

AMENDMENT TO AGREEMENT AMONG SETON MEDICAL CENTER, THE COUNTY
OF SAN MATEO, AND THE SAN MATEO COUNTY HEALTH COMMISSION

RECITALS

Pursuant to Resolution No. 072695 of the San Mateo County ("County") Board of Supervisors, and action by the Governing Board of the San Mateo County Health Commission, dba the Health Plan of San Mateo ("HPSM"), the County, HPSM, and the Seton Medical Center ("Hospital," and, together with the County and HPSM, the "Parties") entered into an agreement for the term of October 1, 2013 through June 30, 2014 pursuant to which the County provided up to \$11,500,000 in financial support for the Hospital in exchange for Hospital's agreement, among other things, to maintain the Hospital's role as a safety net provider in San Mateo County during the term of the Agreement (the "Agreement").

The Hospital continues to play an important role in the County's healthcare delivery system and the Parties now desire to amend the Agreement to extend the term through December 31, 2014 and to increase the total amount of financial support to the Hospital under the Agreement by seven million two hundred thousand dollars (\$7,200,000), from \$11,500,000 to an amount not to exceed \$18,700,000 .

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Section II.1. of the Agreement is hereby amended in its entirety as follows:

The term of this Agreement is the fifteen-month period from October 1, 2013 through December 31, 2014.

2. Section II.2. of the Agreement is hereby amended in its entirety as follows:

During the term of this Agreement, the County of San Mateo will make available to the HPSM for payment to Seton Medical Center, a total of eighteen million two hundred thousand dollars (\$18,200,000). The County will make these funds available to the HPSM, which will pay these funds to Seton Medical Center, at the rate of one million two hundred thousand dollars (\$1,200,000) per month during the first eight months of the term of this Agreement; one million four hundred thousand dollars (\$1,400,000) during the ninth month of the Agreement's term; and one million two hundred thousand dollars (\$1,200,000) per month during the last six months of the term of the Agreement, unless the Agreement is terminated early as set forth herein. The County will undertake and coordinate for legal research and analysis, including through outside counsel, to determine whether intergovernmental funds transfers may be used to leverage monies paid to Seton Medical Center in consideration of Medi-Cal services.

3. All other terms and conditions of the Agreement remain unchanged and in full force and effect.

COUNTY OF SAN MATEO

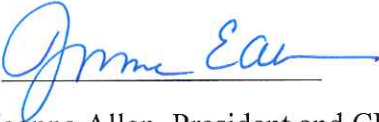
SETON MEDICAL CENTER

By: _____

Dave Pine, President

San Mateo County Board of Supervisors

Date: _____

By:  _____

Joanne Allen, President and CEO

Date: 6-11-2014

ATTEST:

HEALTH PLAN OF SAN MATEO

By: _____

Maya Altman, CEO

By: _____

Clerk of Said Board

Date: _____

June 11, 2014

County of San Mateo
Attn: John Maltbie, County Manager
400 County Center, 1st Floor
Redwood City, CA 94063

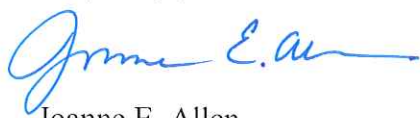
Subject: Amendment Among Seton Medical Center, the County of San Mateo, and the San Mateo Health Commission

Dear Mr. Maltbie:

This letter refers to the Agreement between the County of San Mateo (the "County"), Seton Medical Center ("Seton"), and the San Mateo Health Commission, doing business as the Health Plan of San Mateo ("HPSM"). This agreement was initially for the nine month term from October 1, 2013 through June 30, 2014. A copy of the Agreement is attached to this letter. The parties now intend to amend the agreement to increase the maximum amount payable under it and to extend its term through December 31, 2014. A copy of the Amendment, signed by Seton, is attached to this letter.

In executing this amendment, Seton hereby confirm that it understands and agrees that section 3.B. of the Agreement obligates Seton, during the term of the Amendment (i.e., through December 31, 2014), to keep its Seton Coastside facility open and to maintain all beds existing at Seton Coastside as of July 1, 2013 and to make such beds available to Medi-Cal patients commensurate with payor mix levels in place as of July 1, 2013.

Very truly yours,



Joanne E. Allen
President and CEO