

MEMORANDUM OF AGREEMENT
AMONG THE COUNTY OF SAN MATEO; CATHOLIC HEALTHCARE WEST dba
SEQUOIA HOSPITAL; AND THE SAN MATEO HEALTH COMMISSION dba THE
HEALTH PLAN OF SAN MATEO
REGARDING THE COMMUNITY HEALTH NETWORK FOR THE
UNDERSERVED AND THE PROVISION OF OBSTETRIC AND PEDIATRIC
SERVICES AT SEQUOIA HOSPITAL

THIS MEMORANDUM OF AGREEMENT (this "Agreement") is entered into by and between the County of San Mateo (the "County"), Catholic Healthcare West, a California nonprofit public benefit corporation dba Sequoia Hospital ("Sequoia"), and the San Mateo Health Commission, dba Health Plan of San Mateo ("HPSM").

WHEREAS, the County operates health care facilities collectively known as the "San Mateo Medical Center" ("SMMC") which provide care to, among others, those residents of San Mateo County who have little or no access to other sources of medical care and which serves as the public system hub of the health care safety net; and

WHEREAS, Sequoia is a not-for-profit hospital operated by Catholic Healthcare West with a mission that includes the promotion of healing and wellness in partnership with physicians by providing compassionate, quality, cost effective care to meet the identified needs of the communities it serves, with special consideration for the poor and underserved; and

WHEREAS, the HPSM serves as the County's third party administrator for health care services provided to County residents who are medically indigent as well as the Medi-Cal, Healthy Families, Healthy Kids, and Medicare CareAdvantage programs which involve many healthcare providers who serve San Mateo County's low-income residents; and in this capacity undertakes efforts to increase the medical care available for the underserved; and

WHEREAS, the parties, consistent with their respective missions, each seek to increase access to medical care for the most underserved and vulnerable residents of San Mateo County and are therefore participating in the Community Health Network for the Underserved ("CHNU") as a means of increasing access to such care; and

WHEREAS, in connection with its participation in the CHNU, and as a means of providing further benefit to the community, Sequoia is willing to provide certain labor and delivery and pediatric related services and resources for the benefit of low income residents of the County; and

WHEREAS, the County and/or HPSM desire to accept the services and resources on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual agreements set forth below, the parties agree as follows:

Section 1. Labor and Delivery and Prenatal Services and Coordination

a. During the period in which this Agreement is in effect, Sequoia hereby agrees to accept and admit as patients for labor and deliveries up to one hundred (100) low income women pre-identified by SMMC and HPSM who reside throughout San Mateo County.

b. The parties acknowledge that the County and the HPSM have signed an agreement with the Palo Alto Medical Foundation ("PAMF") whereby physicians affiliated with PAMF will provide professional obstetric inpatient care for low income women who are admitted to Sequoia for their deliveries. The parties to this Agreement acknowledge that the provision of such obstetric inpatient care by PAMF-affiliated physicians will generally begin upon admission of low income women specified by SMMC and HPSM to Sequoia and shall continue until such patients are discharged from Sequoia. Further, PAMF-affiliated physicians shall provide pediatric medical care for newborn infant patients who are born at Sequoia during the time that they remain at Sequoia after their births.

c. After their discharge from Sequoia, SMMC shall assume responsibility for the provision of pediatric care to newborn infant patients whose births take place at Sequoia pursuant to the terms of this Agreement.

d. SMMC, HPSM and Sequoia shall collaborate to develop and finalize protocols for ensuring continuity of pediatric medical care for patients whose births take place at Sequoia pursuant to this Agreement.

e. Sequoia agrees to accept reimbursement for all hospital services provided to HPSM-covered patients as set forth in the contract terms established on January 1, 2007. Sequoia agrees to accept reimbursement for all hospital services provided to other Medi-Cal beneficiaries as set forth in the contract terms between Sequoia and the State of California. The parties understand that such hospital services shall be provided and billed to Medi-Cal. Sequoia shall be responsible for preparation and submission of billing to Medi-Cal for all hospital services provided by Sequoia under this Agreement. The parties understand and agree that billing will be submitted separately for the following services: (i) professional services provided by PAMF-affiliated physicians, for whom PAMF shall prepare and submit billings; (ii) professional anesthesiology services provided by private medical groups, which shall prepare and submit billings for professional fees; and (iii) medical care provided in the NICU, which is owned and operated by Lucile Packard Children's Hospital, which shall prepare and submit billings for professional fees and facility fees.

