



Monterey County Board of Supervisors

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

Board Order

Agreement Nos.: A-13319 & A-13320

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

- a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an Agreement with Receivable Solutions, Inc. (A-13319) and an Agreement with Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for Debt Collection Services, with an initial Agreement term retroactive to October 1, 2016 through September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for an original contract amount for both Agreements not to exceed \$2,400,000: and
- b. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute up to two (2) amendments, each of which would exercise a one year option to extend and add \$800,000 to the agreement, provided that the total cost for the agreement over a five year period does not exceed \$4,000,000 and so long as an appropriation for the costs of the amendments is included in the County Adopted Budget.

PASSED AND ADOPTED on this 4th day of October 2016, by the following vote, to wit:

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

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on October 4, 2016.

Dated: October 6, 2016
File ID: A 16-312

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

By *Denise Hancock*
Deputy

DEBT COLLECTION SERVICES AGREEMENT

This AGREEMENT is made and entered into by the County of Monterey on behalf of Natividad Medical Center, hereinafter referred to as "NMC", a political subdivision of the State of California, and Credit Consulting Services Inc., hereinafter referred to as "CONTRACTOR."

1.0 RECITALS

WHEREAS, NMC has invited proposals through the Request for Proposals (RFP # 9600-64) for Debt Collection Services Inc., in accordance with the specifications set forth in this AGREEMENT; and

WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and

WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, NMC and CONTRACTOR, for the consideration hereinafter named, agree as follows:

2.0 PERFORMANCE OF THE AGREEMENT

- 2.1 After consideration and evaluation of the CONTRACTOR'S proposal, NMC hereby engages CONTRACTOR to provide the services set forth in RFP # 9600-64 and in this AGREEMENT on the terms and conditions contained herein and in RFP # 9600-64. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP # 9600-64 dated January 22, 2016, including all attachments and exhibits
Addendum No. 1 to RFP # 9600-64
CONTRACTOR'S Proposal dated February 24, 2016
AGREEMENT
Certificate of Insurance
Additional Insured Endorsements

- 2.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, CONTRACTOR'S Proposal, RFP 9600-64 including all attachments and Exhibits, RFP Addendum/Addenda issued, Certificate of Insurance, and Additional Insured Endorsements.

- 2.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of NMC nor of the County of Monterey, or immediate family of an employee of Natividad Medical Center nor of the County of Monterey.
- 2.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 2.5 CONTRACTOR shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.
- 18.5.1 CONTRACTOR must maintain all applicable and required licenses throughout the term of the AGREEMENT.
- 2.6 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use Natividad Medical Center premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

3.0 SCOPE OF SERVICE – DEBT COLLECTION SERVICES

- 3.1 **The Scope of Work is generally described as follows:** Contractor will perform Early-Out Collections Services, as well as Bad Debt Collections Services for recovery of monies owed for non-payment of patient accounts, including but not limited to fines, penalties and fees.
- 3.1.1 The accounts shall be assigned to CONTRACTOR within thirty (30) days from the "date of discharge/visit". CONTRACTOR shall pursue collection efforts for a period of ninety (90) days from date of assignment. At no cost to NMC all non-collectible accounts, excluding those accounts placed on scheduled payment plans and in good-standing, shall be returned to NMC at the end said ninety (90) day period.
- 3.1.2 CONTRACTOR shall take all reasonable and appropriate steps for the collection of accounts assigned hereunder, but shall avoid unwarranted harassment of individuals billed. CONTRACTOR shall comply with all Federal and State laws and regulations concerning the collection of debts, including but not limited to the Fair Debt Collection Practices Act and the Health Information and Portability Accountability Act and related regulations.

