

**AMENDMENT NO. 2 TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
SCOTT OESTERLING, MD**

THIS AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 2015, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and SCOTT OESTERLING, MD, 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 obstetrics and gynecology services on November 6, 2012; and

WHEREAS, the parties amended the Agreement on October 28, 2013 to update the list of providers who would provide services under this Agreement; and

WHEREAS, the parties now wish to further amend the Agreement to expand the scope of services, update the provider list, extend the term by one year to December 31, 2015, and increase the amount by \$2,400,000 to an amount not to exceed \$7,187,648.

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

1. Section 3.1 of the Agreement, Term, is amended to read as follows:

3.1 Term

This Agreement shall commence on January 1, 2013, and shall continue for three (3) years. Unless terminated sooner, this Agreement shall expire and be of no further force and effect as of the end of business on December 31, 2015.

2. Exhibit A, Services, and Exhibit B, Payments, are each revised in their entirety and replaced with Revised Exhibit A (revised December 8, 2014) and Revised Exhibit B (revised December 8, 2014), copies of which are attached to this Amendment and incorporated by this reference.
3. **All other terms and conditions of the Agreement dated November 6, 2012, as amended, 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

SCOTT OESTERLING, MD


Contractor's Signature

Date: 12/13/14

EXHIBIT A
(Revised December 8, 2014)

SERVICES

In consideration of the payments specified in Exhibit B, Contractor shall perform such services described below:

I. Administrative Responsibilities

- A. Within the Department of Surgery, collaborate with administration, clinic managers, and nursing leadership to provide health care programs at San Mateo Medical Center (SMMC) and outlying clinic facilities for prenatal and gynecological care.
- B. Provide direct supervision of the day-to-day operations of the Department of Obstetrics and Gynecology (OB/GYN), including by providing someone to serve as Chief of the Department in order to assure that overall efficiency and delivery of care are consistent with the proper standard of care. The administrative duties of the Chief of the Department shall include, at a minimum, the following:
 - 1. Participation in regular meetings with clinic managers and/or their designees to discuss ongoing patient flow issues, standard of care, quality assurance initiatives, patient grievances, CDM review and compliance, policy issues, productivity, and evening clinic.
 - 2. Review and approval of all policies and procedures affecting the Department, including nursing, physician, pharmacy, and ancillary services.
 - 3. Ongoing monitoring of the professional performance of all individuals who have delineated clinical privileges under this Agreement and recommending to the medical staff the criteria for clinical privileges for each member of the OB/GYN Department.
 - 4. Assuring that the quality and appropriateness of patient care provided by the OB/GYN Department is monitored and evaluated quarterly through the routine collection of information about important aspects of patient care provided in the Department and about the clinical performance of its members, as reported to the Department of Surgery and Medical Executive Committee meetings.
 - 5. Responding in writing to issue raised by SMMC Administration

within a reasonable period of time commensurate with the nature of the issue. Where there is a serious question of quality assurance, a written response will be required within seven (7) days, or sooner if reasonably requested.

6. Attending Department of Surgery and Medical Executive Committee meetings.
 7. Being available by pager or telephone, or designate an "on-call" alternative, 24 hours a day, seven days a week.
 8. Assisting SMMC Administration in continuing to develop, revise, and maintain departmental rules and regulations.
 9. Completing Quality Assurance reports on a monthly basis and submit the reports through appropriate medical staff reporting channels.
- C. Assist in the ongoing development of the Quality Management program.
- D. Meet on a regular basis with the Department of Surgery at SMMC to discuss common medical issues and conduct peer review.
- E. Participate in health education programs at SMMC.
- F. Supervise the clinical practice of nurse practitioners (NPs) and provide oversight of all NP-led clinics.
- G. Participate in peer review as outlined in the Medical Staff Bylaws.
- H. Provide other administrative services not directly related to an identifiable part of the medical care of patients, as mutually agreed to by Contractor and the SMMC Chief Medical Officer or designee. Such administrative services may include but are not limited to teaching, research, administration, supervision of professional or technical staff, quality control activities, committee work, and attending conferences.

