

COUNTY OF SAN MATEO
Departmental Correspondence

DATE: Jan 22, 2002

HEARING DATE: Jan 29, 2002

TO: Honorable Board of Supervisors

FROM: Margaret Taylor, Interim CEO, Director, Hospital and Clinics Division 

SUBJECT: Agreement with Peninsula Pathologists Medical Group, Inc.

RECOMMENDATION

Adopt a resolution authorizing the President of the Board to execute an agreement with Peninsula Pathologists Medical Group, Inc.

Background

Peninsula Pathologists Medical Group, Inc. provides management, supervision and physician services for Clinical and Anatomical Pathology. Because the hospital needs 24-hour coverage, it is essential that this service be provided by a group that can manage, regulate and provide on-site Joint Commission on Accreditation of Hospitals Organization (JCAHO) expertise. This group also offers the hospital the benefits of a large practice with pathology specialties and administrative back-up. Peninsula Pathologists Medical Group has provided services since February 1990. For the past four years, Peninsula Pathologists Medical Group, Inc. has provided these services as a subcontractor to the Medical Associates of San Mateo County (MASMC). In addition, the Health Center contracted separately with Peninsula Pathologists for cytotechnology, histology and bone density services.

Discussion

As of December 31, 2001, the San Mateo County Health Center no longer contracts with MASMC for pathology services. All pathology services will now be incorporated into a single agreement between the Health Center and Peninsula Pathologists Medical Group, Inc.

Pathology services are provided under the general direction of the Director of Hospital and Clinics. Monitoring and evaluation of the quality of services provided by contractor are accomplished through peer review by the Quality Assurance Committee and the Executive of the medical staff.

Services will include the provision of a Medical Director, full-time coverage of clinical and anatomical pathology, provision of a Point-of-Care Coordinator for waived testing, transcription of pathology reports and the reading of bone density studies.

Term and Fiscal Impact

The term of the agreement is for three years from January 1, 2002 through December 31, 2004. This agreement pays Peninsula Pathologists a flat rate for the full time Medical Director and transcription services, a fee for service mechanism for anatomical pathology and histology services and an hourly rate for point of care coordination services. Maximum amount of the agreement is estimated not to exceed \$1,900,000. This amount includes incorporating all contracts into a single agreement. The total amount is higher than what was paid to MASMC for pathology because the new amount incorporates two contracts and allows the hospital to bill directly for all services at Medicare and Medi-Cal rates. This agreement supercedes the agreement with Peninsula Pathologists approved by your Board on December 18, 2001 (Resolution No. 64982). Funding for 2001-02 is included in the approved budget for hospital and clinics. Funding for subsequent years will be included in the Recommended budgets for 2002-03 and 2003-04

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING EXECUTION OF AN AGREEMENT WITH
PENINSULA PATHOLOGISTS MEDICAL GROUP, INC.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that;

WHEREAS, there has been presented to this Board of Supervisors for its consideration and acceptance an agreement, reference to which is hereby made for further particulars, whereby Peninsula Pathologists Medical Group, Inc. shall provide clinical and anatomical pathology services; and

WHEREAS, this Board has been presented with a form of the Agreement and has examined and approved it as to both form and content and desires to enter into the Agreement:

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Request for Proposals process is waived, and the Board hereby authorizes the President of this Board of Supervisors to execute said Agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

AGREEMENT WITH
PENINSULA PATHOLOGISTS MEDICAL GROUP, INC.
FOR CLINICAL AND ANATOMICAL PATHOLOGY SERVICES

THIS AGREEMENT, entered into this _____ day of _____, 2002, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and PENINSULA PATHOLOGISTS MEDICAL GROUP, INC., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services hereinafter described for the Health Services Agency, Hospital and Clinics Division; and

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

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

1. Services to be Performed by Contractor

In consideration of the payments hereinafter set forth, Contractor, under the general direction of the Director of Hospital and Clinics, or her designee, with respect to the product or result of Contractor's services, shall provide Clinical and Anatomical Pathology services as described in Schedule A, attached hereto and incorporated by reference herein. Such services shall be provided in a professional and diligent manner.

2. Payments

A. Maximum Amount. In full consideration of Contractor's performance of the services described in Schedule A, the amount that County shall be obligated to pay for services rendered under this Agreement shall not exceed ONE MILLION NINE HUNDRED THOUSAND DOLLARS (\$1,900,000) for the contract term.

