

NETWORKS BY DESIGN

PARTICIPATING FACILITY AGREEMENT

This Participating Facility Agreement ("Agreement") is made and entered into by and between Networks By Design, a California corporation ("NBD") and County of Monterey, a political subdivision of the State of California, on behalf of the County owned and operated **Natividad Medical Center**, (hereinafter referred to as "Participating Facility"). The effective date of this Agreement shall be identified on the signature page of the Agreement.

RECITALS

- A. Participating Facility arranges and/or provides for the delivery of professional health care services, supplies, products or other appropriately related services.
- B. NBD is a duly licensed corporation and has the authority to enter into this Agreement on behalf of its clients and prospective clients, to perform the obligations as identified in this Agreement.
- C. NBD wishes to enter into this Agreement to arrange for Participating Facility to provide contract services as identified in this Agreement to Covered Individuals of the various Payor Benefit Programs.
- D. Participating Facility wishes to enter into this Agreement to provide contract services to Covered Individuals of the various Payor Benefit Programs.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and the covenants contained herein, the parties agrees as follows:

1. DEFINITIONS

- 1.1 "Admission" is the admittance of a Covered Individual to a licensed inpatient hospital bed, excluding Observation. Notwithstanding, if a Covered Individual is in an Observation unit and subsequently spends the night in the facility, the Covered Individual's services shall be considered inpatient services and Participating Facility shall be reimbursed under the appropriate inpatient payment identified in Addendum A.
- 1.2 "Affiliate" is an independent and separate entity with which NBD contracts for access to other provider networks, health care services or other services NBD may provide.
- 1.3 "CMS" represents Centers for Medicare and Medicaid Services or its successor.
- 1.4 "Coordination of Benefits" represents rules established by the Payors for coordination of benefits and/or as required by applicable statutes or regulations.
- 1.5 "Covered Individual" is any individual claimant who is eligible for Covered Services pursuant to a group health benefit plan, individual health benefit plan, automobile first party medical, no fault and liability insurance policies or programs or workers' compensation plan or any other program for the provision of health care services or applicable law or regulation as being eligible for coverage under this Agreement.
- 1.6 "Covered Services" represents Medically Necessary health care services the Participating Facility is licensed, equipped and staffed to provide, and which Facility customarily provides to his/her patients, and which are services for which certain benefits are available under a group health benefit plan, individual health benefit plan, automobile first party medical, no fault and liability insurance policies or programs or workers' compensation plan or another other program for the provision of health care services including, but not limited to, Inpatient Services, Outpatient Services or Emergency Services.
- 1.7 "Emergency Services" means Medically Necessary health care services immediately required due to a sudden, serious and unexpected illness, injury or condition, including severe pain, requiring immediate medical attention. If the condition was

untreated, it could reasonably result in serious medical consequences and/or place the Covered Individual's health in jeopardy.

