

**Professional Services Agreement
Between the County of San Mateo and
Palo Alto Medical Foundation for Healthcare, Research and Education
For Otorhinolaryngology Services**

THIS PROFESSIONAL SERVICES AGREEMENT is entered into by and between the County of San Mateo, San Mateo Health System ("County") and Palo Alto Medical Foundation for Healthcare, Research and Education, a nonprofit public benefit corporation, on behalf of its Mills Peninsula Division ("PAMF") ("Contractor").

W I T N E S S E T H:

WHEREAS, County operates health care facilities collectively known as "San Mateo Medical Center" (SMMC); and

WHEREAS, Contractor has entered into a Professional Services Agreement with MPMG Medical Clinics, Inc., a California professional corporation doing business as Peninsula Medical Clinic, Inc. ("PMC"), whereby Contractor retains the services of physicians employed by PMC; and

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing professional services described in this Agreement for SMMC; and

WHEREAS, pursuant to Government Code Section 31000, County may contract with independent contractors for the furnishing of such services to or for the County; and

WHEREAS, Contractor desires to provide such services all upon the terms and conditions stated below, and this Agreement is entered into for the purpose of defining the parties' respective rights and responsibilities.

NOW, THEREFORE, in consideration of the mutual agreements set out below, the parties agree as follows:

Section 1: Contractor's Obligations

1.1 Organizational Status

Contractor represents and warrants as follows:

The physicians providing services for the patients of the County pursuant to this Agreement shall be duly licensed, certified, accredited or otherwise duly authorized to practice medicine in otorhinolaryngology in the State of California. For purposes of this Agreement, references to "PAMF" shall include within their scope all physicians who are providing professional services pursuant to this Agreement, including pursuant to any assignment or sub-contract under Section 5.4 of this Agreement.

1.2 Contractor's Representatives

- 1.2.1 The term "Contractor Provider" shall include only those individuals who are providing otorhinolaryngology services on behalf of PAMF's Mills-Peninsula Division in San Mateo County under this Agreement, whether the individual is (i) a PAMF representative, employee, subcontractor, or agent or (ii) a surgeon employed by PMC and listed on Exhibit D. The term "Contractor Provider" does not include any other employee or PAMF or PMC who is not providing services under this Agreement. Notwithstanding the foregoing, PAMF still retains all obligations pursuant to this Agreement.
- 1.2.2 Where Contractor represents more than one individual, Contractor will designate a "Lead Contractor". This Lead Contractor will be the contact person for the County when dealing with issues affecting both parties, including but not limited to enforcement of this Agreement, in cases where direct discussion with the contractor fails to adequately resolve this issue.

1.3 Qualifications

The following indicate qualifications that must be satisfied by each Contractor Provider as a condition of providing services under this Agreement:

- 1.3.1 Must be accepted by the Chief Executive Officer of SMMC or his/her designee; said acceptance may be withdrawn immediately at any time with written notice to Contractor at the reasonable discretion of the Chief Executive Officer of SMMC, his/her designee, the County's Chief, Health System, or his/her designee.
- 1.3.2 Shall at all times keep and maintain a valid license to engage in the practice of medicine in the State of

California and active Medical Staff membership and/or privileges as may be required under the Bylaws of County for Contractor's representatives to provide the services contemplated by this Agreement.

- 1.3.3 Contractor Providers shall be certified by the appropriate state-recognized board in California (or eligible for certification by such board by virtue of having successfully completed all educational and residency requirements required to sit for the board examinations).
- 1.3.4 None of Contractor, PMC, or any Contractor Provider may be currently excluded, debarred, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs; nor may any of them have been convicted of a criminal offense.
- 1.3.5 Contractor agrees to participate in the County's Organized Health Care Arrangement (OHCA), as described by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractors who choose to opt out of OHCA agree to advise the SMMC Medical Staff Office in writing and will provide their own Notice of Privacy Practice (NPP).

1.4 Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Chief Executive Officer of SMMC or his/her designee, with respect to the product or results of Contractor's services, shall provide medical services as described in Exhibit A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

1.5 Payments

1.5.1 Maximum Amount

In full consideration of Contractor's performance of the services described in Exhibit A, the amount that County shall pay for services rendered under this Agreement shall be as specified in Exhibit B and shall not exceed the amount listed therein.

1.5.2 Rate of Payment

The rate and terms of payment shall be as specified in Exhibit B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Chief, Health System or his/her designee and shall not be binding on County unless so approved in writing and signed by both parties via an amendment to this Agreement. Each payment shall be conditioned on the Contractor's performance of the provisions of this Agreement, to the full satisfaction of the Chief, Health System, Chief Executive Officer of SMMC, or either of their designees.

1.5.3 Time Limit for Submitting Invoices

Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Exhibit B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

1.6 Substitutes

Contractor shall provide, at Contractor's sole cost and expense, a substitute for any Contractor Provider who is unable to provide services required under this Agreement. As a condition of providing services under this Agreement, any such substitute shall first be approved by the Chief Executive Officer of SMMC or his/her designee and shall otherwise satisfy all qualification requirements applicable to the Contractor Provider, including but not limited to being covered under Contractor's insurance or submitting separate insurance issued by a company under such terms and limitations as County shall reasonably approve.

1.7 General Duties of Contractor

1.7.1 Administrative and Miscellaneous Duties and Responsibilities

Each Contractor Provider will cooperate with the administration of the Medical Center. Such cooperation shall include but not be limited to the following: creating and maintaining medical records in a timely fashion (including by the appropriate use of dictation, electronic medical record systems, or other technology, as required

by County), billing, peer review, completing time studies as required by California and Federal reimbursement regulations, and County's compliance programs. To the extent applicable, Contractor shall provide appropriate supervision and review of services rendered by physician assistants and other non-physicians involved in the direct medical care of County's patients.

1.7.2 Billing and Compliance

Each Contractor Provider shall prepare such administrative and business records and reports related to the service in such format and upon such intervals as County shall reasonably require. Each Contractor Provider agrees to keep accurate and complete records. To the extent that billing is discussed in more detail in Exhibits to this Agreement, each Contractor Provider shall comply with those billing-related requirements.