B. Rate of Payment. The rate and terms of payment shall be as specified in Schedule B, attached hereto and incorporated herein. Any rate increase is subject to the approval of the Director of Hospital and Clinics or her designee, and shall not be binding on County unless so approved in writing. In no event may the rates established in Schedule B be increased to the extent that the maximum County obligation shall exceed the total specified in paragraph 2A above. Each payment shall be conditioned on the performance of the services described in Schedule A to the full satisfaction of the Director of Hospital and Clinics or her designee.

C. Time Limit for Submitting Invoices. Contractor shall submit an invoice for services to County for payment in accordance with the provisions of Schedule B. County shall not be obligated to pay Contractor for the services covered by any invoice if Contractor presents the invoice to County more than one hundred eighty (180) days after the date Contractor renders the services, or more than ninety (90) days after this Agreement terminates, whichever is earlier.

3. Relationship of Parties

It is expressly understood that this is an agreement between two (2) independent contractors and that no agency, employee, partnership, joint venture or other relationship is established by this Agreement. The intent by both County and Contractor is to create an independent contractor relationship. Contractor expressly acknowledges and accepts his/her tax status and the tax consequences of an independent contractor. Further, as an independent contractor, Contractor expressly acknowledges and accepts that he/she has no rights, benefits, privileges and/or claims in any form whatsoever under, from, through and/or pursuant to the San Mateo County Civil Service Rules.

4. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, or (C) any failure to withhold and/or pay to the government income and/or employment taxes from earnings

under this Agreement, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

5. Insurance

Contractor shall not commence work under this Agreement until all insurance required under this section has been obtained and such insurance has been approved by the Director of Hospital and Clinics. Contractor shall furnish the Hospital and Clinics Department with Certificates of Insurance evidencing the required coverage and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These Certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Hospital and Clinics Department of any pending change in the limits of liability or of any cancellation or modification of the policy.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, County at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

A. Workers' Compensation and Employer Liability Insurance. Contractor shall have in effect during the entire life of this Agreement, Workers' Compensation and Employer Liability Insurance providing full statutory coverage. In signing this Agreement, Contractor makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

B. Liability Insurance. Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below.

Such insurance shall include:

- 1) Comprehensive General Liability \$1,000,000
- 2) Motor Vehicle Liability Insurance \$1,000,000
- 3) Professional Liability \$1,000,000

If this Agreement remains in effect more than one (1) year from the date of its original execution, County may, at its sole discretion, require an increase in the amount of liability insurance to the level then customary in similar County agreements by giving sixty (60) days' notice to Contractor.

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to County, its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only. Said certificate(s) of insurance is (are) attached hereto and incorporated by reference herein as Attachment II (and III).

6. Non-Discrimination

Contractor shall comply with the non-discrimination requirements described in Schedule C, which is attached hereto, and incorporated herein.

Contractor shall comply with County admission and treatment policies which shall provide that patients are accepted for care without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, age, handicap, or political affiliation.

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject Contractor to penalties, to be determined by the County Manager, including, but not limited to:

- i. termination of this Agreement;
- ii. disqualification of Contractor from bidding on or being awarded a County contract for a period of up to three (3) years;
- iii. liquidated damages of TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500) per violation;
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this paragraph, the County Manager shall have the authority to:

- i. examine Contractor's employment records with respect to compliance with this paragraph;
- ii. set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within thirty (30) days of such filing, provided that within such thirty (30) days such entity has not notified Contractor that such charges

are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of its response to the complaint when filed.

With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

7. Assignments and Subcontracts

A. Without the written consent of the Director of Hospital and Clinics or her designee, this Agreement is not assignable in whole or in part. Any assignment by Contractor without the written consent of the Director of Hospital and Clinics or her designee is a breach of this Agreement and shall automatically terminate this Agreement.

B. Contractor shall not employ subcontractors or consultants to carry out the responsibilities undertaken pursuant to this contract without the written consent of the Director of Hospital and Clinics or her designee.

C. All assignees, subcontractors, or consultants approved by the Director of Hospital and Clinics or her designee shall be subject to the same terms and conditions applicable to Contractor under this Agreement, and Contractor shall be liable for the assignee's, subcontractor's or consultant's acts and/or omissions.