- 1.8 "Medical Review Organization" means a duly licensed organization or entity selected by Payor to perform Utilization/Care Management services.
- 1.9 "Medically Necessary" means services, supplies and/or treatment which are determined to be:
- 1.9.1 Appropriate and necessary for the symptoms, diagnosis or treatment of a condition, illness or injury.
 - 1.9.2 Provided for the diagnosis or direct care and treatment of the medical condition, illness or injury.
 - 1.9.3 Within standards of good medical practice within the organized medical community.
 - 1.9.4 Not primarily for the convenience of the Covered Individual, the Participating Facility or another treating provider.
 - 1.9.5 The most appropriate supply or level of service which can be safely provided to the Covered Individual. For hospitalization, this means that inpatient is necessary due to the nature of the services the Covered Individual is receiving or the severity of the Covered Individual's condition, and that safe and adequate care cannot be received as an outpatient or in a less intensive medical setting such as a sub-acute unit or skilled nursing facility.
- 1.10 "NBD" is the entity identified in the Recitals above and is responsible for contracting with providers and maintaining a network of Participating Providers for workers' compensation, group health and other managed health care programs and services to self-insured employers, third-party administrators, insurance carriers and other companies which administer, process, provide, arrange for or secure access to health care services or benefits for Covered Individuals. NBD contracts with Payors to allow access to NBD's network of Participating Providers. NBD does not support "Silent PPO" activity and will not allow a Payor to utilize NBD's network as a Silent PPO. NBD is not a Payor and shall not have obligation or liability to Participating Provider for the payment of claims.
- 1.11 "NBD's Payor Benefit Programs" are the various benefit plans, programs or policies offered, insured or administered by the Payor to provide coverage for health care services, treatment or supplies to a Covered Individual.
- 1.12 "NBD Network" represents the network of hospitals, facilities, physicians and other providers with which NBD or an Affiliate has entered into a Participating Facility Agreement. Such network may be customized to include or exclude certain facilities, physicians or other providers within NBD's sole discretion.
- 1.13 "NBD Network of Participating Providers" shall represent hospitals, health care facilities a Physician or other Health Care Practitioner who has contractually agreed to provide Covered Services to Covered Individuals through the NBD Network.
- 1.14 "Participating Facility Agreement" represents a contract between NBD and a NBD Participating Facility for the health care services provided to Covered Individuals.
- 1.15 "Payor" is a public or private entity, self-insured employer, third-party administrator, insurance carrier, health services plan, trust, nonprofit facility service plan which has an obligation to administer, process, provide, arrange for or secure access to health care services or benefits for delivery to Covered Individuals. The Payor has the sole authority and responsibility to determine eligibility under its health care program as well as the determination of the coverage of services under the health care program, the claims payments and all other health care program administration functions for which Payor is responsible.
- 1.15 "Payor Agreement" is the agreement between a Payor and NBD or its authorized representative which provides for, among other things, NBD Network of Participating Providers, including Participating Facility, pursuant to this Agreement, to render Services to Covered Individuals at the Reimbursement Amounts set forth in Addendum A and subject to the terms of the Agreement.
- 1.16 "Processable Clean Claim" shall mean a claim or bill for payment for Covered Services, which is complete and contains sufficient information for the purposes of repricing the claim and providing payment.
- 1.17 "Reimbursement Amounts" represent the full payment to Participating Facility for services provided to a Covered Individual according to the rates set forth in Addendum A of this Agreement.

1.18 “Utilization/Care Management Program” represents the professional services performed by a Medical Review Organization to review the Medical Necessity of Covered Services provided or proposed for Covered Individuals. Such functions may include, but are not limited to, (a) prior authorization of certain procedures and treatment plans, (b) preadmission, admission, concurrent and (if concurrent not performed) retrospective review of inpatient, outpatient, residential and day treatment stays of Covered Individuals at a health care facility and (c) review of claims prior to claims re-pricing.

1.19 “Quality Improvement Program” is a program to meet NBD standards and designed to ensure the provision of quality medical services.

2. REPRESENTATION AND DUTIES OF PARTICIPATING FACILITY

2.1 Provision of Services. Participating Facility shall provide Covered Services in the same manner and quality to Covered Individuals as provided to all other patients including accepting Covered Individuals as new patients on the same basis as Participating Facility is accepting all other patients as new patients. Participating Facility shall provide health care services to Covered Individuals which are generally provided by Participating Facility and for which the Participating Facility has been credentialed by NBD. The services provided shall be at the agreed-upon Reimbursement Amounts as identified in Addendum A of this Agreement. Participating Facility shall provide services which are medically appropriate and within professional standards of practice. Participating Facility agrees to accept such payment specified herein as payment in full for all health care services rendered to Covered Individuals. Payors shall pay Participating Facility for Covered Services rendered in accordance with the terms and conditions of this Agreement. Participating Facility shall maintain facility(ies) and provide professional and allied personnel and maintain the administrative capabilities required to perform the duties and obligations required under the terms and conditions of this Agreement. Participating Facility agrees to inform NBD immediately if there is a material change in the services normally provided by the Participating Facility.

In the event of Participating Facility is unable to provide appropriate medical services to Covered Individual, Participating Facility shall arrange for coverage and shall ensure such coverage shall be provided by another NBD Participating Facility.

