

**Southern Inyo Healthcare District  
Board of Directors  
Regular Meeting Agenda**

**Wednesday, February 8, 2017  
Board Convenes at 4:30 p.m.**

**Best Western Plus Frontier Motel  
Conference Room  
1008 S Main St, Lone Pine, CA**

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**I. CALL TO ORDER**

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

**II. APPROVAL OF MINUTES**

- Regular Board Meeting Minutes of December 7, 2016.
- **Proposed Action:** Approval of Minutes for December 7, 2016 Regular Board Meeting.

**III. CITIZEN REQUESTS/PUBLIC COMMENTS**

**IV. OPEN SESSION AGENDA**

**A. Consent Agenda**

**1. Appointment of Committee**

**Board of Directors:**

Richard Fedchenko  
President

Jaque Hickman  
Secretary

Carma Roper  
Treasurer

Mark Lacey  
Director

Chuck Carson  
Director

**2. Request to approve the following Physician/Other Agreements:**

- a. **Edward Joseph Mescher, MD**  
Physician Service Agreement
- b. **Marc Martinez, MD**  
Physician Service Agreement
- c. **James Wichser, MD**  
Medical Staff Privileges

**Proposed Action:** Approval of Consent Agenda Items

**B. Report by Administration - *HCCA Management***

**1. Finance and Operations**

- a. Update
- b. California Health Facilities Financing Authority (CHFFA) Health Expansion Loan Program (HELP) II Working Capital Loan

**2. Compliance and Quality**

- a. Update

**3. Personnel: Employee Insurance, Payroll, and Staffing**

- a. Update

**4. Insurance**

- b. Update

**C. Medical Staff Report**

- 1. Update

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Director

**V. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA**

**VI. SUSPEND OPEN SESSION - ADJOURN TO CLOSED SESSION**

**VII. CLOSED SESSION**

- A. Existing Litigation (Govt Code 54956.9): Chapter 9 Bankruptcy
- B. Real Property Negotiations (Govt Code 54956.8)  
Property: 510 E. Locust St, Lone Pine, Ca 93545  
Parties: SIHD, C. Lynne Bunn  
District Negotiator: Legal Counsel, CRO  
Under Negotiation: Rent, Term, Maintenance/Repairs

**VIII. ADJOURN CLOSED SESSION/RECONVENE OPEN SESSION**

- Public report of action taken in closed session, pursuant to Government Code section 54957.1

**IX. ADJOURNMENT**

**Board of Directors:**

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President

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Secretary

Carma Roper  
Treasurer

Mark Lacey  
Director

Chuck Carson  
Director

**NOTICE TO THE PUBLIC**

**PUBLIC COMMENT PERIOD FOR REGULAR MEETINGS**

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**COMPLIANCE WITH ADA**

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Chuck Carson  
Director

**Southern Inyo Healthcare District  
Board of Directors  
Regular Meeting Minutes**

**Wednesday, December 7, 2016  
Board Convened at 4:30 p.m.**

**Statham Hall  
138 N Jackson St.  
Lone Pine, CA**

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**PRESENT**

Richard Fedchenko, President  
Jaque Hickman, Secretary  
Carma Roper, Treasurer  
Mark Lacey, Director  
Chuck Carson, Director

**OTHERS PRESENT**

Benny Benzeevi, M.D., Chair HCCA  
Alan Germany, CRO/ Administrator  
Rosa Rodriguez, Assistant

**I. CALL TO ORDER**

**A.** Mr. Fedchenko called the meeting to order at 4:33 p.m.

**B. Approval of Agenda**

**Action:** Ms. Hickman moved to add two items to closed session in the agenda. One involves a tax matter and the other involves a real estate matter. Mr. Lacey seconded. All approved. Mr. Lacey moved to approve the December 7, 2016 agenda as amended. Ms. Roper seconded. All approved.

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## II. ELECTION OF OFFICERS

**Action:** The three officers required by the Bylaws were selected as follows: Ms. Hickman moved to nominate Richard Fedchenko as President of the Board of Directors of the Southern Inyo Healthcare District. Mr. Lacey seconded. All approved. Mr. Fedchenko moved to nominate Jaque Hickman as Secretary. Mr. Carson seconded. All approved. Mr. Fedchenko also moved to nominate Carma Roper as Treasurer. Mr. Lacey seconded. All approved.

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

Ms. Hickman made a comment as a public person not as a board member. Ms. Hickman wanted to publicly thank everyone who came forward with gifts to the SNF unit and showed up to the board meeting. She stated, "It is important to have this kind of public involvement".

## IV. ACTION ITEMS

### A. Consent Agenda

#### 1. Approval of Minutes:

- Regular Board Meeting Minutes of November 2, 2016.

**Action:** Ms. Hickman moved to approve the minutes of November 2, 2016. Mr. Lacey seconded. All approved.

#### 2. Appointment of New Board Committees:

The Bylaws require two committees: the Executive Committee and the Joint Conference Committee. The Executive Committee consists of the President of the Board, Mr. Fedchenko and one other officer. Mr. Fedchenko appointed Ms. Roper to be part of the Executive Committee. Mr. Fedchenko then appointed Ms. Hickman and Mr. Carson to be part of the Joint Conference Committee. Following the appointments of the two required committees, Mr. Fedchenko appointed special committees: Finance Committee: Mr. Fedchenko appointed Mr. Lacey and himself; Compliance Committee: Mr. Fedchenko appointed Ms. Hickman and Mr. Lacey; Bylaws Committee: Mr. Fedchenko appointed Mr. Lacey and Ms. Roper; and Strategy Committee: Mr. Fedchenko appointed Ms. Hickman, Mr. Germany, Dr. Benzeevi, hospital staff, one or two community members and himself. Mr. Fedchenko announced that within the month of December, they would settle on whom from the staff and the community would be part of the

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Strategy Committee. He asked the public to reach out to him if anyone was interested in joining the Strategy Committee.

**3. Approval of Medical Staff Appointments:**

Edward Joseph Mescher, MD.

**Action:** Mr. Fedchenko moved to approve the 2-year staff privilege for Edward Joseph Mescher, MD. Ms. Hickman seconded. All approved.

**V. REPORTS**

**A. Medical staff report**

No report given.

**B. Report by Administration**

1. Finance

- a) Monthly Financial Update - Alan Germany, before his Finance presentation asked Edward Humphrey, HCCA I.T. EMIR Project Manager, to give a brief update on the electronic Medical Records conversion. The project began in August of 2016 and it is projected to go live in June of 2017. Mr. Humphrey informed that the starter documents have been completed in each department. The next event will be training in January. Mr. Humphrey then introduced Christopher Volkerts, HCCA Lead Project Manager. Mr. Germany then presented the financial summary highlighting the results for the month of October. He provided an overview of the volume trends of the various operating components within the Southern Inyo Hospital. Average daily census for the Emergency Room was 3.0. The clinic had 365 visits and Physical Therapy had 302 visits for the month. After the volume trend Mr. Germany went over the October balance sheet; cash balance was \$509,984, account receivable \$2,639,453 and bad debt balance \$2,199,773.

