

# SOUTHERN INYO HEALTHCARE DISTRICT

1

## Notice of a Finance Committee Meeting

Date: Tuesday, August 6, 2019

Time: 4:00 p.m.

Location: Southern Inyo Hospital Conference Room  
501 East Locust St  
Lone Pine, CA 93545

---

### I. CALL TO ORDER

- A. Pledge of Allegiance
- B. Roll Call
- C. Approval of Agenda

### II. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

### III. BUSINESS ITEMS

- A. Relias (CNO)
- B. Altaware- Firewall (IT)
- C. Wincare Quotes (DON)
- D. Ronald Smith, MD ER Physician Agreement
- E. CEO Financial Services Overview (CEO)
- F. 2020 Annual Financial Budget and Staff Memo (Financial Consultant)
- G. Financial Statement for May 2019 (Financial Consultant)
- H. Cash Flow with Projections and Budgets (Financial Consultant)

### IV. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA

### V. CLOSED SESSION

- 1. Existing Litigation: Chp. 9 Bankruptcy

### VI. ADJOURNMENT

#### Board of Directors:

Jaqueline Hickman  
President

Charles Carson  
Vice President

Carma Roper  
Secretary

Richard Fedchenko  
Treasurer

Mark Lacey  
Director

**NOTICE TO THE PUBLIC**

**PUBLIC COMMENT PERIOD FOR REGULAR MEETINGS**

Members of the public may comment on any item on the agenda before the Board takes action on it. The public may also comment on items of interest to the public that is within the subject matter jurisdiction of the Board; provided, however, the Board may not take action on any item not appearing on the agenda unless the action is otherwise authorized by law. Any person addressing the Board will be limited to a maximum of three (3) minutes so that all interested parties have an opportunity to speak.

**COPIES OF PUBLIC RECORDS**

All writings, materials, and information provided to the Board for their consideration relating to any open session agenda item of the meeting are available for public inspection and copying during regular business hours at the Administration Office of the District at 501 E. Locust Street, Lone Pine, California.

**COMPLIANCE WITH ADA**

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (Cal. Gov't Cod. § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Administrative Office during regular business hours by phone at (760) 876-5501, or in person at the District's Administrative Office at 501 E. Locust St., Lone Pine, California.

**Board of Directors:**

Jaqueline Hickman  
President

Charles Carson  
Vice President

Carma Roper  
Secretary

Richard Fedchenko  
Treasurer

Mark Lacey  
Director

# Proposal to Southern Inyo Healthcare District

**Prepared by:**  
Daniel Spector  
Relias LLC  
1010 Sync Street, Suite 100  
Morrisville, NC 27560

**Submitted:**  
7/22/2019



### Ordering Document

Southern Inyo Healthcare District  
501 E. Locust St.  
Lone Pine, CA 93545-1009

The term of this agreement is: 72 Months	Method of Payment: Check
Billing Frequency: Semi-Annually	
The Subscription Start Date is: 8/19/2019	

Subscription Services Name	Subscription Metric	Subscription Quantity
Relias Assessments - Acute Relias Assessments & Onboarding Temporary Full Access	Per User	15
Acute - Enhanced Package	Per User	105

<b>Discount</b>	-	<u>USD 2,890.17</u>
<b>Year 1 Annual Subscription Total</b>		<b>USD 4,492.08</b>

Professional Services Name	Metric	Quantity
Assessments + Onboarding Set-Up Fee - CAH - Basic	Flat Rate	1
Learning Set-up Fee - Enhanced	Flat Fee	1

<b>Discount</b>	-	<u>USD 1,300.00</u>
<b>Professional Services Total</b>		<b>USD 5,000.00</b>
<b>Due Upon Receipt of Invoice</b>		<b>USD 7,246.04</b>

**PRICING EXPIRES IF NOT EXECUTED BY 12/31/2019**  
This Ordering Document, together with the Master Services Agreement and the Schedules linked below, form the entire Agreement between the parties.

Contract Document	Link to Contract Document
<b>MSA</b>	<a href="https://www.relias.com/msa-2017">https://www.relias.com/msa-2017</a>
<b>MSA Schedule A</b>	<a href="https://www.relias.com/msa-2017-schedule-a">https://www.relias.com/msa-2017-schedule-a</a>





MSA Schedule B

<https://www.relias.com/msa-2017-schedule-b>



**CUSTOMER SIGNATURE PAGE**

This Agreement (as hereinafter defined) is entered into between Relias LLC ("Company") and the customer identified in the signature block below ("Customer"), effective as of 8/19/2019 ("Effective Date"). This Agreement establishes the general terms and conditions to which the parties have agreed in order to facilitate the provision of certain services as more fully described herein and in each Ordering Document.

By signing below, the Customer acknowledges that they have read and understood the Agreement and agree to be bound by all the terms and conditions contained therein.

**Southern Inyo Healthcare District**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Address for Notices:**  
Southern Inyo Healthcare District  
501 E. Locust St.  
Lone Pine, CA93545-1009

**Liaison Contact :**

Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

Address: \_\_\_\_\_

**Relias LLC**

Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Address for Notices:**  
Relias LLC  
1010 Sync Street, Suite 100  
Morrisville, NC 27560

**Billing Contact :**

Name: \_\_\_\_\_  
Job Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone: \_\_\_\_\_

Address: \_\_\_\_\_



**Contract Amendment ("Amendment")**

Relias LLC ("Company") and Southern Inyo Healthcare District ("Client") are parties to a Master Services Agreement with a Subscription Start Date of 8/19/2019 (the "Agreement").

Effective as of 8/19/2019 ("Amendment Effective Date"), the parties amend the Agreement as follows:

- 1 All confidentiality obligations under the Agreement are subject to the public records laws of the state of CA.
- 2 Following the end of the initial term, Subscription Services shall automatically terminate unless Client gives written notice to Company at least sixty (60) days prior to the end of the initial term, or any renewal term, of its intention to renew any of the Subscription Services.
- 3 Section 10.13 is deleted in its entirety and replaced with the following language:  
"The Agreement shall be governed by and construed in accordance with the laws of the State of CA, without giving effect to its principles of conflict of laws."
- 4 Client agrees to pay the one-time Professional Services Site Setup fee in two (2) equal semi-annual payments of \$2,500.00.
- 5 As of the Amendment Effective Date, Client shall receive full access to Company's promotional assessments library (the "Promo Library"), consisting of 243 assessments through December 31, 2019 for no additional fee (the "Promotional Period").
- 6 Client acknowledges that following the end of the Promotional Period, and at any time after, Company will have the right to remove the Promo Library from Client's Site.
- 7 Following the Promotional Period, Client will continue to receive access only to those products and libraries that are included in Client's Subscription Metrics (as referenced in the Ordering Document)
- 8 Client shall have the option to continue receiving access to Assessments from the Promo Library that are not currently within its Subscription Services package by purchasing additional Subscription Metrics at Company's then-current fees.

Any inconsistencies between this Amendment and the Agreement shall be governed by this Amendment. Any terms used but not defined in this Amendment will have the meanings ascribed in the Agreement.

**SIGNED AND AGREED:**

**Southern Inyo Healthcare District**

**Relias LLC**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

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

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Job Title: \_\_\_\_\_

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



27201 Puerta Real  
 Suite 300 PMB 237  
 Mission Viejo, CA 92691-8590  
 www.altaware.com  
 sales@altaware.com  
 P: 866-833-4070

**Quote Prepared For:**

Chris Marks  
 Southern Inyo Healthcare District  
 501 E. Locust Street  
 Lone Pine, CA 93545  
  
 760-876-2201  
 cmarks@sihd.org

**07/22/19 QUOTE # AWHQ9768-02**

Terms \* Prepay \* Terms pending credit approval

**Sales Rep Contact Information**

Debbie Schmidt debbie@altaware.com 949-502-0308 Ext:

**Place orders via Sales Rep, Email or FAX**

**Email:** orders@altaware.com **Fax:** 714-242-1606

Ln #	Qty	MFR	Part Number	Description	List Price	Unit Price	Extended Price	T
1				<b>PA 820 Unit - 1 YR Subs &amp; Support</b>				
2	1	Palo Alto	PAN-PA-820	Palo Alto Networks PA-820	\$4,500.00	\$4,050.00	\$4,050.00	Y
3	1	Palo Alto	PAN-PA-820-TP	Threat prevention subscription year 1, PA-820	\$900.00	\$810.00	\$810.00	N
4	1	Palo Alto	PAN-PA-820-URL4	PANDB URL filtering subscription year 1, PA-820	\$900.00	\$810.00	\$810.00	N
5	1	Palo Alto	PAN-PA-820-GP	GlobalProtect subscription year 1, PA-820	\$900.00	\$810.00	\$810.00	N
6	1	Palo Alto	PAN-SVC-PREM-820	Premium support year 1, PA-820	\$720.00	\$720.00	\$720.00	N
7	4	Palo Alto	PAN-SFP-CG	SFP form factor, 1Gb copper transceiver, 100m over Cat5 RJ-45, IEEE 802.3ab 1000BASE-T compliant	\$1,000.00	\$850.00	\$3,400.00	Y

**Notes:**

- (1) Professional Services are available at an additional cost.
- (2) Support & Maintenance Contracts are delivered by the manufacturer or vendor.

<b>SubTotal</b>	\$10,600.00
<b>Sales Tax 0.07750 %</b>	\$577.38
<b>Shipping</b>	\$0.00
<b>Total</b>	<b>\$11,177.38</b>

PRICES SUBJECT TO CHANGE - PRICES BASED UPON TOTAL PURCHASE - ALL DELIVERY, TRAINING OR CONSULTING SERVICES TO BE BILLED AT PUBLISHED RATES FOR EACH ACTIVITY INVOLVED - GENERALLY ALL HARDWARE COMPUTER COMPONENTS PROPOSED ABOVE HAVE LIMITED WARRANTIES WITH LIMITED DURATIONS, COVERING PARTS AND LABOR ON A DEPOT BASIS - WE SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OR WITH REGARD TO ANY LICENSED PRODUCTS. WE SHALL NOT BE LIABLE FOR ANY LOSS OF PROFITS, BUSINESS, GOODWILL, DATA, INTERRUPTION OF BUSINESS, NOR FOR INCIDENTAL OR CONSEQUENTIAL MERCHANTABILITY OR FITNESS OF PURPOSE, DAMAGES RELATED TO THIS AGREEMENT. BILLABLE TIME IS NON-REFUNDABLE. ADVANCE PURCHASES OF TIME WILL EXPIRE ONE YEAR FROM DATE OF PURCHASE. QUOTE EXPIRES 30 DAYS FROM DATE OF QUOTE UNLESS OTHERWISE NOTED. FULL TERMS AND CONDITIONS OF SALE CAN BE LOCATED AT WWW.ALTAWARE.COM/TERMS.



## Package Options for Skilled Nursing

MatrixCare is the industry's only cloud-based EHR solution that spans the spectrum of long-term care. Our best-in-breed solutions are purpose-built for the clinical workflows and financial reconciliation unique to various care settings. And our commitment to interoperability ensures that data flows freely between MatrixCare and any third-party systems you may use. MatrixCare is the complete solution for long-term and post-acute care providers looking to successfully manage and grow their business in a changing healthcare environment.

**MatrixCare**<sup>®</sup>  
Integrated Care. Better Outcomes.



## With MatrixCare, the fastest growing EHR for long-term care, you'll receive:

- Robust functionality across the spectrum of care
- World class implementation and client services delivered by MatrixCare product experts
- Packages and competitive pricing that minimize your time to value and maximize your return on investment

Based on decades of experience with providers of all sizes, we have developed product packages to help you take advantage of all that MatrixCare for Skilled Nursing has to offer, at an affordable price, and with a smooth and efficient implementation to get you up and running in no time.



### PACKAGE DESCRIPTIONS

Our packages include specific collections of modules designed to help each client organization implement our state-of-the-art EHR software, MatrixCare, at a pace that meets their unique needs. Packages are designed based on EHR implementation best practices that have worked for thousands of facilities. You can choose to start small with the basics, and later step up to the next level to increase your use of MatrixCare's broad range of EHR capabilities, or implement the full MatrixCare suite from the beginning.

**MatrixCare Select** is perfect for providers who are new to EHR, and includes the basic MatrixCare Clinical and Resident Management, and Financial applications. It includes Marketing, Functional Assessments and Service Plans, Move in/Move out, Census, Accounts Receivable and Billing. MatrixCare personnel work closely with your staff to provide a smooth and efficient transition to begin your journey from paper to paperless.

**MatrixCare Elite** delivers the full MatrixCare EHR experience and maximizes ROI for innovative organizations. It includes MatrixCare ePrescribing, eMAR and eTAR, and Analytics. Benefits include reduced transcription and medication errors, optimized reimbursements, and advanced tools to better manage your business, and help your organization compete in the new era of healthcare reform and ACOs.

**MatrixCare Enterprise** is the complete solution for growing organizations that need to collaborate and manage risk across the LTPAC spectrum. In addition to the purpose-built EHR components needed to effectively manage any type of LTPAC care-setting, MatrixCare Enterprise also includes seamless provider-to-provider connectivity and solutions to systematically increase clinical quality: Enterprise Analytics, robust Clinical Decision Support and the industry's first Care Coordination platform to create a true, person-centric, e-longitudinal health record and enable LTPAC providers to efficiently manage the populations under their care—regardless of care setting.

Module	Capabilities	MatrixCare Select	MatrixCare EHR Elite	MatrixCare Enterprise	A la carte
Clinical & Resident Management	Census/Admissions, Discharge & Transfer	•	•	•	•
	MDS with Reimbursement Optimization and Query	•	•	•	
	Care Plans with Template Library	•	•	•	
	Resident Documents	•	•	•	
	Vitals Charting		•	•	
	Clinical Progress Notes		•	•	
	User Defined Assessments, Library of Observations and Events		•	•	
	Physician Visit Scheduler		•	•	
	Physician H&P		•	•	
	Physician Certifications (Medicare)		•	•	
	Physician and Nursing Orders		•	•	
	Medicare Part D Eligibility Checking		•	•	
	Discharge Orders		•	•	
	Clinical Coach™ Clinical Decision Support		•	•	
	CareAssist Point of Care and eMAR			•	•
Revenue Cycle Management	Medicare Electronic Claims Submission	•	•	•	
	Medicaid Electronic Claims Submission	•	•	•	
	Third-Party Electronic Claims Submission	•	•	•	
	Claims Electronic Remittance Advice	•	•	•	
	Accounts Receivable/Billing	•	•	•	
	Medicare Direct Entry	•	•	•	•
	RelayHealth Claims Analytics				•
Reporting & Analytics	Reporting	•	•	•	
	MatrixCare MyAnalytics		•	•	•
	MatrixCare MyData			•	•
CareCommunity Enterprise Services	Master Patient / Provider Indexing			•	Non-MatrixCare EMR Customers
	EMR Data Aggregation			•	
	Longitudinal Record Management			•	
	Telehealth Device Integration			•	
	Enterprise Care Manager			•	
	Enterprise Clinical Decision Support Manager			•	
Virtual Care Team Collaboration Portals	Patient/Resident Portal			•	Non-MatrixCare EMR Customers
	Family/POA Portal			•	
	MatrixCare MD - Physician Portal			•	
	MatrixCare PharmD - Pharmacist Portal			•	
	Payer/Care Navigator Portal			•	
Supplier & 3rd Party Integrations	Standard Interfaces	•	•	•	•
	Advanced Interfaces		•	•	•
Provider-to-Provider Integrations	MatrixCare DIRECT				•
	MatrixCare Secure Messaging				•
	MatrixCare ConnectNow			•	•
Operations Management	MatrixCare MealTracker				•
	MatrixCare TimeTracker				•
	MatrixCare Payroll+				•
	EZ Stub (third party)				•
	MatrixCare RetailTracker				•
Marketing & Referral Management	MatrixCare Marketing (Senior Living / Life Plan Communities)				•
	ReferralConnect SigmaCare CRM (Skilled Nursing / Home Care / Hospice)				•
Financial Management	MatrixCare Enterprise Financials AP/GL				•
Training & Consulting	Training Assurance Plus				•



## Package Options for Skilled Nursing



# MatrixCare®

### MatrixCare

10900 Hampshire Avenue South, Suite 100  
Bloomington, MN 55438

**Call 866.469.3766 to Learn More — or visit [matrixcare.com](https://matrixcare.com)**

#### About MatrixCare

MatrixCare solutions have powered the long term care continuum for over 30 years. MatrixCare is the largest LTPAC technology provider in the US and the first to offer a true full-spectrum solution. Used in more than 12,000 facility-based care settings and 2,000 home care and home health agency locations, MatrixCare's solutions help skilled nursing and senior living providers, life plan communities (CCRCs), and home health organizations to prosper as we migrate to a fee-for-value healthcare system.



**MATRIXCARE  
MASTER LICENSE AND SERVICES AGREEMENT**

This Master License and Services Agreement (“Agreement”) is entered into as of the final signature date below (“Effective Date”), by and between **MatrixCare, Inc.**, with an address of 10900 Hampshire Avenue South, Suite 100, Bloomington, MN 55438, (“MC”), and **Southern Inyo Hospital D/P SNF**, organized under the laws of the State of California, with offices at 501 East Locust, Lone Pine, California 93545, (“Customer”). MC and Customer may be referred to individually as a “Party” and together as the “Parties.”

In consideration of the promises, mutual covenants, and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. DEFINITIONS.**

- 1.1. **“Care Setting”** means a physical area or group of separate spaces in which the same type of health-related aid and assistance is provided to residents within a long-term care facility. Care Settings are located within facilities, and the term is used to denote the separate and distinct types of care that can be provided within the same physical structure. Every long-term care facility has at least one Care Setting, and many have two or more. While a facility might offer multiple types of care, a Care Setting offers only one type of care, which makes it distinct and requiring individual attention and planning within a facility.
- 1.2. **“Confidential Information”** means information in any form or medium (whether oral, written, electronic, or other) that the Disclosing Party considers confidential or proprietary, including (i) the source and object code of all components of the System, any derivatives thereof, trade secrets, know-how, business operations, plans, strategies, customers, and pricing of MC, (ii) the Documentation, (iii) the design and architecture of the database, (iv) the terms and conditions of this Agreement, and (v) all information which is either disclosed in writing and clearly marked as confidential at the time of disclosure or disclosed orally and clearly designated as confidential in a written communication to the receiving Party within seven (7) days following the disclosure or (vi) any information understood by a reasonable person to be confidential under all the circumstances of the disclosure. All financial, business, member, provider, subscriber, insured, insurer, employee, and customer information provided under this Agreement, network, data center, storage and infrastructure environment information, and individually identifiable personal information provided by Customer or its agents, as defined by HIPAA, is also Confidential Information without the requirement to either mark or designate as Confidential Information.
- 1.3. **“Content”** means any information in any form entered into the System (whether directly by Customer employees or agents or by MC at the request of Customer) to allow or facilitate the observation, documentation or assessment of the health or health risk of any resident, client, or patient of the Customer.
- 1.4. **“Designated Platform”** means the required operating environment for the System as set forth in the Documentation, including all necessary hardware and software components as specified in the Documentation.
- 1.5. **“Documentation”** means the most recent documentation of the functional operation and serviceability parameters of the Licensed Software.
- 1.6. **“Go-Live”** means the first time that MC has made available any part of the System and it is performing in conformity with the Documentation.
- 1.7. **“HIPAA”** refers to the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”) and their implementing regulations.
- 1.8. **“Implementation Workplan”** means the specific plan, complete with task dependencies, durations, and resourcing assignments of the Parties, intended to result in successful use of the System.
- 1.9. **“Intellectual Property”** means any and all intellectual property rights related to the technology, including procedures, designs, inventions, discoveries, know-how, show-how and works of authorship, and all United States and foreign patents issued or issuable thereon, all copyrights and other rights in works of authorship, collections and arrangements of data, mask work rights, trade secrets on a worldwide basis, trademarks, trade names, and other forms of corporate or product identification, and any division, continuation, modification, enhancement, derivative work or license of any of the foregoing.
- 1.10. **“Licensed Software”** means the object code version of computer programs developed by MC identified on a SOW, including Updates and any other modifications, enhancements or supplements to such programs furnished to Customer by MC pursuant to this Agreement, but excluding the Sublicensed Software and the Third-Party Software.
- 1.11. **“Maintenance and Support Services”** means the applicable support services provided by MC for Licensed Software as described in the applicable SOW during the term of such SOW.
- 1.12. **“Site”** means a Customer Care Setting specified in a SOW.
- 1.13. **“Statement of Work”** or **“SOW”** means a work authorization which may be agreed to by the Parties from time to time including the Statements of Work attached hereto. The work authorization may specify software to be licensed, services to be performed, hardware to be purchased, or other agreements between the Parties.
- 1.14. **“Sublicensed Software”** means those programs provided to MC by a third party, which MC sublicenses to Customer hereunder, for use with the Licensed Software and any Updates thereto provided to Customer by MC under the terms of this Agreement.
- 1.15. **“System”** means the Licensed Software (all or less than all of the Licensed Software) and Sublicensed Software or Third-Party Software, if any, and any Updates thereto.
- 1.16. **“Update”** means any interim release of the Licensed Software incorporating error corrections, bug fixes, and/or new features which are officially released by MC to its customers of the Licensed Software. Updates do not include modules or software

that MC prices or markets separately.