1.7.3 Compliance with Rules and Regulations

Contractor agrees to abide by rules, regulations, and guidelines of County. County may from time to time amend, add, or delete rules, regulations, or guidelines at County's sole discretion, and such amendment will not affect the enforceability or terms of this Agreement. Contractor may elect to immediately terminate this Agreement if the change in rules and regulations is reasonably determined to be unreasonable or inoperable for Contractor.

1.7.4 Managed Care Contracts

Contractor Providers are obligated to participate in and observe the provisions, of which they have been informed in writing, of all County managed care contracts. Any services billed under such managed care contracts shall be billed by County under the County's tax identification number.

1.7.5 Requirement of any Contractor Provider to Notify County of any Detrimental Professional Information or Violation of Contract Rules or Policies

During the term of this Agreement, each Contractor Provider shall notify County immediately, or as soon as is

possible thereafter, in the event of the occurrence of any of the following:

- A. Said provider's license to practice in any jurisdiction is suspended, revoked, or otherwise restricted;
- B. A report pursuant to Section 805 of the California Business and Professions Code concerning such provider's competence or conduct is made to any state medical or professional licensing agency;
- C. Such provider's privileges at any hospital or health care facility or under any health care plan are denied, suspended, restricted, or terminated for medical disciplinary cause or reason;
- D. Such provider's controlled substance registration certificate (issued by the Drug Enforcement Administration), if any, is being or has been suspended, revoked, or not renewed;
- E. Such provider's participation as a Medicare or Medi-Cal provider is under investigation or has been terminated;
- F. There is a material change in any of the information the provider has provided to County concerning his/her professional qualification or credentials; or
- G. Such provider is convicted of a crime.

Contractor must also notify County within thirty (30) days of any breach of this Agreement, of violation of any of County's rules or regulations, whether by others or by the Contractor himself/herself, or if the Contractor is subject to or a participant in any form of activity which could be characterized as discrimination or harassment.

1.7.6 Compliance with Contractor Employee Jury Service Ordinance

Contractor shall comply, or ensure that PMC complies, as applicable, with the County Ordinance with respect to provision of jury duty pay to employees and have and adhere to a written policy that provides that its employees

shall receive from the Contractor or PMC, as applicable, on an annual basis, no fewer than five (5) days of regular pay for actual jury service in San Mateo County. The policy may provide that employees deposit any fees received for such jury service with the Contractor or PMC, as applicable, or that the Contractor or PMC, as applicable, deduct from the employees' regular pay the fees received for jury service.

- a. Contractor complies with the County's Employee Jury Service Ordinance and ensures that PMC also complies with that ordinance.
- b. Contractor does not comply with the County's Employee Jury Service Ordinance. (Waiver Required)
- c. Contractor is exempt from this requirement because (check all that apply);
 - The contract is for \$100,000 or less
 - Contractor is a party to a collective bargaining agreement that began on (type date here) and expires on (type date here), and intends to comply when the bargaining agreement expires.
 - Contractor has no employees
 - Contractor has no employees who live in San Mateo County.

1.8 Citizenship Duties of Contractor

- A. Contractor will ensure that Contractor Providers will make all reasonable efforts to participate in co-ordination and optimization of services, including but not limited to participation in quality improvement and utilization management efforts.
- B. Contractor will ensure that Contractor Providers will make all reasonable efforts to communicate effectively and coordinate care and services with primary care providers, including but not limited to direct contact with individual providers where clinically indicated.

- C. Contractor will ensure that Contractor Providers will conduct themselves with professionalism at all times, which includes but is not limited to courteous and respectful conduct toward, and reasonable cooperation with, all County employees.
- D. To the extent that citizenship duties are discussed in more detail in Exhibits to this Agreement, Contractor and each Contractor Provider shall comply with those additional duties and requirements.

1.9 Provision of Records for County

Contractor shall furnish any and all information, records, and other documents related to each Contractor Provider's services hereunder which County may reasonably request in furtherance of its quality assurance, utilization review, risk management, and any other plans and/or programs adopted by County to assess and improve the quality and efficiency of County's services. As reasonably requested, Contractor shall participate in one or more of such plans and/or programs.

1.10 Cooperation with County in Maintaining Licenses

Contractor shall assist County in obtaining, achieving, and/or maintaining any and all licenses, permits, other authorization, and/or accreditation standards which are dependent upon, or applicable to, in whole or in part, Contractors' services under this Agreement.

1.11 Contractor's Conflict of Interest

To the best of Contractor's knowledge, and to the extent it would materially impact the obligations or performance of services under this Agreement, Contractor shall inform County of any other arrangements which present a professional, financial, Stark Law, or any other state or federal conflict of interest or materially interfere in Contractor's performance of its duties under this Agreement. In the event Contractor or any Contractor Provider pursues conduct which does, in fact, constitute a conflict of interest or which materially interferes with (or is reasonably anticipated to interfere with) Contractor's performance under this Agreement, County may exercise its rights and privileges under Section 3 below.

1.12 Non-Permitted Uses of County Premises

Contractor agrees not to use, or permit any of Contractor's representatives to use, any County facility or service for any purpose

other than the performance of services under this Agreement. Without limiting the generality of the foregoing, Contractor agrees that no part of the premises of County shall be used at any time as an office for private practice or delivery of care for non-County patients.

1.13 No Power to Contract in the Name of the Other Party

Contractor shall not have the right or authority to enter into any contract in the name of County or otherwise bind County in any way without the express written consent of County. Likewise, neither the County nor anyone acting on behalf of the County under this Agreement shall have the right or authority to enter into any contract in the name of Contractor or any Contractor Provider or to otherwise bind PAMF or PMC in any way without the express consent of Contractor or PMC, respectively.

1.14 Regulatory Standards

Contractor shall perform all services under this Agreement in accordance with any and all regulatory and accreditation standards applicable to County and the relevant medical service, including, without limitation, those requirements imposed by the Joint Commission, the Medicare/Medi-Cal conditions of participation, and any amendments thereto.

