



**COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN \$200,000)**

This Agreement for Services (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California, for the provision of services for Natividad Medical Center ("COUNTY"), a general acute care teaching hospital wholly owned and operated by the County, and _____ (hereinafter "CONTRACTOR", collectively COUNTY and CONTRACTOR are referred to as the "Parties").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED.** COUNTY hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows:
_____.
2. **PAYMENTS BY COUNTY.** COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of \$_____.
3. **TERM OF AGREEMENT.**
 - 3.1. The term of this Agreement is from _____ through _____ unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and COUNTY and with COUNTY signing last and CONTRACTOR may not commence work before COUNTY signs this Agreement.
 - 3.2. COUNTY reserves the right to cancel this Agreement, or an extension of this Agreement, without cause, with a thirty (30) day written notice, or with cause immediately.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

5. PERFORMANCE STANDARDS.

- 5.1. 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 COUNTY, or immediate family of an employee of COUNTY.
- 5.2. 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.
- 5.3. 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 COUNTY premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

- 6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. COUNTY does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety (90) days prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (COUNTY) and the CONTRACTOR.
- 6.3. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement, and then only in accordance with any applicable County policies.
- 6.4. Invoice amounts shall be billed directly to the ordering department.
- 6.5. CONTRACTOR shall submit such invoice 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. COUNTY shall certify the invoice, either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. TERMINATION.

- 7.1. During the term of this Agreement, COUNTY may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In

the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.2. COUNTY may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If COUNTY terminates this Agreement for good cause, COUNTY may be relieved of the payment of any consideration to Contractor, and COUNTY may proceed with the work in any manner, which COUNTY deems proper. The cost to COUNTY shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.3 COUNTY's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for COUNTY's purchase of the indicated quantity of services, then COUNTY may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

~~8.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "COUNTY"), its officers, agents and employees from any and all claims, liability 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 the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of COUNTY. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.~~

9. INSURANCE.

~~9.1 Evidence of Coverage:~~

~~Prior to commencement of this Agreement, the 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, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.~~

This verification of coverage shall be sent to Natividad's Contracts Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and COUNTY has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

9.2 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 Natividad's Contracts Department Manager.

- 9.3 Insurance Coverage Requirements: 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:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form 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.

- Exemption/Modification (Justification attached; subject to approval).

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.

- Exemption/Modification (Justification attached; subject to approval).

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.

- Exemption/Modification (Justification attached; subject to approval).

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, the 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.

- 9.4 Other Requirements:

~~All insurance required by this Agreement shall be with a company acceptable to COUNTY 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.~~

Each liability policy shall provide that COUNTY 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 insured 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.

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 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 COUNTY and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by CONTRACTOR's insurance.** The required endorsement from 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 from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by COUNTY, CONTRACTOR shall file certificates of insurance with Natividad's Contracts Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) 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.

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, annual certificates to Natividad's Contracts Department. If the certificate is not received by the expiration date, COUNTY 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, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

~~10.1 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 COUNTY or prepared in connection with the performance of this Agreement, unless COUNTY specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to COUNTY 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.~~

10.2 COUNTY Records. When this Agreement expires or terminates, CONTRACTOR shall return to COUNTY any COUNTY records which CONTRACTOR used or received from COUNTY to perform services under this Agreement.

10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.4 Access to and Audit of Records. COUNTY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess or \$10,000, the parties to this Agreement may be subject, at the request of COUNTY 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.

~~10.5 Royalties and Inventions. COUNTY shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of COUNTY.~~

11. **NON-DISCRIMINATION**. During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT**. If this Agreement has been or will be funded with monies received by COUNTY pursuant to a contract with the state or federal government in which COUNTY is the grantee, CONTRACTOR will comply with all the provisions of said contract and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, COUNTY will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

~~13. **INDEPENDENT CONTRACTOR**. In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of COUNTY. No offer or obligation of permanent~~

~~employment with COUNTY or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold COUNTY and the County of Monterey harmless from any and all liability, which COUNTY may incur because of CONTRACTOR's failure to pay such taxes.~~

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to COUNTY and CONTRACTOR's contract administrators at the addresses listed below

NATIVIDAD MEDICAL CENTER:

Natividad Medical Center
Attn: Contracts Division
Natividad Medical Center
1441 Constitution Blvd
Salinas, CA. 93906
FAX: 831-757-2592

CONTRACTOR:

Name: _____
Attn: _____
Address: _____
City, State, Zip: _____
FAX: _____
Email: _____

15. MISCELLANEOUS PROVISIONS.

- 15.1 Conflict of Interest: CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by COUNTY and the CONTRACTOR.
- 15.3 Waiver: Any waiver of any terms and conditions of this Agreement must be in writing and signed by COUNTY and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.4 Contractor: The term "Contractor" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

- 15.5 ~~Disputes: CONTRACTOR shall continue to perform under this Agreement during any dispute.~~
- 15.6 ~~Assignment and Subcontracting: CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of COUNTY. None of the services covered by this Agreement shall be subcontracted without the prior written approval of COUNTY. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.~~
- 15.7 Successors and Assigns: This Agreement and the rights, privileges, duties, and obligations of COUNTY and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8 Compliance with Applicable Law: The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9 Headings: The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence: Time is of the essence in each and all of the provisions of this Agreement
- 15.11 Governing Law: This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of COUNTY and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement: COUNTY and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Integration: This Agreement, including the exhibits, represents the entire Agreement between COUNTY and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations representations, or agreements, either written or oral, between COUNTY and CONTRACTOR as of the effective date of this Agreement, which is the date that COUNTY signs the Agreement.
- 15.16 Interpretation of Conflicting Provisions: In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

**COUNTY OF MONTEREY, on behalf of
NATIVIDAD MEDICAL CENTER**

By: _____
Charles R. Harris, CEO Natividad

Date: _____

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

Contractor's Business Name*** (see instructions)

Signature of Chair, President, or Vice-President

Name and Title

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 (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).

ADDENDUM NO. 1

TO AGREEMENT BY AND BETWEEN R1 RCM HOLDCO INC., AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER FOR REVENUE CYCLE MANAGEMENT SERVICES

This Addendum No. 1 amends, modifies, and supplements the County of Monterey Agreement for Services (hereinafter "Agreement") by and between R1 RCM Holdco Inc., on behalf of itself and its affiliates (collectively, hereinafter "CONTRACTOR") and the County of Monterey, on behalf of Natividad Medical Center (hereinafter "COUNTY"). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, COUNTY and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

I. Section 6.6, PAYMENT CONDITIONS. Section 6.6 is hereby added as follows:

If any payment of any invoice is over thirty (30) days past due in accordance with the applicable payment terms and such invoice(s) are not subject to a dispute under Section 6, then, in addition to all other remedies that may be available: (a) CONTRACTOR may charge interest equal to 1.5% per month on undisputed amounts; (b) CONTRACTOR, upon providing five (5) days' written notice, suspend performance for all Services until payment has been made in full or terminate in accordance with Section 3.2; and (c) COUNTY shall reimburse CONTRACTOR for all reasonable costs incurred in collecting any late payments or interest, including reasonable collection agency and attorneys' fees. Subject to Section 3.3, all amounts payable to CONTRACTOR under this Agreement or a Service Order will be paid by COUNTY to CONTRACTOR in full without any setoff, recoupment, deduction or withholding of Fees or other payments for any reason.

II. Section 8, INDEMNIFICATION. Section 8 is hereby deleted in its entirety and replaced with the following:

Section 8. INDEMNIFICATION AND LIMITATION OF LIABILITY.

CONTRACTOR will defend and indemnify COUNTY, and its officers, directors, managers, and employees from any and all liabilities, costs and expenses incurred by them in connection with any third-party claim, action, or proceeding (each, a "Claim"): (a) CONTRACTOR's or its employees', agents', or contractors' gross negligence or willful misconduct in the performance of the Services; or (b) alleging that the Services, the Platform or the Reports, as delivered by CONTRACTOR and excluding any COUNTY Data contained therein, or any use of the foregoing in accordance with this Agreement infringes or misappropriates any patent, copyright, trademark, trade secret, or other intellectual property right of any third party provided that the foregoing intellectual property indemnity shall not apply to the extent the Claim results from: (i) any modification to or combination of the Services, the Platform, or the Reports not provided or approved in writing by CONTRACTOR, (ii) COUNTY's failure to implement available a modification or replacement provided by CONTRACTOR that would have avoided the alleged infringement without materially diminishing the functionality of the affected items; and (iii) COUNTY Data, COUNTY'S indemnification obligations, or COUNTY'S breach of this Agreement, the BAA, or a Service Order. COUNTY may participate in the defense at its own expense. CONTRACTOR shall not settle any Claim that imposes liability or obligations on COUNTY without COUNTY's prior written consent (not unreasonably withheld).

8.2 Indemnification by COUNTY. COUNTY will defend indemnify, and hold harmless CONTRACTOR, its and each of its and their officers, directors, managers and employees from any and all liabilities, costs and expenses incurred by them in connection with any Claims: to the extent arising out of or resulting from the negligent acts, errors, or omissions or willful misconduct of COUNTY or its officers, employees, agents, or subcontractors in connection with this Agreement; or (b) alleging that COUNTY Data or the use thereof in accordance with this Agreement infringes or misappropriates any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party.

8.3 The indemnified Party agrees to: (a) promptly notify indemnifying Party of any Claim for which the indemnified Party seeks indemnification hereunder, provided that failure by the indemnified Party to provide such notice will not impair the indemnified Party's right to indemnification except to the extent that such failure has materially prejudiced the indemnifying Party in the defense of such Claim; and (b) provide indemnifying Party with reasonable cooperation in the defense of any such Claim.

8.4 Limitation on Liability.

A. LIMITATION ON CONTRACTOR'S LIABILITY.

1. UNCAPPED LIABILITY. TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR'S TOTAL LIABILITY TO COUNTY ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT BE LIMITED BY AMOUNT, DAMAGES CAP, OR DAMAGES EXCLUSION WITH RESPECT TO:

- A) CONTRACTOR'S VIOLATION OF APPLICABLE LAW OR REGULATION;
- B) CONTRACTOR'S BREACH OF CONFIDENTIALITY (SECTION 10); OR
- C) CONTRACTOR'S GROSS NEGLIGENCE, OR CONTRACTOR'S WILLFUL MISCONDUCT.

2. CAPPED LIABILITY FOR ORDINARY BREACH. EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPH 8.4(A)(1) ABOVE, CONTRACTOR'S TOTAL LIABILITY TO COUNTY FOR DIRECT DAMAGES ONLY, ARISING OUT OF CONTRACTOR'S ORDINARY BREACH OF THIS AGREEMENT, SHALL NOT EXCEED THE GREATER OF \$500,000 OR TWO (2) TIMES THE AMOUNTS ACTUALLY PAID OR OWED BY COUNTY TO CONTRACTOR UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

3. IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF BUSINESS, LOSS OF DATA, LOSS OF USE, REPUTATIONAL HARM, OR COST OF SUBSTITUTE SERVICES, REGARDLESS OF THEORY OF LIABILITY AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

B. LIMITATION ON COUNTY'S LIABILITY.

1. UNCAPPED LIABILITY. TO THE FULLEST EXTENT PERMITTED BY LAW, COUNTY'S TOTAL LIABILITY TO CONTRACTOR FOR DIRECT DAMAGES ONLY, ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL NOT BE LIMITED BY AMOUNT, DAMAGES CAP, OR DAMAGES EXCLUSION WITH RESPECT TO:

- A) CONTRACTOR'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 8, INCLUDING, WITHOUT LIMITATION, DEFENSE COSTS,

SETTLEMENT, JUDGMENTS, FINES, PENALTIES, AND ASSESSMENTS;

- B) COUNTY'S VIOLATION OF APPLICABLE LAW OR REGULATION;
- C) COUNTY'S BREACH OF CONFIDENTIALITY (SECTION 10);
- D) DAMAGES CAUSED BY FRAUD IN THE PERFORMANCE OF CONTRACTOR'S OBLIGATIONS UNDER THIS AGREEMENT, COUNTY'S GROSS NEGLIGENCE, OR COUNTY'S WILLFUL MISCONDUCT.

2. CAPPED LIABILITY FOR ORDINARY BREACH. EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPH 8.4(B)(1) ABOVE, COUNTY'S TOTAL LIABILITY TO CONTRACTOR FOR DIRECT DAMAGES ONLY, ARISING OUT OF COUNTY'S ORDINARY BREACH OF THE SERVICE ORDER AT ISSUE, SHALL NOT EXCEED THE GREATER OF \$500,000 OR TWO (2) TIMES THE AMOUNTS ACTUALLY PAID OR OWED BY COUNTY TO CONTRACTOR UNDER THE APPLICABLE SCHEDULE DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

3. IN NO EVENT SHALL COUNTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF BUSINESS, LOSS OF DATA, LOSS OF USE, REPUTATIONAL HARM, OR COST OF SUBSTITUTE SERVICES, REGARDLESS OF THEORY OF LIABILITY AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

4. PUBLIC ENTITY PROTECTIONS. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO: (A) WAIVE COUNTY'S GOVERNMENTAL, STATUTORY, OR SOVEREIGN IMMUNITIES; (B) CREATE LIABILITY BEYOND THAT AUTHORIZED BY CALIFORNIA LAW; OR (C) PERMIT RECOVERY OF DAMAGES BARRED BY THE CALIFORNIA GOVERNMENT CLAIMS ACT."

III. Section 9.1, EVIDENCE OF COVERAGE. The first paragraph of Section 9.1 is hereby deleted in its entirety and replaced with the following:

Prior to the commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage is required herein has been obtained. Individual endorsement executed by the insurance carrier shall accompany the certificate.

This verification of coverage shall be sent to Natividad's Contracts Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and COUNTY has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

IV. Section 9.4, OTHER REQUIREMENTS. The fourth paragraph of Section 9.4 is hereby deleted in its entirety and replaced with the following:

Prior to the execution of this Agreement by COUNTY, CONTRACTOR shall file certificates of insurance with Natividad's Contracts Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance following a renewal COI and ten (10) days after county notification of renewal of policy.

V. Section 10.1, CONFIDENTIALITY. Section 10.1 is hereby deleted in its entirety and replaced with the following:

"Confidential Information" means any non-public information (non-public meaning information subject to any exemption under the Freedom of Information Act or the California Public Records Act), that either Party (as the disclosing Party) treats as confidential or proprietary, including any information and documents relating to a Party or its Affiliates or its and their respective businesses, operations, technical or financial information, including customer lists, marketing information, finances, (except for pricing in this Agreement, or amendments thereto), and any other information or materials not available to the general public. Confidential Information does not include: (a) information that is or becomes publicly known through no wrongful act of the receiving Party; (b) information that is received by the receiving Party on a non-confidential basis from a third party, who is not under any obligation to maintain its confidentiality; or (c) information that is independently developed by the receiving Party without the use of, or reliance on, the disclosing Party's Confidential Information.

