

SOUTHERN INYO HEALTHCARE DISTRICT

Notice of a Finance Committee Meeting

Date: Tuesday, November 6, 2018

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. Financial Statement for August 2018
- B. Cash Flow with Projections
- C. Lone Pine Communications Subscription for the Clinic
- D. Discussion on American Business Machines
- E. ADP GLI Infolink
- F. MedRisk Contract
- G. Robert S. Kolleen, MD, ER Physician Contract
- H. HIM Consultant Contract

IV. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA

V. CLOSED SESSION

- 1. Existing Litigation: Chp. 9 Bankruptcy
- 2. Potential Litigation

VI. ADJOURNMENT

Board of Directors:

Jaqueline Hickman
President

Mark Lacey
Vice President

Carma Roper
Secretary

Charles Carson
Treasurer

Richard Fedchenko
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:

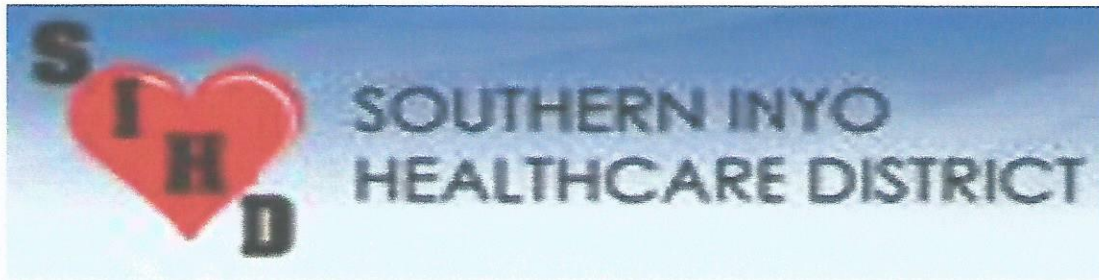
Jaqueline Hickman
President

Mark Lacey
Vice President

Carma Roper
Secretary

Charles Carson
Treasurer

Richard Fedchenko
Director



Unaudited Financial Statements

for

Two Months Ended August 31, 2018

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:

A handwritten signature in black ink, appearing to read 'C. Beedle', with a long horizontal line extending to the right.

Chester Beedle
Chief Financial Officer

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SOUTHERN INYO HEALTHCARE DISTRICT
LONE PINE, CALIFORNIA
Two Months Ended August 31, 2018

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SOUTHERN INYO HEALTHCARE DISTRICT

EXECUTIVE FINANCIAL SUMMARY

Two Months Ended August 31, 2018

BALANCE SHEET

	8/31/2018	6/30/2017
ASSETS		
Current Assets	\$5,085,683	\$3,992,671
Assets Whose Use is Limited	17,783	19,256
Property, Plant and Equipment (Net)	0	(0)
Other Assets	0	0
Total Unrestricted Assets	5,103,466	4,011,927
Restricted Assets	0	0
Total Assets	\$5,103,466	\$4,011,927
LIABILITIES AND NET ASSETS		
Current Liabilities	\$3,490,840	\$3,610,299
Long-Term Debt	(0)	(15,800)
Other Long-Term Liabilities	2,042,618	966,818
Total Liabilities	5,533,458	4,561,317
Net Assets	(429,993)	316,559
Total Liabilities and Net Assets	\$5,103,465	\$4,877,876

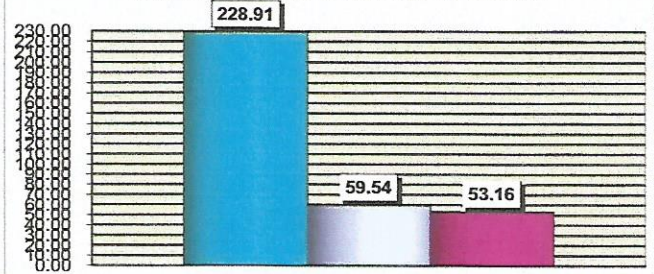
STATEMENT OF REVENUE AND EXPENSES - YTD

	ACTUAL	BUDGET
Revenue:		
Gross Patient Revenues	\$2,098,046	\$1,908,388
Deductions From Revenue	(586,484)	(968,316)
Net Patient Revenues	1,511,562	940,072
Other Operating Revenue	217,504	62,375
Total Operating Revenues	1,729,067	1,002,447
Expenses:		
Salaries, Benefits & Contract Labor	896,086	770,869
Purchased Services & Physician Fees	254,821	103,122
Supply Expenses	22,421	13,259
Other Operating Expenses	561,471	139,261
Bad Debt Expense	0	0
Depreciation & Interest Expense	55,346	60,642
Total Expenses	1,790,145	1,087,153
NET OPERATING SURPLUS	(61,078)	(84,707)
Non-Operating Revenue/(Expenses)	119,985	52,113
TOTAL NET SURPLUS	\$58,907	(\$32,593)

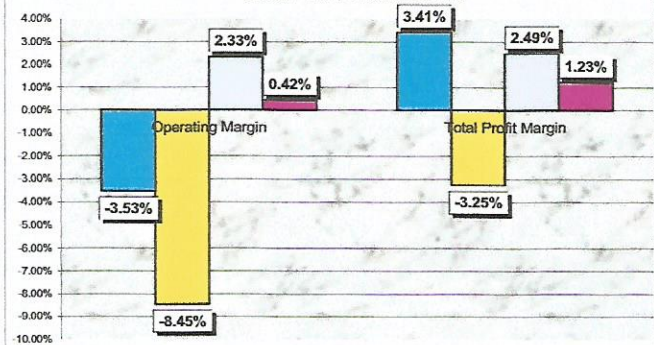
KEY STATISTICS AND RATIOS - YTD

	ACTUAL	BUDGET
Total Acute Patient Days	23	4
Average Acute Length of Stay	2.6	0.7
Total Emergency Room Visits	264	302
Outpatient Visits	596	510
Total Surgeries	0	0
Total Worked FTE's	123.12	115.20
Total Paid FTE's	135.40	121.15
Productivity Index	0.9434	1.0000
EBITDA - YTD	-0.95%	-3.42%
Current Ratio	1.46	
Days Expense in Accounts Payable	360.27	

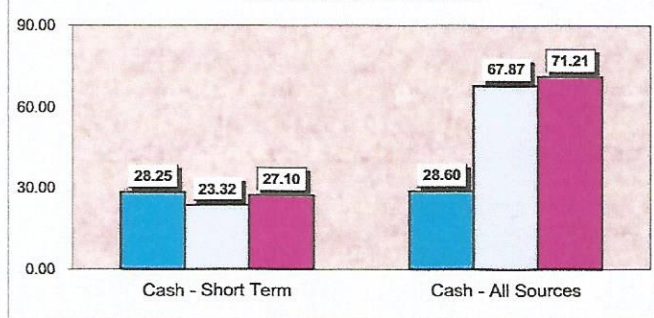
NET DAYS IN ACCOUNTS RECEIVABLE



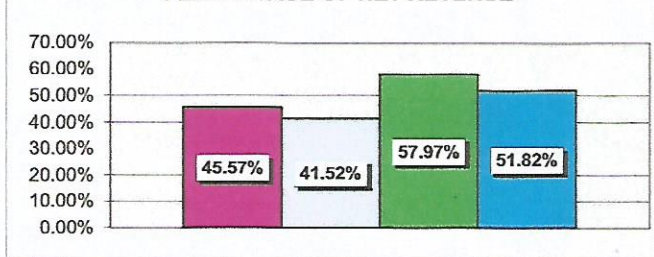
HOSPITAL MARGINS



DAYS CASH ON HAND



SALARY AND BENEFIT EXPENSE AS A PERCENTAGE OF NET REVENUE



SOUTHERN INYO HEALTHCARE DISTRICT	
Budget	08/31/18
California	Hospitals
CAH Hospitals	Rural
Prior Fiscal Year End	06/30/17

FINANCIAL STRENGTH INDEX - (0.12)			
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 Two Months Ended August 31, 2018

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	Current Month 8/31/2018	Prior Month 7/31/2018	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2017
Current Assets					
Cash and Cash Equivalents	\$790,395	\$101,148	\$689,247	681.42%	(\$78,791)
Gross Patient Accounts Receivable	7,392,470	7,188,536	203,935	2.84%	6,944,937
Less: Bad Debt and Allowance Reserves	(3,178,762)	(3,091,070)	(87,692)	-2.84%	(2,952,677)
Net Patient Accounts Receivable	4,213,708	4,097,465	116,243	2.84%	3,992,260
Interest Receivable	0	0	0	0.00%	0
Other Receivables	0	0	0	0.00%	0
Inventories	74,080	74,080	0	0.00%	71,702
Prepaid Expenses	7,500	7,500	0	0.00%	7,500
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	0	0	0	0.00%	0
Other Current Assets	0	0	0	0.00%	0
Total Current Assets	5,085,683	4,280,193	805,490	18.82%	3,992,671
Assets Whose Use is Limited					
Cash	9,890	9,890	0	0.00%	11,364
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	7,892	7,892	0	0.00%	7,892
Total Limited Use Assets	17,783	17,783	0	0.00%	19,256
Property, Plant, and Equipment					
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	2,966,485	2,966,485	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	6,247,661	6,247,661	0	0.00%	6,247,661
Less: Accumulated Depreciation	(6,247,661)	(6,247,661)	0	0.00%	(6,247,661)
Net Property, Plant, and Equipment	0	0	0	0.00%	(0)
Other Assets					
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
Total Other Assets	0	0	0	0.00%	0
TOTAL UNRESTRICTED ASSETS	5,103,466	4,297,976	805,490	18.74%	4,011,927
Restricted Assets	0	0	0	0.00%	0
TOTAL ASSETS	\$5,103,466	\$4,297,976	\$805,490	18.74%	\$4,011,927

Balance Sheet - Liabilities and Net Assets
SOUTHERN INYO HEALTHCARE DISTRICT
LONE PINE, CALIFORNIA
Two Months Ended August 31, 2018

	LIABILITIES AND FUND BALANCE				Prior Year End 6/30/2017
	Current Month 8/31/2018	Prior Month 7/31/2018	Positive/ (Negative) Variance	Percentage Variance	
Current Liabilities					
Accounts Payable	\$2,129,268	\$2,017,940	(\$111,328)	-5.52%	\$2,017,940
Notes and Loans Payable	24,747	39,888	15,141	37.96%	39,888
Accrued Payroll	172,451	135,738	(36,713)	-27.05%	135,738
Accrued Payroll Taxes	16,477	13,059	(3,418)	-26.17%	13,059
Accrued Benefits	258,931	258,596	(335)	-0.13%	258,596
Accrued Pension Expense (Current Portion)	0	0	0	0.00%	0
Other Accrued Expenses	0	2,311	2,311	100.00%	2,311
Patient Refunds Payable	(1,245)	1,245	2,490	199.98%	1,245
Property Tax Payable	0	0	0	0.00%	0
Due to Third Party Payers	20,809	0	(20,809)	0.00%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	0	0	0	0.00%	15,800
Current Portion of LTD (Leases)	15,800	15,800	(0)	0.00%	15,800
Other Current Liabilities	853,602	1,125,722	272,120	24.17%	1,125,722
Total Current Liabilities	3,490,840	3,610,299	119,459	3.31%	3,610,299
Long Term Debt					
Bonds/Mortgages Payable	0	0	0	0.00%	0
Leases/Notes Payable	15,800	15,800	0	0.00%	15,800
Less: Current Portion Of Long Term Debt	15,800	15,800	(0)	0.00%	31,600
Total Long Term Debt (Net of Current)	(0)	0	0	0.00%	(15,800)
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	2,042,618	966,818	(1,075,800)	-111.27%	966,818
Total Other Long Term Liabilities	2,042,618	966,818	(1,075,800)	-111.27%	966,818
TOTAL LIABILITIES	5,533,458	4,577,117	(956,341)	-20.89%	4,561,317
Net Assets:					
Unrestricted Fund Balance	(488,900)	(358,951)	129,949	-36.20%	(358,951)
Inter-Departmental Transfer (DSH)	0	0	0	0.00%	0
Restricted Fund Balance	0	0	0	0.00%	0
Net Revenue/(Expenses)	58,907	961,559	N/A	N/A	675,510
TOTAL NET ASSETS	(429,993)	602,608	1,032,601	171.36%	316,559
TOTAL LIABILITIES AND NET ASSETS	\$5,103,465	\$5,179,725	\$76,261	1.47%	\$4,877,876

Statement of Revenue and Expense
SOUTHERN INYO HEALTHCARE DISTRICT
LONE PINE, CALIFORNIA
Two Months Ended August 31, 2018

	CURRENT MONTH				Prior Year 08/31/17
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Inpatient Revenue	\$126,525	\$38,358	\$88,168	229.86%	\$168,590
Clinic Revenue	41,384	42,833	(1,448)	-3.38%	41,384
Outpatient Revenue	502,826	434,055	68,771	15.84%	419,377
Long Term Care Revenue	418,027	432,658	(14,631)	-3.38%	418,027
Medical Transport Revenue	0	0	0	0.00%	0
Total Gross Patient Revenue	<u>1,088,764</u>	<u>947,904</u>	<u>140,860</u>	<u>14.86%</u>	<u>1,047,379</u>
Deductions From Revenue					
Discounts and Allowances	(304,854)	(461,060)	156,207	33.88%	(502,742)
Bad Debt Expense (Governmental Providers Only)	(32,663)	(18,958)	(13,705)	-72.29%	(31,421)
Charity Care	0	0	0	0.00%	0
Total Deductions From Revenue	<u>(348,404)</u>	<u>(480,966)</u>	<u>132,562</u>	<u>27.56%</u>	<u>(544,637)</u>
Net Patient Revenue	<u>740,359</u>	<u>466,937</u>	<u>273,422</u>	<u>58.56%</u>	<u>502,742</u>
Other Operating Revenue	25,000	31,187	(6,187)	-19.84%	6,347
Total Operating Revenue	<u>765,359</u>	<u>498,125</u>	<u>267,235</u>	<u>53.65%</u>	<u>509,090</u>
Operating Expenses					
Salaries and Wages	326,589	260,128	(66,461)	-25.55%	250,123
Fringe Benefits	81,647	65,032	(16,615)	-25.55%	62,531
Contract Labor	2,253	81,983	79,730	97.25%	78,829
Physicians Fees	107,799	24,090	(83,708)	-347.48%	24,090
Purchased Services	24,891	10,769	(14,122)	-131.13%	10,355
Supply Expense	14,092	6,700	(7,393)	-110.34%	6,505
Utilities	14,183	2,113	(12,070)	-571.26%	2,012
Repairs and Maintenance	1,132	12,398	11,266	90.87%	11,921
Insurance Expense	18,167	0	(18,167)	0.00%	0
All Other Operating Expenses	161,149	33,362	(127,787)	-383.04%	32,233
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	17,175	5,596	(11,579)	-206.94%	5,596
Depreciation and Amortization	27,673	32,969	5,296	16.06%	32,969
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	<u>796,750</u>	<u>535,139</u>	<u>(261,611)</u>	<u>-48.89%</u>	<u>517,164</u>
Net Operating Surplus/(Loss)	(31,391)	(37,014)	5,623	-15.19%	(8,075)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	56,327	24,320	32,007	131.60%	23,863
Interest Expense (Governmental Providers Only)	(5,382)	(5,113)	269	-5.26%	(5,382)
Other Non-Operating Revenue/(Expenses)	9,048	5,607	3,441	61.36%	(3,400)
Total Non Operating Revenue/(Expense)	<u>59,993</u>	<u>24,815</u>	<u>35,178</u>	<u>141.77%</u>	<u>15,081</u>
Total Net Surplus/(Loss)	\$28,602	(\$12,199)	\$40,802	-334.46%	\$7,006
Operating Margin	-4.10%	-7.43%			-1.59%
Total Profit Margin	3.74%	-2.45%			1.38%
EBITDA	-1.19%	-1.84%			3.83%
Cash Flow Margin	8.06%	5.20%			8.91%