- 1.17. **“Third-Party Software”** means those programs provided to MC by a third party, which MC resells to Customer hereunder, for use with the Licensed Software, as specified on a Statement of Work, and any Updates thereto provided to Customer by MC under the terms of this Agreement. MC acts solely as a reseller of Third-Party Software and is not authorized to license or sublicense Third Party Software to Customer.
  - 1.18. **“Third-Party Materials”** means any hardware, Third-Party Software and/or Sublicensed Software identified for purchase, or license, by Customer from MC in a SOW or applicable MC purchase order issued under this Agreement.
  - 1.19. **“Use”** means to directly or indirectly load, execute, access, employ, utilize, store, or display the System.
2. **SOFTWARE LICENSES.**
- 2.1. **Licensed Software.** As may be specified in a SOW and subject to Customer’s compliance with the terms and conditions of this Agreement and the applicable SOW, MC grants to Customer a limited, personal, non-exclusive, non-transferable, non-assignable, non-sublicensable license under MC’s Intellectual Property rights to Use the Licensed Software in object code form solely for Customer’s internal business purpose at the Customer Site(s) during the term. MC reserves all rights not expressly granted to Customer herein.
  - 2.2. **Sublicensed Software.** As may be specified in a SOW and subject to Customer’s compliance with the terms and conditions of this Agreement, MC grants to Customer a limited, personal, non-exclusive, non-transferable, non-sublicensable license under MC’s or its licensors’ Intellectual Property rights to Use the Sublicensed Software in object code form integrated with the Licensed Software solely for Customer’s internal business purpose at the Customer Site(s) during the term.
  - 2.3. **Audit.** MC reserves the right to audit Customer for compliance with the terms of this Agreement. Customer consents to the software licensed hereunder sending usage data (e.g., the number of instances the software is launched, the device IP address or other applicable device identifier, including MAC address or UDID, domain counts, and other information deemed relevant) to ensure that our software is being used in accordance with the terms of this Agreement. Customer agrees not to block, electronically or otherwise, the transmission of data required for auditing compliance with this Agreement. MC will provide Customer at least a ten (10) business day notice of intent to perform audit. MC agrees the audit will be conducted no more than once per calendar year and in a manner which will not materially interfere with Customer’s business operation. If Customer’s use of the software is found to exceed the scope of the license granted hereunder, Customer will be charged additional license and supplemental fees for each instance of additional use in excess of license scope granted and such fees shall be payable in accordance with this Agreement.
  - 2.4. **Reverse Engineering.** Customer will not reverse engineer, decompile, disassemble or otherwise attempt to derive the source code, techniques, processes, algorithms, know-how or other information from the System or permit or induce the foregoing. Customer acknowledges that this license does not entitle Customer to modify or create derivative works of the System.
  - 2.5. **Service Bureau.** Customer shall not distribute, sell, rent, lease, sublicense, or otherwise transfer rights to the System or any part thereof. Customer may not Use any component of the System to provide services to third parties as a service bureau or data processor, except as may be expressly authorized in a SOW.
  - 2.6. **Third Party Access.** Customer may not allow any unlicensed third party to access the System unless provided expressly in a SOW or with written approval from MC.
  - 2.7. **Third Party Software.** As may be specified on a SOW, MC may provide Third Party Software to Customer strictly as a reseller and not as licensor or sublicensor.
3. **THIRD-PARTY MATERIALS**
- 3.1. **Purchase of Third-Party Materials.** Customer agrees to purchase all Third-Party Materials as identified in the applicable SOW or applicable MC purchase order. MC reserves the right to replace or substitute any of the Third-Party Materials with reasonably equivalent components.
4. **PROPRIETARY RIGHTS.**
- 4.1. **Ownership.** Customer acknowledges and agrees that: (i) MC or its licensor retains all right, title, and interest in the Licensed Software, all modifications and improvements to the Licensed Software regardless of whether any such modification or improvement is the result (in whole or in part) of any suggestions or changes made by Customer, the Sublicensed Software, the Documentation, any work product resulting from the performance of the services, and all Intellectual Property rights therein, and (ii) MC is not Customer’s employee, and none of the foregoing materials are works made for hire. MC retains the exclusive right to reproduce, publish, sell, and license the Licensed Software. At no time during the term of this Agreement or any time thereafter shall Customer challenge the validity of MC’s copyright in the Licensed Software. Customer further acknowledges that ownership and Use of the Licensed Software and Documentation by MC has substantial commercial value to MC. Notwithstanding the foregoing, nothing in this Article 4.1 prevents Customer and MC from making a future agreement pursuant to a separate SOW under which certain software products could be developed as “works made for hire” basis; provided that the particular SOW explicitly states that fact.
  - 4.2. **Restricted Rights.** The Licensed Software is commercial computer software programs developed exclusively at private expense. Use, duplication, and disclosure by civilian agencies of the U.S. Government shall be in accordance with FAR 52.227-19 (c) or other agency data rights provisions, as may be applicable. Use, duplication and disclosure by United States Department of Defense agencies is subject solely to the terms of this Agreement, a standard software license agreement as stated in DFARS 227.7202.
  - 4.3. **Legend.** Customer will not alter or remove any copyright notice, trademark notice, legend, marking or other notice from the System, Documentation, or other materials provided by MC.
  - 4.4. **Data Ownership.** Customer owns all data related to its operations, clients, or residents that Customer enters into the System

or as otherwise created through input into the System (collectively "User Data"). MC agrees not to disclose User Data to any third party, except as expressly authorized by the Customer or pursuant to applicable law, regulation, judicial order, subpoena or other legal process; provided, that in such a case, MC shall (a) give Customer reasonable advance notice, (b) assist Customer (at Customer's expense) in its contest of the demand, (c) attempt to obtain a protective order or other reliable assurance that the party making the demand will protect the User Data from unauthorized use and disclosure, and (d) furnish only so much of the User Data as is legally required. Notwithstanding the above, MC expressly maintains the right to use statistical information derived from aggregated, normalized, and de-identified data for marketing and other business purposes.

4.4.1. **Data Warranty and Indemnification.** Customer warrants that they own or otherwise have the right to use any and all information that they add, or have MC add, to the System. Customer will defend, indemnify and hold harmless MC, its officers, employees, agents, affiliates and representatives from and against any and all damage, expense (including the cost of reasonable attorneys' fees and professional fees), causes of action, suits, claims, penalties, judgments and/or liabilities incurred by reasons of any breach of this warranty.

## 5. SERVICES.

5.1. **Work Authorization.** Customer may choose to license additional software and/or purchase services and/or hardware from MC. Specifications, prices, payment terms, delivery dates and special warranties or requirements shall be specified on a SOW or applicable MC purchase order. The Parties will negotiate in good faith a mutually agreeable SOW to be signed by both Parties. The SOW will be binding on the Parties once fully executed. Notwithstanding the foregoing, the Parties agree that terms set forth in a Customer's purchase order (or other form of acceptance) that vary from, or that are not consistent with, the terms set forth herein or in a particular SOW are not intended to be binding, are null and void, and the terms and conditions of this Agreement and applicable SOW shall control. No term, condition or provision contained in any such purchase order shall modify, supplement or vary any provision contained herein. All orders shall be governed solely by this Agreement and the applicable SOW.

5.2. **Software Support.** Any SOW under which Licensed Software is licensed shall describe the applicable Maintenance and Support Services.

5.3. **Implementation Workplan.** If implementation services are included in a SOW, MC shall use commercially reasonable efforts to develop a specific Implementation Workplan within thirty (30) days following the Effective Date of the applicable SOW. This Implementation Workplan shall be based on MC's standard implementation procedures for the Licensed Software.

5.4. **Implementation Services.** Following establishment of the specific Implementation Workplan, MC will complete all of its obligations specified set forth in the Implementation Workplan in all material respects, subject to Customer's compliance with its obligations hereunder or thereunder.

5.5. **Hosting Services.** For any SOW under which hosted Licensed Software is licensed, Customer agrees to purchase hosting services on the terms set forth in the SOW.

5.6. **Additional Services.** MC will not be obligated to provide any services requested by Customer which are not included in the Implementation Workplan or a SOW, unless the Parties agree to a written amendment or supplement to the Implementation Plan setting forth mutually-agreeable terms for the provision of such services.

## 6. CUSTOMER OBLIGATIONS.

6.1. **Designated Platform Installation.** Customer shall install all components of the Designated Platform, and complete all necessary diagnostic tests to ensure such installation is complete and successful, prior to access of the Licensed Software. MC's obligations under this Agreement are conditioned upon the installed Designated Platform satisfying the minimum required specifications set forth in the Documentation.

6.2. **Involvement in Implementation.** Customer shall fulfill all its obligations set forth in an Implementation Workplan and shall fully cooperate with MC, including, without limitation, providing access to Customer's facilities, personnel, Designated Platform, and data as required. Additionally, any implementation activities performed by Customer shall be performed only by qualified personnel.

6.3. **Work Authorization.** Customer understands that MC's performance is dependent on Customer's timely and effective satisfaction of Customer's obligations and timely decisions and approvals by Customer. MC shall be entitled to rely on all decisions and approvals of Customer.

6.4. **No Delay for Updates.** Customer acknowledges the current feature set of any System licensed under an SOW and agrees that any Customer decision to delay or suspend implementation in anticipation of future System Updates shall not constitute a delay on the part of MC.

## 7. BILLING AND PAYMENT.

7.1. **Payment of Fees.** In consideration for the services, System, hardware, and other valuable consideration provided by MC to Customer hereunder, Customer shall pay MC the fees as set forth in a SOW. Customer shall have no right of return or refund of paid fees except as expressly provided otherwise on a SOW.

7.2. **Reimbursement of Travel and Expenses.** Customer will reimburse MC for all reasonable expense incurred while providing services, including travel, lodging and out-of-pocket expenses. Unless expressly provided otherwise in the applicable SOW, the quoted service fees are exclusive of travel and expenses.

7.3. **Invoices.** MC shall invoice Customer for all fees and expenses in accordance with the payment terms specified in the applicable SOW or monthly if not otherwise specified in a SOW, provided that MC's failure to invoice Customer will not relieve Customer of its obligation to pay on the scheduled date. Invoices shall be due and payable by Customer net 30 days following the date of the invoice, without withholding, deduction or off set of any amounts for any purpose. Customer waives

any right to dispute a charge that Customer does not dispute within 15 days of the date on the applicable invoice.

- 7.4. **Interest Charges.** Invoices not paid within ten (10) business days of written notification of delinquent payment shall be subject to a one and one-half percent (1.5%) interest charge per month or the highest interest rate allowed by law, whichever is lower. MC may suspend maintenance, support, services, and access to any System licensed under this Agreement and all related Statements of Work until payments of outstanding invoices are received in full. In addition, Customer shall reimburse MC for all costs and expenses (including attorneys' fees, judicial and extra-judicial fees) incurred by MC with respect to the collection of overdue invoices.
- 7.5. **Shipping Charges and Taxes.** Customer shall pay all shipping charges for materials shipped by MC under this Agreement, as well as any taxes, duties, licenses, fees or tariffs imposed by any state or governmental body or agency, including for storage, licensing, sale, transportation, import, export or use of the System or any component thereof. Notwithstanding the foregoing, if Customer is a not-for-profit charitable corporation and is not subject to the payment of sales taxes, Customer shall provide MC a certificate or similar documentation evidencing its exemption from such payment upon request.
- 7.6. **Price Increases.** If not otherwise specified in a SOW, prices may be adjusted annually by MC, with written notice sixty (60) days before the effective date of the price change.
- 7.7. **Delivery/Risk of Loss.** All materials provided by MC to Customer hereunder are shipped FOB shipping point.
8. **LIMITED WARRANTIES AND COVENANTS.**
  - 8.1. **Licensed Software Warranty.** MC represents and warrants to Customer that the Licensed Software shall perform in material compliance with the Documentation. If MC hosts the Licensed Software, the warranty will be extended as long as there is an active SOW providing for the Licensed Software. If Customer is hosting the Licensed Software, this warranty shall last for a period of 90 days from Go-Live.
  - 8.2. **Services Warranty.** MC warrants that the services will be performed by qualified and appropriately trained personnel in a workmanlike manner. Customer's sole remedy for a breach of this warranty shall be to have MC re-perform the services. MC shall replace any MC service personnel, if Customer reasonably requests such personnel be replaced.
  - 8.3. **Third-Party Materials.** Customer acknowledges and agrees that the manufacturers, or licensors, of the Third-Party Materials may provide certain warranties and other terms and conditions with respect to the Third-Party Materials supplied to Customer under this Agreement. To the extent permitted, MC shall pass through all such warranties and other terms and conditions to Customer and Customer acknowledges and agrees that it shall not be entitled to any additional warranties related to any Third-Party Materials purchased hereunder and shall be subject to such other terms and conditions set by Third Parties.
  - 8.4. **Remedy.** Customer's sole and exclusive remedy for any breach of the warranties set forth in this Article 8 shall be to promptly notify MC of the applicable non-conformity, in which case MC shall use good faith efforts to correct such non-conformity and redeliver the Licensed Software or re-perform the services. Customer will provide MC timely, reasonable access to any technical support, facilities, hardware, software or information necessary for MC to complete such work. Notwithstanding the foregoing, in no event shall MC be responsible for any non-conformity to any of the foregoing warranties which arises as a result of (i) any act or omission of Customer, including a failure to use the System in conformance with the Documentation; (ii) any person (other than MC or its authorized agents) making revisions or modifications to the Licensed Software; or (iii) any failure of any component of the hardware, Designated Platform, Sublicensed Software, Third Party Software, or any Customer-supplied software or equipment or other third-party materials.  
CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, IF ANY, FOR A BREACH OF WARRANTY CLAIM RELATED TO ANY THIRD-PARTY MATERIALS SHALL BE LIMITED TO THE REMEDIES EXPRESSLY STATED IN ANY APPLICABLE THIRD PARTY WARRANTY MC PASSES THROUGH TO CUSTOMER.
  - 8.5. **Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED IN THIS ARTICLE 8, MC MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING THE SYSTEM, THE SERVICES, , THE DESIGNATED PLATFORM, OR ANY OTHER MATTER UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, UNINTERRUPTED OR ERROR-FREE OPERATION OR PROVISION OF THE SOFTWARE, NON-INFRINGEMENT, OR ANY WARRANTIES ARISING FROM TRADE PRACTICE OR COURSE OF DEALING. ALL SOFTWARE, MAINTENANCE OR SERVICES ARE PROVIDED TO CUSTOMER "AS IS".  
FURTHER, ALL THIRD-PARTY MATERIALS ARE PROVIDED "AS IS" WITH ALL FAULTS, AND MC DOES NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, CONTRACTUAL OR STATUTORY, PERTAINING TO THE THIRD-PARTY MATERIALS, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MC DOES NOT WARRANT THAT THE USE OF THE THIRD-PARTY MATERIALS WILL BE UNINTERRUPTED OR ERROR FREE. MC WILL NOT BE LIABLE TO CUSTOMER FOR ANY CLAIM THAT THE THIRD-PARTY MATERIALS VIOLATE, MISSAPPROPRIATE, OR INFRINGE UPON ANY COPYRIGHT, PATENT, TRADEMARK, TRADE NAME OR OTHER INTELLECTUAL PROPERTY RIGHT OF A THIRD PARTY.
  - 8.6. **Customer Warranty.** Customer hereby warrants that (a) Customer has the power to enter into this agreement; (b) Customer shall use its best efforts to protect the security of the system; and (c) Customer has sufficient funds available as of the Effective Date and thereafter to pay MC all fees payable pursuant to this Agreement.
9. **CUSTOMER-SUBMITTED CONTENT.**
  - 9.1. **Content Submission.** It is understood that Customer, from time to time and in accordance with the provisions of the Agreement and Statements of Work, may add Content to the Licensed Software.
  - 9.2. **Content License.** By submitting Content, Customer warrants that he/she/it is the owner or an authorized licensee of any



copyright applicable to that Content.

- 9.3. **Disclaimer.** Any opinions, advice, statements, services, offers, or other information that constitutes part of Content expressed or made available by third parties are those of the respective authors or distributors and not of MC, unless expressly stated otherwise. MC does not make any representation, warranty or guarantee on the accuracy, completeness, or usefulness of any third-party Content unless otherwise expressly stated. Under no circumstance shall MC be liable for any loss, damage or harm caused by a Customer's reliance on information obtained through the Licensed Software. It is the responsibility of each user to evaluate the accuracy, completeness or usefulness of the information, opinion, advice, or Content available from Licensed Software.

#### 10. LIMITATION OF LIABILITY.

- 10.1. **Limitation of Liability.** EXCEPT FOR DAMAGES DUE TO MC'S BREACH ARISING FROM MC'S WILLFUL MISCONDUCT OR WILLFUL DISCLOSURE OF PROTECTED HEALTH INFORMATION (AS DEFINED BY HIPAA) MC'S LIABILITY FOR DAMAGES TO CUSTOMER FOR ANY CAUSE WHATSOEVER ARISING UNDER OR RELATED TO THIS AGREEMENT OR RELATED DOCUMENTS, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE, IS LIMITED TO DIRECT, ACTUAL, PROVABLE DAMAGES AND SHALL NOT EXCEED THE TOTAL FEES PAID IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM UNDER THE SOW UNDER WHICH THE LIABILITY ARISES. IN NO EVENT WILL MC OR ITS LICENSORS BE LIABLE FOR ANY LOST PROFITS OR OTHER CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY OR PUNITIVE DAMAGES, EVEN IF MC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, OR FOR ANY CLAIM BY A THIRD PARTY AGAINST CUSTOMER. IN NO EVENT, SHALL MC BE DEEMED TO BE ENGAGED, DIRECTLY OR INDIRECTLY, IN THE PRACTICE OF MEDICINE OR THE DISPENSING OF MEDICAL SERVICES, NOR SHALL IT BE RESPONSIBLE OR LIABLE FOR ANY MEDICAL INTERPRETATION OR JUDGEMENT.
- 10.2. **Offset of Damages.** In the event that MC is liable to Customer for any damages or other payments hereunder, MC shall have the right to offset such damages or payments against all then-unsatisfied monetary obligations of Customer to MC under this Agreement.
- 10.3. **Allocation of Risks.** The Parties agree that the provisions of this Agreement allocate the risks between MC and Customer as authorized by the Uniform Commercial Code and other applicable law, and that the pricing of MC's products reflects this allocation of risk and the limitations of liability contained in this Agreement. If any remedy hereunder is determined to have failed of its essential purpose, all limitations of liability and exclusion of damages set forth in this Agreement shall remain in full force and effect.

#### 11. INDEMNIFICATION.

- 11.1. **By Customer.** Customer will defend, indemnify and hold harmless MC, its officers, employees, agents, affiliates and representatives from and against any and all damage, expense (including the cost of reasonable attorneys' fees and professional fees), causes of action, suits, claims, penalties, judgments and/or liabilities incurred by reasons of any breach of this Agreement by Customer, its officers, employees, agents, affiliates or representatives or any acts or omissions directly or indirectly caused by, arising out of, or attributable to any claim of gross negligence or intentional harm with respect to work or acts performed or failed to be performed pursuant to this Agreement.
- 11.2. **By MC.** MC will defend, indemnify and hold harmless Customer, its officers, employees, agents, affiliates and representatives from and against any and all damage, expense (including the cost of reasonable attorneys' fees and professional fees), causes of action, suits, claims, penalties, judgments and/or liabilities incurred by reasons of any breach of this Agreement by MC, its officers, employees, agents, affiliates or representatives or any acts or omissions directly or indirectly caused by, arising out of, or attributable to any claim of gross negligence or intentional harm with respect to any work or acts performed or failed to be performed pursuant to this Agreement.

