

**FIRST AMENDMENT TO THE ADMINISTRATIVE AND PROFESSIONAL SERVICES AGREEMENT
ANESTHESIA SERVICES
BETWEEN THE COUNTY OF SANTA CLARA AND
CEP AMERICA-ANESTHESIA, PC**

The Administrative and Professional Services Agreement for Anesthesia Services, effective September 1, 2020, by and between the County of Santa Clara, a political subdivision of the State of California, dba Santa Clara Valley Health and Hospital System (“County”) which now owns and operates O’Connor Hospital (“Hospital”), and **CEP America-Anesthesia, PC** (“Contractor”) for **Anesthesia Services** (“Agreement”), is hereby amended as set forth below effective September 1, 2021 (“FIRST Amendment”).

Background

The Administrative and Professional Services Agreement expires on August 31, 2021. The purpose of this FIRST Amendment is for the Parties to extend the term of the agreement, increase the maximum financial obligation (MFO) by \$9,692,200 for the one-year term, and remove, revise, and add standard provisions.

Agreement

1. Section 2.1 (Compensation) is hereby deleted in its entirety and replaced with the following:
In consideration of the contracted services provided to County by Contractor, the County shall pay Physician for all undisputed charges in accordance with the compensation schedule described in Exhibits A and A-1. The maximum compensation paid to Contractor pursuant to this Agreement shall not exceed **\$18,769,996** inclusive of expenses as described below. The County will not pay any cost or charge that is not delineated in this Agreement.
2. Section 10.1 (Term) of the Agreement is hereby amended to extend the term of the Agreement through August 31, 2022 subject to termination in accordance with Section 10.2 (Termination of Agreement). Notwithstanding the expiration of the stated term of this Agreement, the County and Contractor may, with mutual written agreement, extend this Agreement beyond the above expiration date for up to six (6) months during the pendency of negotiation of a new contract with Contractor. Should an extension occur the maximum financial obligation (MFO) will be amended as needed.
3. Attachment to Exhibit A (Medical Director Time Sheet Form Anesthesia Services) is hereby deleted in its entirety and replaced with the Attachment to **Exhibit A** (Medical Director Time Sheet Form Anesthesia Services) hereto attached.
4. Exhibit H (Report Showing Practice’s Actual Collections and Fee Adjustments for the Prior Month CEP America-Anesthesia–Vituity) is hereby deleted in its entirety and replaced with the Attachment to **Exhibit H** (Report Showing Practice’s Actual Collections and Fee Adjustments for the Prior Month CEP America-Anesthesia–Vituity) hereto attached.
5. Exhibit A-1 (Contracted Services Anesthesia Professional Services) is hereby amended as follows:
 - (c) is hereby deleted in its entirety and replaced with the following:
 - (c) Provide 16.2 FTES Coverage which includes Cardiac Anesthesia, see Schedule as set forth in Exhibit G
 - (d) is hereby deleted in its entirety and replaced with the following:
 - (d) Provide room coverage of eight (8) Anesthetizing Locations and one (1) Obstetrics coverage and expanding evening hours as needed. In addition will provide best efforts to work with needed request for anesthesia services.
 - (m) (Notice for Additional Staffing) is deleted in its entirety and replaced with the following:
 - (m) Notice for Additional Staffing: Hospital will use best efforts to provide six (6) months' notice if

expanded anesthesia coverage is needed beyond 16.2 FTEs.

6. Revenue Collection Guarantee is amended as follows:

Revenue Collection Guarantee: The compensation for this contract is a revenue collection guarantee based upon: coverage provided, and locums cost (if applicable). For the baseline 16.2 FTE coverage outlined in Exhibit A-1, section 1 (Professional Services) the annual revenue guarantee is \$9,692,200 million (Annual Revenue Guarantee) or \$799,350 monthly (Monthly Guarantee). An additional \$100,000 may be added to the total revenue collection guarantee based on quality performance under the contract, as specified below.

