

**SECOND AMENDMENT TO AGREEMENT  
BETWEEN THE COUNTY OF SAN MATEO AND  
CEP AMERICA- CALIFORNIA**

THIS AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and CEP America- California, 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 emergency and correctional health services on August 22, 2016 for the term of October 1, 2016 through September 30, 2019, in an amount not to exceed \$7,200,000; and

WHEREAS, on May 10, 2018, the parties amended the Agreement to update the patient experience assessment company listed in Exhibit C; and

WHEREAS, on October 1, 2019, the parties amended the Agreement to extend the term of the Agreement through November 30, 2019; and

WHEREAS, the parties wish to further amend the Agreement to extend its term by four months, through March 31, 2020, and to increase the amount payable under this Agreement by \$1,200,000, to an amount not to exceed \$8,400,000.

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

1. 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 October 1, 2016, through March 31, 2020.

2. Revised original Exhibit A, Service (rev. 9/19/19), and Revised Exhibit B, Payments (rev. 9/19/19) are hereby replaced with Revised Exhibit A, Service (rev. 10/1/19) and Revised Exhibit B, Payments, (rev. 10/1/19) respectively, copies of which are attached hereto and incorporated by this reference.
3. **All other terms and conditions of the Agreement dated August 22, 2016, 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

CEP America-California

DocuSigned by:  
  
04D4F80E608043F  
Contractor's Signature

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

## **REVISED EXHIBIT A**

(rev. 10/1/19)

### **SERVICES**

In consideration of the payments specified in **EXHIBIT B**, Contractor shall perform the services described below under the general direction of the San Mateo Medical Center (SMMC) Chief Medical Officer (CMO).

#### **I. Correctional Health Services**

Effective October 1, 2016 through March 31, 2020, Contractor will provide a physician, board-certified in Emergency Medicine, to serve as onsite Medical Director to the Correctional Health Services. This Medical Director will provide administrative, clinical, and program support, and shall be a physician for the Correctional Center facilities and have, prior to the initiation of this contract, approval by the Correctional Health Services Manager and jail administration to serve as the Medical Director to the Correctional Health Services. The physician assigned as Medical Director for Correctional Health Services will be responsible for the following:

##### **A. Administrative Responsibilities**

1. Collaborate with all designated County managers to plan and further develop health care programs in the County's correctional facilities.
2. Review and approve policies and procedures in coordination with designated County managers, including nursing, physician, pharmacy, and ancillary services.
3. Review and approve standardized procedures for the nursing staff employed at the County's correctional facilities.
4. Supervise the medical aspects of the Quality Management Program.
5. Meet on a regular basis with the emergency physicians at SMMC and in Public Health to discuss common medical issues and perform peer review.
6. Participate in health education programs for inmates and staff.
7. Supervise the clinical practice of nurse practitioner(s) employed at the County's correctional facilities.
8. Arrange for peer review, at least quarterly. This review must be done by physicians not affiliated with Contractor, and using SMMC medical staff resources. Notice of this review will be submitted quarterly, in writing, to the SMMC Chief Medical Officer (CMO) or designee.

9. Review Correctional Health Services formulary annually, and attend, at least quarterly, the Pharmacy and Therapeutics Committee meetings.
10. Provide a minimum of twenty-five (25) administrative hours of service per month.

**B. Clinical Activities**

1. Responsible for clinical services in the County's correctional facilities.
2. Provide direct clinical services for inmates, including health history, physical assessment and treatment plans.
3. Assist the County with supervision and recruitment of contract physicians.
4. Provide medical consultative services to all Correctional Health clinical staff.
5. Review and co-sign standardized orders entered in medical records by nursing staff.
6. Review cases with nurse practitioners on a scheduled basis each week.
7. Review, approve, and co-sign all consult requests.
8. Provide on-call service for telephone consultation between 8:00 a.m. and 9:00 p.m., Monday through Friday. In the absence of the onsite Medical Director, emergency physicians employed by Contractor at the SMMC ED, will provide telephone consultation.
9. In conjunction with the Correctional Health Services Manager, the onsite Medical Director may negotiate a work schedule. The work schedule will include, on average, five (5), eight (8) hour days per week in which the Medical Director is on site.
10. Provide oversight to the self-medication program.
11. Monitor the care of inmates hospitalized at any outside hospital, ensure appropriate medical care, and facilitate return to custody when indicated.
12. Review and co-sign health appraisals done by nursing staff.