2.2 Licensure and Certification. Provider agrees to maintain in good standing all licenses, accreditations and certifications required by state and federal law as well as NBD’s credentialing requirements as a condition of providing Covered Services pursuant to this Agreement. Participating Facility represents and warrants that it is an acute care hospital licensed by the State of California, approved by the Joint Commission and/or certified for participation under Medicare and Medicaid. Participating Facility further agrees to notify NBD immediately upon Participating Facility becoming aware of actual changes in the status of Participating Facility’s licensures, accreditations or certifications. Participating Facility also agrees to comply and cooperate with NBD’s initial credentialing and recredentialing programs.

2.3 Liability Insurance. Participating Facility agrees to procure and maintain professional liability insurance to protect against any and all allegations arising out of the rendering of medical services or the alleged failure to render medical services by Participating Facility and Participating Facility’s employees. The Professional Liability Insurance coverage shall be consistent with industry and/or community standards or as required by applicable law and shall be adequate to carry out the terms of this Agreement. Such other insurance shall cover any event or loss that Participating Facility would protect itself against in the absence of this Agreement. Participating Facility shall provide certificate of insurance required by this Agreement. Participating Facility shall notify NBD in writing thirty (30) days in advance of the termination or material modification of such insurance coverage.

2.4 Medical Quality and Utilization/Care Management Program.

2.4.1 Participating Facility agrees to comply with the prior authorization and referral processes of the Payor’s Utilization/Care Management Program. Participating Facility agrees not to seek payment from Payor for Covered Services rendered to a Covered Individual unless a prior authorization or a referral was obtained as required. Subject to the rights of reconsideration and appeal, Participating Facility agrees to be bound by the recommendations made by the Utilization/Care Management Program, if utilized and accepted by the Payor. Upon execution of this Agreement, Participating Facility may request a copy of the Payor’s established Utilization/Care Management Policies and Procedures to review. Participating Facility may from time to time request an updated Utilization/Care Management Policies and Procedures as they may be amended from time to time by the Payor.

2.4.2 If Participating Facility has not received prior authorization at the time of a Covered Individual’s scheduled admission or procedure, Facility shall contact the Review Organization to confirm that prior authorization has been

issued. For any admission or procedure which requires prior authorization, the admission or procedure may be subject to retrospective denial based on medical necessity if prior authorization was not obtained.

- 2.5 Non-Discrimination. Participating Facility shall provide Covered Services to Covered Individuals and shall not discriminate on the basis of race, sex, ancestry, medical condition, genetic information, age (over 40), gender, gender identity, and gender expression, sexual orientation, color, religion, national origin, disability, including HIV and AIDs, health status, marital status, military and veteran status, health insurance benefit coverage or other unlawful basis including without limitation, the filing by such Individual of any complaint, grievance or legal action against Participating Facility.
- 2.6 Payment Assignment. Participating Facility shall seek, accept and maintain evidence of assignment for the payment of services provided to Covered Individuals by Participating Facility. If a Covered Individual refuses to provide the evidence of assignment, the Participating Facility may seek payment from the Covered Individual directly. The payment shall be limited to the Reimbursement Amounts identified in Addendum A.
- 2.7 Patient Referrals. Participating Facility shall refer Covered Individuals to other NBD Network Providers for Covered Services whenever medically appropriate.
- 2.8 Patients' Rights. Participating Facility or any delegate performing the covenants of Participating Facility pursuant to the terms of this Agreement, shall adopt and abide by any applicable statutes or regulations pertaining to the patients' rights.
- 2.9 Grievance Procedures. Participating Facility, or its qualified designee, shall establish and maintain a reasonable and fair procedure for resolving Covered Individual grievances relating to patient care. Participating Facility shall make such grievance procedures available to Payor or NBD upon written request. In the case of a billing or payment dispute between Payor and Participating Facility which would cause Participating Facility to refer an unpaid claim to collection proceedings or file a lien claim, Participating Facility shall contact NBD to assist in resolving the claim issue and shall not proceed with collections or the filing of a lien unless the claim issue is not resolved within a reasonable time following notification to NBD.
- 2.10 Quality Improvement Programs. Participating Facility agrees to participate in and cooperate fully with the applicable Quality Improvement Program and to comply with all decisions rendered by NBD in connection with the Quality Improvement Program. The quality of services rendered to a Covered Individual shall be monitored under the Quality Improvement Program applicable to the particular Payor's Benefit Program. Participating Facility agrees to furnish medical records or other records as requested within 7 (seven) days of receipt of written notice. In the event the quality of care furnished by Participating Facility is found to be unacceptable under the established Quality Improvement Program, NBD shall send written notice to Participating Facility to correct the specified deficiencies within the time period identified in the written notice. Participating Facility agrees to correct such deficiencies with the specified time period.