Statement of Revenue and Expense
SOUTHERN INYO HEALTHCARE DISTRICT
LONE PINE, CALIFORNIA
Two Months Ended August 31, 2018

	YEAR-TO-DATE				Prior Year 08/31/17
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Inpatient Revenue	\$270,532	\$72,159	\$198,373	274.91%	\$201,249
Clinic Revenue	80,053	84,310	(4,257)	-5.05%	81,459
Outpatient Revenue	992,318	896,223	96,095	10.72%	865,916
Long Term Care Revenue	749,063	841,259	(92,196)	-10.96%	812,810
Medical Transport Revenue	6,081	14,438	(8,357)	-57.88%	13,950
Total Gross Patient Revenue	<u>2,098,046</u>	<u>1,908,388</u>	<u>189,658</u>	<u>9.94%</u>	<u>1,975,384</u>
Deductions From Revenue					
Discounts and Allowances	(565,766)	(928,240)	362,474	39.05%	(954,083)
Bad Debt Expense (Governmental Providers Only)	(34,681)	(38,168)	3,487	9.13%	(31,421)
Charity Care	0	0	0	0.00%	0
Charity Care	13,964	(1,908)	15,872	831.70%	(10,474)
Total Deductions From Revenue	<u>(586,484)</u>	<u>(968,316)</u>	<u>381,833</u>	<u>39.43%</u>	<u>(995,978)</u>
Net Patient Revenue	<u>1,511,562</u>	<u>940,072</u>	<u>571,490</u>	<u>60.79%</u>	<u>979,405</u>
Other Operating Revenue	217,504	62,375	155,130	248.71%	23,116
Total Operating Revenue	<u>1,729,067</u>	<u>1,002,447</u>	<u>726,620</u>	<u>72.48%</u>	<u>1,002,521</u>
Operating Expenses					
Salaries and Wages	688,589	531,599	(156,990)	-29.53%	511,153
Fringe Benefits	172,147	132,900	(39,247)	-29.53%	127,788
Contract Labor	35,350	106,371	71,021	66.77%	102,279
Physicians Fees	211,761	91,168	(120,593)	-132.28%	91,168
Purchased Services	43,060	11,955	(31,105)	-260.20%	11,495
Supply Expense	22,421	13,259	(9,162)	-69.10%	12,873
Utilities	18,488	5,826	(12,662)	-217.33%	5,549
Repairs and Maintenance	8,394	17,433	9,040	51.85%	16,763
Insurance Expense	36,425	14,856	(21,568)	-145.18%	14,149
All Other Operating Expenses	472,656	82,383	(390,273)	-473.73%	79,597
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	25,508	18,762	(6,746)	-35.95%	18,762
Depreciation and Amortization	55,346	60,642	5,296	8.73%	60,642
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	<u>1,790,145</u>	<u>1,087,153</u>	<u>(702,992)</u>	<u>-64.66%</u>	<u>1,052,217</u>
Net Operating Surplus/(Loss)	(61,078)	(84,707)	23,628	-27.89%	(49,696)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	0	0	0	0.00%	0
Income Derived from Property Taxes	112,654	48,183	64,470	133.80%	47,726
Interest Expense (Governmental Providers Only)	(10,764)	(10,226)	(538)	5.26%	(10,764)
Other Non-Operating Revenue/(Expenses)	18,096	14,156	3,939	27.83%	5,149
Total Non Operating Revenue/(Expense)	<u>119,985</u>	<u>52,113</u>	<u>67,872</u>	<u>130.24%</u>	<u>42,110</u>
Total Net Surplus/(Loss)	\$58,907	(\$32,593)	\$91,500	-280.73%	(\$7,586)
Operating Margin	-3.53%	-8.45%			-4.96%
Total Profit Margin	3.41%	-3.25%			-0.76%
EBITDA	-0.95%	-3.42%			0.02%
Cash Flow Margin	7.23%	3.82%			6.37%

Patient Statistics

SOUTHERN INYO HEALTHCARE DISTRICT
 LONE PINE, CALIFORNIA
 Two Months Ended August 31, 2018

Current Month									Year-To-Date			
Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17	STATISTICS					Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17
Discharges												
3	3	0	2	Acute				9	6	3	0	
2	1	1	0	Swing Beds				4	2	2	2	
0	0	0	0	Psychiatric/Rehab				0	0	0	0	
0	0	0	0	Respite				0	0	0	0	
5	4	1	2	Total Adult Discharges				13	8	5	2	
0	0	0	0	Newborn				0	0	0	0	
5	4	1	2	Total Discharges				13	8	5	2	
Patient Days:												
10	4	6	0	Acute				23	4	19	0	
60	31	29	0	Swing Beds				127	91	36	0	
0	0	0	0	Psychiatric/Rehab				0	0	0	0	
0	0	0	0	Respite				0	0	0	0	
70	35	35	0	Total Adult Patient Days				150	95	55	0	
0	0	0	0	Newborn				0	0	0	0	
70	35	35	0	Total Patient Days				150	95	55	0	
Average Length of Stay (ALOS)												
3.3	1.3	(2.0)	0.0	Acute				2.6	0.7	(1.9)	N/A	
30.0	31.0	1.0	N/A	Swing Bed				31.8	45.5	13.8	0.0	
N/A	N/A	N/A	N/A	Psychiatric/Rehab				N/A	N/A	N/A	N/A	
14.0	8.8	(5.3)	0.0	Total Adult ALOS				11.5	11.9	0.3	0.0	
N/A	N/A	N/A	N/A	Newborn ALOS				N/A	N/A	N/A	N/A	
Average Daily Census (ADC)												
0.3	0.1	0.2	0.0	Acute				0.4	0.1	0.3	0.0	
1.9	1.0	0.9	0.0	Swing Beds				2.0	1.5	0.6	0.0	
0.0	0.0	0.0	0.0	All Other Adult				0.0	0.0	0.0	0.0	
2.3	1.1	1.1	0.0	Total Adult ADC				2.4	1.5	0.9	0.0	
0.0	0.0	0.0	0.0	Newborn				0.0	0.0	0.0	0.0	
Long Term Care:												
806	744	62	775	SNF/ECF Resident Days				1,488	1,468	20	1,550	
4	3	1	2	SNF/ECF Resident Discharges				8	10	(2)	6	
0	0	0	0	CBRF/Assisted Living Days				0	0	0	0	
26.0	24.0	2.0	25.0	Average Daily Census				24.0	23.7	0.3	25.0	
Emergency Room Statistics												
4	1	3	0	ER Visits - Admitted				8	2	6	0	
128	150	(22)	160	ER Visits - Discharged				256	300	(44)	320	
0	0	0	0	ER - Urgent Care Visits				0	0	0	0	
132	151	(19)	160	Total ER Visits				264	302	(38)	320	
3.03%	0.66%		0.00%	% of ER Visits Admitted				3.03%	0.66%		0.00%	
100.00%	50.00%		N/A	ER Admissions as a % of Total				61.54%	50.00%		N/A	
Outpatient Statistics:												
298	255	43	250	Total Outpatients Visits				596	510	86	500	
0	0	0	0	Observation Bed Days				0	0	0	0	
333	375	(42)	371	Clinic Visits - Primary Care				600	680	(80)	678	
0	0	0	0	Clinic Visits - Specialty Clinics				0	0	0	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	
Productivity Statistics:												
122.11	115.20	(6.91)	117.64	FTE's - Worked				123.12	115.20	(7.92)	117.98	
133.59	123.15	(10.44)	128.82	FTE's - Paid				135.40	121.15	(14.25)	128.41	
0.9317	0.9270	(0.00)	0.9270	Case Mix Index -Medicare				0.9456	0.9200	(0.03)	0.9200	
0.9575	1.0300	0.07	1.0300	Case Mix Index - All payers				0.9823	1.0050	0.02	1.0050	

Key Financial Ratios

SOUTHERN INYO HEALTHCARE DISTRICT LONE PINE, CALIFORNIA Two Months Ended August 31, 2018

PAGE 8

	Year to Date 8/31/2018	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)
Profitability:					
Operating Margin	-3.53%	3.42%	2.66%	2.33%	0.42%
Total Profit Margin	3.41%	3.75%	2.37%	2.49%	1.23%
Cash Flow Margin	6.61%	5.13%	3.91%	8.40%	5.91%
Contractual Allowance %	26.30%	34.09%	31.94%	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	0.32	0.00	0.00	5.57	3.22
Average Daily Census Swing Bed	1.94	0.00	0.00	0.37	1.52
Liquidity:					
Days of Cash on Hand, Short Term	28.25	1.64	1.20	23.32	27.10
Days Cash, All Sources	28.60	2.70	1.50	67.87	71.21
Net Days in Accounts Receivable	228.91	85.78	96.59	59.54	53.16
Average Payment Period	284.18	163.13	231.47	56.65	53.00
Current Ratio	1.46	0.69	0.66	2.31	1.12
Medicare Cost to charge ratio	33.20%	33.20%	33.20%	38.00%	47.00%
Capital Structure:					
Average Age of Plant (Annualized)	13.88	13.76	13.87	11.13	11.45
Capital Costs as a % of Total Expenses	3.67%	3.63%	3.58%	7.51%	5.30%
Long Term Debt to Equity	0.0%	-190.6%	-202.7%	53.99%	60.32%
Long Term Debt to Capitalization	0.0%	210.4%	197.3%	20.13%	29.00%
Debt Service Coverage Ratio	9.30	1.54	0.92	2.27	3.16
Medicare IN Patient Payer mix	47.83%	37.84%	40.22%	57.90%	73.01%
Medicare Out Patient Payer mix	34.55%	29.68%	33.46%	38.89%	37.90%
Productivity and Efficiency:					
Paid FTE's per Adjusted Occupied Bed	7.22	4.91	5.42	10.34	5.86
Total Net Revenue per FTE	\$75,179	\$37,092	\$27,279	\$117,848	\$77,243
Salary Expense per Paid FTE	\$31,903	\$54,697	\$50,287	\$59,647	\$50,845
Salary and Benefits as a % of Net Revenue	51.82%	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	\$226.40	\$499.95	\$791.51	\$2,476.27	\$1,050.00
FTE's Per Occupied Bed	5.80	4.33	4.97	5.31	5.80
	YTD - Actual	YTD - Actual	YTD - Actual	YTD - Budget	
	8/31/2018	7/31/2017	6/30/2018	8/31/2018	
Other Ratios:					
Gross Days in Accounts Receivable	301.02	671.65	679.07	60.00	
Net Revenue per Adjusted Discharge	\$17,150	\$15,042	\$16,886	\$4,738	
Operating Expenses per Adj. Discharge	\$17,756	\$14,668	\$16,703	\$5,138	

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
 Monthly Cash Flow Projection FY 2019

	<i>Actual</i>	<i>Proj</i>
Month of AUG 2018	<i>Aug-18</i>	<i>Aug-18</i>
Average Daily Census		
Acute Care	0.32	0.32
Swing	1.94	1.94
SNF	0.84	0.84
Beginning Balance	-509,207	-509,207
Cash Receipts		
Medicare	724,341	482,752
Medi-Cal	120,275	97,986
Insurance	78,020	112,334
Bad Debt Recovery	9,511	9,511
Credit Card Payments	10,789	7,992
Private Pay	15,216	14,097
Rebates & Refunds/Taxes/IGT	0	49,422
Miscellaneous Cash	56,395	12,818
Unapplied	888	888
Total Cash Received	1,015,435	787,798
Salaries	326,589	367,282
Professional Fees	84,870	85,070
Supplies	44,507	35,443
Other	161,149	131,320
Inyo County Treasury Repayment	0	556
IGT Matching	0	0
TOTAL EXPENSE	617,115	619,671
Return of Medicare/Cal Overpayment	0	0
Investment Account	0	0
Ad Valorem Tax Reserve	0	0
Total Payments	617,115	619,671
Cash Over/(Under)	(110,887)	(341,080)
Sweep & Prop.Tax Acct	167,079	167,079
Reserve Add or Transfer	0	0
Medicare Overpayment Reserve	0	0
Reserve Add or Transfer	0	0
Net Cash Balance	<u>56,191</u>	<u>(174,001)</u>

Southern Inyo Healthcare District
Operational Cash Flow Actual w/Projections
Actual/Budget FY 2019

