2 to Exhibit A, attached to this Renewal. All references in the Agreement to Exhibit A shall be construed to refer to Renewal and Amendment No. 2 to Exhibit A.
3. County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Attachment 1, subject to the limitations set forth in this RENEWAL. The total amount payable by County to CONTRACTOR shall not exceed the sum of \$2,023,675.
4. If there is any conflict or inconsistency between the provisions of Agreement, or this RENEWAL, the provisions of this RENEWAL shall govern.

IN WITNESS WHEREOF, the parties hereby execute this RENEWAL as follows:

**NATIVIDAD MEDICAL CENTER**

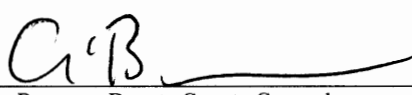
By:   
Sid Cato, NMC, Management Analyst/Contracts

Date: 10-17-13

By:   
Harry Weis, NMC, Chief Executive Officer

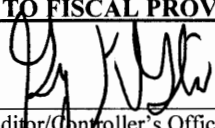
Date: 7/26/13

**APPROVED AS TO LEGAL PROVISIONS**

By:   
Anne Brereton, Deputy County Counsel

Date: July 31, 2013

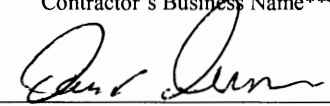
**APPROVED AS TO FISCAL PROVISIONS**

By:   
Gary Giboney, Auditor/Controller's Office

Date: 8-3-13

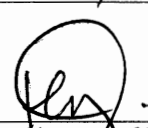
**CONTRACTOR**

Healthcare Services Management, Inc.  
Contractor's Business Name\*\*\*

  
Signature of Chair, President, or Vice-President

David Devine, President/CEO  
Name and Title

Date: 7/23/13

By:   
Signature of Secretary, Asst. Secretary, CFO,  
Treasurer or Asst. Treasurer

Kim Emerling, Secretary  
Name and Title

Date: 7/23/13

**\*\*\*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.

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.

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.

**Healthcare Services Management, Inc.**

**Renewal and Amendment - No.2 to Exhibit A**

Scope of Service & Agreement for  
Natividad Medical Center

**PROJECT SCOPE**

Natividad Medical Center ("Client") is in the process of planning for the migration to ICD-10 and recognizes the significant impact this change will have across the organization.

Client is seeking consulting assistance for purpose of providing advisory services, financial impact analysis, project planning and oversight, remediation implementation as well as physician and staff education and training.

Utilizing an enterprise-wide approach, HSM and McGladrey will assist Client in forging a strategy and roadmap, developing a budget and project plan for ICD-10 that will assist Client in navigating obstacles, making informed choices and mitigating risk. HSM Consulting will also provide implementation assistance to help Client carry out the assessment recommendations and prepare the organization for the transition to ICD-10.

Consulting expertise in the planning, implementation, testing and training of ICD-10 will be made available for the above mentioned services and other services as requested by Client.

**STATEMENT OF WORK**

HSM is prepared to provide the following services:

- Perform organizational impact assessments and ICD-10 readiness assessments for clinical, HIM, physician, business office, IT and third party vendors.
- Provide Project Management services as mutually agreed upon.
- Provide Information Technology Management services as mutually agreed upon.
- Provide Operational Workflow Subject Matter Expertise in support of the ICD-10 implementation as needed.
- Provide Physician Education and Training as mutually agreed upon.
- Provide Ancillary and Revenue Cycle education and training (exclusive of coding staff) as mutually agreed upon.

McGladrey is prepared to provide the following ICD-10 Financial Impact Analysis Services:

- Conduct financial impact assessment and claims analysis and prepare reports as mutually agreed upon.
- Facilitate results debrief as mutually agreed upon.
- Unlimited downloads for two years as mutually agreed upon.

**PROJECT TIMING**

Upon acceptance of this Agreement, HSM and Client will jointly determine the start date of the project.

**FEE SCHEDULE AND PAYMENT TERMS**

HSM and McGladrey have bundled this service package together in order to provide Client with an overall savings on the cost of the ICD-10 Assessment engagement. Implementation Services pricing has been provided on a Time and Materials basis based on estimated hours and anticipated support needs.