#### 12. TERM AND TERMINATION OF AGREEMENT.

- 12.1. **Term.** The term of this Agreement shall begin on the Effective Date and shall continue until the termination of the last surviving attached SOW, unless terminated in accordance with this Article 12.
- 12.2. **Termination.** Either Party may terminate this Agreement if: (i) the other Party breaches any material term or condition of this Agreement and fails to cure such breach within sixty (60) days after receipt of written notice of the same (other than Customer's breach of its obligations under Sections 2.4, 2.5, 2.6, 4.1, 4.2, 4.3 or 14.1, which breach shall result in immediate termination), except in the case of failure to pay fees when due, which must be cured within ten (10) days after receipt of written notice from MC; or (ii) the other Party becomes the subject of involuntary or voluntary proceeding relating to insolvency, receivership, liquidation, bankruptcy or assignment for the benefit of creditors and such petition or proceeding is not dismissed within sixty (60) days of filing. Failure to Use the Licensed Software and Updates thereto in accordance with applicable law shall be deemed a material breach of this Agreement.
- 12.3. **Effect of Termination.** Upon termination of this Agreement, the licenses granted and all other rights of Customer under this Agreement shall terminate and revert to MC, if they do not otherwise survive the termination of the Agreement by their terms.
- 12.4. **Survival.** In addition to the obligation to pay fees arising prior to termination or expiration, each Party's covenants and obligations under this Agreement which are not, by the expressed terms of this Agreement, fully performed during the term of this Agreement, shall survive the termination of this Agreement for any reason.

#### 13. MARKETING PROGRAMS.

- 13.1. **Joint Press Release.** MC may issue a press release within ninety (90) days after execution of this Agreement or any subsequent SOW announcing that MC and Customer have entered into this Agreement or SOW, subject to Customer

approval of press release wording, which shall not be unreasonably withheld.

- 13.2. **Contract Announcement.** Without regard for the issuance of a Joint Press Release, MC shall have the right to issue a matter-of-fact announcement that MC and Customer have entered into this Agreement and any subsequent SOW.
- 13.3. **Other Marketing Activities.** Customer agrees that MC may use Customer's name in client listings and, at times mutually agreeable to the parties, as part of MC's marketing efforts including, but not limited to, reference calls, case studies, testimonials, site visits, and user group participation. MC will make reasonable efforts to avoid having marketing activities unreasonably interfere with Customer's business.

**14. CONFIDENTIAL INFORMATION.**

- 14.1. **Duty.** Each Party shall (i) hold the Confidential Information of the other Party in confidence, protecting such information with the same degree of care as such Party's own confidential information, but in no case less than reasonable care (or as required by law with respect to Protected Health Information); (ii) use the Confidential Information of the other Party solely to perform its obligations or exercise its rights under this Agreement; and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Confidential Information to any third party. Upon the termination of this Agreement or any SOW, Customer shall return or destroy any Confidential Information that is in Customer's possession covered by the Agreement or SOW.
- 14.2. **Exclusions.** The foregoing shall not apply to Confidential Information which a receiving Party can document (a) is in the public domain through no fault of its own or breach of this Agreement, (b) was properly known to it, without restriction, prior to disclosure by the disclosing Party, (c) was properly disclosed to it, without restriction, by another person with the legal authority to do so, (d) is independently developed by receiving Party without use or reference to disclosing Party's Confidential Information; or (e) is required to be disclosed pursuant to a judicial or legislative order or proceeding; provided that, receiving Party provides to disclosing Party prior notice of the intended disclosure and an opportunity to respond or object to the disclosure. The parties agree the foregoing exceptions expressly exclude individually identifiable patient information, as defined by HIPAA and Protected Health Information.
- 14.3. **Remedies.** Customer agrees that MC and any Third-Party Supplier Confidential Information contains valuable trade secrets and proprietary information, and any actual or threatened breach of the confidentiality obligations or Intellectual Property rights entitles MC or the Third-Party supplier the right to obtain injunctive relief without need to post bond.
- 14.4. **Non-Solicitation.** During the term of this Agreement and for a period of twelve (12) months thereafter, both Parties agree not to solicit, engage, or hire, directly or indirectly, any employee or former employee of the other Party, without obtaining prior written consent.

**15. REGULATORY COMPLIANCE.**

- 15.1. **HIPAA.** In order to address the requirements of certain regulations promulgated under HIPAA, the Parties agree to the terms of the Business Associate Agreement that is attached hereto as Appendix A. The attached Business Associate Agreement supersedes and replaces any previous version of a Business Associate Agreement between the Parties.

**16. GENERAL PROVISIONS.**

- 16.1. **Force Majeure.** Neither Party shall be liable for any loss, damages or penalty resulting from a delay in delivery or installation of any component of the System or hardware, as applicable when such delay is due to causes beyond the reasonable control of such Party, including, but not limited to: supplier delay, force majeure, acts of God, labor unrest, fire, explosion, earthquake, accident, acts of public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor or material shortages, embargoes, failure or delays in transportation, unavailability of components, material or machinery for the System, acts of governmental authorities or judicial action, or material interruption in telecommunications or utility service. Supplier delays, material shortage or unavailability of components must be due to market conditions impacting all similar customers and cannot be remedied by expedited or alternative shipment methods at MC's cost. In any such event, the delivery or installation date shall be deemed extended for a period equal to the delay. Further, MC will not be held in breach of this Agreement if it fails to perform its obligations under this Agreement to the extent such non-performance is attributable to acts, errors or omissions by Customer or a third-party supplier independently hired by Customer.
- 16.2. **Relationship of the Parties.** Nothing in this Agreement is intended or shall be construed to create or establish any agency, partnership or joint venture relationship between the Parties. The Parties expressly disclaim such relationship, agree that they are acting solely as independent contractors hereunder and agree that the Parties have no fiduciary duty to one another or any other special or implied duties that are not expressly stated herein. Customer has no authority to act as agent for, or to incur any obligations on behalf of or in the name of, MC or its affiliates.
- 16.3. **Governing Law.** This Agreement shall be deemed to have been made in the state of Minnesota, and shall be governed by and construed in accordance with its laws as a contract made and performed therein. Any claims between the parties to this Agreement must be brought solely and exclusively in the state of Minnesota and suit may not be brought in any other jurisdiction.
- 16.4. **Arbitration.** Any dispute, controversy, or claim arising under this Agreement, except for claims for injunctive relief, shall, at the request of either Party, be heard and determined by a single arbitrator for non-binding arbitration. The venue for any arbitration or judicial proceeding initiated under this Agreement shall be Minneapolis, Minnesota. Either Party may apply to a state or federal court in such venue for the appointment of an arbitrator. The arbitrator shall hear and determine the matter in accordance with the rules of civil procedure and evidence applicable in the venue. In the event that the Parties fail to mutually agree to settle the dispute by means of non-binding arbitration, either Party can choose to settle the dispute in a court of law.
- 16.5. **Assignment.** Customer shall not assign its rights, duties, nor obligations under this Agreement without the prior written

- consent of MC. Any purported transfer of this Agreement by Customer without MC’s written consent shall be void. The present Agreement binds the Parties as well as their successors, legal representatives and permitted assigns.
- 16.6. **Notice.** Any notice, demand, request, or other communication required or permitted under this Agreement shall be deemed sufficiently given if delivered in writing, sent by registered or certified US Mail, return receipt requested, postage prepaid, sent by a national overnight delivery service (such as Federal Express), or sent by facsimile, in each instance addressed and delivered personally or sent for delivery at the address of the receiving Party as set forth in this Agreement. Each Party shall have the right to change its address, the person to who’s attention notices and other communications are to be given to it, and its facsimile number.
  - 16.7. **Entire Agreement; Amendment; Waiver.** This Agreement, a SOW and all Exhibits hereto constitute the entire agreement between the Parties with respect to the subject matter and supersede any prior or contemporaneous agreement or understanding, whether written or oral, if any, between the Parties with respect to such subject matter. In the event of a conflict between this Agreement and a SOW, the SOW shall control. This Agreement shall be construed as if both Parties had equal say in its drafting, and thus shall not be construed against the drafter. This Agreement may be modified only by a further written agreement signed by all of the Parties hereto. No waiver of breach of any provision of this Agreement by either Party shall constitute a waiver of any subsequent breach of the same or any other provision, and no waiver shall be effective unless made in writing and signed by an officer of the other Party.
  - 16.8. **Severability.** If any provision of this Agreement is held invalid or otherwise unenforceable, the enforceability of the remaining provisions shall not be impaired thereby and the illegal provision will be replaced with a legal provision that encapsulates the original intent of the Parties.
  - 16.9. **Action.** No action arising out of or otherwise associated with this Agreement or the rights granted hereunder, regardless of form, may be brought by either Party more than two (2) years after the cause of action has accrued or the applicable statute of limitations, whichever is shorter.
  - 16.10. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterpart together shall constitute one and the same instrument. Execution may be affected by delivery of facsimiles of signature pages, which shall be deemed originals in all respects.
  - 16.11. **Effective Date.** The Effective Date will be when both the parties have signed it (as indicated by the date associated with the last party to sign’s signature). If any party signs but fails to date a signature, the date that MC signs will be deemed to be the Effective Date. If MC fails to date their signature, date that MC receives the signed contract will be deemed to be the Effective Date.

IN WITNESS, WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**CUSTOMER**

**MC**

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(DATE)

**APPENDIX A**  
**BUSINESS ASSOCIATE AGREEMENT**

**1. Definitions**

- a. Terms used, but not otherwise defined, in this Business Associate Agreement (the “Agreement”) shall have the same meaning as those terms in the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”) and their implementing regulations (the “Electronic Transaction Rule,” the “Privacy Rule,” the “Security Rule,” and the “Breach Notification Rule” as set forth at 45 CFR Parts 160, 162 and 164, and collectively, the “HIPAA Rules”).
- b. As used herein, the term “Business Associate” shall refer to MatrixCare, Inc., and “Covered Entity” shall refer to the User, as defined herein, each a “Party” and collectively referred to as the “Parties” herein.

**2. Obligations and Activities of Business Associate**

- a. Business Associate agrees not to use or disclose Protected Health Information including electronic Protected Health Information other than as permitted or required to perform the services under the Master License and Services Agreement (the “Services”), as permitted or required by this Agreement, or as Required by Law.
- b. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of electronic Protected Health Information other than as provided for by this Agreement. Business Associate agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic Protected Health Information that it creates, receives, maintains or transmits from or on behalf of Covered Entity. Business Associate further agrees to ensure that any agent, including a subcontractor, to whom it provides such information, agrees to implement reasonable and appropriate safeguards to protect such information. Business Associate shall comply with 45 CFR §§ 164.308, 164.310, 164.312, and 164.316 of the Security Rule as such regulations are amended from time to time.
- c. Business Associate agrees to report to Covered Entity (i) any use or disclosure of Protected Health Information in violation of this Agreement of which it becomes aware and (ii) any security incident of which it becomes aware. Business Associate agrees to report to Covered Entity any Breach of Unsecured Protected Health Information, as such terms are defined at 45 CFR § 164.402, in accord with Section 2(d) of this Agreement.
- d. Business Associate agrees that, with the exception of law enforcement delays that satisfy the requirements under 45 CFR § 164.412 or as otherwise required by applicable state law, Business Associate shall notify Covered Entity in writing without unreasonable delay and in no case later than sixty (60) calendar days upon discovery of a Breach of Unsecured Protected Health Information, as such terms are defined at 45 CFR § 164.402. Such notice must include, to the extent possible, the name of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during such breach. Business Associate shall also provide, to the extent possible, Covered Entity with any other available information that Covered Entity is required to include in its notification to individuals under 45 CFR § 164.404(c) at the time of Business Associate’s notification to Covered Entity or as promptly thereafter as such information becomes available. For purposes of this Agreement, a Breach of Unsecured Protected Health Information shall be treated as discovered by Business Associate as of the first day on which such breach is known to Business Associate (including any person, other than the individual committing the breach, who is an employee, officer, or other agent of Business Associate, as determined in accordance with the federal common law of agency) or should reasonably have been known to Business Associate following the exercise of reasonable diligence.
- e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity agrees to substantially the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such Protected Health Information.
- f. Business Associate agrees to make internal practices, books, and records, including policies and procedures relating to the use and disclosure of Protected Health Information received from, or created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity available to the Secretary, for purposes of the Secretary’s determining Covered Entity’s compliance with the Privacy Rule, if and to the extent Required by Law.
- g. Business Associate agrees to document such disclosures of Protected Health Information 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 CFR § 164.528.
- h. Business Associate agrees to provide to Covered Entity information collected 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 CFR § 164.528. In the event the request for an accounting of disclosures is delivered directly to Business Associate, Business Associates shall, as soon as practicable, forward such request to Covered Entity.
- i. Business Associate agrees to meet the requirements of 45 CFR § 164.504 if it knows of a pattern of activity or practice of one of its subcontractors that constitutes a material breach or violation of the subcontractor’s obligation under a contract or other arrangement with the Business Associate.

**3. General Use and Disclosure Provisions**

- a. Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to



perform the Services for, or on behalf of, Covered Entity provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity except as otherwise permitted by the Privacy Rule. Business Associate agrees to limit, to the extent practicable and except as permitted by 45 CFR § 164.502(b)(2), its uses, disclosures and requests of Protected Health Information under this Agreement to the minimum necessary to accomplish the intended purpose of such use, disclosure or request in accord with HIPAA, HITECH and the HIPAA Rules.

**4. Specific Use and Disclosure Provisions**

- a. Business Associate may use Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.
- b. Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that disclosures are either permitted or Required By Law, or Business Associate obtains reasonable assurances from the person to whom such information is disclosed that such information 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 Business Associate of any instances of which it becomes aware in which the confidentiality of such information has been breached.
- c. Business Associate may use Protected Health Information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR § 164.512(j)(1).
- d. Business Associate may (i) de-identify Protected Health Information in accord with 45 CFR § 164.514, and (ii) aggregate the Protected Health Information in its possession with the Protected Health Information of other Covered Entities that Business Associate has in its possession through its capacity as service provider to other Covered Entities.

**5. Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any limitation(s) in the notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520 within five (5) business days of the imposition of said limitation, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
- b. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, within five (5) business days of such changes, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- c. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522 within five (5) business days of such restriction, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.
- d. Covered Entity shall limit its uses, disclosures and requests of Protected Health Information under this Agreement to the minimum necessary to accomplish the intended purpose of such use, disclosure or request in accord with HIPAA, HITECH, and the HIPAA Rules.
- e. Electronic Protected Health Information transmitted or otherwise transferred from Covered Entity to Business Associate must be encrypted by a process that renders the electronic Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals within the meaning of HITECH § 13402 and any implementing guidance.

**6. Permissible Requests by Covered Entity**

- a. Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Covered Entity.

**7. Term and Termination**

- a. Term. The Term of this Agreement shall be effective as of the date on which the Master License and Services Agreement is signed, or, if earlier, as of the date on which any Protected Health Information is provided by Covered Entity to Business Associate or created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such Protected Health Information, in accordance with the termination provisions in this Section 7.
- b. Termination for Cause. Upon one Party's knowledge of a material breach by the other Party, the non-breaching Party shall:
  1. Provide a reasonable opportunity for Business Associate to cure the material breach or end the violation;
  2. Immediately terminate this Agreement (and any underlying agreement) if Business Associate has breached a material term of this Agreement and cure is not possible; or
  3. If neither termination nor cure is feasible, the non-breaching Party may report the violation to the Secretary of the U.S. Department of Health and Human Services.
- c. Effect of Termination.
  1. Except as provided Section 7(c)(2), upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity. This provision shall apply to Protected

Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information except as retained pursuant to Section 4, as set forth in this Section 7, or as permitted by applicable law.

2. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. If the return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

**8. Miscellaneous**

- a. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.
- b. Amendment. The Parties mutually agree to enter into good faith negotiations to amend this Agreement from time to time in order for each of the Parties to comply with the requirements of the HIPAA Rules and any other applicable law as may be in effect.
- c. Survival. The respective rights and obligations of Business Associate under Section 7(c) of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit the Parties to comply with the HIPAA Rules.
- e. Scope. This Agreement shall apply only if and to the extent MC is a “business associate” to a “covered entity” as such terms are defined at 45 CFR § 160.103, and MC does not, merely by signing this agreement, concede that it holds such legal status.

**Covered Entity**

**MatrixCare, Inc.**

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(DATE)

**STATEMENT OF WORK 1 - LICENSED SOFTWARE AND SERVICES**

This Statement of Work (the "SOW") is entered into as of the final signature date below (the "Effective Date"), by and between **MatrixCare, Inc.**, with an address of 10900 Hampshire Avenue South, Suite 100, Bloomington, MN 55438, ("MC"), and **Southern Inyo Hospital D/P SNF**, organized under the laws of the State of California, with offices at 501 East Locust, Lone Pine, California 93545, ("Customer"), with respect to the certain hardware, software, and/or services that MC has agreed to provide, pursuant to the terms of this SOW, to Customer or the Customer affiliate named herein. This SOW is hereby attached to the MC Master Agreement ("Master Agreement"), which has been agreed by and between MC and Customer prior to the SOW Effective Date hereof. Master Agreement terms apply to this SOW in all respects. In the event of a conflict between the Master Agreement and this SOW, the term from this SOW shall control. MC and Customer may be referred to herein individually as a "Party" and together as the "Parties." Capitalized terms issued herein and not defined shall have the meaning ascribed to them in the Master Agreement.

In consideration of the premises, mutual covenants, and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions of this SOW, together with the Master Terms.

IN WITNESS, WHEREOF, the Parties have executed this SOW as of the Effective Date.

**CUSTOMER**

**MC**

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(PRINT NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(DATE)

**1. LICENSING.**

- 1.1. Initial License Term.** The licensing term for all MC Licensed Software and Sublicensed Software listed in this SOW shall commence on the Effective Date and shall continue for the length of the term as specified for the specific software as listed in Exhibit A. Unless otherwise specified, Intellectual Property, rules of use as well as other rights and restrictions pertaining to MC Supplied Third Party Software listed in this SOW shall be described in the applicable license agreement, which is binding upon the Customer.
- 1.2. License Restrictions.** All Licensed and Sublicensed Software License grants under this SOW are restricted to the Care Setting or number of named users identified in Exhibit A. Customer will take all reasonable steps to safeguard the System, Licensed Software, Sublicensed Software, and any Third-Party Software in accordance with prevailing industry standards and applicable law to prevent unauthorized disclosure.
- 1.3. License Term Renewal.** Unless notice in writing is given by one Party and received by other not less than sixty (60) days prior to the end of the then-current term of the notifying party's intention to terminate this SOW at the end of the then-current term, this SOW shall be automatically renewed for an additional calendar year upon the expiration of the then-current term.
- 1.4. Licensed and Sublicensed Software.** The Licensed Software and Sublicensed Software under this SOW are specified in Exhibit A. Customer agrees to not harm the interests of the Sublicensed Software supplier, including, but not limited to, breach of IP rights or use of software against instructions or documentation. Customer shall have no right to commercialize or market any derivative works from any part of the System, including any exposed data structures, without a signed written agreement with MC, nor shall allow any third-party access to the System, including any exposed data structures. Any Intellectual Property commercialized or marketed in violation of this clause shall be irrevocably assigned to MC, including any and all of Customer's right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of whatsoever nature therein, and MC shall have the right to use the same without any further payment or compensation to Customer whatsoever. To the extent, Customer has any rights that cannot be assigned in the manner described above, Customer hereby unconditionally and irrevocably waives the enforcement of such rights. This section is subject to, and shall not be deemed to limit, restrict, or constitute any waiver by MC of, any rights of ownership to which MC may be entitled by operation of law.
- 1.5. MC-Supplied Third-Party Software.** Any MC-supplied Third-Party Software under this SOW is specified in Exhibit A. Licensed fees for any MC-supplied Third-Party Software will be due on the Effective Date.
- 1.5.1.** All required Third Party Software not explicitly identified as MC-Supplied above will be supplied by Customer.
- 1.5.2.** MC reserves the right to replace or substitute any or all of the Third-Party Software with equivalent components prior to delivery should such Third Party Software no longer be manufactured or available at the time the order is placed.
- 1.6. Export Controls.** Customer acknowledges that the System, or any hardware, and related technical information, documents and materials are subject to the U.S. Export Administration Regulations and other applicable laws. Customer agrees that it will (i) comply strictly with the legal requirements established under these controls, (ii) cooperate with MC in any official or unofficial audit or inspection that relates to these controls, and (iii) not export, re-export or otherwise transfer, directly or indirectly, the System, or any hardware or any related technical information, documents or materials, or any related product thereof to any destination, company or person restricted or prohibited by these export controls, unless Customer has obtained prior written authorization from MC and the applicable governmental organization.

