

**AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
SUTTER BAY MEDICAL FOUNDATION DBA PALO ALTO MEDICAL
FOUNDATION FOR HEALTHCARE, RESEARCH AND EDUCATION**

THIS AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 2019, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Sutter Bay Medical Foundation dba Palo Alto Medical Foundation for Healthcare, Research and Education, hereinafter called "Contractor";

W I T N E S S E T H:

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

WHEREAS, the parties entered into an Agreement for vascular surgery services on May 2, 2018, for the term of July 1, 2018 through June 30, 2019, in an amount not to exceed \$700,000; and

WHEREAS, the parties wish to amend the Agreement to extend the term by six months to December 31, 2019, and increase the amount payable thereunder by \$350,000, to an amount not to exceed \$1,050,000.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 1.5.1 Maximum Amount, of the Agreement is amended to read as follows:

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, not to exceed ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000).

2. Section 3.1 Term, of the agreement is amended to read as follows:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2018 through December 31, 2019. The parties agree that, as of the Effective Date, this Agreement shall replace and supersede any prior or current Agreement between County and Contractor for the same or similar services. Upon execution of this Agreement, the parties shall reconcile any

payments made or pending for services rendered on and after the Effective Date to comply with the terms of this Agreement.

3. Original Exhibit B, Payments is hereby replaced with Revised Exhibit B, Payments, (rev. 2/14/19), a copy of which is attached hereto and incorporated by this reference.
4. **All other terms and conditions of the Agreement dated May 2, 2018, between the County and Contractor shall remain in full force and effect.**

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO


By: _____
President, Board of Supervisors
San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

SUTTER BAY MEDICAL FOUNDATION
DBA PALO ALTO MEDICAL FOUNDATION
FOR HEALTHCARE, RESEARCH AND EDUCATION



Joseph Lacy, M.D. Elizabeth Vilaro, MD, MBA
~~Peninsula Area CEO~~ CEO Sutter Bay Medical Foundations

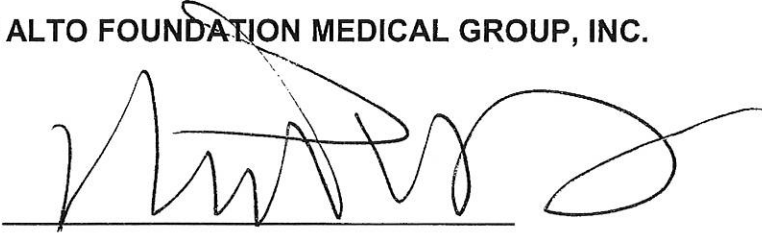
Date: 05-16-19

ACKNOWLEDGMENTS

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

PALO ALTO FOUNDATION MEDICAL GROUP, INC.

By:

A handwritten signature in black ink, appearing to be 'R. Nordgren', written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

Name: Robert Nordgren, M.D.

Title: Chief Executive Officer

REVISED EXHIBIT B

(rev. 2/14/19)

PAYMENTS

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

- I. Subject to achievement of the Performance Metrics as described in Exhibit C, Contractor shall be paid at fixed rate of FIVE HUNDRED TWENTY TWO THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$522,750) per year, to be paid in monthly installments of FORTY THREE THOUSAND FIVE HUNDRED SIXTY TWO DOLLARS AND FIFTY CENTS (\$43,562.50) (one-twelfth of the annual rate) for each month worked.
- II.
 - A. Contractor compensation for vascular surgery from the County will be based on the service hours of clinic and surgical time set forth in Section VII of Exhibit A. If the contract terms of services are amended such that the current numbers of clinic sessions and surgical time in Exhibit A are changed, the compensation shall be adjusted in proportion to the change in service hours.
 - B. Additionally, the compensation in this Agreement has been based upon an assumed annual level of productivity. If the annualized average monthly Medicare Resource-Based Relative Value Scale Relative Value Work Units (wRVUs) for the SMMC vascular surgery services department as a whole exceed 4,226 SMARTT wRVUs, or fall below 3124 SMARTT wRVUs, over an annual period, and pro-rated for partial annual periods, Contractor and the Chief Medical Officer or his/her designee will meet and confer regarding the productivity standard, and compensation will be modified as appropriate and mutually agreed. Both parties shall have the right to review and audit the other party's data supporting the calculation of productivity. This Section II.B shall not be effective unless and until County shall make available to Contractor accurate and complete monthly reports of each Contractor Provider's productivity pursuant to Section 5.15.
- III. Notwithstanding Section I of this Exhibit B, the period July 1, 2017 through the effective date of this Agreement, Contractor may have already been paid, in part, THIRTY THREE THOUSAND SIX HUNDRED FORTY FOUR DOLLARS (\$33,644) per month pursuant to the prior Agreement between the parties effective as of July 1, 2015 and approved by Resolution 075283 of the San Mateo County Board of Supervisors (the "Prior Agreement").

