



It is our mission to deliver quality healthcare to the residents of and visitors to BigBearValley through the most effective use of available resources.

VISION

To be the premier provider of emergency medical and healthcare services in our BigBearValley.

BOARD OF DIRECTORS BUSINESS MEETING AGENDA
Wednesday, July 12, 2017@ 1:00 p.m. –Hospital Conference Room
41870 Garstin Drive, Big Bear Lake, CA 92315

(Closed Session will be held upon adjournment of Open Session as noted below. Open Session will reconvene @ approximately 3:00 p.m. –Hospital Conference Room 41870 Garstin Drive, Big Bear Lake, CA 92315)

Copies of staff reports or other written documentation relating to each item of business referred to on this agenda are on file in the Chief Executive Officer's Office and are available for public inspection or purchase at 10 cents per page with advance written notice. In compliance with the Americans with Disabilities Act and Government Code Section 54954.2, if you need special assistance to participate in a District meeting or other services offered by the District, please contact Administration (909) 878-8214. Notification at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service.**DOCUMENTS RELATED TO OPEN SESSION AGENDAS (SB 343)** - Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the public counter located in the Administration Office, located at 41870 Garstin Drive, Big Bear Lake, CA 92315. For questions regarding any agenda item, contact Administration at (909) 878-8214.

OPEN SESSION

1. CALL TO ORDER

Donna Nicely, President

2. PUBLIC FORUM FOR CLOSED SESSION

This is the opportunity for members of the public to address the Board on Closed Session items.

(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)

3. ADJOURN TO CLOSED SESSION*

CLOSED SESSION

1. REAL PROPERTY NEGOTIATIONS:*Government Code Section 54956.8

(1) District Negotiator: John Friel, CEO

Property: 1020 W. Big Bear Blvd, Big Bear City, CA 92314

Property Negotiator: Rusty Barnes w/ Gilligan Log Homes & Real Estate

2. CHIEF OF STAFF REPORT/QUALITY IMPROVEMENT: *Pursuant to Health & Safety Code Section 32155

(1) Chief of Staff Report

3. HOSPITAL QUALITY/RISK/COMPLIANCE REPORTS: *Pursuant to Health & Safety Code Section 32155

(1) Risk / Compliance Management Report

(2) QI Management Report

4. TRADE SECRETS: Pursuant to Health and Safety Code Section 32106, and Civil Code Section 3426.1

(1) Marsh & McLennan Agency Employee Benefits Consulting Agreement (Anticipated date of disclosure 7/12/17)

(2) Top Notch Networking - Copiers (Anticipated date of disclosure 7/12/17)

(3) Intellicom Communications, Inc. – Phone System (Anticipated date of disclosure 7/12/17)

(4) Premier Physician Service Agreement Emergency Room Department Services (EmCare) (Anticipated date of disclosure 7/12/17)

- (5) Premier Physician Service Agreement In-Patient Department Services (EmCare)
(Anticipated date of disclosure 7/12/17)

**5. PUBLIC EMPLOYEE PERFORMANCE EVALUATION *Pursuant to Government Section
Code: 54957**

- (1) Chief Executive Officer

OPEN SESSION

1. CALL TO ORDER Donna Nicely, President
2. ROLL CALL Shelly Egerer, Administrative Assistant
3. FLAG SALUTE
4. ADOPTION OF AGENDA*

5. RESULTS OF CLOSED SESSION Donna Nicely, President

6. PUBLIC FORUM FOR OPEN SESSION

This is the opportunity for persons to speak on items of interest to the public within subject matter jurisdiction of the District, but which are not on the agenda. Any person may, in addition to this public forum, address the Board regarding any item listed on the Board agenda at the time the item is being considered by the Board of Directors. *(Government Code Section 54954.3, there will be a three (3) minute limit per speaker. Any report or data required at this time must be requested in writing, signed and turned in to Administration. Please state your name and city of residence.)*

***PUBLIC RESPONSE IS ENCOURAGED AFTER MOTION, SECOND AND
PRIOR TO VOTE ON ANY ACTION ITEM***

7. DIRECTORS' COMMENTS

8. INFORMATION REPORTS

- A. Foundation Report Holly Elmer, Foundation President
- B. Auxiliary Report Gail Dick, Auxiliary President

9. CONSENT AGENDA*

Notice to the Public:

Background information has been provided to the Board on all matters listed under the Consent Agenda, and the items are considered to be routine by the Board. All items under the Consent Agenda are normally approved by one (1) motion. If discussion is requested by any Board Member on any item; that item will be removed from the Consent Agenda if separate action other than that as stated is required.

- A. June 14, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant
- B. May/June 2017 Planning & Facilities Report: Michael Mursick, Plant Manager
- C. Q2 Fire Life/Safety Report: Michael Mursick, Plant Manager
- D. June 2017 Human Resource Report: Erin Wilson, Human Resource Director
- E. June 2017 Infection Control Report: Heather Loose, Infection Preventionist
- F. Policies and Procedures
- (1) Contracts and Agreements
- (2) Contracts and Agreement with Physicians and Other Referral Sources
- G. Board of Directors; Committee Meeting Minutes:
- (1) April 24, 2017 Human Resource Committee Meeting Minutes
- (2) June 05, 2017 Finance Committee Meeting Minutes

10. OLD BUSINESS*

- None

11. NEW BUSINESS*

- A.** Discussion and Potential Approval of the Following Service Agreement (s)
 - (1) Marsh & McLennan Agency Employee Benefits Consulting Agreement
 - (2) Top Notch Networking (Copiers)
 - (3) Intellicom Communications, Inc. (Phone system)
 - (4) Premier Physician Service Agreement - Emergency Room Department Services (EmCare)
 - (5) Premier Physician Service Agreement - In-Patient Department Services (EmCare)
- B.** Discussion and Potential Approval of the Board of Directors Travel Expenses for Attendance at the Quorum Board of Trustee Conference Not to Exceed \$4,000.00
- C.** Discussion and Potential Approval for Reconsideration of Action taken at the Business Board Meeting on May 10, 2017 to instigate RFP for Legal Counsel/Attorney Search
- D.** Discussion and Potential Action Regarding Request For Proposal (RFP) for Legal Counsel/Attorney Search

12. ACTION ITEMS*

- A. Acceptance of QHR Report**
Ron Vigus, QHR
 - (1) June 2017 QHR Report
- B. Acceptance of CNO Report**
Kerri Jex, Chief Nursing Officer
 - (1) June 2017 CNO Report
- C. Acceptance of the CEO Report**
John Friel, Chief Executive Officer
 - (1) June 2017 CEO Report
 - (2) Strategic Plan
- D. Acceptance of the Finance Report & CFO Report**
Garth Hamblin, Chief Financial Officer
 - (1) May 2017 Financials
 - (2) June 2017 CFO Report

13. ADJOURNMENT*

*** Denotes Possible Action Items**

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BUSINESS BOARD MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
June 14, 2017**

PRESENT: Donna Nicely, President
Rob Robbins, 1st Vice President
Jack Roberts, 2nd Vice President
Barbara Willey, Treasurer
Gail McCarthy, Secretary
John Friel, CEO
Shelly Egerer, Admin. Assistant

ABSENT: Kerri Jex

STAFF: Garth Hamblin Mary Norman Erin Wilson
Sheri Mursick Steven Knapik, DO

OTHER: Ron Vigus w/QHR Helen Walsh, Foundation
Gail Dick, Auxiliary

**COMMUNITY
MEMBERS:** None

OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to order at 1:00 p.m.

CLOSED SESSION

1. PUBLIC FORUM FOR CLOSED SESSION:

President Nicely opened the Hearing Section for Public Comment on Closed Session items at 1:00 p.m. Hearing no request to make public comment. President Nicely closed Public Forum for Closed Session at 1:00 p.m.

2. ADJOURNED TO CLOSED SESSION:

President Nicely called for a motion to adjourn to Closed Session at 1:00 p.m. Motion by Board Member Willey to adjourn to Closed Session. Second by Board Member Robbins to adjourn to Closed Session. President Nicely called for a vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

RECONVENE TO OPEN SESSION

1. CALL TO ORDER:

President Nicely called the meeting to Open Session at 3:10 p.m.

2. ROLL CALL:

President Nicely, Rob Robbins, Jack Roberts, Barbara Willey and Gail McCarthy were present. Also present were John Friel, CEO, and Shelly Egerer, Administrative Assistant.

3. FLAG SALUTE:

Board Member Roberts led the flag salute all present participated.

4. ADOPTION OF AGENDA:

President Nicely called for a motion to adopt the agenda as presented. Motion by Board Member Willey to adopt the agenda as presented. Second by Board Member Roberts to adopt the agenda as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

5. RESULTS OF CLOSED SESSION:

President Nicely reported that the following action was taken in Closed Session:

- Chief of Staff Report
 - Request for Initial Appointment:
 - Michelle Rossell, RDH- Center for Oral Health
 - Nogba Pawoo, DO- Pathology
 - Jeffrey Silverman, MD- Renaissance Radiology
 - Louis Golden, MD- Renaissance Radiology
 - Request for Reappointment-
 - Richard Leach, MD- Emergency Medicine
 - Request for Change of Status-
 - Matthew Pautz, DO- Orthopedic Surgeon (Active)
- Risk Management Report
- QI Management Report

President Nicely reported that the Board of Directors will be reconvening to Closed Session.

President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

6. PUBLIC FORUM FOR OPEN SESSION:

President Nicely opened the Hearing Section for Public Comment on Open Session items at 3:12 p.m.

- President Nicely informed the Board of Directors and staff that Mr. Kelly sent her a message and stated that he applauds the Governing Board for providing their emails on the new website.

President Nicely closed Public Forum for Open Session at 3:12 p.m.

7. DIRECTORS COMMENTS

- Board Member Willey attended the AMGEN function; there were several employees who volunteered and was a successful event.
- Board Member Roberts wanted to acknowledge the one year anniversary of BVCHD staff saving a life of a peer; Sheri Mursick and Kerri Jex should be thanked from all staff and the Board of Directors, this act should not go unnoticed.

8. INFORMATION REPORTS:

A. Foundation Report:

- Ms. Walsh provided the following information:
 - Foundation conducted a Meet & Greet and thanked the Board Members and Mr. & Mrs. Friel for attending the function.
 - Foundation has six new members that signed up from the Meet & Greet.
 - Bylaws are being reviewed by Foundation and will be provided to the Board of Directors once they are completed.
 - Next Foundation Meeting is scheduled for June 19.

B. Auxiliary Report:

- Ms. Dick provided the following information:
 - July 19 fundraiser has been canceled.
 - Golf Tournament is scheduled for August 18, 9:00 a.m. tee off; 85.00 per person.

9. CONSENT AGENDA:

A. May 10, 2017 Board of Directors Meeting Minutes: Shelly Egerer, Admin. Assistant

B. April/May 2017 Planning & Facilities Report: Michael Mursick, Plant Manager

C. May 2017 Human Resource Report: Erin Wilson, Human Resource Director

D. May 2017 Infection Control Report: Heather Loose, Infection Preventionist

E. Policies and Procedures

(1) Depression Screening

(2) Complaint and Grievance

F. Board of Directors; Committee Meeting Minutes:

(1) April 27, 2017 Planning & Facilities Committee Meeting Minutes

(2) May 01, 2017 Policy and Procedure & District Bylaw Committee Meeting Minutes

(3) May 01, 2017 Finance Committee Meeting Minutes

(4) May 30, 2017 Special Finance Committee Meeting Minutes

President Nicely motioned to approve the Consent Calendar as presented. Second by Board Member McCarthy to approve the Consent Calendar as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey- yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

10. OLD BUSINESS:

- None

11. NEW BUSINESS*

A. Discussion and Potential Approval of 2017/2018 District Budget:

- Board Member Willey stated that the Finance Committee met on two occasions to review the FY 2017/2018 Budget and the Capital Expense Budget; the Finance Committee is in support of what Mr. Hamblin presented.
- Board Member Robbins stated that this is the third version of the budget; clarifications were made at the Finance Committee and feels comfortable with the budget being presented to the full Board and recommends the budget be approved by the Board. Board Member Robbins stated that he has confidence in John Friel and Garth Hamblin to make good business decisions for the District.
- President Nicely stated that she has some comments and questions on the budget:
 - Pharmacy – is in purchased service and shows .2 additional employee.
 - Physical Therapy has requested increase in staff.
 - QHR – CEO & CFO are in Other Expenses and that there is a \$200,000 increase.
 - Dues & Subscriptions went up approximately 16%.
 - Purchased Services was 11% increase and asked for clarification on what is causing the increase.
 - Other expenses went up 18% and would like to know what the items are in this line item to justify why the increase.
 - HR Department is asking for another FTE and feels that there is no reason to have additional HR staff; the HR Manager needs to be here 40 hours per week. President Nicely stated that she has contacted several hospitals and the standard is one HR person per 100 employees.
- Mr. Hamblin provided the following information:
 - Physical Therapy is running over budget; increase in visits over 50%; assuming that the volume will stay the same will need appropriate staff; PT is over budget year to date and maintaining 20,000 patients per year. Part time staff is working additional hours due to being short on staff at this time.
 - Purchased service is Center for Oral Health.
 - Quorum fees are in the Purchased Service line item.
 - Dues & subscriptions HASC, AHA, and membership fees for various managers.
- Board Member Roberts requests that if there are changes in staff (additional hires, increase in staff in departments) then the Board needs to be informed and the Board should approve that/those positions, if there is a budget adjustment needed this item needs to come to the full Board for approval since the approved budget changed.
- Further discussion took place on having the workload looked at throughout the departments and why Administration needs to increase staff. The increase in staff is

due to the projections on the budget, such as Surgery, Mom & Dad Project, HR Department. Administration will monitor the staffing and ensure that we are not staffing departments that do not need additional employees.

- Mr. Hamblin will provide an update on the questions President Nicely had.

Board Member Roberts motioned to approve 2017/2018 Budget as presented. Second by Board Member Robbins to approve the 2017/2018 Budget as presented. President Nicely called for the vote. A vote in favor of the motion was 3/2.

- Board Member Robbins - yes
- Board Member Willey- yes
- President Nicely - no
- Board Member McCarthy - no
- Board Member Roberts - yes

B. Discussion and Potential Approval of 2016/2019 Capital Expense Budget:

- Mr. Hamblin reported that this is the manager requests for their departments, updated CT Scanner & Mammo expenditure and this cost will not carry into next year, has \$250,000 budgeted for the ER for improvements on appearance and facilities is continuing to upgrade the facility.

Board Member Roberts motioned to approve 2016/2019 Capital Expense Budget as presented. Second by Board Member Willey to approve the 2016/2019 Capital Expense Budget as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey- yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

C. Discussion and Potential Approval of the Following Contracts:

- (1) Matthew Pautz, D.O. Surgery Department Director Agreement:

President Nicely called for a motion to approve Matthew Pautz, D.O. Surgery Department Director Agreement Contract as presented. Motion by Board Member Roberts to approve Matthew Pautz, D.O. Surgery Department Director Agreement Contract as presented. Second by Board Member Willey to approve Matthew Pautz, D.O. Surgery Department Director Agreement Contract as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Barbara Willey – yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

- (2) BE Smith Service Agreement (Recruitment for Interim Laboratory Manager):

- Mr. Friel stated that the Interim Laboratory Director will be on site Monday.

President Nicely motioned to approve the BE Smith Service Agreement as presented. Second by Board Member Willey to approve the BE Smith Service Agreement as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Barbara Willey - yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

12. ACTION ITEMS*

A. Quorum Health Resource Report:

(1) May 2017 QHR Report:

- Mr. Vigus reported the following:
 - Plans & needs for the District are as follows:
 - Revenue Cycle & implementation; help improve the process and bring in more cash. Follow up on recommendations from previous visit.
 - Compliance implementation and Compliance Program to be reviewed.
 - Risk Assessment in October.
 - Evaluating facility needs – new facility or upgrading and how to obtain the funds for the District.
 - Cost report analysis's on contractual and bad debit .
 - GPO – materials management function – 2nd year review.
 - Infection Control assessment – look for improvements.

President Nicely called for a motion to approve the QHR Report as presented. Motion by Board Member Robbins to approve the QHR Report as presented. Second by Board Member Roberts to approve the QHR Report as presented. President Nicely called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey- yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

B. CNO Report:

(1) May 2017 CNO Report:

- Ms. Jex was not present to provide information.
- Mr. Friel provided a briefing to the CNO Report:
 - ER Director – interviewing candidates and hopeful to make an offer early next week, internal candidates submitted after ROKOS agreement was executed. The best candidate for the job will be hired.
 - Workplace Violence Workshop is for internal issues, patient to staff issues and staff-to-staff.

President Nicely motioned to approve the CNO Report as presented. Second by Board Member McCarthy to approve the CNO Report as presented. Board Member Robbins called for the vote. A vote in favor of the motion was 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes

- Board Member McCarthy - yes
- Board Member Roberts - yes

C. Acceptance of the CEO Report:

(1) May 2017 CEO Report:

- Mr. Friel reported the following information:
 - District is on target for the completion of the Mammo & CT Project.
 - ER Director Position: conducting interviews on qualified candidates.

(2) Strategic plan

- President Nicely stated that the priorities did not change on the Strategic Plan; this was asked by the Board at a previous meeting.
- Mr. Friel informed the Board of Directors that an update with items being addressed and completed will be presented to the Board at the July Board Meeting.

President Nicely motioned to approve the CEO Report and Strategic Plan Update as presented. Second by Board Member Robbins to approve CEO Report and Strategic Plan Update as presented. President Nicely called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes
- Board Member Roberts - yes
- Board Member McCarthy - yes

D. Acceptance of the Finance Report:

(1) April 2017 Financials

- Mr. Hamblin reported the following information:
 - Negative / loss due to settlement being recorded for April
 - YTD surplus is \$2.7 million.
 - Days cash on hand, 218 days.
 - Patient days, ER visits are increasing.

(2) CFO Report:

- Mr. Hamblin reported the following:
 - Affordable Care Act is now becoming American Health Care Act and is still unknown. Consideration of AHCA has passed to the United States Senate. Recent reports are saying that the Senate intends to start from scratch on healthcare reform.
 - Ballot Measure F and compliance with requirement has been reviewed. Verbiage on the ballot that is questionable from the public. There is an annual audit on the money and the “no money for administrators” wording is not real common but has been used more often recently to placate voters’ concerns that the tax will go to admin salary increases.

President Nicely motioned to approve the April 2017 Finance Report and CFO Report as presented. Second by Board Member Robbins to approve the April 2017 Finance Report and CFO Report as presented. President Nicely called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Willey- yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

CLOSED SESSION

1. RECONVENE TO CLOSED SESSION:

President Nicely motioned to reconvene to Closed Session at 4:24 p.m. Second by Board Member Willey to reconvene to Closed Session. President Nicely called for the vote. A vote in favor was unanimously approved 5/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- President Nicely - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

President Nicely excused herself from the meeting at 4:25 p.m.

OPEN SESSION

1. CALL TO ORDER

Board Member Robbins called the meeting to order at 4:50 p.m.

2. RESULTS OF CLOSED SESSION

Board Member Robbins stated there was no reportable action taken in Closed Session.

3. ADJOURNMENT:

Board Member Roberts motioned to adjourn the meeting at 4:51 p.m. Second by Board Member Robbins to adjourn. Board Member Robbins called for the vote. A vote in favor of the motion was unanimously approved 4/0.

- Board Member Robbins - yes
- Board Member Willey - yes
- Board Member McCarthy - yes
- Board Member Roberts - yes

Bear Valley Community Healthcare District Construction Projects 2017

Department / Project	Details	Vendor and all associated costs	Comments	Date Completed
CT Scanner Project	Project is on schedule. Drywall finish is nearly complete. Waiting on tile contractor and weldor.	E.H. Butland	In Progress	
Mammo Project	Project has been issued Certificate Of Occupancy by OSHPD. Project is waiting on CDPH.	Advanced Medical Builders	In Progress	
Landscaping	Landscaping for hospital is complete for now. Looking at future ideas.	Stalcup Landscaping	Completed.	
Painting the Hospital exterior & repairing stucco.	Planning start of project with contractor.	Loose Painting	In Progress	

Bear Valley Community Healthcare District Potential Equipment Requirements

Department / Project	Details	Vendor and all associated costs	Comments	Date Complete
Facilities- Mezzanine Control air compressor	Waiting for Capital Budget approvals	Ingersoll Rand- Approximately \$6500		
Facilities- Dry Valve on sprinkler system	Waiting for capital budget approvals	Simplex Grinnell- \$ 11,000		
Facilities- Electric Cart	Waiting on capital budget approvals	No Vendor yet \$4,000	Most days we don't need the truck to haul around minor equipment and tools	

Bear Valley Community Healthcare District Repairs Maintenance

Department / Project	Details	Vendor and all associated costs	Comments	Date Completed
Ultrasound- Renovated Room	Added drywall above the ceiling that was suggested by OSHPD.	Jim & Tyler	Completed.	
Cold Water Chillers	Repaired both chillers that had issues from power loss due to fire.	Evolution Mechanical	Completed.	
Annual Bed Inspection	Completed Hospital annual patient/resident bed inspections.	General Medical Services	Completed.	
Physical Therapy	Installed new carpet in the building, installed new equipment & repaired numerous issues.	Carpeteria, Mike/Jim/Tyler	Completed.	
Boiler#1	Boiler would not run due to minor sensor issues. Boiler repaired and back in service.	RF MacDonald	Completed.	
Bi-Annual Outlet Inspection	Outlets were load tested and ground tested per CMS requirements.	BioMed	Completed.	

Fire Life Safety Report

DATE OF REPORT: 06/20/2017 for Q2 2017

Prepared by: Michael Mursick

MONITORED PROCESSES:

- Insure **monthly** maintenance log sheets are completed
- Insure fire drills are carried out once per quarter per shift as per NFPA 101, and District policy.
- Insure **quarterly** fire alarm system inspection was performed. (Simplex Grinnell)

SUMMARY OF FINDINGS:

- Above listed logs and drills (monthly & annual) were completed and carried out at required intervals.
- The month of April Simplex Grinnell completed the Quarterly Fire Sprinkler inspection and fire alarm testing for the Hospital and FHC. During this inspection they also performed the 5 year inspection at the FHC that is required.
- Our OS&Y tamper switches at the FHC for the fire water shut off valves failed our last quarterly inspection and the faulty switches were taken out of service and replaced with a lock & chain on the valves to satisfy the code.
- During the month of June we completed our annual fire extinguisher test for the entire organization. During that time we recognized a damaged extinguisher and 4 others that needed to be tested. The damaged extinguisher was replaced and the 4 other were sent out for testing.
- During our recent quarterly inspection Simplex Grinnell noted on our inspection report the deficiencies that have been occurring with our fire riser system. I have suggested to the finance department that capital monies be allocated to replace our old fire riser system with a modern fire riser system.



HR Monthly Report
June 2017

STAFFING	Active: 202 New Hires: 7 Terms: 4 (4 voluntary) Open Positions: 19
EMPLOYEE PERFORMANCE EVALUATIONS	DELINQUENT: 30 days: 1 60 days: 1 90 days: 0 90+ days: 0 MOVING FORWARD: Enforce Delinquent Evaluation Policy and continue monitoring ongoing annual evaluations.
WORK COMP	NEW CLAIMS: 0 OPEN: 0 Indemnity (Wage Replacement, attempts to make the employee financially whole) - 6 Future Medical Care - 5 MOVING FORWARD: Quarterly claims update.
FILE AUDIT/ LICENSING	FIVE FILE AUDIT: Two missing Meal and Rest Period Acknowledgement Two missing Meal Waiver in Excess of 8 hours Two missing Work Comp Fraud Notice All Licenses are up to date Missing three item from previous month MOVING FORWARD: Obtain required items, continue file audit.



Infection Prevention Monthly Report

June 2017

TOPIC	UPDATE	ACTION/FOLLOW UP
1. Regulatory	<ul style="list-style-type: none"> ▪ Continue to receive updates from APIC. ▪ AFL (All Facility Letters) from CDPH have been reviewed. <ul style="list-style-type: none"> ▪ No AFLs related to infection control ▪ Continue NHSN surveillance reporting. ▪ Completion of CMR reports to Public Health per Title 17 and CDPH regulations. <ul style="list-style-type: none"> ▪ No new reportable diseases this month 	<ul style="list-style-type: none"> ▪ Review ICP regulations. ▪ AFL to be reviewed at Infection Control Committee and Regulatory committee. ▪ Continue Monthly Reporting Plan submissions.
2. Construction	<ul style="list-style-type: none"> ▪ Mammo and CT projects ongoing. Both following infection control regulations with proper permits. 	<ul style="list-style-type: none"> ▪ Work with Maintenance and contractors to ensure compliance.
3. QI	<ul style="list-style-type: none"> ▪ Continue to work towards increased compliance with Hand Hygiene. <ul style="list-style-type: none"> ○ Hand hygiene compliance for May was 82% 	<ul style="list-style-type: none"> ▪ Continue monitoring hand hygiene compliance.
4. Outbreaks/ Surveillance	<ul style="list-style-type: none"> ▪ Public Health Report <ul style="list-style-type: none"> ○ No new outbreaks to report 	<ul style="list-style-type: none"> ▪ Informational

5. Policy Updates	<ul style="list-style-type: none"> ▪ Policies reviewed, approved: <ul style="list-style-type: none"> ○ Physical Therapy Infection Control Policy was updated and unanimously approved. 	<ul style="list-style-type: none"> ▪ Clinical Policy and Procedure Committee to review and update Infection Prevention policies.
6. Safety/Product	<ul style="list-style-type: none"> ▪ Pre-Klenz Instrument Transport Gel <ul style="list-style-type: none"> ○ Will be changing process of handling, prepping, and storing soiled instruments from ER and clinics until they are returned to central sterile for processing ○ A surfactant spray gel will be used to keep instruments moist, protect them and prevent bioburden formation for up to 3 days while awaiting processing 	<ul style="list-style-type: none"> ▪ Will be writing policy and procedure
7. Antibiotic Stewardship	<ul style="list-style-type: none"> ▪ Danggiao Phan continues to monitor Vancomycin usage. <ul style="list-style-type: none"> ○ 3 out of 10 cases were incorrectly administered ○ This information will be relayed to prescribing physicians. ▪ Dr. Paja and Danggiao Phan head the Antimicrobial Stewardship program. 	<ul style="list-style-type: none"> ▪ Informational.
8. Education	<ul style="list-style-type: none"> ▪ ICP continues to attend the APIC meetings in Ontario. ▪ Steris University offers free online education and CEs to staff in topics related to sterilization and infection prevention ▪ ICP will provide inservice to clinical staff regarding new policy on handling of soiled instruments once policy put in place. 	<ul style="list-style-type: none"> ▪ ICP to share information at appropriate committees.
9. Informational	<ul style="list-style-type: none"> ▪ Guidelines have changed regarding Congenital Syphilis Prevention. Information provided to practitioners. 	<ul style="list-style-type: none"> ▪ Informational
<i>Heather Loose, BSN, RN Infection Preventionist Date: June 27, 2017</i>		



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements	

POLICY:

Contracts and agreements are an integral part of conducting the business of all organizations. California Health & Safety Code, Division 23, Sections 32000 – 32492 in part govern contracts and agreements entered into by health care districts as well as contract law. The purpose of this policy is to set forth the process and flow used by Bear Valley Community Healthcare District (BVCHD).

Categorization & Delegation of Authority

Note: Legal Counsel to review any agreement which involves an entity with physician ownership interest.

	Type	Description	Approval	Reviewed By
1.0	Affiliation/ Transfer/ Referral Agreement	Agreement with nursing schools, clinical organizations, and cooperation agreements offering Facility support for educational clinical experience programs, teaching affiliations, or other related services or written arrangements with outside healthcare organizations, hospitals, nursing homes, and/or long-term care centers whereby the Facility agrees to accept or refer patients requiring acute medical care from/to such facilities. -The CEO shall be authorized to negotiate and execute such agreements that do not involve monetary compensation. -Agreements involving monetary commitments require Board approval.	CEO	Based upon the nature of the contract, the following Directors, as appropriate Regulatory, Clinical, Educational and/or MEC determined by the Facility CEO/designee.
2.0	Business Development/ Joint Ventures Agreement	Agreement requiring the establishment of a new business venture, enterprise or corporate entity.	Board	Compliance Officer, CFO, Legal Counsel, CEO & Board Finance Committee.
3.0	Construction Contract	Outside construction and renovation contract.	Board	CEO, Plant and Facility Committee.
4.0	Property Lease	Written agreement involving the Facility as a landlord, tenant, subtenant, lessee or leaser of property or buildings.	Board	CEO, Plant and Facility Committee.

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet



DEPARTMENT: Administration		CATEGORY: Policies, Procedures		
SUBJECT: Contracts and Agreements				
5.0	Consulting Agreement	Contract with an outside consultant to provide direct consulting services for District management, employees or physicians. Also, agreements where the District contracts with an outside commercial business, agency, party organization, or individual to provide staffing, clinical, or management services for compensation.	Less than \$25,000 per year, CEO Greater than \$25,000 per year, Board	Compliance Officer, CFO, Legal Counsel, CEO.
6.0	Employment/ Recruiting Agreement	Agreement used to recruit and retain key employees to fill special or critical positions within the Facility.	Less than \$25,000 per year, CEO Greater than \$25,000 per year, Board via Finance Committee	Compliance Officer, CFO, Legal Counsel, Human Resources Director, CEO, Finance Committee.
7.0	Employee Benefit Contract	Contract/agreement with an outside agency or organization to establish, operate, manage, audit or consult on an employee benefit health, life, disability, retirement or savings plan.	Less than \$25,000 per year, CEO Greater than \$25,000 per year, Board via Finance Committee	Compliance Officer, CFO, Legal Counsel, Human Resources Director, CEO, Finance Committee, UNAC/OPEIU Committee.
8.0	Financial/ Business Services Agreement	Commitment of the District involving a financial obligation including loans or borrowing instruments, credit verification affiliations, collection agency contracts, and investments.	Less than \$25,000 per year, CEO Greater than \$25,000 per year, Board via Finance Committee	Compliance Officer, Legal Counsel, Human Resources Director, CFO & CEO, Finance Committee.
9.0	Purchasing Agreement/ Equipment Lease/ Maintenance/ Service Agreement	Contract/agreement involving short or long term buying commitments for products at fixed or discounted rates. Contracts involving fixed monthly, quarterly or other periodic payments to the maintenance or repair organization guaranteeing such services to maintain pieces of equipment deemed essential to the safety and well-being of patient care and Facility operations.	Less than \$25,000 per year/CEO Greater than \$25,000 per year, Board via Finance Committee	CFO, Materials Manager, Department Manager, CEO and Legal Counsel.
Prepared By: Friel, John		Reference: QHR		
Reviewed By: Admin Team, Policy & Procedure Committee		Revised Date: Not Approved Yet		
Approved By: Board Directors		Date Approved: Not Approved Yet		



DEPARTMENT: Administration			CATEGORY: Policies, Procedures	
SUBJECT: Contracts and Agreements				
10.0	Managed Care and Service Agreement	Agreement involving the sale or provision of healthcare services to another party. This includes: HMO and PPO contracts, Healthcare Services Contracts. -New HMO and PPO contracts, excluding standard Third-party governments and insurance agreements, shall be reviewed and approved by the Finance Committee of the Board. (Exception: Contracts negotiated through the Facility PHO). -Managed Care contracts which include discounts beyond 25 percent require the approval of the Facility Board.	CFO & CEO	CFO, CEO, Contract Consultant.
11.0	Physician Agreement *Refer to Contracts/Agreements with Physicians and Other Referral Sources policy.	Agreement whereby a physician or healthcare practitioner, or group thereof, is contracted to provide a specific service, medical directorship, or consultation coverage. Includes CRNA's, Radiology, Pathology, and Emergency Department Physician coverage, contracts or commitments, direct or indirect compensation, financial assistance, relocation benefits, recruiting fees, income guarantees or related inducements are offered to any physician or practitioner to assist in or encourage relocation, or establishment of a practice in District's service area.	Board	Compliance, CFO & CEO (Chief Medical Officer), Legal Counsel.
12.0	Grant	Agreement in which the District or its representatives provide a service in return for funding from the granting authority and the Facility acts as the Fiscal Agent for such funding.	CEO	Department Manager, CFO & CEO. Any grant written for an amount greater than \$500,000 must be submitted to the Board for review prior to distribution of the Grant.

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements	

PROCEDURE:

1. The Controller maintains the Master Contract List for the District.
2. Administration will monitor expiration dates of all contracts, and notify Department Manager 90 days prior to expiration, unless more time required per contract.
3. Complete top portion of the Contract Cover Sheet and attach to proposed contract.
4. If indicated, obtain a Business Associate Agreement (BAA) and attach to packet.
5. A W9 must be obtained for each contractor and included with contract packet.
6. All approval signatures must be obtained, in order, by those indicated on the Contract Cover Sheet.
7. The original fully executed contract is to be retained by Administration.
 - 7.1. Four copies are to be distributed as follows: one each to the vendor, legal counsel, accounting and one is to be retained by the DM.
8. **CONTRACT SERVICES EVALUATION:**
 - 8.1. On an annual basis, and prior to expiration of contract, Department Managers will conduct a review of each contract.
 - 8.1.1. The Contract Services Evaluation form is to be completed, signed and returned to Administration.
9. **SITUATION IN WHICH A BUSINESS ASSOCIATE AGREEMENT IS NOT REQUIRED:**
 - 9.1. Contractors whose scope of service does not include access to ePHI/PHI.
 - 9.2. BVCHD employees and/or students enrolled in educational programs utilizing hospital and /or outpatient clinics for required practicum and degree programs.

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet

Annual Contract Service Evaluation Form

Date:		
Contractor:		
Scope / Nature of Service Provided by Contractor:		
Directions: Evaluate each aspect of the contract. Please respond:		
<p>1. During the past year, have there been issues / concerns related by Customers of this service? Yes No N/A</p> <p>2. During the past year, has a patient been injured or a delay in service been experienced as a result of this contract service? Yes No N/A</p> <p>3. During the past year, has a physician voiced a concern over the contractor? Yes No N/A</p> <p>4. Have the Human Resources Requirements for Contract Service Personnel been met? Yes No N/A</p>		
Evaluate each aspect of this contract on a scale of (1) to (5) with (1) being poor service.		
	RATING	COMMENTS
Customer Service	1 2 3 4 5	
Timeliness of Response	1 2 3 4 5	
Physician/Staff Personnel Availability	1 2 3 4 5	
Overall Physician/Staff Competency	1 2 3 4 5	
Knowledge and use of equipment	1 2 3 4 5	
Meets standards of service	1 2 3 4 5	
Overall Contract Performance Evaluation	1 2 3 4 5	

Annual Contract Services Evaluation

Date: _____		
Contractor: _____		
Contract Obligations: <ol style="list-style-type: none"> 1. Is the nature of the scope of the service defined in the contract? 2. Does the contract require contractor to meet State/Federal Regulations? 3. Does the contract require contractor to maintain General Liability, Workers Comp and Professional Liability Insurance? 4. Does the contract require contractor/its representatives to comply with the rules, regulations and policies of the facility and its medical staff? 5. Does the contract require contractor to submit, at the hospital's request, any documents, records and /or other information as may be requested? 6. Have all requirements of the contract been met? 		
<p style="text-align: center;"><u>Department Manager Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Medical Staff Recommendation (if applicable)</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Administration Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>

Department Manager Date

Chief of Staff (if applicable) Date

CEO Date



Business Associate Agreement

This Business Associate Agreement (the "Agreement") is made this _____ day of _____ (the "Effective Date") by and between the Bear Valley Community Healthcare District ("BVCHD"), and _____ ("Business Associate").

A. BVCHD and Business Associate have conducted or will be conducting business pursuant to an agreement (the "Underlying Agreement") whereby Business Associate provides certain products and services to BVCHD.

B. Business Associate receives certain protected health information ("PHI"), including protected health information that is maintained or transmitted by electronic media ("ePHI"), pursuant to the Underlying Agreement that is subject to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations thereunder ("HIPAA"), and the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 and regulations thereunder (the "HITECH Act"), and other applicable laws.

C. Business Associate and BVCHD intend to protect and provide for the security of PHI/ePHI and to comply with federal and California laws regarding the use and disclosure of individually identifiable health information, particularly the privacy and security standards of HIPAA and the HITECH Act.

D. This Agreement incorporates certain requirements established by the HITECH Act, with the intent, as stated herein, that such requirements shall become effective herein as of their effective date under the HITECH Act.

In consideration of the above recitals and the mutual covenants contained in this Agreement, BVCHD and Business Associate enter into this Agreement.

1. Definitions. The capitalized terms shall be as defined in this Agreement. For purposes of this Agreement, any reference contained herein to PHI/ePHI shall include but shall not be limited to ePHI. If a capitalized term is not defined in this Agreement, the term shall have the meaning set forth in the HIPAA Regulations, 45 C.F.R Parts 160, 162 and 164; Sections 13400 through 13410 of the HITECH Act; and the regulations thereunder, 16 C.F.R. Part 681.



1.1 Specific definitions:

(a) Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean _____ (Associate).

(b) Covered Entity. "Covered Entity" shall have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean BVCHD.

(c) HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

2. HIPAA and HITECH Compliance. Business Associate may use PHI/ePHI received from BVCHD solely to perform its duties pursuant to the Underlying Agreement and this Agreement. Business Associate will not use or disclose PHI/ePHI in any manner that could result in a violation of HIPAA or the HITECH Act, the related regulations.

3. Obligations and Activities of Business Associate.

3.1. HIPAA and the HITECH Act. Business Associate shall use and disclose PHI/ePHI only as necessary and appropriate to fulfill its specific obligations to Covered Entity under the Underlying Agreement and this Agreement, and agrees to the following without limiting the foregoing:

(a) Not use or disclose PHI other than as permitted or required by the Agreement, Underlying Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;

(c) Report to covered entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware. Reporting of breaches of unsecured PHI/ePHI will be made to BVCHD within three (3) business days of discovery: provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to BVCHD if the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to BVCHD by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not limited to, pings and other broadcast attacks on Business Associate's firewall, port



scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI.

(d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(e) Make available PHI in a designated record set to BVCH as necessary to satisfy covered entity's obligations under 45 CFR 164.524;

(f) Make any amendment(s) to PHI in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526. If an Individual submits a written request for amendment pursuant to 45 CFR 164.526 directly to Business Associate, or inquires about his or her right to amendment. Business Associate shall direct the Individual to BVCHD. Any such amendment made at the direction of BVCHD shall be the responsibility of the BVCHD;

(g) Maintain and make available the information required to provide an accounting of disclosures to the "individual" as necessary to satisfy covered entity's obligations under 45 CFR 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR 164.528 directly to Business Associate, or inquiries about his or her right to an accounting of disclosures of PHI., Business Associate shall direct the Individual to BVCHD;

(h) To the extent the Business Associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and

(i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

a. Permitted Uses and Disclosures of PHI/ePHI/ by Business Associate:
Business Associate may use and disclose PHI/ePHI:

- i. for the proper management and administration of Business Associate;
- ii. to carry out the legal responsibilities of Business Associate;
- iii. as required by law;



- iv. for data aggregation purposes for the health care operations of BVCHD; or
- v. to create de-identified PHI in accordance with the standards set forth in 45 CFR 164.514(b). Business Associate may use or disclose such de-identified data.

If Business Associate uses or discloses PHI/ePHI to a third party, Business Associate must obtain, prior to making any such use or disclosure:

- I. reasonable assurances from such third party that such PHI/ePHI will be held confidential pursuant to this Agreement and only disclosed as required by law or for purposes disclosed; *and*
- II. a agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI/ePHI, to the extent it has obtained knowledge of such breach.

b. Prohibited Uses and Disclosures of PHI/ePHI: Business Associate agrees that it, and its agents, employees and subcontractors, shall:

- i. Not use or disclose PHI/ePHI in a manner that would violate applicable law regarding the confidentiality of PHI/ePHI;
- ii. Not use or disclose PHI/ePHI for fundraising or marketing purposes;
- iii. Not disclose PHI/ePHI to a health plan for payment or health care operations purposes *if* the patient has requested this special restriction, *and* has paid out of pocket in full for the health care item or service to which the PHI/ePHI solely relates;
- iv. Not directly or indirectly receive remuneration in exchange for PHI/ePHI, except with the prior written consent of BVCHD and as permitted by HIPAA and the HITECH Act (this prohibition shall not affect payment by BVCHD to Business Associate for services provided pursuant to the Underlying Agreement); and
- v. To the extent feasible, minimize any viewing of PHI/ePHI while performing obligations under this Agreement.

c. Safeguards: Business Associate shall implement and use Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of PHI, including Electronic ePHI that Business Associate creates, receives, maintains or transmits on behalf of BVCHD as required by HIPAA and the HITECH Act. The purpose of such safeguards is to prevent the use or disclosure of PHI/ePHI in violation of this Agreement. Such safeguards shall conform to the standards and implementation specifications required by HIPAA and the HITECH Act. Business Associate shall comply with



the policies and procedures and documentation requirements of HIPAA, including, but not limited to, 45 C.F.R. Section 164.316.

4. Workforce and Agents. Business Associate represents and warrants that it shall not disclose PHI/ePHI to any member of its workforce, or to any of its agents or subcontractors, unless such person has a need to know the PHI/ePHI. Business Associate shall also ensure that the requirements of this Agreement are incorporated into each agreement with any agent or subcontractor to whom Business Associate discloses PHI/ePHI, and that each agent and/or subcontractor shall agree *in writing* to be bound to the same terms and conditions that apply to Business Associate with respect to PHI/ePHI. In addition, Business Associate shall ensure that any agent or subcontractor to whom Business Associate discloses PHI/ePHI shall implement the same safeguards required by Section 4.1(c) of this agreement to protect the PHI/ePHI with regards to PHI/ePHI. Business Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. Business Associate shall not store any PHI/ePHI outside of the United States of America. Any employee, agent or subcontractor that receives access to PHI/ePHI shall abide by the laws of the United States of America or more restrictive laws of the county in which they reside.

5. Access to PHI/ePHI. Upon the request by BVCHD, Business Associate shall promptly make PHI/ePHI maintained by Business Associate or its agents or subcontractors in Designated Record Sets or ePHI available to BVCHD for inspection and copying *within ten (10) business days of receipt of a written request* from BVCHD to enable BVCHD to fulfill its obligations in accordance with 45 C.F.R. §164.524 and applicable California law. Such PHI/ePHI shall be produced in the format requested by BVCHD, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable BVCHD to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e). If an individual contacts Business Associate directly for such access, Business Associate shall direct the individual to contact BVCHD. This requirement to provide access to the PHI/ePHI shall only apply if the PHI/ePHI in Business Associate's possession is part of BVCHD's Designated Record Set.

6. Accounting. Business Associate agrees that it will provide PHI/ePHI in accordance with HIPAA and will provide an accounting to BVCHD no later than ten business (10) days after the request by BVCHD to enable BVCHD to fulfill its obligations under the HIPAA Privacy Rule and the HITECH Act. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate, for at least six (6) years prior to the request.

The accounting shall provide at least the following information: (a) the date of each disclosure, (b) the name and address of the organization or person receiving the PHI/ePHI, (c) copy of information disclosed and/or brief description (d) a brief statement



of purpose of the disclosure that reasonably informs the individual of the basis of the disclosure, or a copy of the authorization and written request for disclosure. In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall direct the Individual to BVCHD. It shall be BVCHD's responsibility to prepare and deliver any such accounting requested. Business Associate shall not disclose any PHI/ePHI except for the purpose of performing its obligations in the Underlying Agreement, or as Required by Law and as identified in this Agreement. The provisions of this subparagraph 8 shall survive the termination of this Agreement.

7. Governmental Access to Records. Business Associate shall make all of its internal practices, records, and books relating to the use and disclosure of PHI/ePHI relating to BVCHD or its patients available to the Secretary of Health and Human Services, and others designated by the Secretary as required by HIPAA for purposes of determining BVCHD's compliance with the applicable laws and regulations. Business Associate shall provide BVCHD a list of any PHI/ePHI that Business Associate provides to the Secretary, if permitted to do so, concurrently with providing such PHI/ePHI to the Secretary.

