KAWEAH DELTA HEALTH CARE DISTRICT

REQUEST FOR PROPOSAL OF PSYCHIATRIC SERVICES

Kaweah Delta Health Care District (the “District”) operates health care facilities which serve communities in and around the County of Tulare, State of California (the “Service Area”). These facilities include Kaweah Delta Medical Center (the “Medical Center”) and Kaweah Delta Mental Health Hospital (the “Hospital”). References to the Medical Center include all its facilities where psychiatric services are provided or needed, including the Medical Center’s Main Campus and South Campus, and Kaweah Delta Rehabilitation Hospital. The District also operates rural health clinics in Exeter, California (the “Exeter Clinic”); Lindsay, California (the “Lindsay Clinic”); and Woodlake and Dinuba, California (collectively, the “Rural Health Clinics”). The District also conducts a Psychiatric Medicine Residency Program (the “Program”) in order to enhance the provision of mental health services in the Service Area and to meet the mental health needs of the communities served by the District. The District’s mental health service at the Hospital, the Medical Center and the Rural Health Clinics is referred to in this Agreement as the “Service.”

Goals and Purpose

The District wishes to engage the professional services of a practice whose personnel have the training, experience and qualifications necessary in behavioral health to provide the Services. Such a relationship is expected to improve the relationships between the Service, the Medical Staff and other services of the Medical Center and Hospital; afford effective utilization; provide consistent service and quality control; provide prompt availability of professional service; simplify scheduling of patients and physician coverage; enhance the efficient and effective administration of the Service – all of which enhance the access and quality of patient care and better serve the public health needs of the Service Area.

Qualifications

Psychiatrists must be board certified or eligible for board certification in psychiatry. He or she must maintain a valid license to engage in the practice of medicine in the State of California, and must maintain a current DEA registration. He or she must be credentialed through the regular medical staff credentialing process and maintain unrestricted Medical Staff membership and privileges. He or she shall engage in teaching and scholarly activities sufficient to meet the requirements of the ACGME Program Requirements for Graduate Medical Education in Psychiatry.

Advance Practice Providers (APPs) shall be either a registered nurse, licensed to practice nursing in California and certified by the California Board of Registered Nursing as an APP, or a physician assistant, licensed to practice in California, and certified by the National Commission on Certification of Physician Assistants. He or she shall have not less than two years’ experience as a certified APP providing psychiatric care.

Scope of Work

Exhibits A through K describe the services requested below.

Proposal Submission

Interested parties must submit their intent to participate in this Request for Proposal by 5 PM on Monday, November 25, 2019, providing a description of qualifications, experience, corporate structure, and any additional or relevant information you believe to be important in consideration of the proposal. The Letter
of Formal Intent must be submitted to Thomas Rayner, Chief Operating Officer/SVP at TRayner@kdhcd.org or 400 W. Mineral King Ave, Visalia, Ca 93291.

The District will review information from interested parties and select candidates / physician groups to formally participate in this Request for Proposal by **Friday, December 6, 2019.**

The District will provide selected candidates/physician groups a copy of the draft Professional and Administrative Services Agreement. Selected candidates/physician groups will be asked to complete (fill-in) the relevant financial, compensation, administrative terms of the Agreement by **Monday, December 16, 2019.**

The anticipated effective date for agreement is May 18, 2020 at midnight.

Any questions regarding this Request for Proposal can be directed to Thomas Rayner at (559) 624 – 2382.
### EXHIBIT A
### STAFFING

As a condition of receiving the Guarantee as set forth in Paragraph 2 of Exhibit K, Contractor shall provide the following staffing:

<table>
<thead>
<tr>
<th>Service</th>
<th>Provider Type</th>
<th>Quantity</th>
<th>Hours/per Provider/day</th>
<th>Days per Week</th>
<th>Weeks Per Year</th>
<th>Hours to be Provided</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 IP Coverage (48 Bed Coverage)</td>
<td>MD/APP</td>
<td>5.38</td>
<td>8</td>
<td>7</td>
<td>52</td>
<td>9,901</td>
<td>7 days a week 365 days a year</td>
</tr>
<tr>
<td>2 Consult Liaison Services</td>
<td>MD</td>
<td>1.58</td>
<td>8</td>
<td>7</td>
<td>52</td>
<td>2912</td>
<td>7 days a week, 365 days a year (between 7 A.M and 5 P.M.)</td>
</tr>
</tbody>
</table>

Contractor shall also satisfy the applicable scheduling and staffing requirements set forth in Paragraph 5 of Exhibit B (pertaining to Night On-Call Coverage Services); Exhibit D (pertaining to Medical Director Services); Exhibit F (pertaining to Program Director Services and Associate Program Director Services); and Exhibit C and Paragraph 4.4 of Exhibit J (pertaining to Outpatient Services) as a condition of receiving the Stipend as set forth in Paragraph 4 of Exhibit J.
EXHIBIT B
INPATIENT ADULT PSYCHIATRY SERVICES

The following provisions shall apply to Inpatient Adult Psychiatry Services:

1. Contractor shall provide sufficient qualified and credentialed psychiatrists and APPs for the provision of Inpatient Services as required for an average daily census (ADC) of forty-eight (48) adult mental health inpatients, regardless of the actual day-to-day census, or such ADC as may be established by agreement of the parties. Unless the parties agree otherwise, Contractor shall not be required to staff a sustained ADC in excess of 48. Contractor shall make every effort to implement agreed-upon increases in staffing as promptly as possible, with a goal of accomplishing the increase in no more than ninety (90) days from agreement. Contractor shall implement requested decreases in staffing within ninety (90) days of request. Agreements concerning increased or reduced staffing will be memorialized in addenda to this Agreement. Contractor acknowledges that its obligation to maintain the professional staffing required by this Agreement throughout the term of this Agreement is a material obligation.

2. Contractor shall be available in-house and provide Inpatient Services for eight (8) hours a day between 7:00 a.m. and 5:00 p.m., every day of the week, every week of the year. The provision of Inpatient Services shall require the personal presence of an adequate number of psychiatrists and APPs on-site at the Hospital, according to staffing levels set forth in Exhibit A, as adjusted from time to time by agreement between the parties.

3. Notwithstanding the foregoing, Contractor shall staff no more than one (1) APP on the Inpatient Services at a time, and no more than 15% of the hours to be required under Item 1 of Exhibit A shall be performed by an APP in any given month.

4. Substitute. If the Inpatient Adult Psychiatrist is unavailable at any time, for example for vacation, holiday, or CME requirements, Contractor shall furnish the services of a substitute psychiatrist approved by the District to provide the services required under this Agreement. The cost of the substitute are included in the compensation in Exhibit J.

5. Contractor shall provide the services of one (1) primary psychiatrist (the “Primary Night On-Call Psychiatrist”) each night between the hours of 5 P.M. and 8 A.M. (the “Night On-Call Coverage Period”). During the Night On-Call Coverage Period, Contractor shall also ensure that a second psychiatrist is scheduled and available to provide services in the event the Primary Night On-Call Psychiatrist is unavailable (the “Secondary Night On-Call Psychiatrist”). Collectively, the services of the Primary Night On-Call Psychiatrist and the Secondary Night On-Call Psychiatrist shall be referred to as the “Night On-Call Coverage Services.” The Night On-Call Coverage Services shall consist of inpatient mental health services and coverage of the emergency psychiatric needs of the Medical Center. During the Night On-Call Coverage Period, the Primary Night On-Call Psychiatrist will be called first, and the Secondary Night On-Call Psychiatrist will be called only if the Primary Night On-Call Psychiatrist is unavailable. The Night On-Call Coverage Services may be provided on an unrestricted basis. Contractor shall include in the Monthly Report referred to in Exhibit J, Paragraph 14 the identities and schedules of the individuals who provided the Night On-Call Coverage Services under this Paragraph 5 during the month and the number of hours of Night On-Call Coverage Services performed each day of the month.

6. Weekend coverage shall include at least one Physician Program faculty member to supervise residents.

7. Contractor shall perform and document initial psychiatric evaluations for inpatients at Medical Center and Hospital so that they are available in the medical record within twenty-four (24) hours of admission and in accordance with applicable Medical Center rules and regulations. Contractor shall prepare the discharge
summary within five (5) days of discharge. The District shall arrange for medical history and physical
examinations for inpatients at Medical Center and Hospital.

8. Contractor shall follow up and communicate promptly and effectively with referring physicians
considering the plan of treatment, progress and discharge planning. Contractor shall enter the order for
discharge by 12:00 P.M. on the date of discharge. Contractor shall prioritize likely or potential patient discharges.
EXHIBIT C
OUTPATIENT SERVICES

1. Rural Health Clinic Services

1.1. A psychiatrist shall be present and available at the Exeter Clinic to provide the Exeter Outpatient Clinic Services for eight (8) hours a day, five days a week, between the hours of 8 A.M. and 5 P.M. or during such other hours and days as may be agreed between the parties (collectively, the "Exeter Outpatient Services"). The parties contemplate that Contractor's Personnel will spend thirty-five (35) hours a week providing Outpatient Professional Services and five (5) hours a week providing administrative services requested by the Clinic Director, except for time off as permitted by Section 2.14. The psychiatrist assigned to the Exeter Clinic shall include at least 20 weeks of child and adolescent psychiatry annually, as scheduled by GME, to be provided by a psychiatrist with current ABPN certification in child and adolescent psychiatry to support the ACGME required child and adolescent rotation. The Physician providing the Exeter Outpatient Services shall supervise residents who are assigned to the Exeter Clinic. However, personnel performing the Exeter Outpatient Services may not serve as Program Director or Associate Program Director. These services are to be provided every week of the year, and if the regularly scheduled psychiatrist is unavailable, Contractor shall provide a substitute reasonably acceptable to the District. Contractor shall notify District as soon as practicable in advance of Contractor's Personnel's scheduled time off.