3. REPRESENTATION AND DUTIES OF NBD

- 3.1 Administration. NBD shall perform all necessary administrative, accounting, payor enrollment and other functions appropriate for administration and marketing of the NBD Network.
- 3.2 Notification of Payors. Through NBD's website or another vehicle of communication, NBD shall provide Participating Facility with access to a current list of all Payors that have executed a Payor Agreement with NBD.
- 3.3 Compliance. NBD's Payor Agreements shall require Payor to comply with all applicable state laws or regulations regarding benefit incentives, channeling, or active encouragement.
- 3.4 Identification. NBD Payors shall provide an identification card or other form of identification of participation status with NBD to Covered Individuals, with the exception of Workers' Compensation Payors.
- 3.5 Marketing Activities. NBD shall make reasonable efforts to market the NBD Network. This Agreement shall not require NBD to conduct specific marketing activities on behalf of Participating Facility or to identify Participating Facility in any specific marketing or informational materials.

4. THE PROVISIONS OF REIMBURSEMENT

4.1 Payment. In consideration for Covered Services rendered or arranged by Participating Facility pursuant to the terms of this Agreement, Payor Agreements shall require Payors to compensate Participating Facility in accordance with the applicable benefit plan at the Reimbursement Amounts set forth in Addendum A, less applicable copayments, deductibles and/or coinsurance. Any excess days resulting from delays in Participating Facility providing services such as a surgery schedule change or delays in providing ordered therapies or tests shall not be considered payable by the Payor or Covered Individual.

4.2 Submission of Processable Clean Claims.

- 4.2.1 Participating Facility agrees to accept the Reimbursement Amounts from Payor set forth in Addendum A as payment in full for services provided, and not to seek additional payments or compensation from Covered Individuals, excluding verified copayments, deductibles and/or coinsurance, unless required or permitted to do so by the provisions of the NBD Payor Benefit Program. Participating Facility may also collect the Reimbursement Amount set forth in Addendum A for services not covered by a Payor's Benefit Program as defined in the Payor's Benefit Program document.
- 4.2.2 Participating Facility shall bill Payor for services provided to Covered Individuals at usual, customary and reasonable billed charges, and include an itemization of services rendered, all information required to apply the Reimbursement Amounts, and all information that appears on a current UB or CMS billing form as warranted. At no cost to the Payor, Participating Facility shall furnish all necessary information required by Payor to substantiate and process the claim. If applicable, Payor reserves the right to review all statements submitted by Participating Facility.
- 4.2.3 NBD's Payor Agreements shall require the Payors to pay Participating Facility within thirty (30) days of receipt of Processable Clean Claims or in accordance with any applicable laws. If Participating Facility has not received payment by the thirty (30) days, Participating Facility must notify NBD of such non-payment within fifteen (15) days following the thirty (30) days of the non-payment of the claim. Upon receipt of sufficient information, NBD will make best efforts to assist Participating Facility in receiving the Reimbursement Amounts for a Processable Clean Claim. If NBD is unable to resolve the non-payment of the specified claim after thirty (30) days of NBD's involvement, Participating Facility may request the Payor waive its rights to the Reimbursement Amounts as set forth in Addendum A for that claim. If Participating Facility does not provide such notice in accordance with the terms of the Agreement, Participating Facility relinquishes its right to receive any amount in excess of the Reimbursement Amounts identified in Addendum A.
- 4.2.4 Participating Facility shall not collect any payment from Payor or Covered Individual for Services not approved as Medically Necessary, unless Participating Facility has obtained a signed consent form from the Covered Individual which adequately informs Covered Individual of the full scope of their obligation for payment due to the health care services not being approved as Medically Necessary. Participating Facility shall obtain such signed consent form in advance of the provision of such non-covered services. The form shall identify the Reimbursement Amount and state the Covered Individual shall be responsible for the payment of services not approved as Medically Necessary by the Review Organization and Payor.
- 4.2.5 Participating Facility shall submit each claim for services to the address shown on the Covered Individual's health plan card or other form of identification provided by Covered Individual within one hundred and eighty (180) calendar days of: (1) a single date of service; (2) the last anticipated date of service involving a series of treatments; (3) the date of discharge for an inpatient claim or (4) the date on which Participating Facility receives primary Payor's explanation of benefits or explanation of review if Payor is secondary. For any claims submitted later than three hundred sixty five (365) days from the date of service, Participating Facility shall not be entitled to payment.
- 4.2.6 When services are provided by the Participating Facility to Covered Individuals and those services are legally eligible for payment by another entity preceding Payor's liability, then the entity is responsible for the primary payment of the claim. If there is a balance in accordance with the provisions of this Agreement, then this balance shall be billed to the Payor.
- 4.2.7 The appeal of a processed claim must be initiated within one hundred and eighty (180) days from the date of service to be eligible for payment by Payor and/or Covered Individual.