**2. HARDWARE.**

- 2.1. MC-Supplied Hardware.** Any MC-supplied Hardware under this SOW is specified in Exhibit A or applicable MC purchase order.
- 2.1.1.** All required Hardware not explicitly identified as MC-Supplied above will be supplied by Customer.
- 2.1.2.** MC reserves the right to replace or substitute any or all of the Hardware with equivalent components prior to delivery should such Hardware no longer be manufactured or available at the time the order is placed.
- 2.2. Third-Party Supplied Hardware**
- 2.2.1.** Any third-party Hardware provided in this SOW may come with certain warranties and other terms and conditions with respect to the hardware and MC shall pass through all such warranties to the extent permitted to do so. Except for the foregoing third party manufacturers' or licensors' warranties, all third-party hardware which may be provided to Customer shall be provided "AS IS" without warranty of any kind from MC.
- 2.2.2.** Customer agrees to comply with all applicable regulation on recycling and waste management in disposal of Third-Party supplied hardware.
- 2.3. Third-Party Hardware and Software Requirements**
- 2.3.1.** Customer shall make available for MC, at each location listed in Exhibit A, computer equipment and software configurations approved by MC as adequate for such implementation at such location and which meet the minimum requirements set forth by the Documentation. Prior to commencement of the installation process, Customer agrees to allow MC to ensure that the communications server is operable. Customer agrees to have a dedicated workstation available for MC's support of the Software.

**3. DESIGNATED PLATFORM.**

- 3.1. Designated Platform.** The target operating environment for the Licensed Software and Sublicensed Software provided under this SOW is set forth in the applicable Documentation. After the Designated Platform is configured and the Licensed Software is accessed on the Designated Platform, Customer shall not modify, adjust, add software to, or otherwise change the Designated Platform without MC's prior written consent.

#### 4. IMPLEMENTATION SERVICES

- 4.1. **Implementation Workplan.** MC shall make installation, implementation and training for the Software available to Customer pursuant to MC's standard procedures. All implementation services requested by Customer and provided by MC beyond the scope as set forth in the Implementation Workplan shall be on a time and materials basis at MC's then-current rates.
- 4.2. **Baseline Assumptions.** The Implementation Workplan and the associated assignment of work to the Parties is based upon any assumptions listed in the Implementation Workplan or in Exhibit A.
- 4.3. **Mutual Cooperation.** Both Parties acknowledge that successful implementation of the Software pursuant to Agreement requires full and mutual good faith cooperation. The Parties will work together in a joint effort to accomplish the tasks and objectives set forth in this Agreement. Each Party will use its reasonable efforts to accomplish the tasks assigned to such party in this Agreement, and to cooperate with the other Party, on a timely basis and in a professional manner, subject to receipt of all necessary and appropriate cooperation and support from the other Party.
- 4.4. **Customer Responsibility.** To facilitate prompt and efficient completion of the work, Customer shall cooperate fully and timely with MC in all respects, including, without limitation, providing information as to MC requirements, providing access to the facilities, systems, equipment and hardware necessary, and providing access to all necessary information regarding Customer's facilities and systems, as well as providing space for MC personnel to work at Customer's facility, if needed.

#### 5. HOSTING SERVICES

- 5.1. **Term.** If hosting services are included in Exhibit A, hosting services for the Licensed Software shall be provided co-terminus with the MC Licensed Software term as defined in this SOW.
  - 5.2. **System Availability Objective.** MC will use commercially reasonable efforts to ensure that during any twelve (12) month period the Licensed Software shall be available at least 99.5% of the time, excluding scheduled maintenance and interruptions due to failures outside of MC's control. System availability will not be provided during: (i) scheduled network, hardware, software or application maintenance as well as scheduled hardware and software upgrades from time to time; (ii) periods of disruption in Customer connections, circuits or equipment; (iii) reasons of Force Majeure (including without limitations, strike, fire, flood, delay in component assembly, failure of Internet, governmental actions, orders or restrictions, or any other reason, where failure to perform is beyond the reasonable control or caused by the negligence of performing party).
  - 5.3. **Recovery Point Objective.** MC performs backup procedures as follows: (i) weekly full backups; (ii) daily incremental back-ups; and (iii) through the use of relational database backup agent technology, transaction logs are backed up on desired intervals daily.
  - 5.4. **Recovery Time Objective.** MC standard objective is to resolve issues within 60 minutes of the occurrence of an outage for all matters that can be resolved by MC. If an outage is longer than 60 minutes, MC will work with Customer to ensure Customer is informed of the known issues and the resolution plan.
  - 5.5. **Performance Objective.** Provided that Customer provides sufficient bandwidth to prevent latency for end user operations and average screen refresh time exceeds five (5) seconds, MC will use commercially reasonable efforts to work with Customer to isolate and rectify system performance bottlenecks.
  - 5.6. **Customer Responsibilities.** If hosting services are included in Exhibit A, Customer will be responsible for application security administration (setting up users, granting access, revoking access, etc.), Customer site equipment, and Customer internal network administration and firewalls.
  - 5.7. **Exclusions.**
    - 5.7.1. Although MC may, at its sole discretion, assist Customer from time to time by answering questions or providing information regarding Customer Site information technology administration and preventative maintenance, such services are outside the scope of the hosting services and MC's provision of such services shall not be deemed to create any obligation on the part of MC to provide any such services in the future.
    - 5.7.2. Travel and living expenses incurred by MC employees in conjunction with performing nonstandard MC services are not included in the pricing and will be invoiced to the Customer separately, as they are incurred;
    - 5.7.3. Customers are provided application-level access only and have no direct access to the underlying components of the Designated Platforms.
  - 5.8. **Customer Participation.** MC's hosting services obligations are conditioned on Customer's fulfillment of Customer's obligations hereunder, which include, without limitation:
    - 5.8.1. Maintaining security of Customer site systems and network.
    - 5.8.2. Forecasting and scheduling need for test environments, subject to MC availability.
    - 5.8.3. Customer must procure and implement, at Customer's risk and expense, a telecommunications infrastructure network with bandwidth adequate to accommodate Customer's use of the hosting services. Although MC may assist Customer in determining whether Customer has adequate bandwidth (e.g. based upon the Licensed Software configuration, the number of users, the volume and nature of work at various times of the day and other demands on Customer's network), Customer agrees that determining the level of bandwidth of Customer's network and the cost to increase the bandwidth of Customer's network in order to achieve an adequate bandwidth are Customer's responsibility.
- #### 6. MAINTENANCE AND SUPPORT SERVICES
- 6.1. **Term.** Maintenance and Support Services for the Licensed Software will be provided as long as this SOW is active and as specified in this SOW.
  - 6.2. **Services Provided.** MC shall provide standard Maintenance and Support Services for supporting Customer's live



productive use of the Licensed Software on the Designated Platform, including modules and components listed in this SOW to such degree as MC makes such services generally available for the applicable Licensed Software. Maintenance and Support Services may include:

- 6.2.1. **Problem Resolution.** Technical consultation to reported issues as quickly as reasonably possible in light of the problem. If an issue requires a change to the Licensed Software, the change will be sent to Customer as soon as available.
- 6.2.2. **Interface Support.** Interface support services are provided to keep the System in good working order and to comply with interface specifications agreed to by MC and Customer. Any enhancements or additions made to an interface as requested by Customer that are not part of the Maintenance and Support Services may increase the fees paid by Customer.
- 6.2.3. **Technical Bulletins.** From time to time, MC provides Customer with technical bulletins addressing Frequently Asked Questions that may arise in connection with Customer's use of the System.
- 6.2.4. **Licensed Software Updates.** MC may make Updates available to Customer. MC reserves the right to determine the content and availability of all Licensed Software, including without limitation, Updates. MC shall use commercially reasonable efforts to provide Updates required to comply with applicable Federal and State laws and regulations; provided that, MC is not required to provide Updates that are based on changes to laws that require a substantial rewrite of the Licensed Software or that MC deems otherwise commercially impractical. For purposes of clarification, the Parties agree that Updates shall include bug fixes, error corrections, and new features that are not offered by MC as separate modules or software packages.
- 6.3. **Service Location.** MC shall provide Maintenance and Support Services from its business premises, except that MC, at its own discretion, may dispatch a technical services representative to Customer's facility for all issues that MC is unable to correct by providing technical consultation from MC's premises.
- 6.4. **Exclusions.** The following items are not covered under Maintenance and Support Services but may be obtained from MC for additional fees:
  - 6.4.1. Custom software developed by Customer or a third party which are not included in general releases to the Licensed Software;
  - 6.4.2. Additional hardware that may be required to operate Licensed Software enhancements at an acceptable performance level; MC will use reasonable efforts to notify Customer in advance that additional hardware might be needed;
  - 6.4.3. Malfunctions caused by user error or negligence;
  - 6.4.4. Local agency requirements, unless paid for by Customer on a time and materials basis at MC's then current rates;
  - 6.4.5. Annual Update fees, if any, for Third Party Software licenses or Sublicensed Software. The software publisher or equipment manufacturer may charge such fees to the Customer. All associated installation charges for Updates to Third Party Software or Sublicensed Software shall be the responsibility of Customer;
  - 6.4.6. Services required or arising as a result of changes made by Customer to the Designated Platform without MC's prior written consent;
  - 6.4.7. Although MC may assist Customer from time to time by answering questions or providing information regarding information technology administration and preventative maintenance, such services are outside the scope of standard Maintenance and Support Services.
  - 6.4.8. All custom modifications to the Software.
- 6.5. **Customer Participation.** MC's obligations are conditioned on Customer fulfilling its obligations hereunder, including, without limitation:
  - 6.5.1. Providing MC with all information and assistance necessary to detect, simulate or reproduce and correct any reported issues.
  - 6.5.2. Customer agrees to provide valid and active versions of all required Third Party Software not listed as "MatrixCare-Supplied" in this SOW.
7. **NON-MC SUPPLIED SOFTWARE**
  - 7.1. **Customer Acknowledgement.** Customer acknowledges that the System, including the Sublicensed Software identified in Exhibit A to which this Section 7 specifically applies, may contain or incorporate proprietary intellectual property owned by third party licensors and their respective licensors and affiliates. Customer acknowledges and agrees (a) that the applicable third parties and their respective affiliates are third party beneficiaries of this Agreement and may enforce the applicable terms and conditions of this Agreement, and (b) that MatrixCare may at any time assign the right to enforce this Agreement to a third party without the consent of the Customer.
  - 7.2. **Ownership.** Customer acknowledges and agrees that: (i) each third-party supplier or its licensor retains all right, title and interest in the relevant Sublicensed Software and Third-Party Software, all modifications and improvements to such Sublicensed Software and Third-Party Software regardless of whether any such modification or improvement is the result (in whole or in part) of any suggestions or changes made by Customer. Such third-party supplier retains the exclusive right to reproduce, publish, sell, and license such Sublicensed Software and Third-Party Software. At no time during the term of the Agreement to which this Statement of Work relates or any time thereafter shall Customer challenge the validity of such third-party supplier's copyright in such Sublicensed Software and Third-Party Software. Customer further acknowledges that ownership and use of such Sublicensed Software and Third-Party Software by such third-party supplier has substantial commercial value such third party supplier.
  - 7.3. **Limitation of Liability.** The Customer acknowledges and agrees that each Sublicensed Software and Third Party Software that may consist, in whole or in part, of order sets or other clinical decision support tools (including the clinical decision support tools, software tools and order sets developed by the applicable third party supplier, third party providers of such

third party supplier, or their licensors, as part of the Sublicensed Software and Third Party Software) is not intended to provide, or be the basis for, or otherwise contribute in any manner to the development of, any treatment recommendations for individual patients or groups of patients. In acknowledgement of the foregoing, the Customer acknowledges and agrees that it must review, contextualize, authorize and approve for its own clinical use, any such Sublicensed Software and Third Party Software, including without limitation any order sets and other clinical content, and hereby indemnifies, releases and forever discharges such third party supplier and its directors, officers, employees, contractors and affiliates of and from all manner of claims whatsoever both in law and in equity against such third party supplier which the Customer ever had, now has or hereafter can, shall or may have for or by reason of the use of or omission to use such Sublicensed Software or Third Party Software, as the case may be, or any order set, decision support tool or software tool or any other product of such third party supplier.

- 7.4. **Compliance with Law.** Failure to use the Sublicensed Software and updates thereto in accordance with all applicable international, federal, state and local laws and regulations shall be deemed a material breach of this Agreement.
- 7.5. **Data and Network Responsibility.** Customer shall be solely responsible for the accuracy and completeness of User Data. If Customer information changes or is supplemented after the execution of this SOW, Customer agrees to provide the changes in or supplements to third party supplier within fifteen (15) days; if any additional Customer information is required by third party supplier, Customer agrees to provide such information within fifteen (15) days after the request for same. Customer is responsible for administering and user log-in credentials and passwords, properly functioning browser software and internet connection with sufficient speed. Customer shall not perform any act that would prevent Customer's equipment from communicating with the hosted Sublicensed Software.
- 7.6. **Third-Party Materials:** Customer acknowledges and agrees that the manufacturers, or licensors, of any third-party materials (including but not limited to hardware, Third-Party Software and Sublicensed Software) may provide certain warranties and other terms and conditions with respect to the third-party materials supplied to Customer under this SOW. To the extent permitted, MC shall pass through all such warranties to Customer and Customer acknowledges and agrees that it shall not be entitled to any additional warranties related to any third-party materials purchased hereunder. ALL THIRD-PARTY MATERIALS ARE PROVIDED AS IS, WITH ALL FAULTS AND MC DOES NOT MAKE ANY WARRANTIES, EXPRESS OR IMPLIED, CONTRACTUAL OR STATUTORY, PERTAINING TO THE THIRD-PARTY MATERIALS, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. MC DOES NOT WARRANT THAT THE USE OF THE THIRD-PARTY MATERIALS WILL BE UNINTERRUPTED OR ERROR FREE. MC WILL NOT BE LIABLE TO CUSTOMER FOR ANY CLAIM THAT THE THIRD-PARTY MATERIALS VIOLATE, MISAPPROPRIATE, OR INFRINGE UPON ANY COPYRIGHT, PATENT, TRADEMARK, TRADE NAME OR OTHER INTELLECTUAL PROPERTY RIGHT OF A THIRD PERSON.

## 8. **DATA TERMS**

### 8.1. **MyData and MyAnalytics Specific Data Terms**

- 8.1.1. MatrixCare will provide a reasonable amount of replicated data within MyData and MyAnalytics that conforms to the following parameters:
- 8.1.1.1. Accounts Receivable – this module will have no limit on date ranges. All open transactions that comprise the current Accounts Receivable will be available in order to compute accurate balances each day.
- 8.1.1.2. All other data domains unless specifically described otherwise will contain the two (2) most recent completed years and the current year building each day. For example, if today is June 30, 2017 then all of 2015 and 2016 will be included, along with 2017 building YTD each day.
- 8.1.2. MatrixCare reserves the right to purge data from MyData and MyAnalytics that is outside of the limits stated in the applicable SOW. Data from the MatrixCare source systems (e.g. MatrixCare Skilled Nursing or Senior Living) will not be impacted by this purge of copied data files that are used only for MyData and MyAnalytics. Customers may optionally purchase additional computing resources from MatrixCare if they wish to exceed these data limits.
- 8.1.3. **Skilled Nursing EHR Elite Migration:** MyAnalytics replaces our current Skilled Nursing Analytics product included in the MatrixCare EHR Elite package and offers enhanced functionality and access to the same data model as the old product, but is not functionally equivalent. Customer will have 45-days from Effective Date on Statement of Work to continue using the current Analytics product after which it will be turned off and all report templates or content will be permanently deleted. It is the responsibility of the customer to make any desired local copies before the 45-day period expires. MatrixCare is under no obligation to maintain both systems in the absence of an explicit license agreement stating as such.
- 8.1.4. MyAnalytics includes five (5) licensed users that will be provided Microsoft® PowerBI logins. Additional user licenses may be purchased separately in blocks of five (5).

## 9. **FEES AND PAYMENT TERMS**

- 9.1. **Fees.** Customer agrees to pay fees as specified in Exhibit A.
- 9.2. **Payment Schedule.** Customer agrees to pay invoice due as per the schedule specified in Exhibit A.
- 9.3. **Payment Method for Monthly Fees.** Customer agrees to pay any monthly fees due in the method specified in Exhibit A.
- 9.3.1. Annual invoicing with payment terms of Net 30 days
- 9.3.2. Quarterly invoicing with payment terms of Net 30 days
- 9.3.3. Monthly Invoicing with ACH Direct Debit

- 9.4. If ACH Direct Debit is selected, Customer must complete the Authorization Agreement for Automatic Deposits.
- 9.5. **Pharmacy Integration Payment Terms.** *(Only applicable to NCPDP Bidirectional or HL7 Unidirectional PCOE ePrescribing Integrations)* MatrixCare provides two ways to transmit ePrescriptions to pharmacies:
- 9.5.1. **Hub and Spoke:** MatrixCare connects through a single, shared connection to a prescription network (e.g. Prescriber's Connection, SureScripts), which then connects to individual pharmacies. The responsibility for connectivity to the pharmacies and the costs are borne by the prescription network. The receiving pharmacy is required to pay a fee for each prescription received. Customer does not pay any fees to maintain this connectivity.
- 9.5.2. **Direct Point-to-Point:** MatrixCare and a specific long-term care pharmacy connect via a dedicated connection. Costs associated with establishing and maintaining these connections (including third party license fees) may be charged to the long-term care pharmacy or to Customer depending on whether the pharmacy is "In Network" or "Out of Network."
- 9.5.2.3. **In MatrixCare Pharmacy Network Providers ("In Network")** – This is a pharmacy that has contracted with MatrixCare to pay for the connectivity costs and maintaining a dedicated connection.
- 9.5.2.4. **Out of MatrixCare Pharmacy Network Providers ("Out of Network")** – This is a pharmacy that has NOT contracted with MatrixCare to pay for the connectivity costs and maintaining a dedicated connection. If as Customer chooses to connect to an "Out of MatrixCare Pharmacy Network Provider," an additional surcharge will be assessed to cover the connectivity and associated costs. The Out of Network surcharge will be provided on a separate SOW and will require the Parties mutual written agreement prior to being billed or connected. Should an Out of Network pharmacy become In Network, the surcharge shall be discontinued.



### Comments and Notes

Please refer to MatrixCare's Master License and Services Agreement and Statement of Work for all Terms & Conditions regarding the software products and services contained within this pricing proposal.

Monthly subscription fees will begin on the earlier of first go-live of purchased software, or the number of days from the effective date in executed Statement of Work as specified above in the "Days Until Billing Start" column.

MatrixCare includes the ability to fax documents into and out of MatrixCare. Faxing out of MatrixCare is available at no additional fees. Faxing into MatrixCare is available for an additional fee of \$20 per month per care setting for the first 300 pages, and 4 cents per page for any additional pages.

**\*Please note: Down payments submitted via a credit card payment are not eligible for Professional Services Down Payment discounts.**

All professional services contracted under this Statement of Work must be completed within six (6) months of the Customer's final care setting go-live date. Additional professional services will result in additional professional services fees.

Professional Services for packages and modules will be invoiced on a Fixed Bid basis. This means, notwithstanding any other provision to the contrary, Customer will be billed for the entire amount quoted, no matter the hours incurred or if the project is otherwise cancelled. All MatrixCare travel expenses incurred related to professional services will be the Customer's responsibility.

The MatrixCare EHR Elite package includes licenses for the Standard Interface bundle and the Advanced Interface bundle. Customer may implement and utilize Standard Interfaces at no additional subscription fees or professional services fees above fees contained in this proposal. The EHR Elite implementation includes implementation of one (1) interface from the Advanced Interfaces bundle. Implementation for additional advanced interfaces will be available for an additional professional services fee (no additional subscription fees will apply). Please note: Advanced Interfaces must be implemented for all care settings simultaneously. Customer-requested changes to rollout plan could result in additional professional services fees.