	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Act/Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>Proj</i>	<i>FY</i>
	<i>Jul-18</i>	<i>Aug-18</i>	<i>Sep-18</i>	<i>Oct-18</i>	<i>Nov-18</i>	<i>Dec-18</i>	<i>Jan-19</i>	<i>Feb-19</i>	<i>Mar-19</i>	<i>Apr-19</i>	<i>May-19</i>	<i>Jun-19</i>	<i>TOTAL</i>
Ave. Daily Census													
Acute Care	0.7	0.3	1.4	1.1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
Swing	2.5	2.1	0.4	0.4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.45
SNF	22	26	24	23.3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.94
Beginning Balance	868,725	438,309	623,316	794,602	772,881	609,081	551,152	515,972	348,470	191,741	-10,959	7,670	868,725
Cash Receipts													
Medicare	55,305	511,028	161,975	232,758	48,061	67,508	109,575	59,219	56,466	57,230	55,243	51,320	1,465,689
Medi-Cal	178,834	120,275	186,815	209,464	112,550	134,470	101,852	99,867	118,820	123,240	121,652	112,243	1,620,081
Insurance	116,252	78,020	263,633	49,226	67,250	45,731	59,191	70,664	99,552	96,325	97,320	94,121	1,137,285
Bad Debt Recovery	9,035	9,511	9,835	9,061	10,095	5,508	4,446	7,941	6,326	5,521	6,291	4,231	87,801
Credit Card Payments	3,947	10,789	19,884	11,040	5,509	3,490	9,538	9,867	5,353	4,796	4,833	5,121	94,169
Private Pay	18,061	15,216	31,555	26,750	26,168	36,943	28,537	21,892	54,017	35,740	39,420	36,240	370,538
Rebates & Refunds/Taxes/IGT	0	0	0	0	0	285,228	43,474	0	0	0	300,000	75,000	703,702
Miscellaneous Cash	375,887	56,395	850	10,355	90,949	1,099	80,900	34,773	81,572	68,320	39,240	31,258	871,597
Unapplied/Growth	83,201	888	0	0	55,324	51,026	52,340	53,420	54,320	58,456	67,079	55,581	531,634
Total Cash Received	840,522	802,122	674,547	548,655	415,907	631,003	489,853	357,643	476,426	449,628	731,078	465,115	6,882,498
Salaries	362,000	326,589	216,136	379,393	366,321	543,050	362,031	363,240	351,865	313,000	318,000	341,000	4,242,625
Professional Fees	93,164	84,870	90,326	51,555	87,291	86,050	87,420	85,430	120,844	89,596	86,959	99,981	1,063,486
Supplies	38,334	44,507	47,756	32,989	36,240	35,420	35,223	35,235	24,234	31,589	41,090	54,200	456,817
Other	223,205	161,149	125,458	106,439	39,855	24,412	40,359	41,240	136,212	218,143	169,098	35,112	1,320,682
Inyo County Treas Repay/Medsphere	554,235	0	0	0	50,000	-285,228	0	0	0	0	97,302	82,000	498,309
IGT Matching	0	0	23,584	0	0	285,228	0	0	0	0	0	0	308,812
TOTAL EXPENSE	1,270,938	617,115	503,261	570,376	579,707	688,932	525,033	525,145	633,155	652,328	712,449	612,293	7,890,731
Return of Medicare/Cal Overpmt.	0	0	0	0	0	0	0	0	0	0	0	0	0
Investment Account	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
Total Payments	1,270,938	617,115	503,261	570,376	579,707	688,932	525,033	525,145	633,155	652,328	712,449	612,293	7,890,731
Cash Over/(Under)	438,309	623,316	794,602	772,881	609,081	551,152	515,972	348,470	191,741	(10,959)	7,670	(139,508)	(139,508)
Operating Reserve	0	0	167,079	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953	17,953
Property Tax Fund	167,079	167,079	(149,126)	(17,882)	(17,882)	(17,882)	(17,882)	(17,882)	(17,882)	(17,882)	(17,882)	(17,882)	-17,882
Med Ovpmt./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	<u>605,388</u>	<u>790,395</u>	<u>812,555</u>	<u>772,952</u>	<u>609,152</u>	<u>551,223</u>	<u>516,043</u>	<u>348,541</u>	<u>191,812</u>	<u>(10,888)</u>	<u>7,741</u>	<u>(139,437)</u>	<u>(139,437)</u>

SUBSCRIPTION FOR CABLE, INTERNET & PHONE SERVICE



LONE PINE COMMUNICATIONS

Account No. _____

AGREEMENT made this 10th Day of OCTOBER 2018, by and between LONE PINE COMMUNICATION, INC (hereinafter called "COMPANY"), AND

Southern Inyo Healthcare District - Clinic (hereinafter referred to as "SUBSCRIBER").

IN CONSIDERATION of the following specified sums to paid by "SUBSCRIBER, the COMPANY hereby agrees to provide services of the COMPANY to the SUBSCRIBER at the following premises:

510 E Locust St. Lone Pine, CA 93545 760 876-2309
 Residence No. _____ Street _____ Telephone _____
 Mailing Address P.O. Box 1009 Lone Pine, Calif 93545

Designation of Premises: Residential Commercial Both (Check One)

SUBSCRIBER agrees to pay to COMPANY, prior to the installations of service, the following amounts (plus any applicable taxes);

Connection Charge	\$ <u>50.00</u>
Cable Service Package	\$ <u>63.79/mo</u>
Internet Service	\$ _____
Modem Activation.....	\$ _____
Modem / Router	\$ _____
VoIP Home Phone	\$ _____
Total	\$ <u>113.79</u>

SUBSCRIBER agrees to pay the monthly service charge of \$^{63.79} and any additional monthly charges in advance after commencement of service. The service charge from the installation date to the end of the first month shall be prorated the next month. Service shall continue on a month -to- month basis until terminated by SUBSCRIBER upon requires or by the COMPANY.

The SUBSCRIBER understands that in providing the above service the COMPANY may make use of satellite relay system owned and supplied by others, and that the continued use of these the satellite relay system is in no way guaranteed. Applicant agrees that he will make no claim nor undertake and action against either the COMPANY, such pole and/or satellite relay system owners, or all, if the service to be provide hereunder is interrupted or discontinued, regardless of the reason therefor.

The SUBSCRIBER and the COMPANY are in mutual agreement with the terms and conditions provided herein, they shall signify that fact by their signatures below, and this writing shall thereupon constitute an agreement binding upon the COMPANY and the SUBSCRIBER.

Driver's License No. _____

SUBSCRIBER SIGNATURE _____

Identification No. _____

Business Tax ID No. 95-0005450

Terms and Conditions of Service

The SUBSCRIBER agrees to pay the established monthly service fee for established monthly service fee for the maintenance and operation to the cable and internet service. This fee is payable in advance on the first of each month and becomes delinquent if not paid by the 22nd of said month and will continue on a monthly basis until such date as the company receives notification from the subscriber to discontinue service. The subscriber understands that a late charge will be added if the monthly service fee remains unpaid by the 22nd.

The SUBSCRIBER hereby grants permission to enter upon premises of the subscriber for the purpose of installation, inspection, maintenance and repair of the Cable and Internet service to the subscriber's premises, and upon the service being cancelled for any reason, the subscriber grants permission to enter upon the premises and remove all equipment therefor installed. All equipment, such and digital converters, amplifiers and transformers shall remain the property of COMPANY.

In the event that subscriber fails to abide by the rates, rules and regulations, the service may be disconnected without notice.

The SUBSCRIBER agrees to notify the company of any change of occupancy or ownership of the premises immediately on such transfer of ownership of tenancy. Nothing in this agreement shall be construed to give the subscriber the right to sell or assign, or successor tenant or occupant to acquire, any rights to use any of the equipment, installation or service provided by COMPANY.

SUBSCRIBER indemnifies and holds Cable company harmless from and against any and all demands, claims, suits, costs of defense, attorney fees, witnesses fees, expert witness fees, liabilities and other expenses for damage to property for injury to or death of any person, including but not limited to any employee, agent, servant, independent contractor, employee of an agent, servant of independent contractor, or any guest or occupant of subscriber's residence in any way arising from the installations of cable or internet.

The SUBSCRIBER understands users must not use Lone Pine Communications Inc. internet service to encourage, facilitate or engage in any illegal activities, including, without limitation:

- defamation: posting or transmitting any material which is defamatory under any applicable law;
- fraud: posting or transmitting any information that you know or ought to know is false, and that you intend others to rely on;
- unlawful material: posting or disseminating unlawful material
- false advertising: posting or transmitting any advertising or promotional materials that contain false, deceptive or misleading statements, claims or representations;
- copyright violation: posting or transmitting any information, software, photograph, video, graphic, music, sound and other material in violation of another person's copyright; and
- trade-mark violation: posting, transmitting, displaying or using any words or symbols that violate any other person's rights in its trade-mark or trade-name.

Initials

It is specifically understood that in providing Television cable, internet and VoIP phone service, COMPANY shall make use of poles owned in the whole or in part by local telephone and electric power companies, or both and that the continued use of these poles is in no way guaranteed. In the event the continued use of such poles is denied for any reason, COMPANY will make every effort to provide service over alternate routes. Subscriber agrees that they will make no claims nor undertake any action against such local telephone or electric power companies if the service proceed hereunder is interrupted or discontinued, regardless of the reason therefore.

SUBSCRIBER agrees to pay any and all collection costs and/or attorney fees if COMPANY is forced to turn the account over to a Collection Agency and/or take legal actions in collecting amounts due.

The residence must be permanently marked with the county assigned street number, where applicable.

Subscriber Signature

Date

I have read and accepted the terms and conditions of this agreement



Bishop Office
1343 Rocking W Drive
Bishop, CA 93514
O: (760) 873-4971
F: (760) 873-3670

October 11, 2018

Southern Inyo Hospital
Lone Pine, CA 93545

Dear Chris,

As per our conversations in the past, regarding the hospital's desire to place the current Canon copiers back under service with our company, below is the amount our General Manager has agreed to accept, before he will entertain putting the copiers back under service.

The amount listed below, does not represent all of the past due monies owed to American Business Machines, from when the hospital filed bankruptcy. The actual amount owed was much larger, but Mr. Jones has agreed to the reduced amount below. In addition to paying the past due amount, Mr. Jones will require that the copiers be inspected prior to being placed under a service agreement.

If upon inspection, there are need parts to be replaced to get them in good working order, the needed repairs and parts would chargeable and would need to be paid prior to the equipment being placed on contract. A quote for any needed repairs would be provided, after inspection has been performed.

The past due amount that Mr. Jones has agreed to except is **\$4,046.03**. Once the payment has cleared, we can schedule to have a technician come out and perform the fleet inspection.

American Business Machines has committed our business to offering the best in quality products and integrated service and software solutions such as: VoIP Phone Systems, Security Systems, Document Management, Managed Print Services, Advanced Scanning, compliance and much more.

Our products and services portfolio, is supported by the highest standards of customer service and local technical support in our industry. We are fully committed to honesty, integrity, and fairness in every facet of our business.

We are a service-driven company, dedicated to delivering complete customer satisfaction for everyone We do business with.

Sincerely,

Lessia Smith
Digital Imaging Consultant
American Business Machines
Bishop, CA 93546
Cell: (760) 920-2384

Company Information

Southern Inyo Healthcare District
501 E Locust StPo Box 1009
Lone Pine, CA 93545
United States

Executive Contact

MARITZA PERKINS
Primary
mperkins@sihd.org
(760) 876-5501



90

Total
Employees



\$125.00

Implementation
Costs



\$1,170.00

Total Annual
Investment

Expiration

11/30/2018

ADP Sales Associate

Chris Perry
District Manager
chris.perry@adp.com
5202770484

Company Information


Southern Inyo Healthcare District
501 E Locust StPo Box 1009
Lone Pine, CA 93545
United States

Executive Contact


MARITZA PERKINS
Primary
mperkins@sihd.org
(760) 876-5501


Processing Fees and Considerations

Number of Employees: 90 on Southern Inyo Healthcare District , Company Code R5V

 Per Processing	Count	Min	Base	Rate	Bi-Weekly	Annual
Workforce Now Payroll Solutions • General Ledger Solution	90	-	-	\$0.50	\$45.00	\$1,170.00

 Total Annual Investment	Total Annual
Workforce Now Services	<u>\$1,170.00</u>

 Other Considerations	Setup
Implementation • Implementation for Workforce Now Payroll Solutions	\$125.00

 Total Other Considerations	Total Setup
Implementation and Setup	\$500.00
Implementation Discount Value	(\$375.00)
Estimated Total Net Implementation	<u>\$125.00</u>



Company Information

Southern Inyo Healthcare District
501 E Locust StPo Box 1009
Lone Pine, CA 93545
United States

Executive Contact

MARITZA PERKINS
Primary
mperkins@sihd.org
(760) 876-5501

Important Project and Billing Information

Other

ADP's Fees for Service will be debited directly out of client's bank account of their choosing seven (7) days from invoice date.
Expiration Date: 11/30/2018

Summary

Estimated Annual Net Investment:	\$1,170.00	Total Net Implementation:	\$125.00
----------------------------------	------------	---------------------------	----------

The ADP Services Listed on this Sales Order are provided at the prices set forth herein and in accordance with the ADP Master Services Agreement (or other similar agreement governing ADP's services), which shall include any appendix, exhibit, addendum, schedule or other similar document attached thereto or accompanying this Sales Order. By signing below you are acknowledging and agreeing to such terms and conditions and to the listed prices.

ADP, LLC

Client: Southern Inyo Healthcare District

Signature: _____
Name: _____
Title: _____
Date: _____

Signature: _____
Name: _____
Title: _____
Date: _____

Financial
Review

Sales Order
Quote Number
02-2018-425866.2



Company Information

Southern Inyo Healthcare District
501 E Locust StPo Box 1009
Lone Pine, CA 93545
United States

Executive Contact

MARITZA PERKINS
Primary
mperkins@sihd.org
(760) 876-5501

Workforce Now Included Services

General Ledger Solution

Thank you for your consideration



ADP's proven solutions can help you:

Control Benefits Costs

Improve Employee Retention

Reduce Labor Costs

Improve Tax & Regulatory Compliance

Reduce Labor Costs

Bridging the Gap Between Payroll and General Ledger

Your businesses should not have to accept the inconvenience of manual journal entries or the expense of developing custom interfaces to connect to your payroll and general ledger.

With ADP's Infolink-GLI you have a fast, flexible and affordable solution that integrates your payroll data with your general ledger system. Journal entry files are accurately created from pay data which can be easily imported using applications such as: Oracle®, SAP®, Great Plains® Dynamics, MAS 90/200/500, Peachtree®, QuickBooks® and other popular financial packages.