8. Minimum Necessary. Business Associate shall request, use and disclose only the minimum amount of PHI/ePHI necessary to accomplish the purpose of the request, use or disclosure, except as otherwise permitted by HIPAA and the HITECH Act. Business Associate understands and agrees that the definition of "minimum necessary" shall be the subject of future guidance to be issued by the Secretary and agrees to comply with such guidance.

9. Data Ownership. Business Associate acknowledges that Business Associate and its agents and subcontractors have no ownership rights with respect to the PHI/ePHI.

10. Notification and Reporting of Breach. In the event of any breach of security, intrusion or unauthorized access, use or disclosure of PHI/ePHI of which Business Associate becomes aware and/or any actual use or disclosure of data in violation of any applicable federal or state law or regulations, Business Associate shall notify the BVCHD Privacy Officer and/or Compliance Officer, or his/her designee(s), within three (3) business days. Such report shall include an indication of whether such PHI/ePHI was Unsecured PHI/ePHI and such other information that BVCHD may request in order to determine whether such breach is reportable. Business Associate shall take (i) prompt corrective action to cure any deficiencies, *and* (ii) any action pertaining to such unauthorized disclosure required by federal and state laws or regulations.

11. Breach Pattern or Practice by BVCH. If Business Associate knows of a pattern of activity or practice of BVCHD that constitutes a material breach or violation of BVCHD's obligations under this Agreement, Business Associate must without reasonable delay (and in all cases within five (5) business days) inform BVCHD so that BVCHD may take reasonable steps to cure the breach or end the violation. If BVCHD fails to cure the breach or violation, the Business Associate must terminate the, at its



election, the software licenses and services that require compliance with this agreement; if feasible, or if termination is not feasible, report the problem as required by the HITECH Act. However, all rights and obligations arising prior to such termination shall remain in effect. All other agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.

12. Mitigation Procedures. Business Associate agrees to cure or mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI/ePHI in violation of this Agreement.

13. Indemnification. Each party shall immediately notify in writing the Other Party (the "Indemnifying Party") of any third party claim against itself, its officers, directors, employees and agents (each an "Indemnified Party") allegedly resulting from any unauthorized use or disclosure of PHI by the Indemnifying Party in violation of applicable law or this Agreement (each a "PHI Breach Claim"). The Indemnifying Party shall, at its sole cost and expense:

1. Defend the Indemnified Parties from and against a PHI Breach Claim. The selection of counsel, the conduct of the defense of any lawsuit and any lawsuit and any settlement shall be within the sole control of the Indemnifying Party.;
2. Indemnify and hold the Indemnified Parties harmless from any direct damages or expenses (including reasonable attorney's fees) actually and finally awarded, and fines or penalties imposed by a government agency against an Indemnified Party for a PHI Breach Claim, or any settlement of a PHI Breach Claim made in lieu of further litigation or agency determination.

The Indemnifying Party shall not settle any PHI Breach Claim that imposes any new restriction or obligation, or finding of fault upon an Indemnified Party without the Indemnified Party's written consent, which shall not be unreasonably withheld.

14. Insurance. Business Associate shall obtain and maintain errors and omissions or other appropriate insurance providing coverage for Business Associate's negligent acts or omissions in connection with its duties pursuant to this Agreement in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 aggregate. BVCHD may obtain up to date insurance certificate from 3m.com at any time.

15. Legal Process. In the event that Business Associate is served with legal process (e.g. a subpoena) or request from a government agency (e.g. the Secretary) that potentially could require the disclosure of PHI/ePHI, Business Associate shall provide prompt notice (and in all cases within two (2) business days) of such legal process to the Privacy Officer of BVCHD, if permitted to do so.

16. Term. This Agreement shall continue from the Effective Date and irrespective of the termination of the Underlying Agreement until all of the PHI/ePHI received by



Business Associate from or on behalf of BVCHD has either been destroyed or returned according to the terms of the HIPAA Privacy and Security Regulations and this Agreement.

17. Termination of Underlying Agreement.

a. Material Breach. BVCHD may terminate the software licenses and services that require compliance with this Agreement in its sole discretion and without compensation of any kind to Business Associate if it Business Associate has improperly used or disclosed PHI/ePHI in violation of HIPAA, the HITECH Act, or other statutes or in violation of the terms of this Agreement; provided that BVCHD may in lieu of termination, in its sole discretion, provide an opportunity to cure the improper use of disclosure in the future.

b. Judicial or Administrative Proceedings. BVCHD may terminate the Underlying Agreement, effective immediately, if (i) Business Associate is found guilty in a criminal proceeding for a violation of HIPAA, the HITECH Act, or other security or privacy laws, relating to this agreement or the Underlying Agreement.

18. Return/Restriction of PHI/ePHI. Upon termination of the Underlying Agreement, Business Associate will return or destroy all PHI/ePHI and personal identity information, at the discretion of BVCHD, created or received from or on behalf of BVCHD or its patients no matter how maintained. Business Associate shall not maintain any copies of PHI/ePHI or personal identity information. Business Associate shall certify in writing within thirty (30) days from the date of termination or expiration of the Underlying Agreement that all such information has been returned or disposed of as provided and the PHI/ePHI and personal identity information have not been retained in any form. If for whatever reason, any or all of such information cannot be returned or destroyed, this Agreement remains in effect and all protections and limitations specified herein shall remain in place for any PHI/ePHI and personal identity information which is retained by the Business Associate.

19. Survival. Unless the context clearly indicates otherwise, all rights, duties and obligations provided in this Agreement, including Section 22, shall survive termination of this Agreement and/or termination of the Underlying Agreement.

20. Disclaimer. Business Associate is responsible for its own HIPAA and HITECH Act compliance. BVCHD is not responsible or liable to Business Associate for Business Associate's failure to comply with HIPAA or the HITECH Act Rules, and makes no warranty that compliance by Business Associate with this Agreement or the applicable laws and regulations will be adequate or satisfactory for Business Associate's own purposes. Further, BVCHD will not be liable to Business Associate for any claim, loss of damage relating to unauthorized use or disclosure of any information received by Business Associate from BVCHD or from any other source.



21. Amendments of HIPAA Privacy Regulations. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Underlying Agreement or this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such actions as are necessary to implement the standards and requirements of HIPAA and the HITECH Act, and other applicable laws and regulations relating to the security and confidentiality of PHI/ePHI. To the extent that any relevant laws or regulations are materially amended, or new laws or regulations are enacted, in a manner that materially changes the obligations of Business Associates or BVCHD that are embodied in the terms of this Agreement, then BVCHD and Business Associate agree to negotiate in good faith appropriate new terms or amendments to this Agreement to give effect to such revised obligation. Until such new terms or amendments are agreed upon, this Agreement shall be construed so as to require compliance with such new or amended laws and regulations.

22. Assistance in Litigation or Administrative Proceedings. The Parties acknowledge that certain breaches or violations of this Agreement may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.

23. No Third Party Beneficiaries. Nothing express or implied in the Underlying Contract or this Agreement is intended to confer, nor shall anything here in confer, upon any person other than BVCHD, Business Associate and their respective successors or assigns, any rights, remedies obligations or liabilities whatsoever.

24. Entire Agreement. This Agreement (together with any recitals and exhibits, which are hereby incorporated by this reference) constitutes the entire understanding and agreement between the parties relating to PHI/ePHI and personal identity information, and it supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties, except for any provisions of the Underlying Agreement not in conflict herewith.

25. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties to this Agreement.

26. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Any photocopy of this executed Agreement may be used as if it were the original.



27. Governing Law. Notwithstanding any other provision to the contrary, this Agreement shall be governed and construed in accordance with the laws of the State of California.

28. Interpretation. The provisions of the Agreement shall prevail over any provisions in the Underlying Agreement that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Underlying Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and the HITECH Act. The parties agree that any ambiguity in this Agreement shall be resolved so as to permit BVCHD and Business Associate to comply and is consistent with HIPAA and the HITECH Act.

29. Obligations of Covered Entity: Covered Entity shall:

A. not transmits Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI.

B. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation.

C. notify Business Associate of any changes in, or revocation of permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI.

D. notify Business Associate of any restriction to the user or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's



use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.

E. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security rule or the HIPAA Final Rule if done by Covered Entity.

Dated: _____

By: _____

John Friel, CEO
BVCHD
PO Box 1649
Big Bear Lake, Ca. 92315

Dated: _____

By: _____



Contract Cover Sheet

Contract Name: _____

Purpose of Contract: _____

Contract # / Effective Date / Term _____ / _____ / _____

Originating Dept. Name / Number - _____ / _____

Department Manager **Signature:** _____ **Date:** _____

BAA: ☐ Yes ☐ No

W-9: ☐ Yes ☐ No

<u>Administrative Officer</u>	Signature: _____	Date: _____
<u>HIPAA/Privacy Officer</u> (as appropriate)	Signature _____	Date: _____
<u>Legal Counsel</u>	Signature: _____	Date: _____
<u>Compliance Officer</u>	Signature: _____	Date: _____
<u>Chief Financial Officer</u>	Signature: _____	Date: _____
<u>Chief Executive Officer</u>	Signature: _____	Date: _____

1. **Final Signatures on Contract, BAA & W-9:** **Date:** _____

2. **Copy of Contract/BAA/W-9 forwarded to Department Manager:** **Date:** _____

3. **Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable):** **Date:** _____

4. **Copy of Contract/BAA/W-9 scanned/emailed to Controller and Legal:** **Date:** _____
(if applicable)

Contract Cover Sheet

CONFIDENTIAL NOTICE:

Note: This document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

NOTICE TO RECIPIENT: If you are not the intended recipient of this, you are prohibited from sharing, copying or otherwise using or disclosing its contents. If you have received this document in error, please notify the sender immediately by reply email and permanently delete this document and any attachments without reading, forwarding or saving them. Thank you

Updated 5/2017



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements with Physicians and Other Referral Sources Policy	

POLICY:

Overview: Pursuant to the Compliance Program and Code of Conduct adopted by Bear Valley Community Healthcare District (BVCHD) and its' affiliates, BVCHD will make public declaration of various policies as to the financial relationships between BVCHD's entities and physicians and other referral sources. Compliance with these policies is required for any contract or other financial arrangement with a physician and other referral source.

An exception may be approved in specific circumstances where the facts demonstrate an exception is appropriate. Any proposed exception must be approved by both, BVCHD's Legal counsel and Board prior to commitment to such non-conforming proposal. Such exception is permitted only where the applicable legal requirements continue to be met.

Scope: Applies to any contract or agreement involving a physician or physician's immediate family member, as well as any non-physician referral source.

Contract or Agreement includes, but is not limited to, physician recruiting agreement, management services agreement, professional services agreement, employment agreement, other agreement for the provision of services, whether medically related or not, asset purchase and disposition agreement, joint venture or co-ownership, syndication arrangement, medical office building lease, and loan to physician.

Immediate family members is defined as spouse, natural or adoptive parent, child, sibling, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, spouse or grandparent, and spouse of grandchild.

Purpose: To ensure all physician or other referral source contracts or agreements receive the required review and approval by both BVCHD's Legal counsel and Board, prior to becoming effective.

PROCEDURE:

1. Requirements:

- 1.1. All contracts and agreements with physicians must meet the following requirements, in compliance with 42 §1395nn, Federal law commonly known as "Stark II", and the Fraud & Abuse Safe Harbors of the Federal Anti-kickback Statute:
 - 1.1.1. In writing, signed by the parties and specify services covered.
 - 1.1.2. Specify length of the contract or agreement, the term.
 - 1.1.3. Specify compensation exchanged, which must be agreed upon in advance, consistent with fair market value for the services or item provided without consideration of the potential value or volume of referrals or other business generated by the physician.
- 1.2. Physician or other referral source contracts and agreements reviews and approvals must be obtained

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements with Physicians and Other Referral Sources Policy	

prior to the execution of the contract or agreement.

- 1.3. Physician or other referral source contracts and agreements require documented approval by both BVCHD's Legal counsel and Board, even if the agreement complies in all respects with the Facility policies.
- 1.4. No BVCHD representative has authority to enter into commitment, either written or verbal, with physician or other referral source, until required documented approval for contract or agreement has been obtained from both BVCHD's Legal counsel and Board.
- 1.5. No Department at BVCHD has the authority to enter into a side-agreement with a physician, make amendment, extension or renewal with physician or other referral source.
 - 1.5.1. Any agreement, amendment, extension or renewal must be submitted in writing for review and approval by both BVCHD's Legal counsel and Board.
- 1.6. Only after required documented approval has been obtained from both BVCHD's Legal counsel and Board, shall payment be made to a physician or other referral source per agreement.
- 1.7. Informal documents such as Letters of Intent, Letter Agreements, or Memoranda of Understanding are also subject to compliance to policies and require District Legal counsel review.
- 1.8. Facility Legal counsel shall review any agreement or contract which involves an entity with physician ownership interest.
- 1.9. In all contracts and agreements with referral sources, performance of all the terms of the agreement is mandatory.
- 1.10. Where intent is to provide a new service to the community, obtain services, rent property at fair market value, acquire or divest medical practice assets at fair market value, if evidence is noted of discussions, emails, or memoranda indicating proposal to obtain or reward referrals via agreement, such agreement will not be approved.
- 1.11. A contract and agreement record will be presented to the Finance Committee outlining all contracts executed in the fiscal year, semi-annually, as a Finance Committee agenda item.
 - 1.11.1. Copies of all contracts on the log will be made available upon request.
- 1.12. A separate motion will be made and voted to approve/disapprove contracts as appropriate.
 - 1.12.1. New contracts requiring separate discussion or allocation of funds, will be handled through a Finance Committee or CEO report, and will be dealt with as a separate agenda item and Board action.
- 1.13. District Legal counsel may have prepared contract templates for general situations.
 - 1.13.1. However, although BVCHD's Legal counsel's forms are utilized, all required review and approvals remain valid and active as set forth in the policies, in order to review specific circumstances of each contract or agreement.
- 1.14. All payments must be properly identified, documented, and approved with an executed contract prior to authorization for payment.
 - 1.14.1. Accounts payable personnel shall not process any payment which is not in compliance with this policy.
 - 1.14.2. At year end, Federal Form 1099 must be prepared for a total of all payments to a non-employee physician exceeding the \$600 limit during the year.

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet

Annual Contract Service Evaluation Form

Date:		
Contractor:		
Scope / Nature of Service Provided by Contractor:		
Directions: Evaluate each aspect of the contract. Please respond:		
<p>1. During the past year, have there been issues / concerns related by Customers of this service?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>2. During the past year, has a patient been injured or a delay in service been experienced as a result of this contract service?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>3. During the past year, has a physician voiced a concern over the contractor?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>4. Have the Human Resources Requirements for Contract Service Personnel been met?</p> <p style="margin-left: 40px;">Yes No N/A</p>		
Evaluate each aspect of this contract on a scale of (1) to (5) with (1) being poor service.		
	RATING	COMMENTS
Customer Service	1 2 3 4 5	
Timeliness of Response	1 2 3 4 5	
Physician/Staff Personnel Availability	1 2 3 4 5	
Overall Physician/Staff Competency	1 2 3 4 5	
Knowledge and use of equipment	1 2 3 4 5	
Meets standards of service	1 2 3 4 5	
Overall Contract Performance Evaluation	1 2 3 4 5	

Annual Contract Services Evaluation

Date:		
Contractor:		
Contract Obligations:		
<ol style="list-style-type: none"> 1. Is the nature of the scope of the service defined in the contract? 2. Does the contract require contractor to meet State/Federal Regulations? 3. Does the contract require contractor to maintain General Liability, Workers Comp and Professional Liability Insurance? 4. Does the contract require contractor/its representatives to comply with the rules, regulations and policies of the facility and its medical staff? 5. Does the contract require contractor to submit, at the hospital's request, any documents, records and /or other information as may be requested? 6. Have all requirements of the contract been met? 		
<p style="text-align: center;"><u>Department Manager Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Medical Staff Recommendation (if applicable)</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Administration Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>

Department Manager Date

Chief of Staff (if applicable) Date

CEO Date



Business Associate Agreement

This Business Associate Agreement (the "Agreement") is made this _____ day of _____ (the "Effective Date") by and between the Bear Valley Community Healthcare District ("BVCHD"), and _____ ("Business Associate").

A. BVCHD and Business Associate have conducted or will be conducting business pursuant to an agreement (the "Underlying Agreement") whereby Business Associate provides certain products and services to BVCHD.

B. Business Associate receives certain protected health information ("PHI"), including protected health information that is maintained or transmitted by electronic media ("ePHI"), pursuant to the Underlying Agreement that is subject to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations thereunder ("HIPAA"), and the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 and regulations thereunder (the "HITECH Act"), and other applicable laws.

C. Business Associate and BVCHD intend to protect and provide for the security of PHI/ePHI and to comply with federal and California laws regarding the use and disclosure of individually identifiable health information, particularly the privacy and security standards of HIPAA and the HITECH Act.

D. This Agreement incorporates certain requirements established by the HITECH Act, with the intent, as stated herein, that such requirements shall become effective herein as of their effective date under the HITECH Act.

In consideration of the above recitals and the mutual covenants contained in this Agreement, BVCHD and Business Associate enter into this Agreement.

1. Definitions. The capitalized terms shall be as defined in this Agreement. For purposes of this Agreement, any reference contained herein to PHI/ePHI shall include but shall not be limited to ePHI. If a capitalized term is not defined in this Agreement, the term shall have the meaning set forth in the HIPAA Regulations, 45 C.F.R. Parts 160, 162 and 164; Sections 13400 through 13410 of the HITECH Act; and the regulations thereunder, 16 C.F.R. Part 681.



1.1 Specific definitions:

(a) **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean _____ (Associate).

(b) **Covered Entity.** "Covered Entity" shall have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean BVCHD.

(c) **HIPAA Rules.** "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

2. HIPAA and HITECH Compliance. Business Associate may use PHI/ePHI received from BVCHD solely to perform its duties pursuant to the Underlying Agreement and this Agreement. Business Associate will not use or disclose PHI/ePHI in any manner that could result in a violation of HIPAA or the HITECH Act, the related regulations.

3. Obligations and Activities of Business Associate.

3.1. HIPAA and the HITECH Act. Business Associate shall use and disclose PHI/ePHI only as necessary and appropriate to fulfill its specific obligations to Covered Entity under the Underlying Agreement and this Agreement, and agrees to the following without limiting the foregoing:

(a) Not use or disclose PHI other than as permitted or required by the Agreement, Underlying Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;

(c) Report to covered entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware. Reporting of breaches of unsecured PHI/ePHI will be made to BVCHD within three (3) business days of discovery: provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to BVCHD if the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to BVCHD by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not limited to, pings and other broadcast attacks on Business Associate's firewall, port



scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI.

(d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(e) Make available PHI in a designated record set to BVCH as necessary to satisfy covered entity's obligations under 45 CFR 164.524;

(f) Make any amendment(s) to PHI in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526. If an Individual submits a written request for amendment pursuant to 45 CFR 164.526 directly to Business Associate, or inquires about his or her right to amendment. Business Associate shall direct the Individual to BVCHD. Any such amendment made at the direction of BVCHD shall be the responsibility of the BVCHD;

(g) Maintain and make available the information required to provide an accounting of disclosures to the "individual" as necessary to satisfy covered entity's obligations under 45 CFR 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR 164.528 directly to Business Associate, or inquiries about his or her right to an accounting of disclosures of PHI, Business Associate shall direct the Individual to BVCHD;

(h) To the extent the Business Associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and

(i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

a. Permitted Uses and Disclosures of PHI/ePHI/ by Business Associate:
Business Associate may use and disclose PHI/ePHI:

- i. for the proper management and administration of Business Associate;
- ii. to carry out the legal responsibilities of Business Associate;
- iii. as required by law;



- iv. for data aggregation purposes for the health care operations of BVCHD; or
- v. to create de-identified PHI in accordance with the standards set forth in 45 CFR 164.514(b). Business Associate may use or disclose such de-identified data.

If Business Associate uses or discloses PHI/ePHI to a third party, Business Associate must obtain, prior to making any such use or disclosure:

- I. reasonable assurances from such third party that such PHI/ePHI will be held confidential pursuant to this Agreement and only disclosed as required by law or for purposes disclosed; *and*
- II. a agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI/ePHI, to the extent it has obtained knowledge of such breach.

b. Prohibited Uses and Disclosures of PHI/ePHI: Business Associate agrees that it, and its agents, employees and subcontractors, shall:

- i. Not use or disclose PHI/ePHI in a manner that would violate applicable law regarding the confidentiality of PHI/ePHI;
- ii. Not use or disclose PHI/ePHI for fundraising or marketing purposes;
- iii. Not disclose PHI/ePHI to a health plan for payment or health care operations purposes *if* the patient has requested this special restriction, *and* has paid out of pocket in full for the health care item or service to which the PHI/ePHI solely relates;
- iv. Not directly or indirectly receive remuneration in exchange for PHI/ePHI, except with the prior written consent of BVCHD and as permitted by HIPAA and the HITECH Act (this prohibition shall not affect payment by BVCHD to Business Associate for services provided pursuant to the Underlying Agreement); and
- v. To the extent feasible, minimize any viewing of PHI/ePHI while performing obligations under this Agreement.

c. Safeguards: Business Associate shall implement and use Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of PHI, including Electronic ePHI that Business Associate creates, receives, maintains or transmits on behalf of BVCHD as required by HIPAA and the HITECH Act. The purpose of such safeguards is to prevent the use or disclosure of PHI/ePHI in violation of this Agreement. Such safeguards shall conform to the standards and implementation specifications required by HIPAA and the HITECH Act. Business Associate shall comply with



the policies and procedures and documentation requirements of HIPAA, including, but not limited to, 45 C.F.R. Section 164.316.

4. Workforce and Agents. Business Associate represents and warrants that it shall not disclose PHI/ePHI to any member of its workforce, or to any of its agents or subcontractors, unless such person has a need to know the PHI/ePHI. Business Associate shall also ensure that the requirements of this Agreement are incorporated into each agreement with any agent or subcontractor to whom Business Associate discloses PHI/ePHI, and that each agent and/or subcontractor shall agree *in writing* to be bound to the same terms and conditions that apply to Business Associate with respect to PHI/ePHI. In addition, Business Associate shall ensure that any agent or subcontractor to whom Business Associate discloses PHI/ePHI shall implement the same safeguards required by Section 4.1(c) of this agreement to protect the PHI/ePHI with regards to PHI/ePHI. Business Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. Business Associate shall not store any PHI/ePHI outside of the United States of America. Any employee, agent or subcontractor that receives access to PHI/ePHI shall abide by the laws of the United States of America or more restrictive laws of the county in which they reside.

5. Access to PHI/ePHI. Upon the request by BVCHD, Business Associate shall promptly make PHI/ePHI maintained by Business Associate or its agents or subcontractors in Designated Record Sets or ePHI available to BVCHD for inspection and copying *within ten (10) business days of receipt of a written request* from BVCHD to enable BVCHD to fulfill its obligations in accordance with 45 C.F.R. §164.524 and applicable California law. Such PHI/ePHI shall be produced in the format requested by BVCHD, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable BVCHD to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e). If an individual contacts Business Associate directly for such access, Business Associate shall direct the individual to contact BVCHD. This requirement to provide access to the PHI/ePHI shall only apply if the PHI/ePHI in Business Associate's possession is part of BVCHD's Designated Record Set.

6. Accounting. Business Associate agrees that it will provide PHI/ePHI in accordance with HIPAA and will provide an accounting to BVCHD no later than ten business (10) days after the request by BVCHD to enable BVCHD to fulfill its obligations under the HIPAA Privacy Rule and the HITECH Act. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate, for at least six (6) years prior to the request.

The accounting shall provide at least the following information: (a) the date of each disclosure, (b) the name and address of the organization or person receiving the PHI/ePHI, (c) copy of information disclosed and/or brief description (d) a brief statement



of purpose of the disclosure that reasonably informs the individual of the basis of the disclosure, or a copy of the authorization and written request for disclosure. In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall direct the Individual to BVCHD. It shall be BVCHD's responsibility to prepare and deliver any such accounting requested. Business Associate shall not disclose any PHI/ePHI except for the purpose of performing its obligations in the Underlying Agreement, or as Required by Law and as identified in this Agreement. The provisions of this subparagraph 8 shall survive the termination of this Agreement.

7. Governmental Access to Records. Business Associate shall make all of its internal practices, records, and books relating to the use and disclosure of PHI/ePHI relating to BVCHD or its patients available to the Secretary of Health and Human Services, and others designated by the Secretary as required by HIPAA for purposes of determining BVCHD's compliance with the applicable laws and regulations. Business Associate shall provide BVCHD a list of any PHI/ePHI that Business Associate provides to the Secretary, if permitted to do so, concurrently with providing such PHI/ePHI to the Secretary.

8. Minimum Necessary. Business Associate shall request, use and disclose only the minimum amount of PHI/ePHI necessary to accomplish the purpose of the request, use or disclosure, except as otherwise permitted by HIPAA and the HITECH Act. Business Associate understands and agrees that the definition of "minimum necessary" shall be the subject of future guidance to be issued by the Secretary and agrees to comply with such guidance.

9. Data Ownership. Business Associate acknowledges that Business Associate and its agents and subcontractors have no ownership rights with respect to the PHI/ePHI.

10. Notification and Reporting of Breach. In the event of any breach of security, intrusion or unauthorized access, use or disclosure of PHI/ePHI of which Business Associate becomes aware and/or any actual use or disclosure of data in violation of any applicable federal or state law or regulations, Business Associate shall notify the BVCHD Privacy Officer and/or Compliance Officer, or his/her designee(s), within three (3) business days. Such report shall include an indication of whether such PHI/ePHI was Unsecured PHI/ePHI and such other information that BVCHD may request in order to determine whether such breach is reportable. Business Associate shall take (i) prompt corrective action to cure any deficiencies, *and* (ii) any action pertaining to such unauthorized disclosure required by federal and state laws or regulations.

11. Breach Pattern or Practice by BVCH. If Business Associate knows of a pattern of activity or practice of BVCHD that constitutes a material breach or violation of BVCHD's obligations under this Agreement, Business Associate must without reasonable delay (and in all cases within five (5) business days) inform BVCHD so that BVCHD may take reasonable steps to cure the breach or end the violation. If BVCHD fails to cure the breach or violation, the Business Associate must terminate the, at its



election, the software licenses and services that require compliance with this agreement; if feasible, or if termination is not feasible, report the problem as required by the HITECH Act. However, all rights and obligations arising prior to such termination shall remain in effect. All other agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.

12. Mitigation Procedures. Business Associate agrees to cure or mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI/ePHI in violation of this Agreement.

13. Indemnification. Each party shall immediately notify in writing the Other Party (the "Indemnifying Party") of any third party claim against itself, its officers, directors, employees and agents (each an "Indemnified Party") allegedly resulting from any unauthorized use or disclosure of PHI by the Indemnifying Party in violation of applicable law or this Agreement (each a "PHI Breach Claim"). The Indemnifying Party shall, at its sole cost and expense:

1. Defend the Indemnified Parties from and against a PHI Breach Claim. The selection of counsel, the conduct of the defense of any lawsuit and any lawsuit and any settlement shall be within the sole control of the Indemnifying Party.;
2. Indemnify and hold the Indemnified Parties harmless from any direct damages or expenses (including reasonable attorney's fees) actually and finally awarded, and fines or penalties imposed by a government agency against an Indemnified Party for a PHI Breach Claim, or any settlement of a PHI Breach Claim made in lieu of further litigation or agency determination.

The Indemnifying Party shall not settle any PHI Breach Claim that imposes any new restriction or obligation, or finding of fault upon an Indemnified Party without the Indemnified Party's written consent, which shall not be unreasonably withheld.

14. Insurance. Business Associate shall obtain and maintain errors and omissions or other appropriate insurance providing coverage for Business Associate's negligent acts or omissions in connection with its duties pursuant to this Agreement in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 aggregate. BVCHD may obtain up to date insurance certificate from 3m.com at any time.

15. Legal Process. In the event that Business Associate is served with legal process (e.g. a subpoena) or request from a government agency (e.g. the Secretary) that potentially could require the disclosure of PHI/ePHI, Business Associate shall provide prompt notice (and in all cases within two (2) business days) of such legal process to the Privacy Officer of BVCHD, if permitted to do so.

16. Term. This Agreement shall continue from the Effective Date and irrespective of the termination of the Underlying Agreement until all of the PHI/ePHI received by



Business Associate from or on behalf of BVCHD has either been destroyed or returned according to the terms of the HIPAA Privacy and Security Regulations and this Agreement.

17. Termination of Underlying Agreement.

a. Material Breach. BVCHD may terminate the software licenses and services that require compliance with this Agreement in its sole discretion and without compensation of any kind to Business Associate if it Business Associate has improperly used or disclosed PHI/ePHI in violation of HIPAA, the HITECH Act, or other statutes or in violation of the terms of this Agreement; provided that BVCHD may in lieu of termination, in its sole discretion, provide an opportunity to cure the improper use of disclosure in the future.

b. Judicial or Administrative Proceedings. BVCHD may terminate the Underlying Agreement, effective immediately, if (i) Business Associate is found guilty in a criminal proceeding for a violation of HIPAA, the HITECH Act, or other security or privacy laws, relating to this agreement or the Underlying Agreement.

18. Return/Restriction of PHI/ePHI. Upon termination of the Underlying Agreement, Business Associate will return or destroy all PHI/ePHI and personal identity information, at the discretion of BVCHD, created or received from or on behalf of BVCHD or its patients no matter how maintained. Business Associate shall not maintain any copies of PHI/ePHI or personal identity information. Business Associate shall certify in writing within thirty (30) days from the date of termination or expiration of the Underlying Agreement that all such information has been returned or disposed of as provided and the PHI/ePHI and personal identity information have not been retained in any form. If for whatever reason, any or all of such information cannot be returned or destroyed, this Agreement remains in effect and all protections and limitations specified herein shall remain in place for any PHI/ePHI and personal identity information which is retained by the Business Associate.

19. Survival. Unless the context clearly indicates otherwise, all rights, duties and obligations provided in this Agreement, including Section 22, shall survive termination of this Agreement and/or termination of the Underlying Agreement.

20. Disclaimer. Business Associate is responsible for its own HIPAA and HITECH Act compliance. BVCHD is not responsible or liable to Business Associate for Business Associate's failure to comply with HIPAA or the HITECH Act Rules, and makes no warranty that compliance by Business Associate with this Agreement or the applicable laws and regulations will be adequate or satisfactory for Business Associate's own purposes. Further, BVCHD will not be liable to Business Associate for any claim, loss of damage relating to unauthorized use or disclosure of any information received by Business Associate from BVCHD or from any other source.



21. Amendments of HIPAA Privacy Regulations. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Underlying Agreement or this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such actions as are necessary to implement the standards and requirements of HIPAA and the HITECH Act, and other applicable laws and regulations relating to the security and confidentiality of PHI/ePHI. To the extent that any relevant laws or regulations are materially amended, or new laws or regulations are enacted, in a manner that materially changes the obligations of Business Associates or BVCHD that are embodied in the terms of this Agreement, then BVCHD and Business Associate agree to negotiate in good faith appropriate new terms or amendments to this Agreement to give effect to such revised obligation. Until such new terms or amendments are agreed upon, this Agreement shall be construed so as to require compliance with such new or amended laws and regulations.

22. Assistance in Litigation or Administrative Proceedings. The Parties acknowledge that certain breaches or violations of this Agreement may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.

23. No Third Party Beneficiaries. Nothing express or implied in the Underlying Contract or this Agreement is intended to confer, nor shall anything here in confer, upon any person other than BVCHD, Business Associate and their respective successors or assigns, any rights, remedies obligations or liabilities whatsoever.

24. Entire Agreement. This Agreement (together with any recitals and exhibits, which are hereby incorporated by this reference) constitutes the entire understanding and agreement between the parties relating to PHI/ePHI and personal identity information, and it supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties, except for any provisions of the Underlying Agreement not in conflict herewith.

25. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties to this Agreement.

26. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Any photocopy of this executed Agreement may be used as if it were the original.



27. Governing Law. Notwithstanding any other provision to the contrary, this Agreement shall be governed and construed in accordance with the laws of the State of California.

28. Interpretation. The provisions of the Agreement shall prevail over any provisions in the Underlying Agreement that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Underlying Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and the HITECH Act. The parties agree that any ambiguity in this Agreement shall be resolved so as to permit BVCHD and Business Associate to comply and is consistent with HIPAA and the HITECH Act.

29. Obligations of Covered Entity: Covered Entity shall:

A. not transmits Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI.

B. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation.

C. notify Business Associate of any changes in, or revocation of permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI.

D. notify Business Associate of any restriction to the user or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's



use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.

E. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security rule or the HIPAA Final Rule if done by Covered Entity.

Dated: _____

By: _____

John Friel, CEO
BVCHD
PO Box 1649
Big Bear Lake, Ca. 92315

Dated: _____

By: _____



Contract Cover Sheet

Contract Name: _____

Purpose of Contract: _____

Contract # / Effective Date / Term _____ / _____ / _____

Originating Dept. Name / Number - _____ / _____

Department Manager **Signature:** _____ **Date:** _____

BAA: ☐ Yes ☐ No **W-9:** ☐ Yes ☐ No

Administrative Officer **Signature:** _____ **Date:** _____

HIPAA/Privacy Officer **Signature** _____ **Date:** _____
(as appropriate)

Legal Counsel **Signature:** _____ **Date:** _____

Compliance Officer **Signature:** _____ **Date:** _____

Chief Financial Officer **Signature:** _____ **Date:** _____

Chief Executive Officer **Signature:** _____ **Date:** _____

1. **Final Signatures on Contract, BAA & W-9:** **Date:** _____
2. **Copy of Contract/BAA/W-9 forwarded to Department Manager:** **Date:** _____
3. **Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable):** **Date:** _____
4. **Copy of Contract/BAA/W-9 scanned/emailed to Controller and Legal:** **Date:** _____
(if applicable)

Contract Cover Sheet

CONFIDENTIAL NOTICE:

Note: This document and attachments are covered by CA Evidence Code 1157 and CA Health and Safety Code 1370.

NOTICE TO RECIPIENT: If you are not the intended recipient of this, you are prohibited from sharing, copying or otherwise using or disclosing its contents. If you have received this document in error, please notify the sender immediately by reply email and permanently delete this document and any attachments without reading, forwarding or saving them. Thank you

Updated 5/2017



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements with Physicians and Other Referral Sources Policy	

POLICY:

Overview: Pursuant to the Compliance Program and Code of Conduct adopted by Bear Valley Community Healthcare District (BVCHD) and its' affiliates, BVCHD will make public declaration of various policies as to the financial relationships between BVCHD's entities and physicians and other referral sources. Compliance with these policies is required for any contract or other financial arrangement with a physician and other referral source.

An exception may be approved in specific circumstances where the facts demonstrate an exception is appropriate. Any proposed exception must be approved by both, BVCHD's Legal counsel and Board prior to commitment to such non-conforming proposal. Such exception is permitted only where the applicable legal requirements continue to be met.

Scope: Applies to any contract or agreement involving a physician or physician's immediate family member, as well as any non-physician referral source.

Contract or Agreement includes, but is not limited to, physician recruiting agreement, management services agreement, professional services agreement, employment agreement, other agreement for the provision of services, whether medically related or not, asset purchase and disposition agreement, joint venture or co-ownership, syndication arrangement, medical office building lease, and loan to physician.

Immediate family members is defined as spouse, natural or adoptive parent, child, sibling, stepparent, stepchild, stepbrother, stepsister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparent, grandchild, spouse or grandparent, and spouse of grandchild.

Purpose: To ensure all physician or other referral source contracts or agreements receive the required review and approval by both BVCHD's Legal counsel and Board, prior to becoming effective.

PROCEDURE:

1. Requirements:

- 1.1. All contracts and agreements with physicians must meet the following requirements, in compliance with 42 §1395nn, Federal law commonly known as "Stark II", and the Fraud & Abuse Safe Harbors of the Federal Anti-kickback Statute:
 - 1.1.1. In writing, signed by the parties and specify services covered.
 - 1.1.2. Specify length of the contract or agreement, the term.
 - 1.1.3. Specify compensation exchanged, which must be agreed upon in advance, consistent with fair market value for the services or item provided without consideration of the potential value or volume of referrals or other business generated by the physician.
- 1.2. Physician or other referral source contracts and agreements reviews and approvals must be obtained

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet



DEPARTMENT: Administration	CATEGORY: Policies, Procedures
SUBJECT: Contracts and Agreements with Physicians and Other Referral Sources Policy	

prior to the execution of the contract or agreement.

- 1.3. Physician or other referral source contracts and agreements require documented approval by both BVCHD's Legal counsel and Board, even if the agreement complies in all respects with the Facility policies.
- 1.4. No BVCHD representative has authority to enter into commitment, either written or verbal, with physician or other referral source, until required documented approval for contract or agreement has been obtained from both BVCHD's Legal counsel and Board.
- 1.5. No Department at BVCHD has the authority to enter into a side-agreement with a physician, make amendment, extension or renewal with physician or other referral source.
 - 1.5.1. Any agreement, amendment, extension or renewal must be submitted in writing for review and approval by both BVCHD's Legal counsel and Board.
- 1.6. Only after required documented approval has been obtained from both BVCHD's Legal counsel and Board, shall payment be made to a physician or other referral source per agreement.
- 1.7. Informal documents such as Letters of Intent, Letter Agreements, or Memoranda of Understanding are also subject to compliance to policies and require District Legal counsel review.
- 1.8. Facility Legal counsel shall review any agreement or contract which involves an entity with physician ownership interest.
- 1.9. In all contracts and agreements with referral sources, performance of all the terms of the agreement is mandatory.
- 1.10. Where intent is to provide a new service to the community, obtain services, rent property at fair market value, acquire or divest medical practice assets at fair market value, if evidence is noted of discussions, emails, or memoranda indicating proposal to obtain or reward referrals via agreement, such agreement will not be approved.
- 1.11. A contract and agreement record will be presented to the Finance Committee outlining all contracts executed in the fiscal year, semi-annually, as a Finance Committee agenda item.
 - 1.11.1. Copies of all contracts on the log will be made available upon request.
- 1.12. A separate motion will be made and voted to approve/disapprove contracts as appropriate.
 - 1.12.1. New contracts requiring separate discussion or allocation of funds, will be handled through a Finance Committee or CEO report, and will be dealt with as a separate agenda item and Board action.
- 1.13. District Legal counsel may have prepared contract templates for general situations.
 - 1.13.1. However, although BVCHD's Legal counsel's forms are utilized, all required review and approvals remain valid and active as set forth in the policies, in order to review specific circumstances of each contract or agreement.
- 1.14. All payments must be properly identified, documented, and approved with an executed contract prior to authorization for payment.
 - 1.14.1. Accounts payable personnel shall not process any payment which is not in compliance with this policy.
 - 1.14.2. At year end, Federal Form 1099 must be prepared for a total of all payments to a non-employee physician exceeding the \$600 limit during the year.

Prepared By: Friel, John	Reference: QHR
Reviewed By: Admin Team, Policy & Procedure Committee	Revised Date: Not Approved Yet
Approved By: Board Directors	Date Approved: Not Approved Yet

Annual Contract Service Evaluation Form

Date:		
Contractor:		
Scope / Nature of Service Provided by Contractor:		
Directions: Evaluate each aspect of the contract. Please respond:		
<p>1. During the past year, have there been issues / concerns related by Customers of this service?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>2. During the past year, has a patient been injured or a delay in service been experienced as a result of this contract service?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>3. During the past year, has a physician voiced a concern over the contractor?</p> <p style="margin-left: 40px;">Yes No N/A</p> <p>4. Have the Human Resources Requirements for Contract Service Personnel been met?</p> <p style="margin-left: 40px;">Yes No N/A</p>		
Evaluate each aspect of this contract on a scale of (1) to (5) with (1) being poor service.		
	RATING	COMMENTS
Customer Service	1 2 3 4 5	
Timeliness of Response	1 2 3 4 5	
Physician/Staff Personnel Availability	1 2 3 4 5	
Overall Physician/Staff Competency	1 2 3 4 5	
Knowledge and use of equipment	1 2 3 4 5	
Meets standards of service	1 2 3 4 5	
Overall Contract Performance Evaluation	1 2 3 4 5	

Annual Contract Services Evaluation

Date:		
Contractor:		
Contract Obligations:		
<ol style="list-style-type: none"> 1. Is the nature of the scope of the service defined in the contract? 2. Does the contract require contractor to meet State/Federal Regulations? 3. Does the contract require contractor to maintain General Liability, Workers Comp and Professional Liability Insurance? 4. Does the contract require contractor/its representatives to comply with the rules, regulations and policies of the facility and its medical staff? 5. Does the contract require contractor to submit, at the hospital's request, any documents, records and /or other information as may be requested? 6. Have all requirements of the contract been met? 		
<p style="text-align: center;"><u>Department Manager Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Medical Staff Recommendation (if applicable)</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>	<p style="text-align: center;"><u>Administration Recommendation</u></p> <p><input type="checkbox"/> Recommended approval of contract (as is)</p> <p><input type="checkbox"/> Recommended approval of contract with changes (see attached)</p> <p><input type="checkbox"/> Recommended contract NOT be renewed</p>

Department Manager Date

Chief of Staff (if applicable) Date

CEO Date



Business Associate Agreement

This Business Associate Agreement (the "Agreement") is made this _____ day of _____ (the "Effective Date") by and between the Bear Valley Community Healthcare District ("BVCHD"), and _____ ("Business Associate").

A. BVCHD and Business Associate have conducted or will be conducting business pursuant to an agreement (the "Underlying Agreement") whereby Business Associate provides certain products and services to BVCHD.

B. Business Associate receives certain protected health information ("PHI"), including protected health information that is maintained or transmitted by electronic media ("ePHI"), pursuant to the Underlying Agreement that is subject to the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and regulations thereunder ("HIPAA"), and the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 and regulations thereunder (the "HITECH Act"), and other applicable laws.

C. Business Associate and BVCHD intend to protect and provide for the security of PHI/ePHI and to comply with federal and California laws regarding the use and disclosure of individually identifiable health information, particularly the privacy and security standards of HIPAA and the HITECH Act.

D. This Agreement incorporates certain requirements established by the HITECH Act, with the intent, as stated herein, that such requirements shall become effective herein as of their effective date under the HITECH Act.

In consideration of the above recitals and the mutual covenants contained in this Agreement, BVCHD and Business Associate enter into this Agreement.

1. Definitions. The capitalized terms shall be as defined in this Agreement. For purposes of this Agreement, any reference contained herein to PHI/ePHI shall include but shall not be limited to ePHI. If a capitalized term is not defined in this Agreement, the term shall have the meaning set forth in the HIPAA Regulations, 45 C.F.R. Parts 160, 162 and 164; Sections 13400 through 13410 of the HITECH Act; and the regulations thereunder, 16 C.F.R. Part 681.



1.1 Specific definitions:

(a) **Business Associate.** "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean _____ (Associate).

(b) **Covered Entity.** "Covered Entity" shall have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean BVCHD.

(c) **HIPAA Rules.** "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

2. HIPAA and HITECH Compliance. Business Associate may use PHI/ePHI received from BVCHD solely to perform its duties pursuant to the Underlying Agreement and this Agreement. Business Associate will not use or disclose PHI/ePHI in any manner that could result in a violation of HIPAA or the HITECH Act, the related regulations.

3. Obligations and Activities of Business Associate.

3.1. HIPAA and the HITECH Act. Business Associate shall use and disclose PHI/ePHI only as necessary and appropriate to fulfill its specific obligations to Covered Entity under the Underlying Agreement and this Agreement, and agrees to the following without limiting the foregoing:

(a) Not use or disclose PHI other than as permitted or required by the Agreement, Underlying Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;

(c) Report to covered entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware. Reporting of breaches of unsecured PHI/ePHI will be made to BVCHD within three (3) business days of discovery: provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to BVCHD if the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to BVCHD by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not limited to, pings and other broadcast attacks on Business Associate's firewall, port



scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI.