The report followed by the introduction of Nancy Erickson, HCCA Human Resource Director who then introduced Ed Jenkins SIH Human Resource Manager. It was informed to the community that Mr. Jenkins office is open to the public. The community is encouraged to send referrals to Mr. Jenkins'.

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2. Compliance and Quality

No report given.

3. Personnel: Employee Insurances, Payroll, and Staffing

No report given.

**C. Board of Directors/Committee Reports**

No report given.

**VI. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA**

**Comments:** Mr. Fedchenko reported on an anonymous letter addressed to the board. The letter speaks to a couple of problems that were encountered by a couple, in terms of getting medical attention. Mr. Fedchenko wanted to inform the public that the board does not ignore situations like these. Mr. Fedchenko also asked the public to not be afraid to come to them. The board is there to help and make things right.

**VII. CLOSED SESSION**

Mr. Fedchenko closed open session at 5:27 p.m. and opened closed session at approximately 5:40 p.m.

**VIII. CLOSED SESSION REPORT**

No action was taken.

**IX. ADJOURNMENT**

Meeting adjourned at 6:45 p.m.

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Board President or Secretary

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Date

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# BOARD OF DIRECTORS MEETING

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**December 7th, 2016**

**Southern Inyo Healthcare District**



# Emergency Room Volume

## Visits Per Month

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>2016</b>	-	-	85	110	120	150	132	128	127	94
<b>2015</b>	114	107	110	97	98	125	129	112	124	117
<b>2014</b>	84	68	64	78	85	95	159	130	95	107
<b>2013</b>	90	66	79	67	88	84	104	94	98	62
<b>2012</b>	85	83	84	105	98	95	116	120	95	93

## Average Visits Per Day

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>2016</b>	-	-	2.7	3.7	3.9	5.0	4.3	4.1	4.2	3.0
<b>2015</b>	3.7	3.8	3.5	3.2	3.2	4.2	4.2	3.6	4.1	3.8
<b>2014</b>	2.7	2.4	2.1	2.6	2.7	3.2	5.1	4.2	3.2	3.4
<b>2013</b>	2.9	2.4	2.5	2.2	2.8	2.8	3.4	3.0	3.3	2.0
<b>2012</b>	2.7	2.9	2.7	3.5	3.2	3.2	3.7	3.9	3.2	3.0

# Volumes

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>2016</b>										
Clinic Visits	334	308	393	363	359	340	301	334	351	365
Skilled Nursing Facility	0	0	11.0	9.4	10.8	13.0	14.7	13.1	14.0	13.6
Physical Therapy	0	0	131	186	209	278	260	253	260	302
Lab	0	0	316	267	291	302	259	248	259	253
Radiology	0	0	85	113	119	120	93	101	121	80



## Cash Flow Summary 2016

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Cash Receipts</b>	\$ 470,896	\$ 161,374	\$ 96,915	\$ 112,661	\$ 550,153	\$ 300,617	\$ 482,876	\$ 664,137	\$ 391,690	\$ 1,789,635
<b>Property/Tobacco Tax</b>	\$ -	\$ -	\$ -	\$ 371,014	\$ -	\$ -	\$ -	\$ 35,114	\$ -	\$ -
<b>Payroll</b>	\$ 202,373	\$ 130,000	\$ 282,000	\$ 259,436	\$ 254,000	\$ 232,000	\$ 320,552	\$ 275,284	\$ 327,832	\$ 310,899
<b>Accounts Payable</b>	\$ 8,592	\$ 33,699	\$ 67,954	\$ 23,557	\$ 50,215	\$ 59,279	\$ 55,844	\$ 32,197	\$ 44,842	\$ 74,434
<b>ER Physician Coverage</b>	\$ -	\$ 19,980	\$ 28,605	\$ 24,685	\$ 64,260	\$ 77,035	\$ 77,695	\$ 87,877	\$ 68,193	\$ 106,609
<b>Cash Disbursements</b>	\$ 210,965	\$ 212,294	\$ 405,981	\$ 365,944	\$ 420,798	\$ 425,166	\$ 764,913	\$ 489,315	\$ 498,534	\$ 1,059,119
<b>Net Cash Flow</b>	\$ 259,931	\$ (50,920)	\$ (309,066)	\$ (253,283)	\$ 129,355	\$ (124,550)	\$ (282,037)	\$ 174,822	\$ (106,844)	\$ 730,516



## Balance Sheet as of October 31, 2016

### Assets

### Totals

Cash	\$ 509,984	(November ending cash \$1,305)
Accounts Receivable	\$ 2,639,453	
Bad Debt Balance	\$ 2,199,773	

### Liabilities

Accounts Payable/ Pre-Petition	\$ 2,706,971
Accounts Payable/ Post-Petition	\$ 1,610,953

Selected Balance Sheet Accounts Only



## Staffing – Help Wanted

- CNA
- LVN
- ER/Clinic Physicians
- ER Technician
- Administrative Assistant
- Lab Assistant
- Physical Therapist
- Physical Therapist Aide
- Radiology/CT Tech
- RN
- Medical Assistant
- Clinic: Nurse Practitioner/ Physician Assistant



# HCCA & SIHD

**Working together to improve  
the healthcare of the  
communities we serve**





## **Physician Services Agreement**

This Physician Services Agreement (this "Agreement") is made and entered into as of the date last written below (the "Effective Date"), by and between **SOUTHERN INYO HEALTHCARE DISTRICT** ("SIHD") and **Edward Joseph Mescher, MD** ("Physician"). SIHD and Physician are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### **STATEMENT OF BACKGROUND INFORMATION**

A. SIHD owns and/or operates a hospital, a skilled nursing facility, and other facilities, including a clinic (collectively the "Hospital").

B. SIHD is committed to providing appropriate, quality, comprehensive care for its patients and, to further expand the services SIHD provides to its community;

C. SIHD desires to engage a qualified physician to render emergency medicine services (the "Specialty"), who is fully competent to provide professional medical services to patients of SIHD, and can provide such services at such locations as SIHD may direct.

D. The Parties desire to enter into this Agreement and to set forth the terms of their agreement for Physician's engagement by SIHD as more fully set forth below.

### **STATEMENT OF AGREEMENT**

**NOW THEREFORE**, in consideration of the foregoing recitals (which by this reference are hereby made a part of this Agreement), the mutual covenants, promises and agreements herein contained and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

## **ARTICLE I ENGAGEMENT**

### **1.1 Engagement**

Beginning on the Effective Date and continuing through the Term (as defined herein), SIHD engages Physician and Physician hereby accepts such engagement as an independent contractor for SIHD pursuant to the terms and conditions set forth herein. Physician hereby agrees to devote Physician's working time, attention and energies for the number of hours per week specified in Schedule 1.1, to the practice of medicine for SIHD at such locations as SIHD may direct, including but not limited to staffing the Emergency Department at SIHD as and when directed by SIHD, and otherwise providing the Services (as hereinafter defined), all as set forth in this Agreement. Physician warrants to SIHD that he or she is not subject to any restrictions (including without limitation any restrictive covenants in any agreement to which Physician is

bound) that will prevent Physician from carrying out and performing the Services during the Term in accordance with the terms of this Agreement.

