

**SECOND AMENDMENT TO THE PHYSICIAN SERVICES AGREEMENT BETWEEN THE COUNTY OF SANTA CLARA
AND THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY
FOR VASCULAR SURGERY PHYSICIAN SERVICES**

The Physician Services Agreement, effective March 1, 2015, by and between the County of Santa Clara, a political subdivision of the State of California, d.b.a. Santa Clara Valley Health and Hospital System ("County"), and the Board of Trustees of the Leland Stanford Junior University, a tax-exempt trust with corporate powers under California law, on behalf of its School of Medicine ("Stanford") for Vascular Surgery Services, is hereby amended as set forth below effective March 1, 2018 ("Second Amendment").

Background

The purpose of this Second Amendment is to revise the term and compensation.

The Agreement is amended as follows:

1. **Article I: Program Provisions, 1. TERM** is amended and restated to read:

This Agreement shall commence on March 1, 2015 and will remain in effect until March 20, 2018, unless terminated in accordance with Article III, Section 6.

2. Delete Exhibit D-1: Compensation in its entirety and replace with Exhibit D-2: Compensation, which is attached hereto and incorporated herein by this reference.

3. **Article III: Financial Obligation, 1. COMPENSATION**, Paragraph 1.1 is amended and restated to read:

1.1 In consideration of the Contracted Services provided to County by Stanford through the Physicians hereunder, the County shall pay Stanford for all undisputed charges in accordance with the compensation schedule described in Exhibit D-2: ("Compensation") within forty-five days of its receipt of the Stanford invoice, as defined in Article III, Section 2.2. County will not pay any cost or charge that is not delineated in this Agreement. It is the Parties' intent that compensation paid under this Agreement, unless otherwise amended, for the period of March 1, 2015 through March 20, 2018 shall not exceed \$3,708,145.16.

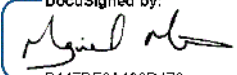
Except as set forth herein, all other terms and conditions of the Agreement as amended by this Second Amendment shall remain in full force and effect. In the event of a conflict between the original Agreement and this Second Amendment, the terms of this Second Amendment shall control.

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

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

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

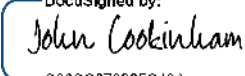
COUNTY OF SANTA CLARA

DocuSigned by:

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Miguel Marquez
Chief Operating Officer
3/1/2018
Date


STANFORD UNIVERSITY SCHOOL OF MEDICINE


2/28/18
Marcia Cohen
Senior Associate Dean, Finance and Administration
Date

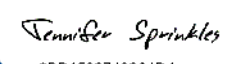
Approved By:

DocuSigned by:

C36CC078205C43A...
John Cookinham
Chief Financial Officer
Santa Clara Valley Health & Hospital System
3/1/2018
Date

Approved and acknowledged by:


3/1/18
Mary T. Hawn, MD, MPH
Chairman, Department of Surgery
Stanford University School of Medicine
Date

Approved as to Form and Legality:

DocuSigned by:

6BD1532743364D4...
Jennifer S. Sprinkles
Deputy County Counsel
3/1/2018
Date

**EXHIBIT D-2
COMPENSATION**

For the Contracted Services provided by the Stanford Physicians (not merely scheduled to be provided) under this Agreement, as set forth in Exhibit C-1, County shall pay Stanford as follows:

A. Physician Compensation:

1. In exchange for providing On-Site Coverage (defined below) to the County, County shall pay Stanford compensation as follows:

(a) For the period of March 1, 2015 – February 28, 2017:

First Designated Physician (\$562,500.00) per year (paid in 12 equal monthly installments)
Second Designated Physician (\$562,500.00) per year (paid in 12 equal monthly installments)

(b) For the period of March 1, 2017 – February 28, 2018:

First Designated Physician (\$691,875.00) per year (paid in 12 equal monthly installments)
Second Designated Physician (\$691,875.00) per year (paid in 12 equal monthly installments)

(c) For the period of March 1, 2018 – March 20, 2018:

First Designated Physician (\$37,197.58) per the period of March 1, 2018 - March 20, 2018
Second Designated Physician (\$37,197.58) per the period of March 1, 2018 – March 20, 2018

Each Designated Physician shall provide on-site coverage of forty-five (45) hours per week, for fifty-two (52) weeks per year (“On-Site Coverage”) minus Vacation Days (defined below). Each Designated Physician shall be entitled to take twenty-seven (27) vacation days (“Vacation Days”) each calendar year between Monday and Friday. Calculations shall be prorated for any partial year.