II. Clinical Activities

- A. Provide at least thirty five (35), and up to forty (40), half days of physician-led clinics per week at SMMC's main campus and the outlying clinics, including Willow, Fair Oaks, Ravenswood, and Coastside Clinics, for inpatient consultations, ambulatory care, and emergency care, as applicable. Provide at least two (2) half days of surgery per week, with add-on surgery times as needed. Contractor shall provide post-operative care for any surgical cases done by

Contractor at SMMC. In the SMMC clinics at which clinic services are provided, County shall provide Contractor a minimum of two exam rooms and one medical assistant per provider during all times that clinic services are being provided under this Agreement.

- B. Oversee the system of prenatal and obstetrical care delivery for SMMC patients and provide direct prenatal care, which includes initial visits, as well as visits that are return, post-partum, and non-pregnancy medical care/medical referrals of pregnant patients.
- C. Unless and until a subsequent contract with Lucille Packard Children's Hospital (LPCH) at Stanford is developed and approved by the County, Contractor shall provide, 24 hours a day, seven days a week, obstetric coverage for patients of SMMC who are at LPCH. Such coverage shall include telephone triage of abnormal ante-partum testing (ultrasounds, non-stress tests, and amniotic fluid index), ambulatory patient triage, labor management, inpatient ante-partum care, vaginal delivery, cesarean delivery, management of obstetric complications, post-partum tubal ligation, and inpatient rounds. The parties understand and agree that a subsequent Agreement with LPCH may delineate different clinical and financial arrangements for County indigent patients admitted to LPCH, and that such arrangements, when made, may necessitate amendment of this Agreement, including its fiscal provisions.
- D. Provide emergency services in the Department of Surgery and be responsible for ambulatory triage of emergency pregnancy-related patient services, which can include threatened abortions, ectopic pregnancies, drop-in results of abnormal ultrasounds (i.e., miscarriages and malformations), and counseling.
- E. Develop and monitor the OB/GYN Department quality improvement plan.
- F. Review and co-sign orders, written in medical records, by nurses.
- G. Review cases with nurse practitioners on a regular basis each week.
- H. 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.
- I. Fulfill those requirements for active staff membership set forth in Articles 3 and 4.2 of the SMMC's Medical Staff Bylaws, and maintain such active staff status as a condition of the Agreement.

- J. Provide access to all records and reports, financial and otherwise, pursuant to this Agreement.
- K. Attend regularly and serve without additional compensation on committees responsible for peer review activities, quality assurance, and utilization review as outlined in the Medical Staff Bylaws, Rules and Regulations.
- L. Provide medical staff administrative support to SMMC departments and nursing services in meeting surgical and anesthesia standards as defined by the Joint Commission, Title XXII, and other applicable standards.
- M. Respond to SMMC clinical laboratory and other ancillary services for the evaluation and management of critical laboratory, imaging, and pathology values of OB/GYN patients.
- N. Provide coverage for deliveries of patients from the Ravenswood Healthcare system that may arise as part of a future agreement between the County and Ravenswood Family Health Center.

III. Providers

- A. Physicians providing services under this contract include:

John Anderson, MD	James Meier, MD
Caroline Bowker, MD	Ana Mummah, MD
Kathleen Brookfield, MD	Scott Oesterling, MD
Amy Judy, MD	Sharon Pao, MD
Jessica Kassis, MD	Anna Altshuler, MD
Scott Lock, MD	Jennifer Conti, MD

- B. Contractor shall provide to County, on a monthly basis, a written list of individual physicians providing services under this contract, with the Tax ID, address and payment amount for each physician. Payment of the monthly installment due to Contractor will be made by checks payable to the individual physicians in the amount specified, and mailed to the addresses provided. The total amount of the payments to the individual physicians will equal the monthly installment due to Contractor. During the term of the Agreement, any changes in the physician roster or payment amount per physician will be provided in writing to the County one month in advance by Contractor. Such physicians shall be subject to the acceptance of the SMMC Chief Executive Officer or designee, as set forth in Section 1.3 of this Agreement.