(d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the business associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(e) Make available PHI in a designated record set to BVCH as necessary to satisfy covered entity's obligations under 45 CFR 164.524;

(f) Make any amendment(s) to PHI in a designated record set as directed or agreed to by the covered entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy covered entity's obligations under 45 CFR 164.526. If an Individual submits a written request for amendment pursuant to 45 CFR 164.526 directly to Business Associate, or inquires about his or her right to amendment. Business Associate shall direct the Individual to BVCHD. Any such amendment made at the direction of BVCHD shall be the responsibility of the BVCHD;

(g) Maintain and make available the information required to provide an accounting of disclosures to the "individual" as necessary to satisfy covered entity's obligations under 45 CFR 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR 164.528 directly to Business Associate, or inquiries about his or her right to an accounting of disclosures of PHI, Business Associate shall direct the Individual to BVCHD;

(h) To the extent the Business Associate is to carry out one or more of covered entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s); and

(i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

a. Permitted Uses and Disclosures of PHI/ePHI/ by Business Associate:
Business Associate may use and disclose PHI/ePHI:

- i. for the proper management and administration of Business Associate;
- ii. to carry out the legal responsibilities of Business Associate;
- iii. as required by law;



- iv. for data aggregation purposes for the health care operations of BVCHD; or
- v. to create de-identified PHI in accordance with the standards set forth in 45 CFR 164.514(b). Business Associate may use or disclose such de-identified data.

If Business Associate uses or discloses PHI/ePHI to a third party, Business Associate must obtain, prior to making any such use or disclosure:

- I. reasonable assurances from such third party that such PHI/ePHI will be held confidential pursuant to this Agreement and only disclosed as required by law or for purposes disclosed; *and*
- II. a agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI/ePHI, to the extent it has obtained knowledge of such breach.

b. Prohibited Uses and Disclosures of PHI/ePHI: Business Associate agrees that it, and its agents, employees and subcontractors, shall:

- i. Not use or disclose PHI/ePHI in a manner that would violate applicable law regarding the confidentiality of PHI/ePHI;
- ii. Not use or disclose PHI/ePHI for fundraising or marketing purposes;
- iii. Not disclose PHI/ePHI to a health plan for payment or health care operations purposes *if* the patient has requested this special restriction, *and* has paid out of pocket in full for the health care item or service to which the PHI/ePHI solely relates;
- iv. Not directly or indirectly receive remuneration in exchange for PHI/ePHI, except with the prior written consent of BVCHD and as permitted by HIPAA and the HITECH Act (this prohibition shall not affect payment by BVCHD to Business Associate for services provided pursuant to the Underlying Agreement); and
- v. To the extent feasible, minimize any viewing of PHI/ePHI while performing obligations under this Agreement.

c. Safeguards: Business Associate shall implement and use Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of PHI, including Electronic ePHI that Business Associate creates, receives, maintains or transmits on behalf of BVCHD as required by HIPAA and the HITECH Act. The purpose of such safeguards is to prevent the use or disclosure of PHI/ePHI in violation of this Agreement. Such safeguards shall conform to the standards and implementation specifications required by HIPAA and the HITECH Act. Business Associate shall comply with



the policies and procedures and documentation requirements of HIPAA, including, but not limited to, 45 C.F.R. Section 164.316.

4. Workforce and Agents. Business Associate represents and warrants that it shall not disclose PHI/ePHI to any member of its workforce, or to any of its agents or subcontractors, unless such person has a need to know the PHI/ePHI. Business Associate shall also ensure that the requirements of this Agreement are incorporated into each agreement with any agent or subcontractor to whom Business Associate discloses PHI/ePHI, and that each agent and/or subcontractor shall agree *in writing* to be bound to the same terms and conditions that apply to Business Associate with respect to PHI/ePHI. In addition, Business Associate shall ensure that any agent or subcontractor to whom Business Associate discloses PHI/ePHI shall implement the same safeguards required by Section 4.1(c) of this agreement to protect the PHI/ePHI with regards to PHI/ePHI. Business Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. Business Associate shall not store any PHI/ePHI outside of the United States of America. Any employee, agent or subcontractor that receives access to PHI/ePHI shall abide by the laws of the United States of America or more restrictive laws of the county in which they reside.

5. Access to PHI/ePHI. Upon the request by BVCHD, Business Associate shall promptly make PHI/ePHI maintained by Business Associate or its agents or subcontractors in Designated Record Sets or ePHI available to BVCHD for inspection and copying *within ten (10) business days of receipt of a written request* from BVCHD to enable BVCHD to fulfill its obligations in accordance with 45 C.F.R. §164.524 and applicable California law. Such PHI/ePHI shall be produced in the format requested by BVCHD, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. If Business Associate maintains an Electronic Health Record, Business Associate shall provide such information in electronic format to enable BVCHD to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e). If an individual contacts Business Associate directly for such access, Business Associate shall direct the individual to contact BVCHD. This requirement to provide access to the PHI/ePHI shall only apply if the PHI/ePHI in Business Associate's possession is part of BVCHD's Designated Record Set.

6. Accounting. Business Associate agrees that it will provide PHI/ePHI in accordance with HIPAA and will provide an accounting to BVCHD no later than ten business (10) days after the request by BVCHD to enable BVCHD to fulfill its obligations under the HIPAA Privacy Rule and the HITECH Act. Business Associate agrees to implement a process that allows for an accounting to be collected and maintained by Business Associate, for at least six (6) years prior to the request.

The accounting shall provide at least the following information: (a) the date of each disclosure, (b) the name and address of the organization or person receiving the PHI/ePHI, (c) copy of information disclosed and/or brief description (d) a brief statement



of purpose of the disclosure that reasonably informs the individual of the basis of the disclosure, or a copy of the authorization and written request for disclosure. In the event that the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall direct the Individual to BVCHD. It shall be BVCHD's responsibility to prepare and deliver any such accounting requested. Business Associate shall not disclose any PHI/ePHI except for the purpose of performing its obligations in the Underlying Agreement, or as Required by Law and as identified in this Agreement. The provisions of this subparagraph 8 shall survive the termination of this Agreement.

7. Governmental Access to Records. Business Associate shall make all of its internal practices, records, and books relating to the use and disclosure of PHI/ePHI relating to BVCHD or its patients available to the Secretary of Health and Human Services, and others designated by the Secretary as required by HIPAA for purposes of determining BVCHD's compliance with the applicable laws and regulations. Business Associate shall provide BVCHD a list of any PHI/ePHI that Business Associate provides to the Secretary, if permitted to do so, concurrently with providing such PHI/ePHI to the Secretary.

8. Minimum Necessary. Business Associate shall request, use and disclose only the minimum amount of PHI/ePHI necessary to accomplish the purpose of the request, use or disclosure, except as otherwise permitted by HIPAA and the HITECH Act. Business Associate understands and agrees that the definition of "minimum necessary" shall be the subject of future guidance to be issued by the Secretary and agrees to comply with such guidance.

9. Data Ownership. Business Associate acknowledges that Business Associate and its agents and subcontractors have no ownership rights with respect to the PHI/ePHI.

10. Notification and Reporting of Breach. In the event of any breach of security, intrusion or unauthorized access, use or disclosure of PHI/ePHI of which Business Associate becomes aware and/or any actual use or disclosure of data in violation of any applicable federal or state law or regulations, Business Associate shall notify the BVCHD Privacy Officer and/or Compliance Officer, or his/her designee(s), within three (3) business days. Such report shall include an indication of whether such PHI/ePHI was Unsecured PHI/ePHI and such other information that BVCHD may request in order to determine whether such breach is reportable. Business Associate shall take (i) prompt corrective action to cure any deficiencies, and (ii) any action pertaining to such unauthorized disclosure required by federal and state laws or regulations.

11. Breach Pattern or Practice by BVCH. If Business Associate knows of a pattern of activity or practice of BVCHD that constitutes a material breach or violation of BVCHD's obligations under this Agreement, Business Associate must without reasonable delay (and in all cases within five (5) business days) inform BVCHD so that BVCHD may take reasonable steps to cure the breach or end the violation. If BVCHD fails to cure the breach or violation, the Business Associate must terminate the, at its



election, the software licenses and services that require compliance with this agreement; if feasible, or if termination is not feasible, report the problem as required by the HITECH Act. However, all rights and obligations arising prior to such termination shall remain in effect. All other agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.

12. Mitigation Procedures. Business Associate agrees to cure or mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI/ePHI in violation of this Agreement.

13. Indemnification. Each party shall immediately notify in writing the Other Party (the "Indemnifying Party") of any third party claim against itself, its officers, directors, employees and agents (each an "Indemnified Party") allegedly resulting from any unauthorized use or disclosure of PHI by the Indemnifying Party in violation of applicable law or this Agreement (each a "PHI Breach Claim"). The Indemnifying Party shall, at its sole cost and expense:

1. Defend the Indemnified Parties from and against a PHI Breach Claim. The selection of counsel, the conduct of the defense of any lawsuit and any lawsuit and any settlement shall be within the sole control of the Indemnifying Party.;
2. Indemnify and hold the Indemnified Parties harmless from any direct damages or expenses (including reasonable attorney's fees) actually and finally awarded, and fines or penalties imposed by a government agency against an Indemnified Party for a PHI Breach Claim, or any settlement of a PHI Breach Claim made in lieu of further litigation or agency determination.

The Indemnifying Party shall not settle any PHI Breach Claim that imposes any new restriction or obligation, or finding of fault upon an Indemnified Party without the Indemnified Party's written consent, which shall not be unreasonably withheld.

14. Insurance. Business Associate shall obtain and maintain errors and omissions or other appropriate insurance providing coverage for Business Associate's negligent acts or omissions in connection with its duties pursuant to this Agreement in the minimum amounts of \$1,000,000 per occurrence and \$3,000,000 aggregate. BVCHD may obtain up to date insurance certificate from 3m.com at any time.

15. Legal Process. In the event that Business Associate is served with legal process (e.g. a subpoena) or request from a government agency (e.g. the Secretary) that potentially could require the disclosure of PHI/ePHI, Business Associate shall provide prompt notice (and in all cases within two (2) business days) of such legal process to the Privacy Officer of BVCHD, if permitted to do so.

16. Term. This Agreement shall continue from the Effective Date and irrespective of the termination of the Underlying Agreement until all of the PHI/ePHI received by



Business Associate from or on behalf of BVCHD has either been destroyed or returned according to the terms of the HIPAA Privacy and Security Regulations and this Agreement.

17. Termination of Underlying Agreement.

a. Material Breach. BVCHD may terminate the software licenses and services that require compliance with this Agreement in its sole discretion and without compensation of any kind to Business Associate if it Business Associate has improperly used or disclosed PHI/ePHI in violation of HIPAA, the HITECH Act, or other statutes or in violation of the terms of this Agreement; provided that BVCHD may in lieu of termination, in its sole discretion, provide an opportunity to cure the improper use of disclosure in the future.

b. Judicial or Administrative Proceedings. BVCHD may terminate the Underlying Agreement, effective immediately, if (i) Business Associate is found guilty in a criminal proceeding for a violation of HIPAA, the HITECH Act, or other security or privacy laws, relating to this agreement or the Underlying Agreement.

18. Return/Restriction of PHI/ePHI. Upon termination of the Underlying Agreement, Business Associate will return or destroy all PHI/ePHI and personal identity information, at the discretion of BVCHD, created or received from or on behalf of BVCHD or its patients no matter how maintained. Business Associate shall not maintain any copies of PHI/ePHI or personal identity information. Business Associate shall certify in writing within thirty (30) days from the date of termination or expiration of the Underlying Agreement that all such information has been returned or disposed of as provided and the PHI/ePHI and personal identity information have not been retained in any form. If for whatever reason, any or all of such information cannot be returned or destroyed, this Agreement remains in effect and all protections and limitations specified herein shall remain in place for any PHI/ePHI and personal identity information which is retained by the Business Associate.

19. Survival. Unless the context clearly indicates otherwise, all rights, duties and obligations provided in this Agreement, including Section 22, shall survive termination of this Agreement and/or termination of the Underlying Agreement.

20. Disclaimer. Business Associate is responsible for its own HIPAA and HITECH Act compliance. BVCHD is not responsible or liable to Business Associate for Business Associate's failure to comply with HIPAA or the HITECH Act Rules, and makes no warranty that compliance by Business Associate with this Agreement or the applicable laws and regulations will be adequate or satisfactory for Business Associate's own purposes. Further, BVCHD will not be liable to Business Associate for any claim, loss of damage relating to unauthorized use or disclosure of any information received by Business Associate from BVCHD or from any other source.



21. Amendments of HIPAA Privacy Regulations. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Underlying Agreement or this Agreement may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such actions as are necessary to implement the standards and requirements of HIPAA and the HITECH Act, and other applicable laws and regulations relating to the security and confidentiality of PHI/ePHI. To the extent that any relevant laws or regulations are materially amended, or new laws or regulations are enacted, in a manner that materially changes the obligations of Business Associates or BVCHD that are embodied in the terms of this Agreement, then BVCHD and Business Associate agree to negotiate in good faith appropriate new terms or amendments to this Agreement to give effect to such revised obligation. Until such new terms or amendments are agreed upon, this Agreement shall be construed so as to require compliance with such new or amended laws and regulations.

22. Assistance in Litigation or Administrative Proceedings. The Parties acknowledge that certain breaches or violations of this Agreement may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.

23. No Third Party Beneficiaries. Nothing express or implied in the Underlying Contract or this Agreement is intended to confer, nor shall anything here in confer, upon any person other than BVCHD, Business Associate and their respective successors or assigns, any rights, remedies obligations or liabilities whatsoever.

24. Entire Agreement. This Agreement (together with any recitals and exhibits, which are hereby incorporated by this reference) constitutes the entire understanding and agreement between the parties relating to PHI/ePHI and personal identity information, and it supersedes any and all prior or contemporaneous agreements, representations and understandings of the parties, except for any provisions of the Underlying Agreement not in conflict herewith.

25. Waiver. Any failure of a party to insist upon strict compliance with any term, undertaking or condition of this Agreement shall not be deemed to be a waiver of such term, undertaking or condition. To be effective, a waiver must be in writing, signed and dated by the parties to this Agreement.

26. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Any photocopy of this executed Agreement may be used as if it were the original.



27. Governing Law. Notwithstanding any other provision to the contrary, this Agreement shall be governed and construed in accordance with the laws of the State of California.

28. Interpretation. The provisions of the Agreement shall prevail over any provisions in the Underlying Agreement that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Underlying Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and the HITECH Act. The parties agree that any ambiguity in this Agreement shall be resolved so as to permit BVCHD and Business Associate to comply and is consistent with HIPAA and the HITECH Act.

29. Obligations of Covered Entity: Covered Entity shall:

A. not transmits Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI.

B. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation.

C. notify Business Associate of any changes in, or revocation of permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI.

D. notify Business Associate of any restriction to the user or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's



use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.

E. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security rule or the HIPAA Final Rule if done by Covered Entity.

Dated: _____

By: _____

John Friel, CEO
BVCHD
PO Box 1649
Big Bear Lake, Ca. 92315

Dated: _____

By: _____



Contract Cover Sheet

Contract Name: _____

Purpose of Contract: _____

Contract # / Effective Date / Term _____ / _____ / _____

Originating Dept. Name / Number - _____ / _____

Department Manager Signature: _____ Date: _____

BAA: ☐ Yes ☐ No

W-9: ☐ Yes ☐ No

Administrative Officer Signature: _____ Date: _____

HIPAA/Privacy Officer
(as appropriate) Signature _____ Date: _____

Legal Counsel Signature: _____ Date: _____

Compliance Officer Signature: _____ Date: _____

Chief Financial Officer Signature: _____ Date: _____

Chief Executive Officer Signature: _____ Date: _____

1. Final Signatures on Contract, BAA & W-9: Date: _____
2. Copy of Contract/BAA/W-9 forwarded to Department Manager: Date: _____
3. Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable): Date: _____
4. Copy of Contract/BAA/W-9 scanned/emailed to Controller and Legal:
(if applicable) Date: _____

Contract Cover Sheet

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Updated 5/2017

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
HUMAN RESOURCES MEETING MINUTES
41870 Garstin Road Big Bear Lake, Ca. 92315
April 24, 2017**

MEMBERS PRESENT: Jack Roberts, 2nd Vice President
Gail McCarthy, Secretary
John Friel, CEO
Erin Wilson, Human Resource Director
Shelly Egerer, Admin. Asst.

MEMBERS ABSENT: None

STAFF: Mary Norman

COMMUNITY: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Roberts called the meeting to order at 12:05 p.m.

2. ROLL CALL:

Jack Roberts and Gail McCarthy were present. Also, present were John Friel, CEO, Erin Wilson, Human Resource Director, and Shelly Egerer, Admin. Asst.

3. ADOPTION OF AGENDA:

Board Member Roberts motioned to adopt the April 24, 2017 Agenda as presented. Second by Board Member McCarthy to adopt the April 24, 2017 Agenda as presented. Board Member Roberts called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Roberts - yes
- Board Member McCarthy- yes

4. PUBLIC FORUM FOR OPEN SESSION:

Board Member Roberts opened the Hearing Section for Public Comment at 12:05 p.m. Hearing no request to address the Committee, Board Member Roberts closed the Hearing Section at 12:06 p.m.

5. DIRECTORS COMMENTS:

- Board Member McCarthy stated that she would like to provide a list of items that should be on the Human Resource Committee Agenda and that the committee should be focusing on Personnel Policies, Salary & Benefit Packages, HR Record Retention and Employee Recognition, Monitory Report (i.e. Employee Evaluations) and Union Negotiations. Board Member McCarthy expressed her concerns that the current items on the last few agendas seem to be out of the committees focus.

- Board Member Roberts stated that the HR Committee has only had three meetings and the agenda items on the last few meetings are to ensure that HR has the appropriate needs to succeed and to also ensure risk issues are decreasing in the HR Department; these issues will help the HR Department and the Committee to focus on the items that Board Member McCarthy brought up.

6. APPROVAL OF MINUTES:

A. February 22, 2017

Board Member McCarthy motioned to approve the February 22, 2017 Human Resource Committee Meeting Minutes as presented. Second by Board Member Roberts to approve the February 22, 2017 Human Resource Committee Meeting Minutes as presented. Board Member Roberts called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Roberts - yes
- Board Member McCarthy- yes

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

A. Discussion and Potential Approval of the Human Resource Committee Meeting Calendar:

- Board Member Roberts stated that this item was placed on the agenda to see if the HR Committee required meeting monthly or if there were any suggestions on the HR Committee Meeting calendar.
- Mr. Friel feels that conducting the HR Committee every other month is appropriate at this time and if there is an issue that arises we can schedule a Special HR Meeting.

Board Member Roberts reported no action required.

9. HUMAN RESOURCE REPORT:

A. Human Resource Assessment:

- **Records Needs:**
 - Ms. Wilson reported the following:
 - Will continue to work with ADP and there are additional programs available and the HR Department will be scheduling training. There is a lot that ADP can do and will further research what is available.
 - ADP has options that will assist the department with proper training.
 - Recruiting module was purchased.
 - Record Retention will begin at the new fiscal year and will ensure CMS Record Retention is followed.
- **Employee Performance Evaluation – Six Month Trend:**
 - Ms. Wilson reported that she provided a graph that shows we are on a trend that is increasing. The managers were informed and some departments are completing the evaluations since the Manager Meeting. This trend report will be provided monthly.

- Mr. Friel reminded the committee that this was also discussed at the Board Meeting and the evaluations will be caught up and reported to the Board on a monthly basis.

B. Human Resource Risk Assessment:

- **Legal Risk:**
 - Ms. Wilson reported that there is manager training to take place.
 - Board Members Roberts asked that Ms. Wilson look into a new Senate Bill that has to do with training for staff; there was a change in one of the mandatory trainings.
 - Ms. Norman informed the committee that the Culture of Safety requires to see all HR policies and this will assist the HR Director in getting the HR policies updated. Ms. Norman will provide the list to Ms. Wilson.
- **Workers Comp Risk:**
 - Ms. Wilson reported 10 open claims at this time.
- **Hiring Risk:**
 - Ms. Wilson reported the following:
 - Offer letter reviewed by legal and changes implemented.
 - Skelly hearing took place and implemented the Skelly process; two cases have had hearings and no other issues arose out of the hearings.
- **Termination Risk:**
 - Ms. Wilson reported the following information:
 - Progressive discipline is being followed according to the MOU.
 - Looking into new brokers for Health Benefits.
 - Discussion took place on Health Benefit Packages and the committee wanted to ensure that the HR Department is looking into other agencies beside CalPers. The Medical Benefit Package is continuing to increase for employees.
 - Ms. Wilson informed the Committee that the Union Leadership cancelled the first meeting that was scheduled for this week. Union negotiations should be presented to the full Board and if necessary, we can conduct a Special HR Committee Meeting.
- **Mr. Friel excused himself from that meeting at 12:43 p.m. in order to attend another meeting.**
- Board Member McCarthy asked that the June HR Agenda have Policies and Procedures, Workers Comp Policy and provide policies with redline version to the committee, Employee Recognition Program, and Health Benefit update.
- Board Member Roberts asked if Mrs. Wilson can provide any information on Health Benefits and to make sure that the information is brought to the full Board.

Board Member Roberts motioned to approve the HR Report as presented. Second by Board Member McCarthy to approve the HR Report as presented. Board Member Roberts called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Roberts - yes
- Board Member McCarthy- yes

10. ADJOURNMENT:

Board Member McCarthy motioned to adjourn the meeting at 1:03 p.m. Second by Board Member Roberts to adjourn the meeting. Board Member Roberts called for the vote. A vote in favor of the motion was unanimously approved.

- Board Member Roberts - yes
- Board Member McCarthy- yes

**BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
BOARD OF DIRECTORS
SPECIAL FINANCE COMMITTEE MEETING MINUTES
41870 Garstin Drive, Big Bear Lake, Ca. 92315
June 05, 2017**

MEMBERS Barbara Willey, Treasurer
PRESENT: Rob Robbins, 1st Vice President
John Friel, CEO

Garth Hamblin, CFO
Shelly Egerer, Admin. Asst.

STAFF: Kerri Jex

Mary Norman

**COMMUNITY
MEMBERS:** None

ABSENT: None

OPEN SESSION

1. CALL TO ORDER:

Board Member Willey called the meeting to order at 1:00 p.m.

2. ROLL CALL:

Barbara Willey and Rob Robbins were present. Also present were John Friel, CEO, Garth Hamblin, CFO and Shelly Egerer, Administrative Assistant.

3. ADOPTION OF AGENDA:

Board Member Robbins motioned to adopt the May 30, 2017 agenda as presented. Second by Board Member Willey to adopt the May 30, 2017 agenda as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

4. PUBLIC FORUM FOR OPEN SESSION

Board Member Willey opened the Hearing Section for Public Comment on Open Session items at 1:00 p.m. Hearing no request to address the Finance Committee, Board Member Willey closed the Hearing Section at 1:00 p.m.

5. DIRECTORS COMMENTS:

- None

6. APPROVAL OF MINUTES:

- A. May 01, 2017
- B. May 30, 2017

Board Member Willey called for a motion to approve the May 01 and May 30, 2017 Finance Committee Meeting Minutes as presented. Motion by Board Member Robbins to approve the May 01 and May 30, 2017 Finance Committee Meeting Minutes as presented. Second by Board Member Willey to approve the May 01 and May 30, 2017 Finance Committee Meeting Minutes as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

7. OLD BUSINESS:

- None

8. NEW BUSINESS*

A. Presentation and Potential Recommendation to the Board of Directors of the Following:

(1) Fiscal Year 2017/2018 District Budget:

- Mr. Hamblin reported that there were a few minor edits completed on the budget, there was addition of footer and page numbers.
 - HR Director is requesting additional staff and additional information was provided to the committee.
 - ER is showing increases.
 - Budget is performed in positive net income and a positive year.
 - Recommending putting \$1 million aside for the hospital renovations.
 - Physical Therapy is growing due to the new laser unit and the PRIME Project.
- Board Member Robbins stated that a budget is a guess and there are so many unknowns, the budget was created off trends from previous years and is very pleased with what is being presented to the Finance Committee.
- Further discussion took place on the health care changes and how the laws and rules continue to change and how these changes affect staff and the finances for the District. Mr. Friel would like to know if there were any concerns that the other Board Members might have about the 2017/2018 budget. The committee stated that they were supportive of the budget.

Board Member Willey motioned to recommend to the full Board the Fiscal Year 2017/2018 District Budget. Second by Board Member Robbins to recommend to the full Board the Fiscal Year 2017/2018 District Budget. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

(2) Fiscal Year 2016/2019 District Capital Budget:

- Board Member Willey reported this item was presented and discussed at the May 30 Special Finance Committee Meeting.

Board Member Willey motioned to recommend to the full Board the Fiscal Year 2016/2019 District Capital Budget. Second by Board Member Robbins to recommend to the full Board the Fiscal Year 2016/2019 District Capital Budget. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

9. Presentation and Review of Financial Statements:

A. April 2017 Finances:

- Mr. Hamblin reported the following:
 - Loss of \$120,000 for the month.
 - YTD surplus of \$2.7 million.
 - Slow & steady growth on Acute.
 - SNF continues to be strong.
 - ER is on an upward trend.
 - FHC, RHC & Dental continue to grow.
 - Expenses continue to run under budget except for April.
 - Statistics show that the District is trending up.
 - \$10 million in cash, which includes the USDA Loan.

Board Member Willey called for a motion to approve the April 2017 Finance Report. Motion by Board Member Robbins to approve the April 2017 Finance Report. Second by Board Member Willey to approve the April 2017 Finance Report. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

B. CFO Report:

- Mr. Hamblin reported the following information:
 - Affordable Care Act is now becoming American Health Care Act and is still unknown. Consideration of AHCA has passed to the United States Senate. Recent reports are saying that the Senate intends to start from scratch on healthcare reform.
 - Ballot Measure F and compliance with requirement has been reviewed. Verbiage on the ballot that is questionable from the public. There is an annual audit on the money and the “no money for administrators” wording is not very common but has been used more often recently to placate voters’ concerns that the tax will go to admin salary increases.
 - WannaCry ransom attack began in Europe; US was not severely impacted; we did monitor our systems and tracked our system during this time.
 - Would like to schedule the July Finance Meeting for July 6 since the regular Finance Committee is July 3 and is a holiday weekend. The committee agreed that they would be comfortable with rescheduling the Finance Committee Meeting to July 6 at 1:00 pm.

Board Member Robbins motioned to approve the CFO Report as presented. Second by Board Member Willey to approve the CFO Report as presented. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes

10. ADJOURNMENT*

Board Member Robbins motioned to adjourn the meeting at 1:36 p.m. Second by Board Member Willey to adjourn the meeting. Board Member Willey called for a vote. A vote in favor of the motion was unanimously approved.

- Board Member Willey- yes
- Board Member Robbins- yes



MEMO

Date: June 28, 2017
To: Board of Directors
From: Erin Wilson, Director of Human Resources
Re: Marsh and McLennan

Recommendation:

Board approval to switch third party administration for healthcare benefits with Marsh and McLennan.

Background:

In efforts to replace previous broker, Marsh and McLennan is offering services to investigate best healthcare options and pricing for healthcare offerings to our employees among other duties as outlined in the contract.

Legal counsel has approved the contract.



Contract Cover Sheet

Contract Name: MMA

Purpose of Contract: Benefits Administration

Contract # _____

Originating Dept. Name/Number Human Resources

Department Manager

Signature:

E. Wilson

Date

6/26/17

BAA: __ Yes __ NO

W-9 _ Yes _ No

Administrative Officer

Signature:

N/A

Date

LEGAL APPROVED
Compliance Officer

Signature:

EMAIL

Date

6-26-17

HIM Director

Signature

N/A

Date

Legal Counsel

Signature:

Mary Norman

Date:

6-26-17

Chief Financial Officer

Signature:

[Signature]

Date

26 June 2017

Chief Executive Officer

Signature:

[Signature]

Date

6-26-17

Board Approved

Signature:

[Signature]

Date

Contract Support Services

Signature:

Date

1. Final Signatures on Contract, BAA & W-9:

Date

2. Copy of Contract/BAA/W-9 forwarded to Department Manager:

Date

3. Copy of Contract/BAA/W-9 forwarded to Contractor (if applicable):

Date

4. Copy of Contract/BAA/W-9 scanned:

Date

Contract Cover Sheet

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Shelly Egerer

From: Christina Meissner <CMeissner@MTBAttorneys.com>
Sent: Monday, June 26, 2017 8:47 AM
To: Shelly Egerer; Deborah Tropp
Subject: RE: Marsh & McLennan Agency

Approved, thanks.

From: Shelly Egerer [mailto:Shelly.Egerer@bvchd.com]
Sent: Monday, June 26, 2017 8:44 AM
To: Deborah Tropp <DTropp@MTBAttorneys.com>; Christina Meissner <CMeissner@MTBAttorneys.com>
Subject: Marsh & McLennan Agency

Good morning ladies,

Did you approve the Marsh & McLennan Agency contract?

It needs to go to the Board for approval.

It is my understanding that Erin Wilson sent it to you and you signed off on it but I need an email confirming that.

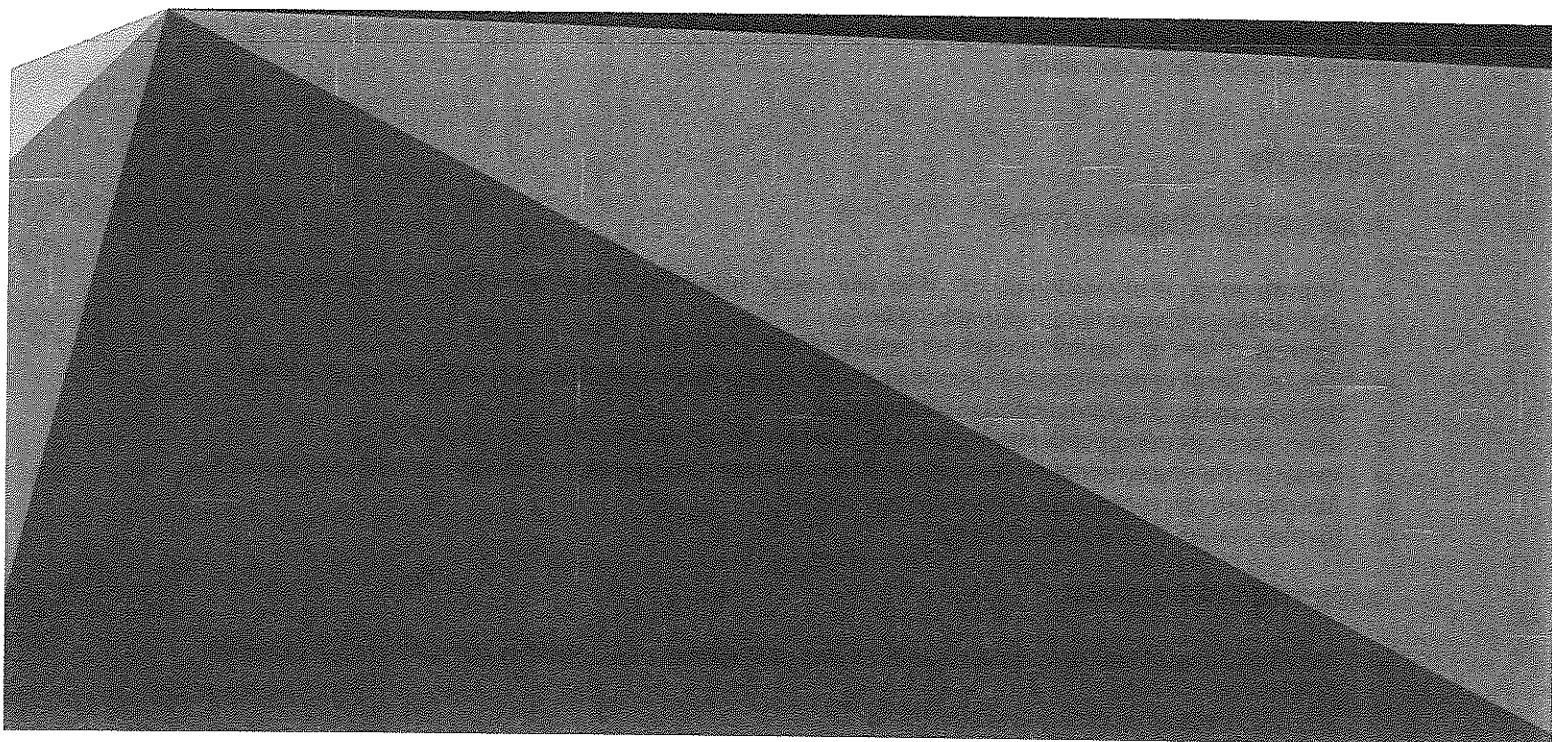
Best Wishes,

Shelly Egerer
Administrative Assistant
Bear Valley Community Healthcare District
(909) 878-8214 Phone
(909) 878-8282 Fax

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BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT



EMPLOYEE BENEFITS CONSULTING AGREEMENT

BETWEEN BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT AND MARSH & McLENNAN
AGENCY LLC

Employee Benefits Consulting Agreement

AGREEMENT

This Agreement is entered into by and between Marsh & McLennan Agency LLC, located at 9171 Towne Centre Drive, San Diego, CA 92122, hereinafter referred to as "MMA" or "Broker/Consultant," and Bear Valley Community Healthcare District located at 41870 Garstin Dr, Big Bear Lake, CA 92315 hereinafter referred to as "Client".

PERFORMANCE STANDARDS

Broker/Consultant shall discharge its duties pursuant to this Agreement in accordance with directions and instructions of Client. Broker/Consultant shall act with the generally acceptable professional standards and within applicable law, always acting honestly, in good faith and in the best interest of Client. Broker/Consultant shall exercise the degree of care, diligence and skill of a prudent and experienced insurance broker and consultant.

SERVICES

PLAN DESIGN CONSULTATION

- Provide analysis of existing plans, offer new ideas, including alternative designs and provide cost estimates and supporting recommendations.
- Educate Client on benefit trends and industry best practices.
- Advise Client on the impact of pending as well as enacted legislation and regulations, which affect benefits and/or the administration of the plans.
- Keep abreast and provide information on new benefit developments and options.
- Assist in the implementation and administration of new programs or changes to existing programs.
- Benchmark plans against competitive environment.
- Create a three to five year strategy.

MARKETING & RENEWAL

- Work with Client and to develop objectives and plan designs to include in Requests for Proposals (RFPs).
- Prepare detailed specifications for RFPs.
- Submit RFPs to insurance markets/vendors.
- Review each proposal. Use our influence in the marketplace to leverage and negotiate the best rates and conditions per Client specifications.
- Prepare an evaluation of the proposals to simplify the comparative differences and important components of the proposals. Evaluation will include recommendations to the Client concerning such proposals.
- Evaluate renewals proposed by insurance companies. Negotiate rates with companies after analyzing current experience, retention, previous year's financial results and the competitive marketplace.
- Plan costs – analyze current plan costs of all benefits compared to prior year's costs by participant and by line of coverage.
- Year End Accounting – review policy year financial summaries for complete cost breakdown. Analyze costs including premium, claims, and reserve levels, expenses, pooling levels, margins and overall effectiveness of funding arrangement.
- Assist with preparation of open enrollment communication materials and organizing vendor participation at open enrollment meetings.
- Attend and conduct open enrollment meetings.

ADMINISTRATION

- Provide a team that will be available and responsive on a timely basis.
- Attend insurance committee/Human Resource meetings and other meetings, as necessary.
- Assist with claims questions, issues and appeals.
- Conduct quarterly claim review meetings to identify trends and forecast future costs
- Provide monthly Self-funded claim report updates.
- Provide actuarial rate setting and plan design pricing.
- Attend Bi-weekly Wellness Conference calls and quarterly meetings.
- Assist with problems regarding billing, enrollments, terminations and reconciliations.
- Participate in the preparation and presentation of quarterly financial reports.
- Notify carriers of any plan change or administrative changes.
- Monitor plan carriers and providers to ensure smooth administration.
- Review contracts, plan documents, insurance policies and other documents for applicability, accuracy and consistency. Prepare and deliver necessary reports to Client.
- Assist Client with the development of performance guarantees relating to vendors' performance of services for Client and evaluate the performance of vendors.

REGULATORY COMPLIANCE

- Legislative Notification – keep Client abreast of proposed and enacted legislation and regulations through newsletters and ongoing communication. Consult on implications of enacted legislation and recommend benefit or funding revisions when appropriate.
- Perform Health Care Reform modeling to ensure compliance and prudence for complying with Full time employee determination, look back periods and other important compliance milestones.
- Regulatory Compliance – provide updates on government laws and regulations promulgated by federal and state agencies for compliance purposes.
- Seminars/Workshops – offer seminars hosted by in-house and outside resources and professionals.
- Submit written reports and other documents as required by the federal government.

ADDITIONAL SERVICES

- Preparation of Annual 5500 reports.
- Assist in creation of Summary Plan Descriptions.

RESPONSIBILITIES OF CLIENT

Client shall furnish Broker/Consultant with data necessary for discharge of Broker/Consultant's duties set forth in this document. Client shall be solely responsible for the accuracy and completeness of all information furnished to Broker/Consultant and/or insurers, and Client shall sign any required application for insurance. Broker/Consultant shall not be responsible to verify the accuracy or completeness of any information that Client provides, and Broker/Consultant shall be entitled to rely on that information. Broker/Consultant shall have no liability for any errors, deficiencies or omissions in any services provided to Client, including the placement of insurance on Client's behalf, that is based on inaccurate or incomplete information provided to Broker/Consultant. Client understands that the failure to provide all necessary information to an insurer, whether intentional or by error, could result in the impairment or voiding of coverage. Client agrees that it will review all policy documents provided to it by Broker/Consultant.

Employee Benefits Consulting Agreement

COMPENSATION

Based on the current enrollment, Broker/Consultant's first year's base compensation (consulting retainer) will be calculated based on \$31.50 per eligible employee per month, payable in twelve (12) equal installments invoiced on a monthly basis.

If this Agreement is renewed for a second year, both parties will evaluate compensation terms to arrive at a mutually agreed upon base compensation. Additional compensation may be required for services provided outside of the scope of this Agreement, as agreed by both parties in advance of the work being performed.

AMENDMENT

This Agreement may be amended only with the consent of the parties. All amendments must be in writing and must be approved by the Broker/Consultant and by the Client's Governing Board.

TERMS

This Agreement is effective September 1, 2017 and will automatically renew unless otherwise terminated as provided herein.

TERMINATION

Both parties may terminate this Agreement upon thirty (30) days written notice to the other. Said notice shall be sent by certified or registered mail. In the event of such termination by the Client, Broker/Consultant shall be paid for professional services rendered up to the date of such termination. The Client's right to terminate under this paragraph shall be in addition to any other rights reserved to the Client under this Agreement. Said termination by either party shall not be deemed to be a breach of this Agreement and/or tortious conduct.

INDEMNIFICATION

Client agrees to defend, indemnify, and save free and harmless the Broker/Consultant, its officers, agents and employees against any and all losses, injuries, claims, actions, causes of action, judgment, and liens arisen from, or alleged to have arisen from Client's performance or lack thereof under this Agreement.

INDEPENDENT CONTRACTOR

While in the performance of this Agreement, Broker/Consultant is an independent contractor and not an officer, agent, or employee of the Client.

BROKER OF RECORD

Client shall appoint Broker/Consultant as its exclusive insurance broker with respect to Client's insurance requirements for the services provided by Broker/Consultant pursuant to this Agreement. This appointment rescinds all previous appointments, and the authority associated with such appointment shall remain in full force and effect until cancelled in writing. Broker/Consultant shall not be responsible for any claims, liabilities, injuries, suits and demands and expenses of any kind which may result or arise out of any act or omission of the broker of record previously designated by Client.



MARSH & MCLENNAN
AGENCY

SEVERABILITY

Should any portion, term, condition or provision of this Agreement be determined by a court of competent jurisdiction or by the California Department of Insurance to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions and provisions shall not be affected thereby.

COMPENSATION DISCLOSURE

Please see Appendix A for Broker/Consultant's standard compensation disclosure, which may be updated from time to time.

PROTECTED HEALTH INFORMATION

MMA shall handle "Protected Health Information" (as defined in the Federal HIPAA privacy regulations, 45 C.F.R. Parts 160, 164) as a business associate of Client in accordance with the provisions of the Business Associate Agreement between Client (acting on behalf of the Client's Group Health Plans), and MMA in Appendix B.

DISCLAIMERS

Broker/Consultant does not speak for any insurer, is not bound to utilize any particular insurer and is not authorized to make binding commitments on behalf of any insurer, except under special circumstances which Broker/Consultant shall endeavor to make known to Client. Broker/Consultant shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Broker/Consultant does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to Client. Broker/Consultant will not take any action to replace Client's insurers unless Client instructs Broker/Consultant to do so. Client acknowledges that, in performing services hereunder, Broker/Consultant and its affiliates are not acting as a fiduciary for Client, except to the extent required by applicable law. Any reports or advice provided by Broker/Consultant should not be relied upon as accounting, legal, regulatory or tax advice. In all instances, Broker/Consultant recommends that Client seek its own advice on such matters from professional accounting, legal, regulatory and tax advisors.

Broker/Consultant will not be responsible for the adequacy or effectiveness of any insurance programs or policies implemented by another broker, or any acts or omissions occurring prior to Broker/Consultant's engagement.

Broker/Consultant may provide to Client information and services related to insurance regulatory and insurance tax issues relating to Client's insurance program. Any reports or advice provided by Broker/Consultant will be based on publicly available information and Broker/Consultant's experience as an insurance broker and risk consultant in dealing with such matters for other clients and should not be relied upon as accounting, regulatory or tax advice. In all instances, Broker/Consultant recommends that Client seek its own advice on accounting, regulatory and tax matters from professional legal and tax advisors.

Employee Benefits Consulting Agreement

Broker/Consultant may provide Client with modeling and/or business analytics services, including hazard loss and catastrophe modeling, loss forecasting and triangles, adverse event simulation, scenario and portfolio risk analysis, decision mapping, risk bearing and risk retention tolerance analysis and insurance program evaluation analysis ("Modeling and Analytics"). Modeling and Analytics services will be based upon a number of assumptions, conditions and factors. If any of them or any information provided to Broker/Consultant is inaccurate or incomplete or should change, the Modeling and Analytics provided by Broker/Consultant could be materially affected. These services are subject to inherent uncertainty, and actual results may differ materially from that projected by Broker/Consultant. They are provided solely for Client's benefit, and do not constitute, and are not intended to be a substitute for, actuarial, accounting or legal advice. Broker/Consultant shall have no liability to any third party in connection with these services or to Client with regard to any services performed or provided by a third party. Except to Client's insurers in connection with the placement of coverage by Broker/Consultant, Client shall not share any of Broker's Modeling and Analytics work product with a third party without Broker/Consultant's prior written consent.

LIMITATION OF LIABILITY

Unless stated otherwise herein, in no event shall either party to this Agreement be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits arising out of or relating to any services provided by Broker/Consultant or its affiliates. This paragraph shall not apply to Client liabilities incurred by Client as a result of Broker/Consultant's negligence or other intentional misconduct arising out of or relating to any services provided by Broker/Consultant or its affiliates. The aggregate liability of Broker/Consultant, its affiliates and its and their employees to Client or its affiliates arising out of or relating to the provision of services by Broker/Consultant or its affiliates shall not exceed \$10,000,000.

MISCELLANEOUS

This Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Each party to this Agreement, on behalf of itself and its affiliates, agrees that any dispute, claim or controversy arising out of or relating to this Agreement or the provision of services by Broker/Consultant or its affiliates shall be resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall be conducted by a panel of three arbitrators, with each party selecting one arbitrator and the two arbitrators selecting the third arbitrator. If the two arbitrators are unable to agree upon the third arbitrator, the third arbitrator shall be selected by the American Arbitration Association. Each of the arbitrators shall have at least fifteen years of insurance industry experience. Judgment upon any award rendered by the arbitrators may be entered in any court having jurisdiction.