During the term of this Agreement and for a period of five (5) years after completion or termination of each Service Order, the receiving Party agrees to safeguard the disclosing Party's Confidential Information from unauthorized use, access or disclosure using at least the degree of care that such Party uses to protect its similarly sensitive information and in no event less than a reasonable degree of care. COUNTY shall not disclose any Confidential Information of CONTRACTOR or any of its Affiliates to any vendor of revenue management services or technologies or any entity that COUNTY

knows or should reasonably know to be a competitor of CONTRACTOR or any of its Affiliates, except with the prior written consent of CONTRACTOR.

The receiving Party may disclose Confidential Information of the disclosing Party only to its personnel, directors, agents, advisors and subcontractors (collectively, "Representatives") who have a need to know in connection with the Services and who are bound by confidentiality obligations no less restrictive than those described in this Section 5. Each Party will be responsible and liable for any breach of confidentiality obligations by their Representatives.

Should the receiving Party be required to disclose Confidential Information of the disclosing Party by order of a government agency, bureau, a court of law or equity, the receiving Party may make such disclosure, provided that the receiving Party will first provide the disclosing Party with prompt written notice of such required disclosure (unless legally prohibited) and will take commercially reasonable steps to allow the disclosing Party to seek a protective order with respect to the Confidential Information required to be disclosed.

- VI.** New Section 9.5, Cyber Liability Insurance to Section 9, INSURANCE. Section 9.5, Cyber Liability Insurance is hereby added to Section 9, INSURANCE, as follows:

"9.5 Cyber Liability Insurance. CONTRACTOR agrees to obtain and maintain, at its sole expense, liability insurance, covering any and all claims, liabilities, demands, damages, losses, costs expenses, fines, and compliance costs arising from a breach of the obligations of CONTRACTOR, its officers, employees, agents and Subcontractors under this Agreement and associated Business Associate Agreement. Without limiting the foregoing at a minimum, CONTRACTOR's required insurance shall include cyber liability insurance covering breach notification expenses, network security and privacy liability, with limits of not less than \$10,000,000 per claim and in the aggregate. Such insurance coverage will be maintained for the term of this Business Associate Agreement, and a certificate evidencing the policy shall be provided to the County at the County's request."

- VII.** Paragraph 10.5, Royalties and Inventions, to Section 10, RECORDS AND CONFIDENTIALITY. Paragraph 10.5 is hereby deleted in its entirety and replaced with the following:

10.5 Intellectual Property:

- a. CONTRACTOR or one or more of its Affiliates will perform the Services described in Exhibit A or in more service orders (each, an "SO" or "Service Order") between the Parties. COUNTY hereby authorizes the CONTRACTOR to utilize the CONTRACTOR'S proprietary technology (the "CONTRACTOR Technology"), in connection with the provision of Services.
- b. The Services include the provision of reports, results, and outputs of the Services that are generated by CONTRACTOR or CONTRACTOR Technology (the "Reports") as set forth in more detail in the applicable Service Order. During the term of this Agreement and thereafter, COUNTY may, solely for its internal business purposes, use, copy, modify and distribute any such Reports; provided, however, that COUNTY shall not distribute or share the Reports with any third-party vendor of revenue management services or technology without CONTRACTOR'S prior written consent.
- c. CONTRACTOR will permit designated COUNTY personnel access to CONTRACTOR Technology through certain features and functions of CONTRACTOR'S proprietary technology platform (the "Platform"), as contemplated by any Service Order or as necessary to deliver Reports, and the CONTRACTOR Technology shall be deemed to include the Platform. COUNTY will allow only COUNTY personnel who have been assigned a unique user identification ("User ID") ("COUNTY User") to access the Platform and will take reasonable measures to protect such User IDs and corresponding passwords, including by prohibiting and preventing any COUNTY User or any other person or entity, from sharing such User IDs or passwords. Subject to providing CONTRACTOR with reasonable advance written notice with respect to each third party, COUNTY may grant third-party contractors or other agents of COUNTY the right to use CONTRACTOR Technology (in which case they will be considered COUNTY Users for all purposes of this Agreement); provided, however, that COUNTY ensures each third party's compliance with CONTRACTOR Technology requirements. A unique User ID will be granted to each individual COUNTY User. COUNTY will promptly notify CONTRACTOR if any COUNTY User leaves the employ or service to COUNTY.
- d. COUNTY shall not, and shall not permit any COUNTY User or any other person or entity to, access or use CONTRACTOR Technology, except as expressly permitted by this Agreement. For purposes of clarity, COUNTY shall not:
 - (a) copy, modify or create derivative works or improvements of CONTRACTOR Technology or any part thereof;
 - (b) sell, sublicense, assign, publish or otherwise make available CONTRACTOR Technology to any third party;

- (c) reverse engineer, disassemble, decompile or otherwise attempt to derive any CONTRACTOR Technology source code; (d) input, upload, transmit or otherwise provide any unlawful or injurious information or materials, including any virus, worm, malware or other malicious computer code; (e) perform or disclose any benchmarking or performance testing data of CONTRACTOR Technology; or (f) use CONTRACTOR Technology for the purpose of developing a product or service competitive with CONTRACTOR Technology.
- e. CONTRACTOR may suspend, terminate or otherwise deny COUNTY or any COUNTY User access to or use of all or any part of CONTRACTOR Technology, without any resulting obligation or liability: (a) if CONTRACTOR reasonably determines a suspension or termination is necessary to mitigate or otherwise prevent COUNTY'S or a COUNTY User's ongoing violation of applicable law or an imminent security threat to CONTRACTOR Technology; (b) if CONTRACTOR reasonably determines that COUNTY or COUNTY User is in breach of Section 10.5; or (c) (i) if any payment of Fees is over thirty (30) days past due in accordance with the applicable payment terms and such Fees are not subject to a dispute under Section 6.6, or (ii) if a dispute raised under Section 6.6 has not been resolved within ninety (90) days of the date the invoice is due, both of the foregoing (i) and (ii) until the past due amounts have been paid in full. This Section 10.5 does not limit any of CONTRACTOR'S other rights or remedies, whether at law or in equity.
- f. The Parties anticipate that the Services will evolve and be supplemented, modified, enhanced, or replaced over time to keep pace with technological advancements and improvements in the methods of delivering services and changes in the business of COUNTY. If any services, functions or responsibilities not described in the Agreement are required for proper performance or provision of the Services in accordance with this Agreement, those services, functions and responsibilities shall be deemed to be included within the scope of the Services. COUNTY further understands and agrees that CONTRACTOR regularly updates and improves the CONTRACTOR Technology. CONTRACTOR reserves the right to make changes to the CONTRACTOR Technology or specifications that it deems necessary or useful, at no additional charge to COUNTY; provided, however, that any such changes do not degrade in any material respect the function or performance of the CONTRACTOR Technology or the Services.
- g. COUNTY will maintain COUNTY'S information technology infrastructure ("COUNTY Systems") that impact CONTRACTOR'S ability to provide the Services to COUNTY. COUNTY will provide all personnel and subcontractors of CONTRACTOR with access to COUNTY Systems

and, if applicable, COUNTY'S premises and any third-party systems, as reasonably required for CONTRACTOR to perform the Services and without requiring CONTRACTOR to agree to terms that CONTRACTOR determines are unreasonable. COUNTY acknowledges that CONTRACTOR'S performance of the Services depends on COUNTY'S timely, accurate, and effective performance of all of its responsibilities under this Agreement. COUNTY further acknowledges and agrees that its failure to satisfy any such responsibilities may prevent or delay CONTRACTOR'S performance of the Services which may result in modifications to a Service Order and an adjustment of the invoice(s).

- h. COUNTY will provide CONTRACTOR access to COUNTY Data (as defined below) reasonably required by CONTRACTOR to provide the Services. COUNTY Data will be provided on at least a daily automated data feed or as otherwise agreed to by the Parties, and in a format to be mutually agreed by the Parties. "COUNTY Data" means all information, data, and other content, in any form or medium, that is provided by or on behalf of COUNTY. COUNTY Data may include "protected health information," as that term is defined by 45 C.F.R. 160.103 ("PHI"). Such PHI (and aggregated PHI) shall be safeguarded in accordance with the Parties' business associate agreement, dated of even date herewith ("BAA"). The parties understand and agree PHI (including aggregated PHI) does not constitute Confidential Information (defined below). COUNTY will obtain all consents or permissions as necessary or appropriate for CONTRACTOR system or portal access necessary to perform the Services contemplated by this Agreement. CONTRACTOR will assist COUNTY with the completion of forms as needed for CONTRACTOR to obtain Medicare Direct Data Entry or other access upon the execution of any Service Order. COUNTY agrees to provide dedicated login credentials where feasible and expressly permits developer-user password sharing for development, testing, production and reporting of automation solutions used in the Services provided to COUNTY.
- i. COUNTY will (a) implement and maintain commercially reasonable administrative, technical, and physical safeguards designed to protect COUNTY Systems and COUNTY Data from unauthorized access, use, or disclosure, and (b) maintain an incident response plan and, and notify CONTRACTOR of an incident that may materially compromise CONTRACTOR's systems or CONTRACTOR Confidential Information.
- j. CONTRACTOR may use de-identified and/or aggregated data derived from COUNTY Data to develop benchmarks, trend analyses, and to improve CONTRACTOR's analytics and services. CONTRACTOR acknowledges that such

use is intended to support COUNTY's payment integrity objectives and may produce outputs that benefit COUNTY.

- k. COUNTY authorizes CONTRACTOR to: (a) with respect to COUNTY Data that constitutes PHI, de-identify such PHI in accordance with HIPAA, CMIA, and applicable state and federal privacy and data security law ("Applicable Law"), and to use and disclose such de-identified data for CONTRACTOR's internal business purposes and other lawful purposes; (b) with respect to COUNTY Data that constitutes PHI, create and use aggregated data as permitted by HIPAA, CMIA, and Applicable Law; and (c) with respect to COUNTY Data that does not constitute PHI, de-identify and/or aggregate such data using commercially reasonable measures designed to prevent re-identification or attribution to COUNTY, and to use and disclose such de-identified and/or aggregated data for benchmarking, analytics, service improvement, and other lawful purposes.
- l. All analyses, reports, metrics, and other outputs generated under this section are "Analyses." CONTRACTOR will not attempt to re-identify any de-identified data and will not permit any third party to do so.
- m. "HIPAA" means (i) the Health Insurance Portability and Accountability Act of 1996; (ii) the Health Information Technology for Economic and Clinical Health Act; and their implementing regulations, as amended. "CMIA" means the California Confidentiality of Medical Information Act, as amended.
- n. COUNTY acknowledges and agrees that optimal performance of the Services is dependent on the quality and accuracy of the COUNTY Data. CONTRACTOR assumes no responsibility for the accuracy or completeness of the COUNTY Data. CONTRACTOR makes no representation as to the appropriateness of its findings for any purpose other than as specifically set forth in the Service Orders.
- o. The parties understand and agree that COUNTY retains all rights, title, and interest in and to the COUNTY Data. For the avoidance of doubt, COUNTY Data does not include CONTRACTOR Intellectual Property.
- p. COUNTY hereby grants to CONTRACTOR and its Affiliates, a worldwide, fully paid up, non-exclusive, royalty-free, sublicensable, transferable (as permitted in Section 10.5) right and license to access, use, aggregate, reproduce, modify, display, disclose, distribute, and create derivative works of the COUNTY Data or any portion thereof (a) in connection with the provision of the Services to

COUNTY (including to provide Reports); (b) to fulfill its obligations to COUNTY under this Agreement; and (c) for any other purposes set forth in this Agreement, the BAA, or an applicable Service Order.

- q. COUNTY acknowledges and agrees that CONTRACTOR retains all right, title, and interest in and to all (a) CONTRACTOR Technology, Reports (excluding COUNTY Data contained therein), and Analyses; (b) ideas, information, concepts, code, systems, know-how, tools, models, algorithms, processes, programming, data, methods, strategies, techniques, software, conceptual approaches, and inventions created, conceived, enhanced, or improved upon by or on behalf of CONTRACTOR or any of its Affiliates at any time (*e.g.*, to support the CONTRACTOR'S operations, for example, by creating R1 financial, business or other records), including anything which CONTRACTOR or its Affiliates may discover, create, learn, or develop during the provision of Services for COUNTY; and (c) any intellectual property in or to any of the foregoing (including any derivative works and improvements of any of the foregoing); in each case whether or not modified or developed at COUNTY'S request, modified or developed in cooperation with COUNTY, or modified or developed by CONTRACTOR jointly with COUNTY (collectively, the "CONTRACTOR Intellectual Property").

VIII. Section 15.6, ASSIGNMENT AND SUBCONTRACTING. SECTION 15.6 is hereby deleted in its entirety and replaced with the following:

Neither Party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent which shall not be unreasonably withheld including the transfer of this Agreement (a) to any of its Affiliates or (b) in connection with a change of control transaction (whether by merger, consolidation, sale of equity interests, sale of all or substantially all assets, or otherwise) but, in the case of (b), only to the extent the assignee agrees in writing to assume all liabilities under this Agreement, including any liabilities accruing prior to the effectiveness of such assignment. Any assignment or other transfer in violation of this section will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns. For purposes herein, "Affiliate" means, with respect to a particular Party, any person or entity that controls, is controlled by or is under common control with such Party; and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person or entity, whether through the ownership of voting securities or equity interests, by contract or otherwise. Notwithstanding anything to the contrary herein, CONTRACTOR or its Affiliates may augment staffing for performance of the Services through subcontracting, and CONTRACTOR may delegate any of its

obligations hereunder to any of its Affiliates or subcontractors. CONTRACTOR will require all subcontractors and delegees to comply with the requirements of CONTRACTOR set forth in this Agreement between the Parties, to the extent applicable to such subcontractors and delegees. Any reference in this Agreement to "CONTRACTOR" that imposes any obligation or grants any rights, relating to the provision of the Services, will be deemed to also be a reference to CONTRACTOR'S Affiliates who perform the Services under this Agreement and their subcontractors, provided, however, that under no circumstances will COUNTY have any rights to make any claims against any such Affiliates or subcontractors and COUNTY can only make claims against the CONTRACTOR.

IX. Section 13, INDEPENDENT CONTRACTOR. Section 13 is hereby deleted in its entirety and replaced with the following:

13 INDEPENDENT CONTRACTOR. In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of COUNTY. No offer or obligation of permanent employment with COUNTY or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold COUNTY harmless from any and all liability, which COUNTY may incur because of CONTRACTOR's failure to pay such taxes. All invoices, expenses, service charges, and other amounts due under this Agreement are exclusive of any taxes. COUNTY shall be responsible for all applicable federal, state, local, sales, use, withholding, value added, and other taxes, including any interest and penalties in connection therewith, (collectively, "Taxes") incurred, assessed, or imposed with respect to this Agreement. COUNTY shall not be responsible for taxes on CONTRACTOR'S revenues or income. If COUNTY is exempt from otherwise applicable taxes as a result of a tax-exempt status, COUNTY shall provide CONTRACTOR with a valid and applicable tax exemption certificate. All tax exemption certificates must be sent via email to Tax@r1rcm.com for validation by CONTRACTOR.