D. All agreements between Contractor and subcontractor and/or assignee for services pursuant to this Agreement shall be in writing and shall be provided to County.

8. Amendment of Agreement

This Agreement is complete and contains all the terms and conditions agreed upon by the parties. No amendment shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement shall be binding on the parties hereto.

9. Records

A. Contractor agrees to provide to County, to any federal or state department having monitoring or reviewing authority, to County's authorized representatives and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine and audit all

records and documents necessary to determine compliance with relevant federal, state, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

B. Contractor shall maintain and preserve all financial records relating to this Agreement for a period of four (4) years from the termination date of this Agreement, or until audit findings are resolved, whichever is greater.

10. Compliance with Applicable Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

11. Interpretation and Enforcement

A. Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United States mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed:

1) In the case of County, to:

San Mateo County
Division of Hospital and Clinics
222 39th Avenue
San Mateo, CA 94403

or to such person or address as County may, from time to time furnish to Contractor.

2) In the case of Contractor, to:

Peninsula Pathologists Medical Group, Inc.
393 East Grant Avenue, Ste. I
South San Francisco, CA 94080
Attn: Alicia Bergholm

B. Controlling Law. The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

12. Term of the Agreement

Subject to compliance with the terms and conditions of this Agreement, the term of this Agreement shall be from January 1, 2002 through December 31, 2004. This Agreement may be terminated by Contractor, Director of Health Services or her designee at any time upon (90) days' written notice to the other party. This agreement supercedes the agreement approved on December 18, 2001 (Resolution No. 64982).

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
Jerry Hill, President
Board of Supervisors, San Mateo County

By:  _____

Date: _____

Date: January 17, 2002

ATTEST:

By: _____
Clerk of Said Board

Date: _____

COUNTY OF SAN MATEO

HEATH SERVICES
Hospital and Clinics Division

MEMORANDUM

Date: January 15, 2002
To: Priscilla Morse, Risk Management/ Pony # EPS 163 Fax # 363-4864
From: Tere Larcina, Hospital and Clinics/Pony # HOS316/Fax # 2267
Subject: Contract Insurance Approval

CONTRACTOR: Peninsula Pathologists Medical Group, Inc.

DO THEY TRAVEL: For delivery of the block and slides to San Mateo County General Hospital' Pathology Department.

PERCENT OF TRAVEL TIME:

NUMBER O F EMPLOYEES: More than one.

DUTIES (SPECIFIC): Contractor shall provide clinical and anatomical pathology services to patients of San Mateo County General Hospital's Pathology Department.

<u>COVERAGE:</u>	Amount	Approve	Waive	Modify
Comprehensive Liability:	<u>\$1,000,000</u>	<u>✓</u>	_____	_____
Motor Vehicle Liability:	<u>\$1,000,000</u>	<u>✓</u>	_____	_____
Professional Liability:	<u>\$1,000,000</u>	<u>✓</u>	_____	_____
Worker's Compensation:	<u>Statutory</u>	<u>✓</u>	_____	_____

REMARKS/COMMENTS:


SIGNATURE

DEC-03-2001 09:22

P. 02/02

PRODUCER

Seabury & Smith, Inc.
777 South Figueroa Street
Los Angeles, CA 90017

THIS MEMORANDUM IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE MEMORANDUM HOLDER. THIS MEMORANDUM DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANY AFFORDING COVERAGE

COMPANY LETTER **A** TIG INSURANCE COMPANY

COMPANY LETTER **B**

INSURED

Peninsula Pathologists Medical Group
393 East Grand Avenue, Suite 1
South San Francisco, CA 94080

THIS IS TO CERTIFY THAT THE CERTIFICATE LISTED BELOW HAS BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS MEMORANDUM MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE CERTIFICATE DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH CERTIFICATE. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	CERTIFICATE NUMBER	EFFECTIVE DATE (MM/DD/YY)	EXPIRATION DATE (MM/DD/YY)	LIMITS of COVERAGE
	GENERAL LIABILITY OCCUR Professional Liability				GENERAL AGGREGATE \$ PRODUCTS-COMP/OPS AGGREGATE \$ PERSONAL & ADVERTISING INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one person) \$ MEDICAL EXPENSE (Any one person) \$
	AUTOMOBILE LIABILITY HIRED AUTOS NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
A	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE <input type="checkbox"/> INCL <input type="checkbox"/> EXCL OTHER Business Personal Property PROFESSIONAL LIABILITY	80592472	07/01/01	07/01/02	STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE - POLICY LIMIT \$1,000,000 DISEASE - EACH EMPLOYEE \$1,000,000 GENERAL AGGREGATE EACH OCCURRENCE

