

**AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
SAN MATEO MULTISPECIALTY PHYSICIANS**

THIS AMENDMENT TO THE AGREEMENT, entered into this ____ day of _____, 20____, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and SAN MATEO MULTISPECIALTY PHYSICIANS 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 internal medicine, cardiology and hospitalist services on November 1, 2011; and

WHEREAS, the parties wish to amend the Agreement to expand endocrinology services and increase funding by \$272,077, for a new maximum fiscal obligation of \$14,800,000.

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

1. Exhibit A, Services, of this Agreement, is replaced in its entirety by Revised Exhibit A, (revised 5/23/13) and is attached hereto and incorporated herein by reference.
2. Exhibit B, Payments, of this Agreement, is replaced in its entirety by Revised Exhibit B, (revised 5/23/13) and is attached hereto and incorporated herein by reference.
3. **All other terms and conditions of the Agreement dated November 1, 2011, 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

SAN MATEO MULTISPECIALTY PHYSICIANS



Contractor's Signature

Date: 6/24/2013

EXHIBIT A
(Revised May 23, 2013)

SERVICES

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

- I. Provide professional internal medicine, non-invasive cardiology and hospitalist services in the SMMC's Division of Internal Medicine, Department of Medicine, including inpatient, ambulatory and emergency care. Effective September 1, 2013, the endocrinology services will be increased from .5 FTE to 1.0 FTE. Contractor shall provide physician full time equivalents (FTEs) in the specialties and quantities as listed below:

PHYSICIAN SPECIALTY	FTE
Cardiology – non invasive	2.0
Pulmonology	1.0
Gastroenterology	1.4
Oncology	1.5
Hospitalist	4.5
Endocrinology	0.5 through August 30, 2013, 1.0 thereafter
Rheumatology	1.0
Total	12.4 FTE

Additional Services: In addition to the foregoing services, Contractor shall provide the following additional services

Nurse Practitioners	550 hours per month
Cordilleras and Psych	As needed and requested by County Health System

- II. Except for physicians who, pursuant to the terms of this Agreement, provide care on a prorated or part-time status, physicians are to devote a minimum of forty (40) hours per full week to providing services at County's patient care facilities. Only services provided at SMMC facilities or other facilities operated by San Mateo County shall be considered in determining Contractor's compliance with the terms of this Agreement. Services provided at other non-County locations will not be considered in determining whether Contractor complies with the hour or RVU requirements of this Agreement.
- III. During this contract period, October 1, 2011 through September 30, 2014, Contractor shall transition from using moonlighters to provide services during evening and weekend hours to meet patient medical needs for the Emergency Department and in patient referrals. Rather, during the term of this Agreement, Contractor will cease the use of moonlighters and will employ physicians on a full or part time basis to provide such services.

- IV. Contractor will provide uninterrupted call coverage for internal medicine and cardiology services. Such coverage shall include hospitalist coverage seven (7) days per week, twenty-four (24) hours per day, three hundred sixty-five (365) days per year, as well as telephone "on call" coverage weekdays from 5:00 p.m. to 8:00 a.m., twenty-four (24) hours on weekends, and holidays. Participation in such scheduled coverage of service will be as mutually arranged and agreed upon by members of the Department of Medicine under the supervision of the SMMP Medical Director.

Contractor shall develop 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 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 and subcontractors for internal medicine services are subject to these conditions, that all will accept equal 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 internal medicine services must have San Mateo Medical Center (SMMC) privileges.

- V. Contractor 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 will be considered at the time of reappointment to the medical staff and/or renewal or revision of individual clinical privileges.
- VI. Contractor 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.
- VII. Contractor 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.
- VIII. Contractor shall provide medical staff administrative support to all SMMC departments in meeting conscious sedation and infection control standards as defined by the Joint Commission, Title 22 of the California Code of Regulations, and other applicable standards.

EXHIBIT B
(Revised May 23, 2013)

PAYMENTS

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

- I. Contractor shall be paid at rates set forth herein to include the complete professional component associated with internal medicine, hospitalist, and cardiology services.
- II. Payment shall be calculated in a manner consistent with reimbursement for internal medicine, subspecialty and hospitalist services. Contractor compensation for services to County will be based on The 2011 Medical Group Management Association (MGMA) Physician Compensation and Productivity Survey, Western United States Median values. The source of physician services based units is the current Medicare Resource-Based Relative Value Scale (RBRVS) Relative Value Work Units (RVUs).
- III. Contractor shall be paid monthly in equal installments of the annual compensation set forth below. Monthly payments shall be calculated as reimbursement for the actual number of existing physician FTEs and associated costs for the current month, and shall be paid no later than the 20th day of the following month. 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 in Section II of Exhibit C.
- IV. Contractor compensation for SMMP internal medicine, cardiology, and hospitalist services will be based on an RVU base work unit value for a projected volume of 52,703 RVU work units per annum. If the contract terms of service are amended such that the number and/or mix of providers in Exhibit A is changed, the projected volume of RVU work units and corresponding compensation shall be adjusted to reflect the amended number of providers and RVU units performed.