**II. Emergency Department (ED) Services**

- A. Contractor shall provide emergency services in the SMMC Department of

Emergency Services. ED shall be staffed twenty-four (24) hours a day with physicians working a maximum of twelve (12) hour shifts. There shall be a minimum of one physician on duty in the ED at all times. The staffing schedule for each month shall be posted in the SMMC ED at least sixty (60) days prior to the beginning of each month. The physicians assigned to SMMC shall be board certified in Emergency Medicine (American Board of Emergency Medicine).

To facilitate care of patients in the Department, Contractor may hire physician assistants or nurse practitioners in addition to the Contractor's physicians. Physician assistants and nurse practitioners shall be supervised at all times by a physician employed by the Contractor. Contractor shall comply with written guidelines, approved by County, that limit the scope of services performed by a physician assistant or nurse practitioner to those which may be performed permissibly by physician assistants and nurse practitioners. Contractor shall observe the requirement (except in emergencies) that patients be informed that medical services shall be rendered by physician assistants or nurse practitioners. Physician assistants and nurse practitioners shall apply to and be approved by the medical staff of SMMC before providing services under this Agreement, and shall comply with the medical staff bylaws and related hospital policies governing physician assistants. All salaries, wages, taxes, insurance, workers' compensation insurance, retirement and other fringe benefits, and expenses of any kind or character incident to their employment shall be, and remain, the responsibility and obligation of Contractor.

- B. 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 shall be documented and considered at the time of reappointment to the medical staff and/or renewal or revision of individual clinical privileges.
- C. Contractor shall fulfill those requirements for active staff membership set forth in Articles 3 and 4.2 of SMMC's Medical Staff Bylaws, Rules, and Regulations, and maintain such active staff status as a condition of this Agreement.
- D. 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 Medical Staff Bylaws, Rules, and Regulations. Contractor shall participate in weekly utilization review of radiology services, laboratory services, and ambulance services, as requested by the SMMC CMO or designee.
- E. Contractor shall provide direct supervision of the Department of Emergency Services, assuring overall efficiency in day-to-day operations. Contractor shall serve as Chief of Emergency Services through appointment by the Medical Executive Committee (MEC). Chief of the ED will be elected by the ED medical staff who may convey the wishes of the group on medical matters to the medical

staff via MEC. Contractor will select a Medical Director for operations and management of the ED. The duties of the Medical Director shall include, but are not limited to, the following:

1. Monthly meetings with the Chief Operating Officer (COO), and/or designee, to discuss ongoing patient flow issues, standard of care, quality assurance initiatives, diagnostic imaging and other testing, utilization review, patient transfer criteria, patient grievances, maintenance of electronic medical records (EMRs), review charge description master (CDM), compliance, policy issues, productivity, and other topics, as appropriate.
  2. Accountability for all professional and administrative activities within the Department.
  3. Ongoing monitoring of the professional performance of all individuals who have clinical privileges in the ED.
  4. Assure the quality and appropriateness of patient care provided within the ED is monitored daily and evaluated quarterly through a mechanism on the metrics described in Exhibit C. This will be accomplished through the collection of information about key aspects of patient care provided by the ED, and about the clinical performance of its members, as reported to the Department of Surgery and MEC meetings.
  5. Respond in writing to issues raised by SMMC administration within a reasonable period of time commensurate with the nature of the issue. Where there is a question of quality assurance raised by SMMC Administration, Contractor will provide a written response within seven (7) calendar days.
  6. Attend and/or delegate attendance at meetings in compliance with SMMC Medical Staff Bylaws, Rules, and Regulations.
  7. Be available by pager or telephone, or designate "on-call" alternative when necessary as determined by Contractor.
  8. Assist SMMC Administration in developing and updating departmental rules, policies and regulations.
  9. Complete Quality Assurance reports on a monthly basis through appropriate medical staff reporting channels.
- F. Contractor shall also provide other administrative services not directly related to the medical care of patients as reasonably requested by Contractor and the SMMC, CEO, CMO or designee. Such administrative services may include, but are not limited to, teaching, administration, supervision of professional or technical

staff, quality control activities, committee work, attending conferences, and will be provided a minimum of one hundred (100) hours per month.

G. Contractor will provide the following administrative services for its own personnel, and County shall have no responsibility for these matters or functions:

1. Recruiting of its own physicians, physician assistants, and nurse practitioners to ensure its ability to provide staff needed to comply with the terms of this Agreement.
2. Medical Group credentialing.
3. Orientation of clinical staff to clinical operations and use of the Emergency Department Information Systems (EDIS).
4. Provision and management of ED medical staff benefit programs (i.e. medical, dental, life and disability insurance; retirement benefits).
5. Payroll and withholding taxes.
6. Scheduling.
7. Backup for sick call and vacation.
8. Leadership training.
9. Patient satisfaction surveys, in consultation with the SMMC COO and/or his/ her designees.
10. Management and oversight of the professional fee billings function for ED patients.

