

**AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
GALEN INPATIENT PHYSICIANS, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Galen Inpatient Physicians, Inc., 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 hospitalist services on June 27, 2017 for the term of October 1, 2017, through September 30, 2019, in an amount not to exceed \$5,700,000; and

WHEREAS, on September 12, 2017, the parties amended the Agreement to add the use of "Ingenious Med" system and modify the term of the agreement to start on October 2, 2017; and

WHEREAS, on January 9, 2018, the parties further amended the Agreement to provide an incentive payment for Galen physicians and coverage for the preparation of Medical History and Physicals for San Mateo Medical Center psychiatric patients, increasing the amount payable under the Agreement by \$440,000, to an amount not to exceed \$6,140,000; and

WHEREAS, on May 15, 2018, the parties further amended the Agreement to update the patient experience survey assessment company listed in Exhibit C from "Press Ganey" to "SMMC's current patient experience survey assessment vendor."; and

WHEREAS, on February 12, 2019, the parties further amended the Agreement to add funding for an additional physician to compensate for our unanticipated increase in volume of patients and physician time and increase the amount payable by \$400,000, to an amount not to exceed \$6,540,000; and

WHEREAS, on October 1, 2019, the parties further amended the Agreement to extend the term by 2 months through November 30, 2019; and

WHEREAS, the parties wish to amend the Agreement to further extend the term of the agreement by four months, through March 31, 2020, and increase the amount payable by \$1,635,000, to an amount not to exceed \$8,175,000.

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

1. Section 1.5.1 Maximum Amount, of the Agreement is hereby 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 not exceed EIGHT MILLION ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$8,175,000).

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

Subject to compliance with all terms and conditions, the term of this Agreement shall be from October 1, 2017, through March 31, 2020.

3. Revised Exhibit B, Payments (rev. 9/23/19) is hereby replaced with Revised Exhibit B, Payments, (rev. 10/1/19), a copy of which is attached hereto and incorporated by this reference.
4. **All other terms and conditions of the Agreement dated June 27, 2017, 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

GALEN INPATIENT PHYSICIANS, INC.

DocuSigned by:  
  
\_\_\_\_\_  
Contractor's Signature

Date: 10/3/2019 \_\_\_\_\_

## **REVISED EXHIBIT B**

(rev. 10/1/19)

### **PAYMENTS**

In consideration of the services specified in Exhibit A and subject to the Base Fee partial withhold outlined in Exhibit C, County will pay Contractor based on the following:

- A. **Base Fee.** For the period October 2, 2017 through March 31, 2020, Contractor shall provide County with the Board Certified/Board Eligible Internal Medicine hospitalist physicians, Advanced Practitioners, Scribes, and other necessary service providers as outlined by this Agreement. Services include those described in Exhibit A and meeting or exceeding the five (5) metrics for the Contractor outlined in Exhibit C. The Base Fee is based on Contractor serving 2,184 SMMC inpatients per year (the total number of patients served in 2016) and 12,833 projected patient encounters per year (the total number of patient encounters in 2016), but the Base Fee specifically contemplates fluctuation in these numbers as large as fifteen percent (15%) higher or lower. No change in the Base Fee shall occur within this range or otherwise. Should the actual number of patients served and/or number of patient encounters in a year differ from these amounts by more than fifteen percent (15%) in either direction, Contractor shall confer with SMMC regarding the reasons for said fluctuation(s). Regardless, the fiscal provisions of this Agreement shall not be subject to change absent a written amendment. In consideration for the delivery of the services described in this Agreement, County shall pay Contractor a monthly base fee of TWO HUNDRED THIRTY-SEVEN THOUSAND SIX DOLLARS (\$237,006) (the "Base Fee") reflecting the FTEs constituting the on-site hospitalist team, less any quarterly partial withhold outlined in Exhibit C. The "Base Fee" includes physician, Advanced Practitioner, scribe, Medical Directorship, and MSO Services. The amount of each category of provider is listed in the Financial Summary Table below.
- B. **Medical History and Physicals services provided to 3A/B patients (0.4 FTE)** pursuant to Section XVI of Exhibit A to the Agreement will be paid to Contractor in an amount of FOUR THOUSAND EIGHT HUNDRED DOLLARS (\$4,800) for the month of December of 2017. As of January 2018, and for the balance of this Agreement, Contractor will be paid a monthly amount of NINE THOUSAND FIVE HUNDRED NINETY DOLLARS (\$9,590) for these services.
- C. **Medical Directorship (Administrative services only)** will be paid at a rate of FIVE THOUSAND DOLLARS (\$5,000) per month for fifty-two (52) hours per month of

administrative services detailed in Exhibit A, with no additional compensation for addition hours necessitated in a particular month.