## **1.2 Patient Care**

Nothing in this Agreement shall be interpreted to dictate Physician's independent judgment in the practice of medicine. Physician shall have complete control over the diagnosis and treatment of Physician's patients, and neither SIHD nor any SIHD employee or agent shall exercise any direct supervision or control over the individual treatment of the patient.

## **1.3 Independent Contractor**

(a) In the performance of the services hereunder, Physician shall be, and is an independent contractor, and is not an agent, employee, partner or other representative of SIHD or its manager. Physician agrees that while providing the services under this Agreement, Physician will not be entitled to any of the rights or benefits afforded to SIHD's or its manager's employees, including disability or unemployment insurance, workers' compensation, medical insurance through any benefit plan, vacation or sick leave, automobile benefits, family leave, retirement benefits, or any other employment benefit.

(b) Physician is responsible for filing all necessary Federal, State, and local income and other tax returns, and paying, when due, all income and other taxes incurred as a result of the compensation paid by SIHD to Physician for providing the services under this Agreement. In reliance on the foregoing, SIHD will not withhold taxes, Social Security, or other typical withholding amounts from the compensation payable to Physician hereunder. Physician agrees to indemnify SIHD and its manager for any claim, costs, losses, fees, penalties, interest, or damages suffered by SIHD resulting from Physician's failure to comply with this Section 1.3. The provisions set forth in this Section 1.3 shall survive any expiration or termination of this Agreement.

(c) This Agreement sets forth results to be achieved by Physician but doesn't control the means and manner. Physician shall not hold himself/herself out to be or represent to anyone that he/she is an employee of SIHD or its manager, or that Physician's relationship to SIHD or its manager is other than as an independent contractor. Physician shall have no power or authority to bind SIHD, and shall not do so.

## **1.4 Referral Requirement**

During the Term, Physician shall consider referring patients requiring medical services to SIHD, or other physicians employed or contracted by SIHD; provided, however, the foregoing requirement does not apply in any of the following events: (a) if the patient expresses a preference for a different provider, practitioner, or supplier; (b) if the patient's insurer or other payor makes the determination as to the provider, practitioner, or supplier who will provide such services; (c) if, as determined by Physician in the exercise of his or her independent medical judgment, the referral is not in the patient's

best medical interests; (d) the referral relates to services that are not provided by Physician under the scope of this arrangement; or (e) such requirement is prohibited by applicable law.

Notwithstanding the foregoing, the parties acknowledge that none of the benefits granted Physician hereunder are conditioned on any requirement that Physician make referrals to, be in a position to make or influence referrals to, or otherwise generate business for SIHD. Nothing in this Agreement or in any other written or oral agreement between SIHD and Physician, or any consideration offered or paid in connection with this Agreement or other oral or written agreement between SIHD and Physician, requires the admission or referral of any patient to SIHD.

### **1.5 Exclusivity; Conflicts of Interest; Other Employment/Professional Activities**

(a) Physician may not engage in any of the prohibited activities set forth on Schedule 1.5 attached hereto without SIHD's prior written consent or as specifically provided otherwise in Schedule 1.5.

(b) Physician is subject to SIHD's and Healthcare Conglomerate Associates, LLC ("HCCA") Conflict of Interest and Disclosure of Interest Policies for Employees and Agents (the "Conflict Policy"), as same may be amended from time to time. Physician shall comply with all provisions of the Conflict Policy, including disclosure of all actual, potential, or perceived conflicts of interest. Physician further will comply with any remediation plan proposed by SIHD intended to correct a conflict of interest, including but not limited to termination of conflicting relationships, return of gifts or compensation, and/or divestiture of investment interests.

(c) Any activities of a professional nature to be undertaken by Physician outside of Physician's duties hereunder, that have been approved in compliance with this Section 1.5 must be performed outside of Physician's scheduled practice hours for SIHD, and without the use of SIHD space, equipment, personnel, or other resources including but not limited to any professional malpractice liability insurance provided by SIHD.

## **ARTICLE II PHYSICIAN DUTIES AND RESPONSIBILITIES**

### **2.1 Provision of Services**

(a) Physician shall provide professional medical services in the Specialty to SIHD patients requiring such services, and shall be responsible for such other professional duties as may be mutually agreed to by the Parties from time to time, including, without limitation, those clinical services and professional responsibilities set forth in Schedule 2.1(a) attached hereto (collectively the "Services"). Physician shall use his or her best efforts to provide Services in a competent, efficient, and appropriate manner, whether such patients are at the Physician's practice locations, a hospital or other treatment location covered by SIHD. Physician shall obey all laws and regulations as they pertain to Physician's practice of medicine, and Physician shall apply his or her

particular skill and knowledge to the practice of medicine in accordance with the applicable standards of the professional and ethical practice of medicine (including the ethical standards of the American Medical Association and the California Medical Association), SIHD policies and procedures, and the appropriate standards of care of the community. Physician will cooperate in the implementation and maintenance of any indigent or charity care policy adopted by SIHD, and in any community education programs sponsored or conducted by SIHD or its manager. In performing the Services, Physician shall, within the limits of acceptable medical risk to the patient, accept under the purview of this Agreement all medically appropriate referral requests for Services to SIHD patients (including without limitation Medicare, MediCal, TriCare, self-pay and indigent patients) from attending physicians. Further, Physician shall not discriminate or differentiate in the treatment of patients on the basis of race, sex, age, religion, marital status, sexual orientation, color, national origin, place of residence, health status, or source of payment for services or membership in any HMO, MCO, or other insurance plan.

(b) In performing Services under this Agreement, Physician shall, in addition to other obligations hereunder, comply with the following performance standards and day-to-day responsibilities: (i) attend all required management meetings (it being understood that teleconferencing and excused absences meet acceptable attendance criteria); (ii) assist SIHD and its manager as requested in the efficient and effective day-to-day management of the practice; (iii) respond to patient and referring physician needs and concerns regarding patient diagnosis and treatment as expeditiously as reasonably possible; (iv) provide input on and recommendation of professional, technical, and support staff needs to the practice; (v) provide input on and recommendation of policies and procedures regarding scheduling of patients to the end that the safety and health of patients takes precedence over other concerns; (vi) direct employees of SIHD and its manager in the provision of medical services, especially with regard to patient safety; (vii) maintain and timely update patient medical records; and (viii) provide timely and accurate coding information and provide appropriate documentation to support the medical services provided by Physician and the notations in the patient medical records, either by Physician or as supervised by Physician as the Supervising Physician (as hereinafter defined) pursuant to this Agreement, all in compliance with applicable laws, rules, regulations and interpretations thereof and payor policies, procedures and guidelines, including but not limited to those relating to documentation and reimbursement.

(c) Notwithstanding that a work shift may end, Physician shall continue to perform Services hereunder until the next physician is present on-site and commences the performance of Services, if such is reasonably required for patient care.

## **2.2 Service Fees; Assignment of Fees**

(a) SIHD shall have the exclusive authority and sole discretion to determine the professional fees, or a procedure for establishing the professional fees, to be charged patients and payors for Services rendered by Physician. All sums paid by Physician's patients in the nature of fees, co-pays, and deductibles, or otherwise for

Services rendered by Physician shall be and will remain the property of SIHD, and shall be included in SIHD's income. Physician shall cooperate and assist SIHD in the evaluation and determination of appropriate procedure and service codes for Physician's billable Services in compliance with Federal and State law and third party payor agreements.