H. Provide medical staff administrative support to SMMC in meeting Surgical and Anesthesia Standards as defined by the Joint Commission, Title XXII, of the California Code of Regulations and other applicable standards.

I. Respond to calls from Correctional Health Services for telephonic and telemedicine evaluation and management of inmates on a full time basis – seven (7) days per week, twenty-four (24) hours per day. Respond to calls from Cordilleras Mental Health Center, Monday – Thursday 5:00pm to 8:00am and Friday 5:00pm to Monday 8:00am.

J. Respond to SMMC clinical laboratory, imaging and other ancillary services for the evaluation and management of critical laboratory, pathology, and imaging results for primary care patients between the hours of 5:00pm and 9:00am each day.

- K. Manage and stabilize cardiac arrest and other medical or surgical emergencies on the premises of SMMC in the absence of an available medical or surgical attending physician.
- L. Respond to calls from commercial payor members regarding medical necessity.
- M. Provide medical supervision for Psychiatric Emergency Services (PES) post-graduate year one (PGY1) residents and serve as restraint authority for PES patients in the absence of on-site psychiatry attending staff.
- N. Both County and Contractor acknowledge the need for a reduction assessment described in Exhibit B and Exhibit C, based on mutually acceptable units of measurement. To the extent of any conflict between the description of the metrics in this Exhibit A and in Exhibit C, the text of Exhibit C shall control. As discussed in Exhibit A and B to this Agreement, amounts assessed will be paid quarterly the month following each quarter pursuant to the following metrics:
  - 1. Patients who arrive at the SMMC ED and leave before being seen by a provider – Left Without Being Seen (LWBS) will average two and one half percent (2.5%) or less, each quarter of each year of this Agreement.
  - 2. The Patient Satisfaction score from ED patients from Press Ganey will be at or above EIGHTY-FIVE percent (85%) of the scores reported by the SMMC tool, measuring patient satisfaction, focused on the physician/physician assistant provider. If, however, the Press Ganey score is below the EIGHTY-FIFTH (85<sup>th</sup>) percent, Contractor will nevertheless be deemed to have satisfied this metric if Contractor shows at least a two and one-half percent (2.5%) improvement over the prior quarterly score.
  - 3. Length of ED Patient Stay:

Discharge Home – One hundred fifty (150) minutes or less from ED provider to disposition (sign off) for discharge.
  - 4. Length of ED Patient Stay:

To Admission Decision – Two hundred (200) minutes or less from ED provider to hospital admission decision by Medical Director.
  - 5. ED Provider's will, per current guidelines, initiate appropriate orders, ninety percent (90%) of the time for all patients with severe sepsis and septic shock under the care of the ED;

Contractor will provide the SMMC CMO or designee with the ED provider data for initiated measures (Items 1-5 above) from the PICIS data system for each quarter during the term of this Agreement within two weeks after the start of each



subsequent quarter.

Compliance is measured by meeting and exceeding each of the metrics listed above.

Both the County and Contractor acknowledge Contractor cannot achieve metrics detained in this Agreement, without assistance and cooperation from the County and at times there are conditions present the Contractor has no control over. Therefore, the County must meet the following operational conditions, and failure to do so will have the consequences described below:

1. Laboratory testing for CBC with automated differential, lactate, troponin T and basic metabolic panel, from time of order to result, will not exceed a sixty (60) minute turnaround time for STAT orders, and this standard will be met at least 85% of the time. Turnaround time is defined as the sum of RCV-ORD and the REL-REC. The County will ensure that Contractor has reasonable access to data regarding compliance with this condition on a quarterly basis.
2. Radiology turnaround times will be one (1) hour or less from order to plain film obtained. This standard will be met at least ninety- five percent (95%) of the time.
3. A patient who arrives at the ED will be admitted to an ED room on average in less than or equal to twenty-five (25) minutes of registration.
4. The Patient Satisfaction score from Press Ganey will be in the top eighty fifth percent (85<sup>th</sup>) of the scores reported by the SMMC tool, measuring patient satisfaction, focused on the overall ED score. If however, the Press Ganey score is below the 85<sup>th</sup> percent, County will nevertheless be deemed to have satisfied this metric if County shows at least a two and one-half percent (2.5%) improvement over the prior Press Ganey quarterly score.
5. Nursing compliance with sepsis checklist. There will be eighty five percent (85%) compliance by April 1, 2017; and ninety percent (90%) compliance for the remainder of the contract. Note: ED Medical Director agrees to work with nursing on a quality basis to report this metric.