- D. County will reimburse the actual cost of professional liability (malpractice) insurance up to \$30,000 per year for all Program providers as defined in Section 4 of the Agreement in the amounts of \$1,000,000 per occurrence/claim and \$3,000,000 aggregate limit per year and the appropriate tail coverage for Contractor providing services under this Agreement. Contractor will invoice the County for such professional liability reimbursement on a quarterly (3 month) basis. Contractor shall provide County evidence of the actual cost on at least an annual basis and otherwise as requested by the County. The amount listed in this section shall be the sole amount paid by County for professional liability (malpractice) expenses for all types of providers, including but not limited to physicians, Advanced Practitioners, and scribes.
- E. County will reimburse Contractor for use of their “Ingenious Med” system to provide reports as outlined in Exhibit A, VII at the rate of \$2750 each month, or \$33,000 annually.
- F. Financial Summary Table (Annual Costs):

| <b>Practice Expenses</b>                                                  | <b>Annual Cost per FTE</b> | <b>Number of FTEs</b> | <b>Annual Total</b> |
|---------------------------------------------------------------------------|----------------------------|-----------------------|---------------------|
| Physicians (includes 0.7 FTE for clinical aspect of Medical Directorship) | \$ 287,711                 | 6.7                   | \$ 1,927,664        |
| Advanced Practitioners                                                    | \$ 160,000                 | 2.0                   | \$ 320,000          |
| Scribes                                                                   | \$ 31,200                  | 2.0                   | \$ 62,400           |
| Medical History & Physicals for 3A/B patients                             |                            | 0.4                   | \$ 115,080          |
| Administrative services (Medical Directorship – 0.3 FTE)                  |                            |                       | \$ 60,000           |
| MSO Services and Other Site Expenses* (20% of above-listed amounts)       |                            |                       | \$ 474,012          |
| Malpractice (up to \$30,000 annually based on actual expenses)            |                            |                       | \$ 30,000           |
| “Ingenious Med” system                                                    |                            |                       | \$ 33,000           |
| Total Annual Practice Expenses (maximum)                                  |                            |                       | \$ 3,022,156        |

\* Contractor will provide the MSO administrative services for its own personnel, and County shall have no responsibility for these matters or functions. See Exhibit A, XII for details.

- G. Contractor has been advised that the amounts above include a base pay rate for scribes of at least \$15/hour, which comports with the County’s living wage ordinance. Contractor is obligated to meet the requirements of the County’s

living wage ordinance, which is subject to adjustment annually. In no event shall the Base Fee or the total amount of this Agreement increase based on the living wage ordinance. Contractor agrees that it shall comply with the requirements of that ordinance and is fully compensated for doing so for the duration of this Agreement.

- H. In order to provide patient continuity of care from Contractor and otherwise enhance the quality of patient care, the County will pay the Contractor TWENTY-FIVE THOUSAND DOLLARS (\$25,000) for each physician who on October 2, 2018, has been employed by Contractor on a full time basis to provide hospitalist services at SMMC and who has performed such services for at least one full year as of that date.
- I. Notwithstanding Section A – E of this Exhibit B, for the entire period of this Agreement (October 2, 2017 to March 31, 2020), County will pay Contractor ONE THOUSAND FORTY DOLLARS (\$1,040) for each eight (8) hour physician shift for “high census days” (i.e. days when there are more than forty-two (42) acute inpatients at SMMC). Contractor shall invoice the County for such high census days, identifying the specific dates that are “high census days” for each shift that a fourth (4<sup>th</sup>) provider was present at SMMC retroactive to October 2, 2017. In addition to the fees described in Exhibit B, Section A – E, on a prospective basis, Contractor shall bill County on a monthly basis (with appropriate documentation) ONE THOUSAND FORTY DOLLARS (\$1,040) for each eight (8) hour physician shift for a fourth hospitalist provider when the SMMC inpatient census exceeds forty-two (42) inpatients per day.
- J. The amount that County shall be obligated to pay for all services rendered under this Agreement shall not exceed EIGHT MILLION ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$8,175,000) for the Agreement term of October 2, 2017 through March 31, 2020.