4.3 Liens and Subrogation. In the case of any lien or subrogation claim, Participating Facility's reimbursement is limited to the Reimbursement Amounts set forth in Addendum A, less any copayments, deductibles and/or coinsurance. Any lien

claim for medical service expenses must be filed on an official lien claim form within one (1) year from the date the services were provided in order to be eligible for the claim.

- 4.4 Pharmaceuticals. Prior authorization by the Payor is required for the following pharmaceuticals: a drug to treat a condition which has not been approved by the Food and Drug Administration (FDA).
- 4.5 Recovery of Payments. When Participating Facility has been overpaid in accordance with the Reimbursement Amounts in Appendix A of this Agreement, or where the total payments received by the Participating Facility exceed the total liability in accordance with the terms and conditions of this Agreement, Participating Facility agrees that any such overpayment or excess payments over liability shall be promptly reimbursed by the Participating Facility.
- 4.6 Reimbursement Maximum. This Agreement shall not require Payor to cover more services or reimburse a greater amount than if this Agreement were not in effect at the time health care services were rendered.
- 4.7 Inpatient Day. An inpatient day shall apply if a Covered Individual is occupying a facility bed within the Participating Facility at 12:00 midnight (excluding Emergency Room services).
- 4.8 Coordination of Benefits. Participating Facility agrees where Payor is primary under applicable benefit rules and the provisions of the Payor's Benefit Program, Payor shall pay the Reimbursement Amounts due under this Agreement as provided. When the Payor is other than primary under the applicable coordination of benefit rules and the provisions of the Payor's Benefit Program, Payor shall pay only those amounts when added to amounts owed to Participating Facility from primary payor or other sources, equals one hundred percent (100%) of the Reimbursement Amounts required by this Agreement or the patient's liability, whichever is less.
- 4.9 Chargemaster Increases. Should cumulative charges for Covered Services under this Agreement increase greater than six percent (6%) per twelve month period, , Provider will provide NBD with 30 days prior written notice via certified letter. Upon request, NBD shall also be provided with an electronic file of the new charge master list. NBD shall have the right to audit records relating to charges for Covered Services under this Agreement in order to assure compliance with this provision. NBD may also audit its own records relating to such charges. If audit findings indicate an increase in charges, NBD shall provide notice of its findings and any adjustments to the percentage discount if the findings show an aggregate increase greater than six percent (6%) per twelve month period.
- 4.10 Assignment of Benefits. Participating Facility shall obtain a valid assignment of benefits as a condition precedent payment. If a Covered Individual refuses to assign a benefit claim upon request by the Participating Facility at the time of service, and the Participating Facility has cause to believe the Covered Individual will not pay the Participating Facility's bill, the Participating Facility may collect from the Covered Individual the amounts in accordance with Addendum A otherwise due from the Payor.

5. INDEMNIFICATION OF PARTIES

- 5.1 Participating Facility agrees to indemnify, defend and hold harmless NBD, its directors, officers, employees, and agents from any and all claims, actions, suits, judgments, damages, fines, and other proceedings, whether civil, criminal, administrative, investigative, or otherwise, together with all costs, expenses, and other amounts, including attorney's fees, arising or alleged to have arisen out of any negligent or willful act, error, misrepresentation or omission by Participating Facility, its directors, officers, and employees, agents or assigns, occurring in connection with this Agreement.
- 5.2 NBD agrees to defend and hold harmless Participating Facility, its directors, officers, employees, and agents from any and all claims, actions, suits, judgments, damages, fines, and other proceedings, whether civil, criminal, administrative, investigative, or otherwise, together with all costs, expenses, and other amounts, including attorney's fees, arising or alleged to have arisen out of any negligent or willful act, error, misrepresentation or omission by NBD, its directors, officers, and employees, agents or assigns, occurring in connection with this Agreement.