O. Patient Volume Fluctuation – Compensation Metric

Due to the variability of patient demand in the SMMC ED and in order to address the greater or lesser provider need on a specific day, the following reimbursement metric shall apply. The parties agree that the compensation for ED services set forth in this Agreement contemplates one hundred ten (110) patient visits to the SMMC ED per day (excluding patients who leave without being seen by a provider or without being treated in the ED prior to having contact with a provider)

1. If the number of patient visits to the SMMC ED on a given day (i.e., 0001 hours to 2400 hours) meets or exceeds one hundred ten (110) patient visits (excluding from the definition of "patient visits" patients who leave the ED without being seen or treated by a provider), CEP will receive a payment of \$37.00 for each patient visit greater or equal to 120 patient visits to the ED on that day. Example, on a day where the ED treats 122 patients, the Contractor would be entitled to receive a payment of \$444 on that day (i.e., a payment of \$37.00 times the twelve (12) patient visits taking place in excess of 110 patient visits on that day).
2. Every month during the term of the Agreement, the payments that Contractor is entitled to receive pursuant to this Section II.O. of Exhibit A to the Agreement and any amounts will be paid to Contractor on a monthly basis.

P. Scribe Services

1. Contractor will provide Scribes for three (3) ED shifts per day.
2. Under the direct supervision of the Contractor, Scribe will:
  - a. Document the history of the patient's present illness
  - b. Document the review of systems and physician examination
  - c. Enter vital signs and reported lab values
  - d. Look up pertinent past medical records
  - e. Track and enter the results of studies
  - f. Type progress notes
  - g. Enter the patient's discharge plan
  - h. Document physician consultations with a patient
  - i. Notify physicians when studies results are available, thus assisting with timely disposition of the patient.

**REVISED EXHIBIT B**

(rev. 10/1/19)

**PAYMENTS**

**Correctional Health and Emergency Department (ED) Services**

In consideration of the services provided by Contractor in EXHIBIT A, County will pay Contractor based on the following fee schedule:

**I. Correctional Health**

- A. For the period October 1, 2016 through March 31, 2020, Contractor shall invoice the County on a monthly basis at the rate of THIRTY-FIVE THOUSAND, THREE HUNDRED AND THIRTY-THREE DOLLARS (\$35,333) per month, not to exceed FOUR HUNDRED TWENTY-FOUR THOUSAND DOLLARS (\$424,000) for each one-year period.
- B. The Correctional Health Services Manager shall approve all invoices for payment as appropriate per the terms of this Agreement. The physician assigned to Correctional Health shall be on site five (5) days per week for at least eight (8) hours each day and on call until 9:00 p.m., Monday through Friday. The monthly payments described in Paragraph I.A of Exhibit B to this Agreement shall also cover these on call services. At other times the SMMC ED physician on duty will, by telephone or by telemedicine imaging, manage the Correctional Health patients or direct the transfer of patients to the SMMC ED for further evaluation.

**II. Emergency Department**

- A. For the period October 1, 2016 through March 31, 2020, Contractor shall provide County with a minimum of one physician on duty in the ED at all times, twenty-four (24) hours per day, 365 days a year. Services include those described in EXHIBIT A, including telephone and telemedicine backup for Correctional Health, after-hours telephone back-up for Cordilleras Mental Health Center, and meeting or exceeding the five (5) metrics for County and Contractor outlined in Section N of EXHIBIT A and EXHIBIT C. This Agreement is based on Contractor serving 40,280 SMMC ED patient visits per year, which was the total number of patients seen in the ED in 2015.
- B. Clinical ED services will be paid at the rate of ONE HUNDRED TWENTY-FOUR THOUSAND THREE HUNDRED SIXTY-FIVE DOLLARS (\$124,365) per month during each month of the term of the Agreement.

However, Contractor's compensation may be reduced each quarter depending

on Contractor's achievements of the performance metrics set forth in Exhibit C.

- C. Contractor compensation under this Agreement will be based on patients seen for a projected volume of 40,280 patient visits per annum. If the contract terms of service are amended such that the current numbers in this EXHIBIT B are changed, the projected patient visit volume and corresponding compensation shall be adjusted accordingly.