#### **MyAnalytics Software Exchange Terms**

MyAnalytics includes five (5) licensed users that will be provided Microsoft® PowerBI logins. Additional user licenses may be purchased separately in blocks of five (5).

**MATRIXCARE INVOICING OPTIONS**

**COMPLETION REQUIRED - Contract will not be processed without this information**

**COMPANY INFORMATION:**

Customer Organization Name:
Company Name as shown on Tax Return (if different than above):
Federal Identification Number:
Email address to which invoices should be sent:

**ACCOUNTS PAYABLE INFORMATION:**

Contact Name:
Phone:
Email:

**INVOICING OPTIONS: Please review and select ONE option.**

**MONTHLY** - only if paid via ACH – MatrixCare initiated (Complete information in Box A - required)

<b>Box A</b>	<b>AUTOMATED CLEARING HOUSE (ACH) INFORMATION - (required for all MatrixCare Initiated invoicing)</b>
<p>I/We hereby authorize MatrixCare, Inc. to initiate ACH (debit) payments from my/our checking account and/or savings account indicated below at the bank named below for payment of our MatrixCare subscription.</p>	
<p><b>FREQUENCY: (select one)</b>  <input type="checkbox"/> Monthly    <input type="checkbox"/> Quarterly    <input type="checkbox"/> Annual</p>	
Name on account at Bank: _____	Amount: _____
Name of Bank: _____	Start Date: _____
Routing #: _____	Account#: _____
<p>This authorization is to remain in full force and effect until MatrixCare has received written notification from me/us of its termination in such manner as to afford MatrixCare and Bank a reasonable opportunity to fulfill the terms and conditions of the related agreements with MatrixCare.</p>	
_____	_____
(Authorized Company Representative Signature)	(Date)
_____	_____
(Printed Name)	(Title)

**QUARTERLY** – with terms of Net 30. Please select one of the following options:

- ACH (MatrixCare Initiated – Complete information in Box A - required)
- ACH (Customer Initiated – See Box B for instructions)
- Check (See invoice for remittance address)

**ANNUAL** – with terms of Net 30. Please select one of the following options:

- ACH (MatrixCare Initiated – Complete information in Box A - required)
- ACH (Customer Initiated – See Box B for instructions)
- Check (See invoice for remittance address)

<b>Box B</b>
<b>MatrixCare banking information:</b>
Bank Name: BMO Harris Bank
Name on Account: MatrixCare
Routing Number: 071000288
Account Number: 3293222



<b>From</b> Morgan Wright MatrixCare 10900 Hampshire Avenue South, Suite 100, Bloomington, MN 55438 417-827-9320 morgan.wright@matrixcare.com	<b>To</b> Shannon Jimmerson Southern Inyo Hospital D/P SNF 501 E Locust Lone Pine, CA 93545 760-876-5501 mfloyd@sihd.org	<b>Date</b> 7/25/2019  <b>Valid Through</b> 8/24/2019  <b>Term</b> 36 Months
---	--	---

### Software and Professional Services Proposal

Care Setting Information				
Care Setting Name	Care Setting Type	Address	Beds	Billing Starts Sooner of Go-Live or Days Below
Southern Inyo Hospital D/P SNF	Skilled Nursing	501 E Locust Lone Pine, CA 93545	33	120
Monthly Subscription Fees				
Care Setting	Packages/Modules	Monthly Subscription Fees		
Southern Inyo Hospital D/P SNF (Skilled Nursing)	MatrixCare EHR Elite Maintenance, Support and Upgrades Sublicensed Software: Assurance Reimbursement Management™ (ePremis®), First Databank Standard Cloud Services Package Platform: MatrixCare for Skilled Nursing	\$782 Included Included Included		
<b>Packages/Modules Sub-Total</b>				<b>\$782</b>
Discounts/Adjustments		Percent	Amount	
<i>Additional Discount</i>		-25%	-\$196	
<b>Monthly Subscription Fees Total</b>				<b>\$587</b>
Professional Services Fees				
Package/Modules	Implementation Details	Professional Services Fees		
Implementation for MatrixCare packages	MatrixCare implementation includes: Project management, data conversion, claims enrollment, workflow consult/process review, technical services, system builds, product training, optimization assessment and optimization	\$16,500		
<b>Package/Modules PS Sub-Total</b>				<b>\$16,500</b>
Professional Services Discounts		Percent	Amount	
<i>Down Payment Discount</i>		-5%	-\$825	
<i>Additional Discount</i>		-5%	-\$825	
<b>Professional Services Fees Total</b>				<b>\$14,850</b>
Down Payment				
50% of Professional Services Fees		\$7,425		
Last Months of Subscription Fees		\$587		
<b>Total</b>		<b>\$8,012</b>		

**Please remit deposit to:**  
MatrixCare

#### Comments and Notes

Please refer to MatrixCare's Master License and Services Agreement and Statement of Work for all Terms & Conditions regarding the software products and services contained within this pricing proposal.

Monthly subscription fees will begin on the earlier of first go-live of purchased software, or the number of days from the effective date in executed Statement of Work as specified above in the "Days Until Billing Start" column.

MatrixCare includes the ability to fax documents into and out of MatrixCare. Faxing out of MatrixCare is available at no additional fees. Faxing into MatrixCare is available for an additional fee of \$20 per month per care setting for the first 300 pages, and 4 cents per page for any additional pages.

**\*Please note: Down payments submitted via a credit card payment are not eligible for Professional Services Down Payment discounts.**

All professional services contracted under this Statement of Work must be completed within six (6) months of the Customer's final care setting go-live date. Additional professional services will result in additional professional services fees.

Professional Services for packages and modules will be invoiced on a Fixed Bid basis. This means, notwithstanding any other provision to the contrary, Customer will be billed for the entire amount quoted, no matter the hours incurred or if the project is otherwise cancelled. All MatrixCare travel expenses incurred related to professional services will be the Customer's responsibility.

The MatrixCare EHR Elite package includes licenses for the Standard Interface bundle and the Advanced Interface bundle. Customer may implement and utilize Standard Interfaces at no additional subscription fees or professional services fees above fees contained in this proposal. The EHR Elite implementation includes implementation of one (1) interface from the Advanced Interfaces bundle. Implementation for additional advanced interfaces will be available for an additional professional services fee (no additional subscription fees will apply). Please note: Advanced Interfaces must be implemented for all care settings simultaneously. Customer-requested changes to rollout plan could result in additional professional services fees.

#### MyAnalytics Software Exchange Terms

MyAnalytics includes five (5) licensed users that will be provided Microsoft® PowerBI logins. Additional user licenses may be purchased separately in blocks of five (5).

**Proposal for:**

# Southern Inyo Healthcare District

July 31, 2019

**Prepared by:**

Al Manning

1 800 277-5889 x390

al.m@pointclickcare.com



@pointclickcare



/pointclickcare



pointclickcareEHR

| www.PointClickCare.com • sales@pointclickcare.com • 1.800.277.5889

## About PointClickCare

PointClickCare is the electronic health record (EHR) platform of choice for the long-term post-acute (LTPAC) market, helping healthcare providers meet the challenges of senior care by enabling them to achieve the business results that matter – enriching the lives of residents, improving financial and operational health, and mitigating risk. The combination of PointClickCare’s intuitive cloud-based software and value-driven implementation model enables senior care providers of all sizes, from single independent homes to the largest multi-facility providers, to deliver a higher standard of healthcare while experiencing superior financial performance. Over 16,000 long-term post-acute care providers throughout North America have chosen to trust their business to PointClickCare.

PointClickCare recognizes that the needs of the LTPAC industry are evolving, and as such continues to reinvest a significant proportion of its annual revenue into ongoing technology research and development. We recruit the best Information Technology (IT) talent available, while hiring industry subject matter experts who have diverse and extensive backgrounds in all facets of the long-term post-acute care market. You can be assured we will always remain well ahead of the curve in terms of technology trends, customer experience, ease-of-use and compliance requirements, enabling you to focus on the health of your business, your staff and your residents, rather than the technology you’re using.

Our platform currently holds more than 1.2 million active resident records and is supported by a robust infrastructure that has the capacity to process large volumes of transactions, which enables our users to safely and efficiently submit millions of assessments annually. Our commitment to our customers’ success is evidenced by a lifetime retention rate of over 98%. Both our corporate values and subscription-based business model support our mission to earn our customers’ business every day.

We know that organizations can derive a lot of value through direct collaboration and interaction with their peers. At PointClickCare, we offer our customers multiple avenues to engage with peers to discuss ideas, best practices, and share thoughts about what’s happening in the industry through local and online user groups, our online customer community, and our annual user conference, PointClickCare SUMMIT ([www.pointclickcaresummit.com](http://www.pointclickcaresummit.com)).

Our continuously expanding network of partners offers both broad knowledge and expertise, as well as the flexibility to work with a variety of leading technology, consulting and software companies as your needs grow and change. Partners will enhance the value of your investment in PointClickCare so that you can provide optimum levels of support to your residents and staff, while strengthening the health of your business.

Our goal is to improve healthcare by helping providers work better together. We are pleased that you have taken the first step to joining us in this important mission.

**Budgetary Estimate: Subscription Summary by Facility**

PointClickCare Technologies Inc.  
5570 Explorer Drive  
Mississauga, ON L4W 0C4

Prepared for:  
**Southern Inyo Healthcare District**

501 E Locust PO 1009  
Lone Pine, CA, 93545

Billing email address:

Date Issued: Jul 31, 2019  
Order Form #:

Sales Rep:  
Al Manning  
1 800 277-5889 x390

al.m@pointclickcare.com

Payment Frequency: Monthly Amount

Payment Method:

Description	Qty	Monthly Amount
<b>Total</b>		<b>\$ 2,021.18</b>
Training Database - Tier 1 (1-5 facilities)	1	\$ 100.00
10 GB Increments of Document Storage	2	\$ 25.00
<b>Southern Inyo Hospital DP SNF</b>	33	<b>\$ 1,896.18</b>

This is an estimate only and subject to change. Item names, descriptions, prices and other information on this Budgetary Estimate may differ from any quote issued to you.

**Budgetary Estimate: Subscription Detail by Facility**

PointClickCare Technologies Inc.  
5570 Explorer Drive  
Mississauga, ON L4W 0C4

Prepared for:  
**Southern Inyo Healthcare District**

501 E Locust PO 1009  
Lone Pine, CA, 93545

**Billing email address:**

Date Issued: Jul 31, 2019

Code Form:

**Sales Rep:**  
Al Manning  
1 800 277-5889 x390

al.m@pointclickcare.com

**Payment Frequency:** Monthly Amount

**Payment Method:**

Description	Qty	Price Per Resident Day ("PPRD")	Monthly Amount
<b>Total</b>			<b>\$ 2,021.18</b>
Training Database - Tier 1 (1-5 facilities)	1		\$ 100.00
10 GB Increments of Document Storage	2		\$ 25.00
<b>Southern Inyo Hospital DP SNF</b>			
<b>Core Application Bundle: SN US - Skilled Nursing Prestige</b>	33	\$ 1.151	\$ 1,158.63
Includes the following items: Allergies, Application Configuration, Basic Claims Management Submission, Billing / Accounts Receivable, Care Plans, Census Management, Collections, Communications Dashboard, Immunizations, Incident Reports, MDS 3.0 Management, Medical Diagnoses, Multi-site Database Management, Order Management, Progress Notes, Standard Assessments, Trust Accounts, User Account Management/Security, User-defined Fields, Weights and Vitals, Shared Training db/Sandbox, Care Content powered by COMS, CRM, Document Manager, eINTERACT, eMAR (non-pharmacy integration), IDM, Point of Care (POC), Practitioner Engagement, Vendor Integration 5-Pack, 1GB Data Storage per org			
Additional Module/s:	33	\$ 0.733	\$ 737.55
Analytics Compliance Pkg EXCLUDING Pro-Tracking		\$ 0.154	\$ 155.10
Care Insights powered by COMS		\$ 0.130	\$ 131.01
Eligibility Verification		\$ 0.077	\$ 77.55
Integrated Medication Management (IMM) - Omnicare		\$ 0.120	\$ 120.78
Integrated Lab Results - LabCorp		\$ 0.077	\$ 77.55
Resident Event Calendar		\$ 0.044	\$ 44.55
Skin and Wound		\$ 0.130	\$ 131.01
Flat Rate Item/s:		\$ -	\$ -
Integrated Direct Messaging - SES - (Inclusion)	1	\$ -	(Inclusion)
Integration Vendor/s:			
PCC Partner Therapy Software			
<b>Subtotal</b>			<b>\$ 1,896.18</b>

This is an estimate only and subject to change. Item names, descriptions, prices and other information on this Budgetary Estimate may differ from any quote issued to you.

## SOUTHREN INYO HEALTHCARE DISTRICT

**MEDSPHERE - OPEN VISTA**

DATE	INVOICE NUMBER	OPEN VISTA
07/01/17	35995	15,750.00
08/01/17	36941	15,750.00
09/01/17	37505	15,750.00
10/01/17	37607	15,750.00
11/01/17	38168	15,750.00
12/01/17	38703	15,750.00
01/01/18	39298	15,750.00
02/01/18	40284	15,750.00
03/01/18	43300	15,750.00
04/01/18	43464	15,750.00
05/01/18	44411	15,750.00
06/01/18	44796	15,750.00
Annual costs		189,000.00

Clinic	21.81%	41,220.90 per year
ER	9.09%	17,180.10 per year
Acute	1.82%	3,439.80 per year
SNF	49.10%	92,799.00 per year
PT	18.18%	34,360.20 per year
		189,000.00

Clinic	21.81%	3,435.08 per month
ER	9.09%	1,431.68 per month
Acute	1.82%	286.65 per month
SNF	49.10%	7,733.25 per month
PT	18.18%	2,863.35 per month
		15,750.00



## **EMERGENCY DEPARTMENT PHYSICIAN AGREEMENT**

This Emergency Department Physician Agreement (“Agreement”) is made by Southern Inyo Healthcare District (“District”) and Ronald Smith, M.D. (“PHYSICIAN”), as of 06/11/2019.

### **RECITALS**

A. District owns and operates Southern Inyo Hospital (“Hospital”) located in Lone Pine, California, a Critical Access Hospital, and desires to retain Physician to provide emergency medicine services in Hospital’s Emergency Department (“ED”).

A. Physician is a physician duly licensed in California with a background and experience in providing emergency medicine services, and desires to be retained by District.

NOW, THEREFORE, the parties agree as follows:

### **TERMS**

#### **1. SCOPE OF SERVICES**

District retains Physician, and Physician agrees, to provide those services identified in Exhibit A, attached hereto and incorporated by reference (the “Services”).

#### **2. PHYSICIAN’S REPRESENTATIONS AND WARRANTIES**

Physician represents and warrants at the time of signing this Agreement, and at all times during the term of this Agreement, that:

2.1 Physician is duly licensed, registered and in good standing, or will become duly licensed, registered and in good standing under the laws of the State of California, to engage in the practice of medicine, and that said license and registration have not been suspended, revoked, or restricted in any manner.

2.2 Physician is qualified for and has applied for, or will apply for within a reasonable time after the signing of this Agreement, and has obtained, or will obtain within a reasonable time after the signing of this Agreement, membership (including appropriate clinical privileges) in good standing with the Medical Staff of District.

2.3 Physician has disclosed and will at all times during the term of this Agreement promptly disclose to the District: (a) the existence and basis of any legal, regulatory, professional or other proceeding against Physician instituted by any person, organization, governmental agency, health care facility, peer review organization, or professional society which involves any allegation of substandard care or professional misconduct raised against Physician and (b) any allegation of substandard care or professional misconduct raised against Physician by any person, organization, governmental agency, health care facility, peer review organization or professional society;

2.4 Physician is board certified or board qualified in emergency medicine, or possesses knowledge and skill in emergency medicine comparable to other physicians practicing emergency medicine in the District's service area.

2.5 Physician shall at all times render the Services in a competent, professional, and ethical manner, in accordance with prevailing standards of medical care and practice, and all applicable statutes, regulations, rules, orders, and directives of all applicable governmental and regulatory bodies having competent jurisdiction.

2.6 In connection with the provision of the Services, Physician shall use the equipment, instruments, electronic medical record documentation system and supplies of the District for the purposes for which they are intended and in a manner consistent with sound medical practice and District policies and procedures.

2.7 Physician shall complete and maintain, in a timely manner, adequate, legible and proper medical records, claims and correspondence with respect to the Services.

2.8 Physician shall participate in Medicare, Medi-Cal and other federal and state reimbursement programs, commercial insurance reimbursement programs, health maintenance organization, preferred provider organizations, self-insured employer reimbursement programs and any other health benefit program with which the District may contract for the provision of professional medical services.

2.9 Physician shall abide by the Medical Staff Bylaws, rules, regulations and policies.

2.10 Physician shall participate in continuing medical education and training programs required to maintain skills comparable with the standards of care in emergency medicine in the District's service area.

2.11 Physician shall satisfy all qualifications of insurability for professional liability policy or policies required, maintained or reimbursed by the District.

2.12 Physician shall deliver to the District promptly upon request copies of all certificates, registrations, certificates of insurance and other evidence of Physician's compliance with the foregoing as reasonably requested by the District.

### **3. RESPONSIBILITIES OF HOSPITAL**

3.1 HOSPITAL shall provide appropriate space and necessary equipment within the ED for the use of Physician in the performance of the Services under this Agreement.

3.2 HOSPITAL shall make all reasonable efforts to make available ancillary services necessary for effective operation of the ER, including laboratory, imaging, pharmacy, etc.

3.3 HOSPITAL shall not involve itself in those aspects of Physician's professional practice of medicine for which a license to practice medicine is required.

#### 4. **COVERAGE.**

PHYSICIAN will provide emergency physician coverage in the ED as scheduled by HOSPITAL and MEDICAL DIRECTOR. However, PHYSICIAN will cover no less than   N/A   shifts per month.

#### 5. **COMPLIANCE WITH LAWS**

PHYSICIAN shall comply with all applicable provisions of law, and other valid rules and regulations of all governmental agencies having jurisdiction over: (i) the operation of the ED; (ii) the licensing of health care practitioners; and (iii) the delivery of services to patients of governmentally regulated third party payers whose members/beneficiaries receive services at HOSPITAL. This shall specifically include, but not by way of limitation (i) compliance with applicable provisions of Title 22, California Administrative Code; and (ii) compliance with Medicare billing, time allocation, record keeping, and record access requirements.

#### 6. **PHYSICIAN COMPENSATION.**

6.1 District agrees to pay the following fees to Physician:

6.1.1 Patient Visits. District will bill patients and their payors for services provided by PHYSICIAN to those patients. Such charges shall be consistent with prevailing community charges.

6.1.2 Emergency Department Patient Visit Fees. District will pay PHYSICIAN \$   N/A   per visit for all patients treated with their charts completed by   N/A  .

6.1.3 Stand-By Hours. In addition to the compensation in 6.1.2, District will compensate PHYSICIAN at \$100.00 per hour for all hours worked on site covering the Emergency Department.

6.1.6 HOSPITAL is responsible for the payments due to PHYSICIAN. Therefore, physician should only look to the HOSPITAL for amounts due and not to MEDICAL DIRECTOR or HOSPITAL'S patients.

6.2 Timing of Payment. HOSPITAL will pay PHYSICIAN monthly by the 15 day of the next month following that month in which the services are rendered.

6.3 Holiday Minimum. The minimum payment for the following holidays will be   Time and a Half  : New Year's Day, Easter Sunday, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, and Christmas Day.

6.4 Continuing Medical Education. PHYSICIAN shall be entitled to   N/A   hours of paid continuing medical education time after each six-month period in which PHYSICIAN has worked at least the minimum shifts in the emergency department as required under article 4.0 of this agreement.

6.5 PHYSICIAN will be entitled to purchase group health insurance through the DISTRICT plan at the then current cost of the health insurance to the District or the COBRA rate.

## **7. INDEPENDENT CONTRACTOR**

7.1 PHYSICIAN is an independent contractor, and is not, by virtue of this Agreement, an employee, partner of, or joint venturer with District.

7.2 Physician may not make any claim against District under this Agreement for social security benefits, worker's compensation benefits, unemployment insurance benefits, health benefits, vacation pay, sick leave, or any other employee benefits of any kind.

7.3 District shall not exercise any direct control over any medical decisions made by Physician while performing the Services at the ED.