1.15 Availability of Records for Inspection

As and to the extent required by law, upon written request of the Secretary of Health and Human Services, the Comptroller General, or any of their duly authorized representatives, Contractor shall make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available for up to four (4) years after the rendering of such services. If Contractor carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a twelve (12) month period with a related individual or organization, Contractor agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of 42 U.S.C. Section 1395x(v)(1) and the regulations thereto. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by County, Contractor, or any Contractor's representative by virtue of this Agreement.

1.16 Professional Standards

Contractor Providers shall perform their duties under this Agreement in accordance with the rules of ethics of the medical profession.

Contractor Providers shall also perform their duties under this Agreement in accordance with the appropriate standard of care for their medical profession and specialty.

Section 2: Change of Circumstances

In the event either (i) Medicare, Medi-Cal, or any third party payor or any federal, state, or local legislative or regulative authority adopts any law, rule, regulation, policy, procedure, or interpretation thereof which establishes a material change in the method or amount of reimbursement or payment for services under this Agreement; or (ii) any or all such payors/authorities impose requirements which require a material change in the manner of either party's operations under this Agreement and/or the costs related thereto; then, upon the request of either party materially affected by any such change in circumstances, the parties shall enter into good faith negotiations for the purpose of establishing such amendments or modifications as may be appropriate in order to accommodate the new requirements and change of circumstance while preserving the original intent of this Agreement to the greatest extent possible. If, after thirty (30) days of such negotiations, the parties are unable to reach an agreement as to how or whether this Agreement shall continue, then either party may terminate this Agreement upon thirty (30) days prior written notice.

Section 3: Term and Termination

3.1 Term

This Agreement shall commence on July 1, 2014, and shall continue until June 30, 2016. Unless terminated sooner, this Agreement shall expire and be of no further force and effect as of the end of business on June 30, 2016.

3.2 Extension of Term

The term of the Agreement may be extended by mutual written, signed agreement by both parties.

3.3 Termination

3.3.1 Without Cause Termination

This agreement may be terminated by either party at any time upon ninety (90) days written notice to the other party.

The County may immediately terminate this Agreement or a

portion of the services referenced in the Attachments and Exhibits based upon (1) unavailability of Federal, State, or County funds or (2) closure of the County, SMMC, or the department of SMMC at which Contractor is to provide services, by providing written notice to Contractor as soon as is reasonably possible after the County learns of said unavailability of outside funding or closure.

3.3.2 Automatic Termination

This Agreement shall be immediately terminated as follows:

- A. Upon either party's suspension or exclusion from the Medicare or Medi-Cal Program;
- B. If any Contractor Provider violates the State Medical Practice Act;
- C. If any Contractor Provider's professional practice imminently jeopardizes the safety of patients;
- D. If any Contractor Provider is convicted of a crime that, in the reasonable judgment of the County, materially impacts the Contractor Provider's suitability to perform services under the Agreement;
- E. If any Contractor Provider violates ethical and professional codes of conduct of the workplace as specified under state and federal law;
- F. Upon revocation, cancellation, suspension, or limitation of any Contractor Provider's medical staff privileges at any County facility;
- G. If a "Legal Event" occurs, which means a statute, law, rule, order, regulations, standard, arbitration award, judgment, decision or official interpretation, by any governmental agency, court, tribunal or duly constituted arbitration panel, that in the good faith judgment of one party ("Noticing Party"), materially and adversely jeopardizes any Party's tax-exempt status, licensure, accreditation, certification, ability to get or maintain tax-exempt financing, to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payor, or that jeopardizes a Party's compliance with any

law, rule or regulation with which the Noticing Party desires further compliance.

- H. If Contractor fails to maintain professional liability insurance required by this Agreement;
- I. Upon either party's loss of certification as a Medicare and/or Medi-Cal provider; or
- J. Upon the closure of SMMC or the medical service at SMMC in relation to which Contractor is providing services under this Agreement.

3.3.3 Termination for Breach of Material Terms

Either party may terminate this Agreement at any time in the event the other party engages in an act or omission constituting a material breach of any term or condition of this Agreement. The party electing to terminate this Agreement shall provide the breaching party with no fewer than thirty (30) days advance written notice specifying the nature of the breach. The breaching party shall then have thirty (30) days from the date of the notice (or such longer period as is specified in the notice) in which to remedy the breach and conform its conduct to this Agreement. If such corrective action is not taken within the time specified, this Agreement shall terminate at the end of the notice and cure period (typically sixty (60) days) measured from the date of initial notice without further notice or demand. Upon breach of the terms of this Agreement by an individual contractor's representative, County shall have the option of withdrawing its acceptance of that individual contractor's representative, as described in Section 1.3.1, without terminating this Agreement. Upon withdrawal of acceptance, Contractor must replace said contractor representative as specified in Section 1.6 of this Agreement. Withdrawal of acceptance of an individual contractor's representative will not, of itself, constitute grounds for termination of this Agreement by either party.

3.3.4 Patient Records Upon Termination and Notice to Patients

All original patient records created with respect to services provided at SMMC shall be property of the County. Upon termination of this Agreement, Contractor shall return any such records as may be in Contractor's possession to County, subject to Contractor's right to copies of records.

Section 4: Insurance and Indemnification

4.1 Insurance

Contractor shall not commence work under this Agreement until all insurance required under this Section has been obtained by either Contractor or PMC, as applicable, and such insurance has been approved by the County. Contractor shall furnish County with Certificates of Insurance evidencing the required coverage, and there shall be a specific contractual endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to County of any pending change in the limits of liability or of any cancellation or modification of the policy.

4.1.1 Violation of This Section or Decrease/Cancellation of Coverage

In the event of either (1) violation of any provision of Section 4 of this Agreement or (2) receipt of notice by the County that any insurance coverage required under Section is will be diminished or cancelled, County at its option may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

4.1.2 Workers' Compensation and Employer Liability Insurance

Contractor and PMC shall have in effect during the entire life of this Agreement workers' compensation and employer liability insurance providing full statutory coverage for its employees. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

Contractor further certifies that it has confirmed PMC maintains such workers' compensation and employer liability insurance

required by this section.

