

**AMENDMENT NO. 1
TO AGREEMENT
BETWEEN PACIFIC HEALTH ALLIANCE AND
THE COUNTY OF MONTEREY
ON BEHALF OF NATIVIDAD
TO PROVIDE ADMINISTRATIVE SERVICES FOR THE COUNTY OF MONTEREY
EXPANDED PILOT PROJECT FOR THE REMAINING UNINSURED**

This Amendment No. 1 to Agreement ("Agreement"), A-17-287, is entered into by and between the County of Monterey ("County"), doing business as Natividad Medical Center ("Natividad"), and Pacific Health Alliance ("Contractor").

RECITALS

- A. **WHEREAS**, Natividad and Contractor entered into Agreement A-17-287, dated August 1, 2017 ("Agreement"); and
- B. **WHEREAS**, Natividad and Contractor wish to amend the Agreement to extend the term to allow for existing services to continue, to add additional services, and to increase the maximum liability of the Agreement as a result of the term extension, increase payment amount and increase in services.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

- 1. Exhibit A to the Agreement is replaced with Exhibit A-1, attached to this Amendment. All references in the Agreement to Exhibit A shall be construed to refer to Exhibit A-1.
- 2. **Section 1.1.** Section 1.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"1.1 The component parts of this AGREEMENT include the following:

AGREEMENT

Exhibit A-1: PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured;
Business Associate Agreement (Exhibit B);
Certificate of Insurance; and
Additional Insured Endorsements."

- 3. **Section 2.2.** Section 2.2 to the Agreement is hereby amended and restated to read in its entirety as follows:

"2.2 CONTRACTOR shall be responsible for receipt of and processing of UB-04 forms, CMS 1500 forms, and/or other forms as designated or established by County (collectively "Program Service Forms"), which are submitted by County Providers for services provided to Enrollees in accordance with services summary in Exhibit A-1 ("PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured"). County Providers will submit Program

Service Forms to CONTRACTOR in a manner and format, i.e., electronically or hardcopy, that is mutually established by the parties.

2.2.1 CONTRACTOR shall employ qualified personnel to ensure accurate processing of Program Service Forms.

2.2.2 CONTRACTOR shall prepare monthly reports that list and summarize the Program Services provided by each County Provider during the relevant month, and that identify any adjustments to data reported for prior months.

2.2.3 The County shall specify the data elements, format, and timing of the reports, and may make modifications thereto in its discretion."

4. **Section 3.1.** Section 3.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"3.1 The term of this AGREEMENT is from August 1, 2017 through December 31, 2019 unless sooner terminated pursuant to this AGREEMENT. This AGREEMENT is of no force and effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this AGREEMENT."

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

"5.1 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A-1, subject to the limitation set forth in this AGREEMENT. The total amount payable to County to CONTRACTOR under this AGREEMENT shall not exceed the sum of Five hundred thousand dollars (\$500,000)."

6. **Section 14.1.** Section 14.1 to the Agreement is hereby amended and restated to read in its entirety as follows:

"14.1 Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to County's contract administrator or to CONTRACTOR's responsible officer; (2) when personally delivered to the party's principal place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice is deposited in the U.S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

TO COUNTY: Gary Gray, DO, Chief Executive Officer County of Monterey, Natividad Medical Center 1441 Constitution Blvd. Salinas, CA 93906 Tel. No. (831) 783-2553 FAX No.: (831) 755-6254 Email: GrayGR@natividad.com	TO CONTRACTOR: Robert O. Mackler, Executive Vice President Pacific Health Alliance, Inc. 1350 Old Bayshore Highway, Ste. 560 Burlingame, CA 94010 Tel. No.: (800) 533-4702 FAX No. (800) 801-1200 Email: rmackler@pacifichealthalliance.com
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7. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment No. 1 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
8. A copy of this Amendment shall be attached to the original Agreement (No. A 17-287).
9. The effective date of this Amendment is July 1, 2018.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

County of Monterey, on behalf of
Natividad Medical Center

By: _____
Gary Gray DO, Natividad Medical Center Chief
Executive Officer

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County, Deputy County Counsel

Date: 8/9/18

APPROVED AS TO FISCAL PROVISIONS

By: _____
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 8-9-18

Pacific Health Alliance

By: _____
Signature of Chair, President, or Vice-President

LAWRENCE COPPEL CEO
Name and Title

Date: July 28, 2018

By: _____
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)

BARBARA COPPEL SEC
Name and Title

Date: July 28, 2018

***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 (two signatures required).

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 (two signatures required).

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 (one signature required)

Exhibit A-1: PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured

Effective July 1, 2018, Pacific Health Alliance (PHA) shall perform the following functions for the County of Monterey:

Scope:

Receipt and processing of Program Service Forms submitted by County Providers for services provided to Eligible Persons according to the benefits established by the County of Monterey.

Respond to inquiries regarding eligibility, benefits and providers.

Receive enrollment application forms submitted by or on behalf of applicants, and enrollment application forms forwarded by the County of Monterey, for eligibility determinations.

Apply County eligibility criteria to determine applicants' eligibility, and issue Membership Cards to eligible individuals.

Perform re-certification/re-enrollment determination and processing for each enrolled individual prior to their enrollment anniversary date.

Transmit weekly eligibility data to County Providers.

Provide monthly financial reports to the County of Monterey on program expenditures and utilization, including budgeted versus actual reconciliation reports.

Provide consulting services to the County of Monterey on program design, operation and implementation.

Services shall specifically exclude medical management, and prior/post authorization of medical services.