## **8. INSURANCE AND INDEMNIFICATION**

8.1. Coverage. PHYSICIAN will be covered by the District's Professional and Liability Insurance through BETA Healthcare Group ("BETA") for a minimum of \$1,000,000 per occurrence, \$3,000,000 aggregate, for the Services rendered under this Agreement. It is understood and agreed that BETA provides Continuous Coverage for departed providers, except the coverage is limited to claims made and reported against the provider for Services provided during the term of this Agreement.

8.2. Indemnification. Each party ("Indemnitor") agrees to defend, indemnify and hold the other party ("Indemnitee") and its representatives, agents, successors and assigns harmless from any and all damages, claims, judgments, losses, costs and expenses, including attorney's fees, which may hereinafter at any time be incurred, suffered, sustained by or imposed upon Indemnitee or its representatives, agents, successors or assigns, which may be due or required to be paid or performed by reason of, arising out of, by virtue of, or incident to the performance or the rendering of any of the obligations of Indemnitor hereunder, including but not limited to, any such damages, claims, judgments, losses, costs or expenses attributable to bodily injury, sickness, disease or death or injury or to destruction of tangible property which is caused in whole or in part by the negligent act or omission of Indemnitor, or anyone directly employed by or acting on behalf of Indemnitor but not as a result of the negligence of Indemnitee, its representatives, servants or agents.

## **9. NONDISCRIMINATION**

Services are to be available to all patients, in accordance with District's nondiscrimination policies, and in accordance with any established policies relating to free or charity care. Physician shall not refuse to provide services to any patient at the Hospital, regardless of ability to pay.

## **10. TERM AND TERMINATION**

10.1 Term. This Agreement shall be effective as of June 11, 2019 and shall terminate on June 12, 2020. Upon mutual agreement, not later than 90 days prior to expiration of the

current term, the District and Physician may extend this Agreement for two additional one-year terms.

10.2 Termination without cause. During the initial 120 days of this Agreement, either party may, without cause, terminate this Agreement with 10-days written notice to the other party. Thereafter, this Agreement may be terminated upon 60-days written notice to the other party. This agreement may be terminated at any time by the mutual consent of both parties.

10.3 Termination for cause. Either party may terminate this Agreement for cause if the other party is in material breach of this Agreement and the default is not cured within seven days of receipt of written notice specifying the material breach.

10.4 Other grounds for termination. This Agreement may be terminated immediately for the following reasons:

10.4.1 Physician's loss or restriction of their license for any reason.

10.4.2 Physician becomes legally incompetent; is convicted of a felony; or uses, possesses, or is found under the influence of alcohol, drugs, or other controlled substances while performing his duties under this Agreement.

10.4.3 Physician fails to maintain a professional standard of conduct in accordance with District policies.

10.4.4 Physician becomes ineligible to participate in the Medi-Cal or Medicare programs for any reason.

10.4.5 A fraud control unit of a state or federal agency determines Medical Director has or may be placing the health and safety of a patient at risk.

10.4.6 Loss or restriction of DISTRICT'S license to operate the Hospital.

10.5 Change in Law. If any federal, state or local law or regulation, or any final, non-appealable interpretation of law or regulations by a court of law or governmental agency, makes or will make substantial performance of this Agreement illegal or renders any provision hereof illegal or unenforceable, the parties shall meet and negotiate and use best efforts to modify the Agreement to resolve the concern. If the parties are unable to resolve the issue within ten (10) days after it arose, either party may elect to terminate this Agreement on ten (10) days prior written notice.

10.6 Rights on Expiration or Termination. Custody of all District records, including patient medical records, equipment, and supplies shall be turned over to District upon termination for any reason. Duplicate copies of records may be retained by PHYSICIAN, at its own expense.

## 11. GENERAL PROVISIONS

11.1. Other Agreements. No other agreements between the parties exist at this time.

11.2. Assignment. Neither party may assign, delegate or transfer any rights, obligations or duties hereunder without the express written approval of the other party, which approval shall not be unreasonably withheld.

11.3. Notice. All notices required by this Agreement shall be in writing, and shall be deemed effective when personally delivered; when mailed by certified or registered mail, return receipt requested; or when deposited with a comparably reliable postage delivery service (such as Federal Express); addressed to the other party as follows:

IF TO PHYSICIAN:

If TO DISTRICT:

11.4. Records. Until the expiration of four (4) years after the furnishing of any service pursuant to this Agreement, PHYSICIAN shall make available upon written request, to the Secretary of the United States Department of Health and Human Services, or upon written request to the United States Comptroller, or any of their duly authorized representatives, under 42 C.F.R. & 420.300 et seq., or the California Department of Health Services, this Agreement, and such books, documents and records of the Physician that are necessary to certify the nature and extent of the reasonable costs of services.

11.5. No Third-Party Beneficiaries. Nothing contained in this Agreement is intended, nor shall it be construed, to create rights running to the benefit of third parties.

11.6. Attorney's Fees. In the event of a legal action or proceeding between the parties arising from this Agreement, the prevailing party shall be entitled to receive reasonable attorney's fees, costs, and other expenses, including those incurred on appeal and in the enforcement of a judgment, in addition to whatever other relief may be awarded.

11.7. Force Majeure. Neither party shall be liable or deemed in default of this Agreement for any delay or failure to perform caused by acts of God, war, disasters, strikes, or any cause reasonably beyond the control of the non-performing party.

11.8. Severability. In the event any portion of this Agreement is declared invalid or void by a court or arbitrator, such portion shall be severed from this Agreement, and the remaining provisions shall remain in effect, unless the effect of such severance would be to substantially alter the agreement or obligations of the parties, or would place either party in violation of its articles of in District or its bylaws, in which case the Agreement may be immediately terminated.

11.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles, and is made and to be performed in the County of Inyo, California.

11.10 No Referrals. Nothing in this Agreement is intended to obligate, and shall not obligate, any party to this Agreement to refer patients to any other party.

11.11 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.

11.12 Entire Agreement; Modification. This Agreement contains the entire agreement of the parties relating to this subject matter. The Agreement may only be modified in writing, signed by both parties, effective on the date set forth therein.

11.13 Execution. By their signatures below, each of the following represent that they have authority to execute this Agreement and to bind the party on whose behalf their execution is made.

Southern Inyo Healthcare District

Physician

By \_\_\_\_\_

\_\_\_\_\_



## EXHIBIT A

### SCOPE OF SERVICES

PHYSICIAN shall devote sufficient time and his or her best abilities to the responsibility of treating patients in the normal and customary hours of operation of the ED.

Patient Transfers. Except in circumstances of immediate jeopardy for the life of the patient, PHYSICIAN shall consult with the hospitalist of the Hospital prior to the permanent transfer of patients from the ED to other hospitals or health care providers.

Medical Care Plan System. PHYSICIAN shall participate in the development and review of a system for providing a medical care plan for ED patient covering medications, nursing care, ancillary services, admission, discharge or transfer planning, and other relevant services.

Medical Records. PHYSICIAN shall be responsible for the development and maintenance of an adequate medical record in the ED. This shall include assuring that the appropriate medical record entries are made by PHYSICIAN concerning all medical procedures and other services performed in the ED on the electronic medical record system of HOSPITAL.

Service and Equipment Adequacy. PHYSICIAN shall advise the Medical Director concerning the adequacy of the patient care services and medical equipment.

Responses to Administrative Questions. PHYSICIAN shall be available to respond to administrative questions regarding patients, facility bed availability, intra-facility transfer problems, and patient status.

Responses to Nursing Questions. PHYSICIAN shall be available to assist with nursing questions at the ED, including questions regarding patient transfers and patient clinical status.

Responses to Patient Problems. PHYSICIAN, when on duty, shall be available to respond to patient problems in the ED by means of chart review and patient visits, as appropriate, and respond to all in-house patient emergencies when required.

Medical Staff Commitments. Physician shall serve on such committees of Medical Staff of the District as may be appropriate after consultation with the ED Medical Director and Hospital CEO.

Utilization Review Services. Physician shall, as requested by the District, assist in the ED utilization review program of the District.

# CEO Financial Services Overview

## I. Hospital Wide Operational Review and Initial Recommendations

### Financial Services:

Team Configuration, Integration, IT Infrastructure and Development of Key Performance Indicators (KPI's)

Thank you Chet for working under difficult circumstances on a number of levels and making it all work.

### Business Office:

1. AR
2. AP
3. Coding
4. Medical Records
5. Interface with Clinical Services and SIHD OP Rural Clinic

## II. Transition to a Financial Service Division Model within SIHD Management

Chet and Pete to work on a structure and development of team leadership and KPI's.

**SOUTHERN INYO HEALTHCARE DISTRICT  
INCOME STATEMENT  
BUDGET FY 2020**

APPROVED FINANCE  
BOARD

ALL PATIENT DAYS	13,681	12,437	7,963
ED VISITS	1,291	1,173	992
OUTPT & CLINIC VISITS	6,949	6,317	6,627
ADJUSTED PT DAYS	29,369	26,699	16,591
	2020	2019(MAR)	2019
<b>Patient Revenue/Expense</b>	<b>BUDGET</b>	<b>ANNUALIZED</b>	<b>BUDGET</b>
In Patient Revenue	915,919	832,653	339,036
Long Term Care Revenue	4,723,202	4,293,820	3,906,623
Out Patient Revenue	967,166	903,893	992,493
ED Revenue	4,810,900	4,373,545	3,184,420
Clinic Revenue	661,272	601,156	423,721
Total Patient Revenue	12,078,458	11,005,068	8,846,293
<b>Deductions From Revenue</b>			
Contractual	-3,467,491	(3,052,504)	(2,252,267)
Bad Debts	-332,233	(292,472)	(176,925)
Charity	-56,797	(50,000)	(8,847)
Total Deductions From Revenue	-3,856,522	-3,394,976	-2,438,039
% Of Total Deductions to Revenue	-31.93%	-30.85%	-27.56%
Net Patient Revenue	8,221,936	7,610,092	6,408,254
Other Operating Revenue	353,257	341,311	193,574
Net Revenue	8,575,192	7,951,403	6,601,828
<b>Operating Expenses</b>			
1 Salaries & Wages	4,384,926	4,216,275	4,220,675
3 Benefits	1,439,571	1,054,068	1,055,168
4 Contracted Labor	580,531	558,203	287,653
5 Professional Fees	1,151,549	1,107,259	739,285
6 Purchase Service	139,360	134,000	24,941
7 Supplies	393,505	382,044	349,428
10 Utilities	186,808	177,912	114,221
11 Repairs and Maintenance	69,343	66,676	75,688
12 Insurance / Taxes	211,672	203,531	138,049
13 Other Expenses	996,720	965,748	387,344
15 Rents / Leases	114,314	109,917	78,081
16 Depreciation	80,461	77,367	144,352
Short Term Interest	0	0	-
Total Expense	9,748,760	9,052,999	7,614,887
Net Income / Loss From Operations	(1,173,568)	(1,101,596)	(1,013,058)
18 Interest Income/Donations	0	0	0
9160 Taxes	617,881	594,116	252,531
Deferred Income From GO Bond Taxes	0	0	0
17 Interest	-230,659	(230,659)	-146,109
9290/9550 Donations/Foundation	0	0	0
Other	100,372	96,512	62,285
Total Non Operating	487,594	459,969	168,707
<b>Net Profit / Loss</b>	<b>(685,973)</b>	<b>(641,627)</b>	<b>(844,352)</b>
<b>Other Expense Detail</b>			
Legal Fees	84,460	82,000	34,287
Consulting	302,165	293,364	131,000
Other Professional Fees	173,040	168,000	113,787
Minor Equipment	11,605	11,267	13,057

**SOUTHERN INYO HEALTHCARE DISTRICT**  
**INCOME STATEMENT**  
**BUDGET FY 2020**

APPROVED FINANCE  
 BOARD

ALL PATIENT DAYS	13,681	12,437	7,963
ED VISITS	1,291	1,173	992
OUTPT & CLINIC VISITS	6,949	6,317	6,627
ADJUSTED PT DAYS	29,369	26,699	16,591
	2020	2019(MAR)	2019
<b>Patient Revenue/Expense</b>	<b>BUDGET</b>	<b>ANNUALIZED</b>	<b>BUDGET</b>
Freight	3,297	3,201	-28
Licenses & Taxes	100,906	97,967	22,028
Dues/Subscriptions	12,039	11,688	9,039
Outside Training	17,853	17,333	8,499
Travel	15,729	15,271	9,953
Recruiting	19,227	18,667	3,903
Other Direct Expenses	5,886	5,715	491
IT Licenses & Software	219,846	211,500	2,804
Advertising /Marketing	1,880	1,825	495
Software Purchase	9,593	9,313	32,779
Security	2,699	2,620	1,415
Postage	16,498	16,017	3,837
Total Other Expenses	996,721	965,748	387,344

Southern Inyo  
Healthcare District

# Memo

To: All Staff

From: Administration & Payroll

Date: 08/13/2019

Re: Payroll- FY 2020 Parity/Cost of Living Increases

---

SIHD will be completing the FY 2020 Payroll Parity Increases to employees who are qualified.

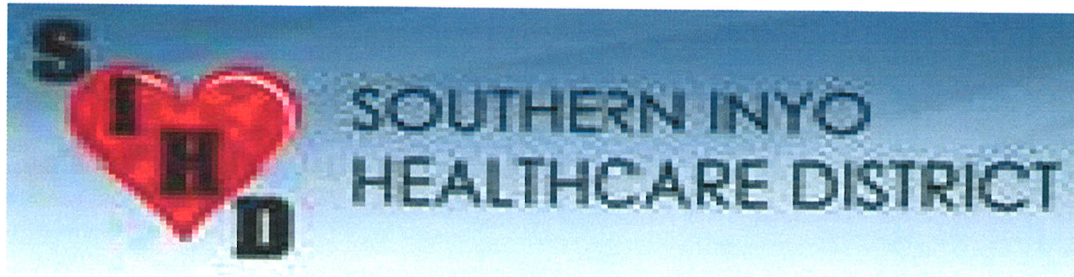
The Parity increase includes the modification of the status of those managers qualifying under the existing IRS criteria of EXEMPT from the federal overtime statutes.

This does not include new hires as of 01/01/2019. This also does not include those employees who have received an increase as of 01/01/2019.

All employees who will have a parity increase will receive a letter with the percentage/amount they will be receiving.

The parity increase is tentatively scheduled to begin the first payroll in October 2019.

All employees earning minimal wage will receive their parity increase to accommodate the 2020 minimum wage requirement during this time.



## **Unaudited Financial Statements**

**for**

**Eleven Months Ended May 31, 2019**

**Certification Statement:**

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Certified by:

Chester Beedle  
Chief Financial Officer

## Table of Contents

**SOUTHERN INYO HEALTHCARE DISTRICT**  
**LONE PINE, CALIFORNIA**  
**Eleven Months Ended May 31, 2019**

**PAGE 1**

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	PAGE 2
BALANCE SHEET - ASSETS	PAGE 3
BALANCE SHEET - LIABILITIES AND NET ASSETS	PAGE 4
STATEMENT OF OPERATIONS - CURRENT MONTH	PAGE 5
STATEMENT OF OPERATIONS - YEAR-TO-DATE	PAGE 6
13 MONTH - PROFIT & LOSS	PAGE 7 & 8
KEY OPERATING STATISTICS	PAGE 9
FINANCIAL RATIOS AND BENCHMARKS	PAGE 10



# SOUTHERN INYO HEALTHCARE DISTRICT

## EXECUTIVE FINANCIAL SUMMARY

Eleven Months Ended May 31, 2019

### BALANCE SHEET

	5/31/2019	6/30/2018
<b>ASSETS</b>		
Current Assets	\$4,614,403	\$2,540,681
Assets Whose Use is Limited	8,724	8,613
Property, Plant and Equipment (Net)	1,061,248	1,189,917
Other Assets	0	0
<b>Total Unrestricted Assets</b>	<b>5,684,375</b>	<b>3,739,211</b>
Restricted Assets	0	0
<b>Total Assets</b>	<b>\$5,684,375</b>	<b>\$3,739,211</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities	\$5,316,163	\$8,354,180
Long-Term Debt	13,725	0
Other Long-Term Liabilities	600,622	0
<b>Total Liabilities</b>	<b>5,930,510</b>	<b>8,354,180</b>
Net Assets	(250,494)	(4,614,969)
<b>Total Liabilities and Net Assets</b>	<b>\$5,680,016</b>	<b>\$3,739,211</b>

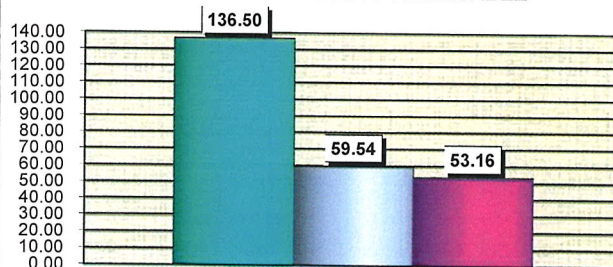
### STATEMENT OF REVENUE AND EXPENSES - YTD

	ACTUAL	BUDGET
<b>Revenue:</b>		
Gross Patient Revenues	\$11,234,055	\$8,156,842
Deductions From Revenue	(3,492,610)	(2,248,026)
Net Patient Revenues	7,741,445	5,908,816
Other Operating Revenue	275,445	345,350
<b>Total Operating Revenues</b>	<b>8,016,889</b>	<b>6,254,166</b>
<b>Expenses:</b>		
Salaries, Benefits & Contract Labor	6,323,456	6,183,786
Purchased Services & Physician Fees	1,330,616	710,878
Supply Expenses	398,554	341,287
Other Operating Expenses	1,472,649	740,147
Bad Debt Expense	0	0
Depreciation & Interest Expense	58,862	148,863
<b>Total Expenses</b>	<b>9,584,136</b>	<b>8,124,962</b>
<b>NET OPERATING SURPLUS</b>	<b>(1,567,247)</b>	<b>(1,870,796)</b>
Non-Operating Revenue/(Expenses)	472,459	87,906
<b>TOTAL NET SURPLUS</b>	<b>(\$1,094,788)</b>	<b>(\$1,782,890)</b>

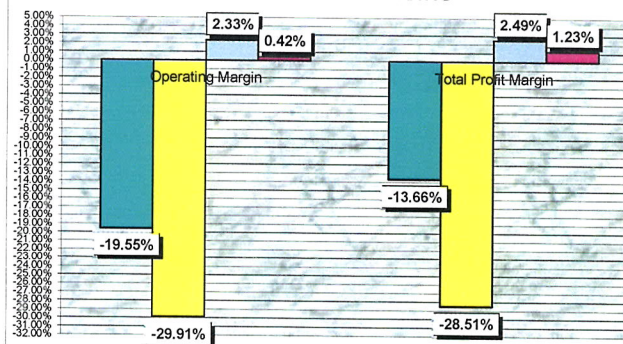
### KEY STATISTICS AND RATIOS - YTD

	ACTUAL	BUDGET
Total Acute Patient Days	150	64
Average Acute Length of Stay	3.1	2.1
Total Emergency Room Visits	1,365	1,564
Outpatient Visits	3,559	2,650
Total Surgeries	0	0
Total Worked FTE's	95.72	97.20
Total Paid FTE's	104.68	106.20
Productivity Index	1.0155	1.0000
EBITDA - YTD	-200.00%	-31.28%
Current Ratio	0.87	
Days Expense in Accounts Payable	256.10	

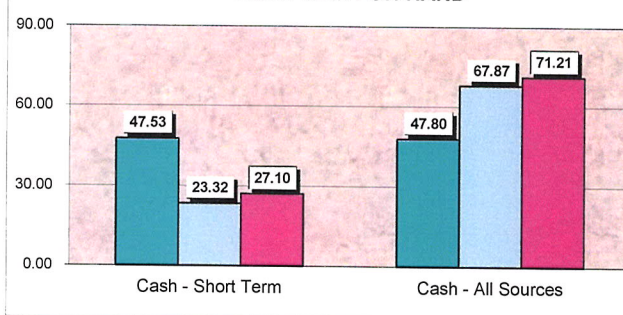
#### NET DAYS IN ACCOUNTS RECEIVABLE



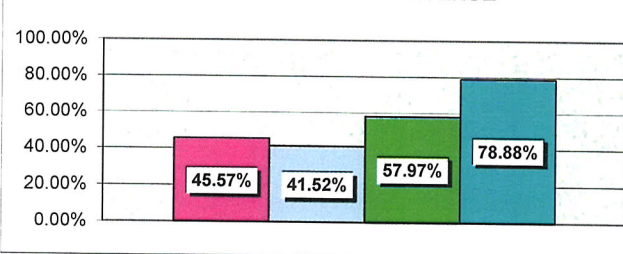
#### HOSPITAL MARGINS



#### DAYS CASH ON HAND



#### SALARY AND BENEFIT EXPENSE AS A PERCENTAGE OF NET REVENUE



<b>■ SOUTHERN INYO HEALTHCARE DISTRICT</b>	
Budget	05/31/19
California	Hospitals
CAH Hospitals	Rural
Prior Fiscal Year End	06/30/18