(b) Physician hereby assigns to SIHD all (i) professional fees which arise from performing the Services or from patient care activities hereunder, (ii) fees or payments which arise from "meaningful use" of electronic medical records, and (iii) Physician Quality Reporting System payments, QCPI payments, and other quality payments from third-party payors (collectively, "Physician Receipts") related to the Services provided hereunder, if any. SIHD (and/or its designated agent for billing and collection) shall be responsible for (i) billing patients and paying all costs incident to billing and collection of patient fees for Services provided by Physician pursuant to this Agreement, and (ii) billing and collecting for all services rendered by SIHD in connection with any Services provided by Physician hereunder. All Physician Receipts and collections thereon, whether received by Physician or SIHD, shall be the sole property of SIHD and, if not directly received by SIHD, shall promptly be remitted to SIHD. Physician shall use Physician's best efforts to cause such amounts to be paid directly to SIHD, but if any receipts are paid to or collected by Physician, Physician shall hold such amounts in trust for SIHD until remitted to SIHD. Only SIHD shall bill and collect for any and all Physician Receipts. At the request of SIHD, Physician shall timely complete and file with the appropriate governmental authorities, agencies or bodies or other third party payors all documentation, agreements, and writings, and give all notices necessary to be filed or given by Physician to effectuate the foregoing assignment of Physician Receipts. Physician shall (i) promptly complete accurate records, and fully cooperate in the billing and collection of all amounts due for Physician's Services under this Agreement, and (ii) maintain and provide to SIHD records and reports of all Services provided by Physician pursuant to this Agreement in a manner reasonably acceptable to SIHD. SIHD, on the one hand, and Physician, on the other hand, hereby acknowledge and agree that, as required by 42 C.F.R. § 424.80(d), they are jointly and severally liable for repayment of any overpayments from the Medicare program made to SIHD in connection with the Services rendered under this Agreement. SIHD agrees that Physician shall have unrestricted access to claims and claims information submitted by SIHD for the Services provided by Physician under this Agreement. In carrying out these provisions relating to accounting and payment, Physician agrees to abide by all applicable laws, including any laws relating to assignment or reassignment of fees for Physician's Services, and any and all relevant terms of contractual arrangements between SIHD and third-party payors and government programs. The provisions of this Section 2.2(b) shall survive the expiration or termination of this Agreement.

### **2.3 Licensure and Certifications; Managed Care; Participating Provider**

(a) Physician hereby warrants that Physician is fully authorized to practice medicine in the State of California, and holds all appropriate licenses from the Medical Board of California to be fully licensed and authorized to practice medicine in the State of California. Physician shall, during the Term, maintain such license(s), and shall

promptly (and in no event later than 3 days after the occurrence of the relevant event) give notice to SIHD of any suspension, restriction, reduction, revocation, or termination thereof, or receipt by Physician of any notification of actions which could lead to any of the foregoing. Physician further warrants that no license heretofore granted to Physician to practice medicine in any other jurisdiction has been suspended, restricted, reduced, revoked, or terminated.

(b) Physician shall, upon SIHD's request, promptly complete/submit all necessary credentialing documentation that will enable Physician to participate in all managed care arrangements made available by or through SIHD. SIHD shall have the sole and exclusive right and authority to enter into contractual relationships with HMOs, IPAs, PPOs, PHOs, IDss, ACOs, employer groups, provider networks, and other managed care organizations and networks and third party payors with respect to the Services provided hereunder. During the Term, Physician shall not otherwise contract with any managed care organization, network, or third party payor in any manner detrimental to SIHD.

(c) Physician hereby warrants that Physician is a participating provider under the Medicare, the MediCal, and TriCare programs and shall, during the Term, continuously and without interruption remain a participating provider under such programs. Physician shall promptly complete/submit all necessary documentation that will enable Physician to participate in all Federal or State reimbursed health care programs in which SIHD participates.

#### **2.4 Confidentiality of Information**

Physician acknowledges that SIHD and HCCA consider significant amounts of information available to Physician to be confidential. "Confidential Information" means any and all proprietary items and meaningful information that SIHD or HCCA regards and treats as such and includes any Works (as defined below in Section 2.13(d)), any Inventions (as defined herein), discoveries, know-how, ideas, designs, research and development, and such other works that Physician may create, compile, or develop as a result of or in connection with the Services, whether or not copyrighted, patented, or patentable, or otherwise. Confidential Information includes, without limitation, any and all policies, procedures, contracts, quality assurance techniques, managed care initiatives, utilization management, patient records, credentialing, financial, statistical, and other information of SIHD or HCCA, including information embodied on magnetic tape, computer software, or any other medium for the storage of information, together with all notes, analyses, compilations, studies, or other documents prepared by SIHD or others on behalf of SIHD, including, without limitation HCCA, containing or reflecting such information. Confidential Information includes "trade secrets" (as defined in the California Trade Secrets Act), but is not limited to such. Confidential Information does not include information which: (i) was lawfully made available to or known by third persons on a non-confidential basis prior to disclosure by Physician; (ii) is or becomes publicly known through no wrongful act of Physician; or (iii) is received by Physician from a third party other than in breach of confidence.

(a) Physician acknowledges that Confidential Information is a valuable property right of SIHD and HCCA, and agrees that during the Term, and for a period of two (2) yearsthereafter, Physician shall: (i) treat the Confidential Information as secret and confidential; (ii) not disclose (directly or indirectly, in whole or in part) the Confidential Information to any third party except with the prior written consent of SIHD and/or HCCA, as applicable, or to the extent required by law; (iii) not use (or in any way appropriate) the Confidential Information for any purpose other than the performance of SIHD's business or Physician's duties pursuant to this Agreement; (iv) limit the dissemination of and access to the Confidential Information to such of SIHD's officers, directors, and managers, including HCCA, and their respective employees, physicians, agents or representatives, as may reasonably require such information for the performance of SIHD's business and ensure that any and all such persons observe all the obligations of confidentiality contained in this Section 2.4; (v) not to publish or disclose any portion of the Confidential Information, Works, or Inventions, in a scholarly publication, presentation, or any other media, form or venue, without the prior written consent of SIHD and HCCA; and (vi) not take any action causing, or not fail to take action necessary in order to prevent any Confidential Information to lose its character or cease to qualify as Confidential Information. Provided, however, that any Confidential Information that is a "trade secret" shall be and remain protected by Physician as provided above and to any greater extent or for any longer time period as is provided in the California Trade Secrets Act, and provided further, medical review committee information, peer review organization information, and patient information shall be protected for so long as allowed by applicable law.

(b) Confidential Information constituting the proceedings or records of a medical review committee or of a review organization shall be used and disclosed by Physician solely for the purposes and use of such medical review committee or review organization, and no materials relating to the proceedings or records of a medical review committee or review organization shall be removed from Hospital by Physician.