Revenue Guarantee Adjustments for Maximum Coverage Utilization and Expanded Coverage:

The Revenue Guarantee will adjust for Maximum Coverage Utilization in the following manner: There will be no adjustment for the utilization of 8 concurrent rooms or the maximum agreed to coverage based upon the terms in this agreement (Maximum Coverage) up to 8 weekdays in a given month. For every day the County schedules Maximum Coverage more than 8 days in a month, County will pay \$3000 for each occurrence Maximum coverage is scheduled. By way of example only: If the County schedules 8 rooms 10 times in a month, the Monthly Guarantee for that month will increase by 2 x \$3000 = \$6000. At any time, the County may choose to eliminate the per diem utilization fee for Maximum Coverage utilization for an additional annual flat fee of \$300,000 added to the annual revenue guarantee in order to allow scheduling of eight (8) concurrent rooms or Maximum Coverage during non-holiday weekdays without per diem fees. This would need to be approved in writing by Hospital Executive.

Expanded Coverage: Additional coverage venues can be added in the following manner: For an additional \$300,000 fee added to the annual revenue guarantee, group will provide scheduling access to an additional venue (Maximum Coverage) up to 8 times in a month. A per diem fee of \$3000 per utilization is incurred for any scheduling for Maximum Coverage over 8 times in a month. The venue can convert from a per diem pricing structure to a flat fee which would allow scheduling of Maximum Coverage for an additional \$300,000 annually added to the annual revenue guarantee.

The County’s maximum financial payment to group will never exceed \$9,692,200 annually.

The County shall pay the difference between the groups’ monthly actual revenue collections (“Actual Collections,” defined further below) and the monthly guarantee of \$799,350 plus any fee adjustments (“Monthly Guarantee”) to the extent the monthly Actual Collections is less than the Monthly Guarantee. The Contractor will submit the Exhibit H Reporting Form within 14 days of the end of the prior month, documenting its Actual Collections posted for the prior month and the request for payment, as the difference between the Monthly Guarantee and the Actual Collections, to the extent that the Actual Collections is less than the Monthly Guarantee. The County reserves the right to make changes to the required documentation and process for the Revenue Collection Guarantee.

7. Except as set forth herein, all other terms and conditions of the Agreement as amended by this FIRST Amendment shall remain in full force and effect. In the event of a conflict between the original Agreement and this FIRST Amendment, the terms of this FIRST Amendment shall control.

8. The Agreement as amended by this FIRST Amendment constitutes the entire agreement of the parties concerning its subject matter and supersedes all prior oral and written agreements, and representations and understandings between the parties concerning such subject matter.

9. This FIRST Amendment may be executed by the parties in any number of separate counter parts, each of which
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shall be deemed an original and all of which, taken together shall be deemed to constitute one and the same instrument.

INTENDING TO BE BOUND HEREBY, the parties have caused their authorized representatives to execute this FIRST Amendment as set forth below:

COUNTY OF SANTA CLARA

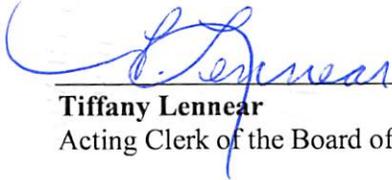

AUG 31 2021
Date
Mike Wasserman
President
Board of Supervisors

CONTRACTOR

DocuSigned by:

7/28/2021
Date
D4DBE4EB0A3F498
David Birdsall, M.D.
Chief Operations Officer
CEP America-Anesthesia, PC

ATTEST:


AUG 31 2021
Date
Tiffany Lennear
Acting Clerk of the Board of Supervisors

APPROVED as to form and legality:

DocuSigned by:

7/28/2021
Date
9BA7F1608BBD485...
Wesley Dodd
Deputy County Counsel

(Attachment to Exhibit A)

**MEDICAL DIRECTOR TIME SHEET FORM
ANESTHESIA SERVICES**

Administrative Services

The following services were provided by _____ M.D. ("**Physician**") on behalf of **CEP America-Anesthesia, PC**, during the month of _____ 20____ (date and year). *Use as many sheets as necessary.*

