

**TWENTIETH AMENDMENT TO  
THE PRIMARY HOSPITAL AND  
OUTPATIENT LABORATORY SERVICES AGREEMENT**

This Twentieth Amendment to the Primary Hospital and Outpatient Laboratory Services Agreement ("Amendment") is entered into and is effective this first day of January, 2016 ("Effective Date of Amendment"), by and between the Santa Cruz-Monterey-Merced Managed Medical Care Commission, doing business as the Central California Alliance for Health, a public entity organized under the laws of the State of California, hereinafter referred to as "Plan", and Natividad Medical Center, a County Hospital, hereinafter referred to as "Contractor".

**RECITALS**

- A. The Santa Cruz/Monterey Managed Medical Care Commission and Contractor entered into the Primary Hospital Services Agreement effective July 1, 2007, as amended. The Agreement became the Primary Hospital and Outpatient Laboratory Services Agreement as a result of the Fifth Amendment, effective August 1, 2009.
- B. On April 22, 2009, all rights and duties of the Santa Cruz/Monterey Managed Medical Care Commission were transferred to the Santa Cruz-Monterey-Merced Managed Medical Care Commission, pursuant to California Welfare and Institutions Code Section 14087.54, Merced County Code Chapter 9.43, Monterey County Code Chapter 2.45, and Santa Cruz County Code Chapter 7.58. The Santa Cruz-Monterey-Merced Managed Medical Care Commission filed with the California Secretary of State to do business as Central California Alliance for Health, effective July 1, 2009.
- C. Both Plan and Contractor desire to change certain terms of the Agreement.
- D. Subject to any necessary approval by the State, this Amendment shall be effective on the Effective Date of Amendment set forth above.
- E. References to Sections and Exhibits below are to Sections and Exhibits, respectively, of the Agreement.

NOW, THEREFORE, the parties hereby amend the terms of the Agreement as follows:

1. Exhibit 5, Hospital Outpatient Clinical Laboratory Incentive Program for Medi-Cal Members, shall be amended and replaced with the attached Exhibit 5, Hospital Outpatient Clinical Laboratory Incentive Program for Medi-Cal Members.
2. All other terms and provisions of the Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern. Terms used in this Amendment shall have the meanings assigned to them in the Agreement, unless otherwise specified in this Amendment. The Agreement, as amended, is the entire agreement of the parties and supersedes all prior negotiations, proposals or understandings relating to the subject matter of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their respective duly authorized representatives.

Plan  
Central California Alliance for Health

By: 

Print Name: Alan McKay

Title: CEO

Date: 4-20-16

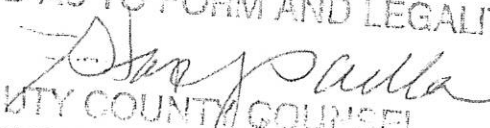
Contractor  
Natividad Medical Center

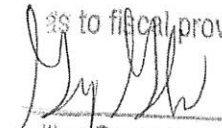
By: 

Print Name: Gary R Gray

Title: CEO

Date: 4/12/16

APPROVED AS TO FORM AND LEGALITY  
  
DEPUTY COUNTY COUNSEL  
COUNTY OF MONTEREY

as to fiscal provisions  
  
Auditor/Controller  
City of Monterey

3-16-16

## EXHIBIT 5

### HOSPITAL OUTPATIENT CLINICAL LABORATORY

### INCENTIVE PROGRAM FOR MEDI-CAL MEMBERS

#### **A. Introduction.**

This Exhibit sets forth the terms of the hospital outpatient clinical laboratory incentive program offered to Hospitals by Plan. This program is designed to compensate Hospital outpatient clinical laboratories for reporting Valid OLI Test Results (as defined below) for all Medi-Cal Members, as described herein (the "Outpatient Laboratory Incentive" or the "OLI").

The OLI continues for a limited term as described in Section G of this Exhibit, unless it is specifically extended by mutual written agreement of the parties hereto.