X. Paragraph 15.5, Disputes, to section 15, MISCELLANEOUS PROVISIONS. Paragraph 15.5, Disputes, is hereby deleted in its entirety and replaced with the following:

The Parties will attempt to settle any disputes through good faith negotiations between their respective senior executives for a period of thirty (30) days. In the event a dispute has not been resolved, it will be finally settled by final and binding arbitration, conducted on a confidential basis, under the federal arbitration act, if applicable, and the then-current dispute resolution procedures (“Rules”) of the American Arbitration Association strictly in accordance with the terms of this Agreement and the laws of the state of California, excluding its principles of conflicts of laws. To the extent permitted by the Rules, all Parties will direct that any arbitration be held on an expedited basis. Any award will be paid within thirty (30) days of the issuance of the arbitrator(s)’ decision. If any award is not paid within thirty (30) days, any Party may seek entry of a judgment in the amount of the award in any state or federal courts having jurisdiction thereof. Neither Party will be excluded from seeking provisional remedies in the courts of competent jurisdiction, including temporary restraining orders and preliminary injunctions, but such remedies shall not be sought as a means to avoid or stay arbitration. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY. THE REQUIREMENT OF ARBITRATION SET FORTH IN THIS section 9 SHALL NOT APPLY IN THE EVENT THAT THERE IS THIRD-PARTY JOINDER BY EITHER PARTY OR A THIRD PARTY INSTITUTES AN ACTION AGAINST ANY PARTY TO THIS AGREEMENT, AND SUCH THIRD PARTY IS NOT AMENABLE TO JOINDER IN THE ARBITRATION PROCEEDINGS CONTEMPLATED BY THIS SECTION.

Signature page to follow.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Addendum No.1 on the basis set forth in this document and have executed this Addendum No. 1 the day and year set forth herein.

<u>County of Monterey, on behalf of</u> <u>Natividad Medical Center</u>	<u>Vendor Legal Business Name</u> R1 RCM HOLDCO INC.
_____ Charles R. Harris, CEO	_____ Signature
_____ Date	_____ Printed Name and Title
<u>Approved as to Legal Provisions:</u>	_____ Date
_____ Monterey County Deputy County Counsel	
_____ Date	
<u>Approved as to Fiscal provisions:</u>	
_____ Monterey County Auditor-Controller's Office	
_____ Date	

ADDENDUM NO. 1

TO AGREEMENT BY AND BETWEEN R1 RCM HOLDCO INC., AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER FOR REVENUE CYCLE MANAGEMENT SERVICES

This Addendum No. 1 amends, modifies, and supplements the County of Monterey Agreement for Services (hereinafter "Agreement") by and between R1 RCM Holdco Inc., on behalf of itself and its affiliates (collectively, hereinafter "CONTRACTOR") and the County of Monterey, on behalf of Natividad Medical Center (hereinafter "COUNTY"). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, COUNTY and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

I. Section 6.6, PAYMENT CONDITIONS. Section 6.6 is hereby added as follows:

If any payment of any invoice is over thirty (30) days past due in accordance with the applicable payment terms and such invoice(s) are not subject to a dispute under Section 6, then, in addition to all other remedies that may be available: (a) CONTRACTOR may charge interest equal to 1.5% per month on undisputed amounts; (b) CONTRACTOR, upon providing five (5) days' written notice, suspend performance for all Services until payment has been made in full or terminate in accordance with Section 3.2; and (c) COUNTY shall reimburse CONTRACTOR for all reasonable costs incurred in collecting any late payments or interest, including reasonable collection agency and attorneys' fees. Subject to Section 3.3, all amounts payable to CONTRACTOR under this Agreement or a Service Order will be paid by COUNTY to CONTRACTOR in full without any setoff, recoupment, deduction or withholding of Fees or other payments for any reason.

II. Section 8, INDEMNIFICATION. Section 8 is hereby deleted in its entirety and replaced with the following:

Section 8. INDEMNIFICATION AND LIMITATION OF LIABILITY.

CONTRACTOR will defend and indemnify COUNTY, and its officers, directors, managers, and employees from any and all liabilities, costs and expenses incurred by them in connection with any third-party claim, action, or proceeding (each, a "Claim"): (a) CONTRACTOR's or its employees', agents', or contractors' gross negligence or willful misconduct in the performance of the Services; or (b) alleging that the Services, the Platform or the Reports, as delivered by CONTRACTOR and excluding any COUNTY Data contained therein, or any use of the foregoing in accordance with this Agreement infringes or misappropriates any patent, copyright, trademark, trade secret, or other intellectual property right of any third party provided that the foregoing intellectual property indemnity shall not apply to the extent the Claim results from: (i) any modification to or combination of the Services, the Platform, or the Reports not provided or approved in writing by CONTRACTOR, (ii) COUNTY's failure to implement available a modification or replacement provided by CONTRACTOR that would have avoided the alleged infringement without materially diminishing the functionality of the affected items; and (iii) COUNTY Data, COUNTY'S indemnification obligations, or COUNTY'S breach of this Agreement, the BAA, or a Service Order. COUNTY may participate in the defense at its own expense. CONTRACTOR shall not settle any Claim that imposes liability or obligations on COUNTY without COUNTY's prior written consent (not unreasonably withheld).

8.2 Indemnification by COUNTY. COUNTY will defend indemnify, and hold harmless CONTRACTOR, its and each of its and their officers, directors, managers and employees from any and all liabilities, costs and expenses incurred by them in connection with any Claims: to the extent arising out of or resulting from the negligent acts, errors, or omissions or willful misconduct of COUNTY or its officers, employees, agents, or subcontractors in connection with this Agreement; or (b) alleging that COUNTY Data or the use thereof in accordance with this Agreement infringes or misappropriates any patent, copyright, trademark, trade secret, or other intellectual property or proprietary right of any third party.

8.3 The indemnified Party agrees to: (a) promptly notify indemnifying Party of any Claim for which the indemnified Party seeks indemnification hereunder, provided that failure by the indemnified Party to provide such notice will not impair the indemnified Party's right to indemnification except to the extent that such failure has materially prejudiced the indemnifying Party in the defense of such Claim; and (b) provide indemnifying Party with reasonable cooperation in the defense of any such Claim.

8.4 Limitation on Liability.

A. LIMITATION ON CONTRACTOR'S LIABILITY.

1. UNCAPPED LIABILITY. TO THE FULLEST EXTENT PERMITTED BY LAW, CONTRACTOR'S TOTAL LIABILITY TO COUNTY ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT BE LIMITED BY AMOUNT, DAMAGES CAP, OR DAMAGES EXCLUSION WITH RESPECT TO:

- A) CONTRACTOR'S VIOLATION OF APPLICABLE LAW OR REGULATION;
- B) CONTRACTOR'S BREACH OF CONFIDENTIALITY (SECTION 10); OR
- C) CONTRACTOR'S GROSS NEGLIGENCE, OR CONTRACTOR'S WILLFUL MISCONDUCT.

2. CAPPED LIABILITY FOR ORDINARY BREACH. EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPH 8.4(A)(1) ABOVE, CONTRACTOR'S TOTAL LIABILITY TO COUNTY FOR DIRECT DAMAGES ONLY, ARISING OUT OF CONTRACTOR'S ORDINARY BREACH OF THIS AGREEMENT, SHALL NOT EXCEED THE GREATER OF \$500,000 OR TWO (2) TIMES THE AMOUNTS ACTUALLY PAID OR OWED BY COUNTY TO CONTRACTOR UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

3. IN NO EVENT SHALL CONTRACTOR BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF BUSINESS, LOSS OF DATA, LOSS OF USE, REPUTATIONAL HARM, OR COST OF SUBSTITUTE SERVICES, REGARDLESS OF THEORY OF LIABILITY AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

B. LIMITATION ON COUNTY'S LIABILITY.

1. UNCAPPED LIABILITY. TO THE FULLEST EXTENT PERMITTED BY LAW, COUNTY'S TOTAL LIABILITY TO CONTRACTOR FOR DIRECT DAMAGES ONLY, ARISING OUT OF OR RELATING TO THIS AGREEMENT, SHALL NOT BE LIMITED BY AMOUNT, DAMAGES CAP, OR DAMAGES EXCLUSION WITH RESPECT TO:

- A) CONTRACTOR'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 8, INCLUDING, WITHOUT LIMITATION, DEFENSE COSTS,

SETTLEMENT, JUDGMENTS, FINES, PENALTIES, AND ASSESSMENTS;

- B) COUNTY'S VIOLATION OF APPLICABLE LAW OR REGULATION;
- C) COUNTY'S BREACH OF CONFIDENTIALITY (SECTION 10);
- D) DAMAGES CAUSED BY FRAUD IN THE PERFORMANCE OF CONTRACTOR'S OBLIGATIONS UNDER THIS AGREEMENT, COUNTY'S GROSS NEGLIGENCE, OR COUNTY'S WILLFUL MISCONDUCT.

2. CAPPED LIABILITY FOR ORDINARY BREACH. EXCEPT AS EXPRESSLY PROVIDED IN PARAGRAPH 8.4(B)(1) ABOVE, COUNTY'S TOTAL LIABILITY TO CONTRACTOR FOR DIRECT DAMAGES ONLY, ARISING OUT OF COUNTY'S ORDINARY BREACH OF THE SERVICE ORDER AT ISSUE, SHALL NOT EXCEED THE GREATER OF \$500,000 OR TWO (2) TIMES THE AMOUNTS ACTUALLY PAID OR OWED BY COUNTY TO CONTRACTOR UNDER THE APPLICABLE SCHEDULE DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

3. IN NO EVENT SHALL COUNTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF BUSINESS, LOSS OF DATA, LOSS OF USE, REPUTATIONAL HARM, OR COST OF SUBSTITUTE SERVICES, REGARDLESS OF THEORY OF LIABILITY AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

4. PUBLIC ENTITY PROTECTIONS. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED TO: (A) WAIVE COUNTY'S GOVERNMENTAL, STATUTORY, OR SOVEREIGN IMMUNITIES; (B) CREATE LIABILITY BEYOND THAT AUTHORIZED BY CALIFORNIA LAW; OR (C) PERMIT RECOVERY OF DAMAGES BARRED BY THE CALIFORNIA GOVERNMENT CLAIMS ACT."

III. Section 9.1, EVIDENCE OF COVERAGE. The first paragraph of Section 9.1 is hereby deleted in its entirety and replaced with the following:

Prior to the commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage is required herein has been obtained. Individual endorsement executed by the insurance carrier shall accompany the certificate.

This verification of coverage shall be sent to Natividad's Contracts Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and COUNTY has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

IV. Section 9.4, OTHER REQUIREMENTS. The fourth paragraph of Section 9.4 is hereby deleted in its entirety and replaced with the following:

Prior to the execution of this Agreement by COUNTY, CONTRACTOR shall file certificates of insurance with Natividad's Contracts Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance following a renewal COI and ten (10) days after county notification of renewal of policy.

V. Section 10.1, CONFIDENTIALITY. Section 10.1 is hereby deleted in its entirety and replaced with the following:

"Confidential Information" means any non-public information (non-public meaning information subject to any exemption under the Freedom of Information Act or the California Public Records Act), that either Party (as the disclosing Party) treats as confidential or proprietary, including any information and documents relating to a Party or its Affiliates or its and their respective businesses, operations, technical or financial information, including customer lists, marketing information, finances, (except for pricing in this Agreement, or amendments thereto), and any other information or materials not available to the general public. Confidential Information does not include: (a) information that is or becomes publicly known through no wrongful act of the receiving Party; (b) information that is received by the receiving Party on a non-confidential basis from a third party, who is not under any obligation to maintain its confidentiality; or (c) information that is independently developed by the receiving Party without the use of, or reliance on, the disclosing Party's Confidential Information.

During the term of this Agreement and for a period of five (5) years after completion or termination of each Service Order, the receiving Party agrees to safeguard the disclosing Party's Confidential Information from unauthorized use, access or disclosure using at least the degree of care that such Party uses to protect its similarly sensitive information and in no event less than a reasonable degree of care. COUNTY shall not disclose any Confidential Information of CONTRACTOR or any of its Affiliates to any vendor of revenue management services or technologies or any entity that COUNTY

knows or should reasonably know to be a competitor of CONTRACTOR or any of its Affiliates, except with the prior written consent of CONTRACTOR.

The receiving Party may disclose Confidential Information of the disclosing Party only to its personnel, directors, agents, advisors and subcontractors (collectively, "Representatives") who have a need to know in connection with the Services and who are bound by confidentiality obligations no less restrictive than those described in this Section 5. Each Party will be responsible and liable for any breach of confidentiality obligations by their Representatives.

Should the receiving Party be required to disclose Confidential Information of the disclosing Party by order of a government agency, bureau, a court of law or equity, the receiving Party may make such disclosure, provided that the receiving Party will first provide the disclosing Party with prompt written notice of such required disclosure (unless legally prohibited) and will take commercially reasonable steps to allow the disclosing Party to seek a protective order with respect to the Confidential Information required to be disclosed.

- VI.** New Section 9.5, Cyber Liability Insurance to Section 9, INSURANCE. Section 9.5, Cyber Liability Insurance is hereby added to Section 9, INSURANCE, as follows:

"9.5 Cyber Liability Insurance. CONTRACTOR agrees to obtain and maintain, at its sole expense, liability insurance, covering any and all claims, liabilities, demands, damages, losses, costs expenses, fines, and compliance costs arising from a breach of the obligations of CONTRACTOR, its officers, employees, agents and Subcontractors under this Agreement and associated Business Associate Agreement. Without limiting the foregoing at a minimum, CONTRACTOR's required insurance shall include cyber liability insurance covering breach notification expenses, network security and privacy liability, with limits of not less than \$10,000,000 per claim and in the aggregate. Such insurance coverage will be maintained for the term of this Business Associate Agreement, and a certificate evidencing the policy shall be provided to the County at the County's request."