Therefore if any of the PAMF invoices between the dates of July 1, 2017 and the effective date of this Agreement are paid at the Prior Agreement rate, Contractor will invoice and County will pay an additional NINE THOUSAND NINE HUNDRED EIGHTEEN DOLLARS AND FIFTY CENTS (\$9,918.50) per month for services described in Exhibit A, Sections II, VI, and VII to ensure that Contractor is compensated for the full FORTY THREE THOUSAND FIVE HUNDRED SIXTY TWO DOLLARS AND FIFTY CENTS (\$43,562.50) per month as provided under this Agreement for each month in the period from July 1, 2017 to the effective date of this Agreement.

- IV. If the contract terms of services are amended such that the current numbers of clinic sessions in Exhibit A are changed, the projected volume of wRVU (work units) and corresponding compensation shall be adjusted in proportion to the change in estimated wRVU (work units), based upon a wRVU rate per unit of \$63.85, based on 2017 Medical Group Management Association (MGMA) Physician Compensation and Productivity Survey, Western United States Median Values.
- V. Failure of Contractor to perform the listed services in any given month constitutes a material breach of this Agreement, and in such circumstances, the County, at its option, may withhold payment for any portion of services not rendered, terminate the Agreement pursuant to the termination provisions above, work with the Contractor to reach a schedule for returning the Contractor to performance under this Agreement, revise this Agreement pursuant to the terms of this Agreement, pursue any remedy available at law, or any combination of these options. The Contractor is not entitled to payment for non-performance of services listed by this Agreement.
- VI. For patients treated at Mill-Peninsula Hospitals, Contractor shall bill all payers, including Medicare, Medi-Cal, Health Plan of San Mateo, commercial insurance, or "self-pay" patients. Contractor shall claim against third party payer for payment, and County shall bear no financial responsibility for such patient with such third party payers.
- VII. Contractor shall be paid monthly in equal installments of the annual compensation set forth below. These payments will be subject to the performance metrics that are set forth in Exhibit C to this Agreement and Contractor's compensation may be reduced due to a failure to meet the

performance metrics in a prior quarter, as described below and in more detail in Section II of Exhibit C.

To incentivize Contractor to meet SMMC quality and performance standards set forth in Exhibit C, Contractor will be at risk for a reduction in compensation of ten percent (10%) of the annual fee which excludes the administrative stipend and the call coverage amount, which is equal to SIX THOUSAND THREE HUNDRED FIFTY DOLLARS (\$6,350) per quarter. A maximum of SIX THOUSAND THREE HUNDRED FIFTY DOLLARS (\$6,350) will be refunded by Contractor to County on a quarterly basis if the metrics are not met. If Contractor's compensation for clinical services is reduced for any reason (such as a reduction in the total amount of services), the amount of the reduction in compensation shall also be proportionately reduced.

VIII. Contractor's annual compensation has been based on the following:

A.	Scheduled clinics and surgical time described in Exhibit A, Section VII	\$255,500
B.	Call Coverage	
	Vascular Surgery \$650/Call Coverage Shift x 365 described in Exhibit A, Section II	\$237,250
C.	Medical Director and scheduling clinic, surgery and call coverage: \$2,500/month	\$30,000
	Total:	\$522,750

IX. Total payment for services performed under this Agreement will not exceed ONE MILLION FIFTY THOUSAND DOLLARS (\$1,050,000).

X. The term of this Agreement is July 1, 2018 through December 31, 2019, as stated in Section 3.1 of this Agreement.

XI. Payments shall be directed to:

Palo Alto Medical Foundation

Standard Mail:
PAMF Physician Checks

P.O. Box 619100
Roseville, CA 95661

FedEx, UPS, or Other carrier that does not deliver to P.O. Boxes:

PAMF Physician Checks
Sutter Shared Services
9100 Foothills Blvd
Roseville, CA 95747