DESCRIPTION OF OPERATIONS/LOCATIONS/COVERED PERSONS/SPECIAL ITEMS

Medical Office

MEMORANDUM HOLDER

SHOULD THE ABOVE DESCRIBED CERTIFICATE BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE MEMORANDUM HOLDER NAMED TO THE LEFT. BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



(415) 397-9700
 (800) 652-1051
 (907) 563-3414 (in Alaska)

CERTIFICATE OF INSURANCE

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policy below.

Name and Address of insured
PENINSULA PATHOLOGISTS MEDICAL 393 E. GRAND AVE., SUITE 1 SOUTH SAN FRANCISCO CA 94080

Original
 101493

Insurance afforded by this policy is CLAIMS-MADE Professional Liability Insurance

Policy Number	Limits of Liability	Annual Policy Period As of 12:01 a.m. local time
101493	5,000,000 each claim 5,000,000 aggregate 0 deductible	Effective Date: 01/01/01 Expiration Date: 01/01/02 Retro Date: 07/01/77

Current Medical Specialty: 9102 CORPORATION 5-19 PHYSICIANS

Certificate Holder

This is to certify that the policy of insurance listed above has been issued to the insured named above for the policy period indicated. The insurance afforded by the policy described herein is subject to all the terms, exclusions and conditions of such policy. Should the above policy be canceled before the expiration date, NORCAL will endeavor to mail 10 days written notice to the certificate holder named above, but failure to provide such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives. The policy provides that it is the responsibility of the insured to inform recipients of Certificates of Insurance of any changes in coverage or termination or cancellation of the policy.

By: NORCAL Mutual Insurance Company

Date: 11/10/00

DAVID R. HOLLEY, M.D.
 Secretary

ACORD CERTIFICATE OF LIABILITY INSURANCE

EP ID MP
PENIN-4

DATE (MM/DD/YY)
10/31/02

PRODUCER
Insurance By Allied Brokers
57-151446-AP-OC-XSA
P.O. Box 33015
San Antonio TX 78265-3015
Phone: 800-457-2379 Fax: 210-732-3593

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED
Peninsula Pathologist Medical Group DBA
Peninsula Pathology Associates
393 E. Grand Ave Ste I
So San Francisco CA 94080

INSURER A: Hartford Casualty Ins Co
INSURER B:
INSURER C:
INSURER D:
INSURER E:

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	57SBANL6707	10/01/01	10/01/02	EACH OCCURRENCE \$ 1000000 FIRE DAMAGE (Any one fire) \$ 300000 MED EXP (Any one person) \$ 10000 PERSONAL & ADV INJURY \$ 1000000 GENERAL AGGREGATE \$ 2000000 PRODUCTS - COMP/OP AGG \$ 2000000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	57SBANL6707	10/01/01	10/01/02	COMBINED SINGLE LIMIT (Ea accident) \$ 1000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Certificate holder is named additional insured as their interest may appear.
 *Except for 10 days non-payment. For inquiries call 1-800-457-2379.

CERTIFICATE HOLDER

Y ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

San Mateo County
222 39th Ave
San Mateo CA 94403

SANMA-3

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL *30 DAYS NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO IMPOSES NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

Rebecca R. Jones

SCHEDULE C

Contract between County of San Mateo and Peninsula Pathologists Medical Group, Inc., hereinafter called "Contractor."

- a. No person shall, on the grounds of race, color, creed, national origin, religious affiliation or non-affiliation, sex, sexual orientation, marital status, age (over forty (40)), disability, medical condition (including but not limited to AIDS, HIV positive diagnosis, or cancer), political affiliation or union membership be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this Agreement.
- b. Contractor shall insure equal employment opportunity based on objective standards of recruitment, selection, promotion, classification, compensation, performance evaluations, and management relations, for all employees under this contract. Contractor's personnel policies shall be made available to County upon request.
- c. Contractor shall assure compliance with Section 504 of the Rehabilitation Act of 1973 by submitting a signed letter of assurance (Attachment I) of compliance. Contractor shall be prepared to submit a self-evaluation and compliance plan to County upon request within one (1) year of the execution of this Agreement.