<b>FINANCIAL STRENGTH INDEX - (3.88)</b>	
Excellent - Greater than 3.0	Good - 3.0 to 0.0
Fair - 0.0 to (2.0)	Poor - Less than (2.0)



## Balance Sheet - Assets

### SOUTHERN INYO HEALTHCARE DISTRICT LONE PINE, CALIFORNIA Eleven Months Ended May 31, 2019

PAGE 3

	Current Month 5/31/2019	Prior Month 4/30/2019	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2018
<b>Current Assets</b>					
Cash and Cash Equivalents	\$1,351,419	\$603,599	\$747,820	123.89%	\$346,635
Gross Patient Accounts Receivable	5,530,554	6,813,422	(1,282,868)	-18.83%	6,944,937
Less: Bad Debt and Allowance Reserves	(2,378,138)	(2,929,771)	551,633	18.83%	(5,744,764)
Net Patient Accounts Receivable	3,152,416	3,883,651	(731,235)	-18.83%	1,200,173
Interest Receivable	0	0	0	0.00%	0
Other Receivables	0	84	(84)	-100.00%	688,912
Inventories	103,068	103,886	(818)	-0.79%	64,198
Prepaid Expenses	7,500	7,500	0	0.00%	88,409
Due From Third Party Payers	0	0	0	0.00%	152,354
Due From Affiliates/Related Organizations	0	0	0	0.00%	0
Other Current Assets	0	0	0	0.00%	0
<b>Total Current Assets</b>	<b>4,614,403</b>	<b>4,598,720</b>	<b>15,683</b>	<b>0.34%</b>	<b>2,540,681</b>
<b>Assets Whose Use is Limited</b>					
Cash	7,613	8,281	(668)	-8.06%	8,613
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds	0	0	0	0.00%	0
Funded Depreciation	0	0	0	0.00%	0
Board Designated Funds	0	0	0	0.00%	0
Other Limited Use Assets	1,111	1,185	(74)	-6.26%	0
<b>Total Limited Use Assets</b>	<b>8,724</b>	<b>9,466</b>	<b>(742)</b>	<b>-7.84%</b>	<b>8,613</b>
<b>Property, Plant, and Equipment</b>					
Land and Land Improvements	693,510	693,510	0	0.00%	693,510
Building and Building Improvements	2,587,666	2,587,666	0	0.00%	2,587,666
Equipment	3,041,639	3,041,639	0	0.00%	2,966,485
Construction In Progress	0	0	0	0.00%	0
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	6,322,815	6,322,815	0	0.00%	6,247,661
Less: Accumulated Depreciation	(5,261,567)	(5,261,288)	(279)	-0.01%	(5,057,744)
<b>Net Property, Plant, and Equipment</b>	<b>1,061,248</b>	<b>1,061,527</b>	<b>(279)</b>	<b>-0.03%</b>	<b>1,189,917</b>
<b>Other Assets</b>					
Unamortized Loan Costs	0	0	0	0.00%	0
Assets Held for Future Use	0	0	0	0.00%	0
Investments in Subsidiary/Affiliated Org.	0	0	0	0.00%	0
Other	0	0	0	0.00%	0
<b>Total Other Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>TOTAL UNRESTRICTED ASSETS</b>	<b>5,684,375</b>	<b>5,669,713</b>	<b>14,662</b>	<b>0.26%</b>	<b>3,739,211</b>
Restricted Assets	0	0	0	0.00%	0
<b>TOTAL ASSETS</b>	<b>\$5,684,375</b>	<b>\$5,669,713</b>	<b>\$14,662</b>	<b>0.26%</b>	<b>\$3,739,211</b>

**Balance Sheet - Liabilities and Net Assets**  
**SOUTHERN INYO HEALTHCARE DISTRICT**  
**LONE PINE, CALIFORNIA**  
**Eleven Months Ended May 31, 2019**

PAGE 4

	<b>LIABILITIES AND FUND BALANCE</b>				<b>Prior Year End 6/30/2018</b>
	<b>Current Month 5/31/2019</b>	<b>Prior Month 4/30/2019</b>	<b>Positive/ (Negative) Variance</b>	<b>Percentage Variance</b>	
<b>Current Liabilities</b>					
Accounts Payable	\$4,762,716	\$4,514,569	(\$248,147)	-5.50%	\$8,163,834
Notes and Loans Payable	3,607	25,870	22,263	86.06%	0
Accrued Payroll	107,767	104,291	(3,476)	-3.33%	190,346
Accrued Payroll Taxes	38,404	47,516	9,112	19.18%	0
Accrued Benefits	12,932	34,105	21,173	62.08%	0
Accrued Pension Expense (Current Portion)	0	0	0	0.00%	0
Other Accrued Expenses	0	2,997	2,997	100.00%	0
Patient Refunds Payable	0	2,287	2,287	100.00%	0
Property Tax Payable	0	0	0	0.00%	0
Due to Third Party Payers	156,975	154,029	(2,946)	-1.91%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	0	0	0	0.00%	0
Current Portion of LTD (Leases)	3,607	3,640	33	0.91%	0
Other Current Liabilities	230,155	202,292	(27,863)	-13.77%	0
<b>Total Current Liabilities</b>	<b>5,316,163</b>	<b>5,091,596</b>	<b>(224,568)</b>	<b>-4.41%</b>	<b>8,354,180</b>
<b>Long Term Debt</b>					
Bonds/Mortgages Payable	0	0	0	0.00%	0
Leases/Notes Payable	17,332	17,815	483	2.71%	0
Less: Current Portion Of Long Term Debt	3,607	3,640	33	0.91%	0
<b>Total Long Term Debt (Net of Current)</b>	<b>13,725</b>	<b>14,175</b>	<b>450</b>	<b>3.17%</b>	<b>0</b>
<b>Other Long Term Liabilities</b>					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	600,622	600,622	0	0.00%	0
<b>Total Other Long Term Liabilities</b>	<b>600,622</b>	<b>600,622</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>TOTAL LIABILITIES</b>	<b>5,930,510</b>	<b>5,706,393</b>	<b>(224,118)</b>	<b>-3.93%</b>	<b>8,354,180</b>
<b>Net Assets:</b>					
Unrestricted Fund Balance	844,294	1,860,331	1,016,037	54.62%	(4,311,834)
Inter-Departmental Transfer (DSH)	0	0	0	0.00%	0
Restricted Fund Balance	0	0	0	0.00%	0
Net Revenue/(Expenses)	(1,094,788)	(1,782,890)	(688,102)	38.59%	(303,135)
<b>TOTAL NET ASSETS</b>	<b>(250,494)</b>	<b>77,441</b>	<b>327,935</b>	<b>423.46%</b>	<b>(4,614,969)</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$5,680,016</b>	<b>\$5,783,834</b>	<b>\$103,818</b>	<b>1.79%</b>	<b>\$3,739,211</b>



**Statement of Revenue and Expense**  
**SOUTHERN INYO HEALTHCARE DISTRICT**  
**LONE PINE, CALIFORNIA**  
**Eleven Months Ended May 31, 2019**

PAGE 5

	CURRENT MONTH				
	Actual 05/31/19	Budget 05/31/19	Positive (Negative) Variance	Percentage Variance	Prior Year 05/31/18
Gross Patient Revenue					
Inpatient Revenue	\$53,970	\$17,971	\$36,000	200.32%	\$16,795
Clinic Revenue	78,809	20,387	58,422	286.57%	19,053
Outpatient Revenue	492,290	217,334	274,956	126.51%	203,116
Long Term Care Revenue	339,093	202,714	136,378	67.28%	189,452
Other	0	648	(648)	-100.00%	605
Total Gross Patient Revenue	<u>964,162</u>	<u>459,053</u>	<u>505,109</u>	<u>110.03%</u>	<u>429,022</u>
Deductions From Revenue					
Discounts and Allowances	(269,965)	(116,875)	(153,090)	-130.99%	(109,184)
Bad Debt Expense (Governmental Providers Only)	(28,925)	(9,181)	(19,744)	-215.05%	(12,871)
Charity Care	(7,500)	(459)	(7,041)	-1533.80%	(4,290)
Total Deductions From Revenue	<u>(306,390)</u>	<u>(126,515)</u>	<u>(179,875)</u>	<u>-142.18%</u>	<u>(126,345)</u>
Net Patient Revenue	<u>657,772</u>	<u>332,538</u>	<u>325,234</u>	<u>97.80%</u>	<u>302,677</u>
Deduction % of Gross Revenue	-31.8%	-27.6%			-29.4%
Other Operating Revenue	6,487	31,187	(24,700)	-79.20%	24,742
Total Operating Revenue	<u>664,259</u>	<u>363,725</u>	<u>300,534</u>	<u>82.63%</u>	<u>327,419</u>
Operating Expenses				Exp %/Net Rev	
Salaries and Wages	492,355	553,279	(60,924)	152.1%	531,999
Fringe Benefits	123,089	138,320	(15,231)	38.0%	133,000
Contract Labor	47,023	10,468	36,555	2.9%	10,065
Physicians Fees	137,582	40,753	96,829	11.2%	39,185
Purchased Services	8,471	646	7,825	0.2%	621
Supply Expense	54,774	23,815	30,960	6.5%	23,121
Utilities	7,555	7,642	(86)	2.1%	7,278
Repairs and Maintenance	6,421	3,765	2,656	1.0%	3,620
Insurance Expense	23,758	8,488	15,270	2.3%	8,084
All Other Operating Expenses	58,896	19,920	38,976	5.5%	19,247
Bad Debt Expense (Non-Governmental Providers)	0	0	-	0.0%	0
Leases and Rentals	4,167	3,809	358	1.0%	3,809
Depreciation and Amortization	279	13,533	(13,254)	3.7%	13,533
Interest Expense (Non-Governmental Providers)	0	0	-	0.0%	0
Total Operating Expenses	<u>964,371</u>	<u>824,438</u>	<u>139,933</u>	<u>226.7%</u>	<u>793,563</u>
<b>Net Operating Surplus/(Loss)</b>	<b>(300,112)</b>	<b>(460,713)</b>	<b>160,601</b>	<b>-34.86%</b>	<b>(466,144)</b>
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	55,070	24,320	30,750	126.44%	23,863
Interest Expense (Governmental Providers Only)	(21,624)	(43,381)	(21,757)	50.15%	(5,007)
Other Non-Operating Revenue/(Expenses)	9,048	5,607	3,441	61.36%	10,303
Total Non Operating Revenue/(Expense)	<u>42,494</u>	<u>(13,454)</u>	<u>55,947</u>	<u>-415.86%</u>	<u>29,159</u>
<b>Total Net Surplus/(Loss)</b>	<b>(\$257,618)</b>	<b>(\$474,166)</b>	<b>\$216,548</b>	<b>-45.67%</b>	<b>(\$436,985)</b>
Operating Margin	-45.18%	-126.66%			-142.37%
Total Profit Margin	-38.78%	-130.36%			-133.46%
EBITDA	-48.39%	-134.87%			-139.77%
Cash Flow Margin	-35.49%	-114.72%			-127.80%

**Statement of Revenue and Expense**  
**SOUTHERN INYO HEALTHCARE DISTRICT**  
**LONE PINE, CALIFORNIA**  
**Eleven Months Ended May 31, 2019**

PAGE 6

	YEAR-TO-DATE				Prior Year 05/31/18
	Actual 05/31/19	Budget 05/31/19	Positive (Negative) Variance	Percentage Variance	
<b>Gross Patient Revenue</b>					
Inpatient Revenue	\$758,229	\$313,865	\$444,365	141.58%	\$430,179
Clinic Revenue	665,255	360,522	304,733	84.53%	341,167
Outpatient Revenue	5,553,219	3,853,318	1,699,901	44.12%	3,634,551
Long Term Care Revenue	4,251,271	3,602,124	649,148	18.02%	3,395,202
Other	6,081	27,014	(20,933)	-77.49%	22,201
<b>Total Gross Patient Revenue</b>	<b>11,234,055</b>	<b>8,156,842</b>	<b>3,077,213</b>	<b>37.73%</b>	<b>7,823,301</b>
<b>Deductions From Revenue</b>					
Discounts and Allowances	(3,123,848)	(2,076,732)	(1,047,117)	-50.42%	(1,991,404)
Bad Debt Expense (Governmental Providers Only)	(308,761)	(163,137)	(145,625)	-89.27%	(206,859)
	0	0	0	0.00%	0
Charity Care	(60,000)	(8,157)	(51,843)	-635.58%	(68,953)
<b>Total Deductions From Revenue</b>	<b>(3,492,610)</b>	<b>(2,248,026)</b>	<b>(1,244,584)</b>	<b>-55.36%</b>	<b>(2,267,215)</b>
Deductions as % of Gross Revenue	-31.1%	-27.6%			-29.0%
<b>Net Patient Revenue</b>	<b>7,741,445</b>	<b>5,908,816</b>	<b>1,832,629</b>	<b>31.02%</b>	<b>5,556,085</b>
<b>Other Operating Revenue</b>	<b>275,445</b>	<b>345,350</b>	<b>(69,905)</b>	<b>-20.24%</b>	<b>296,634</b>
<b>Total Operating Revenue</b>	<b>8,016,889</b>	<b>6,254,166</b>	<b>1,762,724</b>	<b>28.18%</b>	<b>5,852,720</b>
<b>Operating Expenses</b>				<b>Exp %/Net Rev</b>	
Salaries and Wages	4,639,072	4,746,580	107,509	75.9%	4,564,020
Fringe Benefits	1,159,768	1,186,645	26,877	19.0%	1,141,005
Contract Labor	524,616	250,560	(274,056)	4.0%	240,923
Physicians Fees	1,196,897	690,022	(506,875)	11.0%	663,483
Purchased Services	133,719	20,856	(112,863)	0.3%	20,054
Supply Expense	398,554	341,287	(57,267)	5.5%	331,347
Utilities	168,828	111,085	(57,743)	1.8%	105,795
Repairs and Maintenance	69,827	69,289	(538)	1.1%	66,624
Insurance Expense	193,723	131,771	(61,952)	2.1%	125,497
All Other Operating Expenses	944,466	356,770	(587,697)	5.7%	344,705
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.0%	0
Leases and Rentals	95,805	71,232	(24,572)	1.1%	71,232
Depreciation and Amortization	58,862	148,863	90,002	2.4%	148,863
Interest Expense (Non-Governmental Providers)	0	0	0	0.0%	0
<b>Total Operating Expenses</b>	<b>9,584,136</b>	<b>8,124,962</b>	<b>(1,459,174)</b>	<b>129.9%</b>	<b>7,823,548</b>
<b>Net Operating Surplus/(Loss)</b>	<b>(1,567,247)</b>	<b>(1,870,796)</b>	<b>303,549</b>	<b>-16.23%</b>	<b>(1,970,828)</b>
<b>Non-Operating Revenue:</b>					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	610,797	259,221	351,576	135.63%	262,490
Interest Expense (Governmental Providers Only)	(237,866)	(234,128)	(3,739)	1.60%	(55,827)
Other Non-Operating Revenue/(Expenses)	99,528	62,812	36,716	58.45%	109,757
<b>Total Non Operating Revenue/(Expense)</b>	<b>472,459</b>	<b>87,906</b>	<b>384,553</b>	<b>437.46%</b>	<b>316,420</b>
<b>Total Net Surplus/(Loss)</b>	<b>(\$1,094,788)</b>	<b>(\$1,782,890)</b>	<b>\$688,102</b>	<b>-38.59%</b>	<b>(\$1,654,408)</b>
<b>Operating Margin</b>	<b>-19.55%</b>	<b>-29.91%</b>			<b>-33.67%</b>
<b>Total Profit Margin</b>	<b>-13.66%</b>	<b>-28.51%</b>			<b>-28.27%</b>
<b>EBITDA</b>	<b>-21.78%</b>	<b>-31.28%</b>			<b>-32.08%</b>
<b>Cash Flow Margin</b>	<b>-9.95%</b>	<b>-22.38%</b>			<b>-24.77%</b>



# Statement of Revenue and Expense - 13 Month Trend

56

## SOUTHERN INYO HEALTHCARE DISTRICT LONE PINE, CALIFORNIA

PAGE 7

	Actual 6/30/2018	Actual 7/31/2018	Actual 8/31/2018	Actual 9/30/2018	Actual 10/31/2018
Gross Patient Revenue					
Inpatient Revenue	\$155,738	\$144,006	\$126,525	\$56,063	\$58,832
Clinic Revenue	59,053	38,668	41,384	69,875	107,871
Outpatient Revenue	547,017	489,492	502,826	473,329	401,154
Long Term Care Revenue	408,805	331,035	418,027	361,149	458,729
Other	0	6,081	0	0	0
Total Gross Patient Revenue	1,170,613	1,009,282	1,088,762	960,416	1,026,586
Deductions From Revenue					
Discounts and Allowances	(327,772)	(260,912)	(304,854)	(268,916)	(287,444)
Bad Debt Expense (Governmental Providers Only)	(39,185)	(2,019)	(32,663)	(28,812)	(30,798)
Prior Year Settlements	0	0	0	0	0
Charity Care	(14,427)	24,851	(10,088)	(9,604)	(7,500)
Total Deductions From Revenue	(381,384)	(238,080)	(347,605)	(307,333)	(325,742)
Net Patient Revenue	789,229	771,202	741,157	653,083	700,844
Other Operating Revenue	0	192,504	25,000	850	0
<b>Total Operating Revenue</b>	<b>789,229</b>	<b>963,706</b>	<b>766,157</b>	<b>653,933</b>	<b>700,844</b>
Operating Expenses					
Salaries and Wages	247,247	362,000	326,589	382,500	395,250
Fringe Benefits	55,573	90,500	81,647	95,625	98,813
Contract Labor	31,728	33,097	2,253	24,767	45,502
Physicians Fees	116,425	103,963	107,799	78,567	110,089
Purchased Services	19,703	18,169	24,891	17,734	19,290
Supply Expense	16,131	8,329	14,092	57,110	63,047
Utilities	20,856	4,305	14,183	22,639	15,226
Repairs and Maintenance	5,636	7,262	1,132	3,745	17,610
Insurance Expense	12,507	18,257	18,167	9,097	17,316
All Other Operating Expenses	185,242	311,507	161,149	60,245	20,990
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0	0
Leases and Rentals	4,650	8,333	17,175	9,922	19,837
Depreciation and Amortization	53,401	27,673	27,673	781	781
Interest Expense (Non-Governmental Providers)	0	0	0	0	0
<b>Total Operating Expenses</b>	<b>769,099</b>	<b>993,395</b>	<b>796,750</b>	<b>762,732</b>	<b>823,751</b>
<b>Net Operating Surplus/(Loss)</b>	<b>20,131</b>	<b>(29,689)</b>	<b>(30,593)</b>	<b>(108,799)</b>	<b>(122,907)</b>
Non-Operating Revenue:					
Contributions	\$0	0	0	0	0
Investment Income	0	0	0	0	0
Income Derived from Property Taxes	56,327	56,327	56,327	56,327	56,327
Interest Expense (Governmental Providers Only)	(5,382)	(5,382)	(5,382)	(5,382)	(5,382)
Other Non-Operating Revenue/(Expenses)	0	9,049	9,048	9,048	9,048
<b>Total Non Operating Revenue/(Expense)</b>	<b>\$50,945</b>	<b>\$59,994</b>	<b>\$59,993</b>	<b>\$59,993</b>	<b>\$59,993</b>
<b>Total Net Surplus/(Loss)</b>	<b>\$71,076</b>	<b>\$30,305</b>	<b>\$29,400</b>	<b>(\$48,806)</b>	<b>(\$62,914)</b>
Operating Margin	2.55%	-3.08%	-3.99%	-16.64%	-17.54%
Total Profit Margin	9.01%	3.14%	3.84%	-7.46%	-8.98%
EBITDA	8.63%	-0.77%	-1.08%	-17.34%	-18.19%
Cash Flow Margin	16.45%	6.57%	8.15%	-6.52%	-8.10%