- VII.** Paragraph 10.5, Royalties and Inventions, to Section 10, RECORDS AND CONFIDENTIALITY. Paragraph 10.5 is hereby deleted in its entirety and replaced with the following:

10.5 Intellectual Property:

- a. CONTRACTOR or one or more of its Affiliates will perform the Services described in Exhibit A or in more service orders (each, an "SO" or "Service Order") between the Parties. COUNTY hereby authorizes the CONTRACTOR to utilize the CONTRACTOR'S proprietary technology (the "CONTRACTOR Technology"), in connection with the provision of Services.
- b. The Services include the provision of reports, results, and outputs of the Services that are generated by CONTRACTOR or CONTRACTOR Technology (the "Reports") as set forth in more detail in the applicable Service Order. During the term of this Agreement and thereafter, COUNTY may, solely for its internal business purposes, use, copy, modify and distribute any such Reports; provided, however, that COUNTY shall not distribute or share the Reports with any third-party vendor of revenue management services or technology without CONTRACTOR'S prior written consent.
- c. CONTRACTOR will permit designated COUNTY personnel access to CONTRACTOR Technology through certain features and functions of CONTRACTOR'S proprietary technology platform (the "Platform"), as contemplated by any Service Order or as necessary to deliver Reports, and the CONTRACTOR Technology shall be deemed to include the Platform. COUNTY will allow only COUNTY personnel who have been assigned a unique user identification ("User ID") ("COUNTY User") to access the Platform and will take reasonable measures to protect such User IDs and corresponding passwords, including by prohibiting and preventing any COUNTY User or any other person or entity, from sharing such User IDs or passwords. Subject to providing CONTRACTOR with reasonable advance written notice with respect to each third party, COUNTY may grant third-party contractors or other agents of COUNTY the right to use CONTRACTOR Technology (in which case they will be considered COUNTY Users for all purposes of this Agreement); provided, however, that COUNTY ensures each third party's compliance with CONTRACTOR Technology requirements. A unique User ID will be granted to each individual COUNTY User. COUNTY will promptly notify CONTRACTOR if any COUNTY User leaves the employ or service to COUNTY.
- d. COUNTY shall not, and shall not permit any COUNTY User or any other person or entity to, access or use CONTRACTOR Technology, except as expressly permitted by this Agreement. For purposes of clarity, COUNTY shall not: (a) copy, modify or create derivative works or improvements of CONTRACTOR Technology or any part thereof; (b) sell, sublicense, assign, publish or otherwise make available CONTRACTOR Technology to any third party;

- (c) reverse engineer, disassemble, decompile or otherwise attempt to derive any CONTRACTOR Technology source code; (d) input, upload, transmit or otherwise provide any unlawful or injurious information or materials, including any virus, worm, malware or other malicious computer code; (e) perform or disclose any benchmarking or performance testing data of CONTRACTOR Technology; or (f) use CONTRACTOR Technology for the purpose of developing a product or service competitive with CONTRACTOR Technology.
- e. CONTRACTOR may suspend, terminate or otherwise deny COUNTY or any COUNTY User access to or use of all or any part of CONTRACTOR Technology, without any resulting obligation or liability: (a) if CONTRACTOR reasonably determines a suspension or termination is necessary to mitigate or otherwise prevent COUNTY'S or a COUNTY User's ongoing violation of applicable law or an imminent security threat to CONTRACTOR Technology; (b) if CONTRACTOR reasonably determines that COUNTY or COUNTY User is in breach of Section 10.5; or (c) (i) if any payment of Fees is over thirty (30) days past due in accordance with the applicable payment terms and such Fees are not subject to a dispute under Section 6.6, or (ii) if a dispute raised under Section 6.6 has not been resolved within ninety (90) days of the date the invoice is due, both of the foregoing (i) and (ii) until the past due amounts have been paid in full. This Section 10.5 does not limit any of CONTRACTOR'S other rights or remedies, whether at law or in equity.
- f. The Parties anticipate that the Services will evolve and be supplemented, modified, enhanced, or replaced over time to keep pace with technological advancements and improvements in the methods of delivering services and changes in the business of COUNTY. If any services, functions or responsibilities not described in the Agreement are required for proper performance or provision of the Services in accordance with this Agreement, those services, functions and responsibilities shall be deemed to be included within the scope of the Services. COUNTY further understands and agrees that CONTRACTOR regularly updates and improves the CONTRACTOR Technology. CONTRACTOR reserves the right to make changes to the CONTRACTOR Technology or specifications that it deems necessary or useful, at no additional charge to COUNTY; provided, however, that any such changes do not degrade in any material respect the function or performance of the CONTRACTOR Technology or the Services.
- g. COUNTY will maintain COUNTY'S information technology infrastructure ("COUNTY Systems") that impact CONTRACTOR'S ability to provide the Services to COUNTY. COUNTY will provide all personnel and subcontractors of CONTRACTOR with access to COUNTY Systems

and, if applicable, COUNTY'S premises and any third-party systems, as reasonably required for CONTRACTOR to perform the Services and without requiring CONTRACTOR to agree to terms that CONTRACTOR determines are unreasonable. COUNTY acknowledges that CONTRACTOR'S performance of the Services depends on COUNTY'S timely, accurate, and effective performance of all of its responsibilities under this Agreement. COUNTY further acknowledges and agrees that its failure to satisfy any such responsibilities may prevent or delay CONTRACTOR'S performance of the Services which may result in modifications to a Service Order and an adjustment of the invoice(s).

- h. COUNTY will provide CONTRACTOR access to COUNTY Data (as defined below) reasonably required by CONTRACTOR to provide the Services. COUNTY Data will be provided on at least a daily automated data feed or as otherwise agreed to by the Parties, and in a format to be mutually agreed by the Parties. "COUNTY Data" means all information, data, and other content, in any form or medium, that is provided by or on behalf of COUNTY. COUNTY Data may include "protected health information," as that term is defined by 45 C.F.R. 160.103 ("PHI"). Such PHI (and aggregated PHI) shall be safeguarded in accordance with the Parties' business associate agreement, dated of even date herewith ("BAA"). The parties understand and agree PHI (including aggregated PHI) does not constitute Confidential Information (defined below). COUNTY will obtain all consents or permissions as necessary or appropriate for CONTRACTOR system or portal access necessary to perform the Services contemplated by this Agreement. CONTRACTOR will assist COUNTY with the completion of forms as needed for CONTRACTOR to obtain Medicare Direct Data Entry or other access upon the execution of any Service Order. COUNTY agrees to provide dedicated login credentials where feasible and expressly permits developer-user password sharing for development, testing, production and reporting of automation solutions used in the Services provided to COUNTY.
- i. COUNTY will (a) implement and maintain commercially reasonable administrative, technical, and physical safeguards designed to protect COUNTY Systems and COUNTY Data from unauthorized access, use, or disclosure, and (b) maintain an incident response plan and, and notify CONTRACTOR of an incident that may materially compromise CONTRACTOR's systems or CONTRACTOR Confidential Information.
- j. CONTRACTOR may use de-identified and/or aggregated data derived from COUNTY Data to develop benchmarks, trend analyses, and to improve CONTRACTOR's analytics and services. CONTRACTOR acknowledges that such

use is intended to support COUNTY's payment integrity objectives and may produce outputs that benefit COUNTY.

- k. COUNTY authorizes CONTRACTOR to: (a) with respect to COUNTY Data that constitutes PHI, de-identify such PHI in accordance with HIPAA, CMIA, and applicable state and federal privacy and data security law ("Applicable Law"), and to use and disclose such de-identified data for CONTRACTOR's internal business purposes and other lawful purposes; (b) with respect to COUNTY Data that constitutes PHI, create and use aggregated data as permitted by HIPAA, CMIA, and Applicable Law; and (c) with respect to COUNTY Data that does not constitute PHI, de-identify and/or aggregate such data using commercially reasonable measures designed to prevent re-identification or attribution to COUNTY, and to use and disclose such de-identified and/or aggregated data for benchmarking, analytics, service improvement, and other lawful purposes.
- l. All analyses, reports, metrics, and other outputs generated under this section are "Analyses." CONTRACTOR will not attempt to re-identify any de-identified data and will not permit any third party to do so.
- m. "HIPAA" means (i) the Health Insurance Portability and Accountability Act of 1996; (ii) the Health Information Technology for Economic and Clinical Health Act; and their implementing regulations, as amended. "CMIA" means the California Confidentiality of Medical Information Act, as amended.
- n. COUNTY acknowledges and agrees that optimal performance of the Services is dependent on the quality and accuracy of the COUNTY Data. CONTRACTOR assumes no responsibility for the accuracy or completeness of the COUNTY Data. CONTRACTOR makes no representation as to the appropriateness of its findings for any purpose other than as specifically set forth in the Service Orders.
- o. The parties understand and agree that COUNTY retains all rights, title, and interest in and to the COUNTY Data. For the avoidance of doubt, COUNTY Data does not include CONTRACTOR Intellectual Property.
- p. COUNTY hereby grants to CONTRACTOR and its Affiliates, a worldwide, fully paid up, non-exclusive, royalty-free, sublicensable, transferable (as permitted in Section 10.5) right and license to access, use, aggregate, reproduce, modify, display, disclose, distribute, and create derivative works of the COUNTY Data or any portion thereof (a) in connection with the provision of the Services to

COUNTY (including to provide Reports); (b) to fulfill its obligations to COUNTY under this Agreement; and (c) for any other purposes set forth in this Agreement, the BAA, or an applicable Service Order.

- q. COUNTY acknowledges and agrees that CONTRACTOR retains all right, title, and interest in and to all (a) CONTRACTOR Technology, Reports (excluding COUNTY Data contained therein), and Analyses; (b) ideas, information, concepts, code, systems, know-how, tools, models, algorithms, processes, programming, data, methods, strategies, techniques, software, conceptual approaches, and inventions created, conceived, enhanced, or improved upon by or on behalf of CONTRACTOR or any of its Affiliates at any time (*e.g.*, to support the CONTRACTOR'S operations, for example, by creating R1 financial, business or other records), including anything which CONTRACTOR or its Affiliates may discover, create, learn, or develop during the provision of Services for COUNTY; and (c) any intellectual property in or to any of the foregoing (including any derivative works and improvements of any of the foregoing); in each case whether or not modified or developed at COUNTY'S request, modified or developed in cooperation with COUNTY, or modified or developed by CONTRACTOR jointly with COUNTY (collectively, the "CONTRACTOR Intellectual Property").

VIII. Section 15.6, ASSIGNMENT AND SUBCONTRACTING. SECTION 15.6 is hereby deleted in its entirety and replaced with the following:

Neither Party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent which shall not be unreasonably withheld including the transfer of this Agreement (a) to any of its Affiliates or (b) in connection with a change of control transaction (whether by merger, consolidation, sale of equity interests, sale of all or substantially all assets, or otherwise) but, in the case of (b), only to the extent the assignee agrees in writing to assume all liabilities under this Agreement, including any liabilities accruing prior to the effectiveness of such assignment. Any assignment or other transfer in violation of this section will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns. For purposes herein, "Affiliate" means, with respect to a particular Party, any person or entity that controls, is controlled by or is under common control with such Party; and "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person or entity, whether through the ownership of voting securities or equity interests, by contract or otherwise. Notwithstanding anything to the contrary herein, CONTRACTOR or its Affiliates may augment staffing for performance of the Services through subcontracting, and CONTRACTOR may delegate any of its

obligations hereunder to any of its Affiliates or subcontractors. CONTRACTOR will require all subcontractors and delegees to comply with the requirements of CONTRACTOR set forth in this Agreement between the Parties, to the extent applicable to such subcontractors and delegees. Any reference in this Agreement to "CONTRACTOR" that imposes any obligation or grants any rights, relating to the provision of the Services, will be deemed to also be a reference to CONTRACTOR'S Affiliates who perform the Services under this Agreement and their subcontractors, provided, however, that under no circumstances will COUNTY have any rights to make any claims against any such Affiliates or subcontractors and COUNTY can only make claims against the CONTRACTOR.

IX. Section 13, INDEPENDENT CONTRACTOR. Section 13 is hereby deleted in its entirety and replaced with the following:

13 INDEPENDENT CONTRACTOR. In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of COUNTY. No offer or obligation of permanent employment with COUNTY or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold COUNTY harmless from any and all liability, which COUNTY may incur because of CONTRACTOR's failure to pay such taxes. All invoices, expenses, service charges, and other amounts due under this Agreement are exclusive of any taxes. COUNTY shall be responsible for all applicable federal, state, local, sales, use, withholding, value added, and other taxes, including any interest and penalties in connection therewith, (collectively, "Taxes") incurred, assessed, or imposed with respect to this Agreement. COUNTY shall not be responsible for taxes on CONTRACTOR'S revenues or income. If COUNTY is exempt from otherwise applicable taxes as a result of a tax-exempt status, COUNTY shall provide CONTRACTOR with a valid and applicable tax exemption certificate. All tax exemption certificates must be sent via email to Tax@r1rcm.com for validation by CONTRACTOR.

X. Paragraph 15.5, Disputes, to section 15, MISCELLANEOUS PROVISIONS. Paragraph 15.5, Disputes, is hereby deleted in its entirety and replaced with the following:

The Parties will attempt to settle any disputes through good faith negotiations between their respective senior executives for a period of thirty (30) days. In the event a dispute has not been resolved, it will be finally settled by final and binding arbitration, conducted on a confidential basis, under the federal arbitration act, if applicable, and the then-current dispute resolution procedures (“Rules”) of the American Arbitration Association strictly in accordance with the terms of this Agreement and the laws of the state of California, excluding its principles of conflicts of laws. To the extent permitted by the Rules, all Parties will direct that any arbitration be held on an expedited basis. Any award will be paid within thirty (30) days of the issuance of the arbitrator(s)’ decision. If any award is not paid within thirty (30) days, any Party may seek entry of a judgment in the amount of the award in any state or federal courts having jurisdiction thereof. Neither Party will be excluded from seeking provisional remedies in the courts of competent jurisdiction, including temporary restraining orders and preliminary injunctions, but such remedies shall not be sought as a means to avoid or stay arbitration. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY. THE REQUIREMENT OF ARBITRATION SET FORTH IN THIS section 9 SHALL NOT APPLY IN THE EVENT THAT THERE IS THIRD-PARTY JOINDER BY EITHER PARTY OR A THIRD PARTY INSTITUTES AN ACTION AGAINST ANY PARTY TO THIS AGREEMENT, AND SUCH THIRD PARTY IS NOT AMENABLE TO JOINDER IN THE ARBITRATION PROCEEDINGS CONTEMPLATED BY THIS SECTION.

Signature page to follow.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Addendum No.1 on the basis set forth in this document and have executed this Addendum No. 1 the day and year set forth herein.

<u>County of Monterey, on behalf of</u> <u>Natividad Medical Center</u>	<u>Vendor Legal Business Name</u> R1 RCM HOLDCO INC.
_____ Charles R. Harris, CEO	_____ Signature
_____ Date	_____ Printed Name and Title
<u>Approved as to Legal Provisions:</u>	_____ Date
_____ Monterey County Deputy County Counsel	
_____ Date	
<u>Approved as to Fiscal provisions:</u>	
_____ Monterey County Auditor-Controller's Office	
_____ Date	



EXHIBIT A DENIALS RECOVERY SERVICE ORDER

Denials Recovery Services

R1 or its affiliates (collectively “R1”) will resolve debit based medical claims that medical insurance carriers, governmental payers, managed care organizations, or other payers (hereinafter “**Payer(s)**”) have either denied, underpaid, partially paid, failed to pay, or paid and subsequently recouped payment. For the purpose of this Service Order (“**SO**”), “**Claim(s)**” is defined as Client billing through a hospital claim (i.e., UB-04 form and/or itemized bill) or electronic billing to a Payer for inpatient, or outpatient medical services provided to Client’s patients.