(c) Confidential Information consisting of patient medical records and patient information shall be used by Physician solely for the purposes of providing Services hereunder, and Physician shall maintain the confidentiality of such records and information in accordance with this Agreement, applicable SIHD policies and procedures, and all applicable laws and regulations, including without limitation, the requirements of the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated and adopted pursuant thereto, as may be amended from time to time ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act of 2009 and regulations adopted pursuant thereto, as may be amended from time to time, and this Section 2.4. Physician shall execute SIHD's standard form of Business Associate Agreement, upon request by SIHD.

(d) Upon termination or expiration of the Term, Physician shall promptly transmit or deliver to SIHD and HCCA all property belonging to SIHD or HCCA, including without limitation all Confidential Information, and all physical embodiments and copies thereof, and any Confidential Information in Physician's possession that is

stored electronically shall be erased by Physician so as to be unrecoverable, and Physician shall provide SIHD and HCCA, upon request, evidence of such erasure.

## **2.5 Compliance with Regulations**

(a) Physician warrants that he or she shall comply with all applicable laws and regulations governing his or her licensing and conduct, and with the ethical standards of his or her profession, and with the applicable policies, procedures, bylaws, rules and regulations of SIHD and its medical staff ("Medical Staff"), including but not limited to the Medical Staff Bylaws and Rules and Regulations of the Medical Staff (collectively, the "Medical Staff Bylaws"). Physician shall cooperate with SIHD and HCCA in satisfying any and all requirements needed to aid SIHD and its facilities in maintaining licensure and accreditation.

(b) By Physician's signature on this Agreement, Physician acknowledges receipt and that Physician has reviewed or will review SIHD's *Compliance Policies and Procedures*, including the Code of Conduct and the Physician Referral, Stark law and Anti-kickback policies and procedures. Physician shall read, and abide by these Policies and Procedures as such may be revised from time-to-time. If requested, Physician will acknowledge receipt of any such revisions in writing.

(c) Physician hereby certifies that Physician shall not violate the Anti-kickback Statute (42 USC § 1320a-7b (b)) and the Stark Law (42 USC § 1395nn) with respect to the performance of this Agreement.

(d) Physician agrees that any *Financial Relationship* between Physician or Physician's *Immediate Family Member* (as such italicized terms are defined in the Stark Law) and SIHD or SIHD's affiliates or its manager, HCCA, whether direct or indirect, must be disclosed to SIHD and HCCA and such disclosure to SIHD must be attached to this Agreement as Schedule 2.5, if not otherwise centrally maintained by SIHD in accordance with applicable law. Physician shall notify SIHD and HCCA in writing within three (3) days of becoming aware that Schedule 2.5 is or has become inaccurate or incomplete.

(e) Physician must comply with SIHD's and HCCA's compliance program(s) including training related to the Anti-Kickback Statute and Stark Law. Physician agrees to receive at least two hours of training within 30 days of the Effective Date. Physician further agrees to receive at least one hour of general training in each subsequent annual period.

(f) Physician will meet with SIHD and HCCA's Compliance Officer and other SIHD and HCCA designees at reasonable times and places to assess compliance with applicable laws and/or the Compliance Program(s), and to provide additional information regarding same, in writing, if SIHD or HCCA so requests. Physician shall provide full and complete responses, in connection with such an assessment or request for information.



(g) As one of SIHD's remedies, but not by way of limitation, SIHD may delay or cease payment, if SIHD does not have Physician's cooperation and compliance with meeting, consulting, certifying and reporting requirements of this Agreement or if in good faith SIHD believes that ceasing a payment or practice hereunder would assist in the settlement of matters that may arise between SIHD and the Federal government, its agencies, or contractors under any Federally funded or Federally required health care program or between the State, its agencies or contractors under any State funded or State required health care programs. In the event that Physician does not cooperate or comply with SIHD's written request concerning the foregoing within 10 days of such request, SIHD shall be relieved of any obligation to pay sums then due, in addition to any other remedy it may have. If SIHD shall notify Physician not to refer a patient to SIHD for any in- or out-patient SIHD service by reason of its good faith belief that the referrals under Stark Law may not be billed or paid, Physician shall cooperate with such notice and refer such patients other than in an emergency, to a facility other than SIHD. No additional damage can be sought against SIHD if it deposits or places such delayed or unpaid funds in a segregated account to be distributed according to a declaratory or other judgment of a court or arbitrator.

## **2.6 Specialty Boards**

As of the Effective Date, Physician is Board certified or is Board eligible by a board recognized by the American Board of Medical Specialties ("Board certified" or "Board eligible"). If Board certified, Physician covenants that he or she shall remain Board certified for the full Term of this Agreement. If Board eligible, Physician covenants that he or she will become Board certified in accordance with the time requirements set forth in the Medical Staff Bylaws.

## **2.7 Medical Staff Membership**

Physician has provided to SIHD all information, completed all applications, and taken all steps necessary to obtain active medical staff membership on the Medical Staff of the Hospital and clinical privileges in the Specialty at the applicable Hospital. Physician covenants that, as of the Effective Date, he or she will be a member of the Medical Staff, in accordance with the Medical Staff Bylaws, and shall maintain membership on the Medical Staff with active status and clinical privileges in the Specialty sufficient to perform his or her duties hereunder during the Term. All information contained on the Physician's application for Medical Staff membership and privileges is or will be, and with respect to any renewal thereof will be, true and correct, and no information material to a thorough consideration of Physician's qualifications has been or will be omitted from such original or renewal application.

Physician shall furnish SIHD with satisfactory documentation and information about Physician's health status, professional qualifications, licensure and membership status in professional entities, civil and criminal investigations and disciplinary actions concerning Physician, and professional liability claims or actions relating to Physician's professional practice of medicine. Physician authorizes and directs the Medical Board of California, all healthcare entities and peer review bodies, and governmental entities

with which Physician is or has been affiliated to provide SIHD with all information and documents relating to Physician's professional practice of medicine. Physician shall execute such authorizations and other documents, and perform such other acts as SIHD may deem necessary, reasonable, or convenient to effectuate the provision of such documents and information to SIHD.

## **2.8 Medical Staff Privileges**

During the Term hereof, Physician warrants that no medical staff or similar privileges granted to Physician by any hospital or similar institution have been denied, suspended, revoked, curtailed, reduced, or limited in any manner, nor has Physician resigned or voluntarily reduced or limited any such privileges in response to or subsequent to any investigation or disciplinary action instituted with respect to his or her care of patients.

## **2.9 DEA Number**

Physician warrants that he or she has, and during the Term shall maintain, a current narcotic number issued by the Drug Enforcement Agency ("DEA") and that no DEA or similar number that Physician holds or has held, has ever been cancelled or revoked by any State or Federal agency. Physician shall promptly report to SIHD any such cancellation or revocation.

## **2.10 Standards of Practice**

As part of SIHD's overall Quality Improvement Program, Physician shall abide by procedures established by SIHD applicable to the Physician to assure the consistency and quality of all Services provided by Physician. Physician shall ensure that his or her Services are at all times rendered in a competent and professional manner, consistent with quality improvement standards of the Medical Staff and in compliance with all applicable statutes, regulations, rules and directives of the Federal, State and other governmental and regulatory bodies having jurisdiction over SIHD, the reimbursement and utilization needs of Hospital, and currently accepted and approved methods applicable to Physician. Further, Physician shall promptly prepare and record complete and accurate reports and supporting documentation of all examinations, procedures, treatments and other Services provided by Physician. Physician shall provide assistance with peer review activities as requested by SIHD.