Any notice provided pursuant to this Agreement shall be in writing and must be sent postage pre-paid, certified U.S. mail, return receipt requested, or delivered by overnight commercial courier, and shall be deemed given upon receipt. All notices shall be addressed to the applicable party at its respective address first set forth above or such other address as may be designated on notice to the other party pursuant hereto. This Agreement may be executed and delivered in several counterparts and transmitted by facsimile, a copy of which shall constitute the same as an original.



Employee Benefits Consulting Agreement

ACCEPTANCE

By:
Bear Valley Community Healthcare District

Authorized Representative, Title

Date

By:
Marsh & McLennan Agency LLC,
a Delaware limited liability company

Authorized Representative, Title

Date



MARSH & MCLENNAN
AGENCY

APPENDIX A

COMPENSATION DISCLOSURE

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader including in the area of transparency and compensation disclosure. We believe you should understand how we are paid and also understand the services we are providing for the compensation we receive. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance services provider, MMA facilitates the placement of insurance coverage on behalf of our clients. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. Retail commission rates can vary from transaction to transaction.
- **Client Fees** – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to brokers who meet set goals for all or some of the policies the brokers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on a broker's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker for certain transactions. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Other Compensation** – From time to time MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, from time to time, insurers may sponsor certain MMA training programs and/or events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at http://res.cloudinary.com/mma/image/upload/v1473800190/MMA_Compensation_Guide_for_Clients_rev_9.6.16_wqh_fvy.pdf

APPENDIX B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "Agreement") is made and entered into as of the 1th day of September, 2017 (hereinafter the "Date") by and between Bear Valley Community Healthcare District on behalf of Bear Valley Community Healthcare Districts Benefit Welfare Plan (hereinafter "Covered Entity"), and **Marsh & McLennan Agency LLC** (hereinafter "Business Associate").

RECITALS

WHEREAS, the Department of Health and Human Services ("HHS") has promulgated regulations at 45 C.F.R. Parts 160-164, implementing the privacy and electronic security requirements set forth in the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by American Recovery and Reinvestment Act of 2009 (P.L. 111-5, ARRA) ("HIPAA");

WHEREAS, Business Associate acknowledges that certain provisions of HIPAA have been amended in ways that directly regulate Business Associate's obligations and activities with respect to PHI;

WHEREAS, HIPAA provides, among other things, that Covered Entity is permitted to disclose Protected Health Information (as defined below) to Business Associate and allow Business Associate to obtain and receive Protected Health Information, if Covered Entity obtains satisfactory assurances in the form of a written contract that Business Associate will appropriately safeguard the Protected Health Information; and

WHEREAS, Business Associate will create, receive, maintain or transmit certain Protected Health Information in conjunction with the services being provided by Business Associate to Covered Entity pursuant to the Employee Benefits Consulting Agreement entered into by the parties as of May 16th, 2017 (the "Services Agreement"), thus necessitating a written agreement that meets the applicable requirements of HIPAA. Both parties have mutually agreed to satisfy the foregoing regulatory requirements through this Agreement.

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

1. DEFINITIONS; APPLICABILITY.

- (a) All terms not defined herein shall have the meaning ascribed to them in HIPAA.
- (b) This Agreement shall apply only with respect to and to the extent that Business Associate creates, receives, maintains or transmits PHI for or on behalf of Covered Entity.
- (c) HITECH Act, "HITECH Act" shall mean Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- (a) Business Associate agrees to not use or further disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
- (b) Business Associate agrees to use commercially reasonable and appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.



Employee Benefits Consulting Agreement

- (c) Business Associate agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware. In event of a Breach of Unsecured PHI by Business Associate or any of its officers, directors, employees, or subcontractors, Business Associate shall promptly notify Covered Entity in accordance with 45 C.F.R. 164.410.
- (d) Business Associate and Covered Entity agree to mitigate, to the extent practicable, any harmful effect that is known to it arising out of a use or disclosure of Protected Health Information in violation of the requirements of this Agreement.
- (e) Business Associate agrees to ensure that any subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agrees to substantially similar restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- (f) Business Associate agrees to provide access to Protected Health Information in a Designated Record Set, in the time and manner Required by Law, to Covered Entity or, as directed by Covered Entity, to an Individual, in order to meet the requirements under 45 C.F.R. 164.524. Business Associate may impose a reasonable cost-based fee for the provision of copies of PHI in a Designated Record Set in accordance with 45 C.F.R. 164.524(c)(4).
- (g) Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set pursuant to 45 C.F.R. 164.526 at the request of Covered Entity or an Individual, and in the time and manner Required by Law.
- (h) Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate, on behalf of Covered Entity, available to the Secretary of Health and Human Services ("Secretary"), for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with HIPAA.
- (i) Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528.
- (j) Business Associate agrees to provide to Covered Entity, upon request and in the time and manner Required by Law, an accounting of disclosures of an Individual's Protected Health Information, collected in accordance with Section 2(i) of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. 164.528. If Covered Entity requests an accounting of an Individual's Protected Health Information more than once in any twelve (12) month period, Business Associate will impose a reasonable fee for such accounting in accordance with 45 C.F.R. 164.528(c).
- (k) Business Associate agrees to comply, where applicable, with Subpart C of 45 CFR Part 164 to maintain the security of the Electronic Protected Health Information and to prevent unauthorized uses or disclosures of such Electronic Protected Health Information. Business Associate shall report to the Covered Entity any Security Incident that results in the unauthorized use or disclosure of Protected Health Information of which it becomes aware.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

- (a) Business Associate may use or disclose Protected Health Information to perform its obligations and services to Covered Entity, provided that such use or disclosure would not violate HIPAA if done by Covered Entity.

Employee Benefits Consulting Agreement

- (b) Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate or as otherwise permitted by HIPAA.
- (c) Business Associate may disclose Protected Health Information for the proper management and administration of the Business Associate, provided that disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- (d) Business Associate may use Protected Health Information to provide data aggregation services to Covered Entity.

4. OBLIGATIONS OF COVERED ENTITY.

4.1 PROVISIONS FOR COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

- (a) Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520, as well as any changes to that notice.
- (b) Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.
- (c) Covered Entity shall notify Business Associate, in writing, of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522.
- (d) Covered Entity warrants and represents that it shall provide to, or request from, the Business Associate only the minimum Protected Health Information necessary for Business Associate to perform or fulfill a specific function required or permitted hereunder.
- (e) If Protected Health Information is transmitted by electronic transfer or sent in physical media by or on behalf of Covered Entity, Covered Entity shall transmit all such Protected Health Information to Business Associate in an encrypted format, to be mutually agreed by the parties.

4.2 PERMISSIBLE REQUESTS BY COVERED ENTITY. Covered Entity represents and warrants that it has the right and authority to disclose Protected Health Information to Business Associate for Business Associate to perform its obligations and provide services to Covered Entity, and Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would violate HIPAA, other applicable laws or Covered Entity's privacy notice, if done by Covered Entity.

5. TERM AND TERMINATION

- (a) Term. The provisions of this Agreement shall take effect as of the earlier of (i) the Date, or (ii) May 16th, 2017 (the "Effective Date"), and shall continue for the term of the Services Agreement.
- (b) Termination for Cause. Upon the parties mutual agreement that there has been a material breach by a party which does not arise from any breach by the other party, the non-breaching party shall provide an opportunity for the breaching party to cure the breach or end the violation and terminate this Agreement if the breaching party does not cure the breach or end the violation within a mutually agreeable time, or immediately terminate this Agreement if cure of such breach is not possible.

Employee Benefits Consulting Agreement

(c) Effect of Termination.

- (1) Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall request, in writing, Protected Health Information that is in the possession of subcontractors of Business Associate.
- (2) In the event the Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall extend the protection of this Agreement to such Protected Health Information and limit further uses or disclosures to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

6. MISCELLANEOUS

- (a) Regulatory References. A reference in this Agreement to a section in HIPAA means the section as in effect or as amended, and for which compliance is required.
- (b) Amendment. Upon the enactment of any law or regulation affecting the use or disclosure of Protected Health Information, or the publication of any decision of a court of the United States or any state relating to any such law or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, the parties agree to negotiate in good faith to amend the Agreement as necessary to comply with such law or regulation.
- (c) Survival. The obligations of Business Associate under section 5(c)(2) of this Agreement shall survive the termination of this Agreement.
- (d) Interpretation; Entire Agreement. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits both parties to comply with HIPAA. This Agreement shall be subject to the terms and conditions of the Services Agreement; provided, however, that in the event of any inconsistency or conflict between this Agreement and any the Services Agreement, the terms, provisions and conditions of this Agreement shall govern and control. This Agreement and the Services Agreement constitute the complete agreement between the parties relating to the matters specified in this Agreement, and supersede all prior representations or agreements, whether oral or written, with respect to such matters.
- (e) No third party beneficiary. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.



MEMO

Date: 6 July 2017
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: Copy Machines

Recommended Action

Approve \$112, 920, five-year term, agreement with Top Notch Networking replacement copy machines.

Background

Our current agreement for copy machines throughout the facility is set to expire soon. Our current monthly cost is \$3,176.

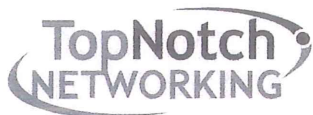
Our recommendation is for the proposal submitted by TNN imaging. Cost per month will be \$1,882 compared to the current \$3,176 per month we currently pay – a \$15,530 annual savings.

Over the past several months we have evaluated options for a new copier agreement. We have considered proposals from companies offering Canon, Sharp (2 companies), Konica Minolta, Ricoh and Xerox. Six companies in all.

The proposal offers all new equipment, service, and supplies for a set number of black-and-white and color copies per month.

Attached is a summary of the “document management program” and a list of the current systems and the proposed systems.

Also attached is the decision matrix we used in formulating the recommendation.



TNN Imaging Exclusive 5 Year Worry-Free Guarantee

Copy Quality Guarantee

The performance of your copier, from the first copy to the last, is guaranteed by TNN Imaging for Five years when it is continuously covered by a TNN Imaging/Supply Plan. If copy quality does not meet manufacturer's specification, TNN Imaging will replace it with one of equal capabilities.

Quick Service Guarantee

TNN Imaging guarantees a fast 4 hour average response time to your service needs during the term of your service/supply plan. If we fail to meet our minimum average target for on-site service, you will receive a credit toward your next service/supply plan from TNN Imaging.

30 Day Money Back Guarantee

We are so confident that you will be satisfied with your purchase from TNN Imaging, that if your system is not performing to acceptable standards, within the first 30 days, we will remove the system and refund your money.

Upgrade Guarantee

TNN Imaging guarantees that the equipment you purchase will always have a significant trade-up value-as high as 100% - never less than 20%- to a more powerful unit.

100% Product Satisfaction Guarantee

If your Equipment does not perform to manufacturer's specifications, TNN Imaging will replace it, without charge, at your request, with the same or similar unit of comparable features and capabilities.

Customer Signature
Bear Valley Community Hospital District

Representative Signature
TNN Imaging



TNN Imaging - 60 Month Document Management Program

\$1,882.00 a month

Includes: All New Equipment, Service and Supplies 91,000 black / white and 5,200 color pages per month

Overages reconciled quarterly at
.0065 per b/w page & .049 per color page

- ✓ 3 - 65 page per minute systems
- ✓ 5 - 36 page per minute systems
- ✓ 2 - 56 page per minute systems
- ✓ 1 - 35 page per minute **color** system
- ✓ Includes Certifications for wiping the hard drives on the replaced systems
- ✓ Includes Automated Service & Supply Alert Monitoring Software
- ✓ Includes All Set-up, Installation and network install
- ✓ Includes On-going Platinum level training for end users
- ✓ Replacement Guarantee

Note:

- ✓ All Systems cloned to match current equipment options and accessories.
- ✓ Current Savin Lease liability will be terminated immediately with no charge to customer
- ✓ All existing equipment will be shipped back to finance company free of Charge

Current & Proposed Systems

Department	Current System	Savin Option	Sharp Option	Current Volume
Purchasing	Savin 8030SP	REMOVED	REMOVED	
Patient Accounting	Savin 9060sp	Savin MP6002	Sharp MX-M654N	3,400
Administration	Savin 9060sp	Savin MP6002	Sharp MX-M654N	11,736
ER	Savin 9060sp	Savin MP6002	Sharp MX-M654N	20,190
Rural Health	Savin MP2852	Savin MP3054	Sharp MX-M365N	5,688
Lab	Savin MP2852	Savin MP3054	Sharp MX-M365N	6,898
Family Health	Savin MP2852	Savin MP3054	Sharp MX-M365N	3,583
Mail Room	Savin MP2852	Savin MP3054	Sharp MX-M365N	9,557
X-Ray	Savin MP2852	REMOVED	REMOVED	
Medical Records	Savin MP2852	Savin MP3054	Sharp MX-M365N	1,718
Nurses Station	Savin MP5002	Savin MP5054	Sharp MX-M565N	10,136
Admitting	Savin MP5002	Savin MP5054	Sharp MX-M565N	8,153
Library	Savin MPC3502	Savin MPC3504	Sharp MX-3570N	9,208
			B/W	90,267
			Color	5,208

Note: All systems cloned to match current equipment options and accessories.

RENTAL (CPC) AGREEMENT ADDENDUM

This Rental (CPC) Agreement Addendum ("Addendum") is made part of and amends that certain Rental (CPC) Agreement dated as of _____, 2017 ("Agreement") by and between De Lage Landen Financial Services, Inc. ("Owner") and Bear Valley Community Hospital District ("User"). Unless otherwise defined herein, capitalized terms shall have the definition set forth in the Agreement.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound and pursuant to the terms and conditions of the Agreement, it is hereby agreed as follows:

1. Section 1. Rental Agreement: The tenth sentence is replaced with: "You agree to pay us a one-time fee of \$75.00 to reimburse our expenses in preparing financing statements and other documentation costs and all ongoing administration costs during the term of this Agreement." In the eleventh sentence "fifteen percent (15%)" is changed to "five percent (5%)".
2. Section 8. Miscellaneous: In the fourth sentence, the state of "Pennsylvania ("PA")" is replaced with the state of "California ("CA")" in all instances.
3. The GUARNATY section is deleted in its entirety.

It is expressly agreed by the parties that this Addendum is supplemental to the Agreement which is by reference made a part hereof and all the terms and conditions and provisions thereof, unless specifically modified herein, are to apply to this Addendum and are made a part of this Addendum as though they were expressly rewritten.

In the event of any conflict, inconsistency or incongruity between the provisions of this Addendum and any of the provisions of the Agreement, the provisions of this Addendum shall in all respects govern and control.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed on the dates set forth below.

Dated: _____

User: Bear Valley Community Hospital District

By: _____

Print name: _____

Title: _____

Dated: _____

Owner: De Lage Landen Financial Services, Inc.

By: _____

Print name: _____

Title: _____

De Lage Landen Financial Services, Inc.

Rental (CPC) Agreement

USER	Full Legal Name Bear Valley Community Hospital District					Phone Number (909) 866-6501	
	Billing Address 41870 Garstin Dr.		City Big Bear Lake	State CA	Zip 92315	Attention to:	
	Send Email Invoice To:			Purchase Order Requisition Number			

EQUIPMENT DESCRIPTION	Equipment Make	Model Number	Serial Number	Base Monthly Rental*	Minimum Monthly Copies	Cost-Per-Copy Additional Copies	Beginning Meter Reading
	See Schedule A			\$1,882.00	91,000	\$0.006500	
					5,200	\$0.049000	
	CONSOLIDATED TOTAL			\$1,882.00			

* Each payment is subject to applicable taxes.

PAYMENT	Term in Months	Meter Frequency: <input type="checkbox"/> Monthly <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Other _____	Security Deposit (PLUS)	First Period Payment (PLUS)	Other (EQUALS)	Total Payment Enclosed
	60	Billed Copies: <input type="checkbox"/> Individual <input checked="" type="checkbox"/> Consolidated	\$0.00 +	\$0.00 +	\$0.00 =	\$0.00

1. Rental Agreement: You (the “User”) agree to rent from us (the “Owner”) the equipment listed in the “Equipment Description” section of this Rental (CPC) Agreement (“Agreement”) and/or any attached Schedule (“Equipment”). You promise to pay us a Base Monthly Rental Payment (“Rental Payment”), plus the Cost-Per-Copy Additional Copies (“Additional Copy Charge”) on copies in excess of the Minimum Monthly Copies stated above. The Additional Copy Charges will be invoiced at the end of each meter reading period set forth above. This Agreement is effective on the date that it is accepted and signed by us, and the term of this Agreement begins on that date or any later date that we designate (the “Commencement Date”) and continues thereafter for the number of months indicated above. Rental Payments are due as invoiced by us. As you will have possession of the Equipment from the date of its delivery, if we accept and sign this Agreement you will pay us interim rent for the period from the date the Equipment is delivered to you until the Commencement Date, as reasonably calculated by us based on the Rental Payment, the number of days in that period and a month of 30 days. You agree to provide accurate and timely meter readings on the forms or other alternate means specified by us. If meter readings are not received in a timely manner, we may estimate charges. Your Agreement obligations are absolute, unconditional and are not subject to cancellation, reduction, set-off, or counterclaim. You agree to pay us a fee of \$75.00 to reimburse our expenses for preparing financing statements, other documentation costs and all ongoing administration costs during the term of this Agreement. We may increase the Rental Payment and Additional Copy Charge on an annual basis, in an amount not to exceed fifteen percent (15%) of the Rental Payment or Additional Copy Charge in effect at the end of the prior annual period. Security deposits, if you are not in default, we will return the deposit to you when the Agreement is terminated. When a payment is not made when due, you agree to pay us a late charge of five percent (5%) of each late payment or \$10.00, whichever is greater. We will charge you a fee of \$25.00 for any check that is returned. **ONLY WE ARE AUTHORIZED TO WAIVE OR CHANGE ANY TERM, PROVISION OR CONDITION OF THIS AGREEMENT.**

2. Equipment Use, Maintenance and Warranties: We are renting the Equipment to you “AS-IS” AND MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. We transfer to you any manufacturer warranties. You are required at your cost to keep the Equipment in good working condition and to pay for all supplies and repairs. If the Equipment is attached to real estate, it remains our personal property and you agree not to permit a lien to be placed upon the Equipment or to move it from the above location without our prior written consent. If the Rental Payment includes the cost of maintenance and/or service provided by a third party, you agree that we are not responsible to provide the maintenance or service. You will make all claims about maintenance and service to the third party. You agree that any claims about maintenance or service will not impact your obligation to pay all Rental Payments when due.

3. Assignment: You agree not to transfer, sell, subrent, assign, pledge or encumber either the Equipment or any rights under this Agreement without our prior written consent. You agree that we may sell, assign or transfer the Agreement, and the new owner will have the same rights and benefits we now have and will not have to perform any of our obligations, and the rights of the new owner will not be subject to any claims, defenses, or setoffs that you may have against us or any supplier.

4. Risk of Loss and Insurance: You are responsible for all risks of loss or damage to the Equipment and if any loss occurs you are required to satisfy all your Agreement obligations. You will keep the Equipment insured against all risks of loss or damage for an amount equal to its replacement cost. You will list us as the sole loss payee for the insurance and give us written proof of the insurance. If you do not provide such insurance, you agree that we have the right, but not the obligation, to obtain such insurance, and add an insurance fee to the amount due from you, on which we may make a profit. We are not responsible for any losses or injuries caused by the Equipment and you will reimburse us and defend us against any such claims.

This indemnity will continue after the termination of this Agreement. You will obtain and maintain comprehensive public liability insurance naming us as an additional insured with coverages and amounts acceptable to us.

5. Taxes: You agree to pay when due, either directly or as reimbursement to us, all sales, use and personal property taxes and charges in connection with ownership and use of the Equipment. We may charge you a fee for administering property tax filings. You will indemnify us on an after-tax basis against the loss of any tax benefits anticipated at the Commencement Date arising out of your acts or omissions.

6. End of Agreement: You will give us at least 90 but no more than 150 days written notice (to our address below) before the expiration of the initial term of this Agreement (or any renewal term) of your intention to return the Equipment. Provided you have given such timely notice, you shall return the Equipment, freight and insurance prepaid, to us in good repair, condition and working order, ordinary wear and tear excepted, in a manner and to a location designated by us. If you fail to notify us, or having notified us, you fail to return the Equipment as provided herein, this Agreement shall renew for additional twelve (12) month terms, with each Rental Payment and Additional Copy Charge equal to 100% of the Rental Payments and Additional Copy Charges at the expiration of the Agreement.

7. Default and Remedies: You are in default on this Agreement if: a) you fail to pay a Rental Payment or any other amount when due; or b) you breach any other obligation under the Agreement or any other Agreement with us. If you are in default on the Agreement we may: (i) declare the entire balance of unpaid Rental Payments for the full Agreement's term immediately due and payable to us; (ii) sue you for and receive the total amount due on the Agreement plus the Equipment's end of Agreement term anticipated fair market value (the “Residual”), with future Rental Payments and the Residual discounted to the date of the default at 1% per annum, plus reasonable collection and legal costs; (iii) charge you interest on all the monies due at the rate of 18% per year or the highest rate permitted by law from the date of default; and (iv) require that you immediately return the Equipment to us or we may peaceably repossess it. Any return or repossession will not be considered a termination or cancellation of the Agreement. If the Equipment is returned or repossessed we will sell or re-rent the Equipment at terms we determine, at one or more public or private sales, with or without notice to you, and apply the net proceeds (after deducting any related expenses) to your obligations. You remain liable for any deficiency with any excess being retained by us.

8. Miscellaneous: You agree the Agreement is a Finance Lease as defined in Article 2A of the Uniform Commercial Code (“UCC”). You acknowledge we have given you the name of the Equipment supplier and agree that you may have rights under this contract with the supplier and may contact the supplier for a description of these rights. If requested, you will sign a separate Equipment acceptance certificate. **This Agreement was made in Pennsylvania (“PA”), is to be performed in PA and shall be governed and construed in accordance with the laws of PA. You consent to jurisdiction, personal or otherwise, in any state or federal court in PA and irrevocably waive a trial by jury.** You agree to waive any and all rights and remedies granted to you under Sections 2A-508 through 2A-522 of the UCC. You agree that the Equipment will only be used for business purposes and not for personal, family or household use. You agree that this Agreement may be executed in counterparts and any facsimile, photographic or other electronic transmission or electronic signing of this Agreement by you when manually countersigned by us or attached to our original signature counterpart and/or in our possession shall constitute the sole original chattel paper as defined in the UCC for all purposes and will be admissible as legal evidence thereof. At our option, we may require a manual signature. We may inspect the Equipment during the Agreement term. We hold title to the Equipment. If this Agreement is determined to be a security agreement, you grant us a security interest in the Equipment. We may file UCC financing statements on the Equipment.

USER	You agree that this is a non-cancelable CPC Agreement. The Equipment is: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED	
	Signature	Date
	Title	Print Name
	Legal Name of Corporation Bear Valley Community Hospital District	

ACCEPTANCE	The Equipment has been received, put in use, is in good working order and is satisfactory and acceptable. You agree that we may, at our discretion, confirm by telephone your acceptance of the Equipment.	
	Signature	Date
	Print Name	Title

GUARANTY	I unconditionally guaranty prompt payment of all the User obligations. The Owner is not required to proceed against the User or the Equipment or enforce other remedies before proceeding against me. I waive notice of acceptance and all other notices or demand of any kind to which I may be entitled. I consent to any extensions or modifications granted to the User and the release and/or compromise of any obligations of the User or any other guarantors without releasing me from my obligations. This is a continuing guaranty and will remain in effect the event of my death and may be enforced by or for the benefit of any assignee or successor of the Owner. This guaranty is governed by and constituted in accordance with the Laws of the Commonwealth of Pennsylvania and I consent to non-exclusive jurisdiction in any state or federal court in Pennsylvania and waive trial by jury.		
	Signature	Print Name	Date

080EDOC229v4

BVCHD Copier Replacement Evaluation

Vendor	Brand	Agreement Term (month)	Meter B/W	Meter Color	Cost Per Copy B/W	Cost Per Copy Color	Total Copy Cost	Lease monthly	Total Monthly Cost	Total Annual Cost	Total Term Cost
Our current situation	Savin Ricoh	36	92763	5208					\$ 3,176.17	\$ 38,114.04	
Canon	Canon	60	92763	5208	0.0069	0.034	\$ 817.14	\$ 999.83	\$ 1,816.97	\$ 21,803.60	\$ 109,018.00
PCG	Sharp	60	92763	5208	0.0059	0.049	\$ 802.49	\$ 1,038.33	\$ 1,840.82	\$ 22,089.88	\$ 110,449.42
Century	Konica Minolta	60	92763	5208	0.0055	0.065	\$779.98	\$ 1,087.90	\$ 1,867.88	\$ 22,414.56	\$ 112,072.80
TNN	Sharp	60	92763	5208	0.0065	0.049	\$ 858.15	\$ 1,023.85	\$ 1,882.00	\$ 22,584.02	\$ 112,920.09
Burtronics	Ricoh	60	92763	5208	0.0085	0.07	\$ 1,153.05	\$ 1,488.14	\$ 2,641.19	\$ 31,694.23	\$ 158,471.13
Image Source	Xerox	60	92763	5208	0.0054	0.054	\$ 782.15	\$ 1,875.51	\$ 2,657.66	\$ 31,891.95	\$ 159,459.73

Vendor	Final Quote Submitted	Value (10)	Return Suport (10)	B/W Cost Per Copy (10)	Color Cost Per Copy (10)	Speed Upgrade (10)	Size Upgrade (10)	Reputation (10)	SLA (10)	Confidence (10)	Extras (10)	Final score	Notes
Canon	Yes	10	10	2.5	10	5	7.5	10	10	10	0	75	User RFID option and advanced copier function software a <u>substantial</u> additional cost that is NOT factored into the quoted price.
Century	Yes	5	10	10	2.5	10	2.5	2.5	7.5	5	0	55	Vendor using machines from two different vendors for color vs b/w.
PCG	Yes	7.5	5	7.5	5	2.5	10	2.5	7.5	2.5	5	55	Free spare machine, vendor is using inferior machines vs other vendors to improve their deal's appearance.
TNN	Yes	5	10	5	5	7.5	10	7.5	10	10	10	80	Offering free fax service, free spare machine, RFID and advanced copier software included.



MEMO

Date: 6 July 2017
To: BVCHD Finance Committee
From: Garth M Hamblin, CFO
Re: Phone system replacement

Recommended Action

Approve \$90,000 (quote is for \$89,763.42) for system purchase from Intellicom Communications, Inc (NEC phone system).

Background

This is a \$22,000 increase in the Phone System part of the overall project. The amount approved in Capital Budget for this project was \$116,800. This was broken into two major parts of which, approximately \$49,000 would be used for infrastructure improvements to our existing network to accommodate the new Voice Over IP (VOIP) telephone system. This was cabling, switches, and such.

Late last year (2016) we reached an agreement in principal with Avaya for a new system. That price is \$67,064.68 for the system lets us utilize some existing handsets, but also requires an annual service agreement of \$6583.35 after the first year. Avaya filed reorganization under chapter 11 in January and reassurances from our current Avaya vendor that business will continue as usual have not been encouraging.

In May the decision was made to reach out to other phone system vendors - Mitel, NEC, and ShoreTel - for new telephone quotes. Of the quotes that were submitted only the NEC quote submitted by Intellicom Communications came closest to our remaining budget while fully meeting our functional requirements at \$89,763.42.

The NEC quote while very good, still results in an approximate \$22,000 difference from the capitol funds approved in FY2017.

Important in our consideration and recommendation is a significant difference in the quote offered by NEC over all the other vendors. Other quotes include an annual maintenance cost after the first year of the purchase of the new phone system. The NEC system INCLUDES 8 years of maintenance at no additional charge. The maintenance costs for the other vendors range from \$5,500 to \$7,000 annually. In the case of the Avaya quote maintenance was \$6583.35 which would result in a \$46,083.45 difference between the systems. This represents a savings that more than offsets the higher than budgeted expenditure for the system.

As an alternative, the NEC system has been offered to the District for \$1846.32 a month on a 60 month, \$1 buyout lease which is an attractive option to preserve capital for future needs. Total payments over the term - \$110,779.

June 20, 2017

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
41870 GARSTIN DR.
BIG BEAR LAKE, CA 92315
ATTN: JON BOOTH

SCOPE OF WORK: SUPPLY AND INSTALLATION OF SV9100 WITH 24-PRI X 200-IP PHONES X 24-ANALOG PORTS:

ITEM	QTY	DESCRIPTION
1.	1	NEC SV9100 SYSTEM WITH CPU, SYSTEM SOFTWARE AND POWER SUPPLY
2.	1	PRI INTERFACE (24X0)
3.	3	ANALOG STATION INTERFACE (8X0) - FOR CUSTOMER SUPPLIED SINGLE LINE PHONES - SKILLED NURSING CENTER
4.	200	IP TERMINAL LICENSES/CELL INTEGRATION ~ STANDARD LICENSE
5.	1	NEC SV9100 UM8000 WITH (200) MAILBOXES WITH VOICE MAIL TO EMAIL NOTIFICATION, LIVE RECORD, LIVE MONITOR
6.	5	24 BUTTON IP DIGITAL DISPLAY DUPLEX SPEAKERPHONE
7.	195	12 BUTTON IP DIGITAL DISPLAY DUPLEX SPEAKERPHONES
8.	1	MUSIC ON HOLD DOWNLOAD - NO CHARGE
9.	1	TRISYS TAPIT NOVA CALL ACCOUNTING SOFTWARE TO BE INSTALLED ON CUSTOMER PROVIDED PC (SYSTEM REQUIREMENTS: ♦Network Card, Internet Access, MS Internet Explorer 7/8/9/10/11, DVD Drive, Monitor Resolution 1024x768, RS232/Serial Port)
10.	*	SOFTWARE ASSURANCE INCLUDED WITH NEC SUPPORT PLAN - 36 MONTHS
11.	1	LOT MISCELLANEOUS: The net price provided includes the system configuration for working lines and stations as described above. Programming, labor, installation and training are also included. All pricing is based on existing cable to each of the desired phone locations. The pricing does not include additional cable or materials. Client will provide a dedicated A/C outlet in the phone room. This room should not exceed 85 degrees in temperature. All conduits, raceway, Panduit or other channels for existing or new cables are the responsibility of the client. All additional cable will be provided and billed according to the city codes and specifications at the sole cost of the client. Your signature below accepts to the configuration and terms set forth.

NEW NET TOTAL: \$89,763.42

(or) \$1,846.32 Mo., 60 Month \$1.00 Buyout Lease Purchase (Two Payments to Start) o.a.c.

OPTION FOR "INSTANT MESSAGING" IF NEEDED (DESKTOP TO DESKTOP)

INSERVER BLADE FOR PREMIUM UPGRADE PLATFORM: \$1,989.63

UPGRADE FROM STANDARD TO PREMIUM LICENSE: \$149.90 PER DESKTOP

NOTE: IP PHONES TO BE INSTALLED ON CLIENT PROVIDED POE SWITCHES.

ALL PHONE EQUIPMENT CARRIES AN 8 YEAR ICI WARRANTY

(ABOVE PRICING GOOD FOR 30 DAYS)

This Schedule verified as correct by the undersigned, who acknowledges receipt of copy and agrees to the term and conditions as called out for in the attached Intellicom Communications, Inc. Equipment Order Agreement. Any changes or amendments will be billed via a negotiated change order only. *This Schedule A will not go into effect until an officer of Intellicom Communications, Inc. has authorized it's design, and a copy provided to your office. Intellicom to load 1st Desktop Suite (Std/Premium) software and train client on installation of remaining Desktop licenses.

NET PURCHASE PRICE: \$_____ (for terms and conditions see Equipment Order Agreement)

COMPANY: _____

INTELLICOM COMMUNICATIONS, INC. ACCEPTED: _____

NAME: _____

DATE: _____

SIGNATURE: _____

INTELLICOM SALESPERSON: _____

DATE: _____

VOIP Applications are network specific. Network performance, design and standards for VOIP operation are the responsibility of the Client. Intellicom is not responsible for performance, latency, clipping or network failure. Support for Carrier issues billed at Intellicom's standard labor rates. Trouble shooting of customers Desktop applications are billed at Intellicom's current labor rates.

TERMS OF PAYMENT

Intellicom Communications, Inc.
13831 Roswell Avenue
Bldg. 10, Suite A
Chino, CA 91710
(909) 392-1488 (909) 392-1478 Fax

#BVCHD-6517

Customer

Date: June 20, 2017

Name: BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT
Address: 41870 GARSTIN DR.
City/State/Zip: BIG BEAR LAKE, CA 92315

Qty	Description	Total
1	NEC PHONE SYSTEM PER SCHEDULE A:	
	NET TOTAL:	\$89,763.42
CASH TERMS:		
	50% Due with Order:	\$44,881.71
	40% Due Upon Delivery of Equipment:	\$35,905.37
	Balance Due on Day of Installation:	\$ 8,976.32
	Lease Deposit – 60 Month ~ Deposit	\$ 3,692.64

Please make your check payable to **Intellicom Communications, Inc.**

Intellicom accepts Visa, Mastercard and American Express.

The following information is required for Credit Card Payments: All Credit Card Transactions are subject to a three (3%) convenience fee as called out in our Equipment Order Agreement.

Name (As appears on credit card)

Amount Authorized

Credit Card Number

Credit Card Type

Date of Expiration

ID #

Authorizing Signature for Charge

Billing Address:

Billing Phone Number:_____

Office Only:

Date:_____

Approved By:_____

INTELLICOM COMMUNICATIONS INC.
A division of PTC Telecommunications, Inc.
EQUIPMENT ORDER AGREEMENT

This Agreement is made and entered into between Intellicom Communications Inc. (Intellicom), 13831 Roswell Avenue, Chino, CA 91710 and

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT (Customer)

41870 GARSTIN DR.

BIG BEAR LAKE, CA 92315 (Address)

In consideration of the mutual agreements herein contained, and in accordance with the following terms and conditions, Intellicom agrees to provide the Customer, and Customer agrees to purchase from Intellicom those certain items of telecommunications equipment more particularly set forth in the equipment itemization schedules, Schedule A and Schedule A1 attached and incorporated herein by this reference, as though set forth in full.

1. **AGREEMENT OF SALE.** INTELLICOM shall sell to Customer, deliver, and install at_____.

2. **ESTIMATED INSTALLATION DATE.** Based upon the current information available to the parties as of the date of this Agreement, and subject to any and all delays or causes beyond Intellicom's control, (including, but not limited to: labor disputes, strikes, job actions, work stoppages, acts of god, fire, storm, water, war, theft or destruction of equipment, governmental actions, orders, or decrees, or manufacturers/suppliers delays), the parties best estimate of the installation date for equipment, is as follows:

ESTIMATED INSTALLATION DATE: _____
(Month) (Day) (Year)

In the event that the installation of the equipment is not commenced within ninety (90) days from the estimated installation date due to reasons, causes, or delays beyond the control of Intellicom, then Purchase Price set forth herein below may be recalculated and re-determined, in order to reflect any subsequent price or cost increase or decrease in effect.

3. **PURCHASE AND TERMS OF PAYMENT.** Customer shall purchase the equipment for the purchase price of \$89,763.42 including installation of equipment, and the purchase price shall be payable in installments upon receipt of Intellicom's invoices, as described in the Terms of Payment schedule incorporated herein.

4. **ADDITIONS AND DELETIONS.** Intellicom will use its best efforts to effectuate any additions or deletions to the equipment that the Customer may request in writing prior to the cutover of the equipment (as defined herein below). All such changes must be in the form of a "Contract Change Order" executed by the parties. All additions will be billed on time and material basis, at Intellicom's current rate. Upon reasonable grounds, Intellicom may elect to cancel, postpone or refuse Contract Change Order requested upon written notice to Customer. All deletions will be credited at pre-cutover rates, provided the item has not already been installed by INTELLICOM. Items of equipment that have already been installed by INTELLICOM cannot be deleted under any circumstances.

5. **CUSTOMER-PROVIDED FINANCING.** In the event Customer elects to obtain financing for the equipment from a third party, Intellicom agrees to refund to Customer all installment payments actually paid by Customer, to the full extent that all such installment payments are actually paid by the Customer's lender or source of financing. In the event the Customer provides their own financing, Intellicom will require a working deposit for 25% and payment in full at the date of installation and cutover.

6. **GRANT OF SECURITY INTEREST.** Customer hereby grants Intellicom a security interest in assignment of the equipment which is the subject of this Agreement, in order to secure payment and performance of all the debts of the Customer to Intellicom here-under.

7. **CUTOVER DATE.** The term "Cutover Date", as used herein, shall mean the date on which the equipment is capable of providing the basic service for which it is intended. Minor omissions or variances in performance of the various items of equipment, which do not materially affect the operation of the equipment as intended, shall not be deemed to have postponed the installation date. INTELLICOM shall use its best efforts to make timely delivery and installation. HOWEVER, ALL STATED DELIVERY AND INSTALLATION DATES ARE APPROXIMATE AND SHALL UNDER NO CIRCUMSTANCES BE DEEMED TO BE IN DEFAULT HEREUNDER OR BE LIABLE FOR DAMAGES, WHETHER SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHERWISE RESULTING FROM DELAYS IN DELIVERY OR INSTALLATION BEYOND THE CONTROL OF INTELLICOM.

8. **RISK OF LOSS.** INTELLICOM shall bear all risk of loss or damage to the various items of equipment while the equipment is in transit by an Intellicom technician after departure from the Intellicom warehouse to the Customer's location and until delivered to a storage area designated by the Customer. Thereafter, all risk of loss from any and all perils not of Intellicom's making shall be borne by Customer.

9. **TRAINING.** Intellicom shall provide up to six (6) hours of on-site technical support after the original basic training of 4 hours, per system for the first year. Training applies to staff, management, technical or any on-site related support provided by Intellicom during the first (12) months after the original installation date.

10. **MAINTENANCE.** Regular maintenance service (non-emergency) during the warranty period will be provided without charge to Customer during normal business hours (8:00 a.m. to 5:00 p.m Pacific Time, Monday through Friday, except holidays ("Holidays") as listed in Schedule "B" attached hereto). Emergency service during warranty period, (defined as: service required due to a failure or failure(s) of the equipment, which negates the ability to process either incoming or outgoing calls), will be provided without charge to customer. Intellicom will make its best effort to respond to an emergency service request within four (4) hours after being notified of such failure. Non-emergency service provided after normal business hours that is at Customer's request will be billed at time and one-half Intellicom's current day rate. **HOWEVER THE CUSTOMER AGREES THAT INTELICOM SHALL NOT BE LIABLE TO THE CUSTOMER FOR ANY DAMAGES, INJURIES, OR LOSS, INCLUDING LOST PROFITS, INCOME, OR SAVINGS, BUSINESS INTERRUPTION OR ANY OTHER SPECIAL, GENERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ITS INABILITY TO RESPOND OR PROVIDE EMERGENCY SERVICE REPAIR WITHIN FOUR (4) HOURS OF ANY SUCH REQUEST.**

11. **LIMITED WARRANTY.** Unless otherwise specifically set forth in the "Equipment Authorization Schedule "A", The Manufacturer warrants the equipment to be free from defects in materials and workmanship under normal use for a period of twelve (12) months from the "cutover date". The Manufacturer's warranty is limited to the Customer and is not transferable. Intellicom shall warrant the equipment for an additional eighty-four (84) months following the expiration of the Manufacturer's Warranty ("Intellicom Warranty"). The Intellicom Warranty is in addition to the one year Manufacturer's Warranty and shall have the effect of extending the warranty of the equipment described on the "Equipment Authorization Schedule "A" and is also not transferable. The foregoing warranty does not extend to any part, component, or item of equipment that has been damaged as a result of accident, neglect, misuse, abuse, mishandling, improper storage or operation, theft, vandalism, fire, water or service, repair, or modification by anyone other than Intellicom or conditions of use or operation that exceed the original manufacturer's specifications, (including, but not limited to: electrical current, temperature, humidity or dust), or by any other cause that exceeds the normal use for which any such part, component, or item of equipment was designed. Hard drives and spinning media are excluded from the warranty. Software and Software assurance programs are not part of the Intellicom 8 year hardware warranty protection. IP Phone issues, Netlinked Systems to Client VPN's, and/or Carrier challenges are not covered under the Intellicom Parts/Labor Warranty. The inability in a Carrier or Network performance that requires Intellicom's assistance or trouble shooting will be billed at the current Intellicom rates for on-site or remote assistance. All warranties suggested or implied will be null and void in the event you, the Intellicom Customer, choose to have service, repairs, modifications, additions, relocation or any work performed by a company or individual other than an Intellicom authorized technical staff member. In the event, you the Intellicom Customer, choose to purchase equipment for your system from a source other than Intellicom, Intellicom warranties will not apply to any installed equipment. Any equipment purchase irrespective of this warranty, if Intellicom is called for unnecessary service the Customer will be charged the standard minimum service charge at that time. Unnecessary service occurs when, upon arrival of the Intellicom service technician, the equipment is found to be operational and no problem is found.

11.5 **Warranty CCTV installations, service or related CCTV projects shall be handled as described:** Intellicom and its suppliers make no representation about the suitability, reliability, availability, and accuracy of the products provided for the purpose of viewing locations, specific to the CCTV installation. Intellicom and its suppliers disclaim all implied services related to merchantability, fitness for a particular purpose, title and non-infringement of any CCTV installation to the maximum extent permitted by applicable law. In no event shall Intellicom and or its suppliers be liable for any direct, indirect, punitive, incidental, special, consequential damages, or any damages whatsoever including, without limitation damages for loss of use, data or profits, arising out of or in any way connected with the use or performance of the Intellicom CCTV installation. Nor will the delay or inability to use the Intellicom CCTV installation or related services, the provision of or failure to provide service, or for any service related to the CCTV install obtained through Intellicom, be viewed as damage or loss to the client.

12. **LIMITED WARRANTY REMEDIES.** During the twelve (12) months manufacturer's warranty period and eighty-four month warranty extension period mentioned herein above, Customer agrees that the sole and exclusive remedy hereunder shall be limited to the repair or replacement of any parts, components, or items of equipment found to be defective in workmanship or parts during the warranty period. Intellicom shall at its sole discretion either replace or repair any parts, components or items of equipment found to be defective in workmanship or material. The Customer may elect to rent alternate equipment from Intellicom during the repair process at the prevailing rates. Warranty does not provide for loaner equipment. Loaner equipment may be rented at the current rate called out for on the Intellicom Rental Agreement. Intellicom's monthly rental rate will be pro-rated for the time the rental equipment is actually needed. Any warranty repairs will be provided at no charge during the warranty period. . On-site service in the warranty will be subjected to a \$50.00 trip charge at the time of the service call or site visit after the first 12 months. However, the labor and parts for that repair will be at no charge in the warranty period.

Any and all parts, components, or items of equipment requiring replacement by Intellicom or its agents or representative under this warranty may be replaced with new, rebuilt or reconditioned parts, at the option of Intellicom that will become the sole and exclusive property of Customer, and any and all such parts, components or items of equipment so replaced shall immediately become the sole and exclusive property of Intellicom.

13. **WARRANTY DISCLAIMER.** THE EXPRESS WARRANTY SET FORTH IN THIS AGREEMENT IS IN LIEU OF ALL OTHER WARRANTIES ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY AND EXTENDED WARRANTY PROVIDED THROUGH INTELICOM AND ASSOCIATED ORGANIZATIONS IS VALID AS LONG AS INTELICOM IS AN AUTHORIZED DEALER OR PROVIDER OF ORIGINAL HARDWARE INSTALLED

14. **LIMITATION OF REMEDIES.** CUSTOMER AGREES THAT ITS EXCLUSIVE REMEDIES, AND INTELICOM'S ENTIRE LIABILITY WITH RESPECT TO THE EQUIPMENT, SHALL BE AS SET FORTH HEREIN. THE CUSTOMER FURTHER AGREES THAT INTELICOM SHALL NOT BE LIABLE TO CUSTOMER FOR ANY INJURIES, DAMAGES, OR LOSSES INCLUDING LOST PROFITS, INCOME OR SAVINGS, BUSINESS INTERRUPTION, OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, UNLESS THE RESULT OF INTELICOM'S NEGLIGENCE OR INTENTIONAL MISCONDUCT, TO BE DETERMINED BY A THIRD PART NON PARTIAL ARBITRATOR.