4.1.3 Liability Insurance

Contractor or PMC, as applicable, shall take out and maintain on its own behalf, and shall ensure each Contractor Provider maintains on their own behalf, during the life of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor, PMC, and each Contractor Provider while performing work covered by this Agreement, from any and all claims for property damage which may arise from their respective operations or actions under this Agreement. Such insurance shall be combined single limit bodily injury and property damage coverage for each occurrence and shall not be less than the amount specified below.

Such insurance shall include:

- | | | |
|----|--|-----------------------------|
| A. | Comprehensive general liability insurance... | \$1,000,000 |
| B. | Motor vehicle liability insurance..... | \$-0- |
| C. | Professional liability insurance..... | \$1,000,000/
\$3,000,000 |

4.1.4 County Adjustment of Insurance Coverage

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving (60) days notice to Contractor. Contractor or PMC, as applicable, must obtain such increased amount of coverage by the end of that notice period, or Contractor or County shall have the right to immediately terminate this Agreement.

4.1.5 County as Additional Insured

County and its officers, agents, employees, and servants shall be named as an Additional Insured on any such policies of general liability insurance. Such policies shall also contain a provision that the insurance afforded thereby to County and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance

is (are) attached hereto.

4.2 Tail Coverage

If Contractor or PMC, as applicable, obtains one or more claims-made insurance policies to fulfill its obligations, Contractor shall ensure that Contractor or PMC, as applicable, will: (i) maintain coverage with the same company during the term of this Agreement and for at least three (3) years following termination of this Agreement; or (ii) purchase or provide coverage that assures protection against claims based on acts or omissions that occur during the period of this Agreement which are asserted after the claims-made insurance policy expired.

4.3 Hold Harmless

- a. It is agreed that Contractor shall defend, hold harmless, and indemnify County and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of Contractor and/or its officers, employees, agents, and servants.
- b. Contractor shall defend, hold harmless, and indemnify County from and against any and all claims for wages, salaries, benefits, taxes, and all other withholdings and charges payable to, or in respect to, Contractor's representatives for services provided under this Agreement.
- c. It is agreed that County shall defend, save harmless, and indemnify Contractor and its officers, employees, agents, and servants from any and all claims, suits, or actions of every name, kind, and description brought by a third party which arise out of the terms and conditions of this Agreement and which result from the negligent (or malicious/reckless) acts or omissions of County and/or its officers, employees, agents, and servants.
- d. The duty of each party to defend, hold harmless, and indemnify the other as set forth herein shall include the duty to defend as set forth in Section 2778 of the California Civil Code.
- e. In the event of concurrent negligence (or malicious/reckless acts) of County and/or its officers, employees, agents, and servants, on the one hand, and Contractor and/or its officers, employees, agents, and servants, on the other hand, then the liability for any and all claims for injuries or damage to persons and/or property which arise out of terms

and conditions of this Agreement shall be apportioned according to the California theory of comparative negligence.

Notwithstanding the foregoing, Contractor shall indemnify, defend, and hold County harmless from and against any and all claims for wages, salaries, benefits, taxes, and all other withholdings and charges payable to, or in respect to, Contractor's representatives for services provided under this Agreement.

Section 5: Miscellaneous Provisions

5.1 Notice Requirements

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below; and (2) either deposited in the United State mail, postage prepaid, certified or registered mail, return receipt requested -or- deposited for overnight delivery with an established overnight courier that provides a tracking number showing confirmation of receipt, for transmittal, charges prepaid, addressed to the address below. In the event that the facsimile transmission is not possible, notice shall be given both by United States mail and an overnight courier as outlined above.

If to County: Chief Executive Officer
San Mateo Medical Center
222 W 39th Avenue
San Mateo, CA 94403
Facsimile: 650/573-2950

With Copy to: County Counsel's Office
400 County Center
Redwood City, CA 94063
Facsimile: 650/363-4034

If to Contractor: Palo Alto Medical Foundation
Mills-Peninsula Division
577 Airport Blvd., Ste 300
Burlingame, CA 94010
Attention: Mills-Peninsula Division President
Facsimile: 650-348-9060

With Copy to: Karen Hall
Sutter Health
Vice President/Regional Counsel
633 Folsom St., 7th Floor

5.2 Merger Clause, Amendment, and Counterparts

This Agreement, including the Exhibits and Attachments attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in this body of the agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to this agreement, the provisions of this body of the agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document, whether written or otherwise, are not binding. All subsequent modifications shall be in writing and signed by the parties.

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

5.3 Partial Invalidity

In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, the remaining provisions of the Agreement shall remain in full force and effect provided that the fundamental rights and obligations remain reasonably unaffected.

5.4 Assignment

Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

5.5 Independent Contractor

Contractor and all Contractor's representatives are performing services and duties under this Agreement as independent contractors and not as employees, agents, or partners of or joint ventures with County. County does retain responsibility for the performance of Contractor and Contractor's representatives as and to the extent required by law and the accreditation standards applicable to County. Such responsibility, however, is limited to establishing the goals and objectives for the

service and requiring services to be rendered in a competent, efficient, and satisfactory manner in accordance with applicable standards and legal requirements. Contractor shall be responsible for determining the manner in which services are provided and ensuring that services are rendered in a manner consistent with the goals and objectives referenced in this Agreement.

5.6 Anti-Referral Laws

Nothing in this Agreement or any other written or oral agreement, or any consideration in connection with this Agreement, contemplates or requires or is intended to induce or influence the admission or referral of any patient to or the generation of any business between County, SMMC, PAMF, PMC, Contractor Providers, or any other physician. This Agreement is not intended to influence PAMF's, PMC's, any Contractor Provider's, or any physician's judgment in choosing the medical facility appropriate for the proper care and treatment of their patients, or restrict any physician from establishing medical staff membership or clinical privileges at any other healthcare facility.