In performance of the Services required under this Agreement, Physician acknowledges this Agreement and his/her performance hereunder is subject to quarterly and annual reviews as required by Det Norske Veritas ("DNV") and/or The Joint Commission and as set forth in SIHD's policies and procedures. The indicators to be evaluated are described in Schedule 2.10 attached hereto and incorporated herein by this reference.

## **2.11 Budgets**

Physician shall exercise diligence and cooperate with and assist SIHD in keeping control over costs in those areas in which Physician provides Services. To this end, Physician shall use his or her best efforts to perform all obligations under this

Agreement in accordance with the approved budget, as established by SIHD and in accordance with SIHD's financial needs.

## **2.12 Continuing Medical Education**

Physician shall at all times remain in compliance with the California Medical Board's requirements for continuing medical education.

## **2.13 Ownership of Materials – Copyrights and Patents**

### **(a) Copyrights**

(i) Definition of Work. A "Work" means anything that can be copyrighted which is developed or contributed to after the Effective Date of this Agreement and relates to the operation of the Specialty or SIHD physician practices.

(ii) Work Belonging to SIHD or HCCA. Work belonging to SIHD or HCCA includes all Works that are contributed to, created by or to be created by Physician in the course of performing obligations under this Agreement or within the scope of this Agreement and not identified in writing to SIHD and HCCA at the time of execution of this Agreement. This includes any works created in whole or in part during regular work or on call hours, or using any equipment, personnel, medical records or property of SIHD or HCCA. Any such Works shall by subject, to the extent permitted by law, to the Work for Hire provisions of the United States Copyright Act, Title 17 of the United States Code, 17 U.S.C. Section 101 et seq.,

(iii) Work Not Belonging to SIHD. Any Work created by Physician before the Term and not contributed to after the Effective Date and identified in writing at the time of execution of this Agreement is Work not belonging to SIHD.

(iv) Disclosure and Transfer of Work subject to Copyright. Physician agrees to promptly assign, transfer and convey all right, title and interest in any Work belonging to SIHD or HCCA if such Work is not vested in SIHD or HCCA, as applicable. Physician agrees to promptly execute and deliver any and all documents which, in SIHD's or HCCA's sole discretion, are necessary to allow them to enforce their respective right, title and interest in the copyrights for any Work. All costs and expenses for registration of such Work will be the responsibility of SIHD and HCCA, as applicable. Physician agrees to promptly disclose to SIHD and HCCA in writing, all Work subject to this Section 2.13.

(v) Physician Warranties. Physician warrants: that as to any Work subject to transfer to SIHD or HCCA or owned by SIHD or HCCA he or she will waive any moral rights to such Work; that he or she has no ownership rights to any Works; he or she is not subject to any agreements or understandings which could in any way limit Physician's ability to fulfill the assignment obligations under

this Agreement or otherwise interfere with SIHD's or HCCA's right to own the Works; the Works do not infringe upon any existing common law or statutory copyright; the Works have not been published in any form; and the Works contain no unlawful matter.

(vi) Publication. SIHD and HCCA, in their respective sole discretion, will determine whether any Work belonging to it will be published.

(b) Inventions

(i) Definition of Invention. "Invention" means anything which is covered or defined under The Patent Act, Title 35 of the United States Code, 35 U.S.C. Section 1, et seq., together with all patent applications and patents maturing therefrom. This includes anything made solely by or jointly with Physician whether conceived or reduced to practice; any improvements in technology that provides a new or improved function, decrease in weight or size, increase in efficiency, decrease in cost, solution of an historical problem and the like.

(ii) Inventions Belonging to SIHD or HCCA. Any Inventions created or contributed to by the Physician while under this Agreement including Inventions made in whole or in part during regular work hours, on-call hours, or using any equipment, personnel, or property of SIHD or HCCA, as applicable, and not identified in writing at the time of execution of this Agreement are Inventions belonging to SIHD or HCCA.

(iii) Inventions Not Belonging to SIHD or HCCA. Any Inventions created by Physician before the Effective Date and identified in writing to SIHD and HCCA at the time of execution of this Agreement are excluded from SIHD and HCCA ownership.

(iv) Disclosure of Inventions subject to Patent or Copyright. Physician agrees to promptly disclose all Inventions subject to this Agreement to SIHD and/or HCCA, as applicable, and to assign, transfer and convey all right, title and interest in any Invention. Physician agrees to execute and deliver to SIHD or HCCA, as applicable, any and all Inventions made by Physician either solely or jointly with others in the course of this Agreement. Physician agrees to promptly deliver, execute all necessary documents which in their respective sole discretion will assist SIHD or HCCA to enforce their respective title and rights in the copyrights for any Inventions. All costs and expenses for registration of such Inventions will be the responsibility of SIHD or HCCA, as applicable, if, in their respective sole discretion, SIHD and/or HCCA decides to pursue patent protection. Physician agrees to keep adequate and appropriate records in support of the reporting requirements of this Agreement. The requirement to report all Inventions shall survive expiration or termination of this Agreement.

(v) Physician Assignments, Acknowledgements and Warranties. Physician assigns to SIHD or HCCA, as applicable, all right, title and interest in any and all Inventions made or to be made by Physician either solely or jointly in the course of performing obligations hereunder. Physician warrants that Physician has no ownership rights in any Inventions not disclosed in accordance with subparagraph 2.13(b)(iii) herein and waives any rights, moral or otherwise, to such Inventions; and that he or she is not subject to any agreements or understandings which could limit Physician's ability to fulfill the assignment obligations under this Agreement. Physician warrants that any Invention created or contributed to by Physician does not infringe on any existing patent or copyright and the Invention contains no unlawful matter.

(vi) Production and Sales of Invention. SIHD and HCCA, in their sole respective discretion, will determine whether any Invention belonging to either of them shall be produced, sold, or otherwise utilized.

#### **2.14 Governmental Reporting Requirements**

The provisions of this Agreement are not intended to reallocate to SIHD any disclosure or reporting requirements imposed upon Physician under any governmental program or law, or to create an inference that such disclosure obligations have been imposed upon SIHD. Physician shall have the sole responsibility to fulfill any such governmental reporting requirements.

#### **2.15 Accountability**

Physician shall report to (i) the Hospital's Administrator or his/her designee for administrative matters, such as scheduling, attendance in continuing education programs, personnel matters, etc., (ii) the Hospital's Medical Director or Chief of Staff, or his/her designee, for clinical oversight of professional services rendered under this Agreement, and (iii) the Hospital's Compliance Officer on matters relating to patient safety and quality, including, without limitation, compliance with laws, regulations, rules and policies.