IV. Correctional Health

Contractor will provide annual peer review of charts and documentation of obstetrics and gynecology services provided to inmates in San Mateo County's Maguire and Women's correctional facilities.

- A. Contractor shall conduct up to two (2) peer reviews per year at Maguire and Women's correctional facilities.
- B. Contractor shall use the Correctional Health Services Quality Management peer review forms.
- C. Contractor shall use the Correctional Health medical records for each peer review.
- D. Contractor shall participate in Correctional Health quality assurance activities when requested by the Correctional Health Services Director or designee.
- E. Contractor shall meet with the Correctional Health Director or designee, should either party deem it necessary, to discuss Quality Management activities and medical practice issues.
- F. Contractor shall use equipment and supplies furnished by County, which have been approved for use in the correctional facility by the Sheriff's Department.

EXHIBIT B
(Revised December 8, 2014)

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 obstetrics and gynecology services.
- II. Contractor compensation for services to County will be based on Medical Group Management Association (MGMA) 2011 Western U. S. Median Compensation.
- III. Annual Contractor compensation will be based on the scheduled amount below:

	FTE	1/1/13 – 12/31/13	1/1/14 – 12/31/14	1/1/15 – 12/31/15
OB/GYN Physicians total	7.0	\$2,342,424	\$2,342,424	\$2,342,424
Medical Director	1.0	\$50,000	\$50,000	\$50,000
ANNUAL TOTAL		\$2,392,424	\$2,392,424	\$2,392,424
NOTE: OB/GYN: FTE annual base salary: \$278,860. FTE annual benefits: \$55,772. Total FTE Compensation per year (per 1.0 FTE): \$334,632				

- IV. Contractor compensation for OB/GYN services will be based on a projected volume of forty two thousand seventy seven (42,077) RVUs per annum.

If the average monthly RVUs for Contractor (based on 42,077 annual RVUs) 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 will be changed if reasonably deemed appropriate by County.

- V. County will provide Professional Liability (Malpractice) Insurance coverage as defined in Section 4 of the Agreement in the amounts of \$1,000,000/\$3,000,000 and the appropriate tail coverage for all

Contractors providing services under this Agreement.

- VI. Contractor shall be paid monthly. 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 of the following month.
- VII. Contractor shall be paid a fixed rate of TWO MILLION THREE HUNDRED NINETY TWO THOUSAND FOUR HUNDRED TWENTY FOUR DOLLARS (\$2,392,424) per year, to be paid in twelve monthly installments of ONE HUNDRED NINETY NINE THOUSAND THREE HUNDRED SIXTY EIGHT DOLLARS AND SIXTY SIX CENTS (\$199,368.66) per month.
- VIII. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of this Exhibit. 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. This timeline also applies to tracers and appeals. No payment shall be owed by County for services not provided pursuant to the requirements of this Agreement.
- IX. Correctional Health Services Payments
 - A. In addition to the amounts listed above, Correctional Health Services shall pay Contractor in the amount of \$87 per hour, up to eight (8) hours per each peer review at the Maguire and Women's Correctional Facilities.
 - B. Correctional Health Services shall be invoiced by the Contractor as reports are completed. Attached to the invoices, Contractor shall provide a report using the Correctional Health Services Quality Management Forms. Invoices and reports shall be mailed or delivered to:

Susan Kole, Director
Correctional Health Services
300 Bradford Street
Redwood City, CA 94063
 - C. Total payment for services of Contractor to Correctional Health shall not exceed FOUR THOUSAND TWO HUNDRED DOLLARS (\$4,200) for the term of the Agreement and County shall have the right to

withhold payment if County determines that the quantity of work performed is unacceptable.

- X. Total payment for services at SMMC under this Agreement will not exceed SEVEN MILLION ONE HUNDRED EIGHTY SEVEN THOUSAND SIX HUNDRED FORTY EIGHT DOLLARS (\$7,187,648).
- XI. The term of this Agreement is January 1, 2013, through December 31, 2015, as stated in Section 3.1 of the Agreement.