#### **B. Definitions.**

For the purposes of this Exhibit, the following definitions are applicable. Additional terms are defined in other sections of this Exhibit and in the Agreement.

1. Healthcare Effectiveness Data and Information Set (HEDIS) is a set of standardized performance measures maintained by the National Committee for Quality Assurance (NCQA). The measures are updated and subject to change annually.
2. HEDIS 2016 Technical Specifications are the health plan performance measures published by NCQA and include both (i) General Guidelines for Data Collection and Reporting and (ii) applicable measure-specific criteria and numerator requirements.
3. Valid OLI Test Results are defined as those results that (i) comply with the requirements set forth in the HEDIS 2016 Technical Specifications, and (ii) meet the criteria for incentive payment under the terms of the Outpatient Laboratory Incentive.
4. Technical Participation Requirements are those requirements that must be met by Contractor's outpatient clinical laboratory to ensure the confidentiality and validation of data that are received by the Plan. Therefore, Contractor's outpatient clinical laboratory must have the ability to meet the following Technical Participation Requirements:
  - a. Establish communications through the internet with the Plan's system;
  - b. Create and transmit documents in the proper format and with the required detail as determined by Plan;
  - c. Receive reports from the Plan; and
  - d. Return corrected and/or missing data, when necessary.

**C. Laboratory Test Results.**

Contractor shall submit test results for Medi-Cal Members for the laboratory tests included in Attachment A of this Exhibit.

**D. Submission of Data.**

Contractor's outpatient clinical laboratory shall submit Valid OLI Test Results to Plan in either HL7 or an Alliance-approved format, no less frequently than on a quarterly basis.

At minimum, Contractor's laboratory data files submitted for the OLI must contain all of the following data elements: i) Member identification number, ii) Member date of birth, iii) laboratory test date, iv) test type (as designated by either a CPT or LOINC code) and v) test result.

For each Medi-Cal Member for which Contractor submits laboratory test data, no more than one result per test type, per date of service, shall be eligible for payment. If multiple test results for the same test type, with the same date of service, are submitted for the same member, only the results of the most recent test will be considered valid.

**E. Payment.**

RATES REDACTED

**F. OLI Payment Determination Final.**

Plan's calculation of payments under the OLI shall be based upon Valid OLI Test Results and shall be final. Contractor acknowledges that Plan would not be willing to offer the OLI if Plan's calculation of payments under the OLI would expose Plan to increased risk of disputes and litigation arising out of Plan's calculation. Accordingly, in consideration of Plan's agreement to offer the OLI to Contractor, Contractor agrees that Contractor will have no right to dispute Plan's determination of payments due under the OLI, including determination of whether or not results constitute Valid OLI Test Results.

**G. Term of Hospital Outpatient Clinical Laboratory Incentive Program.**

The term of the Outpatient Laboratory Incentive, as described in this Exhibit, shall begin on January 1, 2016 and end on December 31, 2016 ("OLI Term"). Test results must be from laboratory tests performed during the OLI Term, and be submitted by January 31, 2017, to be considered for payment under the Outpatient Laboratory Incentive.

**H. Incentive Programs for Future Periods.**

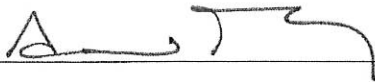
Plan, in its sole and absolute discretion, may implement incentive programs for the reporting of HEDIS laboratory test results (or other incentive programs) for periods after completion of the OLI Term. Any such programs shall be on terms determined by Plan. Until Plan and Contractor enter into a written agreement with respect to any such new incentive program extending beyond the OLI Term, no such incentive program shall be binding upon Plan.

**I. Effect of Termination of Agreement.**

In the event of the termination of the Agreement for any reason prior to the expiration of the OLI Term, OLI incentive payments shall be made only for those calendar quarters in which the Agreement was in effect for the full three (3) month period ending on the last day of such calendar quarter. No OLI incentive payments shall be earned for any calendar quarter during which the Agreement is terminated or for any future quarter.