#### **2.16 Debarment**

Physician represents and warrants that Physician is not and has not been (i) suspended, excluded, barred, or sanctioned by Medicare, Medicaid, or any other State or Federal health care program (or notified of such action); (ii) debarred pursuant to the Federal Food, Drug and Cosmetic Act or received notice of a debarment action; (iii) suspended, excluded, barred, or sanctioned by the U.S. Food and Drug Administration ("FDA") or any other governmental agency from participation in clinical research activities; (iv) convicted of, charged with, or indicted for any criminal offense related to health care; or (v) otherwise engaged in conduct for which a person or entity can be so convicted, indicted, charged, or listed. Physician shall immediately notify SIHD in the event he or she becomes aware of any such action, suspension, exclusion, debarment, sanction, conviction, indictment, or notification pertaining to Physician during the Term

of this Agreement. Upon the receipt of such notice by SIHD, or if SIHD otherwise becomes aware of such action, suspension, exclusion, debarment, sanction, or notification, SIHD shall have the right to terminate this Agreement immediately, if such Agreement is still in effect, by notice to Physician. This Section 2.16 shall survive the termination or expiration of this Agreement.

### **2.17 Malpractice Insurance**

SIHD will provide professional liability insurance including "tail" coverage according to its usual insurance program.

## **ARTICLE III RESPONSIBILITIES OF SIHD**

### **3.1 Facilities**

SIHD shall provide Physician with physical space for use in performing the Services. The size and location of such space shall be determined by SIHD, in consultation with Physician concerning space needs. SIHD facilities shall be used only in connection with performance of the duties hereunder.

### **3.2 Equipment**

SIHD shall provide to Physician the equipment reasonably necessary for the provision of the Services. Equipment shall be maintained by SIHD, and as determined by SIHD, equipment will be replaced and updated, subject to approved operating and financial budgets of SIHD. Physician shall promptly notify SIHD of any defect, malfunction, or other deficiency in any such equipment of which he or she becomes aware. New equipment may be recommended by Physician through SIHD's standard capital equipment budgetary process. SIHD shall provide Physician with opportunities for input in decisions about major equipment acquisition for and supplies needed in Physician's practice; provided, however, that at the time of such input Physician shall disclose to SIHD in writing any financial or other relationship with the manufacturer, distributor, vendor, supplier, or other provider of any equipment or supplies recommended by Physician. SIHD shall also provide all supplies necessary to provide the Services. SIHD equipment and supplies (wherever located) shall be used only in connection with performance of the Physician's duties hereunder.

### **3.3 Personnel**

During the Term, SIHD, directly or through its manager, shall provide personnel to deliver administrative, clinical, and technical assistance and support to Physician in the performance of the Services hereunder. Any such SIHD personnel providing assistance to Physician hereunder shall be and remain employees of SIHD or its manager and may be disciplined, transferred, or discharged only by their respective employer; provided, however, Physician can notify SIHD of his good faith objection to the continued employment of such staff, and request SIHD to remove such personnel. SIHD shall provide Physician with opportunities to provide input about the performance of such

personnel to appropriate departmental directors. SIHD-supplied personnel shall be used only in connection with performance of the duties hereunder involving SIHD operations and patients.

During the Term, and for a further period of two (2) years after expiration or other termination of this Agreement, Physician shall not recruit, solicit for hire, or induce any person to recruit, hire or solicit for hire, any person who is an employee or independent contractor of SIHD and/or HCCA.

## **ARTICLE IV COMPENSATION AND BENEFITS**

### **4.1 Compensation**

SIHD agrees to compensate Physician for the Services rendered pursuant to this Agreement in accordance with the compensation plan set forth on Exhibit 1 attached hereto, and Physician accepts and agrees to such compensation plan. Physician further accepts such compensation as payment in full for all services provided by physician hereunder. Physician shall document all Services provided hereunder in a form as required by SIHD. SIHD and Physician agree that the compensation paid by SIHD to Physician, (including benefits, if any), as set forth herein is consistent with and does not exceed the fair market value of Physician's services.

### **4.2 Offset**

If SIHD determines, in good faith, that Physician owes a repayment to SIHD pursuant to this Agreement or otherwise (a "Repayment Amount"), after notice to Physician and without limiting any other rights or remedies, SIHD shall have the right to offset, in whole or in part, the Repayment Amount against any payment or compensation due Physician under this Agreement until the Repayment Amount is paid in full (unless Physician pays the Repayment Amount to SIHD). If any Repayment Amount remains unpaid upon expiration or termination of this Agreement, Physician shall promptly pay such unpaid amount to SIHD.

## **ARTICLE V TERM AND TERMINATION**

### **5.1 Term**

This Agreement shall be effective as of the Effective Date and shall continue for an initial term of one (1) year (the "Term"), unless earlier terminated as provided herein. This Agreement shall automatically renew for continuous periods of one year each (subject to termination as provided herein). Any renewal hereunder shall be in accordance with 42 C.F.R. §411.357 renewal provisions.

## **5.2 Termination without Cause**

Either Party may terminate this Agreement at any time (without cause) by giving written notice to the other of such termination and specifying the effective date thereof. Physician shall provide not less than ninety (90) days' prior written notice of termination and SIHD shall provide not less than thirty (30) days' prior notice before the effective date of such termination. If either Party should terminate this Agreement with or without cause during the Initial Term, the Parties shall not thereafter enter into a similar contract for a period of one year from the effective date of such termination. The foregoing sentence is intended to satisfy the regulation at 42 CFR § 411.357(d)(iv) on altering material terms of this Agreement, and shall survive the termination of this Agreement.

## **5.3 Termination by SIHD for Cause**

SIHD shall have the right to immediately terminate this Agreement for cause at any time, by notice to Physician. For purposes of this Agreement, an event or occurrence constituting "cause" shall mean any one or more of the following:

(a) Revocation, suspension, resignation, or substantial curtailment or limitation of Physician's Medical Staff privileges at a hospital or any license to practice medicine;

(b) Physician's DEA number is revoked, suspended, terminated, relinquished, or restricted in any way;

(c) Physician becomes the subject of an investigatory, disciplinary, or other proceeding before any governmental, professional, licensing board, medical staff, or peer review body. Termination under this subsection is not contingent on the outcome of any such proceeding;

(d) Patient health or safety is or may, in the sole discretion of SIHD, be in imminent and serious danger because of Physician action or inaction;

(e) Physician fails to maintain malpractice insurance necessary to meet the requirements set forth in this Agreement;

(f) Physician's use of drugs or alcohol which interferes with the performance of Physician's duties and responsibilities under this Agreement;

(g) Physician is charged with a felony, or with other crime involving moral turpitude, or offenses related to the billing or provision of health care services;

(h) Loss of Board certification or failure to become Board certified as required by Section 2.6 herein;

(i) If Physician is substantially unable to provide professional services for a period in excess of 15 consecutive days, or more than 30 days in any six month period, regardless of the reason;



(j) Suspension, exclusion, debarment or sanction of Physician from any of Medicare, MediCal, TriCare or other government reimbursed health care programs or if Physician's billing numbers have been denied, suspended, or revoked;

(k) Public notoriety that calls into question Physician's skill, capability, or character, or which, in SIHD's sole judgment, may undermine SIHD or patient confidence in such skill, capability, or character;

(l) Physician (or Physician's liability carrier) is required to pay damages in any malpractice action by way of judgment or settlement;