1.2. Contractor shall provide a psychiatrist to provide mental health services eight hours a day, four days a week for patients of the Lindsay Health Clinic ("Lindsay Outpatient Professional Services"). These services are to be provided every week of the year, and if the regularly scheduled psychiatrist is unavailable, Contractor shall provide a substitute reasonably acceptable to the District.

1.3. Collectively, the Exeter Outpatient Services and the Lindsay Outpatient Services shall be referred to as the "Outpatient Professional Services."

1.4. The Outpatient Professional Services include all necessary mental health evaluation, consultation, treatment and referral for Clinic patients, in accordance with the provisions of this Exhibit C.

2. Site of Services. All outpatient services shall be provided on-site at the Exeter Clinic, the Lindsay Clinic, and the Hospital, and not by telemedicine, unless otherwise provided in this Agreement.

3. Other Services. Contractor’s personnel performing Outpatient Services may perform other Program Services, as long as they are personally present at the Exeter Clinic, the Lindsay Clinic or the Hospital during the times set forth in Exhibit A. No additional compensation is payable for the other services.

4. Documentation. Contractor shall include in the Monthly Report referred to in Exhibit J, Paragraph 14 the identities and schedules of the individuals who provided Outpatient Services during the month and the number of hours of Outpatient Professional Services performed each day of the month.

5. Professional Service Obligations. Contractor shall provide Outpatient Professional Services in accordance with the obligations set forth in the foregoing Agreement and the responsibilities and standards set forth in this Exhibit.

6. Services. Contractor shall provide Outpatient Professional Services pursuant to the Schedule of Service (Paragraph 8 below), and shall be available to members of District’s Medical Staff and other staff in connection with the performance of Outpatient Professional Services.
7. Key Responsibilities. Contractor and Contractor’s Personnel shall perform the following:

7.1. Provide professional medical services in the Clinics for mental health patients during the designated Schedule of Services as set forth in this Exhibit. Each of Contractor’s Personnel shall be qualified to provide Outpatient Professional Services by license and training and shall act within the scope of his/her clinical privileges for the Clinic. Any procedures that are beyond the credentials of Contractor’s Personnel shall be sent to another provider.

7.2. Provide on-site clinical services during the hours of operation of the Clinics.

7.3. Examine, diagnose, prescribe and administer treatment to Clinic mental health patients.

7.4. Perform mental health patient treatment procedures.

7.5. Review abnormal lab reports and pathologic reports of tissues and organs, as needed.

7.6. Refer mental health patients to specialists for consultation and specialized treatment.

7.7. Provide adequate information and effectively communicate to Clinic mental health patients, families and staff to assure continuity of care.

7.8. Be available for consultations from referring physicians and other referral sources.

7.9. Comply with protocols and policies of the Clinics.

7.10. Participate in Clinic mental health patient case review audits.

7.11. Provide training to Clinic and District staff, as needed.

7.12. Participate in department meetings to ensure optimal communication, quality patient care and improved Clinic systems.

7.13. Provide physician back-up support and consultations to behavioral therapists.

7.14. Conduct meetings which affect and determine policies related to the role of behavioral therapists in clinical work, and work to ensure understanding and acceptance of the role of behavioral therapists by colleagues, other professionals and consumers.

7.15. Ensure that its Personnel participate in the development and continuous improvement of clinical services provided at the Clinics, including conducting educational meetings for providers and staff and developing formal guidelines governing the resolution of mental health patient care issues or concerns.

7.16. Ensure that all its Personnel adhere to all rules, regulations and policies of the District’s Medical Staff, including matters of peer review and performance improvement (as formally directed by the MEC, and as may be modified during the term of this Agreement).

7.17. Support the performance of behavioral therapists, and cooperate with the District in personnel matters relating to the District’s employees and contractors in the Clinic; provided that the District shall retain ultimate authority in connection with the employment of its personnel.
7.18. Ensure that quality of care or other similar patient concerns are reported to the Rural Health Clinic Director and Clinic Administrative Director within ten (10) days of occurrence and to the District’s Medical Staff Office where appropriate.

8. **Schedule of Service.**

8.1. Contractor shall provide all necessary mental health physician services during those days and times which District determines to be necessary in order to properly address patient needs and effectively coordinate with other operations, subject to the staffing commitment set forth in Section 2.2 of the Agreement. Each of Contractor’s Personnel, when scheduled for Outpatient Professional Services in the Clinics, shall be physically present in the designated Clinic and ready to perform Services during the entirety of his/her work schedule.

8.2. Contractor shall cooperate with the Clinic Administrative Director to provide schedules for each Group Physician up to two (2) months in advance, and no less than two (2) week advance notice for any non-emergency absences from scheduled services. Notice may be provided electronically or in writing to the Clinic Administrative Director.

8.3. It is the intention of the parties to adjust the Schedule of Services for such days and times which the parties mutually determine to be necessary in order to properly address patient demand and needs and effectively coordinate with other operations.

8.4. The Clinic Administrative Director shall collaborate with Contractor regarding the Schedule of Service, which shall take into consideration the specific requests of Contractor’s Personnel, the support staffing of the Clinics and the overall needs of Clinics and Clinics’ patients.

8.5. No adjustment to the Schedule of Service shall be implemented until such time as the parties mutually agree that the Clinics are adequately staffed by support staff and that patient census data justifies the adjustment to the hours and days of service. The parties agree to evaluate patient census data on not less than a monthly basis to determine whether an adjustment to the hours and days of service is warranted. If an adjustment in the Schedule of Services is warranted due to patient census data, the parties agree to expend their best efforts to increase staffing of the Clinics to allow for such adjustment.

8.6. The Schedule of Service shall be posted and maintained by the Clinic Administrative Director. A copy of the Clinics’ Schedule of Service shall be provided to Contractor and Its Personnel.

9. Contractor shall work cooperatively with District staff in the Clinics to optimize work flow, including participating in work flow analyses, appropriate use of scheduling, division and delegation of duties, optimal use of Clinic staff and other activities to improve work flow identified by District.
EXHIBIT D
MEDICAL DIRECTOR SERVICES

The Medical Director shall perform the services set forth in this Exhibit D, and Contractor shall include the terms of this Exhibit D, as an obligation of the Medical Director in Contractor’s agreement with the Medical Director.

1. **Medical Director Responsibilities.** Contractor shall provide mental health services medical direction for all of Hospital’s services and acute inpatient adult mental health as required by 22 CCR § 70579. Contractor shall designate a Medical Director of Mental Health Services (“Director”), subject to approval by the District. Medical direction services must be conducted during those days and times which District determines to be necessary in order to properly address patient needs and effectively coordinate with other operations. The Medical Director shall spend up to forty-five (45) hours a month providing Medical Director Services on-site at the Hospital. The Medical Director can assign his or her duties to a designee approved by District’s Director of Mental Health Services.

2. **Time Records for Medical Direction.**

   2.1. Director shall maintain, accurate and contemporaneous time records documenting all time spent providing services pursuant to Section 2.7 and this Exhibit D. Such time records must be submitted in intervals and on such forms as District may require. The time record is used to account for time spent fulfilling medical director duties specified in this Agreement. Compensation for medical director services will be disbursed only on properly completed records in accordance with the terms of this Agreement. Director attests the hours shown on the time records as “incurred” for medical direction services will actually be performed by Director. Additionally, Director attests the hours shown on the time records will be for medical direction services consistent with those required in this Agreement. Director will use District’s Physician Time Study database to document, submit and attest monthly hours.

   2.2. Time Records for medical direction services must include the date, the length of time and a description of services provided. Director must submit complete and accurate Time Records for medical direction services rendered during the previous month to Director of Mental Health Services designated by District as responsible for approving Time Records by the third (3rd) business day of every month.

3. **Substitute Medical Director.** Contractor shall provide, at Contractor’s sole cost and expense, a qualified substitute physician as medical director if Medical Director is unable to provide services required under this Agreement for reasons including, but not limited to, absence. As a condition of providing services under this Agreement, any such substitute must first be approved by District’s Director of Mental Health Services and the Chief Operating Officer. Additionally, any such substitute must otherwise satisfy all qualification requirements applicable to Director. Compensation for the Substitute Medical Director is included in the Medical Director Stipend.

4. **Specific Services.** The Director shall:

   4.1. Be available to Hospital staff and Medical Staff members for activities related to the functioning of the acute inpatient adult mental health unit and mental health services.

   4.2. Attend regularly scheduled clinical case conferences related to Hospital.

   4.3. Consult weekly or a mutually agreed upon frequency with Director of Hospital.
4.4. Participate in development, planning and implementation of new services for Hospital.

4.5. Assist in marketing existing mental health lines of service to community.

4.6. Be responsible for the mental health medical care and services provided at the Medical Center and Hospital by Psychiatrists to include the acute adult inpatient mental health unit, and all those acts of diagnosis, treatment, or prescribing or ordering of drugs which may only be performed by a licensed physician, as required by 22 CCR § 70579(a).

4.7. Complete and maintain the on-call schedule for Hospital.

4.8. Review and approve or deny, as appropriate, release of patient records in accordance with federal and state regulations.

4.9. Provide second opinions, as necessary.

4.10. Assist Hospital and District in physician recruitment and staffing recruitment.

4.11. Assist Hospital and District staff in resolving medical staff and pharmacy issues.

4.12. Annually, provide one (1) continuing medical education (CME) course to the Medical Staff regarding the adult inpatient psychiatry or other topics identified by the Chief Operating Officer or the Chair of Medical Staff CME Committee.