Scope of Review Activity

Client will select and refer to R1 any Claim with a variance between the amount owed and the amount paid, even if the variance is not identified as a denial based on the presence of a Remittance Advice Remark Code or a Claim Adjustment Reason Code on the Remittance Advice (RA) from a Payer. The types of claims suitable for referral include, but are not limited to, the following:

- any Claim which a Payer has **denied, in whole or in part**, either verbally or in writing; and
- any Claim which a Payer has **underpaid or paid and recouped**; and
- any Claim which a Payer has been **slow to pay**; and,
- any Claim that Client anticipates a Payer **will deny or recoup**.

Balance Criteria

- All balances unless otherwise agreed upon.

Referral of Claims to R1

- R1 typically requires for each referred account: a CMS-1450, CMS-1500 or other Claim form, the denial letter or explanation of benefits (EOB), 835, 837, or any other payer specific remittance documentation associated, medical records, internal computer notes from Client’s Patient Accounting Department/System or Electronic Medical Record (EMR) as well as other systems relevant to the patient’s course of care if systems are disparate from centralized Health Information System (i.e. Case Management notes stored in another client system), and Payer contracts.
- Client shall provide data to R1 in the R1 prescribed standard data spec format (collectively, the “**Client Data**”) on a daily, automated data feed or as otherwise agreed to by the Parties during implementation. Daily, automated data feeds for 835 and 837 files will also be required unless otherwise agreed to by the Parties during implementation. These automated data feeds facilitate the ability to regularly place and reconcile claims within the scope of this SO.
- At a minimum, R1 requests read and print access to applicable systems in order to minimize Client’s effort to gather these documents. In addition, Client agrees to allow daily, automated data files to be returned to the Client’s Patient Accounting System or EMR System to automate: adjustment posting on accounts (when appropriate), account note entry related to recovery activities, or the transmission/upload of correspondence, records, or other updates (as requested from client). R1 will also seek to automate functions including, but not limited to document retrieval and payer connections/portal submissions in order to more efficiently support services provided on behalf of the Client. R1 services are performed within its proprietary software, and R1 is not responsible for working directly within or performing manual data entry within the Client’s Patient Accounting Department/System, Electronic Medical Record (EMR), or other systems.
- From time to time, R1 may require additional documentation, including, but not limited to, additional medical records, updated Payer contracts, Client appeals or Payer’s correspondence regarding denial of a Claim, electronic billing records, copies of certified receipts associated with billing, copies of insurance authorizations or verifications, related authorization release forms, and waiver of liability forms (for Medicare accounts). R1 will request this additional information from Client only when necessary to pursue the resolution of a denied, partially paid, or underpaid Claim.

Description of Services

R1’s goal is to resolve each referred Claim in the most efficient way possible. Upon receipt of each referred account, R1 will review the case and initiate action with the Payer. In the event R1 reasonably determines that a case is unlikely to succeed or that it is inappropriate to appeal or pursue a payment, R1 will close the account and promptly provide notice of same to Client. The closure process of accounts will be determined and mutually agreed to by Client and R1 during the implementation and onboarding period.

R1’s process after account placement/referral can include, as appropriate:



DENIALS RECOVERY SERVICE ORDER

1. Procurement by R1 of necessary documentation via remote electronic access to Client HIM, PFS, EMR, and other systems, as necessary, for the recovery process
2. Recovery follow up with Payers (and their subcontractors) via telephone, payer or provider portal, email, correspondence, or otherwise
3. Requesting and/or submitting claim rebill per Client protocols established during the onboarding and implementation process.
4. Completing clinical and/or coding reviews to address a denied Claim, when applicable
5. Creation and sending of appeals to Payers, when applicable
6. Confirmation of paid Claims after appeal overturn, when applicable

R1 will also provide a **monthly status report** showing the status of each referred Claim and the dollar amount outstanding. At Client's request, R1 will provide copies of all documents and papers generated by or received by R1 concerning referred Claims. R1's staff is available to answer questions by telephone regarding issues involving these referred Claims.

R1 will facilitate a periodic meeting (monthly, etc.) to review results of the services partnership, as established with the Client team. R1 will also provide a **performance report** that illustrates month-over-month account activity, including but not limited to placement volume/amount, current status, and recovery volume/amount.

Additional Client Responsibilities

- Ensure attendance of identified Client point person(s) at all periodic meetings.
- Provide any training necessary to R1 team required to fully perform services, including but not limited to navigation of Client systems and internal Client processes
- Provide any supporting documentation, including but not limited to financial class tables with associated descriptions, payer codes and associated descriptions, transaction code tables with associated descriptions, and patient service types and associated descriptions (for the purposes of recovery and adjudication)
- Ensure ongoing access to systems, contracts, and other data required to fully perform services as outlined in the "Referral of Claims to R1" section of this document

Fees

In the event of a recovery, retraction prevention, or settlement after the date the Claim is referred (each, a "**Recovery**"), Client shall pay R1 a fee calculated on gross recoveries of claims placed with R1 under this SO for all applicable accounts, based on the following methodology:

7.75% of the gross Recovery for all Claims referred under denials management.

Special Terms

- **Expedited Referral Fee:** An additional fee of \$25 per account will be invoiced if the account is referred within 2 calendar weeks from the payer or auditor deadline. Accounts may be subject to an administrative appeal filing to maintain timely filing with the payer/auditor. The additional fee will be applied regardless of clinical strength or probability of overturn success
- In the event a payment associated with a previously resolved claim has been subsequently recouped by Payer, R1 shall be afforded the opportunity to re-pursue that claim for adjudication. If R1 is unable to overturn recoupment, R1 shall refund any contingency fees previously paid by Client.
- **Secondary payments:** R1 will invoice client for payments received on accounts in their inventory. This includes payments received from secondary payers as a result of R1's work effort to resolve the primary payer's variance.
- **Recalled Cases on contingency fee accounts only:** Client acknowledges that R1 is paid on a contingency basis, and therefore only compensated if allowed to complete its work. In all cases where Client recalls an account after referral (prior to R1 resolution of the account), R1 will be entitled to charge Client a fee for each recalled account to be calculated at \$200 per account recalled, not to exceed the applicable contingency fee if such account had been worked to full recovery. If Client chooses to settle a group of referred accounts with any third-party payer, including Medicare, the fees provision will apply. Cases closed or returned to Client by R1 after R1 determines that a case is inappropriate for appeal, unlikely to succeed, or that it is not cost effective to pursue an appeal, are not considered recalled cases.



DENIALS RECOVERY SERVICE ORDER

- **R1 is not a law firm and does not practice law.** Therefore, if legal action is required to successfully resolve a claim, R1 will, upon Client's request, refer the claim to outside legal counsel of Client's choice.

Included Client Facilities

Natividad Medical Center 1205863255



EXHIBIT B
DENIALS DRG DOWNCODES SERVICE ORDER

Denials Recovery Services

R1 or its affiliates (collectively "R1") will resolve debit based medical claims that medical insurance carriers, governmental payers, managed care organizations, or other payers (hereinafter "**Payer(s)**") have either denied, underpaid, partially paid, failed to pay, or paid and subsequently recouped payment. For the purpose of this Service Order ("SO"), "**Claim(s)**" is defined as Client billing through a hospital claim (i.e., UB-04 form and/or itemized bill), or electronic billing to a Payer for inpatient services.

Scope of Review Activity

Client will select and refer to R1 any Claim involving DRG/coding down-coding, reassignment, or denial with a variance between the amount owed and the amount paid, even if the variance is not identified as a denial based on the presence of a Remittance Advice Remark Code or a Claim Adjustment Reason Code on the Remittance Advice (RA) from a Payer. The types of claims suitable for referral include, but are not limited to, the following:

- any Claim which a Payer has **denied, in whole or in part**, either verbally or in writing; and
- any Claim which a Payer has **underpaid or paid and recouped**; and
- any Claim which a Payer has been **slow to pay**; and,
- any Claim that Client anticipates a Payer **will deny or recoup**.

Referral of Claims to R1

- R1 typically requires for each referred account: a UB-04, denial letter or explanation of benefits (EOB), 835, 837, or any other payer specific remittance documentation associated, medical records, internal computer notes from Client's Patient Accounting Department/System or Electronic Medical Record (EMR) as well as other systems relevant to the patient's course of care if systems are disparate from centralized Health Information System (i.e. Case Management notes stored in another client system), and Payer contracts.
- Client shall provide data to R1 in the R1 prescribed standard data spec format (collectively, the "**Client Data**") on a daily, automated data feed or as otherwise agreed to by the Parties during implementation. Daily, automated data feeds for 835 and 837 files will also be required unless otherwise agreed to by the Parties during implementation. These automated data feeds facilitate the ability to regularly place and reconcile claims within the scope of this SO.
- At a minimum, R1 requests read and print access to applicable systems in order to minimize Client's effort to gather these documents. In addition, Client agrees to allow daily, automated data files to be returned to the Client's Patient Accounting System or EMR System to automate: adjustment posting on accounts (when appropriate), account note entry related to recovery activities, or the transmission/upload of correspondence, records, or other updates (as requested from client). R1 will also seek to automate functions including, but not limited to document retrieval and payer connections/portal submissions in order to more efficiently support services provided on behalf of the Client. R1 services are performed within its proprietary software, and R1 is not responsible for working directly within or performing manual data entry within the Client's Patient Accounting Department/System, Electronic Medical Record (EMR), or other systems.
- From time to time, R1 may require additional documentation, including, but not limited to, additional medical records, updated Payer contracts, Client appeals or Payer's correspondence regarding denial of a Claim, electronic billing records, copies of certified receipts associated with billing, copies of insurance authorizations or verifications, related authorization release forms, and waiver of liability forms (for Medicare accounts). R1 will request this additional information from Client only when necessary to pursue the resolution of a denied, partially paid, or underpaid Claim.

Description of Services

R1's goal is to resolve each referred Claim in the most efficient way possible. Upon receipt of each referred account, R1 will review the case and initiate action with the Payer. In the event R1 reasonably determines that a case is unlikely to succeed or that it is inappropriate to appeal or pursue a payment, R1 will close the account and promptly provide notice of same to Client. The closure process of accounts will be determined and mutually agreed to by Client and R1 during the implementation and onboarding period.

R1's process after account placement/referral can include, as appropriate:

1. Procurement by R1 of necessary documentation via remote electronic access to Client HIM, PFS, EMR, and other systems, as necessary, for the recovery process



DENIALS DRG DOWNCODES SERVICE ORDER

2. Recovery follow up with Payers (and their subcontractors) via telephone, payer or provider portal, email, correspondence, or otherwise
3. Requesting and/or submitting claim rebill per Client protocols established during the onboarding and implementation process.
4. Completing clinical and/or coding reviews to address a denied Claim, when applicable
5. Creation and sending of appeals to Payers, when applicable
6. Confirmation of paid Claims after appeal overturn, when applicable

R1 will also provide a **monthly status report** showing the status of each referred Claim and the dollar amount outstanding. At Client's request, R1 will provide copies of all documents and papers generated by or received by R1 concerning referred Claims. R1's staff is available to answer questions by telephone regarding issues involving these referred Claims.

R1 will facilitate a periodic meeting (monthly, etc.) to review results of the services partnership, as established with the Client team. R1 will also provide a **performance report** that illustrates month-over-month account activity, including but not limited to placement volume/amount, current status, and recovery volume/amount.

Additional Client Responsibilities

- Ensure attendance of identified Client point person(s) at all periodic meetings.
- Provide any training necessary to R1 team required to fully perform services, including but not limited to navigation of Client systems and internal Client processes
- Provide any supporting documentation, including but not limited to financial class tables with associated descriptions, payer codes and associated descriptions, transaction code tables with associated descriptions, and patient service types and associated descriptions (for the purposes of recovery and adjudication)
- Ensure ongoing access to systems, contracts, and other data required to fully perform services as outlined in the "Referral of Claims to R1" section of this document

Fees

Client shall pay R1 a flat fee equal to \$400 per referred Account/Claim for a DRG/coding down-coding, reassignment, or denial, including submission of the appeal, follow-up, or unsupportable feedback.

Special Terms

- **Expedited Referral Fee:** An additional fee of \$25 per account will be invoiced if the account is referred within 2 calendar weeks from the payer or auditor deadline. Accounts may be subject to an administrative appeal filing to maintain timely filing with the payer/auditor. The additional fee will be applied regardless of clinical strength or probability of overturn success.
- In the event a payment associated with a previously resolved claim has been subsequently recouped by Payer, R1 shall be afforded the opportunity to re-pursue that claim for adjudication. If R1 is unable to overturn recoupment, R1 shall refund any contingency fees previously paid by Client.
- **Secondary payments:** R1 will invoice client for payments received on accounts in their inventory. This includes payments received from secondary payers as a result of R1's work effort to resolve the primary payer's variance.
- **R1 is not a law firm and does not practice law.** Therefore, if legal action is required to successfully resolve a claim, R1 will, upon Client's request, refer the claim to outside legal counsel of Client's choice.

Included Client Facilities

Facility Name

Natividad Medical Center 1205863255



PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER

EXHIBIT C PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER

1. **Scope of Work.** R1 or its affiliates (collectively “Company”) shall be responsible for providing the services and software necessary to effectuate the services, through its employees and contractors as set forth and more fully described in SO Attachment #1 attached hereto (the “Services”).
2. **Affiliated Hospitals/Facilities.** Client may include one or more affiliated hospitals and facilities which Client controls or which is controlled by or under common control, or otherwise affiliated, with Client in SO Attachment #2, attached hereto (“Affiliated Hospitals/Facilities”). Client will be responsible for providing Company with the names, addresses, and the associated unique, 10-digit National Provider Identifier (NPI) assigned to each Affiliated Hospital/Facility to ensure proper system configuration. The Affiliated Hospitals/Facilities may be updated from time to time by the mutual agreement of the Parties.
3. **Client Responsibilities:**
 - a. All decisions and activities with respect to quality and utilization review, documentation, billing and coding and/or medical treatment remain the sole responsibility of Client, its employees, contractors and medical staff members. Client shall communicate the limits of Company's Services per SO Attachment #1 to those employees, contractors, and medical staff members who may directly use Company's Services.
 - b. Client agrees to assign one of its employees to serve as the liaison to Company for all Services to be provided pursuant to this SO, and to provide Company with contact information for such individual as well as to discuss and agree each quarter with Company on gaining the most value from the Services.
 - c. Client shall have and maintain all licenses, certificates and permits necessary in order to conduct its operations and to bill for health care services provided to Client's patients.
 - d. Client agrees to (i) provide Company access to all Client Data of which Client is aware that is relevant to the Services, such as patient records and billing documentation; (ii) obtain all patient authorizations and other consents required to provide Company such access, including letters of authorization if necessary, to enable Company to communicate with third party payors, on Client's behalf; and (iii) cause its employees and contractors to cooperate fully and timely with Company in order to ensure that Company may complete the Services in a timely fashion and as otherwise set forth in SO Attachment #1. Client agrees that it is responsible for its failure to provide, or cause to provide, complete, accurate, up-to-date, and timely Client Data, documentation and other relevant information related to the Services, and for any delays or other consequences of a failure to provide such Client Data, documentation or other relevant information, as reasonably requested by Company.
 - e. Client agrees that it shall not grant Company access to any third party licensed software, except as shall be consistent with Client's underlying license agreement.
 - f. Client agrees to notify Company in writing within ten (10) days after receipt of notification of an investigation by a government agency or contractor, e.g., intermediary or QIO, where the subject of the investigation is cases reviewed or appealed by Company pursuant to this SO, or any other activities of Company.
 - g. Client shall require each Affiliated Hospital/Facility to comply with the terms of this SO, and a breach by any Affiliated Hospital/Facility of any term of this SO shall constitute a breach by Client.
 - h. Client understands and agrees that Company is making recommendations as to appropriate billing and documentation only and does not provide any medical or clinical advice or consultation as to patient care. All decisions and activities with respect to quality and utilization review, documentation, billing and coding and/or medical treatment remain the sole responsibility of Client, its employees, contractors and medical staff members. Client shall communicate the limits of Company's Services per SO Attachment #1 to those employees, contractors, and medical staff members who may directly use Company's Services.
4. **Exclusivity.** During the Term of this SO, Company shall be the exclusive external provider of the Client for the Admission Status Reviews assigned to R1, including each of the Affiliated Hospitals/Facilities.
5. **Warranties and Limitations of Warranties.** Company expressly disclaims any guaranty or warranty of any particular outcomes for Client or any person as a result of this SO or the performance of the Services; or any guaranty that any Services will result in favorable determinations by any third party payor, including the Centers for Medicare and Medicaid Services or result in any additional payment to Client.



PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER

6. **Confidentiality.** Confidential Information shall include, but not be limited to, any Physician Recommendations, Nurse Utilization Review Results, Retrospective Reviews (each as defined in SO Attachment #1), reports or appeals produced by Company, and any other information which should reasonably be assumed by the other Party under the circumstances to be Confidential Information, including partial or complete copies thereof.

Without limiting Section 5 of the Agreement, Client shall not disclose orally or in writing or allow third parties (except third party payors to which Client directs Company to disclose such Confidential Information and others involved in any appeal process such as an administrative law judge or hearing officer) to access or use any Company Confidential Information relating to the Services, including Company's Physician Recommendations, Nurse Utilization Review Results, Retrospective Reviews, reports and appeal letters, or reproduce such documentation without Company's prior written consent.

7. **Testimony.** Other than in any such proceeding where Company or any of its personnel or subcontractors are, or are reasonably expected to be a party, if during or after the SO Term, Company, or any of its personnel or subcontractors, is legally compelled as a result of this engagement or is requested by Client to either give testimony or produce documents or both in any court, investigative or regulatory proceeding or other legal process (including any form of discovery related there), then Client will reimburse Company at the applicable, reasonable, actual hourly rate for the time of the participating professional, together with all reasonable expenses associated with such activity, including reasonable attorneys' fees. Company will promptly notify Client in writing of any such demand for testimony or the production of documents but Company will be under no obligation to seek to quash or otherwise limit the scope of such a demand.



**ATTACHMENT #1 TO THE
PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER**

I. General Introduction to Level of Care Services.

Client understands and agrees that, as part of the Services, Company makes recommendations as to appropriate billing and documentation only and does not provide any medical or clinical advice or consultation as to patient care. All decisions and activities with respect to quality and utilization review, documentation, billing and/or medical treatment remain the sole responsibility of Client, its employees, third party contractors and medical staff members. During the Term of this SO, Company will work with case managers and attending and consulting physicians to review whether the chart documentation regarding the patient meets the appropriate requirements of payors for billing subject to the limitations described below.

Where there is a disagreement or uncertainty as to billing status before the claim has been filed, upon Client's request, Company may discuss the Nurse Utilization Review Result or Physician Recommendation with Client's attending physician or any other person designated by Client. Post discharge reviews of previously billed claims may also be conducted for educational or compliance reasons (all post discharge reviews of cases, excluding Appeal Services, which are conducted by Nurses or Physicians are deemed "Retrospective Reviews"). Finally, upon request of Client, Company may undertake other activities, including, without limitation, post discharge audits of various procedures or concurrent compliance review of the appropriateness of billing certain procedures as may be requested from time to time by Client ("Additional Level of Care Services").

II. Level of Care Services.

Level of Care Services assist Client in concurrently evaluating the appropriateness of documentation for billing admissions, including inpatient or observation/outpatient status ("Admission Status Review"). "Level of Care Services" means the following Services:

- A. Nurse Utilization Review or First Level Review Services: Client may request Company Registered Nurses ("Nurses") to apply evidence based clinical decision support criteria, selected by Client, to clinical information provided by Client and report the outcome of the analysis as to whether a patient meets criteria for billing purposes as inpatient or observation/outpatient status ("Nurse Utilization Review Result"). A Client may request Company provide a Physician Recommendation following the Nurse Utilization Review Result. Additional clerical follow up of reviews including but not limited to faxing charts through a payor portal, following up on authorization obtainment and notice of admission not requiring a nurse clinical review will be a separate service completed by non-clinical support staff. This will be an additional service to that described above as First Level Review Services.
- B. Physician Admission Status Reviews or Second Level Review Services: Client may also request that Company physician advisors ("Physicians") analyze the documentation and apply professional judgment in making a recommendation as to whether the compliant admission status is inpatient or outpatient/observation ("Physician Recommendation"). Company may conduct these activities when the patient is in the facility or post-discharge. Client may also mark a case for the "Expedite Service", which jumps that individual case to the front of the Company web based workflow tool for Physician Advisory Solutions (Company PAS Portal) queue of cases for expedited handling.
- C. Continued Stay Review Services: Client may request that Company Physician Advisors analyze documentation and apply professional judgment in making a recommendation as to whether the documentation of a specific hospital day supports medical necessity for inpatient hospitalization for that particular day ("Continued Stay Review"). If Company Physician deems that there is not sufficient documentation to support medical necessity, they may discuss the case with the attending physician to see if there is additional information on the patient not yet documented, but which may support medical necessity.
- D. Physician Retrospective Reviews and Nurse Retrospective Reviews assist Client to review compliance regarding inpatient admission and observation billing or other utilization of care issues after the patient has been discharged. Client may request such Additional Level of Care Services for reviews and recommendations before the claim is billed as to the appropriate status (normally within 48 hours of discharge). After the claim has been billed, Retrospective Reviews may also be used as part of Client's internal compliance review of claims or educational efforts.



PHYSICIAN ADVISORY SOLUTIONS SO ATTACHMENT #1

- E. Upon Client's request, Physicians and Nurses may consult by telephone with the treating physicians regarding the reason for the Physician Recommendation or Nurse Utilization Review Results ("Peer to Peer Discussion"). Client may also designate other persons at the Affiliated Hospitals/Facilities with whom the Nurse or Physician should consult.

III. Additional Level of Care Services: Additional services may be requested from time to time and agreed to by the Parties during the Term of this SO. Additional services may include, without limitation, the following:

- Collaborative efforts to identify unique Client physician education opportunities on an on-going basis.
- To the extent permitted by applicable law, on-site attendance and reports (the contents of which will be agreed upon in advance) at medical staff meetings, medical executive committee meetings, Recovery Audit Contractor (RAC) committee meetings and Utilization Review Committee meetings to provide additional Client support and education.

IV. Limitations Regarding Level of Care Services

Level of Care Services described above are delivered subject to the Limitation of Services as described in Section XII below and also the following understandings and agreements:

- A. Client agrees to submit or allow EMR access to all available and relevant clinical information for the patient to Company utilizing Company PAS Portal which will be utilized for tracking and documenting all cases referred to Physicians. Company will notify Client if it reasonably determines the clinical information is not sufficient for purposes of making a Physician Recommendation.
- B. Company will use commercially reasonable efforts to make Nurse Utilization Review Results and Physician Recommendations in a time frame which promotes efficient billing and/or Retrospective Review for Client. Physician Recommendations and Nurse Utilization Review Results will be documented in an auditable format suitable for Client's staff to incorporate into applicable Client business records or case management files.
- C. Company disclaims any responsibility for Nurse Utilization Review Results to the extent Client has not provided Company the complete clinical documentation available at the time Client requests such Nurse Utilization Review services. Further, Client must agree with Company, in writing, as to the process by which it will identify and provide Company the cases to be reviewed and the identity of Client designees with whom Nurses will discuss the process and communicate the Nurse Utilization Review Results. The agreed upon case identification process shall be deemed incorporated into this SO by reference. Nurse will notify Client's designee if they determine the clinical information is not sufficient for applying the evidence based criteria selected by Client.
- D. The Physician Recommendation or Nurse Utilization Review Result does not constitute directions or conclusions regarding the appropriateness of the clinical care that is currently being provided, or has previously been provided to the patient, nor, if done on a concurrent basis, should it be interpreted to limit any present or future provision of medical services and/or supplies to the patient. Company is only providing an analysis regarding appropriate billing and documentation based on such factors as the Nurse's application of evidence based criteria and/or the Physician's assessment of the patient's chart, the Physician's professional judgment. Company also utilizes its knowledge of applicable Medicare Part A and Part B ("**Medicare Fee-For-Service**") guidelines in formulating its Physician Recommendation. Client agrees that any decision regarding patient classification, medical treatment, level of care or changes in admission status may only be made by Client's qualified clinicians, or in the case of Code 44, Client's utilization review committee with the concurrence of the attending physician, and Client will use the Nurse Utilization Review Result and Physician Recommendation only to facilitate appropriate billing and documentation of the health care services provided to a patient.

V. General Introduction to Payor Peer to Peer Services.

In the event Company is examining a concurrent denial received from the payor while the patient is still in the facility or recently discharged, or for other ambulatory services such as preplanned outpatient procedures, surgeries or testing, the Physicians may also discuss their recommendations with Client's health plan medical directors ("**Payor Peer to Peer Services**"). Additional "niche" case types for Payor Peer to Peer may also be available. After the patient has been discharged and before the claim is billed, upon Client's request, Company may also review the documentation and make a Physician Recommendation as to appropriateness of the requested authorization and request Payor Peer to Peer Discussions (all Payor Peer to Peer Discussions are subject to Section IX(B) of this Attachment).



PHYSICIAN ADVISORY SOLUTIONS SO ATTACHMENT #1

- A. Upon Client's request and prior to the claim being billed, Client may request a Payor Peer to Peer review and discussion. As a condition of undertaking such Payor Peer to Peer Discussion, Company must receive or have access to, all relevant clinical information. Without limitation, the clinical information must include the following:
- entire relevant medical record, including history and physical examination(s) and updated handwritten physician progress notes;
 - updated case manager discussion notes, including any health plan medical director rationale for denial; and
 - social work and discharge planning consultation notes.

Following receipt of sufficient clinical information, Company will make two attempts to contact the health plan.

- B. Outpatient and other Peer to Peer Services – upon Client's request and preferably before the date of the schedule test/ procedure/ treatment, Client may request a Payor Peer to Peer review and discussion with the same conditions listed above when there is a denied authorization for those services. For completion of these cases, Company must receive all relevant clinical information. This may include, but is not limited to, the following:
- Outpatient testing or treatment requests, behavioral health admissions, post-acute transition requests (i.e. the payor has denied transition from an acute care facility to a post-acute care facility, or ongoing stay in a post-acute care facility), specific questions regarding viability or clinical validation of DRGs, etc.
 - All relevant medical records including office notes, history and physical examination(s), physician progress notes, consultant notes, relevant previous imaging/ testing/ treatment notes (i.e. labs, imaging study reports, physical therapy notes, pathology reports, etc.)
 - Any case management notes, social work notes, group therapy notes, specialty therapy notes, etc. Including those describing interactions with the payor (i.e. denial letters, etc.)

Following receipt of the clinical information, Company will make two attempts to contact the health plan except if the case is entered as a "Physician Viability review" or "Physician DRG validation" in which case it will be assumed that a discussion is not needed unless specifically directed in the "case management notes".

- C. Expedited cases – any case submitted less than 24 hours prior to the designated payor due date will be considered expedited with associated additional Fees incurred as listed in the pricing terms.
- D. Physicians and Nurses performing Payor Peer to Peer Services cannot be aware of or expected to know all the specific terms of each of Client's Commercial Payor contracts, or all Commercial Payor policies and procedures or those of a demonstration project. Hereinafter, the term "Commercial Payors" shall be used not only to refer to private insurers and plans, but also to those commercial payors who manage Medicare and Medicaid reimbursement, including, without limitation, Medicare Advantage programs. Physicians will employ best efforts to know Commercial Payor Medical Claims Policy Guidelines based upon publicly available documents from the payor and any denial letters provided. Thus, despite a Physician Recommendation or even approval of an authorization via discussion with the payor, a claim may be denied for payment if the requirements of Commercial Payor contracts, policies or procedures or government demonstration projects are not followed. Client and its employees and medical staff are responsible for compliance with such requirements and, therefore, Company is not responsible for compliance therewith.

VI. General Introduction to Appeal Services.

During the Term of this SO, Company will provide appeal Services to Client, including appeals of claims which were denied by a payor, including Medicare Fee-For-Service, Medicaid Fee-For-Service, Managed Care Organizations, and Commercial Payors. Company may also provide Appeal Services for other types of denials upon request ("Miscellaneous Appeals") (collectively, the "Appeal Services").

Denials which may be appealed include:

- (i) full/partial denials;
- (ii) failed to pay; or
- (iii) paid and subsequently recouped payment including, but not limited to, medical necessity for inpatient admissions and continued stays, readmissions, outpatient medical necessity denials, outpatient coding denials, and DRG Validations including Clinical and Coding Validations, either as individual denials or as part of an audit; and



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- (iv) denials in which payors were billed through a hospital claim (i.e., CMS-1450, UB-04 form and/or itemized bill), a professional claim (i.e., CMS-1500, HCFA-1500 or other professional services claim form).

Notwithstanding the foregoing, and as further described in Section VII below, not all claims will be accepted by Company for Appeal Services. Furthermore, as set forth in SO Attachment #3, the Fees which Company will invoice Client for the Appeal Services differ based upon whether: (i) Company had previously conducted Level of Care Services and made a Physician Recommendation prior to billing the claim; (ii) initial screening; (iii) the payor type; (iv) the timeliness of submission; and (v) the Appeal Level (as defined in Section VIII below).