Actual 11/30/2018	Actual 12/31/2018	Actual 1/31/2019	Actual 2/28/2019	Actual 3/31/2019	Actual 4/30/2019	Actual 5/31/2019	Actual 6/30/2019
\$59,417	\$81,121	\$37,974	\$60,551	\$42,830	\$36,939	\$53,970	\$924,063
\$50,528	50,867	50,599	41,075	65,373	70,205	78,809	1,222,595
486,424	473,457	585,705	539,612	497,101	611,829	492,290	4,096,937
\$335,371	510,328	424,064	381,661	328,580	363,234	339,093	1,909,800
0	0	0	0	0	0	0	121,680
931,740	1,115,773	1,098,342	1,022,899	933,884	1,082,207	964,162	8,275,075
(\$260,887)	(312,417)	(307,535)	(286,412)	(261,488)	(303,018)	(269,965)	(5,880,457)
(\$27,952)	(33,473)	(32,950)	(30,687)	(28,017)	(32,466)	(28,925)	(124,021)
\$0	0	0	0	0	0	0	0
(\$7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	0
(296,339)	(353,390)	(347,985)	(324,599)	(297,005)	(342,984)	(306,390)	(6,004,478)
635,401	762,383	750,357	698,300	636,879	739,223	657,772	2,270,597
\$18,167	6,487	6,487	6,487	6,487	6,487	6,487	34,285
653,568	768,870	756,844	704,787	643,366	745,710	664,259	2,304,882
\$379,286	442,857	451,714	422,010	467,225	517,285	492,355	993,620
\$94,821	110,714	112,929	105,503	116,806	129,321	123,089	299,007
\$153,788	83,541	45,222	30,484	28,066	30,875	47,023	104,719
\$70,690	119,712	165,877	73,748	85,280	143,591	137,582	291,164
\$6,510	6,461	3,548	3,896	18,366	6,382	8,471	127,814
\$39,060	29,518	35,977	39,400	33,510	23,737	54,774	252,909
\$21,417	22,852	21,810	11,002	11,212	16,626	7,555	51,659
\$6,048	4,051	7,742	2,418	10,335	3,064	6,421	9,990
\$32,754	19,923	17,317	19,816	0	17,316	23,758	47,753
\$16,397	11,245	65,113	77,664	103,966	57,293	58,896	171,809
\$0	0	0	0	0	0	0	0
\$9,269	4,167	10,987	2,750	4,600	4,600	4,167	17,785
\$279	279	279	279	279	279	279	42,731
\$0	0	0	0	0	0	0	0
830,318	855,320	938,515	788,970	879,645	950,369	964,370	2,410,959
(176,750)	(86,450)	(181,671)	(84,183)	(236,279)	(204,659)	(300,111)	(106,077)
0	\$0	\$0	0	\$0	0	0	\$0
\$0	0	0	0	0	0	0	17,726
\$55,070	55,070	55,070	55,070	55,070	55,070	55,070	9,331
(\$5,382)	(5,382)	(5,382)	(21,624)	(21,624)	(21,624)	(21,624)	(45,935)
\$9,048	9,048	9,048	9,048	9,048	9,048	9,048	1,224
58,736	58,736	58,736	42,494	42,494	42,494	42,494	(\$17,654)
(\$118,015)	(\$27,714)	(\$122,935)	(\$41,689)	(\$193,785)	(\$162,165)	(\$257,617)	(\$123,731)
-27.04%	-11.24%	-24.00%	-11.94%	-36.73%	-27.44%	-45.18%	-4.60%
-18.06%	-3.60%	-16.24%	-5.92%	-30.12%	-21.75%	-38.78%	-5.37%
-27.82%	-11.91%	-24.68%	-14.97%	-40.04%	-30.31%	-48.39%	-4.74%
-17.19%	-2.87%	-15.50%	-2.81%	-26.72%	-18.81%	-35.49%	-1.52%



## Patient Statistics

**SOUTHERN INYO HEALTHCARE DISTRICT**  
**LONE PINE, CALIFORNIA**  
**Eleven Months Ended May 31, 2019**

PAGE 9

Current Month				Year-To-Date				
Actual 05/31/19	Budget 05/31/19	Positive/ (Negative) Variance	Prior Year 05/31/18	STATISTICS	Actual 05/31/19	Budget 05/31/19	Positive/ (Negative) Variance	Prior Year 05/31/18
<b>Discharges</b>								
0	3	(3)	2	Acute	48	31	17	16
0	0	0	0	Swing Beds	8	4	4	2
0	0	0	0	Psychiatric/Rehab	0	0	0	0
0	0	0	0	Respite	0	0	0	0
0	3	(3)	2	Total Adult Discharges	56	35	21	18
0	0	0	0	Newborn	0	0	0	0
0	3	(3)	2	Total Discharges	56	35	21	18
<b>Patient Days:</b>								
19	8	11	6	Acute	150	64	86	52
0	0	0	0	Swing Beds	12	0	12	0
0	0	0	0	Psychiatric/Rehab	0	0	0	0
0	0	0	0	Respite	0	0	0	0
19	8	11	6	Total Adult Patient Days	162	64	98	52
0	0	0	0	Newborn	0	0	0	0
19	8	11	6	Total Patient Days	162	64	98	52
<b>Average Length of Stay (ALOS)</b>								
N/A	2.7	N/A	3.0	Acute	3.1	2.1	(1.1)	3.3
N/A	N/A	N/A	N/A	Swing Bed	1.5	0.0	(1.5)	0.0
N/A	N/A	N/A	N/A	Psychiatric/Rehab	N/A	N/A	N/A	N/A
N/A	2.7	#VALUE!	3.0	Total Adult ALOS	2.9	1.8	(1.1)	2.9
N/A	N/A	N/A	N/A	Newborn ALOS	N/A	N/A	N/A	N/A
<b>Average Daily Census (ADC)</b>								
0.6	0.3	0.4	0.2	Acute	0.4	0.2	0.3	0.2
0.0	0.0	0.0	0.0	Swing Beds	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	All Other Adult	0.0	0.0	0.0	0.0
0.6	0.3	0.4	0.2	Total Adult ADC	0.5	0.2	0.3	0.2
0.0	0.0	0.0	0.0	Newborn	0.0	0.0	0.0	0.0
<b>Long Term Care:</b>								
887	744	143	775	SNF/ECF Resident Days	7,803	7,539	264	7,750
0	2	(2)	2	SNF/ECF Resident Discharges	30	32	(2)	26
0	0	0	0	CBRF/Assisted Living Days	0	0	0	0
28.6	24.0	4.6	25.0	Average Daily Census	23.3	22.5	0.8	23.1
<b>Emergency Room Statistics</b>								
1	1	0	0	ER Visits - Admitted	11	8	3	0
123	145	(22)	140	ER Visits - Discharged	1,225	1,456	(231)	1,480
15	10	5	8	ER - Urgent Care Visits	129	100	29	80
139	156	(17)	148	Total ER Visits	1,365	1,564	(199)	1,560
0.72%	0.64%		0.00%	% of ER Visits Admitted	0.81%	0.51%		0.00%
100.00%	33.33%		0.00%	ER Admissions as a % of Total	21.15%	25.81%		0.00%
<b>Outpatient Statistics:</b>								
292	355	(63)	350	Total Outpatients Visits	3,559	2,650	909	2,394
1	0	1	0	Observation Bed Days	11	0	11	0
275	375	(100)	371	Clinic Visits - Primary Care	2,264	3,305	(1,041)	3,275
71	0	71	0	Clinic Visits - Specialty Clinics	142	0	142	0
0	0	0	0	IP Surgeries	0	0	0	0
0	0	0	0	OP Surgeries	0	0	0	0
0	0	0	0	Outpatient Scopes	0	0	0	0
0	0	0	0	Retail Pharmacy Scripts	0	0	0	0
0	0	0	0		0	0	0	0
<b>Productivity Statistics:</b>								
93.95	97.20	3.25	97.84	FTE's - Worked	95.72	97.20	1.48	92.41
104.17	98.60	(5.57)	104.68	FTE's - Paid	104.68	106.20	1.52	103.27
0.9160	0.9610	0.04	0.9610	Case Mix Index - Medicare	0.9456	0.9878	0.04	0.9878
0.8990	0.9820	0.08	0.9820	Case Mix Index - All payers	0.8990	0.9925	0.09	0.9925



## Key Financial Ratios

### SOUTHERN INYO HEALTHCARE DISTRICT LONE PINE, CALIFORNIA Eleven Months Ended May 31, 2019

PAGE 10

	Year to Date 5/31/2019	Prior Year to Date 7/31/2017	Prior Fiscal Year End 6/30/2018	Peer California Hospitals (See Note 1)	National Rural CAH Hospitals (See Note 2)
<b>Profitability:</b>					
Operating Margin	-19.55%	3.42%	2.66%	2.33%	0.42%
Total Profit Margin	-13.66%	3.75%	2.37%	2.49%	1.23%
Cash Flow Margin	-12.92%	5.13%	3.91%	8.40%	5.91%
Contractual Allowance %	28.34%	48.00%	48.00%	50.62%	39.92%
Inpatient Gross Revenue as a % of Total	47.07%	36.41%	36.74%	38.85%	28.48%
Outpatient Gross Revenue as % of Total	52.93%	63.59%	63.26%	64.83%	74.43%
Average Daily Census Acute Care	0.61	0.00	0.00	5.57	3.22
Average Daily Census Swing Bed	0.00	0.00	0.00	0.37	1.52
<b>Liquidity:</b>					
Days of Cash on Hand, Short Term	47.53	3.64	3.20	23.32	27.10
Days Cash, All Sources	47.80	4.70	3.50	67.87	71.21
Net Days in Accounts Receivable	136.50	85.78	97.15	59.54	53.16
Average Payment Period	167.20	163.13	231.47	56.65	53.00
Current Ratio	0.87	0.69	0.66	2.31	1.12
Medicare Cost to charge ratio	59.08%	52.20%	53.20%	38.00%	47.00%
<b>Capital Structure:</b>					
Average Age of Plant (Annualized)	13.88	13.76	13.87	11.13	11.45
Capital Costs as a % of Total Expenses	3.02%	3.63%	3.58%	7.51%	5.30%
Long Term Debt to Equity	-5.5%	-190.6%	-202.7%	53.99%	60.32%
Long Term Debt to Capitalization	-5.8%	210.4%	197.3%	20.13%	29.00%
Debt Service Coverage Ratio	(3.31)	1.54	0.92	2.27	3.16
Medicare IN Patient Payer mix	34.67%	37.84%	40.22%	57.90%	73.01%
Medicare Out Patient Payer mix	34.55%	29.68%	33.46%	38.89%	37.90%
<b>Productivity and Efficiency:</b>					
Paid FTE's per Adjusted Occupied Bed	14.61	9.91	9.42	10.34	5.86
Total Net Revenue per FTE	\$83,443	\$37,092	\$27,279	\$117,848	\$77,243
Salary Expense per Paid FTE	\$52,977	\$54,697	\$50,287	\$59,647	\$50,845
Salary and Benefits as a % of Net Revenue	78.88%	58.21%	57.97%	41.52%	45.57%
Employee Benefits %	25.00%	24.57%	24.02%	41.29%	25.20%
Supply Expense Per Adj. Discharge - CMI Adj	\$534.32	\$499.95	\$791.51	\$2,476.27	\$1,050.00
FTE's Per Occupied Bed	8.63	4.33	4.97	5.31	5.80
<b>YTD - Actual YTD - Actual YTD - Actual YTD - Budget</b>					
	5/31/2019	7/31/2017	6/30/2018	5/31/2019	
<b>Other Ratios:</b>					
Gross Days in Accounts Receivable	165.22	671.65	679.07	60.00	
Net Revenue per Adjusted Discharge	\$9,662	\$9,042	\$9,886	\$6,876	
Operating Expenses per Adj. Discharge	\$11,551	\$14,668	\$16,703	\$8,933	

Note 1 - CHA Financial Indicators Report 2016 (U. of North Carolina)

Note 2 - Per CAH Financial Indicators Report 2016 (U. of North Carolina)

**Southern Inyo Healthcare District**  
Operational Cash Flow Actual w/Projections  
Actual FY 2020

	Actual	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	FY	
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	TOTAL						TOTAL
<b>Ave. Daily Census</b>																			
Acute Care	0.6	0.3	1.4	1.1	1.1	0.7	0.4	0.4	0.3	0.2	0.6	0.70	0.66						0.66
Swing	0.0	2.1	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	2.50	0.49						0.49
SNF	28.0	26	24	23.3	23.3	26.5	26.3	26.3	23.3	24.6	28.0	27.00	25.55						25.55
Beginning Balance	527,701	353,586	427,195	387,235	246,478	116,300	115,744	252,627	-35,298	4,998	-31,257	33,443	527,701						
<b>Cash Receipts</b>																			
Medicare	56,215	511,028	161,975	201,526	270,827	380,334	182,702	244,917	346,454	91,878	142,227	151,320	2,741,402						
Medi-Cal	214,777	120,275	186,815	207,235	145,299	166,803	122,646	141,402	209,365	188,737	142,852	112,243	1,968,450						
Insurance	168,229	78,020	263,633	122,590	70,506	40,380	44,151	62,342	72,049	67,077	47,861	94,121	1,130,959						
Bad Debt Recovery	2,249	9,511	9,835	9,061	89,536	62,089	75,203	38,069	38,069	21,077	77,567	14,231	446,496						
Credit Card Payments	9,283	10,789	19,884	18,889	14,913	6,597	3,617	8,654	54,587	15,026	29,426	5,121	167,360						
Private Pay	28,226	15,216	31,555	16,610	30,842	61,122	55,740	31,427	60,796	25,172	29,426	36,240	422,371						
Rebates & Refunds/Taxes/GT	0	0	0	0	0	0	773,756	0	0	335,531	1,166,958	75,000	2,351,245						
Miscellaneous Cash	16,049	56,395	850	10,355	73,237	7,466	42,351	51,851	56,114	24,873	60,811	31,258	431,609						
Unapplied/Withholds	-67,668	888	0	0	0	0	0	3,456	0	0	0	55,581	(7,744)						
<b>Total Cash Received</b>	427,360	802,122	674,547	586,265	695,159	724,791	1,300,168	582,116	837,433	769,371	1,667,702	575,115	9,642,148						
<b>Expenses</b>																			
Salaries	402,690	426,589	416,136	479,393	461,000	519,984	434,187	426,627	431,538	410,000	426,400	441,000	5,275,545						
Professional Fees	176,911	88,265	93,939	102,789	125,512	147,369	128,349	121,657	73,832	72,053	102,031	99,981	1,332,650						
Supplies	21,873	46,065	49,428	34,143	46,762	43,859	53,897	111,859	38,426	18,696	16,146	54,200	535,354						
Other/Purch Serv/Contract Labor	0	167,595	130,476	110,696	192,063	14,135	159,899	209,899	253,341	303,467	662,595	36,516	2,230,681						
Inyo County Treas Repay/Medsphere	0	0	0	0	0	0	386,953	0	0	1,410	142,776	82,000	613,139						
IGT Matching	0	0	24,527	0	0	0	0	0	0	0	0	0	24,527						
<b>TOTAL EXPENSE</b>	601,474	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,353,002	713,697	10,011,935						
Return of Medicare/Cal Overpmt. Investment Account (LAIF)*	0	0	0	0	0	0	0	0	0	0	0	0	0						0
	0	0	0	0	0	0	0	0	0	0	0	0	0						250,000
	0	0	0	0	0	0	0	0	0	0	0	0	0						0
<b>Total Payments</b>	601,474	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,353,002	713,697	10,261,935						
<b>Cash Over/(Under)</b>	353,586	427,195	387,235	246,478	116,300	115,744	252,627	(35,298)	4,998	(31,257)	33,443	(105,139)	(105,139)						
Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0						0
Property Tax Fund	7,724	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613						7,613
Med Overpmt./IGT/Grants Reserve Add or Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0						-
<b>Net Cash Balance</b>	361,310	434,808	394,848	254,091	123,913	123,357	260,240	(27,685)	12,611	(23,644)	41,057	(97,526)	(97,526)						

Southern Inyo Healthcare District  
Operational Cash Flow Actual w/Projections  
Budget FY 2020

	Proj Jul-19	Proj Aug-19	Proj Sep-19	Proj Oct-19	Proj Nov-19	Proj Dec-19	Proj Jan-20	Proj Feb-20	Proj Mar-20	Proj Apr-20	Proj May-20	Proj Jun-20	FY TOTAL
<b>Ave. Daily Census</b>													
Acute Care	0.7	0.3	1.4	1.1	1.1	0.7	0.4	0.4	0.3	0.2	0.6	0.70	0.67
Swing	2.5	2.1	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	2.50	0.69
SNF	22	26	24	23.3	23.3	26.5	26.3	26.3	23.3	24.6	28.0	27.00	26.05
Beginning Balance	403,831	92,132	165,741	125,781	-14,976	-145,154	-145,710	-8,827	-296,752	-256,456	-292,711	-228,011	403,831
<b>Cash Receipts</b>													
Medicare	55,305	511,028	161,975	201,526	270,827	380,334	182,702	244,917	346,454	91,878	142,227	151,320	2,740,492
Medi-Cal	178,834	120,275	186,815	207,235	145,299	166,803	122,648	141,402	209,366	188,737	142,852	112,243	1,922,507
Insurance	116,252	78,020	263,633	122,590	70,506	40,380	44,151	62,342	72,049	67,077	47,861	94,121	1,078,982
Bad Debt Recovery	9,035	9,511	9,835	9,061	89,536	62,089	75,203	38,069	38,069	21,077	77,567	14,231	453,282
Credit Card Payments	3,947	10,789	19,884	18,889	14,913	6,597	3,617	8,654	54,587	15,026	0	5,121	182,025
Private Pay	18,061	15,216	31,555	16,610	30,842	61,122	55,740	31,427	60,796	25,172	29,426	36,240	412,206
Rebates & Refunds/Taxes/GT	0	0	0	0	0	0	773,756	0	0	335,531	1,166,988	75,000	2,351,245
Miscellaneous Cash	375,887	56,395	850	10,355	73,237	7,466	42,351	51,851	56,114	24,873	60,811	31,258	791,448
Unapplied/Growth	83,201	888	0	0	0	0	0	3,456	0	0	0	55,581	143,125
Total Cash Received	840,522	802,122	674,547	586,265	695,159	724,791	1,300,168	582,116	837,433	769,371	1,667,702	575,115	10,055,310
<b>Salaries</b>	409,286	426,589	416,136	478,393	461,000	519,984	434,187	426,627	431,538	410,000	426,400	441,000	5,282,141
Professional Fees	96,891	88,265	93,939	102,789	125,512	147,369	128,349	121,657	73,832	72,053	102,031	98,981	1,252,669
Supplies	39,676	46,065	49,428	34,143	46,762	43,859	53,897	111,859	38,426	18,696	16,146	54,200	553,156
Other/Purch Serv/Contract Labor	232,133	167,595	130,476	110,696	192,063	14,135	159,899	209,899	253,341	303,467	652,595	36,516	2,462,814
Inyo County Treas Repay/Medsphere	374,235	0	0	0	0	0	386,953	0	0	1,410	142,776	82,000	987,374
IGT Matching	0	0	24,527	0	0	0	0	0	0	0	0	0	24,527
<b>TOTAL EXPENSE</b>	1,152,220	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,353,002	713,697	10,562,681
Return of Medicare/Cal Overpt.	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment Account (LAIF)*	0	0	0	0	0	0	0	0	0	0	250,000	0	250,000
Total Payments	1,152,220	728,514	714,507	727,022	825,337	725,347	1,163,285	870,042	797,137	805,626	1,603,002	713,697	10,812,681
<b>Cash Over/(Under)</b>	92,132	166,741	125,781	(14,976)	(145,154)	(145,710)	(8,827)	(296,752)	(256,456)	(292,711)	(228,011)	(366,593)	(366,593)
Operating Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Tax Fund	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613	7,613
Med Ovrpt./IGT/Grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserve Add or Transfer	0	0	0	0	0	0	0	0	0	0	0	0	-
Net Cash Balance	99,745	173,354	133,394	(7,363)	(137,541)	(138,097)	(1,214)	(289,139)	(248,843)	(285,098)	(220,397)	(358,980)	(358,980)