4.13. Conduct educational programs for Hospital and District staff regarding techniques, procedures and psychiatric conditions of Hospital patients.

4.14. Provide education to Hospital staff either one-on-one or in group settings when unfamiliar situations arise and additional education is necessary regarding techniques, procedures, medical/psychiatric conditions and rationale for treatment of patients.

4.15. Serve as a resource person for decision making in situations where questions of ethics are pertinent.

4.16. Advocate for people with mental health disorders.

4.17. Work with Hospital team in treating patients with an interdisciplinary approach including coordinating activities and treatment; attending and participating in team conferences; establishing realistic therapeutic goals; assisting in patient assessments; and participating in patient/family conferences and educational programs.

4.18. Medical Director is responsible for overseeing and coordinating the standardization of treatment and care provided based on best practices and evidence-based medicine.

4.19. Communicate with staff in a direct, tactful and timely manner.

4.20. Clinic and Quality Responsibilities. Actively participate in District staff and Medical Staff Performance Improvement (“PI”) and Compliance activities as follows:

4.21. Oversee and manage QI/PI activities of psychiatrists, and Psychiatry Department QI/PI activities.
4.22. Participate as requested in the review and approval of manuals, policies, procedures and forms.

4.23. Collaborate with staff to establish PI objectives and monitoring systems to measure outcomes. Also, participate in outcome measures and management activities.

4.24. Ensure compliance with the Joint Commission, DPH and other relevant organizations’ requirements.

4.25. Attend MEC meetings if needed to report as Medical Director.

4.26. Attend medical staff meetings of other departments as requested for operational concerns and discussion.

4.27. Evaluate Staff Competencies in coordination with the management of District.

4.28. Confer as needed with the Bioethics Committee.

4.29. Monitor admissions, treatments, transfers and discharges per established criteria.

4.30. Develop and implement standardized treatment protocols.


4.32. Pursue operational efficiencies.

4.33. Review all admission denials for appropriateness.

4.34. Administrative Responsibilities. Work effectively with District’s Medical Staff and Hospital staff to ensure the efficient and effective integration of service within the organization. Exercise Director’s authority to design systems, policies and procedures to affect the services identified in this section. Advise and consult District’s Medical Staff, hospital staff and Board of Directors in the development and assessment of the following, as needed:

   (1) Policies and procedures.
   (2) Financial planning and decision making which includes operating and capital budgets.
   (3) Medical technologies and supplies.
   (4) Information systems.
   (5) Educational needs of staff and physicians.
   (6) Strategic and long-range planning.
   (7) Operating objectives and goals.
   (8) Communications and marketing plans.
   (9) Recruitment, staffing and retention of Hospital staff.

5. QAPI Analysis. Medical Director will regularly monitor and provide for Quality Assessment and Performance Improvement. Clinical care will be evaluated to assure compliance with CMS and ACGME
regulations. Techniques will include root cause analysis and subsequent action plans to improve quality. Data will be analyzed to proactively identify opportunities for improvement, address gaps in systems or processes, develop and implement interventions, and continuously monitor effectiveness of interventions.

6. **Excluded Activities.** The Medical Director’s responsibilities under this Agreement do not include the Director’s attendance or participation at Medical Staff meetings or for peer review which is Director’s responsibility as a member of the Medical Staff. Any activity which requires the peer expertise service of Director is excluded from Director’s administrative responsibilities under this Agreement. However, if Director is providing a formal presentation to the Medical Staff in the capacity of medical director, then the activity is compensable under this Agreement.
1. **Consult Liaison Psychiatrist.** Contractor shall provide the services of a psychiatrist to serve as Consult Liaison Psychiatrist for adults, adolescents, and children in the Emergency Department and throughout the Medical Center. The Consult Liaison Psychiatrist shall be present on-site at the Medical Center daily between 7:00 a.m. to 5:00 p.m. for eight (8) hours a day as set forth in Item 2 of Exhibit A. Unless otherwise decided by Hospital or Medical Center clinical or executive Leaders, patients in the Emergency Department will be prioritized over those in the Medical Center. The Consult Liaison Psychiatrist shall personally provide consult coverage and shall supervise residents who shall provide consult coverage seven (7) days a week. Acceptable levels of supervision for residents on this service are direct supervision or indirect supervision with direct supervision immediately available (on-site).

2. **After Hours Services.** Contractor shall provide consult liaison services outside the days and hours referred to in Paragraph 1 above through its personnel who are regularly providing On-Call Coverage Services and Emergency Response Services under the Professional and Administrative Services Agreement, without additional charge.

3. **Substitute.** If the Consult Liaison Psychiatrist is unavailable at any time, for example vacation, holiday, or CME requirements, Contractor shall furnish the services of a substitute consult liaison psychiatrist approved by the District to provide the services required under this Agreement. Compensation for the substitute is included in the compensation in Exhibit J.

4. **Qualifications.** The Consult Liaison Psychiatrist shall be a member of Contractor's Personnel, and shall at all times meet the qualifications for Contractor’s Personnel set forth in Section 3 and the other requirements of this Agreement. In addition, the Consult Liaison Psychiatrist shall meet the following requirements:

   4.1. He or she shall be a physician AOA or ABMS Board Certified or Board-eligible in Psychiatry;

   4.2. He or she shall be approved by the District’s Director of Mental Health Services, District’s Designated Institutional Officer (DIO), and the Chief Operating Officer.

If the Consult Liaison Psychiatrist ceases to possess such qualifications, or if the District is at any time dissatisfied with the performance of the Consult Liaison Psychiatrist and the parties fail to resolve the cause of the District’s dissatisfaction to the District’s reasonable satisfaction, the District may request Contractor to provide a substitute Consult Liaison Psychiatrist. If Contractor fails within a reasonable period of time (not to exceed sixty (60) days from request) to provide a substitute satisfactory to the District, the District may terminate Contractor’s provision of Consult Liaison Services, and cease to make payments attributable to such services.

5. **Consult Liaison Services.** The Consult Liaison Psychiatrist shall provide or supervise the provision the following services (the “Consult Liaison Services”) at the request of personnel at the Medical Center, and such other services as the District may reasonably request:

   5.1. Evaluation and treatment of patients with psychiatric disorders and medications;

   5.2. Evaluation and treatment of patients with a history or symptoms of substance abuse or dependence;

   5.3. Treatment of acute psychiatric symptoms secondary to medical illness;

   5.4. Psychopharmacological consultation and treatment;
5.5. Psychiatric and addiction medicine referral and triage;

5.6. Evaluation of capacity for medical decision making and discharge planning;

5.7. Support and education for patients and their families, and assistance in facilitating communications between patients, medical caregivers and family members;

5.8. District staff education; and;

5.9. Supervision of residents providing consult liaison services. Faculty are expected to perform scholarly activity to aid the accreditation efforts of the psychiatry residency program on Wednesday afternoons, using up to 5 hours per week of compensated time. Faculty are responsible to the psychiatry residency program director regarding the scholarly activity support outlined here. When faculty are using these hours to attend weekly conference, they will be available by telephone and, in case of emergency, the physician assigned to Consult Liaison Service shall leave any conference to attend to patient care needs in the Medical Center.

The Consult Liaison Psychiatrist shall report to the Medical Director of the Hospital in connection with the provision of the Consult Liaison Services. Compensation for Consult Liaison Services is included in the Monthly Guarantee described in Exhibit J.
EXHIBIT F
FACULTY ATTENDING SERVICES

The Program Director and Associate Program Director shall perform the services set forth in this Exhibit F, and Contractor shall include the terms of this Exhibit F as obligations of the Program Director and Associate Program Director in Contractor’s agreement with them.

1. **Definitions:**

1.1. “Faculty.” All Physician Members of the Group shall be considered Faculty Members and shall have responsibility to the Residency Training Program.

1.2. “Non-Physician Faculty Members.” All non-physician members of the group shall be considered Non-Physician Faculty Members and shall have responsibility to the Residency Training Program.

2. Contractor shall provide the services of a Program Director and one or more Associate Program Directors for the Program. The Program Director shall be approved by the Designated Institutional Official (DIO) and the Medical Staff GME Committee. The Associate Program Director shall be approved by the DIO and the Program Director. The Program Director and the Associate Program Directors shall provide all services necessary for the proper medical direction of the Program under the direction of the DIO and in accordance with (i) the ACGME Program Requirements (and in particular the requirements set forth in Section II.A.4 thereof); (ii) the requirements of the Medical Staff of the Hospital and the Medical Center; and (iii) the rules, regulations, policies and procedures of the District with respect to the Program, the Hospital and the Medical Center (the “Program Director Services”).

3. The Program Director and the Associate Program Directors shall report to the DIO and act under the direction of the DIO. The Program Director and the Associate Program Directors shall have the qualifications required by the Program Requirements for Graduate Medical Education in Psychiatry of the ACGME (the “ACGME Program Requirements”). If the Program Director or any Associate Program Director ceases to possess such qualifications, or if District is at any time dissatisfied with the performance of the Program Director and the parties fail to resolve the cause of the District’s dissatisfaction to the District’s reasonable satisfaction, the District may request Contractor to provide a substitute Program Director or Associate Program Director. If Contractor fails within a reasonable period of time (not to exceed sixty (60) days from request) to provide a substitute satisfactory to the District, the District may terminate Contractor’s provision of Program Director Services, and cease to make payments attributable to such services.