Flexibility, Ease and Seamless Integration

ADP's Infolink-GLI lets you efficiently manage and transfer data in a way that's compatible with your *existing accounting system* — and everything is done in a *seamless manner*. Check out these flexible features:

- **Any size account number** – Input any size number — there's no limit to the quantity of digits you can use
- **Flexible accrual calculations** – Calculate accruals based on your specific practices
- **Automated reversals** – Avoid duplicating efforts by automatically reversing accruals from a previous month
- **Intelligent mapping tools** – ADP's Infolink-GLI intelligently matches your ADP payroll data with your chart of account numbers
- **Drill Down reporting** – Gives you the ability to easily "drill down" to all the details that make up an account number and see why that number has a certain value assigned to it
- **General ledger account number validation** – By making sure every interface account number matches a number in your general ledger, booking errors are reduced

Adds to Employee Satisfaction

ADP's Infolink-GLI solution helps your organization to work in a more productive environment, by enabling you and your staff to:

- **Eliminate manual entries** – Automatically and accurately transfer data from pay files to your financial system
- **Take control of the process** – Create journal entries in the timeframe and manner that meets your needs



BUSINESS
STRATEGY

ADP's Infolink-GLI



ADP
The business
behind business®



- **Put time on your side** – Gain access to your data as soon as you receive your payroll for just-in-time posting and reporting
- **Spot errors before posting** – Eliminate the process of “blindly” updating G/L. Reduce errors by previewing and editing pay detail files *before* they are posted

A Solution That Puts You in Control, Saves Time and Reduces Costs

ADP's Infolink-GLI was developed and is supported by professionals who know payroll and general ledger as well as how these two strategic business functions should interface to provide you with maximum control and flexibility. It's a reliable, well designed solution that enables you to transform a series of time-consuming tasks into a *smooth and continuous process*:

- **Control is right where you want it** – Manage and maintain general ledger updates from your desktop according to the timeframe you prefer
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ADP's Infolink-GLI



***Expert Provider Organization (EPO)
For the Treatment of Musculoskeletal Injuries***

by and between

MedRisk, LLC.

And

Southern Inyo Hospital

SPECIALIST PROVIDER AGREEMENT

This Agreement is made and entered into this day ____ of _____ 201____, by and between MedRisk LLC. ("MedRisk"), a Commonwealth of Pennsylvania Business Corporation, and the party executing this Agreement as identified on the signature page of this Agreement ("Specialist Provider"). The terms of this Agreement shall supersede all previous communications, representations, or agreements, either verbal or written, between the parties.

Whereas, MedRisk has agreements with employers, insurance companies and medical services companies (hereinafter collectively "Payers"), requiring MedRisk to arrange for the provision of certain medical and rehabilitative services necessary and appropriate for the treatment of injuries and illnesses ("Covered Services") to persons eligible to receive benefits from Payers under workers' compensation laws or other applicable insurance laws ("Covered Persons"),

Whereas, Specialist Provider is licensed to provide certain specialty medical and rehabilitative care services, and

Whereas, the parties desire that Specialist Provider provide certain Covered Services to Covered Persons.

Now, therefore, in consideration of the mutual promises and covenants herein contained, the parties agree as follows:

1. Definitions

- 1.1. **Authorized Visits:** The total number of visits, including evaluation, authorized by MedRisk for a Covered Person regardless of the number and types of rehabilitative services rendered for the Treatment Episode. Based on each Covered Person's diagnosis and chronicity of illness, treatment program and provider region, for each episode of care, MedRisk shall timely notify Specialist Provider regarding the maximum number of Authorized Visits for Covered Services rendered by Specialist Provider, subject to determinations of medical necessity by the Payer or under applicable law.
- 1.2. **Clean and Timely Claim:** For the purposes of this Agreement, a clean and timely claim is an invoice for health care services which is accepted by the payer as one that: (i) is eligible for Covered Services provided to an eligible Covered Person; (ii) has no material defect or impropriety, including but not limited to, any lack of required substantiating documentation or incorrect coding; (iii) is undisputed regarding the amount claimed; (iv) is not fraudulent; (v) requires no special treatment that prevents timely payments from being made on the claim under the terms of the Agreement; and (vi) is submitted **forty-five (45) days of the date of service or the regulatory** time period, whichever is less.
- 1.3. **Confidential Information.** All written and oral information, documents, and data previously or hereafter obtained by either party, its affiliates, or its representatives from the other party or the other party's affiliates or representatives in connection with this Agreement or the services provided hereunder. "Confidential Information" shall include personal health and financial information of patients, and MedRisk's and Payers' trade secrets and proprietary services and methodologies (including but not limited to the MedRisk Day Rate arrangements, treatment guarantees, fee management protocols and their distinguishing characteristics), either party's negotiated contract rates, technical data, programs, customer lists, lists of employees and agents, sales and marketing plans, operating procedures, and hospital, physician, and other provider agreements and related information.
- 1.4. **Covered Person.** An individual using medical or rehabilitative services delivered by a MedRisk EPO network provider and who is eligible under applicable workers' compensation laws or other applicable insurance laws to receive benefits under a Payer's policy or a self-insured plan administered by a Payer.
- 1.5. **Covered Services.** All medical and rehabilitative services performed by a MedRisk EPO Specialist Provider on a Covered Person, excluding diagnostic radiological services, which are within the individual health care provider's scope of practice as authorized by applicable state law and which are payable under the applicable state medical fee schedule or reimbursement regulations. Supplies and equipment utilized to perform these services shall be included as Covered Services, but shall not be calculated in the Day Rate for Specialist Provider, but rather payable as set forth in Exhibit 1 Reimbursement Structure.
- 1.6. **Date of Discharge.** The earlier of the following dates: (i) the date on which the Covered Person voluntarily dismisses the Specialist Provider as the provider of rehabilitation services; (ii) the date on which the Covered Person has missed either two (2) consecutive weeks of treatment or thirty percent (30%) of treatments scheduled within a one (1) month period without a written medical excuse; (iii) the date on which there is a Plateau documented by the Specialist

Provider; or (iv) the date on which the Covered Person achieves specific treatment goals as determined by the MedRisk EPO Network Provider or the treating physician.

- 1.7. **Day Rate.** The maximum amount of money paid by MedRisk to Specialist Provider for Covered Services rendered by Specialist Provider for a particular date of service regardless of the number and types of rehabilitative services rendered, except that initial evaluations and same-day Pool and Land Therapy are subject to an additional Day Rate. Supplies and equipment utilized to perform Covered Services shall not be calculated in the Day Rate for Specialist Provider, but rather payable as set forth in Exhibit 1 Reimbursement Structure.
- 1.8. **Medical appropriateness.** A determination that a medical treatment or medical supply used to identify or treat an illness or injury is appropriate to the patient's diagnosis and status of recovery and is consistent with the location of service, the level of care provided, and applicable practice parameters. The service should be within applicable treatment guidelines, or, in the absence thereof, widely accepted among practicing health care providers, based on scientific criteria, and determined to be reasonably safe. The service must not be of an experimental, investigative, or research nature.
- 1.9. **Payer.** An insurer, third-party claim administrator, employer or medical services company identified in the Exhibit(s) attached to this Agreement as clients of MedRisk for accessing MedRisk EPO providers in each specific state. Payers are ultimately responsible for determining compensability of claims and the appropriateness of specific treatments and for timely reimbursement of the Specialist Provider.
- 1.10. **Treatment Episode.** The period of time from the Covered Person's date of initial evaluation until Date of Discharge for that episode of care.
- 1.11. **Utilization Management.** Review of Specialist Provider bills to determine via prior authorization or respective review whether services and charges are appropriate, reasonable and related to a work-related injury, identifying defects including the following:
 - Lack of medical appropriateness,
 - Lack of supporting documentation,
 - Unbundling and upcoding of services,
 - Incorrect provider or diagnosis coding,
 - Inflated level of service,
 - Redundant services,
 - Treatment of unrelated injury, and
 - Delivery of services outside the individual provider's scope of practice.

2. SERVICES

- 2.1. **Licensure.** Specialist Provider warrants and represents that he/she is duly licensed in, and has all the requisite certifications required by all regulatory and professional boards and bodies having authority over his or her professional practice under the laws of _____, to allow him or her to perform the services required of him or her under the terms of this Agreement ("Services"). Specialist Provider agrees to provide MedRisk immediate notice of any change in the status of such licenses and certifications. In the event that Specialist Provider is not an individual, Specialist Provider warrants and represents that each and every individual employed by or contracted with, for the provision of Covered Services care services rendered to Covered Persons, shall meet any and all licensure, certification or other requirements imposed on each individual by the jurisdiction in which the individual practices. Specialist Provider further agrees to report to MedRisk any Medicare/Medicaid sanctions immediately upon receiving notification of these actions.
- 2.2. **Standard of Care.** Specialist Provider agrees to provide to Covered Persons all the ordinary and customary professional Covered Services in his or her specialty with the highest standard of care, skill and diligence required by law, if applicable, and used by specialists located in the community in which these Covered Services are rendered.

Specialist Provider agrees to provide Covered Services to any Covered Person, subject to the approval of each Payer. Nothing contained herein shall be interpreted to require MedRisk to refer any Covered Person to Specialist Provider for Covered Services.

- 2.3. **Compliance with Policies and Procedures.** Specialist Provider agrees to comply with all legally permitted or required policies and procedures enforced by MedRisk, including but not limited to credentialing, quality assurance, utilization management, participating provider grievance resolution and administrative procedures described in the MedRisk Administrative Reference Manual or other documents. MedRisk shall provide Specialist Provider with such policies and procedures upon the Specialist Provider's request and shall provide reasonable notice of changes of any such policies and procedures, unless MedRisk in its sole discretion determines that any delay in implementation would threaten the care rendered to any Covered Person. Such programs may include, where legally permitted or required, utilization management requirements for Covered Services rendered to a Covered Person by Specialist Provider. This provision shall not reduce or otherwise limit any professional or ethical responsibility of Specialist Provider to any Covered Person or interfere with Specialist Provider's ability to provide information or assistance to a Covered Person.

Specialist Provider agrees, in accordance with the provisions, spirit and intent of this Agreement, (1) not to differentiate or discriminate in treatment of Covered Persons because of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, health status or health insurance and (2) to render appropriate Covered Services to Covered Persons in the same manner, in accordance with the same standards and within the same time availability as offered to his/her other patients.

Specialist Provider agrees to follow state regulations and obtain consent from the Payer in those jurisdictions that require pre-authorization and follow-up authorization for treatment. Provider agrees to supply MedRisk such certifications to ensure appropriate claim processing.

3. **BILLING AND COMPENSATION**

- 3.1. Specialist Provider agrees to submit a timely original complete itemized bill in acceptable form and supporting documentation ("Clean Claim") to MedRisk for each Covered Person treated within the Network. Specialist Provider agrees that such Clean Claim shall identify the Specialist Provider's usual rates, however all reimbursement due Specialist Provider by appropriate Payer shall be in amounts set forth in the Exhibit(s) to this Agreement, subject to amendment as provided in Paragraph 7.7 of this Agreement.
- 3.2. Upon MedRisk's receipt of a Clean and Timely Claim and all other required information required to be submitted by Specialist Provider according to MedRisk's policies and procedures, including initial evaluation, prescription, daily notes and discharge report, MedRisk will promptly submit the claim to the appropriate Payer. Incomplete claims will be returned within thirty (30) days to Specialist Provider with a description of the information required.
- 3.3. Specialist Provider recognizes that MedRisk Payers' do not recognize claim as timely unless received directly from MedRisk. Any claim submitted directly to Payer may be returned to Specialist Provider with directive to submit claim directly to MedRisk for appropriate and timely processing.
- 3.4. Upon MedRisk's receipt of payment from the applicable Payer, MedRisk shall reimburse Specialist Provider in the applicable amount set forth on Exhibit 1 and state-specific Addendum (if any) to this Agreement, as may be amended from time to time pursuant to Paragraph 7.7 of this Agreement. Provider agrees that such payment for Covered Services shall be compensation in full for Services rendered to Covered Persons, whereby Specialist Provider will not balance bill patients. Specialist Provider agrees that the applicable amount set forth on Exhibit 1 and state-specific Exhibit(s) to this Agreement include sales, use and other similar taxes that may be applicable to any services and supplies provided by Specialist Provider under this Agreement which are included in the Day Rate. Specialist Provider agrees to collect and pay these taxes and to indemnify MedRisk and its clients from any loss or expense resulting from Specialist Provider's failure to do so.
- 3.5. Specialist Provider agrees that in no event, including, but not limited to nonpayment from Payer or MedRisk, Payer or MedRisk insolvency, or breach of this Agreement, shall Specialist Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against a Covered Person or persons acting on the Covered Person's behalf for Covered Services provided pursuant to this Agreement.

- 3.6. In the event that MedRisk for whatever reason makes overpayments to Specialist Provider, Specialist Provider agrees, in MedRisk's sole discretion, to either (a) refund to MedRisk any monies associated with these documented overpayments or (b) permit MedRisk to credit or offset these monies against past, current or future reimbursements from MedRisk that have, are or may come due. Overpayments include, without limitation, misdirected payments, duplicate payments and payments on claims that are denied or on services that are rejected as not authorized by Payer.
- 3.7. Provider may seek correction of underpayment by giving MedRisk timely notice after the payment was initially made. MedRisk shall promptly request any documentation needed to verify the objection and shall diligently investigate the complaint, providing Provider with timely reports of its determination. During the pendency of the investigation, MedRisk shall remit to Provider all payments that are no longer disputed.

4. PEER REVIEW

- 4.1. Specialist Provider agrees to cooperate in the implementation and operation of any peer review, external audit, quality assurance or negligence review program utilized by Payer and/or MedRisk, and shall comply with and be bound by any determinations rendered by Payer and/or MedRisk.
- 4.2. Unless superseded by applicable law, Specialist Provider agrees to follow the MedRisk Network Provider Grievance and Appeal Process for disputes arising under or related to this Agreement.

5. INSURANCE

- 5.1. Specialist Provider, at its sole expense, shall maintain at all times while obligations under this Agreement remain to be performed by Specialist Provider such insurance, including professional liability insurance with a minimum combined single limit of \$1,000,000, as is normal and customary or required by law. Specialist Provider shall provide MedRisk with evidence of such coverage upon request by MedRisk. Upon receipt of any notice of any cancellation or material change, amendment, or exclusion of such insurance, Specialist Provider shall immediately thereafter either procure other insurance coverages to replace the items which are cancelled, changed, amended, or excluded or notify MedRisk of these reductions in coverage.