5.7 Alternate Dispute Resolution and Venue

The parties firmly desire to resolve all disputes arising hereunder without resort to litigation in order to protect their respective reputations and the confidential nature of certain aspects of their relationship. Accordingly, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be mediated. If mediation is unsuccessful, the parties may take the dispute to Superior Court in San Mateo County.

5.8 Third Party Beneficiaries

This Agreement is entered into for the sole benefit of County and Contractor. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Agreement, including, without limitation, any Contractor's representative.

5.9 Governing Law

This Agreement shall be governed by the laws of the State of California.

5.10 Non-Discrimination

Section 504. Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped

individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.

Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting as part of this Agreement a signed letter of assurance of compliance (Attachment I to this Agreement). Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

General Non-Discrimination. Contractor agrees that no person shall, on the grounds of race, color, religion, ancestry, gender, age, national origin, medical condition, physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

Contractor shall comply with the County admission and treatment policies, which provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Equal Employment Opportunity. Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.

Violation of Non-Discrimination Provisions. Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties to be determined by the County Manager, including but not limited to:

- A. Termination of this Agreement;
- B. Disqualification of Contractor from bidding or being awarded a County contract for a period of up to three (3) years;
- C. Liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation; and/or
- D. Imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County

Manager.

To effectuate the provisions of these paragraphs, the County Manager shall have the authority to:

- A. Examine Contractor's employment records with respect to compliance with this paragraph; and
- B. Offset all or any portion of the amount described in this paragraph against amounts due to Contractor under this Agreement or any other agreement between Contractor and County.

Within thirty (30) days, Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation of allegations, provided that within such thirty (30) days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notifications shall include the name of the complainant, a copy of such complaint, and description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed/submitted.

Compliance with Equal Benefits Ordinance. With respect to the provisions of benefits to its employees, Contractor and PMC, as applicable, shall comply with Chapter 2.84 of the County Ordinance Code, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse. In order to meet the requirements of Chapter 2.84, Contractor must certify which of the following statements is/are accurate:

- Contractor complies with Chapter 2.84 by:
 - Offering the same benefits to its employees with spouses and its employees with domestic partners
 - Offering , in the case where the same benefits are not offered to its employees with spouses and its employees with domestic partners, a cash payment to an employee with a domestic partner that is equal to Contractor's cost of providing the benefit to an employee with a spouse.

- Contractor is exempt from having to comply with Chapter 2.84 because it has no employees or does not provide benefits to employees' spouses.
- Contractor does not comply with Chapter 2.84, and a waiver must be sought.

Contractor shall also ensure that PMC complies with Chapter 2.84 of the County Ordinance Code.

Compliance with Federal Regulations. Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

History of Discrimination. Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

- No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.
- Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, or other investigative entity. If this box is checked, Contractor shall provide County with a written explanation of the outcomes(s) or remedy for the discrimination.

Contractor shall also confirm that no such findings of discrimination have been issued in the past 365 days against PMC by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity. If such findings of discrimination have been issued in the past 365 days against PMC, Contractor shall so immediately notify County.

5.11 General Standards

Contractor shall maintain its operations in compliance with all applicable laws and rules relating to licensure and certification, including but not limited to: Title XXII of the California Administrative Code; those necessary to participate in the Medicare and Medi-Cal programs under Title VIII and Title XIX, respectively, of the Social Security Act; and those required by the Joint Commission. Contractor shall provide satisfactory evidence of such licenses and certificates. Contractor shall

inform County of any notice of any incident within its operations which may affect any license or certification held by Contractor.

5.12 Confidentiality of Patient Information and Compliance With Laws

Contractor shall keep in strictest confidence and in compliance with all applicable state and federal laws any patient information. Contractor shall not disclose such information except as permitted by law.

All services to be performed by Contractor pursuant to this Agreement shall be performed (1) in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

5.13 Non-Disclosure of Names

Notwithstanding any other provision of this Agreement, names of patients receiving public social services hereunder are confidential and are to be protected from unauthorized disclosure in accordance with Title 42, Code of Federal Regulations, Section 431.300 *et seq.* and Section 14100.2 of the California Welfare and Institutions Code and regulations adopted thereunder.

For the purpose of this Agreement, all information, records, data, and data elements collected and maintained for the operation of the Agreement and pertaining to patients shall be protected by Contractor from unauthorized disclosure, except as permitted by law.

With respect to any identifiable information concerning a Medi-Cal

patient that is obtained by Contractor, Contractor: (i) will not use any such information for any purpose other than carrying out the express terms of this Agreement; (ii) will promptly submit to California Department of Public Health (CDPH) and the applicable Medi-Cal plan all requests for disclosure of such information; (iii) will not disclose, except as otherwise specifically permitted by this Agreement, any such information to any party other than CDPH and the applicable Medi-Cal plan without prior written authorization specifying that the information is releasable under Title 42, CFR, Section 431.300 *et seq.*, under Section 14100.2 of the Welfare and Institutions Code and regulations adopted thereunder, or as ordered by a court or tribunal of competent jurisdiction; and (iv) will, at the expiration or termination of this Agreement, return all such information to CDPH and the applicable Medi-Cal Plan or maintain such information according to written procedures sent to health plan by CDPH and the applicable Medi-Cal plan for this purpose.

5.14 Disclosure of Records

Contractor agrees to provide upon reasonable notice to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives, and/or to their appropriate audit agencies access to and the right to examine and audit all records and documents necessary to determine compliance with this Agreement, to determine compliance with relevant federal, state, and local statutes, ordinance, rules, and regulations, and to evaluate the quality, appropriateness, and timeliness of services performed under this Agreement. Contractor shall comply with all provisions of the Omnibus Budget Reconciliation Act of 1980 regarding access to books, documents, and records.

