



Monterey County

Board Order

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

Agreement No.: A-11514

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

- a. Approved and directed the Purchasing Manager for Natividad Medical Center (NMC) to execute the Second Amendment to the Professional Services Agreement (A-11514) between The Regents of the University of California, a California Constitution corporation, on behalf of the University of California, San Francisco, School of Medicine, Department of Pediatrics ("UCSF"), and Natividad Medical Center ("NMC") to provide Neonatology Services at NMC, extending the term of the Agreement from March 1, 2014 to February 28, 2015 and adding \$550,000 for a revised amount not to exceed \$1,600,000 in the aggregate (for the period November 1, 2008 to February 28, 2015); and
- b. Authorized the Purchasing Manager for NMC to execute to sign up to three (3) amendments to this agreement where the total amendments do not exceed 10% of the original contract amount, and do not significantly change the scope of work.

PASSED AND ADOPTED on this 25th day of February 2014, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas and Potter

NOES: None

ABSENT: Supervisor Parker

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 February 25, 2014.

Dated: February 26, 2014
File Number: A 14-019

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

By

Deputy

SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the “**Amendment**”) is made and entered into as of March 1, 2014, by and between COUNTY OF MONTEREY (“**County**”) on behalf of NATIVIDAD MEDICAL CENTER (“**Hospital**”), and THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California Constitutional Corporation, on behalf of the UNIVERSITY OF CALIFORNIA, SAN FRANCISCO, SCHOOL OF MEDICINE, DEPARTMENT OF PEDIATRICS (“**UCSF**”) with respect to the following:

RECITALS

- A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California under its acute care license.
- B. UCSF and Hospital have entered into that certain Professional Services Agreement effective as of November 1, 2008; amended November 1, 2012; extended by Letter Agreement November 1, 2013 (collectively the “**Agreement**”) pursuant to which UCSF provides professional consultation and treatment in the Specialty to Hospital Patients.
- C. Hospital and UCSF desire to amend the Agreement to extend the term of the Agreement an additional twelve months and to increase the amount payable to the Contractor by for services provided during the extended term.

AGREEMENT

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

- 1. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.
- 2. Agreement is modified to include Section 1.1.3, which states that:

“Medical Director providing Services shall contemporaneously record the actual number of hours and a description of the actual Services provided on a monthly time report in the form attached hereto as Exhibit 1.1.3, as modified from time to time by HOSPITAL, which notice and copies sent to UCSF and Medical Director. Medical Director shall deliver to HOSPITAL a completed and signed copy of the time report within fifteen (15) days after the end of each calendar month during the term of this Agreement. Upon request of HOSPITAL, Medical Director shall from time to time complete and execute such other time reports or allocation statements on forms provided by HOSPITAL as may be required to comply with applicable Medicare and other legal requirements.

- 3. Section 3, COMPENSATION AND BILLING, shall be deleted in its entirety and replaced with the following:

“3. COMPENSATION AND BILLING.”

3.1 Billing.

a) **Professional Services Fee Schedule.** UCSF shall have discretion in establishing its professional fees for Professional Services provided pursuant to this Agreement; provided, however, that all professional fees shall be competitive with customary local fees for comparable services.

b) **UCSF Billing.** UCSF shall be solely responsible for billing and collecting for Professional Services provided by Physician pursuant to this Agreement. UCSF is enrolled with Centers for Medicare and Medicaid Services (CMS), and other federal and state health care programs for reimbursement for services provided to federal and state healthcare beneficiaries.

c) **Billing Compliance.** UCSF shall use its best efforts to comply with all applicable Laws, including those of the federal health care programs, customary professional practice, and other third-party payor programs, whether public or private, in connection with billing and coding for Professional Services provided pursuant to this Agreement. UCSF and Hospital shall cooperate in good faith to resolve any billing issues that arise under the Agreement. UCSF shall bill patients and/or appropriate third party payors in a timely manner.

d) **Patient Information.** Hospital shall take all necessary and reasonable steps to provide sufficient patient information and obtain and provide any required insurance authorization to UCSF for services provided to facilitate UCSF's billing and collecting for Professional Services provided pursuant to this Agreement. Hospital shall provide to UCSF appropriate demographics for billing as well as insurance authorization information including outpatient registration and inpatient registration, including each admission face sheet.

e) **Separate Billing.** Each Party shall separately bill all patients for its respective fees and charges, and neither UCSF nor Hospital shall bill for, guarantee the ability to collect, or have any claim or interest in or to the amounts billed or collected by the other Party. UCSF shall cooperate, and shall ensure that Physician cooperates with Hospital in completing such claim forms for Hospital patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third-party payors.

f) **Debt Collection Practices.** UCSF shall comply, and shall use its best efforts to ensure that any collection agency engaged by UCSF, in relation to the Professional Services hereunder, complies, with the UCSF's charity care policy.