Attachment I

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. () employs fewer than 15 persons.
- b. (✓) employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Alisia Bergholm

Name of 504 Person - Type or Print

Peninsula Pathologists Medical Group, Inc.

Name of Contractor(s) - Type or Print

393 East Grand Avenue, Ste. 1

Street Address or PO Box

South San Francisco

City

CA

State

94080

Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

1/17/02

Date

Henry J. Sill Director of Operations

Signature and Title of Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

SCHEDULE A
SERVICES

In consideration of the payments specified in Schedule "B", Contractor shall perform such services described below under the general direction of the Director.

A. Services Concerning Supervision and Management of Clinical Pathology Services (Medical Director)

1. Contractor(s) shall be responsible for operating and supervising services related to the clinical pathology unit at San Mateo County General Hospital. As the Medical Director, Contractor shall assign a full-time Medical Director to be on site five days a week.
2. Contractor(s) shall be consulted for the selection, operation, and maintenance of special-purpose appliance or equipment designed for the performance of clinical pathology services.
3. Contractor(s) shall be responsible for the supervision of professional and technical personnel performing clinical laboratory services at San Mateo County General Hospital.
4. Contractor(s) shall make the final decisions on all clinical pathology problems whenever he/she encounters difference or opinions among the laboratory staff.
5. Contractor(s) shall serve as Chief of Pathology through appointment by the Medical Staff Committee. Contractor(s) shall also provide other administrative services not directly related to an identifiable part of the medical care of patients. Such administrative services may include, but are not limited to, teaching research, administration, supervision of professional or technical staff, quality control activities, committee work, and attending conferences.

B. Services for Anatomical Pathology, Including Cytology, and Supervision of Anatomical Pathology, Including Cytology

1. Contractor(s) shall have the responsibility for the supervision and performance of inpatient and outpatient anatomical pathology services, including cytology, at the San Mateo County General Hospital.
2. Contractor(s) shall coordinate the medical aspects of the performance of anatomical pathology services.
3. Contractor(s) shall provide medical coverage for pathology services at night and on weekends.

4. Contractor(s) shall make the final decision on all anatomical pathology problems whenever he encounters difference of opinions among the laboratory staff.

C. Histology Services

Contractor shall provide histology laboratory services to patients of San Mateo County Hospital and Clinics. Such services shall include the technical component of services involved in the preparation of slides, but shall not include any other technical services involved in the operation of the department. Histology laboratory services include preparation of a paraffin block, cutting staining, and coverslipping an initial H and E slide and preparation of all necessary recut sections, deeper level sections, and special stains, as described in paragraph IB, below, together with the delivery of the block and slides to San Mateo Hospital's Pathology Department.

D. Point of Care Coordinator

The Point of Care Coordinator will be responsible for the following:

1. Responsible for developing policies and procedures to assure compliance with all applicable federal and state regulations, Code of Good Manufacturing Practices (CGMP), FEDA and American Association of Blood Banking (AABB) standards, JCAHO and College of American Pathologists (CAP) requirements and OSHA regulations.
2. Oversee point of care testing (POCT), including waived testing and moderately complex testing, to ensure appropriate supervision, training, competency testing, quality assurance, proficiency testing and licensure is completed/maintained within the laboratory.
3. Monitor compliance with all applicable regulations and standards as described; develop and implement corrective actions when appropriate; participate in staff orientation and training to enforce standard operating procedures compliance when applicable; and participate in departmental and hospital quality assurance program and quality improvement efforts.
4. Perform such other duties as described in the Hospital Job Description for Point of Care Coordinator.

E. Transcription Services

Contractor shall provide for the transcription of all pathology reports.