Effective September 1, 2013, the Endocrinologist portion shall be increased from .5FTE (2,163 RVUs per year) to 1.0 FTE (4,326 RVUs).

If the average monthly work units for Contractor (based on 52,703 annual SMART RVUs which shall be increased to 54,650 RVUs per year effective September 1, 2013) are more than fifteen percent (15%) above or below this baseline for a six (6) month period, the Chief Medical Officer or designee will review and discuss the compensation metric with Contractor, and it may be changed to reflect the variance between the baseline and RVUs actually worked.

FTE	Specialty	MGMA 2011 RVU's Per FTE	ANNUAL Total RVUs
1.4	Gastroenterologist	7,431	10,403
4.5	Hospitalist	3,881	17,464
1.0	Pulmonologist	4,008	4,008
1.0	Rheumatologist	4,543	4,543
2.0	Cardiologist – non invasive	6,255	12,510
1.5	Oncologist	4,979	7,468
1.0	Endocrinologist	4,326	4,326
12.4	Total Annual RVUs		60,722

SMART Referral = .10 x Total RVUs

Budgeted Annual SMART RVU's = 54,650

- V. Contractor agrees to partner with SMMC administration in ensuring appropriate use of resources and timely access to care. This includes but is not limited to participation in the upcoming "SMART" referral process whereby contractors will review incoming referrals for appropriateness and completeness. Contractor agrees to provide referring providers with constructive, timely feedback when appropriate. This "SMART" process is expected to require ten percent (10%) of the overall patient care effort. Therefore, the number of budgeted RVUs are reduced to 54,650 effective September 1, 2013.
- VI 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.
- VII. Exhibit A, Section III of this Agreement discusses the conversion of moonlighters to hospitalists during the term of this Agreement.

Both County and Contractor acknowledge the need to convert, through the hiring process, moonlighters to hospitalists.

The timeline for this conversion is as follows:

- A. During the first year of this Agreement at least one FTE moonlighter will be hired as a hospitalist by SMMP prior to September 30, 2012.
- B. During the second year of this Agreement at least one additional FTE moonlighter will be hired as a hospitalist by SMMP prior to September 30, 2013.

- C. During the third year of the Agreement at least .5 FTE moonlighter will be hired as a hospitalist by SMMP prior to September 30, 2014.

Contractor is expected to move toward full hospitalist services as soon as possible. This conversion will eliminate the non-emergency use of moonlighters at SMMC.

- VIII. If the conversion of moonlighters to hospitalists does not occur based on the timeline outlined above, there will be a meeting between a representative(s) of the Contractor and the Chief Medical Officer or designee to discuss the metric with the Contractor to determine what changes, if any, should be made to meet the needs of the County.
- IX. Total payment for services performed under this Agreement will not exceed FOURTEEN MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$14,800,000).
- X. The term of this Agreement is October 1, 2011 through September 30, 2014, as stated in Section 3.1 of the Agreement.

The total amount to be paid annually for the number of FTEs required under this Agreement, as listed below, and for all other costs under this Agreement shall not exceed \$5,000,000. As indicated elsewhere in the Agreement, the annual allocations for different physicians, other employees of the Contractor, and other line items listed below is determined at Contractor's discretion and is listed only for purposes of administering this Agreement (e.g., for determining the fixed benefit costs per hospitalist per year to be used in Section IX above), or for negotiating the amount to be paid for Contractor to secure malpractice insurance.

REVISED EFFECTIVE SEPTEMBER 1, 2013

Provider Compensation	FTE	Annual Amount
Cardiologist – non invasive	1.0	\$ 344,359
Cardiologist – non invasive	1.0	324,671
Gastroenterologist	.9	389,134
Gastroenterologist	.5	216,185
Oncologist	1.0	359,420
Oncologist	.5	179,710
Pulmonologist	1.0	276,472
Rheumatologist	1.0	225,814
Endocrinologist	1.0	211,878
Hospitalist – existing	2.0	427,874
Hospitalists - new	2.5	534,906
PHYSICIAN TOTAL	12.4	\$ 3,490,022
SMMP MD Benefits – 20%		\$ 698,004
Malpractice Insurance		110,400

Nurse Practitioners	3.2	512,763
Physician - Cordilleras		72,000
Acct/ADP/WC		36,338
Medical Director Fee		50,000
		\$ 4,969,527

Acct = Accounting

ADP = Payroll Service

WC = Worker's Compensation Insurance