Section 2. Term and Termination

This Agreement shall commence on January 1, 2011 and, unless terminated sooner, shall continue until December 31, 2012, after which it shall be of no further force and effect. The term of the Agreement may be extended by mutual written, signed agreement by the parties. This Agreement shall be immediately terminated as follows: a) upon County's loss of certification as a Medicare and/or Medi-Cal provider; b) upon the closure of the San Mateo Medical Center.

Any party may terminate this Agreement without cause at any time after providing each other party with one hundred and twenty (120) days prior written notice of the party's intent to do so. Any party may terminate this Agreement at any time in the event any other party engages in an act or omission constituting a material breach of any term or condition of this Agreement. The party electing to terminate this Agreement shall provide the breaching party (and all other parties) with not less than thirty (30) days advance written notice specifying the nature of the breach. The breaching party shall then have (30) days from the date of the notice in which to remedy the breach and conform its conduct to this Agreement. If such corrective action is not taken within the time specified, this Agreement shall terminate at the end of the sixty (60) day period without further notice or demand.

Section 3. HIPAA Compliance.

Each of the parties acknowledges that it is a separate "covered entity" as such term is defined under the federal Health Insurance Portability and Accountability Act of 1996 and all rules and regulations promulgated thereunder ("HIPAA"). The parties agree to comply with applicable provisions of the Health Insurance Portability and Accountability Act of 1996 and the rules and regulations promulgated thereunder ("HIPAA") and the privacy and security policies and procedures related to individually identifiable health information.

Section 4. No Power to Contract in the Name of the Other Party

Neither Sequoia nor any physician affiliated with Sequoia performing services under this Agreement shall have the right or authority to enter into any contract in the name of County, or otherwise bind County in any way without the express written consent of County. Likewise, neither the County nor anyone acting on behalf of the County under this Agreement shall have the right or authority to enter into any contract in the name of Sequoia, or to otherwise bind Sequoia in any way without the express written consent of Sequoia.

Section 5. Insurance and Indemnification

During the term of this Agreement, each party shall take out and maintain such bodily injury liability and property damage liability insurance as shall protect them, in their sole judgment, while performing such work covered by this Agreement, from any

and all claims for property damage which may arise from operations or actions under this Agreement, whether such operations/ actions are done by it, by providing physicians, any subcontractor, or anyone directly or indirectly employed by them.

All parties shall also have in effect during the entire life of this Agreement, workers' compensation and employer liability insurance providing full statutory coverage. In signing this Agreement, each party makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provision of Section 3700 of the California Labor Code which requires 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.

Each party agrees to indemnify, defend, and hold harmless the other party and its officers, directors, trustees, employees and agents from any claim, liability or loss (including reasonable attorneys' fees) arising out of or resulting from the acts or omissions of the indemnifying party or any of its employees or agents in connection with this Agreement. Each party shall notify the other immediately in writing of any claim of injury or damage related to activities performed pursuant to this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities of this Agreement, provided that nothing shall require either party to disclose any documents, records or communications that are protected under the peer review privilege, the attorney-client privilege or the attorney work-product privilege. The provisions of this Section 5 shall survive the termination of this Agreement.

Section 6. Notice Provisions

Any notice required or desired to be given in respect to this Agreement shall be deemed to be given upon the earlier of (i) actual delivery to the intended recipient or its agent; or (ii) upon the third business day following deposit in the United States mail, postage prepaid, certified, or registered mail, return receipt requested.