6. CONFIDENTIALITY

- 6.1 Use of NBD and Participating Facility's Materials. The parties hereto reserve the right to the control and use of their names and all symbols, trademarks, or service marks presently existing or later established. Except as otherwise set forth in this Agreement, no party hereto shall use the other party's name, symbols, trademarks, or service marks in advertising or promotional materials or otherwise without the prior written consent of such other party. Any use by a party, of the name, symbols, trademarks, or service marks of such other party shall cease immediately upon the earlier of written notice of such other party or termination of this Agreement. Participating Facility hereby agrees that NBD may include Participating Facility's name for advertising, marketing or educational purposes.
- 6.2 Confidentiality of Information. During the term of this Agreement, and at all times thereafter, Participating Facility shall refrain from disclosing to any person any confidential information or trade secrets of NBD. Upon termination of Participating Facility's relationship with NBD, Participating Facility shall immediately return to NBD all property and documents relating to NBD's confidential information or trade secrets, including but not limited to, any and all manuals, policies and procedures and forms created and developed by NBD relating to this Agreement. Participating Facility agrees that all such information, documents and materials are the sole property of NBD and that Participating Facility shall not keep, use or share any copies of such information, documents and materials.
- 6.3 Patient Confidential Information. All parties to this Agreement shall comply with all state and federal laws governing the confidentiality of medical, personnel and financial records of Covered Individuals, including regulations promulgated under the Health Insurance Portability and Accountability Act (HIPAA) and shall follow standard procedures to protect such confidentiality.

7. AUDITS AND RECORD MAINTENANCE

- 7.1 Audits. An audit of services and claims billed by Participating Facility as well as claims payments received by the Participating Facility may be requested by NBD, an NBD Payor, or their designated agent(s) for services covering the time period not to exceed twelve (12) months from the date of Covered Individual's discharge from the Participating Facility or the last service date reflected on the bill submitted by Participating Facility. Upon at least ten business days' notice during normal working hours after such request, Participating Facility shall make available to Payor, NBD, or their designated representative, all records, information and data maintained by Participating Facility. The information to be provided shall include, but not be limited to all records reflecting treatment, payments, claims and services rendered to Covered Individuals, Participating Facility's and all other materials relating to the performance of this Agreement. The audit shall allow duplication of such records and data during reasonable business hours and the charge, if any, shall be the customary and reasonable charge for duplication of records.

Subject to all applicable laws relating to the privacy and confidentiality of patient information, the medical records of Covered Individuals shall be made available to all health care professionals treating the Covered Individual, as well as to NBD and the Payor, as necessary, for Utilization/Care Management Program purposes.

- 7.2 Maintenance of Records. Participating Facility shall maintain records and procedures to accurately account for all Covered Services provided pursuant to this Agreement. Such records shall be kept in accordance with recognized standards of professional practice. Participating Facility shall adequately maintain patient records for all services delivered to Covered Individual and in accordance with applicable laws. Participating Facility shall maintain signed patient release of information forms as required by law. Upon termination of this Agreement, Participating Facility agrees to cooperate with Covered Individuals and subsequent providers to promptly transfer copies of medical records of Covered Individuals. This Agreement does not preclude Participating Facility from requesting reasonable charges for the expense of copying and transferring such records, if appropriate.
- 7.3 Survival Post-Termination. NBD shall continue to have the rights provided in this Section for seven (7) years after the effective date of the termination of this Agreement, or as dictated by state or federal laws.

8. TERM AND TERMINATION

- 8.1 Term of Agreement. The term of this Agreement shall be for a period of one (1) year, commencing on the effective date set forth on the signature page. The Agreement shall be automatically renewed annually on the anniversary

date unless one of the parties gives written notice one hundred twenty (120) calendar days prior to the expiration of the term or renewal period.