Without limiting the foregoing, Contractor shall maintain such records and provide such information to County and to government officials as may be necessary for compliance by County with all applicable provisions of all state and federal laws governing County. Upon request, County and government officials shall have access to and be given copies of, at reasonable times at a mutually agreeable location in California, the medical records, books, charts, business records, and papers relating to the Contractor's provision of health care services to patients, the cost of such services, and payments received by the Contractor from patients (or from others on their behalf). Such records described herein shall be maintained at least four (4) years from the end of the contract term.

All records of Contractor shall be maintained in accordance with the general standards applicable to such book or record keeping and shall

be maintained during any government audit or investigation.

5.15 Electronic Signature

Electronic Signature. If both County and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Administrative Memo, both boxes below must be checked. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents providing written notice to the other party.

- For County: If this box is checked by County, County consents to the use of electronic signatures in relation to this Agreement.
- For Contractor: If this box is checked by Contractor, Contractor consents to the use of electronic signatures in relation to this Agreement.

5.16 Exhibits and Attachments

The following exhibits and attachments are included hereto and incorporated by reference herein:

- Exhibit A—Services
- Exhibit B—Payments
- Exhibit C – Performance Metrics
- Exhibit D – List of Contractor Providers
- Exhibit E—Corporate Compliance SMMC Code of Conduct (Third Parties)
- Attachment I—§ 504 Compliance

5.17 County's Provisions of Productivity and Practice Information

By the 20th day of each month, County shall make available to Contractor accurate summary reports of each Contractor Provider's productivity, including encounter data and total wRVUs, for services provided pursuant to this Agreement. As requested, County shall provide all additional detailed data utilized to develop the summary reports. Contractor recognizes that County will be implementing a new electronic medical record/billing system during the term of this Agreement. During such transition, such reports may not be readily available. Until such reports are accurately and reliably available for at least six consecutive months, the provisions of Section III of Exhibit B will not be effective.

[Signatures on the following page]

IN WITNESS WHEREOF, County and Contractor have duly executed this Agreement as of the dates set out beneath their respective signatures.

CONTRACTOR: PALO ALTO MEDICAL FOUNDATION FOR
HEALTHCARE, RESEARCH AND EDUCATION (on
behalf of its Mills-Peninsula Division)

By: Brian C Roach
Brian C. Roach, MD

Title: Mills-Peninsula Division President

Date: AUGUST 15, 2014

COUNTY:

(signature)

By: _____
President, Board of Supervisors
San Mateo County

Date: _____

Attest:

By: _____
Clerk of Said Board

GROUP ACKNOWLEDGMENT

The undersigned hereby acknowledges receipt of a copy of this Agreement and acknowledges the terms contained herein.

**MPMG MEDICAL CLINICS, INC.
dba Peninsula Medical Clinic, Inc.**

By: 

Name: James Ferrara, M.D.

Title: President

EXHIBIT A

SERVICES

In consideration of the payments specified in Exhibit B, Contractor shall ensure that Contractor Providers perform the services described below under the general direction of the Chief Medical Officer and the SMMC Chief of Surgery.

- I. A Contractor Provider satisfactory to the County provided by the Contractor will provide professional otorhinolaryngology services for County in a clinical setting for four hour periods of time. Contractor will provide twelve (12) clinic blocks per month, Monday through Friday. Clinic blocks shall be four (4) hours in length, with a target of fifteen (15) patients seen in each such half-day clinic. County shall provide available operating room(s) for a continuous 4-hour block period so that Contractor may efficiently provide the necessary surgical services. In addition, Contractor will provide surgery services for three (3) blocks per month. Each surgery block is approximately four (4) hours in the operating room (OR) at SMMC. Scheduling of clinic and OR block time may be changed by mutual agreement between County and Contractor. If a scheduled clinic or surgery block falls on a County recognized holiday or during a physician vacation, the provider is not required to "make up" the block time.
- II. Participate in such scheduled coverage of service as is mutually arranged and agreed upon by members of the Department of Surgery under the supervision of the Chief of Surgery.

Contractor Providers or PMC, as applicable, shall develop a schedule for "on-call" and/or "emergency-call" status during other than scheduled times and for twenty-four (24) hours each Saturday, Sunday, or holiday. "On-call" and "emergency-call" are defined as being available by telephone or pager to the hospital medical staff, nursing supervisor, and administrator on call as needed. In addition, Contractor Providers must adhere to the guidelines of the San Mateo County Trauma System by being immediately available by telephone and must make every reasonable effort to be present at the hospital at the time of the patient's arrival.

It is expressly understood that Contractor Providers are subject to these conditions, that all will accept scheduling for "on-call" status, and that each will be responsible for his/her portion of "on-call" time. All physicians who take calls for medical specialty services must have San Mateo Medical Center (SMMC) privileges.

- III. Contractor Providers agree to cooperate with SMMC Administration to encourage appropriate use of resources and timely access to care. This includes reasonable participation in the "SMART" referral process, upon its implementation by County, provided that such participation can reasonably be accomplished during the clinic hours for which Contractor Providers are scheduled. Pursuant to the SMART referral process Contractor Providers are expected to review incoming referrals for

appropriateness and completeness and to provide referring providers with constructive, timely feedback when appropriate.

- IV. Contractor Providers shall participate in such teaching and/or training programs as are, or may be, established by the medical staff at SMMC. Each individual's participation in continuing education is documented and considered at the time of reappointment to the medical staff and/or renewal or revision of individual clinical privileges.
- V. Contractor Providers shall fulfill those requirements for active staff membership set forth in Articles 3 and 4.2 of the SMMC Medical Staff Bylaws, Rules and Regulations and maintain such active staff status as a condition of the Agreement.
- VI. Contractor Providers shall attend regularly and serve without additional compensation on committees responsible for peer review activities, quality assurance, and utilization review as outlined in the SMMC Medical Staff Bylaws, Rules and Regulations.
- VII. As required by Medical Staff Bylaws and as reasonably requested by County, Contractor Providers shall cooperate with and assist County in meeting surgical and anesthesia standards as defined by the Joint Commission, Title XXII and other applicable regulatory standards regarding Contractor Providers clinical services to County.