4. **Key Responsibilities of Faculty Members.** Each Faculty Member shall provide appropriate supervision of residents consistent with the requirements of the ACGME and District, with the goals of assuring the provision of safe and effective care to patients, assuring each resident’s development of the skills, knowledge, and attitudes required for the unsupervised practice of medicine and establishing a foundation for continued professional growth. Developing the skills, knowledge, and attitudes leading to proficiency in all the domains of clinical competency requires the resident to assume personal responsibility for the care of individual patients. For the resident, the essential learning activity is interaction with patients under the guidance and supervision of Faculty Members who give value, context and meaning to those interactions. Specifically, Faculty Member and Non-Physician Faculty shall:

4.1. Devote sufficient time to the Program(s) to fulfill his/her supervisory and teaching responsibilities; and to actively engage in the education of residents. Active engagement includes but is not limited to:
4.1.1. Assignment of patients from the service, to the residents;

4.1.2. Acceptance of residents on each service offered at the District;

4.1.3. Appropriate documentation in the medical record; and

4.1.4. Professional role-modeling in behaviors and attitudes.

4.2. Administer and maintain an educational environment conducive to educating residents in each of the ACGME competency areas;

4.3. Establish and maintain an environment of inquiry and scholarship at the direction and coordination of the Program Director;

4.3.1. All physician faculty members must demonstrate scholarship through participation in national committees or educational organizations.

4.3.2. A majority of the physician faculty must demonstrate scholarship through peer-reviewed publications/book chapters/review articles and publication or presentation of case reports or clinical series at regional and national professional and scientific society meetings.

4.3.3. Some faculty members should demonstrate scholarship through peer-reviewed funding, in addition to the above. Programs may be cited for non-compliance with this requirement if all physician faculty members do not provide evidence for regular (at least annual) scholarly activity, since active faculty scholarship is needed in order to establish and maintain an educational environment of inquiry and scholarship. Faculty Member must meet the minimum criteria of scholarly activities as defined by the DIO and the Office of GME.

4.4. Regularly participate in organized clinical discussions, journal clubs and rounds;

4.5. Encourage and support residents in scholarly activities;

4.6. Complete and submit in a timely manner, meaningful evaluations of residents and medical students;

4.7. Administer a structured educational experience that residents report adheres to ACGME institutional and program specific requirements. Significant resident reports of deviation from ACGME requirements shall be forwarded to the Graduate Medical Education Committee and the Designated Institutional Official ("DIO") and may impact compensation;

4.8. Provide a resident rotation involving patient safety and quality improvement;

4.9. Engage residents in using standardized processes for Transitions of Care;

4.10 Recruit other core faculty or leadership positions within GME

4.11. Each Faculty Member must be AOA or ABMS Board certified in his/her specialty or be deemed board eligible (within 5 years of graduation from a residency/fellowship);

4.12. Each Faculty Member must be in good standing with the Medical Staff Organization and adhere to Bylaws;
4.13. Complete annual faculty development to ensure adequate knowledge of ACGME requirements and CMS documentation guidelines for documentation and billing when working with trainees. In accordance with ACGME requirements, Annual Faculty development must be completed and documented in the following areas to enhance their skills: 1. as educators 2. in quality improvement and patient safety 3. in fostering their own and their residents’ well-being; and 4. in patient care based on their practice-based learning and improvement efforts.

4.14. Faculty Members must attend the following meetings on a regular basis:

4.14.1. Clinical Competency Committee
4.14.2. Program Evaluation Committee
4.14.3. Journal Clubs
4.14.4. Faculty Meetings
4.14.5. Annual Program Retreat(s)
4.14.6. Annual Faculty Training hosted by the Office of GME

4.15. Submit monthly a list of tasks and residency related activities completed/in progress to the Program Director and DIO.

4.16. Full time faculty members are eligible for reimbursement for Professional Development related to GME in accordance with the policy for “Reimbursement of GME-Related Expenses” of District’s Office of Graduate Medical Education (“OGME”), as in effect from time to time. The policy is available in the OGME, and is incorporated into this Agreement. DIO approval is required to use funds. The District may pay this reimbursement directly to the physician on behalf of Contractor in accordance with the policy.

4.17 **Time Records.** Each Core Faculty Member shall submit complete, accurate and contemporaneous time records documenting all time spent in providing services pursuant to this Agreement. The time records shall be submitted in intervals and on such forms as District may require. The Time Record shall include the date, the length of time and a description of services provided, and demonstrate the satisfaction of the standards set forth in this Agreement, including the standards for Core Faculty Members. The time record is used to account for time spent fulfilling duties specified in this Agreement. Each Core Faculty Member shall attest that the hours shown on the time records as “incurred” are actually performed by the Core Faculty Member. Additionally, each Core Faculty Member shall attest that the hours shown on the time records are only for services consistent with those required in this Agreement.

Each Core Faculty Member shall submit complete and accurate Time Records for Services rendered during the previous month to the DIO on a monthly basis by the third (3rd) day of each month. No payment shall be made to Medical Group for a Core Faculty Member’s services until and unless the Core Faculty Member’s monthly time report has been submitted in the manner required, and in no event if the monthly time report has not been submitted within sixty (60) days of the services rendered.

4.18 **Ownership of Deliverables.** All materials produced by the group or any Core Faculty Member in the course of providing the services under each Agreement shall be owned by and be the property of District, and the medical group and each Core Faculty Member hereby assign all rights therein to District. The medical group and each Core Faculty Member represent and warrant to District that it has
all necessary licenses and consents to deliver such services to District; that District shall have full and unrestricted rights to use and exploit the same, and that they will not violate or infringe upon the intellectual or other property rights of third parties.

5. The Program Director. The Program Director --

5.1. Reports directly to the DIO.

5.2. Is evaluated annually by the DIO.

5.3. In coordination with the DIO, evaluates each Faculty Member annually. Below average performance on evaluations completed by residents for teaching performance and lecture quality/content may trigger an earlier evaluation.

5.4. Adheres to all Faculty requirements noted in this contract.

5.5. Through the use of Faculty, Non Physician Faculty, District Staff and other sources, ensures residents participate in at least five (5) hours of weekly didactic training. The Program Director, or designee, must regularly attend conference to facilitate the sessions and assess the quality of training.

5.6. Attends the Graduate Medical Education Committee and assigned subcommittee meetings.

5.7. Submits Physician time study by the 3rd of each month.

5.8. Is eligible for reimbursement for Professional Development related to GME in accordance with the policy for “Reimbursement of GME-Related Expenses” of the OGME, as in effect from time to time. DIO approval is required to use funds. OGME will pay for the Program Director to be a member of two professional organizations related to GME/Psychiatry Residency Training Directors. The District may pay this reimbursement directly to the Director on behalf of Contractor in accordance with the policy.

5.9. Participates in the screening, interviewing, selection and ranking of residents.

5.10. Participates in the development and implementation of the program specific intern orientation annually.

5.11. Is the Director of the Psychiatry Residency Program in accordance with the general and specific requirements for a residency and specifically for a residency in Psychiatry, as set forth by the ACGME. Under ACGME accreditation standards, there must be a single Program Director with authority and accountability for the operation of the Program. The Graduate Medical Education Committee (GMEC) must approve any change in program director.

5.12. Shall devote up to eighty (80) hours per month providing supported nonclinical Services under this Agreement dedicated to direct program administration and education, for a total of up to nine hundred sixty (960) hours per year.

5.13. Shall also meet the following requirements of ACGME:

5.13.1. Continue in his/her position as Director for a length of time adequate to maintain continuity of leadership and program stability; and
5.13.2. Have the requisite specialty expertise and documented educational and administrative experience acceptable to the ACGME Review Committee.

5.14. Must administer and maintain an educational environment conducive to educating the residents in each of the ACGME competency areas.

5.15. Must:

5.15.1. Oversee and ensure the quality of didactic and clinical education in all sites that participate in the program

5.15.2. Approve a local director at each participating site who is accountable for resident education;

5.15.3. Approve the selection of program faculty as appropriate;

5.15.4. Evaluate program faculty;

5.15.5. Approve the continued participation of program faculty based on evaluation;

5.15.6. Monitor resident supervision at all participating sites;

5.15.7. Prepare and submit all information required and requested by the ACGME. This includes but is not limited to the program application forms and annual program updates to the ADS, and ensure that the information submitted is timely, accurate and complete.

5.15.8. Ensure compliance with grievance and due process procedures as set forth in the Institutional Requirements and implemented by the sponsoring institution;

5.15.9. Provide verification of residency education for all residents, including those who leave the program prior to completion;

5.15.10. Implement policies and procedures consistent with the institutional and program requirements for resident duty hours and the working environment, including moonlighting,

5.15.11. Distribute these policies and procedures to the residents and faculty; monitor resident duty hours, according to sponsoring institutional policies, with a frequency sufficient to ensure compliance with ACGME requirements;

5.15.12. Adjust schedules as necessary to mitigate excessive service demands and/or fatigue; and, monitor the need for and ensure the provision of back up support systems when patient care responsibilities are unusually difficult or prolonged;

5.15.13. Comply with the sponsoring institution’s written policies and procedures, including those specified in the Institutional Requirements, for selection, evaluation and promotion of residents, disciplinary action, and supervision of residents. The Program Director must be familiar with and comply with ACGME and Review Committee policies and procedures as outlined in the ACGME Manual of Policies and Procedures; and

5.15.14. Obtain review and approval of the sponsoring institution’s GMEC/DIO before submitting information or requests to the ACGME, including:
(1) All applications for ACGME accreditation of new programs;
(2) Changes in resident complement;
(3) Major changes in program structure or length of training;
(4) Progress reports requested by the Review Committee;
(5) Requests for increases or any change to resident duty hours;
(6) Voluntary withdrawals of ACGME-accredited programs;
(7) Requests for appeal of an adverse action;
(8) Appeal presentations to a Board of Appeal or the ACGME;
(9) Obtain DIO review and co-signature on all program application forms, as well as any correspondence or document submitted to the ACGME that addresses:
   (a) Program citations, and/or,
   (b) Request for changes in the program that would have significant impact, including financial, on the program or institution;
(10) Monitor performance and maintain contact with residents during the first post-graduate year while they are on services other than psychiatry;
(11) Monitor resident stress, including physical or emotional conditions which inhibit performance or learning, as well as drug- or alcohol related dysfunction;
(12) Devise a method by which all Program residency procedures are supervised and evaluated; and
(13) In collaboration with the Program faculty, devise a credentialing process to establish whether a Program resident is competent to perform specific clinical tasks or procedures.