6. TERM AND TERMINATION

- 6.1. **Term.** The term of this Agreement shall be for two (2) years commencing on _____. Unless written notice is given to the other party at least sixty (60) days prior to the end of the then existing term, this Agreement shall automatically renew for successive one (1) year terms.
- 6.2. **Termination without Cause.** This Agreement may be terminated, without cause, by either party, by giving sixty (60) days prior written notice to the other party, or by MedRisk, upon thirty (30) days prior written notice, in its sole discretion in regard to the Specialist Provider's provision of services for a specific Payer, at the request of the specific Payer.
- 6.3. **Termination for Cause.** This Agreement may be terminated in the event of one of the following events:
 - 6.3.1. Immediately, by either party, in the event of the failure of the other party to maintain any of the licenses, certifications or accreditations necessary to conduct the business required under this Agreement; or
 - 6.3.2. Upon thirty (30) days written notice, by either party, in the event of a failure by the other party to perform any material obligation under this Agreement in any material respect if said failure is not corrected by the defaulting party within the thirty (30) day notice period; or
 - 6.3.3. Upon thirty (30) days written notice, by either party, if the other party becomes involved in a voluntary or involuntary bankruptcy proceeding or otherwise becomes insolvent; or
 - 6.3.4. Upon thirty (30) days written notice, by either party in the event of a change in applicable state or federal law or regulation, by virtue of the adoption or amendment of statutes, rules or regulations or by administrative or

judicial orders or decisions in a manner which significantly reduces or precludes either or both parties' ability to perform under this Agreement.

- 6.4. **Effect of Termination.** Upon termination or expiration of this Agreement, neither party shall have any further obligation hereunder except for (a) MedRisk's obligations to reimburse Specialist Provider for services rendered prior to the date of termination and otherwise payable; (b) obligations, promises or covenants contained herein or (c) obligations that were expressly made to extend beyond the term of this Agreement.

7. MISCELLANEOUS

- 7.1 **Policy Compliance.** Specialist Provider agrees to follow any policies and procedures established and communicated by MedRisk and contained in any Provider Manual, as revised from time to time.
- 7.2 **Non-Contravention.** Specialist Provider (including all non-excluded locations, professionals and FEINs of Specialist Provider and its subsidiaries and affiliates) shall not circumvent the purpose of this Agreement by soliciting or selling services directly to MedRisk's direct and indirect customers which Provider Group is or has been delivering to these customers under the terms of this Agreement. This prohibition shall not restrict the right of Specialist Provider to respond to any entity's proposal or request for information and to sell services provided under this Agreement which compete with MedRisk if successful. Specialist Provider acknowledges that any intentional violation of this provision will be a material breach of the Agreement, permitting MedRisk at its discretion to terminate this Agreement for cause or seek equitable or injunctive relief prohibiting any continuing violation. In addition, Specialist Provider Group agrees to submit to an audit of its records upon reasonable notice by MedRisk and to pay to MedRisk as damages the revenues MedRisk would have received absent the breach, less any marginal operating costs avoided.
- 7.3 **Consent to Use Name.** During the term of this Agreement, Specialist Provider consents to MedRisk's use of Specialist Provider's name, address, telephone number, description of facilities, and Services and other similar information in any MedRisk provider directory or marketing material. Specialist Provider may use MedRisk's name in marketing material or any other material distributed or available to the public upon prior written consent of MedRisk.
- 7.4 **Independent Contractor.** None of the provisions of this Agreement are intended to create nor shall be deemed or construed to create any relationship between the parties hereto other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this Agreement.
- 7.5 **Confidential Information.** Both parties agree to comply with federal and state laws relating to the confidentiality of personal health and financial information. Both parties agree that confidential information of Specialist Provider, MedRisk and Payers is commercially useful, constituting trade secrets. Neither party will disclose the other party's confidential information to any other person or use the other party's confidential information to develop competing products or services or for any other purpose than the performance of this agreement, except with the prior consent of the other party. Notwithstanding the preceding restrictions on disclosure, nothing herein shall, nor shall it be deemed to, prohibit disclosure of any confidential information when the disclosure of such information is required by law.
- 7.6 **Severability.** In the event that any provision of this Agreement, or application of such provision to persons or circumstances is held to be invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement or the application of such provisions to persons or circumstances other than those to which it is held invalid, will not be affected thereby, and shall be construed as if such invalid provisions had never been contained herein and shall remain valid and enforceable according to its terms.
- 7.7 **Entire Agreement.** This Agreement, including any Exhibits, constitutes the entire understanding of the parties hereto with respect to the matters contemplated herein, and supersedes all prior agreements between the parties with respect to these matters.
- 7.8 **Amendment.** This Agreement may be amended at any time during its term (1) by either party to comply with applicable law, subject to the termination rights set forth in Section 6.3.4, (2) by written mutual consent of the parties or

(3) by MedRisk in its sole discretion in regard to reimbursement rates for Covered Services, upon thirty (30) days prior written notice to Specialist Provider.

- 7.9 **Waiver of Breach.** The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach hereof.
- 7.10 **Assignment.** Except as provided in this paragraph, neither Party shall assign, subcontract, delegate or transfer its rights or obligations under this Agreement without the prior written consent of the other Party, and any such purported assignment shall be invalid. MedRisk may assign this Agreement to any entity that controls, is controlled by, or is under common control with the MedRisk now or in the future, provided that Specialist Provider may terminate this Agreement by giving sixty (60) days prior written notice in accordance with the provisions of Section 6.2.
- 7.11 **Specialist Provider Staff.** Specialist Provider agrees to notify appropriate staff members of this Agreement and of their responsibility to adhere to all conditions of this Agreement. Furthermore, Specialist Provider, if an entity, agrees to require each individual providing Services hereunder to comply with the obligations of Specialist Provider.
- 7.12 **Authority.** Each party represents and warrants to the other party that it has the power and authority to execute and deliver this Agreement and to perform its obligations hereunder and that all requisite action has been taken to approve the execution, delivery and performance of this Agreement.
- 7.13 **Governing Law.** This Agreement and the rights of the parties thereto shall be governed by and interpreted in accordance with the laws of the State of Delaware without giving effect to any rules regarding conflicts of law.
- 7.14 **Applicability:** Terms of this agreement, including reimbursement of provider services set forth in Article 3 above, shall apply to Covered Services delivered to all Covered Persons currently treating on or after the effective date of this Agreement.
- 7.15 **Notice.** Any notices required to be given pursuant to the termination of this Agreement shall be in writing, postage prepaid, and shall be sent certified or registered mail, return receipt requested to MedRisk or Specialist Provider at the address set forth below. Notices not relating to full termination shall be in writing via mail, fax or electronic format.

To MedRisk:

MedRisk, LLC
Network Development
2701 Renaissance Boulevard
PO Box 61570
King of Prussia, PA 19406-1332

**To Specialist Provider at the address set forth on
the Signature Page**

SIGNATURE PAGE OF THE MEDRISK AGREEMENT

IN WITNESS WHEREOF, Specialist Provider and MedRisk have executed this Agreement as of the effective date signed by MedRisk, unless otherwise amended and agreed upon by both parties for the following services. *The signature acknowledges acceptance of this Agreement for all facilities and all practitioners providing rehabilitative services who submit claims under the tax identification number(s) provided to MedRisk for all States in which MedRisk is operational for a particular Payer.*

SPECIALIST PROVIDER SIGNATURE:

Organization Name

Provider's Authorized Signature

Street Address

Print Name

City, State, Zip

Title

Tax Identification Number

Date Signed

MEDRISK, LLC. SIGNATURE:

MedRisk, LLC.

Contract Executed Date

↓ ↓ ↓ ↓ For MedRisk Purposes Only ↓ ↓ ↓ ↓

Date Application Reviewed: _____

Contract Effective Date: _____

EXHIBIT 1

Reimbursement Structure for Specialist Provider Locations in CA

1. Provider agrees to bill for Services provided pursuant to this Agreement at 100% of his/her established fee schedule. Reimbursement for services provided under this Agreement will be (i) the established Day Rate, (ii) eighty percent (80%) of any applicable state, federal or other governing agency mandated fee schedule, (iii) eighty percent (80%) of usual and customary value as determined by MedRisk or Payer, or (iv) eighty percent (80%) of provider's charges whichever is the lesser reimbursement.
2. MedRisk will process all clean, timely, authorized claims (HCFA 1500 or UB 1450) containing physical medicine CPT Procedure Codes submitted by Specialist Provider pursuant to this agreement which are payable under applicable law and Payer reimbursement policies.
3. Clean, timely, authorized claims containing physical medicine CPT Procedure Codes and DME/Supply codes will be processed (i) according to the contracted Day Rate for rehabilitation services, and (ii) according to the percentage referenced above (in Section 1) for DME/Supplies, subject to Payer's reimbursement policies.
4. Day Rate is established in accordance with the attached Exhibits. Any additional Day Rate will be provided to Specialist Provider in the form of additional or replacement Addendums to this Exhibit whenever they are negotiated.

The following Day Rate for claims subject to the jurisdiction stated above is established for the Payers specified on the most current Client List:

Services:

Initial Evaluation	\$ 70.00
Physical/Occupational Therapy	80.00

Acknowledged By:

Signature: _____

Title: _____

Provider Name: _____

Date: _____

EXHIBIT 2

Provider Protocols

1. Specialist Provider agrees to make best efforts to schedule a Covered Person within twenty-four to forty-eight hours from referral.
2. Treatment visits should be scheduled appropriately and aggressively to promote early return to work. Time is crucial because in many states the laws limit the time within which MedRisk can direct treatment.
3. Following the Covered Person's initial evaluation, Specialist Provider agrees to make best efforts to fax or otherwise transmit to MedRisk within 24 hours, a copy of the initial evaluation summary report outlining findings, proposed treatment, expected results and anticipated disability time frame.
4. The first follow up visit should begin within 72 hours of the initial evaluation. All subsequent visits should be made in a timely and consistent fashion to promote prompt recovery.
5. The focus of the rehabilitation process is return to work. MedRisk may request evaluation of job descriptions and completion of return to work restriction forms so that the injured Covered Person can be returned to productive activity.
6. All Covered Services will be coordinated with the Covered Person's Payer through MedRisk. Specialist Provider shall not discharge or refer Covered Persons to another provider without notice to MedRisk.
7. The original bill for each Covered Person and the corresponding clinical documentation must be sent to MedRisk for each Covered Person treated by Specialist Provider. The HCFA 1500 Form is preferred (Pennsylvania Medicare Part A Provider should utilize a UB form). MedRisk will review each bill, and then submit the bill to the Payer. **Specialist Provider must not bill the Payer directly! Bills not audited and approved by MedRisk will be returned by the Payer.** Specialist Provider will be reimbursed directly from MedRisk upon receipt of payment from payer.
8. Specialist Provider agrees to make best efforts to complete and transmit to MedRisk all status reports requested by MedRisk within 48 hours of receipt of these status report requests. Provider may be requested to provide status report on claimant(s) continuing to receive treatment outside evidence-based parameters. In such cases, MedRisk will initiate such request by faxing to provider a questionnaire to be completed by the treating therapist to provide information on claimants' compliance and progress. Such questionnaires should be completed and return to MedRisk within 48 hours of Specialist Provider's receipt.

EMERGENCY DEPARTMENT PHYSICIAN AGREEMENT

This Emergency Department Physician Agreement (“Agreement”) is made by Southern Inyo Healthcare District (“District”) and Robert S. Kollen, M.D. (“PHYSICIAN”), as of 11/14/2018.

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 [redacted] 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 \$ [redacted] per visit for all patients treated with their charts completed by [redacted].

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 [redacted]: 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 [redacted] 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 11/14/2018 and shall terminate on 11/14/2019. 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 _____

Brian Cotter, CEO

Robert S. Kollen, MD

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.

CONSULTING SERVICES AGREEMENT

By and between

Southern Inyo Healthcare District ("Hospital")

And

SALLY EMERY, RHIA ("Consultant")

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (this "Agreement") is entered into as of November 1, 2018 (the "Execution Date"), by and between Southern Inyo Healthcare District, a California nonprofit special district ("Hospital"), and Sally Emery, RHIA an individual ("Consultant"). Hospital and Consultant are sometimes referred to in this Agreement individually as a "Party" or, collectively, as the "Parties."

RECITALS

A. Hospital owns an acute care hospital facility located in Lone Pine, California.

B. Hospital desires to engage Consultant as an independent contractor to provide certain administrative services as set forth in this Agreement.

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1.

CONSULTANT'S OBLIGATIONS

1.1 Administrative Services. Consultant shall provide to Hospital those consulting services, including but not limited to providing advice, health information management ("HIM"), and compliance information regarding Hospital's HIM software systems and medical records practices, coding methodology and compliance practices on Hospital medical records, and healthcare district industry context ("HIM Services"), upon the terms and subject to the conditions set forth in this Agreement.

1.2 Time Commitment. Consultant shall devote whatever time is necessary to effectively provide the HIM and compliance consultant Services; provided, however, that Consultant shall respond within the next business day to all inquiries from Hospital and function in this capacity no less than 16 hours per month. Consultant shall allocate time to Administrative Services when and as needed and as reasonably requested by Hospital from time to time. Consultant will be in attendance on-site or by phone at all Board compliance meetings.

1.3 Personal Services. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Consultant. Consultant shall be solely responsible for performing HIM and Compliance consulting Services and otherwise fulfilling the terms of this Agreement.

1.4 Performance Standards. Consultant shall comply with and perform the duties under this Agreement in a safe, effective and competent manner and in accordance with the Hospital Rules applicable to the performance of HIM and Compliance Services.

1.5 Code of Conduct. Consultant hereby agrees to be subject to Hospital's Code of Conduct... With respect to Consultant's business dealings with Hospital and Consultant's performance of duties under this Agreement, Consultant shall not act, or fail to act, in any manner that conflicts with or violates the Code, and shall not cause another person to act, or fail to act, in any manner that conflicts with or violates the Code. Consultant shall comply with the Code as it relates to Consultant's business relationship with Hospital or any Southern Inyo Healthcare District affiliates, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

1.6 Use of Space. Consultant shall not use any part of the space of the Hospital as a private office, except for the provision of the HIM and Compliance consulting Services, as needed, and in an emergency or with Hospital's prior written consent. Hospital will provide Consultant with the temporary use of space when Consultant is on site and computer access both on site and remotely.

1.7 Representations and Warranties by Consultant. Consultant represents and warrants that Consultant has never been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program or state equivalent and Consultant has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude.

ARTICLE 11.
COMPENSATION

2.1 Compensation. In exchange for Consultant's provision of HIM and Compliance consulting Services, Hospital shall compensate Consultant fifty dollars (\$50) per hour ("Compensation Due"). Hospital shall pay the Compensation Due by the fifteenth (15th) business day of the following month.