- 3.1.3 NMC shall have the right to recall from CONTRACTOR without charge or penalty, individual accounts assigned hereunder which NMC determines to be publicly sensitive or on which the best interest of NMC would not be served by efforts at collection.
- 3.1.4 CONTRACTOR agrees to return any account assigned as Self/Private Pay and later determined to have insurance coverage.
- 3.1.5 CONTRACTOR shall grant the Client a grace period of five (5) days from the date of assignment for all collection accounts under this agreement. The grace period shall cover accounts placed in error, payments received on accounts by the Client and/or verification of Insurance responsibility after assignment.
- 3.1.6 CONTRACTOR and NMC agree that compensation for all debt collections services shall be as defined in Section 5.0 and all subsections of Section 5 herein this AGREEMENT.
- 3.2 **Multilingual Capability**
Contractor shall service accounts in both English and Spanish.
- 3.3 **Early Out Collection. Contractor is responsible for the following:**
 - 3.3.1 Provide Early-Out Collection for 90 days
 - 3.3.2 Provide written notice (by letter) to Patient Account Debtor on behalf of NMC prior to assigning the account to collections
 - 3.3.3 Written Notice (letter) shall reflect that payment is to be made to NMC during the 90 day Early-Out Collection period
 - 3.3.4 Contractor shall make one phone call per month to Patient Account Debtor during the Early-Out Collection period
- 3.4 **Bad Debt Collection:**
 - 3.4.1 Bad Debt Collection process to begin after 150 days for Medicare accounts, and 90 days for all other accounts.
 - 3.4.2 Additional legal actions will be taken only after reasonable collection efforts have been made and only with written permission of NMC. CONTRACTOR shall only be allowed to litigate balances exceeding a certain dollar amount with NMC's prior written approval.
- 3.5 **Receipt of Accounts:**
 - 3.5.1 Contractor shall furnish NMC with an acknowledgment of assigned accounts within 24 hours following receipt of accounts. Acknowledgement shall include:
 - 3.5.1.1 An ALPHA-listing by name of Patient Account Debtor
 - 3.5.1.2 NMC-assigned patient account number
 - 3.5.1.3 Amount assigned
 - 3.5.1.4 Total number of accounts
 - 3.5.1.5 Total dollars assigned for collection

- 3.6 **Reports** Contractor shall furnish NMC a monthly report indicating all accounts with payments received by the 5th of the month. The report shall be:
- 3.6.1 An ALPHA-listing by name of debtor
 - 3.6.2 NNC assigned account number
 - 3.6.3 Dollar amount assigned
 - 3.6.4 Any payments (including dates received)
 - 3.6.5 Current balance due
 - 3.6.6 A summary of collection efforts
 - 3.6.7 Current status of each account
 - 3.6.8 The Report shall also include an overall summary of the items listed above by account status and include the percentage of dollars collected on behalf of NMC
 - 3.6.9 The Monthly Report must coincide and include payment to NMC for all cash received during the month.
 - 3.6.10 The Monthly Report should include an inventory of all accounts for NMC including unpaid accounts.
 - 3.6.11 NMC shall have the right during normal business hours of CONTRACTOR to examine all account records of the CONTRACTOR relative hereunder.
- 3.7 **Lock Box**
NMC will provide a Lock Box for all deposits. The Lock Box will be located at the bank.
- 3.8 **Data Analytics**
Searches for updated information shall be performed by CONTRACTOR on all accounts automatically as they are received through data analytics scoring software. Account data shall be compared against other databases to determine the most accurate contact information and the probability of collection.
- 3.9 **Automatic Generated Collection Notices**
Automated notices shall be generated and sent to the consumer by CONTRACTOR. Accounts remaining unpaid after the notice will be sent additional notices as appropriate.
- 3.10 **Active Collection Accounts**
Accounts shall be initiated with a request by CONTRACTOR for payment in full. CONTRACTOR shall establish patient financial profiles and documented and analyze information to establish viable payment options which shall be presented to patients.
- 3.11 **Problem or Sensitive Accounts**
CONTRACTOR shall defuse difficult situations by listening to the patient's complaints and addressing complaints. NMC shall be notified of any valid disputes promptly.
- 3.12 **Call Documentation**
All calls and correspondence shall be automatically recorded and added to CONTRACTOR's notes.
- 3.13 **Credit Reporting**
Accounts remaining unpaid after 60 days in collections shall be reported by CONTRACTOR against the patient's credit file (Experian, Equifax, and Trans Union).
- 3.14 **Partial Payment Arrangement**

Payment plans shall be accepted by CONTRACTOR if it is determined the patient cannot pay in full.

3.15 **Settlements**

CONTRACTOR shall not accept settlements unless authorized by NMC.

3.16 **Invoice Accuracy**

A remittance statement shall be provided monthly to NMC. The remittance shall be sent via mail and emailed at the beginning of each month.

3.17 **Account Reconciliation Process**

NMC shall provide the total number of accounts and total dollar amount assigned in order for CONTRACTOR to reconcile. Frequency of reconciliation shall be based upon NMC's preference.

4.0 TERM OF AGREEMENT

4.1 The initial term shall commence with the signing of the AGREEMENT for a period of three (3) years with the option to extend the AGREEMENT for two (2) additional one (1) year periods. NMC is not required to state a reason if it elects not to renew this AGREEMENT.