5.15.15 Actively participate in a District quality committee and work to integrate residents into the quality processes at the District.

6. Other Administrative Responsibilities. In addition to meeting the obligations set forth above, the Program Director shall work effectively with District’s Medical Staff and hospital staff to ensure the efficient and effective integration of the Program within the organization. The Program Director shall serve as medical liaison to District’s Medical Staff, Hospital staff and the Board of Directors in the development and assessment of the following, as needed:

• Policies and procedures for the Program;
• Operating and capital budgets for the Program;
• Information systems for the Program;
• Educational needs of staff and physicians outside of the Program;
• Long-range and strategic planning for the Program;
• Operating objectives and goals for the Program; and
• Communications, marketing plans and community outreach for the Program.

7. **Schedule of Services.** The Services shall be conducted during those days and times which District and Director mutually determine to be necessary in order to meet the needs for the development, accreditation and implementation of the Program.

8. **The Associate Program Director.** The Associate Program Director --

8.1. Reports to the DIO and the Program Director

8.2. Adheres to all Faculty requirements noted in this contract.

8.3. Submits Physician time study by the 3rd of each month.

8.4. Is eligible for reimbursement for Professional Development related to GME in accordance with the policy for “Reimbursement of GME-Related Expenses” of the OGME, as in effect from time to time. The policy is available in the OGME, and is incorporated into this Agreement. DIO approval is required to use funds. The District may pay this reimbursement directly to the physician on behalf of Contractor in accordance with the policy.

8.5. Must devote sufficient time to the educational program to fulfill their supervisory and teaching responsibilities; and to demonstrate a strong interest in the education of residents;

8.6. Shall devote up to forty (40) hours per month providing nonclinical Services under this Agreement dedicated to direct program administration and education, for a total of up to four hundred eighty (480) hours per year.

8.7. Must administer and maintain an educational environment conducive to educating residents in each of the ACGME competency areas;

8.8. Must assist the Program Director with all activities as described in the Program Director roles and responsibilities section above;

8.9. Must meet the faculty qualifications and perform the key faculty responsibilities as listed above; and

8.10. Must serve as backup for when the Program Director is unavailable.

9. **Group Leadership.** The group leadership must establish a Faculty Incentive Structure which promotes faculty engagement in the training of resident physicians and medical students, while accomplishing duties listed in this contract.

10. **Personnel.** Except for the Program Director and any Associate Program Director, the District shall be responsible for employing or otherwise providing the personnel necessary for the Program.
11. **Adherence.** Contractor and Contractor’s Personnel shall provide a meaningful learning experience for residents with whom they will have supervision or other contact in providing services under this Agreement, including adhering to the training standards adopted by the District’s Graduate Medical Education Committee (“GMEC”).
Contractor shall provide all Administrative Services necessary, in the reasonable judgment of the District, to ensure the adequate and appropriate operation and provision of the Services. Administrative Services shall include, without limitation, the following:

1. The services of Contractor’s Operational Executive, who shall have overall responsibility for the Administrative Services, and shall be responsible for the overall administration of the Program Services, for receiving communications from the District in connection with this Agreement, and for reporting to the District concerning Contractor’s Services. The Operational Executive shall schedule periodic on-site visits at a time mutually agreeable to the Director of Mental Health Services to oversee the provision of the local program, provider and contract compliance.

2. Provider management, client relations, scheduling, billing and technology implementation and management.

3. Provider recruitment, including ongoing recruitment advertising, credentialing Personnel with private and public payers, and assuming responsibility for obtaining and providing information requested by the Hospital and the Medical Center for credentialing purposes.

4. Personnel administration of Contractor’s Personnel, including hiring, termination, and administration of salaries and benefits, and providing administrative support for Personnel.

5. The Operational Executive is responsible for overseeing physician management at the District’s facilities. Such management will entail management of implementation of Services at the Hospital, the Medical Center, the Exeter Clinic, and the Lindsay Clinic to provide operational guidance once underway and provide operational support for sustained use of the service by the hospital staff.

6. Responsibilities include:

   6.1. On-boarding of new hospitalist sites;
       6.1.1. Placing advertisements and managing screening process;
       6.1.2. Interview and agreements for providers;
       6.1.3. Facility and payor credentialing;
       6.1.4. Training and orientation;
       6.1.5. Working with program directors and hospital management;
   6.2. Working with District’s Director of Mental Health on procedures, practices and transition plan;
   6.3. Working with the Medical Center’s Emergency Department physicians and principal contacts at the Medical Center on:
       6.3.1. Training and implementation;
       6.3.2. Management of credentialing roadblocks;
6.3.3. Weekly meeting with clients;
6.3.4. Regular hospital visits for client relation and training.

6.4. Working with physicians on:
6.4.1. Recruitment and credentialing;
6.4.2. Managing weekly schedules;
6.4.3. Liaison between physician, hospital and medical director to resolve clinical issues;
6.4.4. Monthly billing, metrics and communications;
6.4.5. Monthly physician calls;

6.5. Process flow management, including:
6.5.1. Ensuring backup support;
6.5.2. Capacity planning and backup management;
6.5.3. Ensuring all parties follow the process;
6.5.4. Handling call escalation from transfer center, hospitals and physicians during peak times.

7. Additional corporate staff supporting the program will be Physician/APP recruiters, scheduling assistants, credentialing department, billing department, IT department and VP of Medical Affairs clinical oversight.

8. Compensation for Operational Management, Oversight, Technological Services under Paragraph 5 of Exhibit J includes all Contractor’s management cost, including (for example) planning, operation, maintenance, travel, reviews, meetings, etc.; internal staff needed to recruit, interview, coordinate, and advertise, seminars, etc.; and external professional fees such as accounting, legal, statutory fees, etc.
EXHIBIT H
MANAGED CARE CONTRACTING

1. **Authorization.** Contractor hereby authorizes District to act as Contractor’s agent in facilitating the negotiation by Contractor of managed care contracts as designated by Contractor. The contracting services shall include communication by District with third-party payors on a “messenger model” basis, subject to direction from and oversight by Contractor, including the order in which the contracts shall be negotiated. All managed care contracts shall be in the name of Contractor, approved by Contractor and executed by Contractor.

2. **Designated Employee.** The employee through whom District will provide the services under this Agreement shall be Minty Dillon or appropriate designee (“Designated Employee”).

3. **Authority.** Nothing in this Exhibit shall authorize, or be deemed to authorize, District to bind Contractor to any contractual term with any managed care organization. Contractor shall be bound only after Contractor has signed a written contract with the managed care organization.

4. **No Legal Services.** Nothing in this Exhibit or the services provided to Contractor shall be deemed to constitute the provision of legal counsel or advice to Contractor. Contractor shall be solely responsible to have all managed care contracts reviewed by its own counsel prior their execution by Contractor.

5. **Limited Scope of Agreement.** Nothing in this Agreement shall be construed to authorize or require District to provide any administrative, management or other medical practice support services beyond the scope of managed care contracting services set forth in Paragraph 1 above.

6. **No Liability for Failure to Perform.** In performing managed care contracting services, District makes no representations or warranties about any managed care organization or about Contractor, or the ability of either to enter into or perform the terms of any contract executed by Contractor. District (including the Designated Employee) shall have no responsibility for nonpayment or any other nonperformance by any managed care organizations with whom Contractor contracts, or for nonperformance by Contractor.

7. **Payment.** The cost for performing the managed care contracting services have been taken into consideration in setting Contractor’s Compensation set forth in Exhibit J to the Agreement.

8. **Termination.** Contractor may terminate this Addendum at any time upon thirty (30) days prior written notice to District, which termination shall not affect the remainder of this Agreement.
EXHIBIT I
MANAGEMENT REVIEW AND PERFORMANCE STANDARDS

1. The Management Review Program will include:

   1.1. Review of all clinical performance metrics and physician compliance at 100%;
   1.2. Monitoring of physician compliance with Meaningful Use of electronic health records;
   1.3. Monitoring and reporting of availability of the physician assigned to Outpatient Professional Services for outpatient visits as scheduled;
   1.4. Use of seclusion & restraint, and implementation of best practice to reduce use;
   1.5. Monitoring of availability of routine and PO medications upon admission;
   1.6. Completion of psychiatric evaluations and medication consents of all patients arriving between the hours of 8 a.m. and 5 p.m.;
   1.7. Monitor outpatient productivity of average of 2.5 patients per hour;
   1.8. Monitoring completion of all psychiatric consults within 24 hours of request;
   1.9. Ensuring that patients targeted for admission to mental health are reviewed by the Consult Liaison Psychiatrist within two (2) hours or less;
   1.10. Maintaining a rate of payment denials for physician documentation of one percent (1%) or less;
   1.11. Monitoring and implementation of plans to improve patient and staff satisfaction;
   1.12. Monitoring and partnering with nursing on implementation of wellness & recovery model;
   1.13. Daily review of patient medication orders to avoid inadvertent interruptions in medication treatment;
   1.14. Daily review of high-risk events, such as falls, assaults, etc.