Following each Designated Physician’s utilization of all of such physician’s Vacation Days, each physician may take up to fifteen (15) additional days off (each an “Unplanned Absence Day”) each calendar year between Monday and Friday. Calculations shall be prorated for any partial year. Each Designated Physician shall be allowed to take an Unplanned Absence Day without such an Unplanned Absence Day resulting in an adjustment to the compensation due Stanford under this Agreement, but it is not contemplated by Stanford or the County that each Designated Physician shall utilize the Unplanned Absence Day as an additional Vacation Day. Stanford and the County have negotiated the Unplanned Absence Day to account for the fact that emergencies sometimes arise (but may never arise) and both parties expect that Unplanned Absence Days may be minimally used or not used at all.

The County’s payment to Stanford under this section 1, includes compensation to Stanford for the cost of all employment benefits provided by Stanford to the Designated Physicians and Stanford shall not be entitled to any additional compensation for employment benefits. Each Designated Physician shall provide the on-site services (as more specifically described in Exhibit C-1) each week.

2. In addition to On-Site Coverage, the Designated Physicians shall provide an aggregate of call coverage services ("Call Coverage Services"), totaling 541.75 hours per month, and all other services incident to such call coverage. The cost and payment attributable to Call Coverage Services is included in the On-Site Coverage payment and shall not be separately compensated.
3. If the County requires On-Site Coverage in excess of that set forth in Section 1 of this Agreement, the County shall pay Stanford a per diem rate of \$2,200 for each day Stanford provides an additional day of On-Site Coverage. In the event per diem coverage is required, the Designated Physicians shall so notify the SCVMC CMO (or the SCVMC Administrator On-Call) whereupon the SCVMC CMO (or the SCVMC Administrator On-Call) shall determine whether or not to request per diem coverage from Stanford.
4. Subject to the per diem payments set forth in Section 3, it is the Parties' intent that the maximum payable physician compensation for Contracted Services (including call coverage) each month shall be in the amount of \$115,312.50 per month.

Subject to the per diem payments set forth in Section 3, it is the Parties' intent that the amount of physician compensation payable under this Agreement, therefore, shall not exceed \$1,383,750.00 annually. The foregoing amount is calculated based on the following FTE costs:

2.0 FTE for the delivery of both On-Site Coverage and Call Coverage Services.

5. By the tenth of each month, Stanford shall provide an invoice with supporting documentation to County for the Contracted Services delivered in the previous month. The County shall remit payment per approval to Stanford within forty-five (45) days of the date the invoice was received.
6. Since a fixed monthly payment shall be made under section 4 (based on a projected total On-Site Coverage for 12 months), the County hereby reserves the right to verify the actual on-site coverage provided by Stanford and if the County received less than the on-site coverage set forth in this Agreement, the County shall notify Stanford and have the right to apply an appropriate offset against this Agreement.
7. Notwithstanding anything in the Agreement or its exhibits to the contrary, in the event a Designated Physician is discharged, resigns or otherwise ceases to be employed by Stanford at any point prior to the termination of this Agreement, the parties shall jointly and expeditiously work together to recruit a replacement Designated Physician. For the time period between the departure of a Designated Physician and the commencement of Contracted Services by the replacement Designated Physician, Stanford shall invoice and the County shall pay physician compensation as described in paragraphs 1 and 4 above for only the remaining Designated Physician. Stanford shall have no obligation to substitute any Stanford Physician for the departing Designated Physician. Stanford shall provide per diem coverage as described in paragraph 3 above in good faith as it is able, but on a limited basis and subject to the availability of Stanford Physicians.

B. VQI Subscription Services:

1. As stated in Exhibit C-1, SCVMC will pay up to Thirty Thousand Dollars (\$30,000) in up front for initial enrollment or registration fees, and thereafter shall pay up to Fifteen Thousand Dollars (\$15,000) for annual renewal of registration or other subscription costs for SCVMC's participation in the Vascular Quality Initiative (which is a national vascular quality database). SCVMC's payment for such up front and subscription costs shall entitle SCVMC to access all data received from the Vascular Quality Initiative.
2. The County shall be responsible for registering/subscribing, and maintaining such registration/subscription as current.

C. Program Development Fees:

In exchange for Stanford assisting the County in establishing a Vascular Surgery Program at SCVMC and providing the Contracted Services as set forth in Exhibit C-1, the County shall pay Stanford Program Development Fees as follows:

1. Year 1 of the Agreement, up to \$40,000;
2. Year 2 and each year thereafter, up to \$20,000 per Designated Physician replaced at the County's request.