CENTRAL CALIFORNIA ALLIANCE FOR  
HEALTH

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



Print Name: \_\_\_\_\_

Alan McKay

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

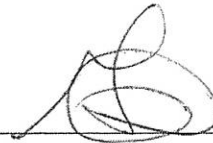
CEO

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

4-20-16

NATIVIDAD MEDICAL CENTER

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



Print Name: \_\_\_\_\_

Gary R Gay

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

CEO

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

4/21/16

APR 13 2016

## ATTACHMENT A

### LABORATORY TEST RESULT CODES ELIGIBLE FOR THE 2016 OLI

Cervical Cancer Screening		HbA1c Tests		HPV Tests		Urine Protein Tests	
CPT	LOINC	CPT	LOINC	CPT	LOINC	CPT	LOINC
88141	10524-7	3044F	17856-6	87620	21440-3	82042	11218-5
88142	18500-9	3045F	4548-4	87621	30167-1	82043	12842-1
88143	19762-4	3046F	4549-2	87622	38372-9	82044	13705-9
88147	19764-0	83036			49896-4	84156	13801-6
88148	19765-7	83037			59420-0	3060F	14585-4
88150	19766-5				75406-9	3061F	14956-7
88152	19774-9				75694-0		14957-5
88153	33717-0						14958-3
88154	47527-7						14959-1
88164	47528-5						1753-3
88165							1754-1
88166							1755-8
88167							1757-4
88174							18373-1
88175							20621-9
							21059-1
							21482-5
							26801-1
							27298-9
							2887-8
							2888-6
							2889-4
							2890-2
							30000-4
							30001-2
							30003-8
							32209-9
							32294-1
							32551-4
							34366-5
							35663-4
							40486-3
							40662-9
							40663-7
							43605-5
							43606-3
							43607-1
							44292-1
							47558-2
							49023-5
							50949-7
							53121-0
							53530-2
							53531-0
							53532-8
							56553-1

							57369-1
							58448-2
							58992-9
							59159-4
							60678-0
							63474-1
							9318-7

## HEALTH PLAN-PROVIDER AGREEMENT

### PRIMARY HOSPITAL AND OUTPATIENT LABORATORY SERVICES AGREEMENT

#### AMENDMENT TWENTY ONE

This Amendment is made this 17 day of June 2016 {month/year}, by and between the Santa Cruz-Monterey-Merced Managed Medical Care Commission, a public entity organized under the laws of California, doing business as the Central California Alliance for Health, hereinafter referred to as "PLAN", and Natividad Medical Center, a County Hospital, hereinafter referred to as "PROVIDER".

#### RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective July 1, 2007;

WHEREAS, Section 9.5 of such Agreement provides for amending such Agreement;

WHEREAS, PLAN has been created by its County Boards of Supervisors to negotiate exclusive contracts with the California Department of Health Care Services ("State DHCS") and to arrange for the provision of Medi-Cal health care services to qualifying individuals in Monterey County and PLAN is a public entity, created pursuant to Welfare and Institutions Code 14087.54 and Chapter 7.58 of the Santa Cruz County Code, Chapter 2.45 of the Monterey County Code, and Chapter 9.43 of the Merced County Code;

WHEREAS, PROVIDER, an acute care medical center owned and operated by the County of Monterey ("County"), provides hospital services to PLAN enrollees pursuant to the Agreement, under which it is referred to as "Contractor"; and

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the County of Monterey to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Exhibit 2 of the Agreement is amended by adding Section I at the end to read as follows:

#### **IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES**

##### **1. IGT Capitation Rate Range Increases to PLAN**



**A. Payment**

Should PLAN receive any Medi-Cal managed care capitation rate increases from State DHCS where the nonfederal share is funded by the County of Monterey, on behalf of PROVIDER, specifically pursuant to the provisions of the Intergovernmental Agreement Regarding Transfer of Public Funds ("Intergovernmental Agreement") effective for the period July 1, 2014 through June 30, 2015 for Intergovernmental Transfer Medi-Cal Managed Care Rate Range Increases ("IGT MMCRRIs"), PLAN shall pay to PROVIDER the amount of the IGT MMCRRIs received from State DHCS, in accordance with paragraph 1.E below regarding the form and timing of Local Medi-Cal Managed Care Rate Range ("LMMCRR") IGT Payments. LMMCRR IGT Payments paid to PROVIDER shall not replace or supplant any other amounts paid or payable to PROVIDER by PLAN.

**B. Health Plan Retention**

(1) Medi-Cal Managed Care Seller's Tax

The PLAN shall be responsible for any Medi-Cal Managed Care Seller's ("MMCS") tax due pursuant to the Revenue and Taxation Code Section 6175 relating to any IGT MMCRRIs through June 30, 2015. If the PLAN receives any capitation rate increases for MMCS taxes based on the IGT MMCRRIs, PLAN may retain an amount equal to the amount of such MMCS tax that PLAN is required to pay to the State Board of Equalization, and shall pay, as part of the LMMCRR IGT Payments, the remaining amount of the capitation rate increase to PROVIDER.

(2) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

**C. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments**

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

- (1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement;
- (2) maintain its current emergency room licensure status and not close its emergency room;
- (3) maintain its current inpatient surgery suites and not close these facilities.

**D. Schedule and Notice of Transfer of Non-Federal Funds**

(1) PROVIDER shall provide PLAN with a copy of the schedule regarding the transfer of funds to State DHCS, referred to in the Intergovernmental Agreement, within fifteen (15) calendar days of establishing such schedule with the State DHCS. Additionally, PROVIDER shall notify PLAN, in writing, no less than seven (7) calendar days prior to any changes to an existing schedule including, but not limited to, changes in the amounts specified therein.

(2) PROVIDER shall provide PLAN with written notice of the amount and date of the transfer within seven (7) calendar days after funds have been transferred to State DHCS for use as the nonfederal share of any IGT MMCRRIs.

**E. Form and Timing of Payments**

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer).

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

**F. Consideration**

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of

PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other County of Monterey funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the County of Monterey or federal matching funds will be recycled back to the County of Monterey general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

**G. PLAN's Oversight Responsibilities**

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

**H. Cooperation Among Parties**

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in Monterey County.

**I. Reconciliation**

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section 8.1 of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth below.

PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

**J. Indemnification**


PROVIDER shall indemnify PLAN up to the amount of LMMCRR IGT Payments it received under this Amendment in the event that State DHCS, the Department of Health and Human Services or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, as a direct result of the IGT MMCRRIs arising from the Intergovernmental Agreement. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGT Payments to PROVIDER in an amount equal to the amount of IGT MMCRR I Payments withheld or recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER. Amounts that are recouped, offset or otherwise withheld, not provided to or denied to PLAN as a direct result of the IGT MMCRRIs arising from the Intergovernmental Agreement that exceed the amount of LMMCRR IGT Payments PROVIDER received under this Amendment will be subject to the Indemnification provisions at Section 6.2 of this Agreement. This provision shall survive the termination of this Amendment.

**2. Term**

The term of this Amendment shall commence on July 1, 2014 and shall terminate on September 30, 2017.

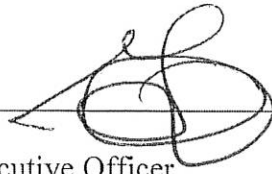
All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged; provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

**SIGNATURES**

HEALTH PLAN:  Date: 6/23/16

By: Alan McKay, Chief Executive Officer

PROVIDER: \_\_\_\_\_



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

6/17/16

By: Gary Gray, Chief Executive Officer

APPROVED  
DEPUTY COUNTY CLERK  
COUNTY OF MONTEREY  