- F. Authorized Outside Services at Osteoporosis Center of the Peninsula
1. Provide the reading of bone density studies as referred in writing by a member of San Mateo County General Hospital's Medical Staff and authorized by Hospital Administration or Case Management Department.
 2. County shall supply appropriate medical information to Contractor concerning patients referred to Contractor.
 3. Contractor shall provide County with a written record of the procedures performed and the patient's medical condition within five (5) days of the procedure.
- G. Participate in such scheduled coverage of service as is mutually arranged by members of the Department of Medicine and the Department of Surgery, under supervision of the Chief of Internal Medicine and the Chief of Surgery.
- H. Fulfill those requirements for active staff membership set forth in Article IV, Section III, Medical Staff Bylaws, San Mateo County General Hospital, and shall maintain such active staff as condition of this Agreement.
- I. Provide access to all records and reports, financial and otherwise, pursuant to this Agreement.
- J. In performing all services referred to in this schedule, Contractor(s) shall have available an additional duly qualified and licensed pathologist to ensure adequate provision of services at the Hospital Laboratory. Contractor(s) shall also have available a pathologist at all other times for emergency calls to render anatomical and clinical pathology services at the Hospital Laboratory. Each and every one of the contract provisions shall be binding upon the additional pathologist. Payment to the additional pathologist will be included in the payment from County to Contractor(s), as specified in Schedule B of this Agreement.
- K. Perform other related duties as may be required by the Director.

SCHEDULE B

PAYMENTS

A. Nature of Relationship

Contractor shall charge patients on a fee-for-service basis as specified in Section B below. County shall bill all patients and third-party payors, and collect reimbursement as specified in Paragraph C below. Contractor may not bill patient or third-party payors unless a separate written agreement is made with the Director. County shall pay contractor as specified in Paragraph D below.

Hospital charges to the patient will be separate and distinct from physician fees.

B. Determination of Contractor's Charges for Services

Contractor's charges shall be in accordance with the fee schedule maintained by the Hospital. The fee schedule shall be known as the Procedure Master which is incorporated for reference herein and is subject to change at any time by the Director. The Procedure Master shall give the description of each service and the amount of the fee to the patient for that service and will be approved by both parties and maintained in the Business Office.

C. Billing Procedure

Physicians who provide professional services to Medicare patients at San Mateo County General Hospital must agree to accept assignment for charges to such patients.

Charges for telephone consultations will follow the policy set forth by hospital administration.

D. Payment Methodology and Amount

1. For the supervision and management of clinical and anatomical pathology (Medical Director), Contractor shall be paid a flat rate of \$160,000. This amount will be adjusted annually to include any cost-of-living increases granted to county civil service physicians.
2. For anatomical pathology services, including cytology services, Contractor shall be paid a flat rate of \$22,500 per month.
3. For Histology services, Contractor shall be paid a flat rate of \$75,000 per year payable in 12 monthly installments.

4. For services by the Point of Care Coordinator, Contractor shall be reimbursed at \$39 per hour.
5. For transcription services, Contractor shall be reimbursed \$11,400 annually paid in twelve monthly installments.
6. For services for Osteoporosis Center, Contractor shall be reimbursed as follows:
 - a. \$183 per bone density study
 - b. Contractor shall provide a combined billing which details all services performed. A copy of the approved patient outside referral form must accompany the billing, along with a copy of the progress notes or procedure report.
 - c. In the event of the referral of a Medi-Cal pending patient, the County shall have six (6) months to provide proof of eligibility. After this time, if the patient has not been granted Medi-Cal, the Contractor shall be reimbursed at the agreed upon rate.
 - d. In the event that a patient referral to Contractor by County, under this Agreement is subsequently found to be eligible for third-party payment, Contractor shall claim against the third-party payor and County shall bear no financial responsibility for such patient. Any reimbursement paid to Contractor shall be refunded to County within thirty (30) days of notification to Contractor.

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: PENINSULA PATHOLOGISTS MEDICAL GROUP
Contact Person: Henry J. Sellenthin
Address: 393 East Grand Avenue, suite I
95F, CA 94080
Phone Number: 650-616-2950 Fax Number: 650-737-8920

II Employees

Does the Contractor have any employees? [X] Yes ___ No
Does the Contractor provide benefits to spouses of employees? ___ Yes [X] No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- [X] Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
[] Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
[] No, the Contractor does not comply.
[] The Contractor is under a collective bargaining agreement which began on ___ (date) and expires on ___ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 17th day of January, 2002 at San Mateo, California
(City) (State)

[Signature]
Signature
Director of Operations
Title

Henry J. Sellenthin
Name (Please Print)
94-2219459
Contractor Tax Identification Number