15. **NON-WARRANTABLE REPAIRS OR REPLACEMENTS.** If any labor, coding or re-coding of software, or the repair or replacement of any part, components, or item of equipment is required after the expiration of the warranty period or because of an event, cause, condition or circumstance that renders the warranty void or inapplicable, then Intellicom will make available its maintenance practices and policies and its price schedule. Warranty excludes hard drives and spin media.

16. **DEFAULT IN PAYMENT.** If the customer shall fail to pay any sum due and owing to Intellicom here-under, then, in addition to any and all other remedies available to Intellicom at law, or in equity, or under the terms of this Agreement, Intellicom may: (i) collect interest at the rate of 1.5% per month or 18% per year on the sum then due and owing or at the maximum rate allowed by law, whichever is less until paid in full; (ii) collect a service charge of \$25.00 for each week the installment payment is delinquent; (iii) disconnect the equipment or any portion thereof, or otherwise render the equipment inoperable; (iv) cease delivery and/or installation of the equipment; (v) cease any maintenance or warranty work (without any extension of warranty period); (vi) enter on the property or premise of Customer to remove all or any portion of the equipment during normal Customer office hours and with prior notification to Customer, upon any default in payment by the Customer, as set forth here above.

In addition, Intellicom will retain cash deposits, fees and lease deposits made to Intellicom to pursue the above-mentioned contract.

17. **SUSPENSION OF OBLIGATIONS AND PERFORMANCES BY INTELICOM.** Intellicom obligations and performances here-under shall be suspended to the extent and for the period that it is hindered or delayed by reason of delays or causes beyond Intellicom's control (including, but not limited to: labor disputes, strikes, job actions, work stoppages, acts of God, fire, governmental actions, orders or decrees, or manufacturer/supplier delays).

18. **IRREVOCABILITY.** Upon approval, acceptance and execution of this Agreement by a duly authorized officer of Intellicom, this Agreement shall become irrevocable, effective, and binding on both the Customer and Intellicom, except however, nothing set forth herein shall be deemed or construed as precluding either party from ceasing its performance here-under upon the breach or default of the other party.

19. **ASSIGNMENT.** The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, and successors of the parties thereto. Intellicom shall have the sole and absolute right to delegate the performance of its obligations hereunder, including installation and warranty work, to subcontractors or independent contractors, but Intellicom shall remain responsible to the Customer for the performance of any duties or work that is so delegated.

20. **PARTIAL INVALIDITY.** If any term, covenant, condition or provision of the Agreement is held by any Court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall be in no way affected, impaired or invalidated.

21. **ENTIRE AGREEMENT.** This agreement, together with all Exhibits and Schedules attached hereto and incorporated herein, contains the entire Agreement of the parties with respect to the matters covered herein; and it supersedes any and all prior proposals, quotes, negotiation, Agreements, contracts and understanding between the parties with respect to the matter covered herein.

22. **ACCESS, SUPPLEMENT FACILITIES AND PERMITS.** Customer shall permit or arrange for access to the premises by INTELICOM or its representatives or subcontractors for installation and maintenance purposes. Customer shall reimburse Intellicom for all reasonable parking expenses incurred while providing the installation of the system selected. Customer shall cooperate with Intellicom in obtaining any necessary consents and waivers from the owner of the Premises in connection with installation of the equipment and shall supply any supplemental equipment and facilities necessary for the installation such as conduit, backboards, commercial power, electrical wiring, outlets and associated equipment, equipment room(s) and operating environment. The Customer shall permit or arrange for distribution cable or wiring necessary for the installation of equipment unless otherwise specified in this Agreement.

23. **RELIANCE ON CUSTOMER PLANS & SPECIFICATIONS.** Customer hereby warrants, represents and agrees that it has selected the items of telecommunications equipment best suited to its needs and requirements, and that all of Customer's telecommunications and installation (plant layout and otherwise) needs, requirements, specifications and plans, including conduit, existing cable, electrical and merchantability of customer provided hardware that may not be suitable for use with the system provided by Intellicom, have been fully explained, specified and communicated to INTELLICOM. Customer hereby agrees to pay upon demand for any additional costs, expenses, or changes resulting from Intellicom's reliance on inadequate, incomplete, or incorrect needs, requirements, specifications or plans.

This includes details related to Network strength, Internet speed and bandwidth needed for any IP phone, Netlink or remote application as well as suitability for the connection of an IP appliance or endpoint to an existing client network. All IP phones, IP applications, functionality and network are bandwidth and network specific. Intellicom will require cooperation and assistance from the client's IT department or company who handles any network or data related services. Intellicom is not responsible for network issues, failures or inefficiencies that may cause web related jitter, call drop, echo, latency or failure to secure a QOS environment needed for optimum performance of an IP related appliance. Any costs related to securing this environment after the completion of the agreement will be billed at the Intellicom current rate.

Intellicom assumes no liability for untimely installations provided by LEC or CLEC, local or long distance carriers. Intellicom acts strictly as a consultant. Customer is responsible for the disconnect and termination of existing service as well as all charges associated with the LEC or CLEC. Customer shall provide three wire approximately 117 volt AC electrical 60Hz, single-phase outlet with a locally approved ground. Customer is responsible for the installation site to be a well-ventilated area having a temperature range of 32 degrees to 80 degrees Fahrenheit, and relative humidity of 0 to 80%. The site shall be indoors with consideration given to the following: (lighting, flammables in the area, flooding possibility, and moving machinery or equipment). This area must be clear of all articles or materials that would cause delay in the installation of the new communications hardware. Please ensure that all fire sprinklers in the immediate area are capped and will not cause potential water damage to system selected. No hubs, switches, routers, firewalls or server hardware are included in the voice or data portion of the bid, unless specified by a separate agreement. If cabling is required Intellicom provides inside office cable only. Feeders, riser cables are provided by LEC or CLEC. Intellicom will be happy to bid on this portion of the project if requested but is not responsible for delivery of the LEC/CLEC dial tone to the designated backboard area where the system will ultimately be installed. Conduits, feed conduits, connectivity to remote, permits, computer configurations, and asbestos work are not included.

24. **FINANCIAL INFORMATION.** The customer hereby grants permission to Intellicom to investigate or review the Customer's credit-worthiness and/or credit standing or rating and to obtain from any source, information related to the Customer's credit-worthiness and/or credit standing or rating. Furthermore, upon demand, the Customer agrees to supply to Intellicom, (without charge), Customer's most recent audited financial statements as may reasonably be necessary by Intellicom to investigate or review the Customer's credit-worthiness. The Customer hereby warrants and agrees that all such financial statements or other information requested by Intellicom shall be true, correct, and accurate. Intellicom will procure hardware, provide design and consult based on customer credit specifications. In the event the Customer requests a Lease Purchase Finance option, Intellicom will provide the hardware upon credit approval from the 3rd party leasing organization. Intellicom is not affiliated with any leasing organization and has no control or interest in the lease process. If customer is denied lease, Intellicom will request the customer to provide the "Cash Terms" of this agreement.

25. **ATTORNEYS FEES.** If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or on account of an alleged breach, dispute, default or misrepresentation in connection with any of the provisions of this Agreement, or schedule or exhibit incorporation herein, then the successful or prevailing party in such action will be entitled to recover from the other party actual attorneys' fees and all other costs and expenses incurred in any such action or proceeding, in addition to any other relief or damages to which the prevailing party may be entitled.

26. **CHOICE OF LAW.** This Agreement shall be governed and construed under and in accordance with the laws of the State of California. Both parties agree to resolve disputes by binding arbitration.

27. Intellicom will act as a Consultant and may suggest methods and practices for the transition to new local, long distance or data services. Intellicom cannot control installation time schedules or dates supplied by a LEC, CLEC, or ISP (Internet Service Provider). Intellicom will not be liable for delays, costs, or functionality of organizations it may suggest. When suggesting third party service providers Intellicom's sole responsibility to our clients is that of a Consultant making suggestions only for rates or methods of business practice that may be less expensive than the current methods being utilized by our clients or prospective clients.

28. Jack locations to which Intellicom technicians will need access for installation of equipment must be made accessible to Intellicom technicians. All equipment and/or furniture must be moved away from walls/cubicles where jack accessibility is required. Intellicom technicians are not allowed to move customer's equipment and/or furniture.

29. Schedule A is predicated on work to be performed in ceilings of heights not to exceed 12 feet with voice runs not to exceed 120 feet. No data cables are to exceed runs of 100 meters.

TERMS OF PAYMENT/INVOICE FOR YOUR RECORDS
4 OPTIONS FROM WHICH TO CHOOSE: CASH, CHECK, LEASE, CREDIT CARD

The Customer shall negotiate the Equipment Order Agreement to secure a Business Communications System with Intellicom, accepting the terms and conditions herein. If a deposit accompanies the negotiated and accepted Equipment Order Agreement, this deposit shall be used by INTELLICOM to secure hardware, labor personnel, and materials as well as to build, and pre-program the system selected. Intellicom will retain twenty-five (25%) of the system's net sales price if the Customer cancels this Agreement after three (3) days from signature date. All deposits given to Intellicom will constitute acceptance of any and all payment schedules set in place by the Equipment Order Agreement. Any revisions must be agreed to by an authorized Intellicom officer and an authorized Customer officer before acceptance of the agreement by Intellicom and Customer. ***All Credit Card transactions are subject to a three (3%) convenience fee.** Intellicom works with several leasing companies to provide lease programs available to non-cash buyers. Lease programs available are provided as a professional courtesy and it does not guarantee a client lease approval. Lease rates are subject to change based on client credit-worthiness and length of time in business.

CASH PURCHASE TERMS: CASH ☐, CHECK ☐

X _____ INSTALLMENT 1: ("DEPOSIT")

Customer Initial Fifty percent (50%) of the total purchase price is due on the signing of the Equipment Order Agreement and Schedule A. \$44,881.71

X _____ INSTALLMENT 2: ("INSTALLMENT")

Customer Initial Forty percent (40%) of the total purchase price is due when equipment designated in Schedule A has been **delivered** to the Customer's premise. Failure to provide Installment will delay the installation of your system. \$ 35,905.37

X _____ INSTALLMENT 3: ("FINAL PAYMENT")

Customer Initial Ten percent (10%) of the total purchase price is due when the equipment is cut-over. Cutover, for the purpose of this FINAL PAYMENT is defined as (i) the system being installed, programmed and delivered, (ii) the system providing outbound and inbound calls to take place and (iii) training of Customer's staff and System Administrator(s) being complete. \$8,976.34

Let this serve as your invoice for the above purchase.

LEASE PROGRAM AVAILABLE TO NON CASH BUYERS AS A PROFESSIONAL COURTESY

O.A.C.

LEASE PURCHASE ~ OPTION: 60 MONTH \$1.00 BUYOUT LEASE OPTION

X _____ Customer shall enter into a binding agreement with a leasing company or other financial institution (here-after Customer Initial referred to as 'Lessor') satisfactory to Intellicom providing for a lease of the Equipment by Customer from Lessor for 60 Months a rate of \$1846.32 plus all applicable taxes under the terms set forth in the Lessor's standard lease. Intellicom will cooperate with customer in arranging for such lease. Customer shall deposit with Intellicom the amount of \$ 3,692.64 to start The lease. If customer is denied lease approval, Intellicom may suspend installation and furtherance of the equipment order Agreement until financial Arrangements have been made to the satisfaction of Intellicom's financial department. If Intellicom delivers the hardware to your facility, this will not affect the payment due Intellicom. Payment must be made to Intellicom for the equipment delivered.

CREDIT CARD*: VISA/MASTERCARD ☐, AMERICAN EXPRESS ☐: See Attached Credit Card Form

INTELLICOM COMMUNICATIONS, INC.

Financial Option Selected: CASH OR LEASE

C. L. # 558512 Bond # 666461

**BEAR VALLEY COMMUNITY HEALTHCARE
DISTRICT**

By: MICHAEL H. STEWART
Name (Please Print)

By: _____
Name (Please Print)

X _____
(Signature)

X _____
(Signature)

Title: PRESIDENT Date: _____

Title: _____ Date: _____



Credit Card Information:

Name on Card: _____

Billing Address:

Street Address: _____

City: _____ State: _____ Zip Code: _____

Phone Number: _____

Card Type (Circle one): Visa Mastercard American Express

All Credit Card Transactions are subject to a three (3%) convenience fee as called out in our Equipment Order Agreement.

Card Number: _____

Expiration (Mo. & Yr.): _____ CVV2 (ID Code): _____

Contract Amount: _____

X _____ INSTALLMENT 1: ("DEPOSIT")

Customer Initial Fifty percent (50%) of the total purchase price is due on the signing of the Equipment Order Agreement and Schedule A. \$44,881.71

X _____ INSTALLMENT 2: ("INSTALLMENT")

Customer Initial Forty percent (40%) of the total purchase price is due when equipment designated in Schedule A has been **delivered** to the Customer's premise. Failure to provide Installment will delay the installation of your system. \$ 35,905.37

X _____ INSTALLMENT 3: ("FINAL PAYMENT")

Customer Initial Ten percent (10%) of the total purchase price is due when the equipment is cut-over. Cutover, for the purpose of this FINAL PAYMENT is defined as (i) the system being installed, programmed and delivered, (ii) the system providing outbound and inbound calls to take place and (iii) training of Customer's staff and System Administrator(s) being complete. \$8,976.34

Let this serve as your invoice for the above purchase.

Office Only:

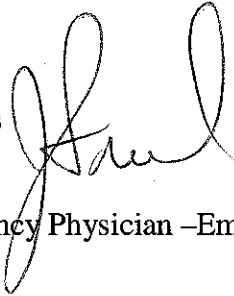
Date: _____ # _____ Approved By: _____

Vendor	Brand	Type	System Functional Location	Total System Cost	Annual Maintenance Cost	Annual Maintenance Term (yrs)	Total Maintenance Cost	Total Cost in 1st 5 years	Notes					
Our current situation	Avaya	Digital w/ VOIP add-on	Fully on premise	Paid off	N/A	N/A	N/A	N/A	Nearly 20 years old. No warranty or vendor support.					
Intellicom	NEC	VOIP	Fully on premise	\$ 89,763.42	\$ -	8	\$ -	\$ 89,763.42	One of the oldest telephone system vendors in the business.					
SPS	Avaya	VOIP	Fully on premise	\$ 67,964.68	\$6,583.35	4	\$ 26,333.40	\$ 94,298.08	Formerly AT&T/Lucent, good company, with a rough financial history.					
Packetfusion	ShoreTel	VOIP	Hybrid Prem/Cloud	\$99,965.91	\$ 7,749.84	4	\$ 30,999.36	\$ 130,965.27	15 years in telecommunications, currently looking at purchase offers.					
Fusion	Mitel	VOIP	Hybrid Prem/Cloud	\$ 98,792.00	\$ 7,200.00	4	\$ 28,800.00	\$ 127,592.00	Stable international telecommunications company - core business hospitality and medical.					
Vendor	Final Quote Submitted	Value (10)	Warranty (10)	Maintenance Cost (10)	Application Integration (10)	Included UC Feature Set (10)	Scalability (10)	On vs off Premise Adv. Features (5)	Manufacturer Reputation (10)	SLA (10)	Vendor Confidence (10)	Extras (5)	Final score	Notes
Avaya	Yes	7.5	7.5	7.5	5	5	5	5	2.5	7.5	7.5	3	63	Premium Voicemail included. Additional cost for more advanced features. Extreme caution - Avaya is in trouble financially.
NEC	Yes	10	10	10	7.5	7.5	7.5	5	10	10	7.5	5	90	8 years of maintenance and Premium Voicemail included at no additional charge.
ShoreTel	Yes	2.5	5	2.5	7.5	2.5	10	1	5	10	10	0	56	Additional cost for more advanced features. Caution - Shoretel is openly up for sale
Mitel	Yes	5	5	5	7.5	2.5	7.5	3	10	7.5	5	0	58	Additional cost for more advanced features.



MEMO

Date: July 07, 2017
To: Board of Directors
From: John Friel, CEO
Re: Premier Emergency Physician –Emergency Room Service Agreement



Recommendation:

We would like the Board of Directors to approve the Premier Emergency Physician – Emergency Room Service Agreement.

Background:

Premier Physician – EmCare began providing services for the Emergency Room Department April 2014. The current agreement is due to expire July 15, 2017.

A tentative agreement has been reached with Premier Emergency Physician – Emergency Room Service Agreement to continue to provide services with the term to remain in full force and effect for the term of two years beginning on July 15, 2017 and will be automatically renewed for an additional one year period thereafter.

We have negotiated additional QI and performance improvement items into this agreement and 3-D Medical Records.

Please feel free to contact me if you have any additional questions.

AGREEMENT

THIS AGREEMENT is made by and between **BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT D/B/A BEAR VALLEY COMMUNITY HOSPITAL** ("Hospital"), and **PREMIER EMERGENCY PHYSICIANS OF CALIFORNIA MEDICAL GROUP, A PROFESSIONAL CORPORATION** ("Corporation"), effective as of the 15th day of July, 2017.

RECITALS

- A. The Hospital provides continuous twenty-four (24) hour emergency physician services to the members of the community who require immediate medical and hospital service through the Hospital's emergency department (the "Emergency Department").
- B. Corporation has developed and is making comprehensive management services available as an aid and assistance to hospitals, physician groups and other medical facilities in the arrangement for emergency physician coverage of hospital Emergency Departments and administrative management.
- C. Hospital desires to engage Corporation to perform such services for the Hospital Emergency Department as set forth herein.
- D. Corporation desires to perform such services for the Emergency Department under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Term.** This Agreement shall remain in full force and effect for the term of two (2) years, beginning at 12:00 a.m. on the 15th day of July, 2017 ("Initial Term"). Unless and until terminated in accordance with paragraph 2 below, this Agreement will be automatically renewed for an additional one (1) year period thereafter ("Renewal Terms").

2. **Termination.** This Agreement may be terminated as follows:

- A. Either party may terminate this Agreement by providing written notice of termination to the other party no later than ninety (90) days before the intended date of termination, in which case this Agreement will terminate at the end of the applicable notice period.
- B. If either party breaches this Agreement and fails to correct the breach to the reasonable satisfaction of the non-breaching party within thirty (30) days following a written notice from the non-breaching party specifying the breach, then the non-breaching party may terminate this Agreement by giving written notice of said termination to the other party; provided, however, if such breach is of such character as to reasonably require more than thirty (30) days to cure, then this Agreement may be terminated only if the breaching party fails to use reasonable diligence in curing same within such period.

- C. Corporation may terminate this Agreement with seven (7) days notice upon Hospital's general assignment for the benefit of creditors, Hospital's petition for relief in bankruptcy or similar laws for the protection of debtors, upon the initiation of such proceedings against Hospital if the same are not dismissed within forty-five (45) days of service, upon notice of a finding that Hospital is insolvent under applicable law, or upon notice from Hospital that it is unable to pay Corporation's compensation, if any, as set forth herein.
- D. In the event that Hospital fails to pay Corporation's compensation as set forth herein and fails to cure such failure within thirty (30) days following a written notice from Corporation, Corporation may terminate this Agreement at the end of such thirty (30) day cure period by providing notice of such termination to Hospital.

3. **Services to be provided by Corporation.** Corporation shall provide the following management and administrative services to the Hospital Emergency Department (collectively, the "Administrative Services"):

- A. **Prospective Physicians.** Corporation shall identify to Hospital prospective Physicians to provide coverage in the Emergency Department. Prospective Physicians must be board certified or board eligible in Emergency Medicine, Internal Medicine and/or Family Practice Medicine. Prospective Physicians that are not board certified or board eligible in Emergency Medicine must have significant emergency room experience in the previous two (2) years. For prospective Physicians, Corporation shall perform initial interviews, review credentials and references and provide to the Hospital a compilation of qualifications and other information useful to assist the Hospital in determining whether to approve Physicians. Hospital will extend to any approved physician ("Emergency Physician") the rights, privileges and responsibilities of the Hospital's medical staff membership. Emergency Physicians presented to the Hospital shall have and maintain licenses to practice in the state of California.
- B. **Emergency Department Coverage.** In order to provide quality emergency care on a prompt and continuing basis available at all times at Hospital to the community, Corporation agrees to arrange for the Emergency Physicians to provide coverage in the Emergency Department twenty-four (24) hours per day, seven (7) days per week, three hundred sixty-five (365) days per year. Every patient presenting to the Emergency Department shall be screened by a physician. The responsibility for those patients who decline treatment by the Emergency Physician and/or those patients whose private physician chooses to come to the Emergency Department to see and treat his/her patients shall not be assumed by the Emergency Physicians. Emergency Physicians accept the traditional rights of any Medical Staff physician to treat his/her own patients in the Emergency Department.

C. **Medical Director.** Corporation shall designate an Emergency Physician to be Medical Director of the Emergency Department. The Medical Director shall be responsible for managing Emergency Department issues on a day-to-day basis including, without limitation, the following:

1. Present qualified Physicians to become Emergency Physicians upon approval by Hospital;
2. Coordinate Emergency Physician coverage schedule;
3. Recommend policies and procedures to Hospital concerning administration of the Emergency Department;
4. Address patient complaints involving Emergency Physicians; and
5. Act as liaison among Corporation, Emergency Physicians, members of the organized medical staff of Hospital ("Medical Staff") and administration of Hospital ("Hospital Administration").

D. **Medical Records.** Corporation will confirm that the Emergency Physicians are maintaining medical records in the Emergency Department which adequately reflect the quality of care rendered and the instructions given each patient. Corporation will hold providers accountable for not completing and closing out all medical records prior to departing post shift completion. Hospital will grant remote access to all providers and notify Corporation of any provider who does not complete and close out all charts before departing post shift within 3-business days.

4. **Conditions to Status as Emergency Physician.**

A. **Medical Staff Privileges.** Before any physician identified by Corporation may practice medicine in the Hospital's Emergency Department, such physician must first be granted medical staff privileges ("Staff Privileges") by the Medical Staff in accordance with its established rules and regulations as to the granting and removal of such Staff Privileges. Emergency Physicians who are granted Staff Privileges shall have all rights, privileges and responsibilities of the Hospital's medical staff. Each Emergency Physician's Staff Privileges and membership on the medical staff will be contingent upon, among other things, the Emergency Physician's compliance with the Hospital's medical staff bylaws and rules and regulations (collectively, the "Hospital Policies").

B. **Temporary Privileges.** Temporary privileges will be approved or disapproved by the Hospital promptly after the Hospital's receipt of a staff application, provided that the application is complete, all documentation is in order and current, and the applicant is acceptable and meets the standards of the Hospital and the Hospital Policies. Hospital agrees that it will not unreasonably withhold granting temporary privileges upon receipt of aforementioned information from Corporation.

C. **Dispute Resolution.** If the Hospital becomes aware of any questions of professional qualifications or performance of any Emergency Physician, the same shall be communicated promptly to Corporation so that a

resolution of the problem can be promptly made. Should a clinical or interpersonal problem arise with regard to an Emergency Physician, it is agreed that Corporation will work with the Emergency Physician and the Hospital to correct the problem to the satisfaction of both parties. If Corporation and the Hospital agree that such problem is of a sufficiently serious nature to warrant suspension, then the Emergency Physician in question will be removed from the schedule for a period of two (2) weeks in order to allow Corporation the time to fairly investigate and evaluate the problem, and if necessary, counsel with the Emergency Physician to correct the problem. If the problem cannot be corrected to the satisfaction of the Hospital, Hospital shall reserve the right to require Corporation to terminate said Emergency Physician from service at the Hospital. Such termination shall be administrative in nature and shall not be considered a denial or revocation of Staff Privileges subject to hearing and appellate review as may be provided in the Hospital Policies or otherwise.

- D. **Medicare/Medicaid Exclusion.** Corporation hereby represents and warrants that Corporation is not and at no time has been excluded from participation in any federally funded health care program, including Medicare and Medicaid, and that Corporation represents the same to the best of its knowledge with respect to each Emergency Physician, unless otherwise disclosed to Hospital.

5. **Insurance.** Corporation shall ensure that the Emergency Physicians are covered by professional liability insurance coverage, covering services at Hospital, with limits of One Million Dollars (\$1,000,000) per loss event, and separate, per provider, annual aggregate limits in the amount of Three Million Dollars (\$3,000,000) annually.

6. **Covenants of the Hospital.**

- A. **Services Provided by the Hospital.** Hospital will provide the following to Corporation and the Emergency Physicians, as appropriate, at its sole cost and expense:

1. Complete use of the space now or that may be hereafter designated as the Emergency Department in the Hospital structure. The space so provided will be adequate for the operation and provision of the medical services of the Emergency Department by the Emergency Physicians. Office space so provided shall be adequate for the provision of all Administrative Services to be provided by Corporation hereunder.
2. Supplies, equipment and materials necessary for effective operation of the Emergency Department by the Emergency Physicians.
3. Utilities and services including, but not limited to, heat, water, electricity, telephone service, laundry, and janitor service.
4. Services of nurses and other paramedical personnel, as may be needed for the effective operation of the Emergency Department by the Emergency Physicians.

5. Laboratory and X-ray technicians available in, or accessible on-call to, the Hospital necessary for the effective operation of the Emergency Department by the Emergency Physicians.

B. **Monthly Call List.** The Hospital will cause to be published a monthly call list of physicians who will provide consultation and follow up care according to the Hospital's Policies.

C. **Clothing.** Hospital agrees to (i) provide appropriate temporary clothing to an Emergency Physician whose clothes become contaminated with blood or other potentially infectious bodily fluids as a result of services provided at Hospital, and (ii) clean and return such contaminated clothing to the Emergency Physician.

D. **Exposure to Fluids.** In the event an Emergency Physician experiences an exposure to blood or other potentially infectious bodily fluids requiring post-incident medical evaluation and/or an infectious disease consultation as a result of services provided at Hospital, Hospital shall provide the evaluation and/or consultation required under Federal regulations or reimburse Emergency Physician for the reasonable costs of such evaluation and consultation if such evaluation and consultation is not provided by the Hospital and if the Emergency Physician elects treatment by a personal physician.

E. **Compliance with Accreditation Standards.** The Hospital will use its best efforts at all times to comply with all applicable standards promulgated by the Joint Commission on Accreditation of Healthcare Organizations.

F. **Emergency Department Records.** The Emergency Department medical records will be made available upon request for purposes of Quality Assurance and Risk Management review.

7. **Overriding Purpose.** Notwithstanding anything contained herein to the contrary, no provision contained in this Agreement shall operate to delay medical treatment when immediate attention is required. The parties acknowledge that the primary purpose of this Agreement is to make prompt emergency treatment at the Emergency Department by the Emergency Physicians available to the community.

8. **Compensation.**

A. **Corporation's Billing for Services.** Hospital acknowledges the right of the Emergency Physicians and Corporation, at Corporation's expense, to bill patients and/or their insurers for the services rendered by Emergency Physicians in the Emergency Department and Inpatient Departments. The Hospital shall not have any right to any such fees billed and collected for the services rendered by Emergency Physicians. Such fees shall conform to the fee schedule provided to Hospital by Corporation. Corporation shall entertain, but not necessarily honor, a request by Hospital that a bill not be sent in cases involving sensitive patient

relations. If Corporation chooses not to honor Hospital's request regarding a bill, Corporation will notify Hospital CEO, verbally or in writing, prior to Corporation sending the patient bill.

- B. **Hospital's Billing for Services.** Corporation acknowledges the right of Hospital, at Hospital's expense, to bill patients and/or their insurers for the use of facilities, personnel, equipment, supplies and support services provided by Hospital. Neither Corporation nor the Emergency Physicians shall have any right to any such fees billed and collected for the use of facilities, personnel, equipment, supplies and support services provided by Hospital.
- C. **Payment Programs with Third Parties.** Hospital and Corporation agree and acknowledge that the compensation set forth above is based on the assumption that Emergency Physicians will not participate with managed care plans and medical insurers other than Medicare, Medicaid, and other governmental payors and will bill all other payors ("Non-Participating Payors") at Corporation's normal charges. The Emergency Physicians will not, unless it is determined to be financially advantageous, become participating providers with such Non-Participating Payors. Hospital agrees and acknowledges that Corporation will bill patients for all appropriate deductibles and copays and for any unpaid amounts up to such normal charges, regardless of payor. Hospital hereby agrees that it will not require Emergency Physicians to participate with any Non-Participating Payors during the term of this Agreement unless Corporation agrees to so participate in writing. Hospital further agrees that it will not enter into an arrangement with a Non-Participating Payor which directly affects Emergency Physician professional reimbursement without Corporation's written consent. In the event Emergency Physicians' lack of participation with such Non-Participating Payors is no longer acceptable to Hospital, Corporation agrees to consider Emergency Physician participation with such Non-Participating Payors provided that the Parties are able to negotiate a modification of the compensation set forth above taking into account such participation.
- D. **Volume Administrative Fee.** The Parties agree that Corporation has fixed costs under this Agreement, and that anticipated revenue against those costs is based on assumption of billable patient volume in the Emergency Department of 10,000. The Parties agree to reconcile actual net billable Emergency Department volume at the conclusion of each twelve (12) month period of this Agreement, and should such volume be below 10,000, then Hospital agrees to be billed for any shortfall below 10,000 multiplied by One Hundred Ninety Four (\$194.00). For the purposes of this Agreement the term "Billable Volume" shall mean all patients treated in the Emergency Department excluding all patients who left without being seen (LWOBS; who were treated by a private medical doctor not provided by Corporation (PMD); voided charts; and patients who are declared dead on arrival (DOA).

- E. **Additional Emergency Department Midlevel Hours.** Hospital agrees and acknowledges that the Corporation's compensation set forth above in Section 8 is based on budgeted midlevel coverage hours for the Emergency Department of Nine Hundred Three Hours planned for anticipated seasonality of patient volume, mostly in winter months. The Parties agree that during the term of this agreement, that the Hospital may request Corporation to add additional midlevel coverage when Emergency Department patient volume warrants, by mutual agreement of the Parties.

Accordingly, in addition to the Administrative Fee set forth above, Hospital agrees to pay Contractor an "Additional Administrative Fee" of Eighty Dollars (\$80.00) per hour multiplied by the total number of hours of provider coverage in excess of the original planned Nine Hundred Three (903) hours. Corporation shall invoice Hospital for the Additional Compensation on a monthly basis. Hospital agrees to pay such invoices in full according to the terms outlined in this Section.

9. **Assistance to Corporation.** Hospital acknowledges that Corporation requires certain information to be obtained by Hospital and supplied to Corporation to enable Corporation to bill patients as provided above. Therefore, Hospital shall, at its expense, perform the functions, and provide Corporation promptly with the information, identified below:

- A. Obtain medical insurance information (including photocopies of insurance cards, pre-authorizations for services and driver's licenses) for each patient/patient visit, and require all Emergency Department patients, and/or guarantors or other legally responsible parties to sign any forms required by medical insurers;
- B. Hospital shall electronically transfer to Corporation, or its designees, patient records, including, without limitation, registration, admission, and discharge documentation as outlined in Schedule A, in a secure HL7 format on a mutually agreed upon timeline. Hospital shall also provide Corporation with a complete electronic Emergency Department medical record in a CCA or CCD format, including but not limited to physician and nursing notes, continuation sheets, code/trauma forms, and all appropriate patient records for patients admitted to the hospital from the Emergency Department, in order to obtain Patient information and other documentation deemed necessary by Corporation and/or its billing company to bill for services provided by Emergency Physicians and/or provide additional services.
- C. Provide Corporation daily with an accounting of all payments received by Hospital attributable to services rendered by Emergency Physicians. In the event Hospital has received payments not clearly segregated between services provided by Hospital and an Emergency Physician, the amount of such payment shall be shared equally between Hospital and Corporation. Hospital shall remit payment weekly by check to Corporation for amounts

received by Hospital attributable to services rendered by Emergency Physicians or not segregated as discussed above.

10. **Use of Information.** Corporation agrees not to disclose any of the information provided to it by Hospital as identified in Section 9 above except as required by Corporation, its agents, representatives or affiliates for professional liability or risk management purposes or to allow or facilitate Corporation's billing and/or collecting for services rendered by Emergency Physicians.

11. **Relationship of Parties.** It is mutually understood and agreed that Corporation is, and at all times shall be, an independent contractor with respect to Hospital. Emergency Physicians shall perform their professional work free of any direction or control by the Hospital or Corporation, but otherwise in a manner consistent with currently approved methods and practices in the medical profession and in compliance with the standards imposed by the medical staff of the Hospital. In the performance of the Administrative Services by Corporation under this Agreement, Corporation shall conform to the policies prescribed by the Hospital.

12. **Non-Interference.**

A. The Hospital hereby recognizes and agrees that Corporation expends substantial resources and efforts to recruit qualified Emergency Physicians and maintains such resources so that Corporation is continuously prepared to recruit additional Emergency Physicians whenever and howsoever there becomes such a recruitment need at the Hospital during the term of this Agreement. Hospital further recognizes and acknowledges that Corporation incurs extensive and ongoing expense in such recruitment and preparedness efforts. Therefore, Hospital agrees, except as delineated below, that during the term of this Agreement, and any extensions hereof, and for a period of twelve (12) months after the termination hereof, regardless of cause, it will not directly or indirectly solicit, retain or permit to be engaged the professional services of any physician that: 1) has been presented to Hospital by Corporation as a prospective physician pursuant to this Agreement within a period of six months prior to any date of termination of this Agreement, or, 2) had entered into a contract or employment relationship or administrative management agreement with Corporation in force at the date of notice of termination of this Agreement. Hospital further agrees that it will not induce, persuade, or attempt to persuade any physician to terminate his independent contractor relationship or administrative management agreement with Corporation.

B. In the event that this Agreement is terminated, and upon written notice from the Hospital to Corporation that Hospital desires to enter into a contractual relationship with any physician(s) described in Section 12(A), Corporation may, in its sole discretion, elect to waive the provisions of Section 12(A) of this Agreement for any or all physician(s) identified in said notice. As a condition of any and all such waivers, Corporation shall be compensated for its time and effort in recruiting and retaining said physician(s) and for the value to Corporation of the contractual relationship between Corporation and said physician(s). Hospital and

Corporation agree that this compensation shall be Thirty Thousand Dollars (\$30,000.00) per physician and such sum shall be paid to Corporation no later than thirty days following Corporation's election to waive Section 12(A). Physicians who were either recruited by Hospital, previously employed, contracted separately or credentialed by the hospital prior to the original date of services in July 15, 2014 will not be subject to the items in Section 12

13. **Exclusive Nature of the Agreement.** Hospital, in consideration of the benefits previously mentioned to come from such an arrangement, hereby gives Corporation the exclusive right to provide all emergency services in Hospital.

14. **Termination Due to Administrative or Regulatory Changes.** In the event that there is a change in the Medicare or Medicaid Acts, any regulation or procedure of the government or any government agency, regulations or general instructions (or in the application thereof), the adoption of new legislation, the Parties reasonable interpretation of any existing regulation or legislation, a change in any other third party payor reimbursement system, any determination that the parties interpretation thereof was incorrect, either the Hospital or Corporation enters into an agreement with a managed care program or other third party payer, or there is a material change in the professional liability insurance rates to cover Emergency Physicians, any of which materially affects the reimbursement which the Hospital or the Emergency Physicians may receive for their respective services furnished to patients through the Emergency Department or which materially affects the ability of any Party to perform any provision of this Agreement, either Corporation or the Hospital may by notice propose a new basis for compensation for the services. If such notice of new basis is given and if within ninety (90) days thereafter either the parties hereto are unable to agree thereon or Corporation is unable to arrange for the Emergency Physicians to accept such new basis for compensation, either party to this Agreement may terminate this Agreement by ninety (90) days notice to the other on any future date specified in such notice.

15. **Liaison.** Corporation and the Hospital shall each designate liaison representatives. Until changed in writing, the liaison representative for Corporation will be Regional Vice President, and the liaison representative for the Hospital will be Chief Executive Officer.

16. **Incurring Liabilities.** Neither party will have the authority to bind the other party under any contract or agreement or incur any debts or other obligations on behalf of the other party without the express prior written approval of the other party. In no event, however, shall Corporation be authorized to enter into on the Hospital's behalf any contract or agreement with any physician, or incur on the Hospital's behalf any other obligation to any physician, concerning the provision of medical services by any such physician.

17. **Confidentiality.** All statistical, financial, personnel, medical records, and other data relating to the business of the Hospital is confidential and will be kept in confidence by Corporation and its personnel; provided, however, the foregoing obligation does not apply to any data or materials which the Hospital permits Corporation to release or which are released in the best interests of the patient.

18. **Authority.** The Hospital and Corporation represent and warrant to each other that each has the right, authority and power to enter into this Agreement, which has been authorized by all necessary action of each such entity, corporate or otherwise.

19. **Changes in Bylaws.** The Hospital agrees to notify Corporation in a timely manner in the event that changes to the bylaws of the medical staff of the Hospital are either proposed or anticipated.

20. **Governing Laws.** The substantive internal laws of California, without regard to the conflicts of law principals thereof, shall govern the validity, construction, enforcement, and interpretation of, this Agreement.

21. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Corporation and the Hospital, and their respective successors and assigns; provided, however that Hospital shall not assign this Agreement without the prior written consent of Corporation. This Agreement may be assigned by Corporation to an affiliate or subsidiary of Corporation or EmCare, Inc. provided the assignee agrees to be bound by all terms and conditions of this Agreement.

22. **Waiver.** A failure of either party to object to or take affirmative action with respect to any conduct of the other party which is in violation of the terms hereof shall not be construed as a waiver thereof, nor as a waiver of any future breach or subsequent wrongful conduct. The rights and remedies set forth herein are intended to be cumulative, and the exercise of any one right or remedy by either party shall not preclude or waive its exercise of any other rights or remedies hereunder or pursuant to law or equity.

23. **Use of Words.** Whenever necessary in this Agreement and where the context requires, the gender of words shall include the masculine, feminine, and/or neuter, and the number of all words shall include the singular and the plural.

24. **Interpretation.** Nothing in this Agreement shall be construed as authorizing Corporation to practice medicine or to direct or control the practice of medicine by any physician providing medical services at the Emergency Department.

25. **Severability.** If any provision of this Agreement, or the application thereof to any person or circumstance, is held to be illegal, invalid or unenforceable for any reason, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement that can be given effect in the absence of the illegal, invalid or unenforceable provision of application. To this end, all provisions of this Agreement are declared to be severable.

26. **Arbitration.** This agreement shall be governed under the laws of the State of California. In the event of any dispute arising between the parties arising out of or related to this Agreement, the parties agree that such dispute shall be settled by binding arbitration, pursuant to the rules of the American Arbitration Association, San Bernardino County.

27. **Miscellaneous.** No amendment or modification of this Agreement shall be effective unless executed in writing by the parties hereto. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such provision nor the validity of any other provision of this Agreement shall in any way be affected thereby. This Agreement constitutes the entire agreement of the

Parties and is intended as a complete agreement of the promises, representations, negotiations, discussions, and agreements that may have been made in connection with the subject matter hereof, and supersedes any prior oral or written agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The captions or headings are for convenience only and are not intended to limit or define the scope or effect of any provision of this Agreement.

28. **Notices.** Any and all notices required or permitted to be given to Hospital pursuant to this Agreement shall be sufficient if in writing and forwarded by regular mail, to the following address: Bear Valley Community Hospital, P.O Box 1649, 41870 Garstin Drive, Big Bear Lake, CA 92315, Attn: CEO. Any and all notices required to Corporation shall be sufficient if in writing and forwarded by regular mail to the following address: EmCare Physician Services, Inc, 350 West Cedar Street, 4th Floor Pensacola, FL 32502. Either party may change their address for notices upon written notice to the other party.

29. **Government Access.** Until the expiration of four years after the furnishing of services pursuant to this Agreement, Hospital and Corporation should make available, upon written request, to the Secretary of the Department of Health and Human Services, or upon request for the Comptroller General, or any other duly authorized representatives, this Agreement, and books, documents and records of Corporation that are necessary to certify the nature and the extent of the costs incurred by any client with respect to the services furnished by Corporation hereunder in accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (P.L. 96-499).

30. **Indemnification.**

- A. Notwithstanding any other provision in this Agreement, each Party agrees to comply with all applicable provisions of Federal, state and local statutes, rules and regulations including, without limitation, the fraud and abuse and anti-kickback statutes.
- B. Corporation shall indemnify and hold Hospital harmless from any and all liability, loss (including attorneys' fees and costs) or damages suffered or incurred by Hospital as a result of Corporation's failure to comply with its obligations under Sections 16, 17 and 29(A) above.
- C. Hospital shall indemnify and hold Corporation harmless from any and all liability, loss (including attorneys' fees and costs) or damages suffered or incurred by Corporation as a result of Hospital's failure to comply with its obligations under Sections 16, 17, and 29(A) above.

31. **No Third-Party Beneficiaries.** Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

32. **Protected Health Information.** The privacy and security regulations of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") contemplate that health providers and others called "covered entities" may be required to enter into certain "business associate agreements" with persons or entities that assist in treatment, payment, or health care

operations and who have access to "protected health information." The provisions of Section 31 are intended to meet the requirements of the HIPAA for the treatment of protected health information that may be disclosed by Hospital to Corporation.

- A. **Definitions.** Terms used, but not otherwise defined, in this Agreement shall have the same meaning as given those terms in 45 CFR 160.103 and 164.501.
- B. **Obligations and Activities of Corporation.**
 - 1. Corporation agrees not to use or disclose Protected Health Information other than as permitted or required by this Agreement or as required by law.
 - 2. Corporation agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
 - 3. Corporation agrees to mitigate, to the extent practicable, any harmful effect that is known to Corporation of a use or disclosure of Protected Health Information by Corporation in violation of the requirements of this Agreement.
 - 4. Corporation agrees to report to Hospital any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
 - 5. Corporation agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Corporation on behalf of Hospital agrees to the same restrictions and conditions that apply through this Agreement to Corporation with respect to such information.
 - 6. Corporation agrees to provide access, at the request of Hospital, and in the time and manner designated by Hospital, to Protected Health Information in a Designated Record Set, to Hospital or, as directed by Hospital, to an Individual in order to meet the requirements under 45 CFR 164.524.
 - 7. Corporation agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Hospital directs or agrees to pursuant to 45 CFR 164.526 at the request of Hospital or an Individual, and in the time and manner designated by Hospital.
 - 8. Corporation agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Corporation

on behalf of, Hospital available to the Hospital, or to the Secretary, in a time and manner designated by the Hospital or the Secretary, for purposes of the Secretary determining Hospital's compliance with the Privacy Rule.

9. Corporation agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Hospital to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.
10. Corporation agrees to provide to Hospital or an Individual, in time and manner designated by Hospital, information collected in accordance with Section 31(B)(9) of this Agreement, to permit Hospital to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.

C. **General Use and Disclosure Provisions.** Except as otherwise limited in this Agreement, Corporation may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Hospital as specified in the Emergency Department Physician Services Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Hospital or the minimum necessary policies and procedures of the Hospital.

D. **Specific Use and Disclosure Provisions.**

1. Except as otherwise limited in this Agreement, Corporation may use Protected Health Information for the proper management and administration of the Corporation or to carry out the legal responsibilities of the Corporation.
2. Except as otherwise limited in this Agreement, Corporation may disclose Protected Health Information for the proper management and administration of the Corporation, provided that disclosures are required by law, or Corporation obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Corporation of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Except as otherwise limited in this Agreement, Corporation may use Protected Health Information to provide Data Aggregation services to Hospital as permitted by 42 CFR 164.504(e)(2)(i)(B).

4. Corporation may use Protected Health Information to report violations of law to appropriate Federal and State authorities consistent with § 164.502(j)(1).

E. **Obligations of Hospital.**

1. Hospital shall notify Corporation of any limitations in its notice of privacy practices of Hospital in accordance with 45 CFR 164.520, to the extent that such limitation may affect Corporation's use or disclosure of Protected Health Information.
2. Hospital shall notify Corporation of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Corporation's use or disclosure of Protected Health Information.
3. Hospital shall notify Corporation of any restriction to the use or disclosure of Protected Health Information that Hospital has agreed to in accordance with 45 CFR 164.522 to the extent that such restriction may affect Corporation's use or disclosure of Protected Health Information.