If to County: Susan Ehrlich, M.D., CEO
San Mateo Medical Center
222 W 39th Avenue
San Mateo, CA 94403
Facsimile 650-573-2030

With Copy to: County Counsel's Office
400 County Center, 6th Floor
Redwood City, CA 94063
Facsimile 650-363-4034

If to HPSM: Maya Altman, Executive Director
Health Plan of San Mateo

701 Gateway Boulevard, Suite 400
South San Francisco, CA 94080

If to Sequoia: President/CEO
 Sequoia Hospital
 170 Alameda de las Pulgas
 Redwood City CA 94062

With a copy to: Sr. Vice President and General Counsel
 Catholic Healthcare West
 185 Berry Street, Suite 300
 San Francisco CA 94107

Section 7. Entire Agreement and Confidentiality

This Agreement contains the entire agreement of the parties hereto and supersedes all prior agreements, contracts and understanding, whether written or otherwise, between the parties relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Except for disclosure to each party's authorized employees and/or agents, neither party shall disclose any terms of this Agreement to any person who is not a party to this Agreement unless disclosure thereof is required by law (including, but not limited to, the California Public Records Act and the Brown Act) or consented to in writing by the other party.

Section 8. Partial Invalidity

In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, the remaining provisions of the Agreement shall remain in full force and effect provided the fundamental rights and obligations remain reasonably unaffected.

Section 9. Assignment

Neither party may assign any of its rights or obligations hereunder without the prior written consent of the other party. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

Section 10. Independent Contractors

The parties acknowledge and agree that each party and its respective representatives are performing services and providing resources under this Agreement as independent contractors and not as employees, agents, partners of, or joint ventures with any other party.

Section 11. Regulatory Requirements

The parties expressly agree that nothing contained in this Agreement shall require any party or a party's representative to refer or admit any patients to, or order any goods or services from another party. Notwithstanding any unanticipated effect of any provision of this Agreement, neither party will knowingly or intentionally conduct himself or herself in such a manner as to violate the prohibition against fraud and abuse in connection with the Medicare and Medi-Cal programs. All payments specified in this Agreement are consistent with what the parties reasonably believe to be a fair market value for the services provided.

Section 12. Dispute Resolution

In the event that any dispute arises between the parties arising out of or related to the validity, interpretation, enforcement or performance of this Agreement, or otherwise arising out of the relationship between the parties or the termination of that relationship, either party may by written notice call a meeting regarding such dispute to be attended by an executive officer of each party who has the authority to negotiate and bind that party to a resolution. At the meeting, the parties will attempt in good faith to resolve the dispute. No party will proceed to seek judicial relief with respect to any dispute prior to the resolution session described in this Section 12.

Section 13. No Third Party Beneficiaries

This Agreement is entered into for the sole benefit of County, HPSM, and Sequoia. Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Agreement.

Section 14. Governing Law

This Agreement shall be governed by the laws of the State of California.

Section 15. Amendments

All amendments must be in writing and shall be approved by the County Board of Supervisors and Sequoia Executive management.

Section 16. Use of Names, Logos, Corporate Identity


No party may use the name, logo, or corporate identity of the other party for any purpose without the prior written consent of the other party whose name, logo, or corporate identity is proposed to be used ("granting party").

Section 17. Excluded Provider Representation and Warranty.

Each party represents and warrants that it has not been excluded, debarred, or otherwise made ineligible to participate in any Federal Healthcare program as defined in 42 USC § 1320a-7b(f). Each party represents and warrants that it (i) is not currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 USC § 1320a-7b(f) (the "Federal healthcare programs"); and (ii) has never been convicted of a criminal offense related to the provision of healthcare items or services. This shall be an ongoing representation and warranty during the terms of this Agreement and each party shall immediately notify the other party of any change in the status of the representation and warranty set forth in this section.

IN WITNESS, the duly authorized representatives of the parties have executed this Agreement in duplicate as of the date last signed below.

CATHOLIC HEALTHCARE WEST dba SEQUOIA HOSPITAL

By 
Name: Glenna Vaskelis

Date: 12-21-2010

COUNTY OF SAN MATEO

By _____
Name: _____
Date: _____

THE SAN MATEO HEALTH COMMISSION dba THE HEALTH PLAN OF SAN MATEO

By _____
Name: _____
Date: _____