2.2 IRS Form W-9, upon execution of this Agreement, Consultant shall furnish a completed and executed copy of IRS Form W-9 that identifies Consultant's taxpayer identification number.

ARTICLE 111.
INDEMNITY

3.1 Indemnification.

(a) Indemnification by Consultant. Consultant shall indemnify, defend and hold harmless Hospital, its affiliates and their respective directors, officers, employees or agents, from and against any and all claims, causes of action, liabilities, losses, damages, penalties, assessments, judgments, awards or costs, including reasonable attorneys' fees and costs, arising out of, resulting from, or relating to: (i) Consultant's failure to comply with the terms of this Agreement; (ii) the negligent operations, acts, or omissions of Consultant or Consultant's employees or agents; or (iii) wages, salaries, employee benefits, income taxes, FICA, FUTA, SDI and all other payroll, employment or other taxes, withholdings and charges payable by Hospital or any of its affiliates to, or on behalf of, Consultant or any other person employed by or contracted with Consultant.

(b) Indemnification by Hospital. Hospital shall indemnify, defend and hold harmless Consultant from and against any and all claims, causes of action, liabilities, losses, damages, penalties, assessments, judgments, awards or costs, including reasonable attorneys' fees and costs, arising out of, resulting from, or relating to: (i) Hospital's failure to comply with the terms of this Agreement or (ii) the negligent acts or omissions of Hospital or any employee or agent of Hospital in the performance of Hospital's obligations under this Agreement.

3.2 Survival of Obligations. The Parties obligations under Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV.
RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Consultant is and shall at all times be an independent contractor with respect to Hospital in the performance of Consultant's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Consultant. Consultant shall function as the Registered Health Information Administrator and therefore be, an agent of Hospital, but shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) In the event any governmental entity, including the Internal Revenue Service, should question or challenge Consultant regarding the independent contractor status of Consultant with respect to Hospital and the Administrative Services rendered under this Agreement, Consultant shall immediately notify Hospital and Hospital shall have the right to participate in any discussions or negotiations occurring with such governmental entity, regardless of who initiated such discussions or negotiations.

4.2 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Consultant or any other person employed or retained by Consultant. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Consultant or any other person employed or retained by Consultant, Consultant shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

4.3 Non-Solicitation. During the term of this Agreement and for a period of one (1) year thereafter, Consultant shall not solicit for employment or actually employ any employee of Hospital, or interfere with any relationship, contractual or otherwise, between Hospital and any of its employees.

ARTICLE V.
TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on November 1, 2018 (the "Effective Date"), and shall continue until October 31, 2019 (the "Expiration Date"), subject to the termination provisions of this Agreement. Upon mutual consent, the Parties may renew this

Agreement for two one-year extensions unless either Party gives the other Party written notice of its intention not to renew this Agreement at least thirty (30) calendar days prior to the expiration of the then current term.

5.2 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) all rights and obligations of the Parties shall cease except (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement, and (ii) those rights and obligations which expressly survive termination or expiration of this Agreement;

(b) upon Hospital's request, Consultant shall immediately vacate the premises, removing any and all of Consultant's personal property, and Hospital may remove and store, at Consultant's expense, any personal property that Consultant has not so removed;

(c) Consultant shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, in Consultant's possession or under Consultant's control; and

(d) Consultant shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of HIM and/or Compliance consulting Services, or interferes in any way with any relationship between Hospital and any other person or entity who may be engaged to provide Administrative Services to Hospital.

ARTICLE VI. GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated, signed by the Parties and explicitly indicate that such writing modifies or amends this Agreement.

6.2 Assignment. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Consultant. Consultant shall be solely responsible for providing the HIM and Compliance consulting Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement. Consultant may not assign any of Consultant's rights, interests, duties, or obligations under this Agreement without Hospital's prior written consent, which consent may be given, conditioned or withheld in Hospital's sole discretion. Any attempted or purported assignment by Consultant in violation of this Section shall be void. Hospital may, in its sole discretion, assign any or all of its rights, interests, duties, or obligations hereunder to any person or entity without the prior written consent of Consultant. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective heirs, successors, assigns and representatives.

6.3 Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than the State.

6.4 Compliance with HIPAA. Consultant shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, "HIPAA the obligations collectively referred to herein as "HIPAA Obligations"), as set forth in Exhibit 6.4. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.5 Compliance with Laws and Accreditation.

(a) Consultant shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, "Laws") applicable to Consultant, the provision of the HIM and Compliance consulting Services, or the obligations of Consultant under this Agreement, including without limitation laws that require Consultant to disclose any economic interest or relationship with Hospital.

(b) Consultant shall take actions necessary to ensure that the Hospital is operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.6 Compliance with Medicare Rules. To the extent required by law or regulation, Consultant shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any duly authorized agent or representative of the foregoing, a copy of this Agreement and Consultant's books, documents and records. Consultant shall preserve and make available such books, documents and records for a period that is the longer of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Consultant is requested to disclose books, documents or records pursuant to this Section for any purpose, Consultant shall notify Hospital of the nature and scope of such request, and Consultant shall make available, upon written request of Hospital, all such books, documents or records. Consultant shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Consultant's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs.

6.7 Confidential Information.

(a) During the term of this Agreement, Consultant may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. "Trade Secrets" includes information and data relating to payer contracts and accounts, clients, patients, patient groups, patient medical records, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. "Confidential Information" includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that Hospital discloses or otherwise makes available in any manner to Consultant, or to which Consultant may gain access in the performance of the HIM and Compliance consulting Services under this Agreement, or which Consultant knows or has reason to know is confidential information of Hospital or any Affiliate; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of Hospital, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession.

(b) Confidential Information shall be and remain the sole property of Hospital, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Consultant shall not use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Consultant shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Consultant protects his or her own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that Consultant prepares, or Confidential Information that might be given to Consultant in the course of providing HIM and Compliance consulting

Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Consultant shall return to Hospital all Confidential Information and all copies thereof in Consultant's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Consultant shall not copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(d) This Section shall survive the expiration or termination of this Agreement.

6.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

6.9 Disclosure of Agreement. Consultant shall not disclose any of the provisions of this Agreement to any person or entity, other than Consultant's respective attorneys or accountants, without the prior written consent of Hospital, unless and only to the extent such disclosure is required by law, subpoena or legal process. Consultant may not disclose the provisions of this Agreement to any person or entity without the prior written consent of Hospital except to the extent such disclosure is requested or required by (a) Consultant's respective contracts existing as of the date of this Agreement; or (b) fiscal intermediaries, public agencies or commissions with governmental powers and duties related to disclosure of information which have the right to compel disclosure of such information.

6.10 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties with respect to such subject matter. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.11 Exhibits and Attachments. The attached exhibits and attachments, together with all documents incorporated by reference in the exhibits and attachments, form an integral part of this Agreement and are incorporated by reference into this Agreement.

6.12 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.13 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.14 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

6.15 Non-Discrimination. Consultant shall not differentiate or discriminate in the provision of services on the basis of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, genetics, evidence of insurability, or claims history, in violation of any applicable state, federal or local law or regulation, or Hospital Rules, including, without limitation, the Age Discrimination Act of 1975, the Americans with Disabilities Act and all regulations issued pursuant thereto and as may be amended from time to time. Consultant and Hospital shall be in full compliance with Section 504 of the Rehabilitation Act of 1973, Titles VI and VII of the 1964 Civil Rights Act, and all regulations issued pursuant thereto and as may be amended from time to time.

6.16 No Third Party Beneficiary Rights. This Agreement shall not confer or be construed to confer any rights or benefits to any person or entity other than the Parties.

6.17 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.18 Severability. If any provision of this Agreement, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction and such provision can be severed without substantially changing the bargain reached by the Parties, such provision or part of such provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability, performance or obligations of the remainder of this Agreement, including the remainder of such provision not determined to be illegal, invalid or unenforceable.

6.19 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

6.20 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver

granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

HOSPITAL

SOUTHERN INYO HEALTHCARE DISTRICT, a
California Special Healthcare District

Jacque Hickman, Chairman

Address of Hospital

P.O. Box 1009, 501 E. Locust St., Lone Pine, CA 93545

CONSULTANT

Sally Emery, RHIA
Sally Emery, RHIA, an individual

Consultant's principal place of business:

135 Todd Court, Bodfish, CA 93205

Exhibit 6.4

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (this "BAA") is made by and between Southern Inyo Healthcare District ("Covered Entity" or "CE") and Sally Emery, an individual ("Business Associate" or "BA"), and is effective as of October 1, 2018 (the "BAA Effective Date").

RECITALS

- A. BA provides certain services for or on behalf of CE ("Services"), pursuant to an agreement or arrangement (the "Underlying Agreement"), and, in the performance of the Services, BA creates, receives, maintains or transmits Protected Health Information ("PHI").
- B. CE and BA intend to protect the privacy and provide for the security of the PHI created, received, maintained, or transmitted by BA in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (the "HITECH Act"), and the implementation regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.
- C. The HIPAA Regulations require CE to enter into an agreement containing specific requirements with BA prior to the disclosure of PHI, as set forth in this BAA.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the parties agree as follows:

1. Definitions.

- a. General Definitions. Unless otherwise provided in this BAA, all capitalized terms that are used in this BAA will have the same meaning as defined under HIPAA, the HITECH Act, and the HIPAA Regulations.
- b. "Offshore" means outside of the United States of America.
- c. "Privacy Rule" means the HIPAA Regulations that are codified at 45 C.F.R. Part 160 and Part 164, Subparts A and E.
- d. "Protected Health Information" or "PHI" has the same meaning as "protected health information" at 45 C.F.R. § 160.103, limited only to the information provided by CE to BA or created or received by BA on CE's behalf.
- e. "Security Rule" means the HIPAA Regulations that are codified at 45 C.F.R. Part 160 and Part 164, Subparts A and C.

2. Obligations of BA.

- a. Permitted Uses. BA may not use PHI except for the purpose of performing the Services, or as otherwise explicitly permitted by this BAA or as required by Law. Further, BA may not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use PHI: (i) for the proper management and administration of BA,^s (ii) to carry out the legal responsibilities of BA; and (iii) for Data Aggregation purposes for the Health Care Operations of CE.
- b. Permitted Disclosures. BA may not disclose PHI except for the purpose of performing the Services, or as otherwise explicitly permitted by this BAA or as required by Law. BA may not disclose PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; or (iii) for Data Aggregation purposes for the Health Care Operations of CE. If BA discloses PHI to a third party for BA's proper management and administration or to carry out BA's legal responsibilities, the disclosure must be Required By Law, or prior to making any such disclosure, BA must obtain (i) reasonable written assurances from such third party that such PHI will be held confidentially and only used or further disclosed as Required By Law or for the purposes for which it was disclosed to such third party; and (ii) a written agreement from such third party to immediately notify BA of any breach of its confidentiality obligations of which it becomes aware.
- c. Appropriate Safeguards. BA must comply with all applicable requirements of the Security Rule to the same extent the Security Rule applies to CE. BA will implement appropriate administrative, physical and technical safeguards as are necessary to prevent the improper use or disclosure of PHI other than as permitted by this BAA. Without limiting the foregoing, BA may not (i) transmit PHI over a network that is not protected by Encryption technology, such as the Internet (i.e., a virtual private network must be used), or (ii) maintain PHI on a laptop or other portable electronic media, unless such PHI has been secured by the use of Encryption technology. BA will not (a) store any decryption key on the same device as encrypted PHI, or (b) transmit any decryption key over an open network. Any Encryption technologies utilized in complying with this Section must at a minimum meet the Federal Information Processing Standard ("FIPS") 140-2 encryption standard and any of its successor security standards. BA represents and warrants that all of its Workforce members who may have access to PHI have been appropriately trained on their obligations under the HIPAA Regulations.
- d. Mitigation. BA agrees to mitigate, to the maximum extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI in violation of this BAA.
- e. Reporting of Improper Access, Use or Disclosure. BA will notify CE in writing of any access to, use or disclosure of PHI not permitted by this BAA, including any Breach of Unsecured PHI and Security Incident, without unreasonable delay and no later than five

business days after discovery. Such notifications must include the following: A description of the impermissible access, use or disclosure of PHI;

- Identification of each Individual whose Unsecured PHI has been or is reasonably believed by BA to have been impermissibly accessed, used or disclosed;
- The date the incident occurred and the date the incident was discovered;
- A description of the type(s) and amount of PHI involved in the incident;
- A description of the investigation process to determine the cause and extent of the incident;
- A description of the actions BA is taking to mitigate and protect against further impermissible uses or disclosures and losses;
- A description of any steps individuals should take to protect themselves from potential harm resulting from the impermissible use or disclosure of PHI; and
- Any other information related to the incident that is reasonably requested by CE.

Notwithstanding the foregoing, BA and CE acknowledge the ongoing existence and occurrence of attempted but unsuccessful Security Incidents that are trivial in nature, such as pings and port scans, and CE acknowledges and agrees that no additional notification to CE of such unsuccessful Security Incidents is necessary. However, to the extent that BA becomes aware of an unusually high number of such unsuccessful Security Incidents due to the repeated acts of a single party, BA shall notify CE of these attempts and provide the name, if available, of said party.

BA will reimburse CE for (i) all reasonably incurred costs related to notifying Individuals of an impermissible access, use or disclosure of PHI by BA or its Subcontractors, and (ii) all reasonably incurred expenses related to mitigating harm to the affected Individuals, such as credit monitoring services.

- f. BA's Agents and Subcontractors. BA will ensure that any Subcontractors that create, receive, maintain or transmit PHI on behalf of BA agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI. BA will implement and maintain sanctions against Subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. BA will be legally responsible to CE for the actions and conduct of its Subcontractors involving PHI.
- g. Access to PHI. BA will make PHI it maintains in Designated Record Sets available to CE for inspection and copying within five days of a request by CE in a manner that enables CE to fulfill its obligations under 45 C.F.R. § 164.524. If any Individual asks to inspect or access his or her PHI directly from BA, BA will notify CE in writing of the request within five days of the request. Any approval or denial of an Individual's request to access or inspect his or her PHI is the responsibility of CE.