2. The Management Review Program will include a quarterly quality audit of selected charts and handoffs, as follows:

   2.1. Review of lengths of stay and throughput delays;
   2.2. Routine, random samples of members of the District’s Psychiatry Department’s charts (including evaluation, discharge summary or handoff), per the guidance of the Patient Quality and Safety Department;
   2.3. Admission psychiatric evaluations (“Admission Psychiatric Evaluations”) that include the following information:

       (1) ICD-10 Code;
       (2) Mental Status Examination;
Assessment of the following items:

(a) Dangerousness risk to self or others;
(b) Grave disability;
(c) Past psychological trauma;
(d) Substance abuse history;
(e) Nicotine dependence;
(f) Patient strengths;
(g) Metabolic syndrome.

For patients consenting to psychotropic medications at the admission psychiatric evaluation, records indicate patient was advised of the potential risks and benefits of the medications;

For patients denying suicidal or homicidal ideation but not discharged after the admission psychiatric evaluation, record contains clear and convincing justification for continued hospitalization.

Psychiatric discharge summaries (“Psychiatric Discharge Summaries”) documented within five (5) days of discharge that include the following information:

(1) For patients discharged on psychotropic medications, record indicates medication dosages are within FDA guidelines (or patient consents to an exception);
(2) Whether patient was discharged on multiple antipsychotic medications, and if so, justification was noted;
(3) For patients on Lithium, Tegretol or Depakote, record indicates serum medication levels was obtained/requested during this hospitalization;
(4) For fecund women on psychotropic medications, record indicates a pregnancy test was obtained/requested during this hospitalization;
(5) For patients discharged on atypical antipsychotic medications, record indicates a fasting lipid panel was obtained/requested during this hospitalization;
(6) For patients discharged on atypical antipsychotic medications, record indicates a fasting glucose level or Hemoglobin A1c was obtained/requested during this hospitalization.

Weekend transition/handoff summaries (“Weekend Transition/Handoff Summaries”) that include the following information:

(1) All covered patient names;
(2) Any pending labs;
(3) Diagnoses;
(4) “To Do” list;
(5) Name of attending;
(6) Contact phone number for the departing clinician.

2.6. Physician documentation of medical necessity (“Physician Documentation of Medical Necessity”) that shall entail the following:

(1) Monitoring of case management medical necessity documentation feedback to contractor’s employees;

(2) Evaluation of employee response to case management feedback regarding medical necessity documentation;

(3) Development of action plans to educate employees with regard to medical necessity documentation and to remediate insufficient documentation; and

(4) Providing District with documentation of activities and actions taken to improve physician medical necessity documentation.
1. **Billing and Collection.**

1.1. **Fee Schedule.** Contractor will prepare a schedule of fees representing Contractor’s full compensation for professional services rendered by Contractor to patients. The fee schedule, and any change thereto, must be approved in advance by District in order for District to ensure that fees and charges are reasonable, fair and consistent with the basic commitment of District to provide adequate health care to all residents within the Service Area. Such schedule must, at all times, comply with all applicable laws, rules, regulations and contractual arrangements with third party payers. The fees set out therein must, at all times, be reasonable and competitive.

1.2. **Billing Services.** District will bill and collect payment for Contractor’s professional outpatient services at the Exeter Clinic and the Lindsay Clinic. The professional component of reimbursement for Outpatient Services at the Exeter Clinic and the Lindsay Clinic will be collected and retained by the District. Subject to the provisions of Paragraph 11 below, Medical Group shall use the services of a qualified contractor approved by District for the billing and collection of claims for all Program Services provided during the term of this Agreement and for the one-year period thereafter. District may, on written notice to Medical Group, withdraw its approval of any contractor previously approved, whereupon Medical Group shall terminate the use of that contractor and shall engage an alternative, qualified contractor designated or approved by District to bill and collect claims for Program Services. Notwithstanding the provisions of this section, the District may at any time on written notice to the Medical Group assume responsibility for billing and collecting claims for Program Services provided by Medical Group during the term of this Agreement and for the one-year period thereafter. If the District does so, the Medical Group shall provide the District with such documents, reports and authorizations, including powers of attorney, as the District may reasonably require to bill, collect and compromise claims for Program Services. If the District assumes responsibility for billing and collection of Program Services, it shall do so at its own cost, and the Medical Group shall not be entitled to the payment specified in Exhibit K of the Agreement.

1.3. **Accounting of Collections.** All claims for Contractor’s services shall be rendered in Contractor’s name, and the collections shall be for the account of Contractor except for services provided at the Exeter Clinic and the Lindsay Clinic. Contractor shall post and account for collections separately by facility in Contractor’s accounts receivable system, and Contractor shall maintain a detail listing of payments received by facility for Program Services provided under this agreement, and shall provide the listing with the Collection Report required by Paragraph 14 below. Contractor will post all payments into its accounts receivable system in the same month the deposit was made into the bank account.

1.4. **Audit; Abandoned Collections.** District may at its sole discretion, audit, either internally or through an independent consultant, Contractor’s coding, billing and collection activities. If as a result of an audit, District identifies claims that have not been billed in a manner consistent with industry standards, Contractor agrees to resubmit claims, where necessary and appropriate. If the audit identifies claims that were not billed by Contractor in a manner consistent with industry standards, and Contractor is not able to resubmit such claims to the payor by statute or payor requirements for timely claim submission (“Abandoned Collections”), the amount of Abandoned Collections, adjusted to reflect the Contractor’s historical collections rate for the payor, shall be added to Contractor’s Program Collections during the term of this Agreement. For purposes of this Agreement, Abandoned Collections shall not include any charity care discount or other appropriate decision to reduce the charges to or payable by a patient owing to a patient owing to individual need or exigent circumstances; however, Abandoned Collections shall include any courtesy discount (including professional courtesy to a health provider or
any family members of a health care provider) unrelated to individual need or appropriate exigent circumstances. The amount of Abandoned Collections identified subsequent to the expiration or termination of this Agreement that relate to Program Services performed by Contractor during the term of this Agreement shall be promptly repaid by Contractor to District in an amount equal to, taking into consideration the historical collections rate for the payor, what would have been paid by the payor to Contractor had the collections not been abandoned.

1.5. District Billing. District shall be responsible to bill and collect for all technical Hospital services provided to patients during their Hospital stay. District shall provide prompt notice to Medical Group of any and all changes in District’s billing practices and fee structures that relate to the Program Services provided by Medical Group.

1.6. Billing Errors. The parties shall have reasonable access to records necessary to verify each party’s compliance with this Agreement. Each party shall promptly correct or assist the other party in correcting any billing errors.

2. Compensation. The compensation payable to Contractor for the Services shall consist of a guarantee of collections for the services described in Paragraph 3 below (the “Guarantee”) and payment for the services described in Paragraph 4 below (the “Stipend”). The Guarantee and the Stipend shall be calculated and paid separately.

3. Guarantee of Collections. In consideration of all of the Program Services other than those for which a stipend is to be paid under Paragraph 4 below, District shall guarantee Contractor’s Service Collections (as defined in Exhibit K.) in the aggregate amount of $________ per year or an amount not to exceed $________ per month (the “Monthly Guarantee”). The Guarantee shall be calculated and paid as set forth in Exhibit K. Guarantee payments will be prorated for partial months and years. The Monthly Guarantee is based on the staffing set forth in Exhibit A, and is subject to adjustment as provided in this Exhibit J if actual staffing differs. The Guarantee shall be reduced proportionately for any period during which Contractor fails to furnish the FTE psychiatrists or APPs set forth in the relevant line items 1-2 in Exhibit A, using compensation rates listed in Paragraph 5 below. Except as a result of the temporary or occasional substitution of physicians for APPs as contemplated by Section 2.2 of the Agreement, the Monthly Guarantee shall not be increased without the prior written agreement of the District. Contractor’s Personnel may fill in for one another for short, occasional absences without reduction in compensation, as long as the total hours of service contemplated by Exhibit A are provided.

3.1. Retention of Service Collections. Except as provided in Exhibit K, Contractor shall retain all Service Collections. The guarantee set forth above is referred to as the “Guarantee.” The aggregate amount of the Guarantee is referred to as the “Guarantee Amount,” and the aggregate amount of payments made pursuant to the Guarantee is referred to as the “Guarantee Payments.” District shall pay Contractor the Guarantee in accordance with Exhibit K.

3.2. Monthly Report. The obligation of District to make Guarantee payments is subject to timely submission of the Monthly Report for the prior month in accordance with Paragraph 14 below.

3.3. Payments due to Contractor shall be made no later than thirty (30) days after submission of complete, correct and approved invoices and supporting documents; provided that if the District disputes any claim in good faith, any undisputed amount shall be paid and payment (if any) of the disputed amount shall be made within 14 days of determination of the amount owed.
4. **Stipend.** In addition to the Guarantee, the District shall pay Contractor the following amounts (the “Stipend”), subject to District’s receipt and approval of complete, accurate and timely records as described further below:

4.1. **Medical Director Services.** As compensation for the Medical Director Services, District shall pay Contractor the sum of $____ per hour. Compensation for Medical Director Services is limited to $____ per month and $____ per year. Disbursement shall not occur unless District receives and approves complete, accurate and timely records as described further below:

4.2. **Program Director Services.** As compensation for the Program Director Services, District shall pay Contractor the sum of $____ per hour. Compensation for Program Director Services is limited monthly to 20 hours per week each month which includes paid-time-off in accordance with Section 2.13 of the Agreement. Compensation is limited annually to a maximum of $____ per year. Monthly Disbursement shall not occur unless District receives and approves complete, accurate and timely records as identified in Exhibit F for all time spent in providing Program Director Services under this Agreement. District shall also reimburse Contractor for documented and approved out-of-pocket expenses incurred by the Program Director related to professional development activities as identified in Exhibit F.