EXHIBIT B

PAYMENTS

In consideration of the services specified in Exhibit A, County will pay Contractor based on the following:

- I. Contractor shall be paid a total of THREE HUNDRED TWELVE THOUSAND SIX HUNDRED FORTY DOLLARS (\$312,640) per year to be paid in monthly installments of TWENTY SIX THOUSAND FIFTY THREE DOLLARS (\$26,053) for the services of Contractor Providers as outlined by this Agreement.
- II. The rates set forth herein include compensation for the complete professional component associated with the otorhinolaryngology (ENT) services provided by Contractor Providers.
- III. Contractor Provider compensation for ENT Services by the County is based on a Medicare Resource-Based Relative Value Scale (RBRVS) Work Relative Value Units (wRVUs), for an estimated volume of 3279 wRVU work units per annum.

If the average monthly work units for ENT, based on 2951 SMART* annual units vary by fifteen percent (15%) or more over any six (6) month period during the term of this Agreement, the compensation metric and service requirements of Contractor will be reviewed, discussed, and changed if appropriate and as mutually agreed, to reflect the proportional variation between the average monthly work units and services actually provided by Contractor during the six-month period and the contemplated volume of 2951 annual SMART wRVU units. Both parties shall have the right to review and audit the other party's data supporting the calculation of productivity. This Section III shall not be effective unless and until County shall make available to Contractor accurate reports of each Contractor Provider's productivity pursuant to Section 5.16 for at least six consecutive months.

*Note: SMART work units are a .9 factor of MPD ENT wRVUs.

- IV. In addition, to the amount described in Section I of Exhibit B, any additional clinic and surgery blocks will be paid monthly at a rate of \$953 per block.
- V. Expansion of Contractor Provider ED call to assist with Oral Surgery call.
 - a. Contractor Providers will take responsibility for one (1) week per month of Expanded call, in coordination with Oral Surgery call.
 - b. All Expanded call patient encounters generate wRVU credit for MPD ENT providers.

- c. Treatment while on call of mandible fractures will be compensated at \$700/patient treatment encounter.
- VI. The term of this Agreement is July 1, 2014 through June 30, 2016, as stated in Section 3.1 of the Agreement.
- VII. Total payment for services performed under this Agreement will not exceed SEVEN HUNDRED THOUSAND DOLLARS (\$700,000).
- VIII. Payments shall be directed to:

Palo Alto Medical Foundation for Health Care, Research and Education

If via Standard Mail: PAMF Physician Checks, P.O. Box 619100, Roseville, CA 95661

If via Fed/Ex, UPS or any other carrier that does not deliver to P.O. Boxes:
PAMF Physician Checks, Sutter Shared Services, 9100 Foothills Blvd, Roseville CA
95747

EXHIBIT C

PERFORMANCE METRICS

- I. Both County and Contractor acknowledge the need for a “pay for performance” reimbursement model based on mutually acceptable units of measurement. Amounts at risk will be charged quarterly to Contractor on the basis of the following metrics.
- A. Eighty five percent (85%) or better on time (8:00 a.m.) arrival for clinic. Noncompliance is defined as providers arrival more than 15 minutes after the start of clinic (8:15 a.m.).
 - B. Eighty five percent (85%) or better start time (7:30 a.m.) for the operating room. Noncompliance is defined as not being able to start the first procedure of the day within 15 minutes of the scheduled time (7:45 a.m.) due to late arrival of the provider..
 - C. Timeliness of completing the EMR, eCW documentation for a closed encounter will be completed within 48 hours, with no more than 10 open encounters per month.
 - D. The Patient Satisfaction score from Press Ganey will be in the top eightieth percent (80th) of the scores reported by the SMMC tool, measuring patient satisfaction, focused on the physician provider. If, however, the Press Ganey score is below the 80th percentile, Contactor will nevertheless be deemed to have satisfied this metric if Contractor shows at least a two and one-half percent (2.5%) improvement over the prior quarterly score.
 - E. The Contractor Provider patient wait time for clinic shall be less than thirty days as measured by the time to third next available appointment (TTNAA) for new referrals.

The Contractor Provider patient wait time for surgery will be six (6) months or less by the end of the first contract year (6/30/15) and the ENT Surgery patient wait time will be three (3) months or less by 12/31/15.

Compliance is measured by meeting or exceeding each of the metrics listed in this Exhibit C, Section I.

- II. Both the County and Contractor acknowledge Contractor cannot achieve the metrics detailed in Section I of this Exhibit C, without assistance and cooperation from the

County and, at times, there are conditions the Contractor cannot control. Therefore, the County must meet the following operational conditions, and failure to do so will have the consequences described below in Exhibit C, Section III.

- A. Eighty five percent (85%) or better on time (8:00 a.m.) arrival for clinic staff. Non-compliance is defined as clinic staff unable to begin assisting patients and provider after 8:15 a.m.
- B. Eighty five percent (85%) or better on time (7:30 a.m.) readiness of OR cases (patient anesthetized and prepared for surgery). Readiness after 7:45 a.m. is late.
- C. eCW system (up time) is accessible ninety five percent (95%) or greater of the time.
- D. The Patient Satisfaction score from Press Ganey will be in the top eightieth percentile (80th) of the scores reported by the SMMC tool, measuring patient satisfaction, focused on the overall clinic score. If however, the Press Ganey score is below the 80th percentile, County will nevertheless be deemed to have satisfied this metric if County shows at least a two and one-half percent (2.5%) improvement over the prior quarterly score.
- E. Ninety five percent (95%) of the patients seen in specialty clinics by Contractor Provider physician with a SMART referral will meet the referral guidelines established by each specialty (ENT).