- h. Amendment of PHI. Within ten days of the receipt of a request from CE for an amendment to PHI that is maintained in a Designated Record Set by BA, BA will make the PHI available to CE for amendment in such a manner so as to enable CE to fulfill its obligations under 45 C.F.R. § 164.526. If any Individual requests an amendment of PHI directly from BA, BA must notify CE in writing of the request within five days of the request. Any approval or denial of an amendment of PHI maintained by BA is the responsibility of CE.
- i. Accounting Rights. BA will maintain a record of all disclosures of PHI that BA makes, if CE would be required to provide an accounting to an Individual of such Disclosures under 45 C.F.R. § 164.528. Within ten days of notice by CE of a request for an accounting of disclosures of PHI, BA will make available to CE all information related to disclosures by BA and its Subcontractors necessary for CE to fulfill its obligations under 45 C.F.R. § 164.528. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA for at least six years. At a minimum the information collected and maintained will include: (i) the date of disclosure; (ii) the name of the person who received the PHI and, if known, the address of the person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the Individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to BA, BA will, within five days of a request, forward it to CE in writing. It is CE's responsibility to prepare and deliver any such accounting requested, and BA will not provide an accounting directly to an Individual.
- j. Delegations of Obligations. To the extent that BA carries out CE's obligations under the Privacy Rule, BA shall comply with the requirements of the Privacy Rule that apply to CE in the performance of such obligations.
- k. Access to Records. BA will make its internal practices, books and records relating to the use and disclosure of PHI available, upon request, to CE and the Secretary for purposes of determining CE's and BA's compliance with the Privacy Rule and this BAA.
- l. Minimum Necessary. BA will request, use and disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. BA understands and agrees that the definition of "minimum necessary" is in flux, and BA will keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- m. Data Ownership. Unless otherwise explicitly addressed in the Underlying Agreement, BA acknowledges that BA has no ownership rights in the PHI.

3. Term and Termination.

- a. Term. The Term of this BAA is concurrent with that of the Underlying Agreement.
 - b. Material Breach. A breach by BA of any provision of this BAA, as determined by CE, will constitute a material breach of the Underlying Agreement and provide grounds for immediate termination of both this BAA and the Underlying Agreement, despite any contrary term in the Underlying Agreement. CE may choose to provide BA with an opportunity to cure any breach of this BAA, and CE may terminate this BAA if BA fails to cure the breach within the time period specified in the notice of the breach.
 - c. Judicial or Administrative Proceedings. CE may terminate this BAA and the Underlying Agreement, despite any contrary term in the Underlying Agreement, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws, or (ii) a finding or stipulation that BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which CE has been joined.
 - d. Effect of Termination. Upon termination of this BAA for any reason, BA will, at the option of CE, return or destroy all PHI that BA still maintains in any form, and will not retain any copies of such PHI. If return or destruction is not feasible as determined by CE, BA will provide CE with written notice setting forth the circumstances that BA believes make the return or destruction of the PHI infeasible and continue to extend the protections of this BAA to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If CE elects destruction of the PHI, BA, will certify in writing to CE that such PHI has been destroyed. BA will be responsible for returning or destroying any PHI in the possession of its Subcontractors consistent with the requirements of this Section related to return and destruction of PHI.
4. Disclaimer. CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act or the HIPAA Regulations will be adequate or satisfactory for BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.
 5. Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this BAA may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. Despite any contrary term in the Underlying Agreement, CE may terminate the Underlying Agreement and this BAA upon 30 days written notice in the event (i) BA does not promptly enter into negotiations to amend this BAA when requested by CE pursuant to this Section, or (ii) BA does not enter into an amendment to this BAA providing assurances

regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

6. Assistance in Litigation or Administrative Proceedings. BA shall make itself, and any Subcontractors, employees or agents assisting BA in the performance of its obligations under this BAA available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy by BA, except where BA or its Subcontractor, employee or agent is a named adverse party.
7. Indemnification. BA will indemnify, defend and hold CE and its employees, agents, officers, directors, members, subsidiaries, and affiliates harmless from and against any claim, cost, lawsuit, injury, loss, damage or liability arising from (i) any breach by BA of its obligations under this BAA, or (ii) any impermissible use or disclosure of PHI by BA or its Subcontractors, however caused. CE will indemnify, defend and hold BA and its employees, agents, officers, directors, shareholders, members, subsidiaries, and affiliates harmless from and against any claim, cost, lawsuit, injury, loss, damage or liability arising from a breach of this BAA by CE. The indemnification rights and obligations set forth in this Section are not subject to any limitation of liability provision contained in the Underlying Agreement.
8. No Third-Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
9. Interpretation. The provisions of this BAA prevail over any provisions in the Underlying Agreement that may conflict or appear inconsistent with any provision in this BAA, provided that any terms in the Underlying Agreement that may provide greater protections to the privacy and security of PHI than are set forth in this BAA govern. This BAA and the Underlying Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this BAA will be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.
10. Survival. The rights and obligation under Sections 2.i., 3.d., 6 and 7 expressly survive termination of this BAA.
11. Insurance. BA must carry cyber liability coverage with minimum limits of \$3,000,000, including coverage for data reconstruction, financial damages resulting from the unauthorized disclosure of or general corruption or loss of personal data (including but not limited to PHI), identity theft monitoring services for Individuals whose PHI was compromised, costs of incident response, investigation and follow-up, coverage for actions of rogue employees and the costs of defending or responding to (including damages and fines) any investigations or informational requests from any regulatory agency or other governmental or quasi-governmental agency responsible for the control and use of PHI.
12. Offshoring Prohibition. BA may not transmit or make PHI accessible to any offshore recipient without CE's prior written consent. BIX's requests for permission to send PHA Offshore must be

submitted in writing to CE's privacy officer. The request must include details sufficient to identify the offshore entity, the specific PHI to be transmitted or accessed by the offshore entity, and the purpose for which the PHI will be used or accessed by the offshore entity. CE reserves the right to request and, upon that request BA must provide, additional documentation and evidence of offshore entity's compliance with the terms of this BAA. BA shall ensure that representatives of CE and of Medicare plans in which CE participates have the right to audit any Offshore entity receiving PHI; provided, however, that such audits will be limited to the use and disclosure of PHI by the Offshore entity and the administrative, physical, technical and organizational privacy and security safeguards, and policies, procedures and documentation addressing the privacy and security of PHI.

IN WITNESS WHEREOF, the parties hereto have duly executed this BAA as of the BAA Effective Date.

COVERED ENTITY

BUSINESS ASSOCIATE

SOUTHERN INYO HEALTHCARE DISTRICT

Sally Emery, RHIA
SALLY EMERY, RHIA, an individual

CONSULTING SERVICES AGREEMENT

This Consulting Services Agreement ("Agreement") is entered into as of November 1, 2018, by and between Southern Inyo Healthcare District, a California special district ("Hospital"), and Sally Emery, RHIA, an individual ("Consultant"). Hospital and Consultant are sometimes referred to in this Agreement individually as a "Party" or, collectively, as the "Parties."

RECITALS

A. Hospital owns and operates an acute care hospital and clinic located in Lone Pine, California.

B. Hospital desires to engage Consultant as an independent contractor to provide certain administrative services as set forth in this Agreement.

TERMS

ARTICLE I. CONSULTANT'S OBLIGATIONS

1.1 Services. Consultant shall provide to Hospital specified consulting services, including health information management ("HIM"), medical records practices, coding methodology, and compliance practices ("Compliance") ("Services"), upon the terms and subject to the conditions set forth in this Agreement.

1.2 Time Commitment. Consultant shall devote appropriate time to effectively provide the Services Consultant will be in attendance on-site or by phone at all Board compliance meetings.

1.3 Personal Services. Consultant shall be solely responsible for performing the Services and fulfilling the terms of this Agreement.

1.4 Performance Standards. Consultant shall perform the Services in accordance with Hospital policies and rules.

1.5 Code of Conduct. Consultant hereby agrees to be subject to Hospital's Code of Conduct and ethics rules.

1.6 Use of Space. Consultant shall not use any part of the space of the Hospital as a private office, but only for the provision of the Services, as needed, or in an emergency or with Hospital's prior written consent. Hospital will provide Consultant with the temporary use of space when Consultant is on site and computer access both on site and remotely.

1.7 Representations and Warranties by Consultant. Consultant represents and warrants that Consultant has never been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program or state equivalent and Consultant has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude.

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ARTICLE II. COMPENSATION

2.1 Compensation. In exchange for Consultant's provision of the Services, Hospital shall compensate Consultant fifty dollars (\$50) per hour ("Compensation Due"). Hospital shall pay the Compensation Due by the fifteenth (15th) business day of the following month.

2.2 IRS Form W-9, upon execution of this Agreement, Consultant shall furnish a completed and executed copy of IRS Form W-9 that identifies Consultant's taxpayer identification number.

ARTICLE III. INDEMNITY

3.1 Indemnification.

(a) Indemnification by Consultant. Consultant shall indemnify, defend and hold harmless Hospital, its affiliates and their respective directors, officers, employees or agents, from and against any and all claims, causes of action, liabilities, losses, damages, penalties, assessments, judgments, awards or costs, including reasonable attorneys' fees and costs, arising out of, resulting from, or relating to: (i) Consultant's failure to comply with the terms of this Agreement; (ii) the negligent operations, acts, or omissions of Consultant or Consultant's employees or agents; or (iii) wages, salaries, employee benefits, income taxes, FICA, FUTA, SDI and all other payroll, employment or other taxes, withholdings and charges payable by Hospital or any of its affiliates to, or on behalf of, Consultant or any other person employed by or contracted with Consultant.

(b) Indemnification by Hospital. Hospital shall indemnify, defend and hold harmless Consultant from and against any and all claims, causes of action, liabilities, losses, damages, penalties, assessments, judgments, awards or costs, including reasonable attorneys' fees and costs, arising out of, resulting from, or relating to: (i) Hospital's failure to comply with the terms of this Agreement or (ii) the negligent acts or omissions of Hospital or any employee or agent of Hospital in the performance of Hospital's obligations under this Agreement.

3.2 Survival of Obligations. The Parties obligations under Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV. RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Consultant is and shall at all times be an independent contractor, and nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Consultant. Consultant shall function as the Registered Health Information Administrator and therefore be, an agent of Hospital, but shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) In the event any governmental entity, including the Internal Revenue Service, should question or challenge Consultant regarding the independent

contractor status of Consultant with respect to Hospital and the Administrative Services rendered under this Agreement, Consultant shall immediately notify Hospital and Hospital shall have the right to participate in any discussions or negotiations occurring with such governmental entity, regardless of who initiated such discussions or negotiations.

4.2 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Consultant or any other person employed or retained by Consultant.

4.3 Non-Solicitation. During the term of this Agreement and for a period of one (1) year thereafter, Consultant shall not solicit for employment or employ any employee of Hospital, or interfere with any relationship, contractual or otherwise, between Hospital and any of its employees.

ARTICLE V. TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on November 1, 2018 (the "Effective Date"), and shall continue until October 31, 2019 (the "Expiration Date"), subject to the termination provisions of this Agreement. Upon mutual consent, the Parties may renew this Agreement for two one-year extensions unless either Party gives the other Party written notice of its intention not to terminate this Agreement. Either Party may terminate this Agreement for any or no reason upon 30 days' written notice to the other Party.

5.2 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) all rights and obligations of the Parties shall cease except (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement, and (ii) those rights and obligations which expressly survive termination or expiration of this Agreement;

(b) upon Hospital's request, Consultant shall immediately vacate the premises, removing all of Consultant's personal property, and Hospital may remove and store, at Consultant's expense, any personal property that Consultant has not so removed;

(c) Consultant shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, in Consultant's possession or under Consultant's control; and

(d) Consultant shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of HIM and/or Compliance consulting Services, or interferes in any way with any relationship between Hospital and any other person or entity who may be engaged to provide Administrative Services to Hospital.

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ARTICLE VI. GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated, signed by the Parties and explicitly indicate that such writing modifies or amends this Agreement.

6.2 Assignment. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Consultant. Consultant shall be solely responsible for providing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement. Consultant may not assign any of Consultant's rights, interests, duties, or obligations under this Agreement without Hospital's prior written consent, which consent may be given, conditioned or withheld in Hospital's sole discretion. Any attempted or purported assignment by Consultant in violation of this Section shall be void. Hospital may, in its sole discretion, assign any or all of its rights, interests, duties, or obligations hereunder to any person or entity without the prior written consent of Consultant. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective heirs, successors, assigns and representatives.

6.3 Choice of Law. This Agreement shall be construed in accordance with and governed by the laws of the State, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than the State.

6.4 Compliance with HIPAA. Consultant shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, "HIPAA the obligations collectively referred to herein as "HIPAA Obligations"), as set forth in Exhibit 6.4. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.5 Compliance with Laws and Accreditation.

(a) Consultant shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, "Laws") applicable to Consultant, the provision of the HIM and Compliance consulting Services, or the obligations of Consultant under this Agreement, including without limitation laws that require Consultant to disclose any economic interest or relationship with Hospital.

(b) Consultant shall take actions necessary to ensure that the Hospital is operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.6 Compliance with Medicare Rules. To the extent required by law or regulation, Consultant shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any duly authorized agent or representative of the foregoing, a copy of this Agreement and Consultant's books, documents and records. Consultant shall preserve and make available such books, documents and records for a period that is the longer of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Consultant is requested to disclose books, documents or records pursuant to this Section for any purpose, Consultant shall notify Hospital of the nature

and scope of such request, and Consultant shall make available, upon written request of Hospital, all such books, documents or records. Consultant shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Consultant's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs.

6.7 Confidential Information.

(a) During the term of this Agreement, Consultant may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. Confidential Information shall be and remain the sole property of Hospital. Consultant shall not use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Consultant shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Consultant protects his or her own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that Consultant prepares, or Confidential Information that might be given to Consultant while providing HIM and Compliance consulting Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(b) Consultant shall return to Hospital all Confidential Information and all copies thereof in Consultant's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Consultant shall not copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(c) This Section shall survive the expiration or termination of this Agreement.

6.8 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

6.9 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties with respect to such subject matter. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.10 Exhibits and Attachments. The attached exhibits and attachments, together with all documents incorporated by reference in the exhibits and attachments, form an integral part of this Agreement and are incorporated by reference into this Agreement.