VII. Limitations Regarding Appeal Services

- A. Company shall conduct a review to determine whether it will accept any individual claim for appeal (the “**Initial Review**”). The Initial Review consists of the following types of examinations depending upon the type of claim filed and whether Company made a Physician Recommendation as to the claim prior to the time it was submitted to the applicable payor:
- First, Company will determine whether Client has timely delivered to Company all documentation needed to review and draft the appeal. For clarity, timely in this Section shall be defined as twenty-one (21) days prior to the payor due date. At any given Appeal Level, as defined below, Client is solely responsible for providing Company with all information Company requires to conduct the appeal at the applicable Appeal Level. Typically documentation required for each referred account includes the following: a UB-04, CMS-1500 or other claim form, the denial letter or explanation of benefits (EOB), 835, 837, or any other payor specific remittance documentation associated, medical records, internal notes from Client’s Patient Accounting Department/System or Electronic Medical Record (EMR) as well as other systems relevant to the patient’s course of care if systems are disparate from centralized Health Information System (i.e. Case Management notes stored in another Client system). Company shall not be liable for missed due dates either at the initial Appeal Level or thereafter as a result of Client’s failure to provide timely and complete information. **For clarity, if Company requests additional information from Client, Client shall use its best efforts to respond to Company within five (5) business days of the request.**
 - Second, to the extent Company made the Physician Recommendation prior to filing the claim, the Initial Review will examine: (i) whether the claim submitted is consistent with the Physician Recommendation; and (ii) whether the grounds for denial contradicts the Physician Recommendation.
- B. Client agrees to promptly inform Company in writing that, to the best of Client’s knowledge, the claim subject to appeal is not being reviewed by DOJ, OIG, CMS or other state or federal governmental agencies, and Client agrees that it will inform Company of any investigation within ten (10) days after receipt of notification of an investigation by a government agency or contractor (e.g., intermediary or QIO) where the subject of investigation involves the physician advisory Services. Company will not accept such claims for appeal and may at any time cease appealing such claim if it becomes aware of any such investigation.

VIII. Appeal Levels. Subject to the limitations described above, to the extent Company accepts a claim for appeal after Initial Review, Company will facilitate the appeal process through various levels of appeal depending on the payor type applicable levels (“**Appeal Levels**”). For Medicare Fee-For-Service claims, the Appeal Levels Company may perform include: (i) redetermination; (ii) reconsideration; and (iii) request for or hearing before administrative law judges (collectively “**ALJ Review**”). Likewise, for Medicaid Fee-For-Service appeals, Company may assist with internal levels of appeal at various stages as well as administrative and judicial hearings, although the applicable internal Appeal Levels may differ from those of Medicare Fee-For-Service and from state to state. For Commercial Payors, the Appeal Levels will include only the internal levels of appeal identified by the payor. Client and Company shall agree to the extent of the appeal process for Miscellaneous Appeals. Client further understands and agrees that the obligation to appeal at any Appeal Level exists only during the Term of the SO, subject to the “Appeals Client Termination Process” as described in Section IX(B) below, unless the Parties otherwise agree in writing.

IX. Appeal Services.

- A. Appeal Services are delivered subject to the Limitation of Services described in Section XII below and the following understandings and agreements:



PHYSICIAN ADVISORY SOLUTIONS SO ATTACHMENT #1

- Client will use its best efforts to use the Company PAS Portal to provide the full documentation and any additional documentation such as payor guidelines or policies, contract timely filing guidelines that differ from the payor provider manual, insurance authorizations or verification, waiver of liability forms or authorization of representation (for Medicare accounts) or other communications to Company during the appeal process. If Client does not use the Company PAS Portal for transmission, Client and Company must agree in advance to another secure form of data communication regarding Appeal Services.
 - After an Initial Review, appropriate for the appeal type, Company will: (1) recommend to Client whether it will appeal the claim (viability review); (2) if Company accepts the claim, initiate the appeal process directly with the applicable payor, provided it has the appropriate written authorization required by the payor to do so; and (3) if Company declines the appeal due to supporting justification for the case, compile a “no appeal letter” with justification that supports this decision and send to Client. Client may withdraw its authorization at any point during the Appeal Levels.
 - Provided Company has received the information necessary to complete the Initial Review, Company will file the appeal based on the payor’s preferred delivery method in a timely manner but in no event later than the due date for the appropriate Appeal Level.
- B. Upon termination of this SO, Company shall provide a final status report to Client indicating activity over the six (6) month period prior to the termination date (“**Appeals Client Termination Process**”). The final status report shall include the following fields:

Facility Code	Created Date
Patient Account No.	Last Name
First Name	Denied By
Admit Date	Discharge Date
Advisor Name	Appeal Level
Appeal Reason	Due Date
Appeal Result	Denied Amount
Outcome Amount	Sent Date
Appeal Status	Diagnosis
Payor Type	Appeal Due to Client
Denial Reason	Denial Advisor

Appeal Result, Denied Amount, and Outcome Amount fields will be populated only if Client opted to enter this information into the Company PAS Portal or provide this information electronically.

- C. Client may request additional, case-related information for a period of ninety (90) days after termination of this SO, after which all such obligations are considered null and void. This provision shall survive the termination of this SO.

X. Deployment, Operational and Standard Quarterly Services

- A. The Company PAS Portal will be operational and Company will begin providing compliance and Appeal Services within approximately forty-five (45) days of agreed start date.
- B. During that implementation period, Company will work with Client to schedule key tasks, including: case management staff training, physician training, coordinating and confirming system access for Company physicians and chart assemblers, and Company PAS Portal access for Client’s key designated staff.
- C. During that implementation period, Client will provide required clinical system access to Company staff and, if applicable, health information management team members at least one (1) full business week prior to operation. Client is solely responsible for the security of its clinical system and the information contained therein.
- D. If applicable, deployment team will work with Client on alternate means to electronically submit the clinical information.
- E. Reports on program activity, as needed via conference calls, and quarterly reviews to assess program performance and outcomes and education are part of the Services provided by Company based upon Client needs and level of



PHYSICIAN ADVISORY SOLUTIONS SO ATTACHMENT #1

engagement during the Term of this SO. Company may perform benchmarking, conduct analytical reporting and use statistical analyses in performance of the Services.

- XI. Hours of Service.** Client can submit cases to the Company PAS Portal at any time—24 hours a day, 365 days a year. Level of Care Physician coverage will be available from 7:00 a.m. to 1:00 a.m. Eastern Time (ET), seven days per week, 365 days per year. Any cases submitted after 1:00 a.m. ET that are not completed overnight will be worked by the morning shift starting at 7:00 a.m. ET, ensuring continuous case review and timely processing. Payor Peer to Peer Services, and any other Services are provided between the operating hours of 9:00 a.m. to 6:00 p.m. ET, Monday through Friday, exclusive of Company holidays. Company observes the following holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Eve
Labor Day	Christmas Day

Client and Company will agree, in writing, as to the time when Nurse Utilization Review Results will be provided, which agreement shall be deemed incorporated into this SO by reference.

- XII. Limitation of Services.** The Services described above are delivered subject to the following Services limitation below:

Services provided by Company are based on the clinical documentation of the patient's condition, the major comorbidities, the risk of complications and the standard industry guidelines for billing purposes. The recommended status of inpatient or outpatient may vary depending on the payor type and the applicable state laws and contracts. Company makes its best efforts to know Commercial Payor medical claims policy guidelines. However, Company cannot be aware of all the specific terms and conditions of each payor contract, policy and procedure, or government demonstration project, which may affect the billing and payment of claims. Therefore, Company's status recommendation or appeal does not guarantee that a claim will be paid by the payor, especially if the requirements of Commercial Payor contracts, policies or procedures or terms and conditions of government demonstration projects, are not met. These state or payor-specific requirements may include such things as the need for preauthorization and limitations regarding the services covered and the level of payment for those services. Client and its physicians/providers are responsible for complying with these requirements and Company is not responsible for any non-compliance or denial of payment in these situations.



**ATTACHMENT #2 TO THE
PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER**

AFFILIATED HOSPITALS/FACILITIES

HOSPITAL NAME	STREET ADDRESS	CITY/STATE/ZIP	PROVIDER NUMBER
Natividad Medical Center	1441 Constitution Blvd.	Salinas, CA 93906	1205863255



**ATTACHMENT #3 TO THE
PHYSICIAN ADVISORY SOLUTIONS SERVICE ORDER**

PRICING TERMS

Compliance Services within Physician Advisory Services - LOC					
Service Type	Starting Monthly Volume Estimates	Payor Type	Volume Based Pricing		
			< 25 cases/month	25-50 cases/month	> 50 cases/month
Admission Status Reviews & Continued Stay Reviews (LOC)		All Payors	• \$205 per case ¹	• \$200 per case ¹	• \$195 per case ¹
Level of Care (LOC) - "Expedite" Feature		All Payors	Additional \$50 per case; Feature expedites review of a case to be the next case worked when immediate turnaround on a review is required		
Compliance Services within Physician Advisory Services - TAR					
Service Type	Starting Monthly Volume Estimates	Payor Type	<25 cases/month	25-50 cases/month	>50 cases/month
Daily First Level Nurse Review		Medi Cal	• \$50 per case (per day)	• \$45 per case (per day)	• \$40 per case (per day)
Daily Second Level Physician Review		Medi Cal	• \$110 per case (per day)	• \$105 per case (per day)	• \$100 per case (per day)
Concurrent Appeal Services within Physician Advisory Services - PTP					
Service Type	Starting Monthly Volume Estimates	Payor Type	Volume Based Pricing		
Payor Peer to Peer (PPTP)		All Payors	• \$240 per case ¹	• \$235 per case ¹	• \$230 per case ¹
Payor Peer to Peer Discussion Expedite		All Payors	Additional \$50 per case for any submission sent 24 hours or less until the due date or time for that particular case		
Other Services					
START-UP Services			Pricing		
Standard Set-up, training and implementation			WAIVED		



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1 The price per case quoted in this Attachment #3 applies to all reviews of one individual patient during a continuous hospital stay. A subsequent hospital stay for that same patient would be deemed a new case.

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BAA”) effective _____, 20__ (“Effective Date”), is entered into by and among between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center (“Covered Entity”) and _____ (“Business Associate”) (each a “Party” and collectively the “Parties”).

RECITALS

A. WHEREAS, Business Associate provides certain Services for Covered Entity that involve the Use and Disclosure of Protected Health Information (“PHI”) that is created, received, transmitted, or maintained by Business Associate for or on behalf of Covered Entity.

B. WHEREAS, The Parties are committed to complying with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), and their implementing regulations, including the Standards for the Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E (the “Privacy Rule”), the Breach Notification Standards, 45 C.F.R. Part 160 and 164 subparts A and D (the “Breach Notification Rule”), and the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (the “Security Rule”), (collectively “HIPAA”), all as amended from time to time.

C. WHEREAS, The Parties are also committed to complying with the California Confidentiality Laws (defined below).

D. WHEREAS, To the extent that Business Associate is performing activities in connection with covered accounts for or on behalf of Covered Entity, the Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 (“Red Flag Rules”).

E. WHEREAS, The Privacy and Security Rules require Covered Entity and Business Associate to enter into a business associate agreement that meets certain requirements with respect to the Use and Disclosure of PHI. This BAA, sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information (“EPHI”) shall be handled, in accordance with such requirement.

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 All capitalized terms used in this BAA but not otherwise defined shall have the meaning set forth in the Privacy Rule, the Breach Notification Rule, or the Security Rule.

(a) “Breach” shall have the same meaning as “breach” as defined in 45 C.F.R. § 164.402 and shall mean the access, acquisition, Use, or Disclosure of PHI in a manner not permitted under the Privacy Rule that compromises the privacy or security of the PHI; the term “Breach” as used in this BAA shall also mean the unlawful or unauthorized access to, Use or Disclosure of a patient’s “medical information” as defined under Cal. Civil Code § 56.05(j), for which notification is required pursuant to Cal. Health & Safety Code 1280.15, or a “breach of the security of the system” under Cal. Civil Code §1798.29.

(b) “California Confidentiality Laws” shall mean the applicable laws of the State of California governing the confidentiality of PHI or Personal Information, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq.), the patient access law (Cal. Health & Safety Code §123100 et seq.), the HIV test result confidentiality law (Cal. Health & Safety Code §120975, et seq.), the Lanterman-Petris-Short Act (Cal. Welf. & Inst. Code §5328, et seq.), and the medical identity theft law (Cal. Civil Code 1798.29).

(c) “Protected Health Information” or “PHI” shall mean any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual or the past, present or future payment for the provision of health care to an individual; (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information that can be used to identify the individuals, and (iii) is provided by Covered Entity to Business Associate or created, maintained, received, or transmitted by Business Associate on Covered Entity’s behalf. **PHI includes EPHI.**

(d) “Services” shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to a Services Agreement between Covered Entity and Business Associate to which this BAA applies.

2. PERMITTED USES AND DISCLOSURES OF PHI

Unless otherwise limited herein, Business Associate may:

(a) Use or Disclose PHI to perform Services for, or on behalf of, Covered Entity, provided that such Use or Disclosure would not violate the Privacy or Security Rules, this BAA, or California Confidentiality Laws;

(b) Use or Disclose PHI for the purposes authorized by this BAA or as otherwise Required by Law;

(c) Use PHI to provide Data Aggregation Services for the Health Care Operations of Covered Entity, if required by the Services Agreement and as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) Use PHI if necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) Disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted under 45 C.F.R. § 164.504(e)(4)(ii), provided that Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that it will remain confidential and be Used or further Disclosed only as Required by Law or for the purpose for which it was Disclosed to the person, and that such person will notify the Business Associate of any instances of which such person is aware that the confidentiality of the information has been breached;

(f) Use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1); and

(g) De-identify any PHI obtained by Business Associate under this BAA in accordance with 45 C.F.R. § 164.514 and Use or Disclose such de-identified information only as required to provide Services pursuant to the a Services Agreement between the Parties, or with the prior written approval of Covered Entity.