- F. **Permissible Requests by Hospital.** Hospital shall not request Corporation to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Hospital, except in connection with Data Aggregation or management and administrative activities of Corporation otherwise permitted under this Agreement.

G. **Security of Electronic Protected Health Information.**

1. **Security.** Corporation will establish and maintain appropriate administrative, physical and technical safeguards that reasonably and appropriately protected the confidentiality, integrity and availability of electronic protected health information. Corporation will follow generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information ("the Security Rule", published at 45 CFR Parts 160 – 164).
2. **Agents and Subcontractors.** Corporation will ensure than any agent, including a subcontractor, to whom it provides electronic protected health information agrees to implement reasonable and appropriate safeguards to protect that information.
3. **Security Incidents.** Corporation will report any security incident of which it becomes aware to the Hospital. For purposes of this agreement, a "security incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations.

This does not include trivial incidents that occur on a daily basis, such as scans, "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by Corporation.

- H. **Effect of Termination.** The parties acknowledge that it is not feasible for Corporation to return or destroy all Protected Health Information upon termination because of Corporation's responsibilities related to billing for emergency physician services rendered at Hospital's emergency departments. Corporation shall extend the protections of this agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Corporation maintains such Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Corporation.

I. **Miscellaneous.**

1. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
2. **Amendment.** The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Hospital to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
3. **Survival.** The respective rights and obligations of Corporation under Section 31(H) of this Agreement shall survive the termination of this Agreement.
4. **Interpretation.** Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Hospital to comply with the Privacy Rule.

IN WITNESS WHEREOF, the Hospital and Corporation have executed this Agreement, in multiple counterparts, each of which shall be deemed an original, effective the day and year first above written.

**PREMIER EMERGENCY PHYSICIANS OF
CALIFORNIA MEDICAL GROUP, A
PROFESSIONAL CORPORATION**

By: _____
William Yarbrough, Attorney in Fact

Date of Execution _____

**BEAR VALLEY COMMUNITY HEALTHCARE
DISTRICT D/B/A BEAR VALLEY COMMUNITY
HOSPITAL**

By: _____
John P. Friel, CEO

Date of Execution _____

**SCHEDULE A
GENERIC DATA FIELDS LISTING**

PID - Patient Identification Required		
PID	1	Set ID - Patient ID
PID	2	External ID
PID	3	Internal ID
PID	4	Alternate Patient ID
PID	5	Patient's Name (First, Middle, Last)
PID	7	Date of Birth
PID	8	Sex
PID	10	Race
PID	11	Patient Address
PID	13	Phone Number - Home
PID	14	Phone Number – Business
PID	16	Marital Status
PID	17	Religion
PID	18	Patient Account Number
PID	19	SSN Number
PD1 - Additional Demographics		
PD1	4	Patient Primary Care Provider Name & ID Number
PD1	5	Student Indicator
NK1 - Next of Kin		
NK1	1	Set ID - NK1
NK1	2	Name
NK1	3	Relationship
NK1	4	Address
NK1	5	Phone Number
NK1	6	Business Phone Number
NK1	14	Marital Status
NK1	15	Sex
NK1	16	Date/Time of Birth
NK1	37	Contact Person Social Sec. Number
PV1 - Patient Visit		
PV1	1	Set ID - PV1
PV1	2	Patient Class
PV1	3	Assigned Patient Location
PV1	7	Attending Doctor
PV1	8	Referring Doctor
PV1	10	Hospital Service
PV1	18	Patient Type

PV1	19	Visit Number
PV1	20	Financial Class
PV1	21	Charge Price Indicator
PV1	24	Contract Code
PV1	25	Contract Effective Date
PV1	26	Contract Amount
PV1	27	Contract Period
PV1	36	Discharge Disposition
PV1	37	Discharge to Location
PV1	39	Servicing Facility
PV1	40	Bed Status
PV1	44	Admit Date/Time
PV1	45	Discharge Date/Time
PV1	46	Current Patient Balance
PV1	47	Total Charges
PV1	48	Total Adjustments
PV1	49	Total Payments
PV1	52	Other Health Care Provider
PV2 - Patient Visit - Addt Info		
PV2	3	Chief Complaint
PV2	14	Previous Admit Date
PV2	38	Mode of Arrival
GT1 - Guarantor Information		
GT1	1	Set ID - GT1
GT1	2	Guarantor Number
GT1	3	Guarantor Name
GT1	5	Guarantor Address
GT1	6	Guarantor Phone - Home
GT1	7	Guarantor Phone - Bus.
GT1	8	Guarantor Date of Birth
GT1	9	Guarantor Sex
GT1	11	Guarantor Relationship
GT1	12	Guarantor SSN
GT1	16	Guarantor Employer Name
GT1	17	Guarantor Employer Addr.
GT1	18	Guarantor Employer Phone
IN1 - Insurance Information		
IN1	1	Set ID - IN1
IN1	2	Insurance Plan ID
IN1	3	Insurance Company ID
IN1	4	Insurance Company Name

IN1	5	Insurance Company Address
IN1	6	Insurance Co. Contact Person
IN1	7	Insurance Co. Phone Number
IN1	8	Group Number
IN1	9	Group Name
IN1	10	Insured's Group Emp. ID
IN1	11	Insured's Group Emp. Name
IN1	12	Plan Effective Date
IN1	13	Plan Expiration Date
IN1	14	Authorization Information
IN1	15	Plan Type
IN1	16	Name of Insured
IN1	17	Insured's Relation to Patient
IN1	18	Insured's Date of Birth
IN1	19	Insured's Address
IN1	28	Pre-Admit Cert. (PAC)
IN1	35	Company Plan Code
IN1	36	Policy Number
IN1	37	Policy Deductible
IN1	43	Insured's Sex
IN1	44	Insured's Employer Address
IN1	47	Coverage Type
IN1	49	Insured's ID Number
IN2 - Insurance Information - Additional Information		
IN2	2	Insured's Social Security #
IN2	3	Insured's Employer Name
IN2	63	Insured's Phone Number - Home
IN2	64	Insured's Employer Phone
EMSC Custom Defined Fields		
ZHS	1	Triage Time
ZHS	2	Physician Time
ZHS	3	Company Name
ZHS	4	Misc Code

**SCHEDULE B
QUALITY MEASURES**

Measure #	Measure Description	Documentation Requirements
	Beta Quest for Zero: Tier 1	All providers will complete the Beta Quest for Zero Requirements for tier 1 certification including but not limited to: Online test and completion of assigned review slides post testing
	Beta Quest for Zero: Tier 2	All providers will complete assignments and/or training related tier 2 certification including but not limited to: TeamStepps training and participation in project initiation
416	Emergency Department Utilization of CT for Minor Blunt Head Trauma for Patients Aged 2 Through 17 Years	Document: 1) timing of pt injury [exclude >24hrs], 2) PECARN & GCS scores, 3) clinical indication for ordering CT scan OR other reason why CT scan was ordered.
415	Emergency Department Utilization of CT for Minor Blunt Head Trauma for Patients Aged 18 Years and Older	Document: 1) timing of pt injury [exclude >24hrs], 2) GCS score, 3) clinical indication for ordering CT scan OR other reason why CT scan was ordered.
ACEP 22 376	Appropriate Emergency Department Utilization of CT for Pulmonary Embolism	Document Moderate or High Pretest Probability of PE (by clinical gestalt or Wells or Geneva, etc) OR + D-dimer result OR other reason for ordering CTPA (i.e. suspicion of aortic dissection)
ACEP 23 376	Anti-coagulation for Acute Pulmonary Embolism Patients	Document timing & order for anticoagulant for PE OR reason why anticoagulant was not ordered.
ACEP 24 254	Pregnancy Test for Female Abdominal Pain Patients	Document order/result for pregnancy test <u>OR</u> hx of hysterectomy, post-menopause <u>OR</u> if already-known pregnancy
ACEP 27	Sepsis Management: Septic Shock: Antibiotics Ordered	Document any and all antibiotics ordered on pts with Sepsis
ACEP QI 1	Sepsis Management: Septic Shock: Blood Cultures Ordered	Document any and all blood cultures ordered for pts with Sepsis.
ACEP 31	Appropriate Foley Catheter Use in the Emergency Department	Document clinical, or other, reason for Foley catheter insertion. Accepted Reasons include (but not limited to): urinary retention, prolonged immobilization, or bladder outlet obstructions.
317	Preventive Care and Screening: Screening for High Blood Pressure and Follow-Up Documented	If patient's <u>last BP</u> is >119/79, must document that you counseled the patient to follow up treatment with PMD about hypertension. *Does not apply to patients with a hx of HTN.
ACEP 25 226	Tobacco Screening and Cessation Intervention for ED Patients with Cardiovascular and/or Pulmonary Conditions	Document Tobacco Cessation Counseling for all pts 18yrs and older, who currently smoke, and present with CV and/or Pulmonary disease. Document any reason for not screening or not providing counseling (i.e. limited life expectancy).
ACEP 32	ED Median Time from ED arrival to ED departure for discharged ED patients for Adult Patients	Should be documented in Registration and Nurses Notes

INPATIENT SERVICES AGREEMENT

THIS AGREEMENT is made by and between BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT D/B/A BEAR VALLEY COMMUNITY HOSPITAL ("Hospital"), and PREMIER EMERGENCY PHYSICIANS OF CALIFORNIA MEDICAL GROUP, A PROFESSIONAL CORPORATION ("Contractor"). Each of Hospital and Contractor is a "Party" to this Agreement and collectively they are the "Parties" to this Agreement.

RECITALS

- A. Hospital operates a facility, Bear Valley Community Hospital in Big Bear Lake, California which California, which makes health care services available to patients presenting themselves for treatment twenty-four (24) hours per day, seven (7) days per week.
- B. Contractor provides administrative services ("Services") to hospitals including, without limitation, arranging for physician or mid-level provider ("Provider") coverage for Hospital.
- C. Hospital desires to engage Contractor to provide Services to Hospital as set forth herein.
- D. Contractor desires to provide administrative services to Hospital as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual agreements set forth herein, the Parties agree as follows:

1. Term. This Agreement shall remain in full force and effect for the term of one (1) year, beginning at 12:00 a.m. on July 15, 2017 ("Initial Term"). Unless and until terminated in accordance with paragraph 2 below, this Agreement will be automatically renewed for an additional one (1) year periods thereafter ("Renewal Terms").

2. Termination. This Agreement may be terminated as follows:

- A. Termination by Either Party without Cause. Either party may terminate this Agreement by providing written notice of termination to the other party no later than ninety (90) days before the intended date of termination.
- B. Termination by Either Party for Breach. If either Party breaches this Agreement and fails to cure such breach to the reasonable satisfaction of the Party within thirty (30) days following a written notice from the Party specifying the breach, the non-breaching Party may terminate this Agreement by giving written notice of such termination to the other Party; provided, however, if such breach is of such character as reasonably to require more than thirty (30) days to cure, this Agreement may not be terminated by the non-breaching Party if the breaching Party is using reasonable diligence to cure the breach as promptly as feasible.
- C. Termination by either Party in the Event of Bankruptcy. Either Party may terminate this Agreement with seven (7) days notice upon the other

Party's general assignment for the benefit of creditors, the other Party's petition for relief in bankruptcy or similar laws for the protection of debtors, upon the initiation of such proceedings against the other Party if the same are not dismissed within forty-five (45) days of service, or upon notice of a finding that the other Party is insolvent under applicable law.

- D. Termination by Contractor for Hospital's Failure to Pay Compensation. In the event that Hospital fails to pay Contractor's compensation as set forth herein and fails to cure such failure within fifteen (15) days following a written notice from Contractor, Contractor may terminate this Agreement at the end of such fifteen (15) day cure period by providing notice of such termination to Hospital.
- E. Immediate Termination by Either Party. Either may terminate the Agreement immediately if the other party: (i) is suspended, excluded, or debarred from participation in any Federal government payor program; or (ii) fails to maintain professional liability insurance required by this Agreement.

3. Services. Contractor and the Providers shall provide the following Services:

- A. Limited Inpatient Services ~~Continuing Service Commenced on January 1, 2016; As of the date of this agreement,~~ Corporation shall arrange for Providers to provide Limited Inpatient Services coverage on an as-needed basis. This coverage will be provided by either a physician or alternatively additional Midlevel Providers ("Inpatient MLPs") based out of the Emergency Department. Inpatient Midlevel Providers must obtain Hospital privileges prior to providing ANY medical care their first day. The program will include oversight clinical supervision by a Supervising Physician, which may be more than one physician. Supervising Physician shall be an Internist or Family Practice Physician that has been credentialed by the Hospital and has current inpatient privileges. This physician shall be identified as the Supervising Physician for purposes of this agreement. Corporation agrees that in addition to providing Professional Services and Provider Availability in the Emergency Department as detailed in section 3 B., the Inpatient Providers when Corporation provides coverage will (1) hospitalize patients as inpatients or on outpatient observation status as medically necessary, (2) respond to all medical care needs of those patients, (3) respond to the needs of other patients already admitted to the Hospital and (4) respond to the needs of all patients referred by community physicians or other physicians who do not have admitting privileges, or who choose to have their inpatients followed in the Hospital by a provider for consultative services. Corporation retains the exclusive right to bill patient or patient's third party payor for the inpatient services provided by the Corporation's inpatient physicians, MLP and Emergency Providers. These services shall be known as "Limited Inpatient Services" and shall include:

1. Patient Care Management The Inpatient Physicians or MLPs shall conduct initial patient assessments and perform admission procedures, including Initial History and Physical Examination and Initial Orders. Inpatient MLPs shall follow the progress and provide medical care of patients through discharge, including daily subsequent care visits ("rounds"), and discharge day management.
2. Supervising Physician Duties and Collaboration with Inpatient MLPs
Inpatient MLPs shall contact Supervising Physician at the time of hospitalization of a new patient to notify them of the admission, discuss their clinical assessment of the patient, and to schedule a time for Supervising Physician and Inpatient MLP to conduct an initial evaluation of the patient together. The initial evaluation conducted with Supervising Physician may occur in person or by means of telemedicine, and must occur no later than 8 hours after hospitalization, or sooner at the discretion of the Supervising Physician based on the patient's problems and acuity. Contact by the Inpatient MLP with the Supervising Physician at the time of hospitalization, if between the hours of 11pm and 7am local time, may be deferred if the Emergency Physician on duty has evaluated the patient and concurs with the Inpatient MLPs plan for hospitalization of the patient, whose acuity and problems would likely not require any specific intervention or evaluation beyond that provided during the Emergency Physician and Inpatient MLP evaluations and management. If notification to the Supervising Physician regarding a new patient admission has been deferred due to the admission occurring between 11pm and 7am, the initial evaluation conducted with Supervising Physician must occur within 4 hours of the Supervising Physician being notified of the admission.

Additionally, the Inpatient MLPs, with the collaboration and approval of the Supervising Physician, shall formulate and implement an appropriate treatment plan; order, schedule and review diagnostic tests as medically necessary for each patient; and provide timely and regular reports to Supervising Physician, as well as the patient's primary care physicians and family members, regarding all aspects of patients' medical condition and course of treatment. Supervising Physician shall participate and collaborate with the Inpatient MLPs during performance "rounds." Supervising Physician must be present either physically or participate through telemedicine for "rounds." Inpatient MLPs shall order, coordinate, and review recommendations of medically necessary specialty and subspecialty consultations with physicians either on the medical staff or at other facilities, including but not limited to facilities with a an established relationship with Hospital, as needed for the care of patients; coordinate patient transfers to and from a) other hospitals in collaboration with the Supervising Physician, b) departments within the hospital, c) skilled nursing facilities or d) home, in order to provide appropriate transition and continuity of care; and discharge the patient when appropriate. The Supervising Physician shall collaborate with the Inpatient MLPs on the decision to discharge the patient.

3. Telemedicine Supervision and Consultation The Supervising Physician will be available for prescheduled daily rounds in person or by telemedicine as outlined above. The Supervising Physician shall also be available for consultation by the Inpatient MLPs as necessary while performing additional unscheduled patient evaluations that may be necessitated by changes in the patient's condition or pursuant to the availability of diagnostic results that might impact the patient care plan, or in the completion of their general patient care duties. By mutual agreement with the Supervising Physician and an approved BVCHD credentialed physician, and approved BVHCD credentialed physician may provide supervision and collaboration of daily rounds by the Inpatient MLPs in person or by telemedicine.
4. Discharge Management The Inpatient physicians or MLPs shall coordinate with Hospital's Discharge Planners and Social Workers for all aspects of post-discharge care, including referral to the patient's designated primary care physician, or other appropriate provider in the absence of a designated primary care physician, and other medically necessary services. Inpatient physicians or MLPs shall inform Hospital and/or appropriate primary care physicians of any problems identified after a patient is discharged.
5. Communication The Inpatient physicians shall maintain an effective communication process to interface with referring primary care physicians, patients and family members. This shall include a communication with a provider to whom the patient is referred for post-discharge follow-up at the time of discharge to facilitate the transition and assure continuity of care.
 - A. Medical Records. Contractor shall require that Providers (i) appropriately document in the medical record the treatment provided and the instructions given each patient by a Provider, and (ii) comply with any applicable Medical Staff rules and regulations concerning medical records.
 - B. Operation. Contractor shall consult with Hospital, as requested by Hospital, concerning the organization and operation of each department where Providers provide Services.
 - C. Quality Assurance and Risk Management. Contractor shall require that Providers participate in Hospital's Quality Assurance and Risk Management programs.
 - D. Government Regulation. Contractor shall require that Providers conform to Federal and state laws and regulations related to the provision of professional services within each Department where Providers provide

Services.

- E. Compliance with Accreditation Standards. Contractor shall require that Providers cooperate with Hospital in its efforts to comply with all applicable standards promulgated by the Joint Commission on and any surveys conducted thereby.
- F. Compliance. Contractor shall require that Providers participate in the corporate compliance program applicable to Contractor.

4. Conditions to Status as Contractor Provider.

- A. Medical Staff Privileges. Providers presented by Contractor to Hospital for the purpose of providing coverage shall (i) maintain appropriate licensure to provide services at Hospital, and (ii) have been granted appropriate privileges or otherwise provided with authorization by Hospital consistent with the Medical Staff bylaws of Hospital ("Bylaws"). Contractor shall perform initial interviews, review credentials and references and provide to Hospital a compilation of qualifications and other information intended to assist Hospital in determining whether to grant privileges to the candidate. Candidates identified by Contractor shall be granted Medical Staff privileges ("Staff Privileges") in accordance with the standard rules and regulations of the Medical Staff, except that neither Contractor nor any candidate shall be responsible for any fees charged by Hospital or Medical Staff in conjunction with applying for or maintaining Staff Privileges. Hospital shall be entitled to require that all medical professional candidates complete the Hospital's standard application documents including, without limitation, standard waivers and releases. Hospital agrees not to discriminate in granting privileges to qualified candidates identified by Contractor and shall use its best efforts to process all applications for Medical Staff Privileges in a timely manner. Candidates granted Staff Privileges shall receive the rights and privileges, and be subject to the responsibilities of, membership on Hospital's Medical Staff; provided however, all Providers shall in all events be subject to removal from the Medical Staff, if applicable, for the reasons identified in the Bylaws. Any Provider will lose Medical Staff membership automatically when such Provider is no longer authorized by Contractor to serve as a Provider pursuant to this Agreement.
- B. Temporary Privileges. Hospital agrees to process promptly all applications submitted by Contractor or a physician candidate identified by Contractor requesting temporary privileges for such physician. Such application shall conform to Hospital's standard requirements.
- C. Dispute Resolution. Hospital agrees to advise Contractor promptly of any questions which arise concerning the professional qualifications, clinical performance or interpersonal problems associated with any Provider. Contractor agrees to use its best efforts to attempt to resolve any such questions promptly to the satisfaction of Hospital including, without limitation, meeting and/or counseling with the Provider. If

Contractor is unable to resolve such question to the satisfaction of Hospital and Hospital determines that the underlying problem is sufficiently serious to warrant disciplinary action, Contractor shall require that such Provider refrain from providing services at Hospital for a period of no less than two weeks to permit Contractor to investigate and evaluate the problem further. Following such investigation and evaluation, Contractor shall discuss the problem with Hospital. If the problem has not been resolved to the satisfaction of Hospital, Hospital reserves the right to require the removal of the subject Provider from service at Hospital by providing Contractor with seven (7) days' written notice of such request for removal. Such removal shall be administrative in nature and shall not be considered a denial or revocation of Staff Privileges which is subject to hearing and appellate review under the Bylaws, Medical Staff rules and regulations or other Hospital policy.

Hospital acknowledges that the Provider agreements include a ninety (90) day without cause termination provision. Further, Hospital acknowledges that a request for removal of a Provider without cause or notice will result in an interruption in Contractor's schedule and increased costs related to compensation and coverage. Accordingly, should Hospital request the removal of a Provider, without sufficient cause outlined in a written request, or without allowing the Contractor to provide the Provider with ninety (90) days' notice, Hospital shall, for a period of ninety (90) days following removal of such Provider, reimburse Contractor for all costs associated with (1) increased compensation, (2) increased staffing, (3) locum tenens coverage, and (4) any other expenses incurred by Contractor resulting from the removal of a Provider. For purposes of this section, "sufficient cause" shall include the following:

- (i) Limitation, suspension or termination of Provider's Medical Staff privileges at Hospital for any reason;
- (ii) Limitation, suspension or revocation of Provider's license to practice medicine in the State;
- (iii) Limitation, suspension or revocation of Provider's federal or state registration to prescribe or dispense controlled substances;
- (iv) Failure by Provider to comply with all applicable federal, state, or local laws and regulations;
- (v) Credible accusation or conviction of Provider for the commission of civil fraud related to health care, or a felony or other crime involving fraud or dishonesty;
- (vi) Engagement of Provider in any conduct that jeopardizes or threatens to jeopardize the health or safety of patients; or
- (vii) Engagement of Provider in any grave misconduct, gross incompetence or gross malfeasance, or a material violation of the Medical Staff Bylaws.

- D. Medicare/Medicaid Exclusion. Contractor agrees to use its best efforts to assure that no Provider has at any time been excluded from participation in any Federally funded health care program including, without limitation, Medicare and Medicaid.

5. Insurance. Contractor shall arrange for each Provider to be provided with professional liability insurance covering Providers while providing services at Hospital, which insurance shall have coverage limits of One Million Dollars (\$1,000,000) per loss event and separate, per Provider aggregate limits in the amount of Three Million Dollars (\$3,000,000) annually.

6. Covenants of the Hospital.

- A. Policies and Procedures. Hospital agrees to provide Contractor with copies of all of the policies and procedures of Hospital applicable to each department where Contractor will provide Services including, without limitation, Hospital's:
1. Hazardous Communication Program and applicable MSDS sheets;
 2. Emergency Evacuation/Disaster Plan;
 3. Other safety rules such as the use of proper personal protective equipment to protect against exposure to blood-borne pathogens; labeling and protective features of sharp containers; disposal, packaging and labeling hazardous waste; location of hand washing facilities; and location of any asbestos or other hazardous materials; and
 4. Policies and procedures regarding security, workplace violence, sexual harassment, discrimination, COBRA/EMTALA and corporate compliance.
- B. Clothing. Hospital agrees to (i) provide appropriate temporary clothing to a Provider whose clothes become contaminated with blood or other potentially infectious bodily fluids as a result of services provided at Hospital, and (ii) clean and return such contaminated clothing to the Provider.
- C. Exposure to Fluids. In the event a Provider experiences an exposure to blood or other potentially infectious bodily fluids requiring post-incident medical evaluation and/or an infectious disease consultation as a result of services provided at Hospital, Hospital shall provide the evaluation and/or consultation required under Federal regulations or reimburse Provider for the reasonable costs of such treatment if the Provider elects treatment by a personal physician.
- D. Support Provided by Hospital. Hospital shall make the following available to Contractor and the Providers at Hospital's sole cost and expense and in such quality, quantity and size to allow the efficient and effective operation of the department(s) where Contractor provides Services:
1. Physical space now or hereafter designated as the Emergency Department, Anesthesia Department, Radiology Department and/or space adequate for the operation and provision of Services by Hospitalists at the Hospital;

2. Physical space required by Contractor to provide all Services, which space shall include but not be limited to:
 - a. a secure and private office for the Medical Director; and
 - b. an office or other suitable space for copying and gathering of medical charts, equipped with a desk, chair, telephone and facsimile machine;
 3. Supplies, equipment and materials, including but not limited to stapler, staples, toner or inkjet cartridges for and paper for copying medical charts;
 4. Utilities such as heat, water, electricity and telecommunications; including access to hospital network or provisions for high-speed internet access (if available) for the purpose of transmitting electronic chart images;
 5. Services such as suction, sterilization and oxygen;
 6. Services such as uniforms, laundry and housekeeping;
 7. Services of nurses and other paramedical personnel;
 8. Availability of adequate laboratory, radiology and other support services and departments;
 9. Uninterrupted access to a professionally maintained duplex copier located within the area where charts are processed for billing during normal business hours;
 10. Unlimited access to the Hospital's Patient Registration System and Medical Records in the Hospital's Medical Records department and patient treatment areas of the Hospital during normal business hours in order to acquire medical charts not obtained during the normal chart acquisition process; and
 11. Coordination and development of an internal chart flow process to ensure chart capture for all admitted patients prior to patient leaving the Hospital.
- E. Monthly Call List. Hospital agrees to prepare and publish monthly a call list of Medical Staff physicians with admitting privileges who will be available to provide consultation and follow up care to patients of the Hospital.
- F. Compliance with Accreditation Standards. Hospital agrees to use its best efforts to comply with all applicable standards promulgated by the Joint Commission.
- G. Department Records. Hospital agrees to retain any and all medical records compiled in each department and to make such records available to Contractor upon request. Hospital acknowledges that Contractor may utilize such records for all purposes determined legitimate by Contractor including, without limitation, Quality Assurance and Risk Management programs.
- ~~H. Exclusive Nature of the Agreement. Hospital agrees that it shall not engage any person or entity other than Contractor to provide or perform the clinical and administrative services contemplated by this Agreement.~~

J.H. Patient Consent Form. In accordance with the Telephone Consumer Protection Act, Hospital shall include a provision in its patient consent forms that authorizes hospital and all clinical providers who have provided care to the patient, along with any billing services, collection agencies, attorneys, or other agents working on their behalf, to contact the patient on his or her cell phone and/or home phone using automatic telephone dialing systems or other computer assisted technology. Hospital shall provide Contractor with a copy of such patient consent form including the abovementioned language.

7. COBRA/EMTALA. The Parties acknowledge that a primary objective of this Agreement is to facilitate compliance by Hospital with the Federal and state laws commonly known as COBRA/EMTALA applicable to emergency departments. To that end, (a) nothing contained in this Agreement shall be construed to alter or interfere with the obligations imposed upon Hospital under such laws, and (b) Contractor shall require that Providers (i) comply with Hospital policies concerning satisfaction of the obligations imposed under such laws, and (ii) within the constraints of such laws, afford Medical Staff physicians the opportunity to treat his or her own patients in the Hospital.

8. Compensation.

A. Contractor's Billing for Services. Hospital acknowledges the right of the Providers and Contractor, at their expense, to bill patients and/or their insurers for the services rendered by Providers pursuant to this Agreement. The Hospital shall not have any right to any such fees billed and collected for the services rendered by Providers.

B. Hospital's Billing for Services. Contractor acknowledges the right of Hospital, at Hospital's expense, to bill patients and/or their insurers for the use of facilities, personnel, equipment, supplies and support services provided by Hospital. Neither Contractor nor the Providers shall have any right to any such fees billed and collected for the use of facilities, personnel, equipment, supplies and support services provided by Hospital.

C. Inpatient Services Compensation The Parties agree that 1) Midlevels or physicians provide the direct inpatient care in Section 3.C with appropriate clinical oversight and management; and Corporation agrees to use its best efforts to provide coverage with a physician;

In recognition that revenue from the professional fee collections is insufficient to cover the costs of services when services are provided on an as-needed basis, Hospital agrees to pay Corporation an additional administrative fee of One Thousand Nine Hundred Thirty-Three (\$1,933.00) per day, defined as 7:30 a.m. until 7:30 a.m. the next calendar day, for any coverage that is provided by Corporation during that calendar month. Hospital agrees to give Corporation thirty (30) days notice of any coverage requested from Corporation for planning

purposes, but the Parties agree to work in good faith on scheduling. Hospital agrees to pay such invoices in full according to the terms outlined in this Section.

Contractor shall invoice Hospital for the Administrative Fee at the end of each month, based on the ~~monthly-Billable-Patient-Encounters-for-the previous-month's-services-which-shall-be-provided-to-Hospital~~number of days Corporation provided Inpatient coverage. ~~from Contractor and the chart outlined above,~~ and Hospital agrees to pay such invoices in full within ~~thirty (30) fifteen (15)~~ days of receipt. Any invoice not paid within ~~thirty (30) fifteen (15)~~ days of receipt shall accrue interest on the unpaid amount at the annual rate of the lesser of eighteen percent (18%) and the maximum interest rate allowable under applicable law.

- D. Payment Programs with Third Parties. Hospital and Contractor agree and acknowledge that the compensation set forth above is based on the assumption that Providers will participate when possible with managed care plans and medical insurers other than Medicare, Medicaid, and other governmental payors and will bill all other payors ("Non-Participating Payors") at Contractor's normal charges. The Providers will not, unless it is determined to be financially advantageous, become participating providers with such Non-Participating Payors. Hospital agrees and acknowledges that Contractor will bill patients for all appropriate deductibles and copays and for any unpaid amounts up to such normal charges, regardless of payor. Hospital hereby agrees that it will not require Providers to participate with any Non-Participating Payors during the term of this Agreement unless Contractor agrees to so participate in writing. Hospital further agrees that it will not enter into an arrangement with a Non-Participating Payor which directly affects Provider professional reimbursement without Contractor's written consent. In the event Providers' lack of participation with such Non-Participating Payors is no longer acceptable to Hospital, Contractor agrees to consider Provider participation with such Non-Participating Payors provided that the Parties are able to negotiate a modification of the compensation set forth above taking into account such participation.

9. Assistance to Contractor. Hospital acknowledges that Contractor requires certain information to be obtained by Hospital and supplied to Contractor to enable Contractor to bill patients as provided above. Therefore, Hospital shall, at its expense, perform the functions, and provide Contractor promptly with the information, identified below:

Obtain medical insurance information (including photocopies of insurance cards, pre-authorizations for services and driver's licenses) for each patient/patient visit, and require all patients, and/or guarantors or other legally responsible parties to sign any forms required by medical insurers;

Hospital shall ~~on daily basis~~ electronically transfer to Contractor, or its designees, patient records, including, without limitation, registration, admission, and discharge documentation ~~as outlined in Schedule A,~~ in a secure HL7 format on a mutually agreed upon timeline. Hospital shall also provide Contractor with a complete electronic medical record in a CCA or CCD format, including but not limited to physician and nursing notes,

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continuation sheets, code/trauma forms, and all appropriate patient records for patients admitted to the hospital from the Emergency Department, in order to obtain Patient information and other documentation deemed necessary by Contractor and/or its billing company to bill for services provided by Providers and/or provide additional services.

~~A. The Hospital shall establish the abovementioned electronic interfaces prior to the Effective Date of this Agreement to enable Contractor to capture all charges as of the first day of providing services at the Hospital. If the Hospital does not establish the required interface by the Effective Date of the Agreement, Hospital agrees that it shall pay Contractor a revenue guarantee equal to the revenue the Contractor should have received from the professional services performed by the Providers but did not receive due to the lack of documentation it needs to bill the patients for professional services, less any collections received by Contractor from those professional services.~~

B.A. Provide Contractor monthly with an accounting of all payments received by Hospital attributable to services rendered by Providers. In the event Hospital has received payments not clearly segregated between services provided by Hospital and and Provider, the amount of such payment shall be shared equally between Hospital and Contractor. Hospital shall remit payment weekly by check to Contractor for amounts received by Hospital attributable to services rendered by Providers or not segregated as discussed above.

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10.9. Use of Information. Contractor agrees not to disclose any of the information provided to it by Hospital as identified in Section 9 above except as required by Contractor, its agents, representatives or affiliates for professional liability or risk management purposes or to allow or facilitate Contractor's billing and/or collecting for services rendered by Providers.

11.10. Relationship of Parties. The Parties agree that (a) they are independent contractors, (b) they will at all times act hereunder as independent contractors, (c) under no circumstances shall either of them construe this Agreement, or conduct itself in a manner which shall allow it to be construed, as one of agency, partnership, joint venture or employment between them, and (d) neither of them shall or may exercise direction or control over the provision of services by the other of them. Nothing in the foregoing, however, shall preclude the services rendered by Providers from being performed (x) in accordance with generally accepted professional standards in the medical profession, (y) in compliance with the Hospital Bylaws, and (z) consistent with applicable Hospital policies and procedures.

12.11. Restrictive Covenant.

A. In recognition that Contractor expends substantial resources and efforts to make qualified physicians and mid-level providers available to serve as Providers, Hospital agrees that, during the Term of this Agreement including any extensions thereof, and for a period of twelve (12) months after the termination or expiration of this Agreement regardless of cause, Hospital will not directly or indirectly (including, without limitation, through

a controlled affiliate) solicit, retain, employ, contract with or otherwise engage or be the beneficiary of the professional services of any Provider who (a) was presented to Hospital by Contractor as a prospective Provider within a six month period prior to the date of termination or expiration of this Agreement, or (b) provided either administrative or medical services to satisfy Contractor's obligations under this Agreement at Hospital. In addition, Hospital agrees that it will not induce, persuade, or attempt to persuade any Provider or prospective Provider to refuse to provide services or terminate his or her relationship with Contractor, its agents or affiliates.

- B. Notwithstanding the provisions of Section 12.A above, Contractor may, in its sole discretion, elect to waive the provisions of Section 12.A above for any Provider subject to such provision; provided however, that Contractor shall be compensated for each such Physician in the amount of Thirty Thousand Dollars (\$35,000). The amount and terms of payment shall be set forth in the document of waiver.

~~13.12.~~ Referrals. The parties acknowledge that none of the benefits granted to either party here under are conditioned on any requirement that either party or Providers make referrals to, be in a position to make or influence referrals to, or otherwise generate business for the other.

~~14.13.~~ Government Regulations. Should any law, regulation or procedure of the government or any governmental agency, or the Parties reasonable interpretation thereof, effect a change which materially affects the ability of a Party to satisfy any provision of this Agreement, the Parties shall forthwith and in good faith renegotiate the affected provision so that such provision can be satisfied in accordance with such law, regulation or procedure. If the Parties are unable, within ninety (90) days, to agree on an acceptable change to the affected provision, either Party may terminate this Agreement upon no less than thirty (30) days' prior written notice to the other Party.

~~15.14.~~ Liaison. Contractor and Hospital shall each designate a liaison to coordinate communications between them. Until notified otherwise in writing, the liaison representative for Contractor shall be the Regional Chief Executive Officer, or his designee, and the liaison representative for Hospital shall be the Chief Executive Officer, or his designee. For chart acquisition and demographic and insurance information issues, the Hospital shall designate an additional liaison representative who shall work with Contractor and its affiliates in order to maintain a sufficient flow of data to allow Contractor to bill for the services rendered by the Providers and other healthcare providers.

~~16.15.~~ Incurring Liabilities. Neither Party shall have the authority to bind the other Party under any contract or agreement or incur any debts or other obligations on behalf of the other Party. Except as provided in this Agreement, Contractor shall not be authorized to enter into a contract with any physician or incur any other obligation to any physician concerning the provision of medical services by such physician on Hospital's behalf.

- 17.16. Confidentiality. All statistical, financial, personnel, medical records and other data relating to the business of Hospital is confidential and shall be retained in confidence by Contractor, its employees and agents; provided however, the foregoing obligation does not apply to such data, information or materials which (a) Hospital permits Contractor to release, (b) Contractor is required by law to release, or (c) Contractor requires to bill, or collect from, Hospital patients or their insurers.
- 18.17. Authority. Each of Hospital and Contractor represent and warrant that it has the right, authority and power to enter into this Agreement.
- 19.18. Changes in Bylaws. Hospital agrees to notify Contractor in a timely manner of any proposed, anticipated or actual changes to the Bylaws.
- 20.19. Governing Laws. The laws of the state in which the services are performed, without regard to the conflicts of law principles thereof, shall govern the validity, construction, enforcement and interpretation of this Agreement.
- 21.20. Entire Agreement. This Agreement embodies the entire agreement between the Parties and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof, and this Agreement may be amended only by an instrument in writing executed jointly by an officer duly authorized by the board of directors of the respective Parties.
- 22.21. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Contractor and Hospital, and their respective successors and assigns.
- 23.22. Assignment. This Agreement may not be assigned by Hospital without the prior written consent of Contractor. This Agreement may be assigned by Contractor to an affiliate or subsidiary of Contractor and Contractor shall be released of its obligations hereunder if the assignee agrees to be bound by all terms and conditions of this Agreement.
- 24.23. Waiver of Breach. The waiver by either Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by such Party.
- 25.24. Use of Words. Whenever necessary in this Agreement and where the context requires, the gender of words shall include the masculine, feminine, and/or neuter, and the number of all words shall include the singular and the plural.
- 26.25. Descriptive Headings. The captions and headings used in this Agreement are for convenience only and do not limit or amplify the terms and provisions hereof.
- 27.26. Interpretation. Nothing in this Agreement shall be construed as authorizing Contractor to practice medicine or to direct or control the practice of medicine by any physician providing medical services at the Hospital.

28-27. Severability. If any provision of this Agreement, or the application thereof to any person or circumstance, is held to be illegal, invalid or unenforceable for any reason, such illegality, invalidity or unenforceability shall not affect any other provision of this Agreement that can be given effect in the absence of the illegal, invalid or unenforceable provision of application. To this end, all provisions of this Agreement are declared to be severable.

29-28. Notices. Any and all notices required or permitted to be given to Hospital pursuant to this Agreement shall be sufficient if in writing and forwarded by regular mail, to the following address Bear Valley Community Hospital 41870 Garstin Drive, Big Bear Lake, CA 92315 Attn: CEO. Any and all notices required to Contractor shall be sufficient if in writing and forwarded by regular mail to the following address: EmCare Physician Services, Inc, 350 W. Cedar Street, 4th Floor Pensacola, FL 32502 and a copy to Envision Healthcare Corporation, 6363 S. Fiddler's Green Circle, Ste. 1400, Greenwood Village, CO 80111, Attn: Legal Department. Either party may change their address for notices upon written notice to the other party.

30-29. Government Access. Until the expiration of four years after the furnishing of services pursuant to this Agreement, Hospital and Contractor shall make available, upon written request of the Secretary of the Department of Health and Human Services, the Comptroller General of the United States, or any other duly authorized representative, this Agreement and the books, documents and records that are necessary to certify the nature and the extent of the cost of services provided pursuant to this Agreement.

34-30. Indemnification.

- A. Notwithstanding any other provision in this Agreement, each Party agrees to comply with all applicable provisions of Federal, state and local statutes, rules and regulations including, without limitation, the fraud and abuse and anti-kickback statutes.
- B. Contractor shall indemnify and hold Hospital harmless from any and all liability, loss (including attorneys' fees and costs) or damages suffered or incurred by Hospital as a result of Contractor's failure to comply with its obligations under Sections 16, 17 and 31(A) above.
- C. Hospital shall indemnify and hold Contractor harmless from any and all liability, loss (including attorneys' fees and costs) or damages suffered or incurred by Contractor as a result of Hospital's failure to comply with its obligations under Sections 16, 17 and 31(A) above.

Notwithstanding the provisions of this paragraph 31, each Party shall be responsible for refunding any excess amounts or overpayments which that Party received from third party payers.

32-31. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall, for all purposes, be deemed an original, and all of which shall, for all purposes, constitute one and the same instrument.

33.32. No third-party beneficiaries. Nothing in this Agreement shall be construed as conferring any benefit, either directly or indirectly, on any person or entity not a Party to this Agreement.

34.33. Protected Health Information. The privacy and security regulations of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") contemplate that health providers and others called "covered entities" may be required to enter into certain "business associate agreements" with persons or entities that assist in treatment, payment, or health care operations and who have access to "protected health information." The provisions of Section 34 are intended to meet the requirements of the HIPAA for the treatment of protected health information that may be disclosed by Hospital to Contractor.

A. Definitions. Terms used, but not otherwise defined, in this Agreement shall have the same meaning as given those terms in 45 CFR 160.103 and 164.501.

B. Obligations and Activities of Contractor.

1. Contractor agrees not to use or disclose Protected Health Information other than as permitted or required by this Agreement or as required by law.
2. Contractor agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
3. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
4. Contractor agrees to report to Hospital any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
5. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by Contractor on behalf of Hospital, agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.
6. Contractor agrees to provide access, at the request of Hospital, and in the time and manner designated by Hospital, to Protected Health Information in a Designated Record Set, to Hospital or, as directed by Hospital, to an Individual in order to meet the requirements under 45 CFR 164.524.

7. Contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Hospital directs or agrees to pursuant to 45 CFR 164.526 at the request of Hospital or an Individual, and in the time and manner designated by Hospital.
 8. Contractor agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, Hospital available to the Hospital, or to the Secretary, in a time and manner designated by the Hospital or the Secretary, for purposes of the Secretary determining Hospital's compliance with the Privacy Rule.
 9. Contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Hospital to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.
 10. Contractor agrees to provide to Hospital or an Individual, in time and manner designated by Hospital, information collected in accordance with Section 34(B)(9) of this Agreement, to permit Hospital to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528.
- C. General Use and Disclosure Provisions. Except as otherwise limited in this Agreement, Contractor may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Hospital as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Hospital or the minimum necessary policies and procedures of the Hospital.
- D. Specific Use and Disclosure Provisions.
1. Except as otherwise limited in this Agreement, Contractor may use Protected Health Information for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor.
 2. Except as otherwise limited in this Agreement, Contractor may disclose Protected Health Information for the proper management and administration of the Contractor, provided that disclosures are required by law, or Contractor obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Contractor of any instances of which it

is aware in which the confidentiality of the information has been breached.

3. Except as otherwise limited in this Agreement, Contractor may use Protected Health Information to provide Data Aggregation services to Hospital as permitted by 42 CFR 164.504(e)(2)(i)(B).
4. Contractor may use Protected Health Information to report violations of law to appropriate Federal and State authorities consistent with § 164.502(j)(1).

E. Obligations of Hospital.

1. Hospital shall notify Contractor of any limitations in its notice of privacy practices of Hospital in accordance with 45 CFR 164.520, to the extent that such limitation may affect Contractor's use or disclosure of Protected Health Information.
2. Hospital shall notify Contractor of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Contractor's use or disclosure of Protected Health Information.
3. Hospital shall notify Contractor of any restriction to the use or disclosure of Protected Health Information that Hospital has agreed to in accordance with 45 CFR 164.522 to the extent that such restriction may affect Contractor's use or disclosure of Protected Health Information.
4. Permissible Requests by Hospital. Hospital shall not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Hospital, except in connection with Data Aggregation or management and administrative activities of Contractor otherwise permitted under this Agreement.

F. Security of Electronic Protected Health Information.

1. Security. Contractor will establish and maintain appropriate administrative, physical and technical safeguards that reasonably and appropriately protected the confidentiality, integrity and availability of electronic protected health information. Contractor will follow generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information ("the Security Rule", published at 45 CFR Parts 160 – 164).
2. Agents and Subcontractors. Contractor will ensure that any agent, including a subcontractor, to whom it provides electronic protected health information, agrees to implement reasonable and

appropriate safeguards to protect that information.

3. Security Incidents. Contractor will report any security incident of which it becomes aware to the Hospital. For purposes of this agreement, a "security incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations. This does not include trivial incidents that occur on a daily basis, such as scans, "pings", or unsuccessful attempts to penetrate computer networks or servers maintained by Contractor.

- G. Effect of Termination. The parties acknowledge that it is not feasible for Contractor to return or destroy all Protected Health Information upon termination because of Contractor's responsibilities related to billing for physician services rendered at Hospital's departments. Contractor shall extend the protections of this agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor.