4.3. **Associate Program Director Services.** As compensation for the Associate Program Director Services, District shall pay Contractor the sum of $____ per hour for the Associate Program Director Services rendered during the term of this Agreement. Compensation for Associate Program Director Services is limited monthly to 40 hours per month, which includes paid-time-off in accordance with Section 2.13 of the Agreement. Compensation is limited annually to a maximum of $____ per year. Monthly Disbursement shall not occur unless District receives complete, accurate and timely records as identified in Exhibit F for all time spent in providing Associate Program Director Services under this Agreement. District shall also reimburse Contractor for documented and approved out-of-pocket expenses incurred by the Associate Program Director related to professional development activities as identified in Exhibit F.

4.4. **Outpatient Services.**

(1) As compensation for Outpatient Services, District shall pay Contractor the sum of $____ per hour. Compensation for Outpatient Services is limited monthly to 90.5 hours per week each month, which includes paid-time-off in accordance with Section 2.13 of the Agreement. Compensation is limited annually to a maximum of $____ per year.

(2) The foregoing compensation contemplates that Contractor’s Personnel will staff on average 2.5 outpatient psychiatric visits per hour. It is the expectation of the parties that number of weekly visits staffed by Contractor’s Personnel will increase consistently to meet the goal of 2.5 visits per hour.

4.5. **Night On-Call Coverage Services.** As payment in full for Night On-Call Coverage Services, District shall pay Contractor $____ per Night On-Call Coverage Period. Compensation is limited annually to a maximum of $____ per year. Disbursement shall not occur unless District receives and approves complete, accurate and timely records as identified in Exhibit B for all time spent in providing the Night On-Call Coverage Services under this Agreement.
4.6. Beginning in _____, the hourly rates set forth in Paragraphs 4.1, 4.2, 4.3, and 4.4(1) above are subject to an annual cost of living adjustment of two (2) percent each year compared to the prior year’s base rate.

4.7. Payment. District shall pay Medical Group the Stipend in accordance with the schedule set forth in Exhibit K.

5. Staffing. The Compensation set forth in Paragraph 3 above is conditional upon Contractor’s providing staffing at the levels set forth in Exhibit A, and the compensation in Paragraph 4 above is conditional upon Contractor’s providing the staffing at the levels set forth in the relevant Exhibit. If Contractor fails to provide staffing at such levels, the District may reduce such compensation proportionately, using the following rates:

5.1. Psychiatrist MD hours, including weekends, medical director, program director, and associate program director: $_____/hr, subject to an annual cost of living adjustment of two (2) percent each year compared to the prior year’s base rate beginning in 2020;

5.2. APP hours: $_____/hr, subject to an annual cost of living adjustment of two (2) percent each year compared to the prior year’s base rate beginning in 2020;

5.3. If Contractor fails to provide staffing at the level set forth in Item 1 of Exhibit A, the District may reduce the compensation provided under Paragraph 3 of this Exhibit J by the applicable Psychiatrist MD rate as set forth in Paragraph 5.1 above.

5.4. If Contractor fails to provide staffing in accordance with Paragraph 3 of Exhibit B, the District may reduce the compensation provided under Paragraph 3 of this Exhibit J for any excess hours performed by an APP by the difference between the applicable Psychiatrist MD rate set forth in Paragraph 5.1 above and the applicable APP rate set forth in Paragraph 5.2 above.

5.5. If the parties agree that an adjustment in FTE staffing is required, they will amend this Agreement to set forth the adjusted FTE commitment, and the compensation set forth in this Agreement will be adjusted by the unit values set forth above.

5.6. The compensation rates listed above do not include a _____% overhead rate to cover associated costs for the services set forth in Exhibit G.

6. Payment Inclusive of All Costs. The Guarantee and Stipend set forth in Paragraphs 3 and 4 above include all costs of employment of the psychiatrists, including, without limitation, salary, benefits, sick leave, cell phone, pager, travel and accommodation. Except as provided in this Agreement, neither District nor Contractor nor Contractor’s Personnel will charge the other for services provided pursuant to this Agreement. The Guarantee and Stipend set forth in Paragraphs 3 and 4 above are all the compensation payable to Contractor for Program Services to be provided under this Agreement. Contractor shall be responsible for all of Contractor’s costs of providing Program Services under this Agreement, and except as set forth in Paragraph 12 below, District shall not be responsible for any such costs. All payments shall be subject to receipt and approval by District of appropriate reports and supporting documentation.

8. **Disputed Payments.** The District shall have the right to withhold payments disputed in good faith pending resolution of the dispute, provided that any undisputed amount shall be paid within fifteen (15) days of receipt of the Monthly Report, and payment (if any) of the disputed amount shall be made within fourteen (14) days of determination of the amount owed.

9. **Pass-Through of Payments.** All Guarantee Payments and Stipends, other than the amounts for Operational Management, Oversight, Technological Services and Overhead, shall be passed through to Contractor’s Personnel as salary or benefits. The District shall have the right from time to time upon request to review Contractor’s agreements with its Personnel to determine their compensation and benefits.

10. **Assumption of Billing and Collection Function.** The District may, upon written notice to the Contractor, at any time while Guarantee Payments are outstanding, assume the billing and collection of Contractor’s accounts relating the performance of Services under this Agreement, and, effective upon delivery of such notice, the Contractor hereby assigns to the District all claims for payment and accounts receivable, and appoints the District’s Chief Operating Officer its attorney in fact, with power of substitution, to bill, collect, compromise and discharge all claims and accounts so assigned, and agrees to cooperate with the District in the billing and collection of such accounts and to execute and deliver such documents and instruments as the District may reasonably request in order to accomplish the same. Pursuant to the foregoing assignment (and without limiting its scope), the District may direct the billing service retained by Contractor pursuant to Paragraph 1.2 above to pay Contractor’s collections directly to District, subject to District’s obligation to make payments as provided by this Paragraph 10.

11. **Letter of Credit.**

11.1. Contractor shall cause a bank reasonably acceptable to the District (the “Bank”) to issue to the District its irrevocable letter of credit (the “Letter of Credit”) in the amount of three hundred thousand dollars ($300,000), on terms reasonably satisfactory to the District, providing for payment to the District (a) of amounts from time to time due from the Contractor to the District under the Agreement upon Contractor’s failure to perform, or (b) of the full amount of the Letter of Credit upon receipt of notice from the Bank that it has elected not to extend the Letter of Credit, if the District has not received a replacement letter of credit or other financial assurance reasonably satisfactory to it.

1. Contractor shall maintain the Letter of Credit (or other financial assurance reasonably satisfactory to the District) in effect until the expiration of thirteen (13) months following termination or expiration of the Agreement.

2. District may make draws upon the Letter of Credit as provided by Exhibit K, Paragraph 5.3. Further, if at any time the District receives notice from the Bank that it does not intend to extend the Letter of Credit beyond the expiration date then in effect, unless within sixty (60) days following delivery of that notice Contractor provides a replacement letter of credit or other financial assurance satisfactory to the District, the District may draw the full amount of the Letter of Credit. If it does so, the following shall apply—

   (a) If Contractor thereafter (but prior to the termination of the Agreement) provides a replacement letter of credit or other financial assurance satisfactory to the District, the District shall pay the amount previously drawn to the Contractor or, at Contractor’s direction, to the Bank;
(b) Otherwise, the amount of the draw shall be credited to payments due from the Contractor under Paragraph 5.2 of Exhibit K. If, following the last accounting to be provided under Paragraph 5.2 of Exhibit K, it is shown to the District’s reasonable satisfaction that the draw on the Letter of Credit exceeded the total amount due from Contractor under Paragraph 5 of Exhibit K, the District shall refund the excess to the Contractor or, at Contractor’s direction, to the Bank.

12. Costs of Temporary Personnel. The compensation provision set forth in this Exhibit shall apply to all personnel and subcontractors managed by the Contractor. The parties acknowledge that maintaining the FTE Requirements is critical to the ability of Contractor to provide Program Services for and for District and Contractor to meet their respective obligations to Mental Health Patients. The parties agree that Contractor should make good faith efforts to contract with existing physicians who have Medical Staff privileges, including physicians recruited by District, who are willing to accept the obligations of the Physicians under this Agreement and who otherwise meet the requirements of Contractor to be a Physician. The parties further acknowledge that from time to time, as may be beyond the control of the parties (such as disability or leave), Contractor may require the use of outside physician staffing resources (such as contracted locum tenens physicians) to meet the FTE Requirements. The parties therefore agree as follows:

12.1. If at any time Contractor cannot meet the FTE Requirements for the program services due to extended leave by one or more Physicians or other reasons beyond the control of Contractor, the parties, upon written request by either party, will meet and confer, and mutually agree on the need, hours and compensation for additional Physician services. If the actual cost for obtaining additional Physician and APP services is greater than the pro rata Compensation Guarantee for a Physician FTE (as set forth in Paragraph 5 above), District shall pay Contractor the difference during the period in which the parties agree that additional Physician and APP services are necessary to meet FTE Requirements. For purposes of this paragraph, the “actual cost” for obtaining Physician and APP services from outside the Service Area shall include travel, interim lodging and other customary and usual expenses paid for contracted locum tenens physicians.

12.2. This Paragraph 12 shall apply solely to obtaining necessary additional Physician and APP services from outside of the Service Area from third-party contractors unrelated to Contractor. Contractor shall use good faith efforts to limit the number of shifts by locum tenens physicians.