- 8.2 Without Cause Termination. Either party may terminate this Agreement without cause, upon providing the other party one hundred twenty (120) days advance written notice. NBD has the right to immediately terminate this Agreement if NBD determines in good faith that the health and welfare of Covered Individuals are being compromised. NBD will provide written notice to Participating Facility specifying the basis for termination and the specific facts and circumstances justifying the termination.
- 8.3 Material Breach Termination. Either party may terminate this Agreement at any time if the other party breaches any of its obligations under this Agreement and fails to cure such breach within thirty (30) calendar days of receiving written notice of such breach from the non-breaching party. The written notice of such breach shall make specific reference to the action causing the breach. If the breaching party fails to cure its breach to the reasonable satisfaction of the non-breaching party during the thirty (30) calendar day cure period, this Agreement shall terminate at the option of the non-breaching party at the end of the thirty (30) day period.
- 8.4 Post-Termination Responsibilities. For six (6) months following the termination of this Agreement, Participating Facility shall notify all Covered Individuals seeking services from Participating Facility that Participating Facility is no longer an NBD Network Provider. Such notice must be in writing and acknowledged by the Covered Individual in advance of providing Covered Services. If Participating Facility fails to provide such notice to Covered Individual, Participating Facility shall accept the Reimbursement Amounts set forth in Addendum A, less any copayments, coinsurance and deductibles, as payment in full for Covered Services provided to such Covered Individual. As well, if a Covered Individual is under the care and treatment of Participating Facility at the effective date of termination of this Agreement, Participating Facility shall continue to provide such care and treatment until such course of treatment is complete or Covered Person is able to be appropriately referred to another NBD Participating Facility. During such treatment of Covered Individual, Participating Facility shall continue to accept the Reimbursement Amounts set forth in Addendum A, less any copayments, deductibles and/or coinsurance as the payment in full for Covered Services provided to such Covered Individual.
- 8.5 Survival of Agreement. Participating Facility acknowledges this Agreement shall govern the provision of all Covered Services by Participating Facility unless this Agreement is terminated in accordance with the Sections under "Term and Termination" stated above. In the event the Participating Facility changes service locations or taxpayer identification numbers, this Agreement shall continue to govern the provision of Covered Services.
- 8.6 Independent Contractor Relationship. The relationship between NBD and Participating Facility is one of independent contractors. Nothing herein is intended to create nor shall be deemed or construed to create any relationship between the parties other than that of independent contractors. Neither of the parties, nor any of their respective officers, directors, employees, agents or representatives shall act as nor be construed to be the partner, agent, employee, or representative of the other.

9. GENERAL REQUIREMENTS

- 9.1 Amendments. Any amendment or modification of this Agreement shall be in writing and executed by NBD and Participating Facility.
- 9.2 Dispute Resolution. Participating Facility and Payor agree to meet and confer in good faith to resolve any problems or disputes that may arise under this Agreement. Such good faith meet and confer shall be a condition precedent to the filing of any arbitration by either party. All disputes between the parties to this Agreement which in any manner arise out of or relate to this Agreement, shall be resolved exclusively by arbitration in accordance with the provisions of this Section. There shall be one arbitrator. If the parties shall fail to select a mutually acceptable arbitrator within ten (10) business days after the demand for arbitration is mailed, then the parties stipulate to arbitration before a single arbitrator sitting on the American Arbitration Association panel. Such arbitration shall be governed by applicable state law, including rights of discovery and evidentiary rules, and shall take place in city and state in which the Participating Facility is domiciled, unless the parties otherwise agree.
- 9.3 Names, Symbols, Trademarks. Except as provided in this Agreement, NBD, Payors, and Participating Facility each reserves the right to control the use of its name, symbols, trademarks or service marks presently existing or later established. In addition, except as provided in this Agreement, neither NBD, Payors, nor Participating Facility shall

use the other party's name, symbols, trademarks or service marks in advertising or promotional materials or otherwise without the prior written consent of that party and shall cease any such usage immediately upon written notice of the party or on termination of the Agreement, whichever is sooner. NBD shall be entitled to list Participating Facility's information in NBD's provider directories.