	Services Provided (please list specific activity performed)	Date	Hours
1.	Medical Staff CME Activities	_____	_____
	_____	_____	_____
2.	Hospital Staff Education & Training	_____	_____
	_____	_____	_____
3.	Clinical Supervision	_____	_____
	_____	_____	_____
4.	Quality Improvement Activities (committees, case review, etc.)	_____	_____
	_____	_____	_____
5.	Administration Activities	_____	_____
	_____	_____	_____
6.	Community Education	_____	_____
	_____	_____	_____
	_____	_____	_____
7.	Medical Management Activities	_____	_____
	_____	_____	_____
	_____	_____	_____

8. Compliance Activities

9. Other

I certify to the best of my knowledge that the activities described above are directly related to the administrative services agreement that I have with the hospital and that I have not billed the Medicare program separately for any of the duties and responsibilities described above. Email completed form to:

OCHPyhsicianInv@hhs.sccgov.org.

Please enter **Medical Director Timesheet** in the email subject line.

CEP America-Anesthesia, PC
2100 Powell Street, Suite 900
Emeryville, California 94608

DO NOT PAY -For information only

Compensation: Included in overall revenue guarantee
Effective 09/01/2021 through 08/31/2022

By: _____
(Physician Signature)

Total Hours _____

Approved by:
Hospital Representative _____

Date: _____

Approved Hospital Executive: _____

EXHIBIT H

**REPORT SHOWING PRACTICE'S ACTUAL COLLECTIONS
AND FEE ADJUSTMENTS FOR THE PRIOR MONTH
CEP America-Anesthesia – (Vituity)**

O'Connor Hospital Minimum Collection Guarantee Statement

Coverage Shifts for the Month of _____ 20 ____.

Date of Account Summary and Invoice _____

<u>Month and Date</u>	<u>Billings for Month</u>	<u>Actual Collections</u>
Month of: _____ Dates: _____	<u>Total Amount:</u> \$ _____	<u>Total Amount:</u> \$ _____
<u>Sub-total</u>	\$ _____	\$ _____

Total Collection amount from above dates: \$ _____

The difference between Guaranteed Minimum Collection and Actual Collection (Monthly maximum of \$799,350).

\$799,350 Minus Actual Collections \$ _____ Equals Guarantee \$ _____

Fee Adjustments to Monthly Guarantee:

1) Maximal Coverage Utilization Fee Adjustment:

Dates of Maximal Coverage Scheduled during invoice

Number of Episodes Maximal Coverage Utilized in this period: _____

(Number of Episodes of Maximal Coverage for Month – 8) x \$3000.00 = \$(enter 0 if <0)

Date of Conversion from Per Diem to Unlimited Scheduling: (if applicable)

Flat Fee for Maximal Scheduling Capability (\$25,000.00/month per venue)

2) Locums Differential Fee: _____

(Contractor will submit separate invoice monthly with details)

3) Performance Guarantee: \$ _____

(Contractor will submit separate invoice quarterly with details)

Subtotals: \$ _____

Monthly Guarantee: \$ _____

Utilization Adjustment (per Diem): \$ _____

Utilization Adjustment (Flat Fee): \$ _____

Locums Differential: \$ _____

Performance Metrics \$ _____

Total: \$ _____

Total Amount due to CEP America- Anesthesia, PC \$ _____

Supporting documents attached:

- AR Aging
- Total AR greater than 90 days
- Collection Rate %
- Claims Denial rate
- Bad Debt % to Net Revenue

I certify to the best of my knowledge that the information on this report is accurate and complete.

Email completed report to: OCHPhysicianInv@hhs.sccgov.org

CEP America-Anesthesia, PC (Vituity)
2100 Powell Street, Suite 400
Emeryville, CA 94608

Compensation: Effective 09/01/2021 -08/31/2022

CEP Authorized Signature: _____ Date: _____

Title: _____

Approved by:

Hospital Representative: _____ Date: _____