Pricing for Administrative Services:

1. For Processing of Program Service Forms submitted by County Providers with respect to services provided during the contract period:
 - \$ 5.00 per member per month with minimum aggregate payment of \$ 3,000 per month.
2. For Processing of Program Service Forms submitted with respect to services provided in the contract period, but received and processed between the end of the contract period through that date which is six months after the termination of the Program ("Run-out" period):
 - \$8.00 per Program Service Form processed.
3. For Financial, Utilization and Eligibility Reporting, and Eligibility and Re-certification/Re-enrollment Functions:
 - \$10,000 flat annual fee per fiscal year, payable on first billing.

Exhibit A-1: PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured

- Issuance of Membership ID cards: \$ 1.00 per member.

Reimbursement for reasonable travel (according to County guidelines), and for materials, printing, and postage.

Eligibility and Recertification:

The Program is limited to adult residents age 19 and older who do not currently qualify for Medi-Cal, Medicare, or other third party payor medical plan and who earn less than 138% of the federal poverty level. Individuals are encouraged to apply for Medi-Cal when enrolling in the Program.

The County of Monterey has previously enrolled over 3000 residents in the Program, which is currently capped at 3500 residents (Program cap). PHA will notify the County when enrollment is nearing 90% of the Program cap, and when the Program cap is reached. PHA will also notify the County of any available room under the Program cap due to enrollment attrition. The County will notify PHA of any modification to the Program cap.

Residents may apply at Natividad or the Monterey County Health Department clinics by completing the enrollment forms in person, or by leaving or submitting completed forms in person or by mail or fax. Residents may also mail or fax completed enrollment forms to Pacific Health Alliance. PHA shall also make enrollment forms, along with appropriate instructions for their completion and submission, available to any individual upon request.

Completed enrollment forms will be forwarded to, or received by, PHA, which will verify eligibility by applying the Program eligibility criteria established by the County to applicants' self-reported information. Individuals determined to meet the Program eligibility criteria will be enrolled in the Program, unless the Program cap is reached. Enrollment is effective as of the first of the month in which an individual's application is received by Natividad or the Monterey County Health Department clinics as applicable, or by PHA. Eligible residents also may be enrolled immediately by County-designated onsite individuals at Natividad or County Health Department clinics; in such cases, Natividad or the County Health Department clinic will notify PHA of an individual's immediate enrollment status. The County shall have the ultimate authority to enroll or dis-enroll members.

On a weekly basis, there will be a data exchange reflecting updated eligibility. In cases of immediate enrollment by the County or County-determined disenrollment, PHA will reflect the eligibility and enrollment of affected members upon notification by the County in the next weekly data exchange update.

Initial eligibility in the Program shall be for one year (or through the termination of the Program, whichever period is shorter), with the requirement that the enrollees must notify PHA within 30 days of any change in their status potentially affecting Program eligibility, e.g., residency, income, coverage status. Enrolled members must be re-certified/re-enrolled, by submitting updated documents to PHA providing proof of continued eligibility on an annual basis to maintain eligibility; PHA will mail out up to 3 letters per member requesting the updated documentation to be submitted in the month that is immediately prior to each member's yearly anniversary month.

Exhibit A-1: PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured

PHA will timely review the updated documents submitted by each enrollee and apply County eligibility criteria to verify whether eligibility for an additional year (or such shorter period based on the Program termination date) is appropriate. In cases which the eligibility criteria is not met, or the individual fails to provide updated proof of continued eligibility, PHA will issue termination of enrollment notices, subject to the direction of the County of Monterey.

Outreach: Natividad and the Health Department will promote the program.

Included County Providers:

Clinics operated by the Monterey County Health Department (Health Department clinics)
Specialty Clinics at Natividad
Laboratory Services at Natividad
Radiology Services at Natividad

Covered Services

The benefits are limited to:

- Outpatient services provided by the Health Department clinics and by the specialty outpatient departments at Natividad.
- Lab or radiology services, including the associated professional components, ordered by Natividad in the course of covered outpatient services.
- Pharmaceuticals prescribed by the Health Department clinics and dispensed by the clinics' contract pharmacy in the course of covered outpatient services that are within a specific Program formulary under the County Health Department's 340B Drug Program.

This program is not a program of insurance.

Service Valuation Metrics for Reporting and Allocation of County Funds:

County will be assuming financial responsibility for funding the services provided through the Program, and will be allocating available County funds to County Providers based in part on service utilization data. For this purpose, services provided as reflected by the submitted Program Service Forms will be valued based on the Medi-Cal fee schedule as of July 15, 2018, except as provided below:

In lieu of a per visit or per procedure valuation, a per member per month amount determined by County will be allocated to the Health Department applicable for all outpatient services provided by its primary care clinics (excluding covered prescription drugs, which will be valued based on the Medi-Cal fee schedule).

Program Service Forms Submission and Processing:

Program Service Forms from County Providers will be submitted electronically to PHA on a weekly basis in an agreed upon format. These Program Service Forms would then be

Exhibit A-1: PHA Administration of the County of Monterey Pilot Program for the Remaining Uninsured

reviewed and cross-checked by PHA for eligibility and inclusion of service, and associated with the appropriate valuation for the services rendered.

PHA shall prepare monthly reports that list and summarize the Program Services provided by each County Provider during the relevant month and the associated services valuation, and that identify any adjustments to data reported for prior months.

Reporting:

PHA provides series of reports for the County. In addition to the monthly services utilization and valuation reports, the County Providers will receive a variety of information related to provider, CPT codes, costs, etc. Other reports would be designed by the County.