H. Miscellaneous.

1. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
2. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Hospital to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.
3. Survival. The respective rights and obligations of Contractor under Section 34(H) of this Agreement shall survive the termination of this Agreement.
4. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Hospital to comply with the Privacy Rule.

IN WITNESS WHEREOF, Hospital and Contractor have executed this Agreement, in multiple counterparts, each of which shall be deemed an original, effective the day and year first above written.

PREMIER EMERGENCY PHYSICIANS OF CALIFORNIA MEDICAL GROUP

By: _____
William Yarbrough, Attorney in Fact Date

BEAR VALLEY COMMUNITY HEALTHCARE DISTRICT D/B/A BEAR VALLEY COMMUNITY HOSPITAL

By: _____
Date

SCHEDULE A
GENERIC DATA FIELDS LISTING

PID - Patient Identification Required		
PID	1	Set ID - Patient ID
PID	2	External ID
PID	3	Internal ID
PID	4	Alternate Patient ID
PID	5	Patient's Name (First, Middle, Last)
PID	7	Date of Birth
PID	8	Sex
PID	10	Race
PID	11	Patient Address
PID	13	Phone Number - Home
PID	14	Phone Number - Business
PID	16	Marital Status
PID	17	Religion
PID	18	Patient Account Number
PID	19	SSN Number
PD1 - Additional Demographics		
PD1	4	Patient Primary Care Provider Name & ID Number
PD1	5	Student Indicator
NK1 - Next of Kin		
NK1	1	Set ID - NK1
NK1	2	Name
NK1	3	Relationship
NK1	4	Address
NK1	5	Phone Number
NK1	6	Business Phone Number
NK1	14	Marital Status
NK1	15	Sex
NK1	16	Date/Time of Birth
NK1	37	Contact Person Social Sec. Number
PV1 - Patient Visit		
PV1	1	Set ID - PV1
PV1	2	Patient Class
PV1	3	Assigned Patient Location
PV1	7	Attending Doctor
PV1	8	Referring Doctor
PV1	10	Hospital Service

PV1	18	Patient Type
PV1	19	Visit Number
PV1	20	Financial Class
PV1	21	Charge Price Indicator
PV1	24	Contract Code
PV1	25	Contract Effective Date
PV1	26	Contract Amount
PV1	27	Contract Period
PV1	36	Discharge Disposition
PV1	37	Discharge to Location
PV1	39	Servicing Facility
PV1	40	Bed Status
PV1	44	Admit Date/Time
PV1	45	Discharge Date/Time
PV1	46	Current Patient Balance
PV1	47	Total Charges
PV1	48	Total Adjustments
PV1	49	Total Payments
PV1	52	Other Health Care Provider
PV2 - Patient Visit - Addtl Info		
PV2	3	Chief Complaint
PV2	14	Previous Admit Date
PV2	38	Mode of Arrival
GT1 - Guarantor Information		
GT1	1	Set ID - GT1
GT1	2	Guarantor Number
GT1	3	Guarantor Name
GT1	5	Guarantor Address
GT1	6	Guarantor Phone - Home
GT1	7	Guarantor Phone - Bus.
GT1	8	Guarantor Date of Birth
GT1	9	Guarantor Sex
GT1	11	Guarantor Relationship
GT1	12	Guarantor SSN
GT1	16	Guarantor Employer Name
GT1	17	Guarantor Employer Addr.
GT1	18	Guarantor Employer Phone
IN1 - Insurance Information		
IN1	1	Set ID - IN1
IN1	2	Insurance Plan ID
IN1	3	Insurance Company ID

IN1	4	Insurance Company Name
IN1	5	Insurance Company Address
IN1	6	Insurance Co. Contact Person
IN1	7	Insurance Co. Phone Number
IN1	8	Group Number
IN1	9	Group Name
IN1	10	Insured's Group Emp. ID
IN1	11	Insured's Group Emp. Name
IN1	12	Plan Effective Date
IN1	13	Plan Expiration Date
IN1	14	Authorization Information
IN1	15	Plan Type
IN1	16	Name of Insured
IN1	17	Insured's Relation to Patient
IN1	18	Insured's Date of Birth
IN1	19	Insured's Address
IN1	28	Pre-Admit Cert. (PAC)
IN1	35	Company Plan Code
IN1	36	Policy Number
IN1	37	Policy Deductible
IN1	43	Insured's Sex
IN1	44	Insured's Employer Address
IN1	47	Coverage Type
IN1	49	Insured's ID Number
IN2 - Insurance Information - Additional Information		
IN2	2	Insured's Social Security #
IN2	3	Insured's Employer Name
IN2	63	Insured's Phone Number - Home
IN2	64	Insured's Employer Phone
EMSC Custom Defined Fields		
ZHS	1	Triage Time
ZHS	2	Physician Time
ZHS	3	Company Name
ZHS	4	Misc Code



Board Report

July, 2017

Consulting FY18

Following are consulting projects planned for FY18:

- Revenue Cycle Implementation
- Compliance Implementation
- Infection Control Assessment
- GPO Assessment
- Cost Report Review
- Contractual Accounts and Bad Debt Analysis
- Capital Options Assessment

Reimbursement

QHR Leadership

Bob Vento, who has served in a variety of roles at QHR for over 30 years, has been named Chief Executive Officer. Prior to this Bob, was the Chief Operating Officer and Interim CEO.

Upcoming Education

Compliance Webinars

Quality Update Webinars

2017 VIRTUAL MARKETING FORUM WEBINARS

SESSION 2: *Be the Master of Your Domain: SEO Benchmarks and Best Practices* – Joseph Colton, Director of Digital Experience, and D'Arcy Ryan, Senior Vice President, TMG Digital

SESSION 3: *"David vs. Goliath": How to Fight Outmigration to the Big City Hospital* -Chuck Snyder, President, Brentwood Communications, Inc.

SESSION 4: *Understanding and Using Market Data* – Blake Seitz, Senior Consultant, QHR Strategy and Marketing Group

SESSION 5: *Making an Impact on Quality Scores* – Erika Sundrud, Principal, QHR Quality, Safety and Performance Improvement

SESSION 6: *Update on Marketing Compliance* – Tomi Hagan, Senior Consultant, QHR Compliance Practice



QUORUM | HEALTH RESOURCES®

SESSION 7: *Finding Your Brand* – Adina Bielenberg, Director of Marketing & Development, Gritman Medical Center

REGISTRATION FOR MARKETING WEBINARS (must register for each webinar):

http://www.qhrlearninginstitute.com/events/event_list.asp?show=&group=&start=4%2F27%2F2017&end=&view=&cid=17429

Board

Trustee Webinar:

- **Trustee Conference**
 - August 3 and 4 - Nashville

Other

- Ron Vigus is planning to attend the July Board meeting.

Completed Projects

- Contractual Accounts and Bad Debt Analysis
- Financial Operations Review
- RHC Coding & Compliance Review
- Community Health Needs Assessment
- Chargemaster Review



CNO Monthly Report

TOPIC	UPDATE	ACTION/FOLLOW UP
1. Regulatory Updates	<ul style="list-style-type: none"> Regulatory Committee met to review CAH contract service regulations. Hospital Incident Command Center was activated for the Holcomb fire. CDPH visited the hospital to review safety issues and planning related to the wildfire. 	<ul style="list-style-type: none"> Informational
2. Budget/Staffing	<ul style="list-style-type: none"> Overtime and call-offs are assessed by department managers and house supervisors each shift. 1 travel RN is currently on an assignment in the ER and acute units to cover recent vacancies and FMLA. 1PD RN was hired. 1PD RN resigned 1 PT EMT and 1 PD EMT were hired. There is currently 1 PD RN vacancy. 	<ul style="list-style-type: none"> Continue to monitor
3. Departmental Reports		
<ul style="list-style-type: none"> Emergency Department 	<ul style="list-style-type: none"> ED Director- Heidi Markus has accepted the position and has an anticipated start date of 7/31/17. New process is being implemented to include daily staff huddles. An action plan has been developed to improve compliance with obtaining consents for special procedures. 	<ul style="list-style-type: none"> Informational Informational Informational
<ul style="list-style-type: none"> Acute 	<ul style="list-style-type: none"> Swing bed current census=0 Acute department is working on an action plan to improve scan rates & improve communication with pharmacy. Bariatric/ wheelchair scale has arrived and is being installed. 	<ul style="list-style-type: none"> Continue to monitor

<ul style="list-style-type: none"> ▪ Skilled Nursing 	<ul style="list-style-type: none"> ▪ SNF remains at 5 star rating. ▪ Census is currently at 18 residents. ▪ Flower gardens were planted on SNF patio. ▪ July 4th BBQ will be held for residents and their families. ▪ SNF policies are currently being revised & new policies developed to ensure compliance with updated regulations. ▪ SNF QAPI team meeting was held. The team is focusing on an interdisciplinary team approach to reduction in falls, oxygen tubing expiration dates and restorative functional ability programs. ▪ Sherrill Reynolds (BVCH FT LCSW) will start assisting on the SNF unit as of 7/1/17. 	<ul style="list-style-type: none"> ▪ Continue to monitor ▪ Informational
<ul style="list-style-type: none"> ▪ Surgical Services 	<ul style="list-style-type: none"> ▪ Surgical stats are attached. ▪ Orthopedic procedures are being done by Dr. Pautz one day per week. ▪ Updates to the OR and additional staffing will be needed if surgical services are to continue and/or expand. 	<ul style="list-style-type: none"> ▪ Continue to monitor
<ul style="list-style-type: none"> ▪ Case Management 	<ul style="list-style-type: none"> ▪ Working closely with DON and Eligibility Worker re new SNF residents and SWING patients. ▪ Currently case manager is working on placement, consultations and/or discharge plans for SNF resident(s) that need additional or different level of services. ▪ A PT Case Manager was hired and is being trained in anticipation of a FT Case Management vacancy due to Fran Montoya's retirement in November. 	<ul style="list-style-type: none"> ▪ Continue to monitor
<ul style="list-style-type: none"> ▪ Respiratory Therapy 	<ul style="list-style-type: none"> ▪ 1 RT has been out on FMLA, PD RT staff are being utilized to fill shifts. 	<ul style="list-style-type: none"> ▪ Informational
<ul style="list-style-type: none"> ▪ Physical Therapy 	<ul style="list-style-type: none"> ▪ New carpet was installed. ▪ New parallel bar system is in place. ▪ 1 FT Physical Therapist was hired. ▪ Volumes expected to remain steady with full PT staff in place. 	<ul style="list-style-type: none"> ▪ Continue to monitor

4. Infection Prevention	<ul style="list-style-type: none"> ▪ Hand Hygiene monitoring continues ▪ Infection Preventionist is currently working on competencies for OR. ▪ Infection Control regulations have been updated for the SNF, current processes are being evaluated to ensure compliance. ▪ Infection Preventionist is working to develop an active “surveillance” program. ▪ 	<ul style="list-style-type: none"> ▪ Continue to observe staff ▪ Informational
5. QAPI	<ul style="list-style-type: none"> ▪ CalHIIN visited BVCHD 6/9/17 to discuss abstraction and process improvement related to QI measures. ▪ Patient and Family Advisory Council met on 6/29/17 and discussed ER Communication, staff dress code expectations, and admission packets for the acute unit. ▪ Signage is being updated based on PFAC recommendations. ▪ Suggestion boxes were placed in the FHC lobby and main hospital lobby based on PFAC recommendations. ▪ Just Culture readiness assessments were completed and HR policies are being updated to reflect just culture principles. 	<ul style="list-style-type: none"> ▪ Informational ▪ Continue PFAC meetings and projects. Coordinate with applicable department managers ▪ Continue process for Just Culture/ BETA Heart implementation
6. Policy Updates	<ul style="list-style-type: none"> ▪ Risk, PT and SNF Policies being reviewed. 	<ul style="list-style-type: none"> ▪ Reviewed through P&P Committee
7. Safety/Product	<ul style="list-style-type: none"> ▪ Workplace Violence workgroup met to discuss SB1299 and OSHA regulations. ▪ The group met to do “walking rounds” of the facility to gather information related to safety and security of staff. ▪ Recommendations are currently being formulated as part of the security risk assessment plan that is required by Cal OSHA. ▪ Reporting for hospital workplace violence events is mandatory as of 7/1/17 . ▪ 	<ul style="list-style-type: none"> ▪ Continue to monitor new regulation and compliance dates

8. Education	<ul style="list-style-type: none"> ▪ BLS Classes scheduled monthly. ▪ ACLS/ PALS is scheduled for August 28. ▪ 1 attended Crisis Prevention Institute training to become a trainer at BVCHD. 	<ul style="list-style-type: none"> • Continue to monitor
9. Information Items/Concerns	<ul style="list-style-type: none"> ▪ Attended : ▪ Innovations Grant San Bernardino County DBH/ HASC Committee ▪ San Bernardino Hospital Collaborative ▪ Health Emergency Local Planning Partners 	<ul style="list-style-type: none"> ▪ Informational
Respectfully Submitted By: <i>Kerri Jex, CNO</i> <div style="text-align: right;"><i>Date: July 3, 2017</i></div>		

2017 Surgery Report

May-17		
Physician	# of Cases	Procedures
Critel - CRNA	2	Heel Injection
Critel - CRNA	2	Trigger Point Injection
Critel - CRNA	1	Shoulder Injection
Pautz - DO	3	ORIF
Pautz - DO	1	Carpal Tunnel Release
Pautz - DO	1	Ulnar Nerve Transposition
Pautz - DO	1	Lateral Epicondylar Release
Pautz - DO	1	Excision of Ganglion Cyst
Pautz - DO	1	A-1 Pulley Release
Pautz - DO	1	Arthrodesis Carpometacarpal Joints
Pautz - DO	1	Open Mumford Resection Clavicle
Tayani	8	Cataracts
Total	23	

Jun-17		
Physician	# of Cases	Procedures
Critel - CRNA	2	Shoulder Injections
Critel - CRNA	2	Trigger Points
Critel - CRNA	1	B/L Knee Injections
Pautz - DO	1	ORIF Ankle
Pautz - DO	1	ORIF Patella
Pautz - DO	1	ORIF Wrist
Pautz - DO	1	ORIF Elbow
Pautz - DO	1	Patella Repair
Pautz - DO	1	Acromioplasty, Rotator Cuff Repair
Pautz - DO	1	Excision Prepatellar Bursa
Pautz - DO	1	Excision Exostosis Foot
Pautz - DO	1	Interpositional Artholasty Thumb
Pautz - DO	1	Carpal Tunnel Release
Pautz - DO	1	A-1 Pulley Release
Tayani	4	Cataracts
Total	20	

Jul-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Aug-17		
Physician	# of Cases	Procedures
Critel - CRNA		
Tayani		Cataracts
Total		

Sep-17		
Physician	# of Cases	Procedures
Critel - CRNA		



CHIEF EXECUTIVE OFFICER REPORT

JUNE 2017

CT Scanner Project:

Installation on the CT Scanner continues and is scheduled for completion early August. A physicist will be on site August 10th to inspect the equipment, accreditation is scheduled for August 14.

Mammography Project:

The mammography project construction and approval from OSHPD is complete. There is additional paperwork to be completed and a few minor maintenance items to repair. Appropriate documents have been sent to CDPH, FDA and MQSA for accreditation, which will take approximately 14-21 business days to get approval. We are anticipating seeing patients in late July or early August. Advertising and marketing has started and scheduled appointments are being made.

Laboratory Manager:

Gerald Curry, Interim Laboratory Manager began Monday, June 19. Gerald Consiglio is staying on as a Clinical Laboratory Scientist and recruitment for a permanent Laboratory Manager is underway.

CEO Information:

Heidi Markus, RN has accepted the ER Director position and will be starting on July 31st.

We are beginning background checks and follow up items on a candidate for the Dietary Supervisor position. Administration will keep the Board of Directors informed if the position is filled.

June 27, the Foundation conducted their monthly meeting in the Hospital Conference Room. Holly Elmer was named the Foundation President. Administration thanked Helen Walsh for her years of commitment to the Hospital.

The Auxiliary Annual Golf Tournament is scheduled for August 18, 2017 at Bear Mountain Golf Course. The district purchased two teams for employees to participate and support the Hospital Auxiliary. If you are interested in participating a flier with the information is attached.

Holcomb Valley Fire:

On Monday June 17, the Holcomb Valley Fire began. Senior Administration coordinated standby HICS, on June 20 HICS was implemented. Pharmacy and Respiratory Therapy ensured that the appropriate medication and oxygen was on site, air quality was monitored. Mountains Community Hospital & Braswell's Hospital was notified and on stand by to take our SNF patients if we were to evacuate. CDPH & ICEMA were notified and kept apprised of the Hospital's status. The power was lost for a short time; our generators were used until Bear Valley Electric provided power to the Hospital. The Plant Maintenance Department continued to monitor the facility early in the morning until the evening. Our Hospital staff did a great job in ensuring that we were prepared in the event that the fire moved towards the valley. June 22 HICFS was canceled since there was no threat to the Bear Valley Community.

OHR Board of Trustee Conference:

The Board Leaders Conference is scheduled for August 3 & August 4. We have three Board Members and myself registered to attend.

Hospital Association of Southern California (HASC):

Garth and I will be attending the HASC one day conference July 20 in Los Angeles. The focus of this meeting will be a presentation and Q&A on CHA's perspective on the significant changes imposed by the recent CMS Medicaid Managed Care Rule and plans moving forward.

Employee Activities:

July 22, 2017 the District will be hosting an Immunization Clinic at the FHC & the Mom & Dad Project. We are working with several community organizations and the Auxiliary to have a successful event. If you would like to volunteer please contact Administration.

Information:

Quorum Board Minutes

Golf for the Cure

BEAR VALLEY
COMMUNITY HEALTHCARE DISTRICT

@ Bear
Mountain



*Be a Player in Promoting
Breast Cancer Awareness!*



3rd Annual Golf Tournament

Hosted by the Bear Valley Community Hospital's Auxiliary

9:00am Tee Off - Shot Gun Start - \$85 per player (Teams of 4) • Includes 18 holes of golf with cart, lunch and goodie bag.

To sign up or for more info contact the Bear Mountain Golf Pro Shop
at 909.585.8002 or beargolf@mammothresorts.com

Friday August 18, 2017
Bear Mountain Golf Course

BEAR VALLEY
COMMUNITY HEALTHCARE DISTRICT

All proceeds will stay in Big Bear to help residents of the valley!



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

Changes to 2017-19 Hospital Fee Program Under Medicaid Managed Care Final Rules April 2017

CHA's ballot initiative, the Medi-Cal Funding and Accountability Act (Proposition 52) was successfully passed by voters in the November 2016 General Election. The Act removes the statutory sunset date (January 1, 2018) for the hospital fee program, making the program and all of the statutory provisions and protections permanent, with additional protections through the California state Constitution.

Among the statutory provisions, Proposition 52 makes permanent the limit on the amount the state can take out of the program for the General Fund; the construct of the fee program (both the fee side and the payment mechanisms); and the source of data and information used to develop the program. The Act allows for future changes by the Legislature with a two-thirds majority and only to further the purposes of the Act, including obtaining or maintaining federal approval.

By removing the sunset date in the existing statute (SB 239, 2013), the Act becomes the framework for all future hospital fee programs. The next program period covers January 1, 2017, through June 30, 2019. The Centers for Medicare & Medicaid Services (CMS) finalized a rule in May 2016 that impacts Medi-Cal managed care payments in the hospital fee program and significantly changes how it will be implemented.

The current method of making supplemental payments through the Medi-Cal managed care plans is not aligned with the requirements in the final rule. Under the final rule, supplemental payments made under California's hospital fee program are considered "pass-through" payments and must be phased out over a maximum 10-year period. As pass-through payments are phased out, they can be replaced with "directed payments." Directed payments can be an add-on to adjudicated claims of a fixed amount or a flat percent.

Because directed payments can be an add-on amount (proposed by the CHA workgroup), the methodology is similar to how the funds are now allocated. Under the directed payment approach, hospitals in the fee program would receive an added payment in addition to their contracted rate for every adjudicated claim paid by a Medi-Cal managed care plan. This is a change from the methodology using historical data to calculate supplemental lump sum payments.

In January 2017, CMS issued a second final rule regarding the Medicaid Managed Care Rule finalized in May of last year. The new final rule imposes an annual cap on the pass-through payment amount, equal to the amount included in a state's Medicaid managed care contracts on or before July 5, 2016. For California, supplemental Medi-Cal managed care payments made through the hospital fee program would be capped at the state fiscal year 2013-14 payment amounts, beginning on July 1, 2017. This means that about half of the managed care funding would immediately transition to the new directed payment approach on July 1, 2017, and the other half would be the pass-through approach. The remaining pass-through payments are subject to the phase-out over the next 10 years.

The directed payment method raises two significant concerns. First, the final rule states that directed payments can be made to "network providers." This could significantly impact the ability to make a supplemental payment for non-contracted or out-of-network providers. Second — and more concerning — the directed payments must be made on current adjudicated claims rather than using historical utilization to make

the supplemental payment. While it is not anticipated this will result in significant changes in overall distribution to hospitals, CHA is concerned about the potential for excess directed payments to be made to health plans with no mechanism to return the funds to hospitals. Likewise, plans may not receive enough funding to make directed payments for the utilization they experienced and could be left with a financial obligation to the hospitals. This could result in hundreds of millions of dollars at risk for hospitals and for the plans.

One of the protections for hospitals is that none of the fee proceeds (hospital fee payments and matching federal funds) can be used for purposes not allowed by the fee program. Health plans retaining excess directed payments would be a disallowed use of the fee program proceeds, triggering the statutory protections and potentially making the fee program inoperative — or at least the part of the program that can't ensure proper use of the proceeds of the fee program. Proposition 52 further secures that protection by assuring that provision can only be changed by a vote of the people.

CHA has designed an approach that should eliminate this financial risk for hospitals and plans — a risk corridor concept based on utilization targets. The utilization risk corridor (URC) would limit losses and gains beyond an allowable range. Our target is zero risk. Plans with lower than expected cost/utilization would pay the excess amount to the URC fund through the Department of Health Care Services (DHCS), and plans with higher than expected cost/utilization would request payments from the URC. Further, to ensure that the URC has sufficient funds, we propose that the pass-through payments be used as a “backstop.” If the draw on the URC is greater than the contributions to the URC, the pass-through payment fund will need to make up the shortfall. Conversely, any excess funds in the URC will either be rolled over to a subsequent period or converted to a pass-through payment.

This concept was discussed in high-level with CMS in an in-person meeting in Baltimore earlier this year. The concept was not met with resistance. However, the proposal would have to be fully vetted and reviewed. A significant issue remains: The pass-through payments are being phased out over 10 years, which means the backstop is temporary and diminishing. This solution is somewhat temporary because under this approach it cannot be guaranteed that payments to/from the URC will net to zero when there is no adjacent “cushion.”

DHCS has submitted the 2017-19 hospital fee program package to CMS for review. The package included the tax waiver (of the broad based and uniform requirement) for the entire program period and the fee-for-service upper payment limit (UPL) calculations for the first six months of the program. Since the UPL calculations must use data that are no more than two years old, DHCS plans to submit the July 1, 2017 – June 30, 2018, UPL calculations, as well as the proposed managed care methodology, to CMS this summer. That is when the design of the URC will need to be completed, in order to be submitted with that package for an effective date of July 1, 2017.

Based on prior fee programs, the CMS review process typically takes approximately nine months from submission to approval. CHA will continue to work with DHCS and CMS over the next several months to ensure the necessary approvals are secured in an expeditious manner. In addition, CHA-sponsored legislation – SB 608 (Hernandez, D-Azusa) – was introduced last month and includes an update to the grant payment amounts for the public hospitals under the 2017-19 fee program. The grant amounts may be tentative because DHCS made changes to the model/package prior to submitting to CMS that took agreed-upon funding away from the designated public hospitals.

In addition, the bill will need to be amended to include language for the development and implementation of the URC. That language will need to be written in a way that allows for uninterrupted continuation of the managed care pass-through payments in the event CMS rewrites provisions in the Medicaid managed care final rule or if they issue an interim final rule prior to the implementation of the rule's provisions.

The complexities associated with the 2017 fee program cannot be understated. CHA recognizes the uncertainty and change that hospitals are facing as a result of these circumstances. All efforts are being made to ensure that, first and foremost, California hospitals receive the maximum amount of federal funding allowed, and that the program is implemented in accordance with the construct and provisions included in the law created by SB 239 in 2013 and protected by Proposition 52.

Quorum Board Minutes

Addressing Changes in the Healthcare Landscape



A Solution that May Reduce ED Wait Times and Manage Chronic Conditions

June 2017

Telehealth is a broad term that covers how care can be provided electronically—outside the walls of a hospital or clinic. Through telehealth, consumers can access health care by video consultations, emailing images, patient portals, remote monitoring of vital signs and nursing call centers. The combination of a digital culture and an increasing need for convenience and access makes telehealth appealing to both consumers and health care providers alike.

As consumers shop for convenient health care, their interest in virtual care continues to rise. Harris Poll recently conducted a study in late 2016 to gauge consumer experiences with telehealth. The study included 2,100 adults ages 18 and older. Results showed that among those with a primary care physician, 65 percent are interested in seeing a doctor via video. Further, according to a new Advisory Board survey, up to 77 percent of consumers would consider seeing a provider virtually, and 19 percent already have.



Similarly, hospitals and health systems are benefitting from telehealth. One particular issue that resonates in EDs throughout the U.S. is reducing wait time for psychiatric patients. With few hospitals having a specialist on hand, patients in need of a consult end up staying in the ER an average 23 hours; about 14 hours longer than the national average in 2011. Researchers found hospitals utilizing telehealth, on average, reduced psychiatric patients' time to consultation from 14.2 hours to 2.6 hours. This reduction demonstrates how telehealth promotes timely access to mental health evaluations.

In addition to reducing wait times, telehealth is also being credited as an avenue for chronic condition management. Generally incurable and ongoing, chronic diseases affect approximately 133 million Americans. Especially in rural areas, those with chronic conditions often face an additional barrier of having to travel to see specialists. A study published by the Commonwealth Fund examined the Veterans Administration telehealth program and saw a 20 percent reduction in patients seeking

hospital services for diabetes. On the behavioral health side, the VA saw a 56 percent reduction in hospital services for depression and a 40 percent drop in hospitalizations for mental health issues.

Specialists on Call, Inc. (SOC), a Quorum Purchasing Advantage (QPA) Strategic Service Partner (SSP), provides hospitals with 24/7 access to physician



SPECIALISTS ON CALL™
Stronger Hospitals – Better Lives

consultations via telemedicine for neurology, psychiatry and critical care. “Before Specialists on Call, we would do the work-up and then transfer patients out to another hospital. We saw a 39 percent decrease in patient transfers within the first year of working with SOC,” said Ken Thayer, ED Nursing Manager, Champlain Valley Physician Hospital Emergency Neurology Services client. To learn more about how telehealth can be beneficial at your hospital, please call Sue Dorsey, Account Manager, QPA/SSP at 615-371-4887.

Heard in the News

Read more about this topic here:

<http://www.fiercehealthcare.com/mobile/uva-health-system-speeds-stroke-response-by-putting-telehealth-into-ambulance>

<https://www.sciencedaily.com/releases/2017/06/170614170346.htm>

<https://mhealthintelligence.com/news/telemedicine-gives-ers-an-instant-link-to-psychiatric-consults>

Resources:

Psychiatric Times

American Telemedicine

National Health Council

Centers for Disease Control

The Advisory Board

American Well

Commonwealth Fund

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
1.0	Invest in emergency services to be the focal point for positive community opinion, improve operations	Business Concentration	High	Title of Responsible person and name of current				
1.1	Develop internal evidence-based system and standards to improve emergency services which include patient satisfaction as well as clinical components	Business Concentration	High	Kerri Jex/ED Director	7/1/2017	Ongoing		T-System implementation, marketing plan, work with resorts, hire strong ER Director, building improvement, PFAC, Sepsis bundle, Team STEPPS project
1.2	Benchmark emergency service performance to evaluate performance and measure improvement, use CMS benchmarks, unless otherwise defined	Business Concentration	Medium	Kerri Jex/ED Director				Continue abstraction, MBQIP, CALHINN, QHR, ECQM, Qualitick, BETA Heart, Just Culture
1.3	Determine and provide any training and education needed to enable emergency service improvement	Business Concentration	Medium	Kerri Jex/ED Director				BETA Quest for Zero High Risk Chest Pain, Skills Fair, Staff meeting education
1.4	Publicize Emergency Service performance, compared to benchmarks on a periodic basis so as to gain public confidence in achieving improvements	Business Concentration	Medium	Kerri Jex/ED Director				Press release PFAC, press release for BETA Quest for Zero, ED Newspaper Acknowledgement
2.0	Develop a business plan to establish BVCHD as the regional dominant provider of organized post-acute care services	Business Concentration	Medium	Kerri Jex/Kathleen Yerratt				

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
2.1	Establish and implement a plan for improving BVCHD skilled nursing service	Business Concentration	High	Kerri Jex/Kathleen Yerratt				Star rating, QAPI plan and certification
2.2	Evaluate the need for external assistance to enable BVCHD skilled nursing to achieve and maintain a 5-star rating	Business Concentration	Medium	Kerri Jex/Kathleen Yerratt		3/1/2017		
2.3	Develop and implement a formal process to organize and systematize the post-discharge process, giving consideration to adopting the “Re-Engineered Discharge (RED) Toolkit” of the Agency for Healthcare Research and Quality	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating - track and report readmission
2.4	Develop a post-acute clinical pathway for DRG 194, Simple Pneumonia and Pleurisy, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating
2.5	Develop a post-acute clinical pathway for DRG 470, Major Joint without Major Complications or Comorbidity, while documenting clinical performance and communicating outcomes to referring acute care hospitals	Business Concentration	Low	Kerri Jex/Kathleen Yerratt				Re-evaluating

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
2.6	Develop a business plan for expanding post-acute services to Big Bear residents obtaining acute care down the hill and recovering from DRG 194 & 470; and, determine how to expand service to other post-acute care services conditions	Business Concentration	Low	Kerri Jex/Kathleen Yerratt/Fran Montoya				Work with case management to advertise swing bed program to surrounding hospitals
2.7	Complete a feasibility study for determining if BVCHD should re-establishing home health care services	Business Concentration	Low	Sheri Mursick				Research opportunities through RHC for home health
3.0	Expand Family Health Center, and other outpatient services, and Chronic Care Management service	Business Concentration	High	Sheri Mursick				Added orthopedics, OB-GYN, Chiropractor, PRIME Project, potential Podiatry, Dermatology
3.1	Identify specific problems, determine what improvements are needed, and implement actions designed to reduce the 1 in 5 clinic users reporting an unresolved service or billing problem	Business Concentration	High	Sheri Mursick/Mary Norman/Garth Hamblin				QHR Compliance and billing audit conducted 12/2016 findings being implemented
3.2	Implement the recommendations of the Quorum Rural Health Clinic review project	Business Concentration	High	Sheri Mursick				Policies and procedures reviewed and revised. Annual report to governing board

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
3.3	Establish a treatment follow up process for clinic patients to assure the patient understood treatment, followed recommendations and have recommendations for service improvement	Business Concentration	Low	Sheri Mursick				Efficiency steps in place to follow and manage care for PRIME patients; improved processes for follow up care and referrals
3.4	Determine what referring physicians and patients would perceive as "value" (i.e. prompt result reporting, price guarantee, tec.) associated with BVCHD lab, CT and diagnostic radiology services sufficient to generate resident desire to use such services; redesign BVCHD services accordingly, and, develop a business plan for growing Medicare business to achieve at least 1.8% of services delivered within the County	Business Concentration	Low					
3.5	Establish a Chronic Care service, evaluating the services of various vendors (i.e. Progressive Healthcare or Care 24/7) to provide the "back office" support functions required by Medicare for this service	Business Concentration	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
4.0	Acute care service maintenance	Business Concentration	Low					
4.1	Maintain an evaluation of all emergency service transfers to acute care facilities to determine what needed to occur at BVCHD in order to have retained the patient; and, based on the evaluation consider what actions are appropriate for patient retention	Business Concentration	Low					Evaluate transfer logs, approach RCH regarding specialty services, evaluate Telemed options and evaluate new Hospitalist program
4.2	Identify any acuity based training needed by clinicians for providing adequate patient care and determine the feasibility for using the Loma Linda affiliation agreement to obtain such training	Business Concentration	Low					
4.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Business Concentration	Low	Admin, HR				Studer principles, revise evaluation process, train managers
5.0	Develop a customer service attitude and a service recovery response	Infrastructure Progress	High					Studer group
5.1	Evaluate and select a program for providing customer service workforce training, considering programs from the Studer Group and Value Coach.com (Joe Tye)	Infrastructure Progress	High				\$240,000 over a 3 year period	Studer to present to board in July 2017, invitation to board members

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
5.2	Evaluate and select a service recovery program, considering the Stanford Healthcare PEARL (Process for Early Assessment, Resolution and Learning) program to serve as a model to guide interactions, communications, and resolving patient problems	Infrastructure Progress	High					
5.3	Incorporate the service performance expectations the training is designed to achieve into the BVCHD workforce evaluation program	Infrastructure Progress	Medium	HR				Update and revise current evaluation process
5.4	Establish a performance tracking system to identify customer service improvement achievements from implementing customer service and service recovery training	Infrastructure Progress	Medium					Qualatrick - ER, Clinic NRC Picker - Acute Variance Tracking
6.0	Optimize the Loma Linda affiliation and identify beneficial relationships with others	Infrastructure Progress	Medium	CEO/Board				Emphasize developing relationships with others/damage control with LLUMC
6.1	Establish governance expectations and administrative protocols for implementing specific events the agreement is to achieve	Infrastructure Progress	Medium	CEO/Board				

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
6.2	Establish protocols with the medical staff to evaluate if the affiliation agreement is achieving expectations and how to achieve additional benefits	Infrastructure Progress	Medium					Keeping medical staff apprised through frequent reports to MEC
6.3	Identify what value would be achieved through development of affiliation understandings with other area tertiary acute care providers and protocols so any subsequent relationship would not conflict with the intent of the Loma Linda agreement	Infrastructure Progress	Low					
7.0	Develop and implement a new Master Facility/Campus Plan	Infrastructure Progress	Low	Board Planning and Facilities Committee				Committee has met twice
7.1	Complete a space plan to document facility needs in order to implement the service plans of BVCHD	Infrastructure Progress	Low	Board Planning and Facilities Committee				
7.2	Complete an audit of current operating systems to identify needs for replacement and adequacy for supporting BVCHD clinical programs	Infrastructure Progress	Low					
7.3	Develop a master facility and campus plan to guide physical plant capital expenditures and input the capital requirements into BVCHD's financial planning	Infrastructure Progress	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
8.0	Recruit two primary care physicians while developing a geriatric emphasis	Infrastructure Progress	High	Admin				Dr. Orr 8/2015 second recruitment in process
8.1	Identify office space and other practice opportunity logistics associated with establishing a desirable practice opportunity for two new clinicians	Infrastructure Progress	High					Ample space available in the RHC
8.2	Undertake efforts to successfully recruit two primary care clinicians, one having interest in geriatric care	Infrastructure Progress	High					
9.0	Document and publicize clinical and satisfaction outcomes	Infrastructure Progress	Medium					
9.1	Identify what measures would be statistically valid with current BVCHD service level volumes	Infrastructure Progress	Medium					Participate in QHR comparative database, MBQIP, Qualatick
9.2	Track and publicize the CMS Hospital Compare Emergency Service "Timely and Effective Care" metrics	Infrastructure Progress	Medium					
9.3	Identify efforts needed to have BVCHD metrics achieve and surpass CMS Hospital Compare "Effective Pneumonia Care", "Preventive Care" and "Blood Clot Prevention and Treatment" state and national performance averages	Infrastructure Progress	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
9.4	Evaluate volume adequacy for documenting and presenting data depicting Pneumonia patients payment and value metrics as displayed on the CMS Hospital Compare web site	Infrastructure Progress	Low					
9.5	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Consumer Assessment of Healthcare Providers and Systems	Infrastructure Progress	Low					Using recently redesigned website evaluate reportable relevant metrics
9.6	Identify metrics to track and present on BVCHD web site indicating BVCHD performance on the data presented in the Medicare Beneficiary Quality Improvement Project	Infrastructure Progress	Low					
10.0	Develop financial policy guidance for achieving the objectives outlined in this strategic plan	Infrastructure Progress	Medium	Garth Hamblin	1/1/2017	Ongoing		In conjunction with facilities master plan. Develop a 5 year capital plan and evaluate sources
10.1	Develop a 5 year financial plan based on the implementation of the goals and objectives of the plan	Infrastructure Progress	Medium					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
10.2	Establish and guide operations from a set of staffing and productive standards consistent with California regulations, in concert with local Union opinions, and that meet the needs of the new business plan for growth	Infrastructure Progress	Medium					Implement FY 2018 Core staffing plan. Title 22 guidelines. Union negotiations
10.3	Complete a debt capacity study to identify the capability of BVCHD to support development of a replacement of the hospital with a facility sized to meet the service needs of the District and comply with CA seismic standards	Infrastructure Progress	Low					Refer to 10.1
10.4	Monitor managed care plan development and the need to develop program attributes desirable to attain and maintain participation in the plans readily available to area residents, and/or, supportive of services developed in relationship with Loma Linda	Infrastructure Progress	Low	Administration				Ongoing relationships with IEHP, Heritage, Kaiser
11.0	Improve the health of district residents by supporting public health initiatives and the implementation strategy response to identified needs	Community Development	Low					
11.1	Initiate discussions with the County to identify areas BVCHD could be of service	Community Development	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
11.2	Complete a Community Health Needs Assessment and develop an Implementation Strategy designed to provide an amount of Community Benefit at least equal to the amount provided on average among CA not-for-profit hospitals	Community Development	Low					Improving access - meet with managed care plans and physician recruitment. Substance abuse - PRIME Project, evaluate medical stabilization. Mental Health - added Psychologist, attend mental health alliance and hospital behavioral health collaborative, innovations project.
12.0	Aid efforts to improve health of district residents by supporting Big Bear Fire if it elects to develop a "Post Hospital Discharge Follow Up" program	Community Development	Low					Re-evaluate the value of this project to BVCHD
12.1	Initiate discussions with Big Bear Fire about its interest in developing a Post Discharge Follow Up program and what role might BVCHD play in such a program	Community Development	Low					
12.2	Determine what resources BVCHD could provide to aid Big Bear Fire achieve its intent	Community Development	Low					

Item #	Task	Area of Scrutiny	Priority High; Medium; Low	Assigned To	Target Start Date	Completion Date	Estimated Financial Impact	Comments
13.0	Develop a marketing program to enhance resident awareness of services and inform residents of service delivery improvements	Community Development	Medium	Megan Meadors		Implementation is ongoing		Marketing plan approved by the Board 2/2017
13.1	Identify BVCHD service attributes it will promote to increase awareness and preference for BVCHD services	Community Development	Medium					
13.2	Develop a marketing plan and budget allocation to implement the plan	Community Development	Low					
13.3	Conduct a post-public campaign survey to determine what, if any, change has occurred in BVCHD service awareness and preference	Community Development	Low	Megan Meadors				Conduct status survey second quarter of FY 2018

NOTE: High, Medium and Low priority suggestions generally track with start of initiative in plan year 1, 2 or 3 and are specifically "back loaded" (more initiatives to start in later

Number of initiative	Priority	Percent of Initiatives
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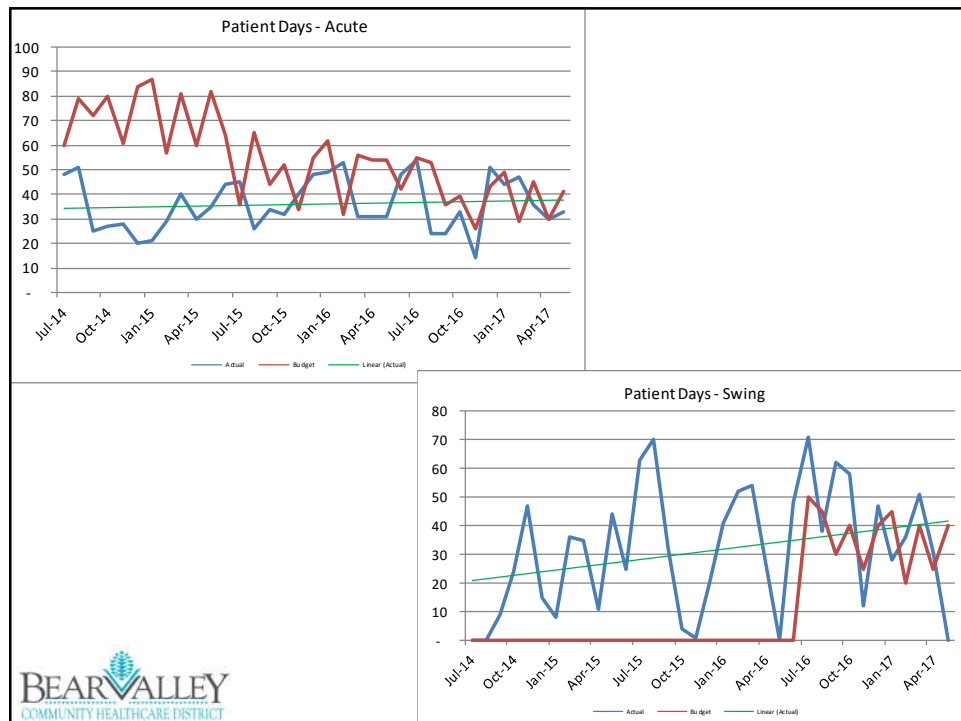
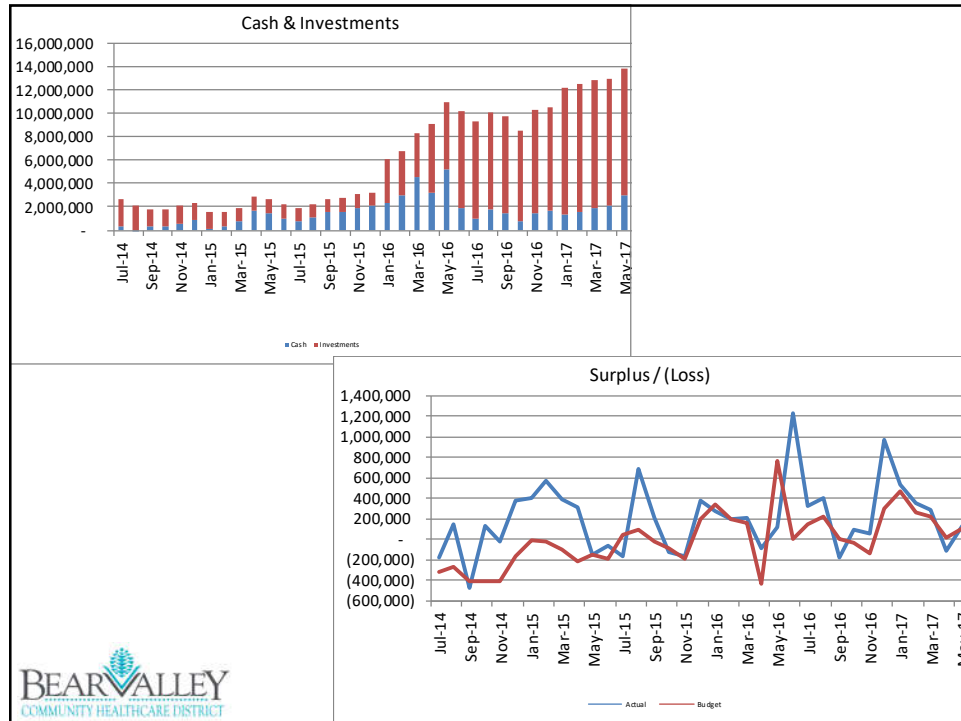