The following schedule includes estimated hours and associated fees, as well as fixed fees.

| ICD-10 Service Provided                                                                                        | Estimated Hours                               | Bill Rate           | Estimated Cost     |
|----------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------|--------------------|
| ICD-10 Assessment                                                                                              | Fixed Fee                                     |                     | \$75,000           |
| Project Management                                                                                             | 2400                                          | \$180               | \$432,000          |
| McGladrey Translator Tool Unlimited Downloads                                                                  | \$15,000/year                                 | Two Year Commitment | \$30,000           |
| Operational Workflow Subject Matter Expert                                                                     | 2400                                          | \$175               | \$420,000          |
| Physician Training Workshop and Detailed Education Plan                                                        | Fixed Fee                                     |                     | \$15,000           |
| Three Peer to Peer Physician Presentations (number of sessions and content to be finalized after the workshop) | Fixed Fee                                     |                     | \$11,250           |
| Physician Specialty Training and Tools                                                                         | Fixed Fee                                     |                     | \$150,000          |
| Revenue Cycle and Ancillary Training/Education                                                                 | 4 Staff Awareness and 16 Role Based Trainings |                     | \$26,500           |
| Post-Live Support                                                                                              | 240                                           | \$180               | \$43,200           |
| <b>Total Estimated Cost</b>                                                                                    |                                               |                     | <b>\$1,202,950</b> |

**TERMS & CONDITIONS**

- A. Mutual Non-Hire. To ensure a mutually beneficial relationship, both parties agree to avoid hiring each other's employees, either directly or through third parties, for a period of 12 months following the expiration of this Agreement. Any breaching party shall be liable for 20% of the recruited employee's first year salary.
- B. Termination. Either party may cancel this Agreement with 30 days written notice. HSM will deliver all work in progress and will be paid for work delivered to Client. The sections covering mutual non-hire, limitation of liability and payment terms shall survive the termination.
- C. Force Majeure. This Agreement is subject to force majeure. HSM can not be held responsible for delays or failure to provide services in the event of strikes, lockouts, labor trouble, riots, fires, explosions, weather, war, terrorist acts, natural disasters or Acts of God or other causes beyond its control, whether such causes are of classes herein specifically provided for or not.
- D. Limitation of Liability. In no event shall HSM or its officers, shareholders, subcontractors, employees, representatives or subsidiaries be liable, for any consequential, cost of cover, exemplary, indirect, punitive, incidental or special damages, even if informed of the possibility of such damages, whether foreseeable or unforeseeable, regardless of the cause of action,

regardless of whether such damages are based upon lost goodwill, lost profits, loss of use of money, loss of data or interruption in the use of availability of data, stoppage of work, impairment of assets, or otherwise arising out of a breach of any express or implied warranty, breach of contract, negligence, misrepresentation, strict liability, and whether based on this Agreement, by any transaction performed or undertaken under or in connection with this Agreement, or otherwise.

The Parties agree that in no event shall HSM's total liability to Client, regardless of the character or type of damages sought, exceed the applicable insurance limits.

- E. HIPAA Compliance. HSM's work and performance will be compliant with the HIPAA provisions. Chain of trust and other documents necessary to fulfill these requirements will be readily signed upon request.
- F. Client Responsibilities. Client shall provide the consultant(s) with the office space and equipment necessary to do their work. Client shall also provide access to the systems, data and the documentation reasonably necessary for the consultant(s) to accomplish assigned tasks.

### ACCEPTANCE

Please sign below, and send a signed copy of the Agreement to HSM for countersignature. Upon receipt, HSM will countersign and return a copy to Natividad Medical Center. The Agreement may be sent to our address below, or faxed to 781.658.2503 to expedite the start of the engagement.

Healthcare Services Management, Inc.  
1 Batterymarch Park, Suite 311  
Quincy, MA 02169  
ATTN: David Devine

#### Natividad Medical Center



Authorized Representative

Henry Weiss

Printed Name

CEO

Title

7/23/13

Date

#### HSM



David Devine, President

7/23/13

Date