6.11 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or

strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.12 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.13 Non-Discrimination. Consultant shall not differentiate or discriminate in the provision of services on the basis of race, color, national origin, ancestry, religion, sex, marital status, sexual orientation, age, genetics, evidence of insurability, or claims history, in violation of any applicable state, federal or local law or regulation, or Hospital Rules, including, without limitation, the Age Discrimination Act of 1975, the Americans with Disabilities Act and all regulations issued pursuant thereto and as may be amended from time to time. Consultant and Hospital shall be in full compliance with Section 504 of the Rehabilitation Act of 1973, Titles VI and VII of the 1964 Civil Rights Act, and all regulations issued pursuant thereto and as may be amended from time to time.

6.14 No Third-Party Beneficiary Rights. This Agreement shall not confer or be construed to confer any rights or benefits to any person or entity other than the Parties.

6.15 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.16 Severability. If any provision of this Agreement, in whole or in part, or the application of any provision, in whole or in part, is determined to be illegal, invalid or unenforceable by a court of competent jurisdiction and such provision can be severed without substantially changing the bargain reached by the Parties, such provision or part of such provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability, performance or obligations of the remainder of this Agreement, including the remainder of such provision not determined to be illegal, invalid or unenforceable.

6.17 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective and shall apply solely to the specific instance expressly stated.

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The Parties have executed this Agreement on the date first above written and signify their agreement with duly authorized signatures.

Southern Inyo Healthcare District

Jacque Hickman, President
501 E. Locust St.
Lone Pine, CA 93545

CONSULTANT

Sally Emery, RHIA
135 Todd Court
Bodfish, CA 92105

BUSINESS ASSOCIATE AGREEMENT

This BUSINESS ASSOCIATE AGREEMENT (this "BAA") is made by and between Southern Inyo Healthcare District ("Covered Entity" or "CE") and Sally Emery, an individual ("Business Associate" or "BA"), and is effective as of November 1, 2018 (the "BAA Effective Date").

RECITALS

- A. BA provides certain services for or on behalf of CE ("Services"), pursuant to an agreement or arrangement (the "Underlying Agreement"), and, in the performance of the Services, BA creates, receives, maintains or transmits Protected Health Information ("PHI").
- B. CE and BA intend to protect the privacy and provide for the security of the PHI created, received, maintained, or transmitted by BA in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (the "HITECH Act"), and the implementation regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations") and other applicable laws.
- C. The HIPAA Regulations require CE to enter into an agreement containing specific requirements with BA prior to the disclosure of PHI, as set forth in this BAA.

In consideration of the mutual promises below and the exchange of information pursuant to this BAA, the parties agree as follows:

1. Definitions.

- a. General Definitions. Unless otherwise provided in this BAA, all capitalized terms that are used in this BAA will have the same meaning as defined under HIPAA, the HITECH Act, and the HIPAA Regulations.
- b. "Offshore" means outside of the United States of America.
- c. "Privacy Rule" means the HIPAA Regulations that are codified at 45 C.F.R. Part 160 and Part 164, Subparts A and E.
- d. "Protected Health Information" or "PHI" has the same meaning as "protected health information" at 45 C.F.R. § 160.103, limited only to the information provided by CE to BA or created or received by BA on CE's behalf.
- e. "Security Rule" means the HIPAA Regulations that are codified at 45 C.F.R. Part 160 and Part 164, Subparts A and C.

2. Obligations of BA.

- a. Permitted Uses. BA may not use PHI except for the purpose of performing the Services, or as otherwise explicitly permitted by this BAA or as required by Law. Further, BA may not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use PHI: (i) for the proper management and administration of BA, ^s (ii) to carry out the legal responsibilities of BA; and (iii) for Data Aggregation purposes for the Health Care Operations of CE.
- b. Permitted Disclosures. BA may not disclose PHI except for the purpose of performing the Services, or as otherwise explicitly permitted by this BAA or as required by Law. BA

may not disclose PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by CE. However, BA may disclose PHI: (i) for the proper management and administration of BA; (ii) to carry out the legal responsibilities of BA; or (iii) for Data Aggregation purposes for the Health Care Operations of CE. If BA discloses PHI to a third party for BA's proper management and administration or to carry out BA's legal responsibilities, the disclosure must be Required By Law, or prior to making any such disclosure, BA must obtain (i) reasonable written assurances from such third party that such PHI will be held confidentially and only used or further disclosed as Required By Law or for the purposes for which it was disclosed to such third party; and (ii) a written agreement from such third party to immediately notify BA of any breach of its confidentiality obligations of which it becomes aware.

- c. **Appropriate Safeguards.** BA must comply with all applicable requirements of the Security Rule to the same extent the Security Rule applies to CE. BA will implement appropriate administrative, physical and technical safeguards as are necessary to prevent the improper use or disclosure of PHI other than as permitted by this BAA. Without limiting the foregoing, BA may not (i) transmit PHI over a network that is not protected by Encryption technology, such as the Internet (i.e., a virtual private network must be used), or (ii) maintain PHI on a laptop or other portable electronic media, unless such PHI has been secured by the use of Encryption technology. BA will not (a) store any decryption key on the same device as encrypted PHI, or (b) transmit any decryption key over an open network. Any Encryption technologies utilized in complying with this Section must at a minimum meet the Federal Information Processing Standard ("FIPS") 140-2 encryption standard and any of its successor security standards. BA represents and warrants that all of its Workforce members who may have access to PHI have been appropriately trained on their obligations under the HIPAA Regulations.
- d. **Mitigation.** BA agrees to mitigate, to the maximum extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI in violation of this BAA.
- e. **Reporting of Improper Access, Use or Disclosure.** BA will notify CE in writing of any access to, use or disclosure of PHI not permitted by this BAA, including any Breach of Unsecured PHI and Security Incident, without unreasonable delay and no later than five business days after discovery. Such notifications must include the following: A description of the impermissible access, use or disclosure of PHI;
 - Identification of each Individual whose Unsecured PHI has been or is reasonably believed by BA to have been impermissibly accessed, used or disclosed;
 - The date the incident occurred and the date the incident was discovered;
 - A description of the type(s) and amount of PHI involved in the incident;
 - A description of the investigation process to determine the cause and extent of the incident;
 - A description of the actions BA is taking to mitigate and protect against further impermissible uses or disclosures and losses;
 - A description of any steps individuals should take to protect themselves from potential harm resulting from the impermissible use or disclosure of PHI; and

- Any other information related to the incident that is reasonably requested by CE.

Notwithstanding the foregoing, BA and CE acknowledge the ongoing existence and occurrence of attempted but unsuccessful Security Incidents that are trivial in nature, such as pings and port scans, and CE acknowledges and agrees that no additional notification to CE of such unsuccessful Security Incidents is necessary. However, to the extent that BA becomes aware of an unusually high number of such unsuccessful Security Incidents due to the repeated acts of a single party, BA shall notify CE of these attempts and provide the name, if available, of said party.

BA will reimburse CE for (i) all reasonably incurred costs related to notifying Individuals of an impermissible access, use or disclosure of PHI by BA or its Subcontractors, and (ii) all reasonably incurred expenses related to mitigating harm to the affected Individuals, such as credit monitoring services.

- f. BA's Agents and Subcontractors. BA will ensure that any Subcontractors that create, receive, maintain or transmit PHI on behalf of BA agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI. BA will implement and maintain sanctions against Subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. BA will be legally responsible to CE for the actions and conduct of its Subcontractors involving PHI.
- g. Access to PHI. BA will make PHI it maintains in Designated Record Sets available to CE for inspection and copying within five days of a request by CE in a manner that enables CE to fulfill its obligations under 45 C.F.R. § 164.524. If any Individual asks to inspect or access his or her PHI directly from BA, BA will notify CE in writing of the request within five days of the request. Any approval or denial of an Individual's request to access or inspect his or her PHI is the responsibility of CE.

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- h. Amendment of PHI. Within ten days of the receipt of a request from CE for an amendment to PHI that is maintained in a Designated Record Set by BA, BA will make the PHI available to CE for amendment in such a manner so as to enable CE to fulfill its obligations under 45 C.F.R. § 164.526. If any Individual requests an amendment of PHI directly from BA, BA must notify CE in writing of the request within five days of the request. Any approval or denial of an amendment of PHI maintained by BA is the responsibility of CE.
- i. Accounting Rights. BA will maintain a record of all disclosures of PHI that BA makes, if CE would be required to provide an accounting to an Individual of such Disclosures under 45 C.F.R. § 164.528. Within ten days of notice by CE of a request for an accounting of disclosures of PHI, BA will make available to CE all information related to disclosures by BA and its Subcontractors necessary for CE to fulfill its obligations under 45 C.F.R. § 164.528. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA for at least six years. At a minimum the information collected and maintained will include: (i) the date of disclosure; (ii) the name of the person who received the PHI and, if known, the address of the person; (iii) a brief description of PHI disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the Individual of the basis for the disclosure, or a copy of the Individual's authorization, or a copy of the written request for disclosure. In the event that the request for an accounting is delivered directly to BA, BA will, within five days of a request, forward it to CE in

writing. It is CE's responsibility to prepare and deliver any such accounting requested, and BA will not provide an accounting directly to an Individual.

- j. Delegations of Obligations. To the extent that BA carries out CE's obligations under the Privacy Rule, BA shall comply with the requirements of the Privacy Rule that apply to CE in the performance of such obligations.
 - k. Access to Records. BA will make its internal practices, books and records relating to the use and disclosure of PHI available, upon request, to CE and the Secretary for purposes of determining CE's and BA's compliance with the Privacy Rule and this BAA.
 - l. Minimum Necessary. BA will request, use and disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. BA understands and agrees that the definition of "minimum necessary" is in flux, and BA will keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
 - m. Data Ownership. Unless otherwise explicitly addressed in the Underlying Agreement, BA acknowledges that BA has no ownership rights in the PHI.
3. Term and Termination.
- a. Term. The Term of this BAA is concurrent with that of the Underlying Agreement.
 - b. Material Breach. A breach by BA of any provision of this BAA, as determined by CE, will constitute a material breach of the Underlying Agreement and provide grounds for immediate termination of both this BAA and the Underlying Agreement, despite any contrary term in the Underlying Agreement. CE may choose to provide BA with an opportunity to cure any breach of this BAA, and CE may terminate this BAA if BA fails to cure the breach within the time period specified in the notice of the breach.
 - c. Judicial or Administrative Proceedings. CE may terminate this BAA and the Underlying Agreement, despite any contrary term in the Underlying Agreement, effective immediately, if (i) BA is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws, or (ii) a finding or stipulation that BA has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which CE has been joined.
 - d. Effect of Termination. Upon termination of this BAA for any reason, BA will, at the option of CE, return or destroy all PHI that BA still maintains in any form, and will not retain any copies of such PHI. If return or destruction is not feasible as determined by CE, BA will provide CE with written notice setting forth the circumstances that BA believes make the return or destruction of the PHI infeasible and continue to extend the protections of this BAA to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If CE elects destruction of the PHI, BA, will certify in writing to CE that such PHI has been destroyed. BA will be responsible for returning or destroying any PHI in the possession of its Subcontractors consistent with the requirements of this Section related to return and destruction of PHI.
4. Disclaimer. CE makes no warranty or representation that compliance by BA with this BAA, HIPAA, the HITECH Act or the HIPAA Regulations will be adequate or satisfactory for

BA's own purposes. BA is solely responsible for all decisions made by BA regarding the safeguarding of PHI.

5. Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this BAA may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. Despite any contrary term in the Underlying Agreement, CE may terminate the Underlying Agreement and this BAA upon 30 days written notice in the event (i) BA does not promptly enter into negotiations to amend this BAA when requested by CE pursuant to this Section, or (ii) BA does not enter into an amendment to this BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.
6. Assistance in Litigation or Administrative Proceedings. BA shall make itself, and any Subcontractors, employees or agents assisting BA in the performance of its obligations under this BAA available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy by BA, except where BA or its Subcontractor, employee or agent is a named adverse party.
7. Indemnification. BA will indemnify, defend and hold CE and its employees, agents, officers, directors, members, subsidiaries, and affiliates harmless from and against any claim, cost, lawsuit, injury, loss, damage or liability arising from (i) any breach by BA of its obligations under this BAA, or (ii) any impermissible use or disclosure of PHI by BA or its Subcontractors, however caused. CE will indemnify, defend and hold BA and its employees, agents, officers, directors, shareholders, members, subsidiaries, and affiliates harmless from and against any claim, cost, lawsuit, injury, loss, damage or liability arising from a breach of this BAA by CE. The indemnification rights and obligations set forth in this Section are not subject to any limitation of liability provision contained in the Underlying Agreement.
8. No Third-Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
9. Interpretation. The provisions of this BAA prevail over any provisions in the Underlying Agreement that may conflict or appear inconsistent with any provision in this BAA, provided that any terms in the Underlying Agreement that may provide greater protections to the privacy and security of PHI than are set forth in this BAA govern. This BAA and the Underlying Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this BAA will be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule.

10. Survival. The rights and obligation under Sections 2.i., 3.d., 6 and 7 expressly survive termination of this BAA.
11. Insurance. BA must carry cyber liability coverage with minimum limits of \$3,000,000, including coverage for data reconstruction, financial damages resulting from the unauthorized disclosure of or general corruption or loss of personal data (including but not limited to PHI), identity theft monitoring services for Individuals whose PHI was compromised, costs of incident response, investigation and follow-up, coverage for actions of rogue employees and the costs of defending or responding to (including damages and fines) any investigations or informational requests from any regulatory agency or other governmental or quasi-governmental agency responsible for the control and use of PHI.
12. Offshoring Prohibition. BA may not transmit or make PHI accessible to any offshore recipient without CE's prior written consent. BIX's requests for permission to send PHA Offshore must be submitted in writing to CE's privacy officer. The request must include details sufficient to identify the offshore entity, the specific PHI to be transmitted or accessed by the offshore entity, and the purpose for which the PHI will be used or accessed by the offshore entity. CE reserves the right to request and, upon that request BA must provide, additional documentation and evidence of offshore entity's compliance with the terms of this BAA. BA shall ensure that representatives of CE and of Medicare plans in which CE participates have the right to audit any Offshore entity receiving PHI; provided, however, that such audits will be limited to the use and disclosure of PHI by the Offshore entity and the administrative, physical, technical and organizational privacy and security safeguards, and policies, procedures and documentation addressing the privacy and security of PHI.

IN WITNESS WHEREOF, the parties hereto have duly executed this BAA as of the BAA Effective Date.

COVERED ENTITY

BUSINESS ASSOCIATE

By _____
 Jaque Hickman, President
 Southern Inyo Healthcare District

 Sally Emery, RHIA