13. Recruiting Costs. The parties shall collaborate on identifying the need for additional psychiatrist physicians in the Service Area, including psychiatrist physicians who will relocate to the Service Area and to participate as Physicians in the Program. The parties shall mutually agree on the minimum commitment of a physician-recruit to participate in the Program. Recruitment of new physicians shall be based on the needs of the Service Area, including Physician and APP staffing for the Program Services. Accordingly –


13.2. District shall reimburse Contractor for its out-of-pocket costs incurred for a mutually agreed upon recruitment of new Physician or APP, subject to prior approval by the District.

13.3. Compensation payments by Contractor to a physician recruited under this Paragraph who becomes a Physician under this Professional Services Agreement shall be made on the same basis, as applicable, as amounts paid to similarly situated Physicians.
13.4. Notwithstanding the foregoing, District shall have the sole discretion to determine whether to provide recruitment assistance to a new physician and the scope and extent of any recruitment assistance payable to a new physician. Any recruitment assistance under this subparagraph shall be made directly to the physician-recruit and subject to the District’s Physician Recruitment Policy.

14. Documentation. Within fourteen (14) days of the end of each calendar month of the term of this Agreement and of every month thereafter until the sooner of the repayment in full of the Guarantee or the expiration of thirteen (13) months following the termination or expiration of this Agreement, Contractor shall provide to District the following reports, and such other information as the District may request (collectively, the “Monthly Report”):

14.1. A report (the “Collection Report”) setting forth:

   (1) Contractor’s billings for Program Services;

   (2) Service Collections (as defined in Exhibit K, including itemization of refunds);

   (3) Accounts Receivable Reports as determined by the District; and

   (4) Monthly Bank Statement and Reconciliation; and

14.2. A report (the “Administrative Report”) setting forth:

   (1) The number, identities and schedules of the individuals who provided Program Services per Exhibit A;

   (2) The number of hours of Medical Director Services, Program Director Services, Associate Program Director Services and Consult Liaison Services performed each day of the month, with a description of the services provided each day;

   (3) The number of Consult Liaison consultations performed, with such details of each consultation as the District may request;

14.3. The Contractor shall provide a monthly calendar of coverage for Consult Liaison Services to the DIO, Program Director and the Director of Mental Health Services.

14.4. The Contractor shall also provide such additional reports of its activities as the District may reasonably request.

14.5. The Contractor shall participate in a monthly telephone call with the Director of Mental Health Services to address the reports described in this Paragraph 14.

15. No Additional Compensation. The compensation set forth in this Exhibit J is all the compensation to which Contractor shall be entitled for the provision of the Services. Subject to payment of the compensation due hereunder, Contractor shall be responsible for all its costs of providing the Program Services twenty four (24) hours per day, every day of the year, including all its costs of recruiting (except as otherwise agreed pursuant to Paragraph 13 above), and of providing and managing its personnel.

16. Legal Compliance.

16.1. The parties intend that the compensation provision set forth in this Agreement shall meet the requirements of fair market value under the Federal “Stark” Regulations, 42 CFR § 411.357(l),
and in particular that Contractor’s compensation be “set in advance” as required therein. If, on the advice of legal counsel, the District determines that such provisions do not meet such requirements, or may be determined by any governmental authority not to meet such requirements, the provisions of Section 8 (Change of Circumstances) shall apply, and District may maintain Contractor’s compensation at its then current level pending resolution pursuant to Section 8.

16.2. Contractor shall ensure that its method of compensating its Personnel complies with the Federal Stark Regulations and, in particular, that it does not provide compensation to its Personnel based on the value or volume of their referrals for hospital services or other “designated health services,” as defined in the Stark Regulations, except as expressly permitted by the Stark Regulations.
EXHIBIT K
CALCULATION OF GUARANTEE AND PAYMENT SCHEDULE

1. Service Collections.

1.1. For purposes of this Exhibit, “Service Collections” means:

(1) Receipts for all charges and fees for Program Services from any source, other than payments made by the District under this Exhibit, less (i) refunds, and (ii) an amount equal to ____ percent (____%) of Service Collections (after refunds), to cover the cost of billing and collection, plus

(2) Deemed Service Collections, as defined below.

1.2. Contactor shall be responsible for all costs of billing and collection of fees for Program Services, including the following, all of which are encompassed in the cost of billing and collection to which the ____% reduction applies:

• credentialing of providers with multiple payers;
• contracting with payers;
• use of billing portal;
• collections of facesheets and TARS (if needed);
• reconciliation of CPT and diagnosis codes with TARS;
• filing of claims with various payers;
• follow up of payments;
• follow-up of denials;
• reporting and reconciliation activities (census, etc.).

If Contactor fails to collect its professional fees for any Program Services within a reasonable period from the date of service for any cause or reason within Contactor’s reasonable control (such as failure to enroll Contactor or any of Contactor’s Personnel in any third party payment program, failure to submit timely or complete claims for payment, failure to respond in a timely manner to requests for information, or unreasonable failure to request review or appeal of denied claims), Contactor shall be deemed to have collected such professional fees as the District reasonably determines could have been collected but for such failure (“Deemed Service Collections”), and the Guarantee shall be reduced by the amount of such Deemed Service Collections.

2. Guarantee. The Guarantee is a guarantee of Service Collections over the term of the Agreement in the aggregate amount of the Monthly Guarantee set forth in Paragraph 3 of Exhibit J, multiplied by the number of months during which the Agreement is in effect, and pro-rated for partial months. It will be paid on an estimated basis, subject to monthly reconciliation, and to Post-Termination Payments, as defined in Paragraph 5 below. It will be estimated and paid as follows:
2.1. By the twenty-fifth (25th) day of each month, subject to timely receipt of documentation required by Paragraph 14 of Exhibit J, District shall pay Contractor an amount equal to the following:

(1) $__________ for the Monthly Guarantee;

(2) Less the estimated amount of Service Collections during the then current month (as estimated by District in consultation with Contractor);

(3) Plus or minus the difference between the estimated and actual Service Collections (including any Deemed Service Collections) during the prior month;

(4) Less adjustments to Income Guarantee Compensation for the prior month for services not rendered per Exhibit A using compensations rates as described per Paragraph 5 of Exhibit J.

(5) Less any amount of Excess Collections (as defined below) carried forward from a prior month.

2.2. In addition to the Guarantee, the District shall, within 15 days of receipt of complete and accurate administrative records following each month of the term of the Agreement, pay the Contractor the Stipend for the preceding month for the following Program Services:

(1) Medical Director Services;

(2) Program Director Services;

(3) Associate Program Director Services; and

(4) Outpatient Services.

2.3. Estimated collections for the third and subsequent months shall be estimated by the District in consultation with Contractor based on actual activity recognized during the then current month.

3. Contractor shall, with the Monthly Report, make any payment required by Paragraph 4 or Paragraph 5 below.

4. Excess Collections. If Service Collections in any month exceed the Monthly Guarantee (after any adjustments from the prior month between estimated and actual Service Collections), there shall be no payment of the Monthly Guarantee. The amount of the Service Collections in excess of the Monthly Guarantee ("Excess Service Collections") shall be allocated as follows:

4.1. first, to reimburse the District for the additional cost of temporary personnel under Paragraph 12 of Exhibit J;

4.2. second, to be retained by Medical Group and applied in the subsequent months, first to reimburse the District for the cost of temporary personnel, and second to reduce Guarantee payments;

4.3. third, to reimburse the District for Guarantee payments made in prior months if Contractor has three (3) consecutive months of Excess Service Collections; provided that, upon termination or expiration of this Agreement, Contractor shall pay the District the amount (if any) of aggregate Excess Service Collections over the term of the Agreement which have not been applied in accordance with Paragraph 4.1 or 4.2 above (but not in excess of total Guarantee payments then outstanding).
5. **Post Termination Collections.**

5.1. Upon termination or expiration of this Agreement or of the Guarantee, and until all Guarantee Payments made by District have been repaid pursuant to Paragraph 4 or this Paragraph 5, Contractor shall pay to District all Service Collections attributable to Program Services under this Agreement and collected within twelve (12) months of termination or expiration. For purposes of this subparagraph, the amount of Guarantee Payments to be repaid shall be the aggregate amount of Guarantee Payments made by District, reduced by (i) the aggregate amount of Excess Collections Payments made by Contractor pursuant to Paragraph 4, and (ii) aggregate payments made under this subparagraph.

5.2. Within fifteen (15) days of the end of each of the twelve (12) complete calendar months following termination or expiration of this Agreement or the Guarantee, Contractor shall provide the District with an accounting of Service Collections during the preceding month, with a check in the amount of such collections.

5.3. If Contractor fails to provide any accounting or make any payment required by the preceding paragraph, or if the District in good faith disputes the accounting or the payment, the District may make a draw on the Letter of Credit in the amount that the District estimates in good faith is due; provided that if Contractor thereafter provides an accounting to the District’s reasonable satisfaction or the dispute is resolved, and the draw exceeded the amount shown by the accounting to have been owed, the District shall refund the excess to the Contractor.

5.4. Contractor’s obligation under this subparagraph shall survive the termination of this Agreement until all accounts for the Services have been collected or, with the approval of the District, compromised or written off; provided that Contractor shall not be required to account for or pay over collections received after the twelfth (12th) full month following termination of this Agreement.

5.5. The foregoing notwithstanding, in accordance with Health & Safety Code § 32129, if aggregate Service Collections otherwise payable to the District under this Agreement exceed aggregate payments made by the District to the Contractor with respect to the Guarantee and the additional cost of temporary personnel, the Contractor shall retain the excess.

6. **Intent.** For purposes of clarification, it is the intent of the parties that, over the entire term of this Agreement, the Guarantee payments should not exceed (a) the amount the Monthly Guarantee multiplied by the number of months during which this Agreement is in effect, less (b) Contractor’s collections for Program Services (after deduction of a ____% billing cost) during the term of this Agreement and the twelve-month period following termination.