- 9.4 Assignment. Participating Facility shall not assign or delegate any rights, duties or obligations under this Agreement in whole or in part without the prior written consent of NBD. NBD may assign or delegate any right duties or obligations under this Agreement in whole or in part by giving Participating Facility thirty (30) days, prior written notice.
- 9.5 Authorization to Contract. Participating Facility hereby specifically authorizes NBD to contract with Payors for the provision of Covered Services at the Reimbursement Amounts set forth in Addendum A and pursuant to the terms of the Agreement. Participating Facility further authorizes NBD or its authorized representative, if applicable under the respective Payor Agreement; to coordinate and transmit billings from Participating Facility to Payors for payment and Participating Facility agrees to send claims for services provided to Covered Individuals to NBD if so designated by Payor.
- 9.6 Notices. All notices which are required or permitted to be given pursuant to this Agreement shall be in writing and shall be sent by certified mail, return receipt requested, postage prepaid, overnight courier, or facsimile, addressed as follows:

NETWORKS BY DESIGN:

Networks By Design
Attn: Network Management
P.O. Box 820
Tracy, CA 95377
Facsimile: 209-879-9387

PROVIDER:

Natividad Medical Center
Attn: Administration
1441 Constitution Blvd.
Salinas, CA 93906
Facsimile: 831-755-6254

Notice shall be deemed to have been given upon transmittal thereof as to communications which are personally delivered or transmitted by electronic facsimile and, as to communications made by United States mail, on the third (3rd) business day after mailing. The above addresses may be changed by giving notice to the other party in the manner provided above.

- 9.7 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State, except to the extent such laws conflict with or are preempted by any federal law, in which case such federal law shall govern.
- 9.8 No Third Party Beneficiaries. This Agreement has been made solely for the benefit of the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement shall be construed to create any liability on the part of NBD, Payors, Participating Facility or their respective directors, officers, shareholders, employees or agents, as the case may be, to any such third parties for any act or failure. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement.
- 9.9 Non-Exclusive Agreement. This Agreement is non-exclusive and shall allow NBD or Participating Facility respectively to enter into contracts with other providers or any purchasers of health care services.
- 9.10 Notice of Adverse Action. Participating Facility shall notify NBD of any action or situation that might or will materially affect the Participating Facility's ability to carry out its responsibilities under this Agreement. Such action or situation shall include but not be limited to any legal or governmental action completed against Facility, including: (a) for professional negligence; (b) for a violation of law; or (c) against any license or accreditation by the Joint Commission on Accreditation of Healthcare Organizations or any successor, or any regulations as required by

the applicable state, which, if successful, would materially impair the ability of Participating Facility to carry out the duties and obligations of this Agreement.

9.11 Severability. If any provision of this Agreement is found to be invalid or unenforceable by any court or other lawful forum, the remainder of this Agreement shall remain in full force and effect.

9.12 Waiver. The waiver by either party of any breach or violation of any provision of the Agreement shall not operate as or be construed to be a waiver of any subsequent breach of the same or other provision.

9.13 Entire Agreement. The Agreement, together with all Appendices, constitutes the entire understanding of the parties with respect to the subject matter and supersedes any and all prior agreements between Participating Facility and NBD.

IN WITNESS WHEREOF, the authorized parties hereto have executed this Agreement as of the effective date set forth on this signature page.

PARTICIPATING FACILITY:

X
Signature

Please print name

Title

Date

NETWORKS BY DESIGN:

X
Signature

Please print name

Title

Date

EFFECTIVE DATE OF THIS AGREEMENT: 12/01/2016

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

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey 11-2-16

ADDENDUM A:
PARTICIPATING FACILITY REIMBURSEMENT AMOUNT SCHEDULE

HOSPITAL NAME: Natividad Medical Center
HOSPITAL TIN: 94-6000624 _____ CITY: Salinas

Subject to the terms of this Agreement, Provider shall be reimbursed for services as set forth below:

1. Inpatient Services

RATES REDACTED

2. Outpatient Services

RATES REDACTED

3. Professional Services:

RATES REDACTED

4. Workers' Compensation

RATES REDACTED

Provider:

X _____

Signature of Authorized Individual

Printed Name

Title

Date

Networks By Design:

X _____

Signature of Authorized Individual

Printed Name

Title

Date