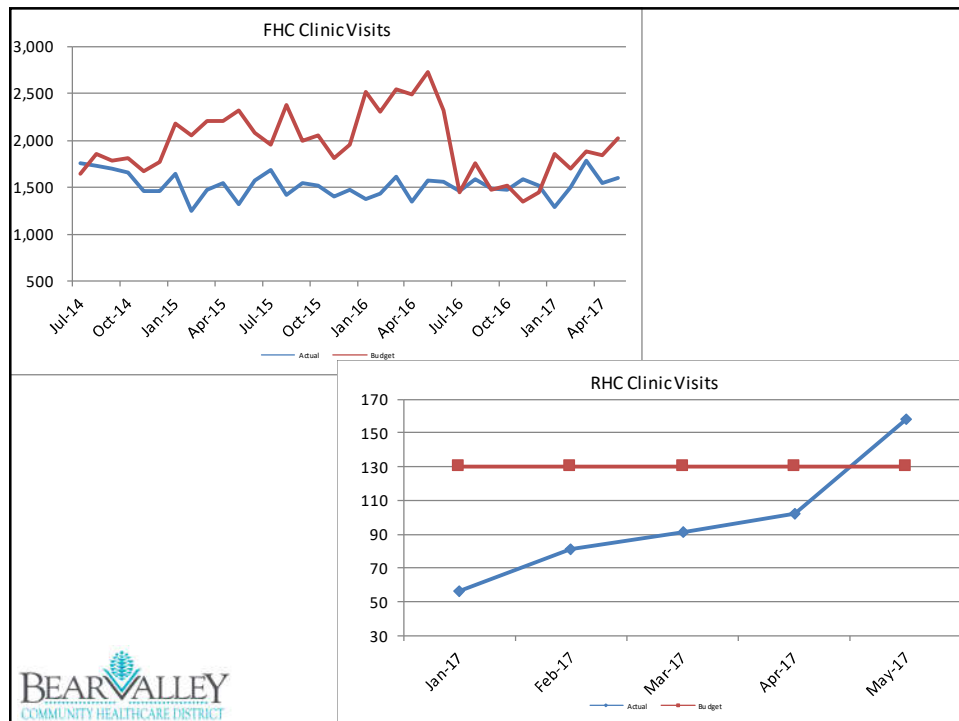
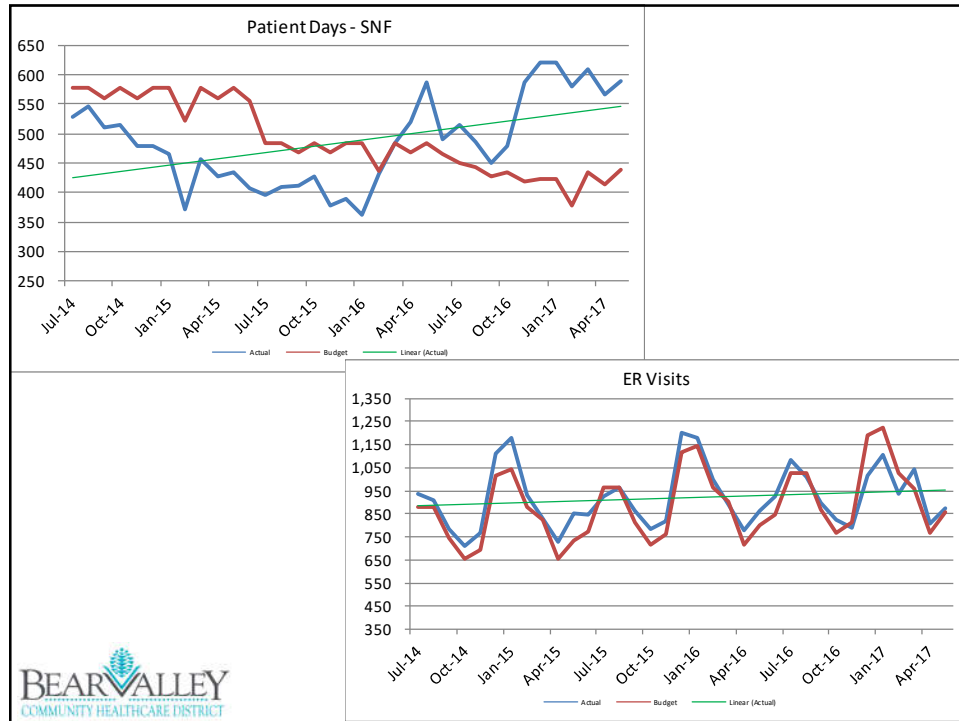
Finance Report May 2017 Results

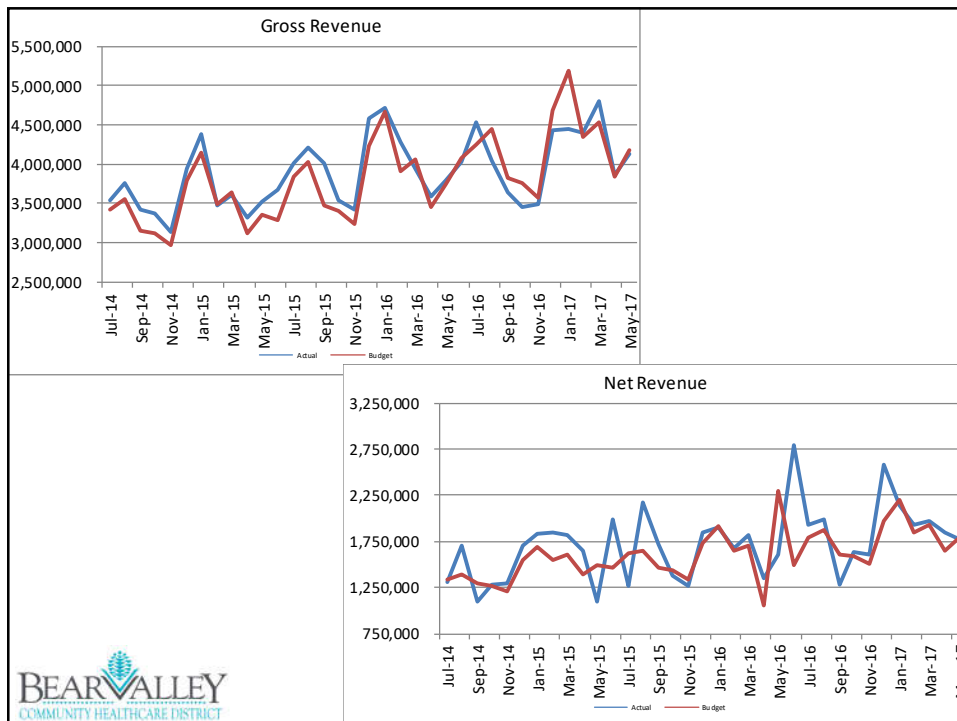
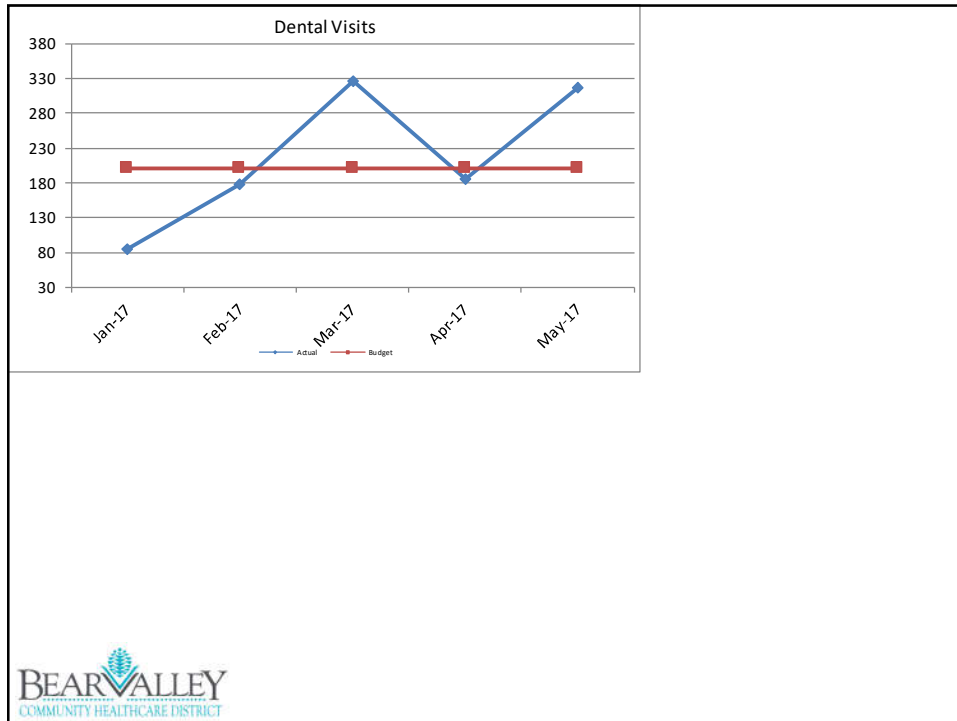
Summary for May 2017

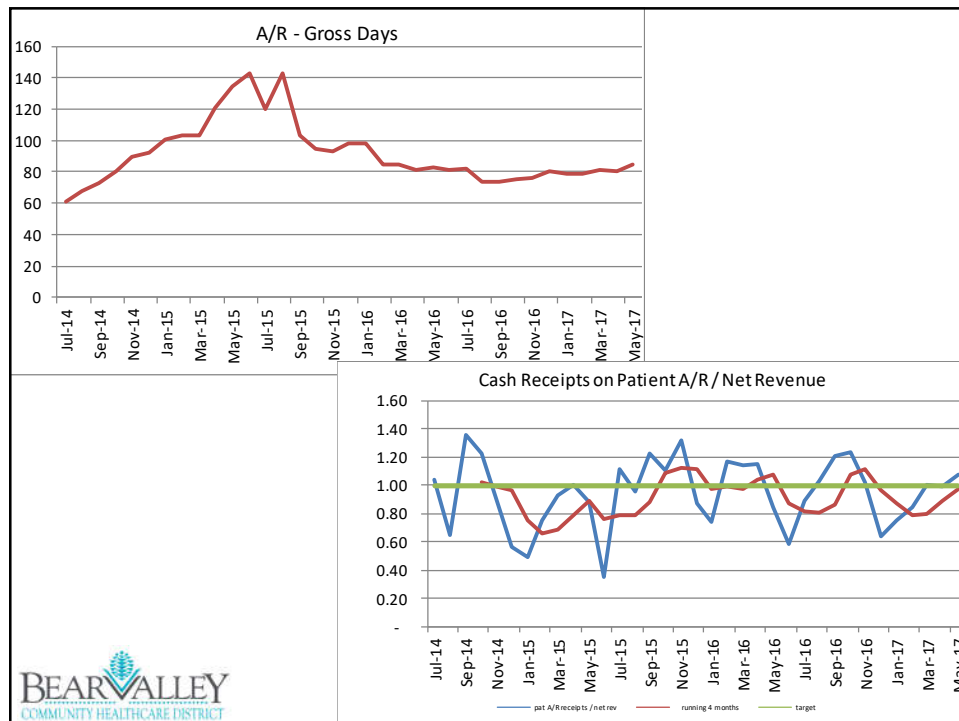
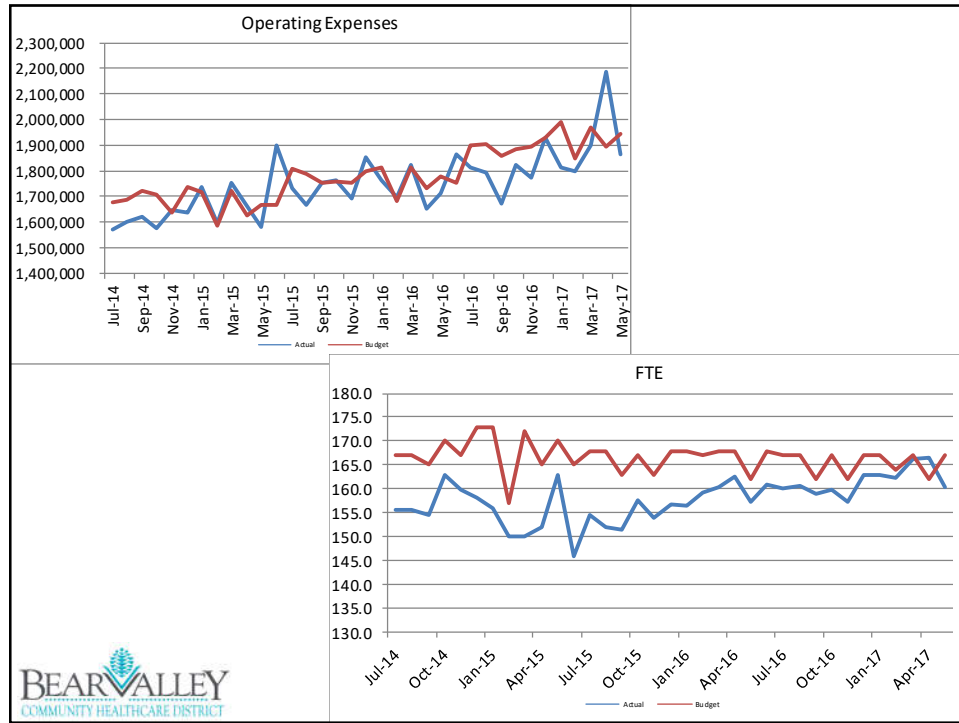
- Cash on Hand - \$2,946,791
- Investments - \$10,852,271
- Days of Cash, including investments with LAIF – 233
- surplus of \$129,126 for the month. We had budgeted a Surplus of \$98,064
- Total Patient Revenue under Budget by 0.9% for the month
- Net Revenue was 0.7% under budget.
- Total Expenses 4.1% lower than budget
- Year-to-date surplus of \$2,835,289 is \$1,285,729 over budget













May 2017 Financial Results

For the month . . .

Total Patient Revenue of \$4,136,519 was under budget by 0.9%. Inpatient revenue was under budget with no Swing Bed patient days for the month. Outpatient, Clinic, and SNF were all over budget. Emergency Room revenue was under budget.

Deductions from Revenue of \$2,367,036 were under budget by 0.9%.

Total operating Revenue (Revenue less revenue deductions) of \$1,769,483 was under budget by 0.7%.

Total Operating Expenses of \$1,863,708 was under budget by 4.1%.

Our surplus for the month of May 2017 was \$129,126. We had budgeted a surplus of \$98,064 for the month.

Our Operating Cash and Investments total \$13,799,062. Total Days Cash on hand - 233.

Key Statistics

Inpatient days were 33.

We had no Swing Patient Days

SNF days totaled 589, an Average Daily Census of 19.

Emergency Room visits of 877 for the month.

RHC and Dental Clinic visits 158 and 317 respectively.

Year-to-date

Total operating revenue is 4.9% over budget.

Total expenses are 3.1% under budget.

Our surplus of \$2,835,289 is \$1,285,729 over budget.

Bear Valley Community Healthcare District

Financial Statements May 31, 2017

Financial Highlights—Hospital

STATEMENT OF OPERATIONS

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
1 Total patient revenue	3,796,943	4,136,519	4,175,895	(39,376)	-0.9%	44,116,031	45,260,154	46,639,053	(1,378,899)	-3.0%
2 Total revenue deductions	2,191,315	2,367,036	2,390,852	(23,816)	-1.0%	26,142,557	24,593,509	26,901,486	(2,307,977)	-8.6%
3 % Deductions	58%	57%	57%			59%	54%	58%		
4 Net Patient Revenue	1,605,628	1,769,483	1,785,043	(15,560)	-0.9%	17,973,474	20,666,645	19,737,567	929,078	4.7%
5 % Net to Gross	42%	43%	43%			41%	46%	42%		
6 Other Revenue	13,316	9,738	7,474	2,264	30.3%	211,272	126,439	80,767	45,672	56.5%
7 Total Operating Revenue	1,618,944	1,779,221	1,792,517	(13,296)	-0.7%	18,184,746	20,793,084	19,818,334	974,750	4.9%
8 Total Expenses	1,710,774	1,863,708	1,943,608	(79,900)	-4.1%	19,099,728	20,365,625	21,009,479	(643,854)	-3.1%
9 % Expenses	45%	45%	47%			43%	45%	45%		
10 Surplus (Loss) from Operations	(91,830)	(84,487)	(151,091)	66,604	44.1%	(914,982)	427,459	(1,191,145)	1,618,604	135.9%
11 % Operating margin	-2%	-2%	-4%			-2%	1%	-3%		
12 Total Non-operating	207,393	213,613	249,155	(35,542)	-14.3%	2,420,125	2,407,830	2,740,705	(332,875)	-12.1%
13 Surplus/(Loss)	115,563	129,126	98,064	31,062	-31.7%	1,505,143	2,835,289	1,549,560	1,285,729	-83.0%
14 % Total margin	3%	3%	2%			3%	6%	3%		

BALANCE SHEET

	A	B	C	D	E
	May	May	April		
	FY 15/16	FY 16/17	FY 16/17	VARIANCE	
				Amount	%
15 Gross Accounts Receivables	10,230,714	11,783,203	11,783,203	-	0.0%
16 Net Accounts Receivables	3,488,989	4,251,725	4,436,270	(184,545)	-4.2%
17 % Net AR to Gross AR	34%	36%	38%		
18 Days Gross AR	83	85	80	5	5.9%
19 Cash Collections	1,883,722	1,906,431	1,826,794	79,637	4.4%
21 Investments	5,770,859	10,852,271	10,852,271	-	0.0%
22 Cash on hand	5,185,560	2,946,791	2,055,415	891,376	43.4%
23 Total Cash & Invest	10,956,419	13,799,062	12,907,686	891,376	6.9%
24 Days Cash & Invest	201	233	218	15	6.9%

Bear Valley Community Healthcare District
Financial Statements May 31, 2017

Statement of Operations

	A	B	C	D	E	F	G	H	I	J
	Current Month					Year-to-Date				
	FY 15/16	FY 16/17		VARIANCE		FY 15/16	FY 16/17		VARIANCE	
	Actual	Actual	Budget	Amount	%	Actual	Actual	Budget	Amount	%
Gross Patient Revenue										
1 Inpatient	157,961	151,089	216,176	(65,087)	-30.1%	2,194,026	2,512,611	2,210,396	302,215	13.7%
2 Outpatient	954,262	1,069,063	920,516	148,547	16.1%	9,646,222	9,783,050	9,834,972	(51,922)	-0.5%
3 Clinic Revenue	196,524	367,771	314,227	53,544	17.0%	2,042,367	2,484,043	2,606,120	(122,077)	-4.7%
4 Emergency Room	2,227,054	2,285,069	2,530,374	(245,305)	-9.7%	28,115,720	27,744,628	29,884,609	(2,139,981)	-7.2%
5 Skilled Nursing Facility	261,142	263,527	194,602	68,925	35.4%	2,117,696	2,735,822	2,102,956	632,866	30.1%
6 Total patient revenue	3,796,943	4,136,519	4,175,895	(39,376)	-0.9%	44,116,031	45,260,154	46,639,053	(1,378,899)	-3.0%
Revenue Deductions										
7 Contractual Allow	1,657,843	2,040,122	2,035,200	4,922	0.2%	21,966,234	20,573,139	22,899,733	(2,326,594)	-10.2%
8 Contractual Allow PY	(11,859)	70	-	70	#DIV/0!	5,455	(24,793)	-	(24,793)	#DIV/0!
9 Charity Care	-	-	6,601	(6,601)	-100.0%	60,361	89,563	74,279	15,284	20.6%
10 Administrative	1,240	(11)	11,965	(11,976)	-100.1%	119,768	75,729	134,629	(58,900)	-43.7%
11 Policy Discount	4,863	9,969	6,189	3,780	61.1%	66,507	77,714	69,636	8,078	11.6%
12 Employee Discount	5,715	5,880	4,951	929	18.8%	64,272	40,774	55,709	(14,935)	-26.8%
13 Bad Debts	194,390	(12,708)	325,946	(338,654)	-103.9%	568,877	1,564,259	3,667,500	(2,103,241)	-57.3%
14 Denials	161,578	323,714	-	323,714	#DIV/0!	3,291,083	2,197,125	-	2,197,125	#DIV/0!
15 Total revenue deductions	2,191,315	2,367,036	2,390,852	(23,816)	-1.0%	26,142,557	24,593,509	26,901,486	(2,307,977)	-8.6%
16 Net Patient Revenue	1,605,628	1,769,483	1,785,043	(15,560)	-0.9%	17,973,474	20,666,645	19,737,567	929,078	4.7%
17 Other Revenue	13,316	9,738	7,474	2,264	30.3%	211,272	126,439	80,767	45,672	56.5%
18 Total Operating Revenue	1,618,944	1,779,221	1,792,517	(13,296)	-0.7%	18,184,746	20,793,084	19,818,334	974,750	4.9%
Expenses										
19 Salaries	727,413	790,775	805,239	(14,464)	-1.8%	8,026,644	8,424,751	8,622,189	(197,438)	-2.3%
20 Employee Benefits	273,390	206,568	314,924	(108,356)	-34.4%	2,951,566	3,139,382	3,379,970	(240,588)	-7.1%
21 Registry	-	2,955	-	2,955	#DIV/0!	-	36,240	-	36,240	#DIV/0!
22 Salaries and Benefits	1,000,803	1,000,298	1,120,163	(119,865)	-10.7%	10,978,210	11,600,372	12,002,159	(401,787)	-3.3%
23 Professional fees	142,139	153,638	146,797	6,841	4.7%	1,487,857	1,634,696	1,647,676	(12,980)	-0.8%
24 Supplies	105,153	113,462	139,345	(25,883)	-18.6%	1,365,269	1,320,874	1,498,446	(177,572)	-11.9%
25 Utilities	46,294	42,719	37,826	4,893	12.9%	486,977	490,018	476,682	13,336	2.8%
26 Repairs and Maintenance	2,962	20,536	20,034	502	2.5%	203,023	283,053	223,755	59,298	26.5%
27 Purchased Services	260,390	370,698	288,570	82,128	28.5%	2,906,153	3,188,425	3,052,148	136,277	4.5%
28 Insurance	22,101	25,013	23,050	1,963	8.5%	244,804	275,340	253,550	21,790	8.6%
29 Depreciation	69,317	50,868	88,981	(38,113)	-42.8%	758,974	533,382	978,791	(445,409)	-45.5%
30 Rental and Leases	20,761	38,734	24,407	14,327	58.7%	218,741	236,989	268,477	(31,488)	-11.7%
31 Interest	6,471	7,943	6,058	1,885	31.1%	33,209	88,259	66,638	21,621	32.4%
32 Dues and Subscriptions	6,023	4,974	4,405	569	12.9%	50,150	53,519	48,455	5,064	10.5%
33 Other Expense.	28,360	34,825	43,972	(9,147)	-20.8%	366,361	660,698	492,702	167,996	34.1%
34 Total Expenses	1,710,774	1,863,708	1,943,608	(79,900)	-4.1%	19,099,728	20,365,625	21,009,479	(643,854)	-3.1%
35 Surplus (Loss) from Operations	(91,830)	(84,487)	(151,091)	66,604	44.1%	(914,982)	427,459	(1,191,145)	1,618,604	135.9%
Non-Operating Income										
37 Tax Revenue	189,917	189,917	189,917	-	0.0%	2,089,087	2,089,087	2,089,087	-	0.0%
38 Other non-operating	17,476	23,696	59,238	(35,542)	-60.0%	331,038	318,743	651,618	(332,875)	-51.1%
39 Total Non-operating	207,393	213,613	249,155	(35,542)	-14.3%	2,420,125	2,407,830	2,740,705	(332,875)	-12.1%
40 Surplus/(Loss)	115,563	129,126	98,064	31,062	-31.7%	1,505,143	2,835,289	1,549,560	1,285,729	-83.0%

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

ASSETS:

Current Assets

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Cash and Cash Equivalents (Includes CD's)	1,022,806	1,713,908	1,450,901	780,383	1,423,623	1,644,932	1,318,907	1,572,427	1,906,999	2,055,415	2,946,791	1,762,127
Gross Patient Accounts Receivable	10,940,803	10,138,110	10,385,931	9,116,978	8,868,052	9,844,751	10,661,301	11,769,030	12,220,540	11,791,934	11,040,195	10,168,787
Less: Reserves for Allowances & Bad Debt	6,971,161	6,501,489	6,911,742	5,814,191	5,754,053	6,362,393	6,650,380	7,354,610	7,781,808	7,355,664	6,788,469	6,719,910
Net Patient Accounts Receivable	3,969,642	3,636,621	3,474,189	3,302,787	3,113,999	3,482,358	4,010,921	4,414,420	4,438,732	4,436,270	4,251,726	3,448,877
Tax Revenue Receivable	2,279,000	2,279,000	2,279,000	2,279,000	2,003,423	1,124,534	967,871	928,821	889,883	121,713	83,363	53,966
Other Receivables	170,195	147,986	132,508	1,232,687	135,959	696,259	-833,022	-1,174,171	-1,172,008	-1,101,709	-1,353,921	188,294
Inventories	184,409	185,394	185,929	186,076	188,616	193,583	195,600	200,743	205,447	204,246	208,911	178,366
Prepaid Expenses	303,372	280,465	278,311	280,124	284,930	273,672	189,227	233,021	240,883	259,145	266,934	224,292
Due From Third Party Payers	0		0									
Due From Affiliates/Related Organizations	0		0									
Other Current Assets	0		0									
Total Current Assets	7,929,424	8,243,374	7,800,838	8,061,057	7,150,550	7,415,338	5,849,504	6,175,261	6,509,936	5,975,080	6,403,804	5,855,922

Assets Whose Use is Limited

Investments	8,277,960	8,277,960	8,277,960	7,739,399	8,839,399	8,852,271	10,852,271	10,852,271	10,852,271	10,852,271	10,852,271	8,270,859
Other Limited Use Assets	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375	144,375
Total Limited Use Assets	8,422,335	8,422,335	8,422,335	7,883,774	8,983,774	8,996,646	10,996,646	10,996,646	10,996,646	10,996,646	10,996,646	8,415,234

Property, Plant, and Equipment

Land and Land Improvements	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272	532,272
Building and Building Improvements	9,583,080	9,583,080	9,583,080	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,607,440	9,576,893
Equipment	8,877,215	8,886,299	8,969,579	9,125,269	9,314,852	9,333,143	9,364,857	9,413,400	9,426,609	9,426,609	9,449,288	8,736,322
Construction In Progress	185,232	232,969	330,984	401,438	284,340	293,078	303,147	307,392	313,008	393,102	492,504	270,564
Capitalized Interest	0											
Gross Property, Plant, and Equipment	19,177,799	19,234,620	19,415,915	19,666,419	19,738,904	19,765,933	19,807,716	19,860,504	19,879,329	19,959,423	20,081,504	19,116,051
Less: Accumulated Depreciation	12,141,144	12,185,470	12,229,795	12,274,120	12,324,989	12,375,857	12,371,997	12,477,595	12,528,464	12,579,333	12,630,202	12,096,820
Net Property, Plant, and Equipment	7,036,655	7,049,150	7,186,120	7,392,299	7,413,915	7,390,076	7,435,719	7,382,909	7,350,865	7,380,090	7,451,302	7,019,231
TOTAL UNRESTRICTED ASSETS	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	21,290,387

Restricted Assets

	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL ASSETS	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	21,290,387

2016-17 Actual BS

BALANCE SHEET

(Reflects 6/30/16 y/e audit reclasses)

PY BS

LIABILITIES:

Current Liabilities

Accounts Payable	638,258	569,686	627,514	551,770	844,011	639,430	689,526	681,356	584,615	756,696	917,355	558,790
Notes and Loans Payable	0											
Accrued Payroll	609,687	704,920	708,423	812,617	866,854	587,125	678,241	707,419	784,270	385,057	785,126	897,750
Patient Refunds Payable	0											
Due to Third Party Payers (Settlements)	481,076	567,524	568,465	568,465	566,408	565,088	562,741	650,872	875,966	907,943	907,943	575,016
Advances From Third Party Payers	0	0	0	0	0							
Current Portion of Def Rev - Txs,	2,073,573	1,875,851	1,678,382	1,480,660	1,283,190	1,131,689	934,151	736,471	538,774	341,236	143,585	0
Current Portion - LT Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Current Portion of AB915												
Other Current Liabilities (Accrued Interest & Accrued Other)	15,510	23,315	30,867	38,672	46,225	7,809	15,430	23,193	30,973	38,594	46,328	7,705

Total Current Liabilities	3,853,104	3,776,296	3,648,651	3,487,184	3,641,688	2,966,141	2,915,089	2,834,311	2,849,598	2,464,526	2,835,337	2,074,261
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Long Term Debt

USDA Loan	2,965,000	2,965,000	2,965,000	2,965,000	2,965,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,965,000
Leases Payable	0	0	0	0	0	0	0	0	0	0	0	0
Less: Current Portion Of Long Term Debt	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000

Total Long Term Debt (Net of Current)	2,930,000	2,930,000	2,930,000	2,930,000	2,930,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,895,000	2,930,000
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Other Long Term Liabilities

Deferred Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Other	0											

Total Other Long Term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0
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TOTAL LIABILITIES	6,818,104	6,741,296	6,613,651	6,452,184	6,606,688	5,896,141	5,845,089	5,764,311	5,779,598	5,394,526	5,765,337	5,004,261
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Fund Balance

Unrestricted Fund Balance	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	16,251,126	13,263,739
Temporarily Restricted Fund Balance	0	0	0	0	0	0	0					
Equity Transfer from FRHG	0	0	0	0	0	0	0					
Net Revenue/(Expenses)	319,184	722,437	544,516	633,820	690,425	1,654,793	2,185,654	2,539,379	2,826,723	2,706,164	2,835,289	2,987,387

TOTAL FUND BALANCE	16,570,310	16,973,563	16,795,642	16,884,946	16,941,551	17,905,919	18,436,780	18,790,505	19,077,849	18,957,290	19,086,415	16,251,126
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TOTAL LIABILITIES & FUND BALANCE	23,388,414	23,714,859	23,409,293	23,337,130	23,548,239	23,802,060	24,281,869	24,554,816	24,857,447	24,351,816	24,851,752	21,255,387
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Units of Service												
For the period ending: May 31, 2017												
31						335						
Current Month						Bear Valley Community Hospital						
May-17		May-16	Actual -Budget		Act.-Act.	May-17		May-16	Actual -Budget		Act.-Act.	
Actual	Budget	Actual	Variance	Var %	Var %	Actual	Budget	Actual	Variance	Var %	Var %	
33	41	31	(8)	-19.5%	6.5%	Med Surg Patient Days	390	446	420	(56)	-12.6%	-7.1%
-	40	63	(40)	0.0%	-100.0%	Swing Patient Days	434	400	364	34	8.5%	19.2%
589	439	396	150	34.2%	48.7%	SNF Patient Days	6,104	4,682	4,799	1,422	30.4%	27.2%
622	520	490	102	19.6%	26.9%	Total Patient Days	6,928	5,528	5,583	1,400	25.3%	24.1%
9	15	12	(6)	-40.0%	-25.0%	Acute Admissions	148	165	154	(17)	-10.3%	-3.9%
9	15	11	(6)	-40.0%	-18.2%	Acute Discharges	155	165	155	(10)	-6.1%	0.0%
3.7	-	2.8	3.7	#DIV/0!	30.1%	Acute Average Length of Stay	2.5	-	2.7	2.5	#DIV/0!	-7.1%
1.1	1.3	1.0	(0.3)	-19.5%	6.5%	Acute Average Daily Census	1.2	1	1.3	(0.2)	-12.6%	-7.1%
19.0	15.5	14.8	3.5	23.0%	28.3%	SNF/Swing Avg Daily Census	19.5	15	15.4	4.3	28.7%	26.6%
20.1	16.8	15.8	3.3	19.6%	26.9%	Total Avg. Daily Census	20.7	17	16.7	4.2	25.3%	24.1%
45%	37%	35%	0	19.6%	26.9%	% Occupancy	46%	37%	37%	0	25.3%	24.1%
9	15	10	(6)	-40.0%	-10.0%	Emergency Room Admitted	131	165	129	(34)	-20.6%	1.6%
877	1,000	853	(123)	-12.3%	2.8%	Emergency Room Discharged	10,264	11,000	10,131	(736)	-6.7%	1.3%
886	857	863	29	3.4%	2.7%	Emergency Room Total	10,395	10,520	10,260	(125)	-1.2%	1.3%
29	28	28	1	3.4%	2.7%	ER visits per calendar day	31	31	31	(0)	-1.2%	1.3%
100%	100%	120%	100%	100.0%	-16.7%	% Admits from ER	113%	100%	119%	50%	50.0%	-5.4%
-	-	-	-	0.0%	#DIV/0!	Surgical Procedures I/P	1	-	-	1	0.0%	#DIV/0!
18	10	8	8	80.0%	125.0%	Surgical Procedures O/P	85	116	101	(31)	-26.7%	-15.8%
18	10	8	10	100.0%	125.0%	TOTAL Procedures	86	116	101	(15)	-12.9%	-14.9%
1,114	170	255	944	555.3%	336.9%	Surgical Minutes Total	5,554	1,835	4,254	3,719	202.7%	30.6%

Units of Service
For the period ending: May 31, 2017

Bear Valley Community Hospital												
Current Month						Year-To-Date						
May-17		May-16	Actual -Budget		Act.-Act.	May-17		May-16	Actual -Budget		Act.-Act.	
Actual	Budget	Actual	Variance	Var %	Var %	Actual	Budget	Actual	Variance	Var %	Var %	
6,144	7,604	6,454	(1,460)	-19.2%	-4.8%	Lab Procedures	66,234	74,897	72,033	(8,663)	-11.6%	-8.1%
807	791	670	16	2.0%	20.4%	X-Ray Procedures	8,769	9,200	9,030	(431)	-4.7%	-2.9%
218	258	270	(40)	-15.5%	-19.3%	C.T. Scan Procedures	2,844	3,314	3,058	(470)	-14.2%	-7.0%
225	220	213	5	2.3%	5.6%	Ultrasound Procedures	2,270	2,073	2,138	197	9.5%	6.2%
-	50	50	(50)	-100.0%	-100.0%	Mammography Procedures	414	550	579	(136)	-24.7%	-28.5%
278	322	314	(44)	-13.7%	-11.5%	EKG Procedures	3,048	3,190	3,390	(142)	-4.5%	-10.1%
127	145	107	(18)	-12.4%	18.7%	Respiratory Procedures	1,411	1,582	1,566	(171)	-10.8%	-9.9%
1,290	1,100	1,250	190	17.3%	3.2%	Physical Therapy Procedures	17,744	11,375	11,962	6,369	56.0%	48.3%
1,751	2,150	1,566	(399)	-18.6%	11.8%	Primary Care Clinic Visits	17,310	18,930	16,384	(1,620)	-8.6%	5.7%
317	200	-	117	0.0%	#DIV/0!	Specialty Clinic Visits	1,090	1,000	-	90	0.0%	#DIV/0!
2,068	2,350	1,566	(282)	-12.0%	32.1%	Clinic	18,400	19,930	16,384	(1,530)	-7.7%	12.3%
80	90	60	(11)	-12.0%	32.1%	Clinic visits per work day	142	153	126	(12)	-7.7%	12.3%
19.8%	0.20	20.90%	-0.20%	-1.00%	-5.26%	% Medicare Revenue	20.18%	0.20	19.89%	0.18%	0.91%	1.46%
42.00%	0.37	42.80%	5.00%	13.51%	-1.87%	% Medi-Cal Revenue	38.95%	0.37	35.55%	1.95%	5.28%	9.59%
33.10%	0.38	33.00%	-4.90%	-12.89%	0.30%	% Insurance Revenue	36.37%	0.38	39.21%	-1.63%	-4.28%	-7.23%
5.10%	0.05	3.30%	0.10%	2.00%	54.55%	% Self-Pay Revenue	4.49%	0.05	5.35%	-0.51%	-10.18%	-16.13%
143.0	150.69	139.1	(7.7)	-5.1%	2.8%	Productive FTE's	143.63	148.04	139.3	(4.4)	-3.0%	3.1%
160.4	167.00	157.4	(6.6)	-4.0%	1.9%	Total FTE's	161.58	164.18	156.6	(2.6)	-1.6%	3.2%



CFO REPORT for

July 6, 2017, Finance Committee and July 12, 2017, Board meetings

Healthcare Reform – The Better Care Reconciliation Act of 2017, American Health Care Act, and the Affordable Care Act ()

The US Senate version of Healthcare Reform is called the Better Care Reconciliation Act of 2017. It does not appear that there will a vote, if there is one, until after the Senate July 4th recess. Attached is information from the California Hospital Association “U.S. Senate Releases ACA Repeal and Replace Legislation” that outlines keys proposals.



U.S. Senate Releases ACA Repeal and Replace Legislation

Hospital leaders invited to join call with Sens. Feinstein and Harris tomorrow

JUNE 22, 2017 | ANNE O'ROURKE

The Republican majority in the U.S. Senate today released its draft legislation to partially repeal and replace the Affordable Care Act (ACA). Tomorrow at 2 p.m. (PT), Sens. Dianne Feinstein and Kamala Harris will host a telephone conversation about the legislation. Hospital leaders who wish to participate in the call should RSVP by to Kamala_HarrisLA@harris.senate.gov. Dial in information will be sent tomorrow.

Like the House version, the American Health Care Act (AHCA), the Senate bill — [the Better Care Reconciliation Act of 2017](#) — makes drastic cuts to the Medicaid program and will significantly reduce the number of people who will have health coverage. The Medicaid changes will reduce overall spending by 25 percent through a phase down of enhanced federal funding for Medicaid expansion and through the introduction of per-capita caps. The measure also reduces federal support for those purchasing individual insurance policies, repeals the coverage mandate, provides funding for some market stabilization efforts, and gives states additional authority to pursue waivers and flexibility for their Medicaid programs.

While the Senate bill delays the withdrawal of enhanced federal funding for the Medicaid expansion population by one year beyond the AHCA, it also requires more aggressive Medicaid per-capita spending limitations beginning in 2025. Together with scaled-back subsidies and changes to consumer protections access to coverage will likely decline. The Congressional Budget Office's estimate on coverage and overall savings is due early next week.

CHA continues to analyze the impact the bill would have on California hospitals and the patients they care for. More details will be made available in the coming days, and CHA will host a [webinar for members](#) on Friday, June 30. Following is a summary of the legislation's key provisions.

Medicaid

- Maintains the enhanced match for the Medicaid expansion population until Jan. 2021 and phases out the enhanced match over three years. The AHCA ends the enhanced match on

Jan. 2020, without a phase out.

- Limits Medicaid spending through per capita caps or block grants
- The Medicaid growth rate would be the same (the Consumer Price Index-Medical) as in the AHCA until 2025, when the growth rate will be based on the CPI Urban rate, a lower benchmark.
- States can choose eight consecutive quarters between the first quarter of fiscal year 2014 and the third quarter of fiscal year 2017 for their base payments; the AHCA uses calendar year 2016.
- Disabled children would not be included in the cap calculation.
- States can impose work requirements for Medicaid beneficiaries who are not elderly, pregnant or disabled.
- Reduces the current limit on provider taxes to 5 percent in 2025 through a five-year phase down from the current 6 percent
- Requires eligibility redeterminations every six months like the AHCA
- Funds the ACA cost sharing subsidies through 2019 but then repeals them
- Maintains the Medicaid disproportionate share hospital (DSH) cuts for expansion states, with no Medicaid DSH cuts for non-expansion states. The AHCA limited DSH cuts to expansion states to two years. Unlike the AHCA, the BHCA does not require expansion states to absorb the non-expansion states' cuts and gives non-expansion states the opportunity for extra payments if their Medicaid rates are below the national average.

Market Reforms

- Repeals the ACA's mandates
- Establishes waivers from insurance regulations, including the essential benefits package and actuarial value
- Unlike the AHCA, does not allow states to opt out of community rating; therefore, it does not permit insurers to charge more for those with pre-existing conditions.

Taxes

- Repeals most of the ACA taxes, except the "Cadillac tax," which is delayed until 2025
- Maintains the ACA's income-related tax credits in 2018 and 2019, but then reduces eligibility to those under 350 percent of the federal poverty level and ties them to a bronze plan. The AHCA's subsidies are age related.

Other Provisions

- Eliminates the ACA's Prevention and Public Health fund in 2018; the AHCA eliminates it in 2019.
- For opioid funding, the bill authorizes \$2 billion for fiscal year 2018 to provide grants to states to support substance use disorder treatment and recovery support services for individuals with mental or substance use disorders. The AHCA called for \$45 billion over 10 years.
- Creates a stabilization fund for states to strengthen their individual insurance markets
- Establishes a \$62 billion state innovation fund to help high-cost and low-income individuals buy health insurance

Budget Questions – Dues and Subscriptions / Misc Expenses

During the budget approval process there were some questions about a couple of categories in the budget and the increases. Below we have provided more information which we hope will provide needed information:

Dues and Subscriptions Detail

	GL	AHA	Dept	Amount
Hosp Assoc of So. Cal - CHA	41860150	86100860	ADMIN	26,780.00
ACHD	41860150	86100860	ADMIN	7,500.00
Critical Access Hospital Network	41860150	86100860	ADMIN	5,500.00
OSHPD (Special Fee)	41860150	86100860	ADMIN	5,360.00
CHA/CAHHS(Am.Hosp.Assc. Dues)	41860150	86100860	ADMIN	2,397.00
CAHF Dues -SNF	41860005	65820860	SNF	1,804.00
John Friel	41860150	86100860	ADMIN	1,046.00
CalChamber Membership	41860150	86100860	ADMIN	1,019.00
ECRI Institute (Risk)	41860150	86100860	ADMIN	738.00
Jon Booth	41860125	84800860	IT	608.00
John McKinney	41860075	77700860	PT	540.00
Thompson Reuters Barclay	41860150	86100860	ADMIN	504.00
California Medical Association	41860170	87200860	MED STAFF	500.00
Up To Date	48660015	87600860	FHC	499.00
John Friel Rotary	41860150	86100860	ADMIN	320.00
Danggiao Phan	41860065	77100860	RX	305.00
LA Times	41860005	65820860	SNF	300.00
Jon Booth	41860120	84700860	COMM	295.00
ICEA	41860185	87700860	MOMS	245.00
Megan Meadors	41860150	86100860	ADMIN	228.00
Mary Yerratt	41860005	65820860	SNF	200.00
Carly Bronson	41860015	87600860	FHC	175.00
CAPPA	41860185	87700860	MOMS	165.00
American Soc for Healthcare	41860115	84600860	PLANT	150.00
CAMMS	41860150	86100860	ADMIN	130.00
So Coast Air Quality	41860115	84600860	PLANT	125.00
Chamber of Commerce	41860150	86100860	ADMIN	125.00
Acadamy for Grassroots	41860185	87700860	MOMS	100.00
Birthing, Bonding	41860185	87700860	MOMS	65.00
CSHE	41860115	84600860	PLANT	50.00
Calif.State Rural Health Assc.	41860150	86100860	ADMIN	- not since 2015 \$1,265
				57,773.00
			Budget 2018	60,543.00

The largest amounts are memberships in key association (ie California Hospital Association, Association of California Hospital Districts, and the like). These provide important education and advocacy for us. There are also dues, subscriptions, and memberships for key departments.

Further detail of Misc Expenses is provided below

Budget Analysis - Miscellaneous Expenses

	2018	Total	2017	variance
-Marketing		83,875	62,020	21,855
-POSTAGE		10,900	10,628	272
-TELEPHONE		47,791	36,653	11,138
-TAX & LIC		55,594	46,161	9,433
-OUTSIDE TRAINING		73,560	48,388	25,172
-MISC		110,533	95,812	14,721
-MINOR EQUIPMENT		169,012	122,651	46,361
-TRAVEL EXP		80,677	111,085	-30,408
Total Other:		631,942	533,398	98,544

	2017	Total
-Marketing		62,020
-POSTAGE		10,628
-TELEPHONE		36,653
-TAX & LIC		46,161
-OUTSIDE TRAINING		48,388
-MISC		95,812
-MINOR EQUIPMENT		122,651
-TRAVEL EXP		111,085
Total Other:		533,398

increase in marketing budget

Added RHC - telephone 7.3K, gen rate increases

training- added mds course 2K,ENA/culture/CHA ER 3K,
plant 5K, IT 10K

Minor Equip- various requests Plant,ER,FHC, Acute, Surg 25K