3.2 Third-Party Payor Arrangements. UCSF shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third-party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. UCSF shall have no obligation to enter into any third party payor contracts or arrangements with any of Hospital's third party payors. UCSF and Hospital will work together to facilitate alignment with each party's respective third party payor contracts or arrangements to the extent possible.

3.3 Compensation to UCSF.

a) The HOSPITAL agrees to pay UCSF one hundred twenty-five dollars (\$125.00) per hour of actual documented hours of Services provided under this Agreement by one physician as Medical Director, and recorded on the monthly Time Reports, up to a maximum total of \$50,000 for services of one physician as Medical Director. HOSPITAL agrees that all infants admitted to the Neonatal Intensive Care Unit shall be admitted to the services of a UCSF physician, provided that the Intensive Care Unit is fully staffed by UCSF physicians.

b) HOSPITAL represents and warrants to UCSF under this Agreement that the compensation paid or to be paid by HOSPITAL to UCSF is and will at all times be fair market value for services and items actually provided by UCSF, not taking into account the value or volume of referrals or other business generated by UCSF for HOSPITAL.

c) HOSPITAL will provide payment for Medical Direction Services rendered pursuant to this Agreement at the commencement of the Agreement and annually thereafter. Payments shall be made by check made payable to "the Regents of the University of California" and mailed to: Department of Pediatrics, 505 Parnassus Avenue, San Francisco, CA 94143-0110.

d) The HOSPITAL also agrees to pay to UCSF the differences (backstop) between the salaries for two UCSF Neonatal physicians (negotiated salaries plus 25% for benefits) and Net Collections on charges for patient care submitted by the Physicians. For purposes of this section, the term "Collections" means all net income (fees and charges minus taxes and direct pass through expenses) to UCSF on behalf of the Professional Services performed under this Agreement.

e) On a quarterly basis, UCSF will submit an Invoice to HOSPITAL for the actual difference between unmatched professional fee collections and total compensation during that quarter. Final reconciliation of the backstop payments will occur between UCSF and Natividad based on matched payments once all matched payments are collected; This reconciliation will take place no later than 12 months after the end of each fiscal year, and with mutual agreement may be sooner.

f) UCSF shall submit to HOSPITAL a quarterly invoice on a form acceptable to HOSPITAL, an example of which is attached hereto and incorporated by reference as Exhibit 3.1. The Invoice shall set forth the amounts its compliance with Section 3, 3.(c) above for the previous period, together with an itemized basis for the amounts Invoiced. Hospital shall promptly submit such Invoice to the County Auditor-Controller for payment, The County Auditor -Controller shall pay the amount certified by HOSPITAL within 30 days of receiving the certified Invoice. Payment shall be made by check made payable to "The Regents of the University of California" and mailed to: Department of Pediatrics, 505 Parnassus Avenue, San Francisco, CA 94143-0110.

g) Hospital shall pay to Contractor the amount determined in accordance with this Section 3. (the "Compensation and Billing"), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Six Hundred Thousand Dollars (\$1,600,000) for the full term of this Agreement."

4. Section 4.1. Section 4.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

4.1 Term. This Agreement shall become effective on November 1, 2008 (the "**Effective Date**"), and shall continue until February 28, 2015 (the "**Expiration Date**"), subject to the termination provisions of this Agreement."

5. Agreement is modified to include Exhibit 1.6, which is attached hereto this Second Amendment and incorporated herein by reference."

6. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

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

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

(signature page to follow)

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

UCSF

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California Constitutional Corporation, on behalf of the UNIVERSITY OF CALIFORNIA, SAN FRANCISCO, SCHOOL OF MEDICINE, DEPARTMENT OF PEDIATRICS

By: [Signature]
Its Vice Dean, School of Medicine

By: [Signature]
Its CHAIR PEDIATRICS

Date: 2/13, 2014

NATIVIDAD MEDICAL CENTER

By: [Signature]

Contracts /Purchasing Manager

Date: 2/27/14, 2014

By: [Signature]
Natividad Medical Center Representative
Date: 2/14, 2014

APPROVED AS TO LEGAL FORM:
CHARLES J. McKEE, County Counsel

[Signature]
Stacy Saetta, Deputy County Counsel
Date: 2/18, 2014

Purchase Order Number _____

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey
2-18-14