III. In the event that the County fails to meet any of the conditions listed in Subsections II.A through II.E of this Exhibit C during any quarterly period during the term of this Agreement, Contractor shall be entitled to a credit of \$1,563.20 for that quarter for each condition that the County failed to achieve during that quarter, which may be offset against any amounts to which the County would otherwise be entitled due to the Contractor's failure to meet performance metrics during the same quarter. Thus, whether the County is entitled to amounts from due to Contractor's failure to meet performance metrics is affected by whether Contractor actually meets or failed to meet the metrics described in Section I of this Exhibit C to the Agreement, as well as whether County meets the conditions set forth in Section II of this Exhibit C to the Agreement. By way of example, the calculation each quarter will follow this logic:

If Contractor fails to achieve 2 out of 5 metrics during a given quarter, Contractor's compensation will be reduced by two fifths (2/5th) of the \$7,816 total that is at risk for failure to meet all five of the metrics set forth in this Exhibit C (i.e., \$3,126.40). Contractor would, however, be entitled to retain the three fifths (3/5th) of the \$7,816 that corresponds to the three performance metrics achieved during that quarter (i.e. \$4,689.60). If, however, in the same quarter the County fails to achieve one of its five operational conditions,

Contractor shall be entitled to receive an additional amount equal to one fifth (20%) of the \$7,816 performance incentive amount at risk during the quarter (i.e., \$1,563.20). Therefore, in this example, where Contractor has failed to achieve two of the five performance operational conditions, the Contractor shall be subject to a reduction in compensation corresponding to the two performance metrics that the Contractor failed to achieve, less the amount corresponding operation condition that the County failed to achieve.

The County's failure to achieve operational conditions in any given quarter shall only be considered in determining whether the Contractor is entitled to an offset for the Contractor's failure to achieve performance metrics under this Agreement and under no circumstances shall County's failure to achieve operational standards result in Contractor receiving compensation beyond that set forth in Exhibit B to this Agreement.

As stated above, under no circumstances shall Contractor ever receive during a quarter any amount greater than the total quarterly incentive amount of \$7,816. Once the calculation of Contractor compliance with performance metrics is complete following each quarter, any "reduction" assessed from the calculation of the quarter will be withheld from the monthly payment immediately following the date upon which County informs Contractor of the extent of its compliance with the performance metrics for the preceding quarter.

Contractor's contractual compensation will be docked earned income up to a maximum of SEVEN THOUSAND EIGHT HUNDRED SIXTEEN DOLLARS (\$7,816) for not meeting or exceeding metrics each quarter. Each metric is valued at \$1,563.20 each quarter.

However, under no circumstances shall Contractor ever receive during a quarter any amount greater than the total quarterly at risk amount of \$7,816.

EXHIBIT D

LIST OF MILLS-PENINSULA DIVISION ENT SURGEONS

David E. Ellison, MD
Joshua Skolnick, MD
Helena T. Yip, MD

EXHIBIT E

CORPORATE COMPLIANCE SMMC CODE OF CONDUCT (THIRD PARTIES)

The person/entity listed below (the "Undersigned") recognizes and is fully dedicated to advancing SMMC's commitment to full compliance with all Federal, State, and other governmental health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements.

The Undersigned will comply with all Federal, State or other governmental health care program requirements and with SMMC's policies and procedures relating to SMMC's Corporate Compliance Program, including the requirements set forth in the Corporate Integrity Agreement (CIA) to which SMMC is a party (available online at http://oig.hhs.gov/fraud/cia/agreements/the__county_of_san_mateo_03062009.pdf).

The Undersigned, to the extent its contractual duties require it to submit the reports covered in this paragraph, will promptly submit accurate information for Federal health care cost reports including, but not limited to, the requirement to submit accurate information regarding acute available bed count for Disproportionate Share Hospital (DSH) payment.

The Undersigned will report to the SMMC Compliance Officer any suspected violation of any Federal health care program requirements or of SMMC's Compliance Program policies and procedures.

The Undersigned has the right to use the SMMC Disclosure Program by calling the Compliance Hotline or reporting incidents to the Compliance Officer. SMMC is committed to non-retaliation and will maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

The Undersigned understands that non-compliance with Federal health care program requirements and SMMC's Compliance Program policies and procedures, and failing to report such violations, could result in termination of the Agreement and/or any other penalties permitted by law.

The Undersigned is responsible for acquiring sufficient knowledge to recognize potential compliance issues applicable to the duties outlined in the Agreement and for appropriately seeking advice regarding such issues.

The Undersigned will not offer, give or accept any bribe, payment, gift, or thing of value to any person or entity with whom SMMC has or is seeking any business or regulatory relationship in relation to said business or regulatory relationship (other than payments authorized by law under such relationships). The Undersigned will promptly report the offering or receipt of such gifts to the SMMC Compliance Officer.

The Undersigned will not engage in any financial, business, or other activity which competes with SMMC/County business which may interfere or appear to interfere with the performance

of the duties under the Agreement or that involve the use of SMMC/County property, facilities, or resources, except to the extent consistent with the SMMC/County Incompatible Activities and Outside Employment policy and the Agreement.

The Undersigned will cooperate fully and honestly with internal audits and monitoring programs to help assure that SMMC's compliance is maintained with all applicable federal/state regulations, the Joint Commission standards, and hospital system-wide policies.

TO REPORT VIOLATIONS, CALL THE COMPLIANCE HOT LINE: (800) 965-9775

The Undersigned hereby certifies by signing below that an authorized representative has received this Code of Conduct, understands it, has authority to commit the Undersigned to this Code of Conduct, and hereby commits the Undersigned to comply with this Code of Conduct.

Name of Person/Entity (the "Undersigned")

 James Ferriman

Signature and Printed Name

8/11/14

Date

ATTACHMENT I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. Employs fewer than 15 persons.
- b. Employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Name of 504 Person:

LILIAN GUZMAN, PER DIRECTOR
TOTAL HEALTH & PRODUCTIVITY MGMT

Name of Contractor(s):

Palo Alto Medical Foundation for Healthcare, Research and Education

Street Address or P.O. Box:

577 Airport Blvd., Suite 300

City, State, Zip Code:

Burlingame, CA 94010

I certify that the above information is complete and correct to the best of my knowledge

Signature:

Betsy Wokakis

Title of Authorized Official:

HR Manager, PAMF-MPD

Date:

August 12, 2014

*Exception: DHHS regulations state that: "If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations) other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."