4.2 If NMC exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions.

4.3 NMC reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

5.0 COMPENSATION AND PAYMENTS

5.1 **Collection Fees and Interest fees for Debt Monies Collected by CONTRACTOR.** For all accounts assigned, CONTRACTOR is assigned ten percent (10%) of all Principal Sums calculated by NMC ("Principal Sums" is the dollar amount of the account as assigned by NMC during the first 30 days of assignment, including the interest and other costs as calculated by NMC), and eighteen percent (18%) after 30 days of assignment. On accounts where legal action is instituted or it becomes necessary to forward the account to an agency outside the geographic area, CONTRACTOR is assigned thirty five percent (35%) of all Principal Sums. **NMC shall retain fifty percent (50%) of all interest accrued and collected after the time of assignment.**

5.2 **Interest.** CONTRACTOR and NMC shall agree upon an interest rate to be added to the debt account at the time the account is provided to CONTRACTOR by NMC. In addition to the principal amount of the debt assigned, NMC assigns rights to 50% of all interest collected for the assigned account(s) which is accrued from the date the account is assigned to CONTRACTOR, and the remaining 50% of the interest collected shall be

kept by CONTRACTOR. Any interest which was applied and which accrued prior to the debt account being submitted to CONTRACTOR shall be considered part of the Principal Sum amount of the debt.

- 5.3 Payment to NMC of collected funds plus interest shall be made on or before the fifth (5th) day of each month. CONTRACTOR shall deliver all payment in full and shall deposit it into the lock box provided by NMC. Such payment shall be accompanied by an alphabetical listing of individual accounts upon which payment have been received, specifying the payments received on each account and containing a grand total of payment received on all accounts assigned. All commission fees and amounts owed CONTRACTOR resulting from payment received directly by NMC or submitted by CONTRACTOR will be invoiced to NMC. Invoices shall be paid to CONTRACTOR by NMC within thirty (30) days after receipt.
- 5.3.1 CONTRACTOR shall be responsible for the loss of any funds collected on accounts assigned hereunder while such funds are in the custody of CONTRACTOR
- 5.4 Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR, which is not a known certainty; this Agreement is not set at a specific dollar amount. The aggregate amount payable by NMC under all AGREEMENTS that are awarded per RFP 9600-64 for Debt Collection Services is not to exceed the sum of \$2,400,000 for the first three (3) year period across all contracts awarded for services, and is and is not to exceed \$4,000,000 should future Amendments to extend be executed.
- 5.5 NMC does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 5.6 Collection fees shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.
- 5.7 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from NMC in writing.
- 5.8 Tax:
- 5.8.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
- 5.8.2 County is registered with the Internal Revenue Service, San Francisco office, EIN number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

6.0 INVOICES AND PURCHASE ORDERS

- 6.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to the Natividad Medical Center Accounts Payable department at the following address:

Natividad Medical Center
Accounts Payable Department
P.O. Box 81611
Salinas, CA. 93912

Contact Information:
Phone: (831) 783-2367
Email: AccountsPayableEmail@natividad.com

- 6.2 CONTRACTOR shall reference RFP # 9600-64 on all invoices submitted to NMC. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this AGREEMENT, and shall promptly submit such invoice to the County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.3 All NMC Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by NMC. Surcharges and additional fees not included the AGREEMENT must be approved by NMC in writing via an Amendment.

7.0 STANDARD INDEMNIFICATION

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

8.0 INSURANCE REQUIREMENTS

- 8.1 Evidence of Coverage:

- 8.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.
 - 8.1.2 This verification of coverage shall be sent to the County of Monterey's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County of Monterey. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.
 - 8.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County of Monterey's Purchasing Officer.
- 8.2 Insurance Coverage Requirements:
- 8.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:
 - 8.2.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
 - 8.2.1.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
 - 8.2.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.
 - 8.2.1.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in

a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

8.3 Other Insurance Requirements:

- 8.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County of Monterey and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.
- 8.3.2 Each liability policy shall provide that County of Monterey shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.
- 8.3.3 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County of Monterey and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.
- 8.3.4 Prior to the execution of this AGREEMENT by County of Monterey, CONTRACTOR shall file certificates of insurance with County of Monterey's contract administrator and County of Monterey's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this

AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

- 8.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County of Monterey, annual certificates to County of Monterey's Contract Administrator and County of Monterey's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County of Monterey shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County of Monterey, at its sole discretion, to terminate this AGREEMENT immediately.

9.0 NON-DISCRIMINATION

- 9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).
- 9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

10.0 ASSIGNMENT AND SUBCONTRACTING

- 10.1 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of NMC.

