

**THIRD AMENDMENT TO THE AGREEMENT BETWEEN THE COUNTY OF SAN  
MATEO AND  
HEALTH MANAGEMENT ASSOCIATES**

This THIRD AMENDMENT to the Agreement, entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2008, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Health Management Associates, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, on June 11, 2007, the parties hereto entered into an agreement (hereinafter referred to as the "Original Agreement") pursuant to which the Contractor agreed to review San Mateo Medical Center's internal financial analysis of gain and loss by service line, and to prepare five year financial projections, assuming no changes to the configuration of services at the San Mateo Medical Center, its clinics and long-term care facilities; and

WHEREAS, the parties amended the Original Agreement to expand Contractor's scope of work to include the development of various options for the delivery of healthcare to medically indigent residents, to extend the term of the Agreement to June 30, 2008, and to increase the total amount payable thereunder by \$244,584, from \$55,115 to \$299,699; and

WHEREAS, the parties further amended the Original Agreement to extend its term to August 15, 2008, to increase the maximum amount payable thereunder by \$210,375 to \$510,074 and to expand Contractor's scope of work to include the provision of intensive consultation and assistance to implement operational changes and to develop a more comprehensive and collaborative network with private healthcare providers; and

WHEREAS, the parties wish to further amend the Agreement to expand the Contractor's scope of work to include the provision of consultation on operational changes aimed at achieving optimal staffing of ambulatory and inpatient services functions at San Mateo Medical Center; to extend the term of the Agreement to October 15, 2008; and to increase the maximum amount payable thereunder by \$88,000, from \$510,074 to \$598,074;

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

1. **Section 1, Exhibits and Attachments**, of the Original Agreement is hereby amended in its entirety to read as follows:

The following exhibits and attachments are attached hereto and incorporated by reference herein:

**Exhibit A—Services** - contained in that certain document attached hereto and made a part hereof, marked Exhibit "A" and entitled "Phase 1: Workplan, Methodology, Expertise, Deliverables" and "Phase 2: Workplan, Methodology, Expertise, Deliverables" and "Phase 3: Special Assistance to the County Manager Consultancy."

**Exhibit B—Payments and rates** - contained in that certain document attached hereto and made a part hereof, marked Exhibit "B" and entitled "Phase 1 Budget" and "Phase 2 Budget" and "Phase 3 Budget."

2. **Section 3, Payments**, of the Original Agreement is hereby amended in its entirety to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed \$598,074.

3. **Section 4, Term of Agreement**, of the Original Agreement is hereby amended in its entirety to read as follows:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from June 11, 2007 through October 15, 2008.

4. **Exhibit A: Exhibit A to the Agreement is hereby amended to add the following text:** HMA will provide assistance to the San Mateo Medical Center (SMMC) Directors of Long Term Care (LTC), Acute Care (including Psychiatry), and Ambulatory Care to assess staffing and productivity based on current productivity benchmarks, California mandated staffing ratios, and Title 22 mandates for LTC. Analysis will include potential areas for internal restructuring. HMA will work closely with the Special Assistant to the County Manager, San Mateo County Health Department.

5. **Exhibit B: Exhibit B to the Agreement is hereby amended to add the following text:** As reimbursement for the work described in the last paragraph of Exhibit A, HMA shall be reimbursed for up to 64 hours for two site trips of 32 hours each for two consultants (Mary Roos, who shall be reimbursed at \$294 per hour, and Cindi Hardesty who shall be reimbursed at \$225 per hour). HMA shall also be reimbursed for up to forty (40) total hours of travel related to these site trips, which travel time shall be reimbursed at fifty percent (50%) of HMA's ordinary rates. HMA shall also be entitled to reimbursement for up to twenty (20) hours of work for off-site document review and research, at HMA's ordinary rates for Ms. Hardesty and/or Ms. Roos.

6. **All other terms and conditions of the Original Agreement dated June 11, 2007, including as subsequently amended, shall remain in full force and effect.**

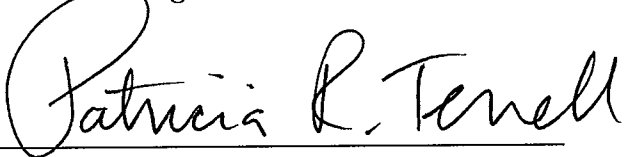
IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: \_\_\_\_\_  
President, Board of Supervisors, San Mateo County

Date: \_\_\_\_\_

**Health Management Associates**



Contractor's Signature

Date: 4/16/08