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1. Responsibilities of Business Associate. With regard to its Use and/or Disclosure of PHI, Business Associate shall:

(a) Notify the Privacy Officer of Covered Entity, in writing, of: (i) any Use and/or Disclosure of the PHI that is not permitted or required by this BAA; (ii) any Security Incident of which Business Associate becomes aware; and (iii) any suspected Breach. Such notice shall be provided within five (5) business days of Business Associate's discovery of such unauthorized access, acquisition, Use and/or Disclosure. Notwithstanding the foregoing, the Parties acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and unsuccessful log-in attempts. The Parties acknowledge and agree that this Section 3.1(a) constitutes notice by Business Associate to Covered Entity of such ineffective Security Incidents and no additional notification to Covered Entity of such ineffective Security Incidents is required, provided that no such Security Incident results in a Breach. A ransomware attack shall not be considered an ineffective Security Incident and shall be reported to Covered Entity, irrespective of whether such Security Incident results in a Breach. Business Associate shall investigate each Security Incident or unauthorized access, acquisition, Use, or Disclosure of PHI, or suspected Breach that it discovers and shall provide a summary of its investigation to Covered Entity, upon request. If Business Associate or Covered Entity determines that such Security Incident or unauthorized access, acquisition, Use, or Disclosure, or suspected Breach constitutes a Breach, then Business Associate shall comply with the requirements of Section 3.1(a)(i) below;

(i) Business Associate shall provide a supplemental written report in accordance with 45 C.F.R. § 164.410(c), which shall include, to the extent possible, the identification of each individual whose PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used or Disclosed during the Breach, to Covered Entity without unreasonable delay, but no later than five (5) business days after discovery of the Breach;

(ii) Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the appropriate government agencies, and, if applicable, the media. Business Associate shall assist with the implementation of any decisions by Covered Entity to notify individuals or potentially impacted individuals;

(b) In consultation with the Covered Entity, Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper access, acquisition, Use, or Disclosure, Security Incident, or Breach. Business Associate shall take prompt corrective action, including any action required by applicable State or federal laws and regulations relating to such Security Incident or non-permitted access, acquisition, Use, or Disclosure. Business Associate shall reimburse Covered Entity for its reasonable costs and expenses in providing any required notification to affected individuals, appropriate government agencies, and, if necessary the media, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, attorney fees, and costs of mitigating the harm (which may include the costs of obtaining up to one year of credit monitoring services and identity theft insurance) for affected individuals whose PHI or Personal Information has or may have been compromised as a result of the Breach;

(c) Implement appropriate administrative, physical, and technical safeguards and comply with the Security Rule to prevent Use and/or Disclosure of EPHI other than as provided for by this BAA;

(d) Obtain and maintain a written agreement with each of its Subcontractors that creates, maintains, receives, Uses, transmits or has access to PHI that requires such Subcontractors to adhere to the substantially the same restrictions and conditions with respect to PHI that apply to Business Associate pursuant to this BAA;

(e) Make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the Use and/or Disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity to the Secretary of the Department of Health and Human Services (“Secretary”) in a time and manner designated by the Secretary for purposes of determining Covered Entity’s or Business Associate’s compliance with the Privacy Rule. In addition, Business Associate shall promptly make available to Covered Entity such books, records, or other information relating to the Use and Disclosure of PHI for purposes of determining whether Business Associate has complied with this BAA or maintains adequate security safeguards, upon reasonable request by Covered Entity;

(f) Document Disclosures of PHI and information related to such Disclosure and, within thirty (30) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the Disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the Disclosure; (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI Disclosed; and (iv) a brief statement of the purpose of such Disclosure which includes an explanation of the basis for such Disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within ten (10) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) Subject to Section 4.4 below, return to Covered Entity within thirty (30) days of the termination of this BAA, the PHI in its possession and retain no copies, including backup copies;

(h) Disclose to its Subcontractors or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) If all or any portion of the PHI is maintained in a Designated Record Set:

(i) Upon ten (10) days' prior written request from Covered Entity, provide access to the PHI to Covered Entity to meet a request by an individual under 45 C.F.R. § 164.524. Business Associate shall notify Covered Entity within ten (10) days of its receipt of a request for access to PHI from an Individual; and

(ii) Upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within ten (10) days of its receipt of a request for amendment of PHI from an Individual;

(j) If applicable, maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) To the extent that Business Associate carries out one or more of Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligations;

(l) Unless prohibited by law, notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent

that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge; and

(m) Maintain policies and procedures materially in accordance with State Confidentiality Laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security.

3.2 Business Associate Acknowledgment.

(a) Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

(b) Business Associate further acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA and the HITECH Act. Business Associate shall comply with all California Confidentiality Laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

(c) Business Associate further acknowledges that uses and disclosures of protected health information must be consistent with NMC's privacy practices, as stated in NMC's Notice of Privacy Practices. The current Notice of Privacy Practices can be retrieved online at: <http://www.natividad.com/quality-and-safety/patient-privacy> . Business Associate agrees to review the NMC Notice of Privacy Practices at this URL at least once annually while doing business with NMC to ensure it remains updated on any changes to the Notice of Privacy Practices NMC may make.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) Provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) Notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI;

(c) Notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the Use or Disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI; and

(d) Notify Business Associate of any restrictions on Use and/or Disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.

4. TERM AND TERMINATION

4.1 Term. This BAA shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Section 4. Certain provisions and requirements of this BAA shall survive its expiration or other termination as set forth in Section 5 herein.

4.2 Termination. If Covered Entity determines in good faith that Business Associate has breached a material term of this BAA, Covered Entity may either: (i) immediately terminate this BAA and any underlying Services Agreement; or (ii) terminate this BAA and any underlying Services Agreement within thirty (30) days of Business Associate's receipt of written notice of such breach, if the breach is not cured to the satisfaction of Covered Entity.

4.3 Automatic Termination. This BAA shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this BAA for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(J) if, and to the extent that, it is feasible to do so. Prior to returning the PHI, Business Associate shall recover any PHI in the possession of its Subcontractors. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity with a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its Subcontractors. In such event, Business Associate shall: (i) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or carry out its legal responsibilities; (ii) return to Covered Entity the remaining PHI that the Business Associate maintains in any form; (iii) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains PHI; (iv) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to the same conditions as set out in Section 2 above, which applied prior to termination; and (vi) return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 2.1, 4.4, 5.7, 5.8, 5.11, and 5.12 shall survive termination of this BAA until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this BAA, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This BAA may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of HIPAA, the HITECH Act, or California Confidentiality

Laws is materially amended in a manner that changes the obligations of the Parties, the Parties agree to negotiate in good faith appropriate amendment(s) to this BAA to give effect to the revised obligations. Further, no provision of this BAA shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

Attn: _____

Phone: _____

Fax: _____

If to Covered Entity, to:

Natividad Medical Center
Attn: Compliance/Privacy Officer
1441 Constitution Blvd.
Salinas, CA 93906
Phone: 831-755-4111
Fax: 831-755-6254

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This BAA may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Relationship of Parties. Notwithstanding anything to the contrary in the Services Agreement, Business Associate is an independent contractor and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all Business Associate obligations under this BAA.

5.7 Choice of Law; Interpretation. This BAA shall be governed by the laws of the State of California. Any ambiguities in this BAA shall be resolved in a manner that allows Covered Entity and Business Associate to comply with the Privacy Rule, the Security Rule, and the California Confidentiality Laws.

5.8 Indemnification. Business Associate shall indemnify, defend, and hold harmless the County of Monterey (the “County”), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including costs incurred by the County with respect to any investigation, enforcement proceeding, or third party action, arising out of, or in connection with, a violation of this BAA or a Breach that is attributable to an act or omission of Business Associate and/or its agents, members, employees, or Subcontractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the Parties to provide the broadest possible indemnification for the County. This provision is in addition to, and independent of, any indemnification provision in any related or other agreement between the Parties.

5.9 Applicability of Terms. This BAA applies to all present and future Service Agreements and Business Associate relationships, written or unwritten, formal or informal, in which Business Associate creates, receives, transmits, or maintains any PHI for or on behalf of Covered Entity in any form whatsoever. This BAA shall automatically be incorporated in all subsequent agreements between Business Associate and Covered Entity involving the Use or Disclosure of PHI whether or not specifically referenced therein. In the event of any conflict or inconsistency between a provision of this BAA and a provision of any other agreement between Business Associate and Covered Entity, the provision of this BAA shall control unless the provision in such other agreement establishes additional rights for Business Associate or additional duties for or restrictions on Business Associate with respect to PHI, in which case the provision of such other agreement will control.

5.10 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity’s request.

5.11 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

5.12 Audit or Investigations. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any audit, compliant review, or complaint investigation by the Secretary or other state or federal agency related to compliance with HIPAA, the HITECH Act, or the California Confidentiality Laws.

IN WITNESS WHEREOF, each of the undersigned has caused this BAA to be duly executed in its name and on its behalf as of the Effective Date.

BUSINESS ASSOCIATE

COVERED ENTITY

By: _____

By: _____

Print Name _____

Print Name: _____

Print Title _____

Print Title: _____

Date: _____

Date: _____

AMENDMENT NO. 1

**TO BUSINESS ASSOCIATE AGREEMENT BY AND BETWEEN R1 RCM HOLDCO
INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR REVENUE CYCLE SERVICES**

This Amendment No. 1 amends, modifies, and supplements the County of Monterey Business Associates Agreement (hereinafter “BAA”) by and between R1 RCM Holdco Inc., on behalf of itself and its affiliates (collectively hereinafter “CONTRACTOR”) and the County of Monterey, on behalf of Natividad Medical Center (hereinafter “NMC”). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the BAA, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached BAA.

NOW, THEREFORE, NMC and CONTRACTOR agree that the BAA terms and conditions shall be amended, modified, and supplemented as follows:

- I.** The preamble is hereby deleted in its entirety and replaced with the following:

This Business Associate Agreement (“BAA”) effective _____, 20 (“Effective Date”), is entered into by and among between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center (“Covered Entity”) and _____ on behalf of itself and its affiliates (collectively “Business Associate”) (each a “Party” and collectively the “Parties”).

- II.** Subsection 3.1(a)(i) is hereby deleted in its entirety and replaced with the following:

Business Associate shall provide a supplemental written report in accordance with 45 C.F.R. § 164.410(c), which shall include, to the extent possible, the identification of each individual whose PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used or Disclosed during the Breach, to Covered Entity without unreasonable delay, but no later than fifteen (15) business days after discovery of the Breach;

- III.** Subsection 3.1(a)(ii) is hereby deleted in its entirety and replaced with the following:

Covered Entity shall be solely responsible for providing notification of such Breach to the affected individual(s), the appropriate government agencies, and if applicable, the media;

IV. Subsection 3.1(b) is hereby deleted in its entirety and replaced with the following:

In consultation with the Covered Entity, Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper access, acquisition, Use, or Disclosure, Security Incident, or Breach. Business Associate shall take prompt corrective action, including any action required by applicable State or federal laws and regulations relating to such Security Incident or non-permitted access, acquisition, Use, or Disclosure. Business Associate shall reimburse Covered Entity for its reasonable and actual costs and expenses in providing any required notification to affected individuals, appropriate government agencies, and, if necessary the media, including, but not limited to, administrative costs associated with providing notice, printing and mailing costs, public relations costs, and attorney fees, and costs of mitigating the harm (which may include the costs of obtaining up to one year of credit monitoring services) for affected individuals whose PHI or Personal Information has reasonably believe to have been compromised as a result of the Breach,

V. Subsection 3.1(e) is hereby deleted in its entirety and replaced with the following:

Make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the Use and/or Disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity to the Secretary of the Department of Health and Human Services (“Secretary”) in a time and manner designated by the Secretary for purposes of determining Covered Entity’s or Business Associate’s compliance with the Privacy Rule; In addition, Business Associate shall promptly make available to Covered Entity such books, policies or procedures relating to the Use of Disclosure of PHI for purposes of reasonably determining whether Business Associate has complied with this BAA or maintaining adequate security safeguards, upon reasonable written request by Covered Entity. Notwithstanding the foregoing, Covered Entity shall not be entitled to review Business Associates’ practices, records, books, agreements, policies, or procedures that relate to Business Associate’s other covered entity clients.

VI. Subsection 3.1(l) is hereby deleted in its entirety and replaced with the following:

Unless prohibited by law, notify the Covered Entity within ten (10) days of the Business Associate’s receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility, as permitted by law, for challenging the validity

of such request, the Business Associate shall reasonably cooperate with the Covered Entity in such challenge;

VII. Subsection 3.2(c) is hereby deleted in its entirety and replaced with the following.

Reserved.

VIII. Section 4.2 is hereby deleted in its entirety and replaced with the following:

Termination. If a Party determines in good faith that the other Party has breached a material term of this Agreement, the non-breaching Party may immediately terminate this Agreement and any Services Agreement within thirty (30) days of breaching Party's receipt of written notice of such breach, if the breach is not cured to the satisfaction of the non-breaching Party.

IX. Section 5.4 is hereby deleted in its entirety and replaced with the following:

Notices. Any notices to be given hereunder to a Party shall be made via email, or U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

Attn: SVP, Data Protection and Chief Privacy Officer, Compliance and Risk Dept.

R1 RCM Holdco Inc.

433 W. Ascension Way, 2nd Floor

Murray, Utah 84123

Tel: 312 324 7820

Email: Privacy@r1rcm.com

If to Covered Entity, to:

Natividad Medical Center

Attn: Compliance/Privacy Officer

1441 Constitution Blvd.

Salinas, CA 93906

Phone: 831-755-4111

Fax: 831-755-6254

Email:

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is

effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service

X. Section 5.8 is hereby deleted in its entirety and replaced with the following:

Indemnification. Subject to the limitation of liability set forth herein, the Business Associate shall indemnify, defend, and hold harmless the County of Monterey (the “County”), agents, and employees from any third-party claim, liability, and injury, including reasonable, documented, and out-of-pocket: (i) cost, (ii) expense, (iii) penalty or (iv) damage, including costs directly incurred by the County with respect to any investigation, enforcement proceeding, or third party action, directly arising out of a material breach of this BAA or a Breach caused by Business Associate and/or its agents, members, employees, or Subcontractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County.

XI. Section 5.10 is hereby deleted in its entirety and replaced with the following:

In addition to meeting the commercial general liability and professional liability coverage requirements in the parties’ Services Agreement, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance, covering any and all claims, liabilities, demands, damages, losses, costs expenses, fines, and compliance costs arising from a breach of the obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Without limiting the foregoing at a minimum, Business Associate’s required insurance shall include cyber liability insurance covering breach notification expenses, network security and privacy liability, with limits of not less than \$10,000,000 per claim and in the aggregate. Such insurance coverage will be maintained for the term of this Business Associate Agreement, and a certificate evidencing the policy shall be provided to the Covered Entity at the Covered Entity's request.

XII. Section 5.11 is hereby deleted in its entirety and replaced with the following:

Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to Business Associate and is applicable to the Services provided to Covered Entity and is likely to jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual legal action or proceeding, except to the extent prohibited by law.

XIII. Section 5.12 is hereby deleted in its entirety and replaced with the following:

Reserved.

XIV. Section 5.13 is hereby added to the BAA as follows:

Limitation of Liability. The Parties agree that the total cumulative liability of each Party to the other Party (regardless of the form of action) shall not exceed two (2) million dollars. The foregoing cap shall not apply to claims arising out of a Party's, or such Party's employees', agents' or contractors' gross negligence, fraud or willful misconduct.

Signature page to follow.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Addendum No.1 on the basis set forth in this document and have executed this Addendum No. 1 the day and year set forth herein.

<p><u>Natividad Medical Center</u></p>	<p><u>R1 RCM Holdco Inc.</u></p>
<p>Charles R. Harris, Interim CEO</p>	<p>Signature</p>
<p>Date</p>	<p>Printed Name and Title</p>
<p><u>Approved as to Legal Provisions:</u></p>	<p>Date</p>
<p>Monterey County Deputy County Counsel</p>	<p>]</p>
<p>Date</p>	<p><u>Signature Instructions</u></p> <p>For 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).</p>
<p><u>Approved as to Fiscal provisions:</u></p>	
<p>Monterey County Chief-Deputy Auditor-Controller</p>	
<p>Date</p>	