- 10.2 Subcontractors that have been approved by NMC: Any subcontractor utilized by CONTRACTOR shall comply with all of the County of Monterey requirements stated herein this Agreement including insurance and indemnification sections.

11.0 CONFLICT OF INTEREST

- 11.1 CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

12.0 COMPLIANCE WITH APPLICABLE LAWS

- 12.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 12.2 CONTRACTOR shall report immediately to NMC, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
- 12.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

13.0 RECORDS AND CONFIDENTIALITY

- 13.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the NMC or prepared in connection with the performance of this AGREEMENT, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.

- 13.2 NMC Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this AGREEMENT.
- 13.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, County of Monterey and NMC rules and regulations related to services performed under this AGREEMENT.
- 13.4 Access to and Audit of Records: NMC and the County of Monterey shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. The parties to this AGREEMENT may be subject, at the request of NMC or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

14.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT— HIPAA COMPLIANCE

- 14.1 CONTRACTOR agrees to operate its business in a manner as necessary to permit NMC to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").
- 14.2 CONTRACTOR and NMC agree that the attached Business Associates Agreement shall be incorporated into this Agreement as Exhibit B and shall be signed by both parties.

15.0 FORCE MAJEURE

- 15.1 Neither NMC nor CONTRACTOR shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's reasonable control (a "**Force Majeure Event**"), including, without limitation, acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall in good faith use its best efforts to perform its duties and obligations under this Agreement.

If either NMC or CONTRACTOR wishes to claim protection with respect to a Force Majeure Event, it shall as soon as possible following the occurrence or date of such Force Majeure Event, notify the other Party of the nature and expected duration of the force majeure event and shall thereafter keep the other Party informed until such time as it is able to perform its obligations.

16.0 TRAVEL REIMBURSEMENT

16.1 Travel Reimbursement is not allowed for this AGREEMENT.

17.0 NOTICES

17.1 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 NMC contracts division manager or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle 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 by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the 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 NMC:

Natividad Medical Center
CONTRACTS DIVISION
1441 Constitution Blvd
Salinas, CA 93906
Fax No.: (831) 757-2592

TO CONTRACTOR:

Credit Consulting Services, Inc.
201 John Street, Suite E
Salinas, CA 93901
Fax No.: (831) 424-3732

18.0 LEGAL DISPUTES

18.1 CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.

- 18.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.
- 18.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.
- 18.4 The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

-Signature page to follow-

Natividad Medical Center

By: Gary R. Gray, DO, CEO

Date: 10/19/16

APPROVED AS TO LEGAL PROVISIONS

By: Stacy Della
Monterey County Deputy County Counsel

Date: 9/1/2016

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Monterey County Deputy Auditor/Controller

Date: 9-1-16

CONTRACTOR

Credit Consulting Services, Inc.

CONTRACTOR'S Business Name

*** See instructions below***

By: [Signature]
(Signature of _____)

Date: _____

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

Name and Title

Date: _____

*****Instructions*****

If **CONTRACTOR** is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (2 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 (2 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 (1 signature required)

Natividad Medical Center

By: [Signature]
Gary R. Gray, DO, CEO

Date: 9/10/16

APPROVED AS TO LEGAL PROVISIONS

By: _____

Monterey County Deputy County Counsel

Date: _____

APPROVED AS TO FISCAL PROVISIONS

By: _____

Monterey County Deputy Auditor/Controller

Date: _____

CONTRACTOR

Credit Consulting Services, Inc.

CONTRACTOR'S Business Name

*** See instructions below***

By: [Signature]
(Signature of Chair, President, or Vice-President)

RODNEY MEEKS, V.P.
Name and Title

Date: 9/5/16

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

Debra Meeks, Secretary
Name and Title

Date: 9-5-16

*****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 (2 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 (2 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 (1 signature required)

EXHIBIT A – Pricing Sheet

RFP # 9600-64

Criteria Description	Yes/No	Comments
NMC would like EO payments made directly to NMC. NMC will cut a check for your fees on a monthly basis. Will you agree to this?	Yes	
NMC would like 100% of bad debt payments forwarded to NMC twice a month. NMC will cut a check for your fees on a monthly basis. Will you agree to this?	Yes	
	Fees	
What are your fees for early out (EO)?	9.5%	
What are your fees for primary placement accounts / 0-30 days?	10%	
What are your fees for primary placement accounts / >30 days?	18%	
What are your fees for primary placement accounts / legal accounts?	35%	