The average monthly visits for the ED (based on 40,280 annual visits) will be evaluated in April and October of each contract year. If the overall volume for the six (6) months of any contract year preceding each evaluation is greater than 22,154 visits, which represents a projected ten percent (10%) increase in annual volume\*, the compensation metric will be reviewed, discussed, and increased, if appropriate, by the Chief Medical Officer, to reflect the proportional variation between the total semi-annual visits and projected semi-annual volume of 20,140 visits at \$37 per visit. For the purposes of this Agreement, each six (6) month period shall be defined as October 1 through March 31 and April 1 through September 30 for each period from October 1, 2016 through March 31, 2020. If the overall annual volume in any year during the Agreement is greater than 44,308 visits, which represents a ten percent (10%) increase in annual volume, the compensation metric will be reviewed, discussed and increased, if appropriate, by the Chief Medical Officer to reflect the proportional variation between the total annual visits and the projected volume of 40,280 visits at \$37 per visit, less any additional volume payments made for the first six (6) months of that contract year. For the purposes of this Agreement, each year period shall be defined as October 1 through September 30 for each period from October 1, 2016 through March 31, 2020.

To illustrate this volume baseline calculation, if the baseline number of visits is 40,280, a ten percent (10%) increase would equal 44,308 annual visits if determined to be appropriate by the Chief Medical Officer or designee. Therefore, if Contractor is at or above 22,154 ED visits at the end of the first six (6) months, Contractor would get an incentive payment equal to actual volume minus 20,140 times \$37.

If Contractor ED visits are below 22,154 visits at the end of the six (6) month period, no additional payment is made.

If at the end of each one-year period of the Agreement's term, visit volume is above the total of 44,308 visits, Contractor would get actual visit volume minus 40,280 times \$37, minus any volume-related payment made at the half yearly point (i.e. March 31). If Contractor ED visits are below 44,308 at the end of each year, no additional payment is forthcoming (although any prior payment remitted in the first six (6) months is not taken back).

\*NOTE: Each six (6) month period is defined as October 1 – March 31 and

April 1 – September 30 for each period from October 1, 2016 through March 31, 2020.

- D. In order to compensate for fluctuations and variations in the demand for ED patient services which are addressed in Exhibit A, Section II.O. of this Agreement, the incremental case rate paid by the County or reimbursed by CEP will be \$37 per patient, subject to the process set forth in Section II.O of Exhibit A.
- E. If one or more of the performance metrics in Exhibit C are not met Contractor's contractual compensation will be reduced up to a maximum of THIRTY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$37,500) FOR NOT MEETING OR EXCEEDING ANY OF THE FIVE (5) METRICS SET FORTH IN Exhibit C to this Agreement each quarter. Each metric is valued at \$7,500 each quarter.

However, under no circumstances shall Contractor ever receive during a quarter any amount greater than the total quarterly "withhold" amount of \$37,500.

- F. Contractor will be compensated TEN THOUSAND DOLLARS (\$10,000) per month for three (3) full time Scribes who will provide services in the SMMC ED. The Scribe Job Description is detailed in Exhibit A, Section P, of the Agreement. The additional amount is not reflected in the money payment for clinical services listed above in Section II.B of this Exhibit B, and shall be payable separate from the clinical services for a total amount as reflected in Section II.I below.
- G. ED Administrative services will be paid at a rate of SIXTEEN THOUSAND DOLLARS (\$16,000) per month for 100 hours per month of administrative services detailed in Exhibit A, Section F with no additional compensation for addition hours necessitated in a particular month. This additional amount is not reflected in the money payment for clinical services listed above in Section II.B of this Exhibit B, and shall be payable separate from the clinical services for a total amount as reflected in Section II.I below.
- H. 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 Contractor providing services under this Agreement.
- I. Contractor will be paid at a fixed rate of ONE MILLION EIGHT HUNDRED FOUR THOUSAND THREE HUNDRED EIGHTY DOLLARS (\$1,804,380) per year to be paid in monthly installments of ONE HUNDRED FIFTY THOUSAND THREE HUNDRED SIXTY-FIVE DOLLARS (\$150,365) per month except when Exhibit B, Section II, D and/or Section II, E are initiated.

- J. In full consideration of Contractor's performance of the services described in EXHIBIT A and EXHIBIT C, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed EIGHT MILLION FOUR HUNDRED THOUSAND DOLLARS (\$8,400,000) for the Agreement term October 1, 2016 through March 31, 2020.