(m) Physician's failure to adhere to the Medical Staff Bylaws of the Hospital;

(n) An event occurs that substantially interrupts all or a portion of Physician's professional practice or that materially adversely affects Physician's ability to perform Physician's obligations hereunder, which is not related to a disability to which SIHD can make reasonable accommodation;

(o) Failure to complete SIHD required compliance training within the time and manner specified by SIHD;

(p) A matter that a reasonable person would consider a notable violation of criminal, civil, or administrative law for which penalties or exclusions from health care programs may arise;

(q) Continued performance of this Agreement, in SIHD's sole discretion, violates any applicable law or materially conflicts with any accreditation standard, or Federal or State health care program requirements;

(r) Upon Physician's death or permanent disability;

(s) Physician's failure to agree to those changes to his or her compensation that are necessary to ensure that Physician's compensation remains fair market value; and

(t) Upon breach of any material term of this Agreement by Physician, which breach is not corrected within thirty (30) days after written notice thereof is given to Physician by SIHD provided that, of the foregoing the cure period shall not apply to any breach under clause (i) above or any breach which is incapable of cure.

Termination for Cause as provided hereunder shall not prohibit SIHD from exercising any other right or remedy under this Agreement or otherwise allowed by law.

#### **5.4 Termination by Physician for Cause**

This Agreement may be terminated by Physician for cause upon a breach by SIHD of this Agreement, provided that SIHD fails to correct such breach within sixty (60) days after SIHD's receipt of written notice thereof from Physician.

## **5.5 Changes in Applicable Law**

The Parties agree that in the event there is a material change in any laws, rules, regulations, or interpretations thereof which would (in the opinion of counsel of either Party) (i) require the Parties hereto to restructure this Agreement or any provision of this Agreement, including without limitation a change in payment methodologies for medical services from a productivity model to non-productivity models such as quality incentive payments, bundling of payments, shared savings payments, (ii) so materially affect either of the Parties that continued performance under this Agreement shall become impossible, intolerable, or a violation of any law or regulation, or (iii) jeopardizes any of SIHD's bonded indebtedness, then, in any such instance, the Parties shall cooperate and renegotiate this Agreement in good faith and in such a manner that the essence of this Agreement is maintained to the greatest extent possible. Renegotiation of the terms of this Agreement shall commence promptly after either Party gives written notice to the other Party hereto of such change. Immediately upon the giving of such notice, the Parties hereto shall suspend performance of all noncomplying (in the opinion of the Party hereto giving such notice) obligations hereunder, including but not limited to the payment of any amounts hereunder that might be deemed to be inappropriate or prohibited (but any sums not in question shall continue to be paid), pending renegotiation of this Agreement. With respect to the matters set forth in clauses (ii) or (iii) above, if the Parties hereto are unable to renegotiate this Agreement within thirty (30) days after the date of such notice, then either Party may, by written notice to the other Party, immediately terminate this Agreement. With respect to the matter set forth in clause (i) above, if the Parties hereto are unable to renegotiate this Agreement within sixty (60) days after the date of such notice, then either Party may, by written notice to the other Party, immediately terminate this Agreement. Any such termination shall not be deemed a termination for cause.

## **5.6 Effect of Termination**

The termination of this Agreement by either Party shall not, in and of itself, affect a termination of Physician's appointment to and membership in the Medical Staff of the Hospital. However, the foregoing shall not be construed as limiting the rights of SIHD and its Medical Staff to take any action regarding Physician's privileges pursuant to the applicable Medical Staff Bylaws. Further, termination of this Agreement shall not, however, afford Physician any right to a hearing or access to any other due process or similar procedure set forth in the Medical Staff Bylaws.

In the event that a cause for termination by SIHD arises under this Agreement, SIHD may also terminate any other agreements between SIHD and its affiliates and Physician, in its sole and absolute discretion. A termination of one, any or all such agreements shall not limit available rights and remedies of SIHD.

## **5.7 Survival**

No termination or expiration of this Agreement shall affect (a) any rights or liabilities that arose or accrued prior to the date of termination or expiration, (b) any rights or

obligations that by their terms or nature must extend beyond the date of termination or expiration to be effective or (c) any rights or obligations which expressly survive expiration or termination.

## **ARTICLE VI MISCELLANEOUS**

### **6.1 Rights in Property**

All title to supplies, fiscal records (except Physician's personal records), charts and medical records, equipment and furnishings shall remain the sole property of SIHD. SIHD shall maintain all medical records of patients to whom Physician has provided Services. All case histories, medical records, patient records, X-rays, CTs, MRIs or other radiological studies, computer printouts or electronic media, patient lists, and all other professional, medical or financial information regarding SIHD's patients or patients consulted, interviewed or treated or cared for by Physician during the Term of this Agreement shall at all times belong to and remain the property of SIHD. During the Term of this Agreement and thereafter, Physician shall have no proprietary rights in such records. Upon termination or expiration of this Agreement, irrespective of the time, manner or cause of said termination, Physician shall surrender to SIHD all such medical records, patient records, X-rays, CTs, MRIs or other radiological studies and all other professional, medical or financial information regarding SIHD's physician practice which is in Physician's possession. Notwithstanding the foregoing, SIHD shall release a copy of a patient's medical records to Physician only in the following instances: (i) upon written request from a patient provided that the patient pays the costs of duplication; or (ii) upon written request from Physician, together with written HIPAA authorization from the patient, provided that Physician shall pay the costs of duplication.

### **6.2 Waiver**

Any waiver of the breach of any term or condition of this Agreement by either Party must be in writing and shall not constitute a waiver of any subsequent breach or breaches of the same or any other term or condition.

### **6.3 Assignment**

No assignment or delegation of this Agreement or the rights and obligations hereunder by Physician shall be valid without the specific written consent of SIHD, and any such attempted assignment or delegation shall be null and void.

### **6.4 Entire Agreement**

This Agreement supersedes all previous understandings, discussions, writings, letters of intent, contracts, or agreements between the Parties with respect to the subject matter hereof, and constitutes the entire agreement between the Parties.

**6.5 Notices**

Notices required or permitted to be given under this Agreement shall be in writing and may either be delivered personally or sent by a reputable overnight delivery service or by certified or registered mail in the United States Postal Service, return receipt requested, postage prepaid to the notice address for each Party set forth below. Notices may also be sent by e-mail to the e-mail address below, provided that a copy of such notice is sent concurrently by one of the other methods of service.

**To Physician:** Edward Joseph Mescher, MD  
\_\_\_\_\_  
\_\_\_\_\_

**To SIHD:** Southern Inyo Healthcare District  
Attn: CEO  
501 East Locust Street  
Lone Pine, CA 93545

A notice shall be deemed given on the date it is delivered in person or 3 days after deposit in the United States mail in accordance with the foregoing. E-mail notices shall be deemed delivered on the day of transmission, provided that such message is transmitted prior to 5:00 p.m. (Pacific Time) on a business day or otherwise on the next business day. Either Party may change the address at which to send notices by giving the other Party at least ten (10) days prior written notice of such change.

**6.6 Amendments**

This Agreement may not be modified or amended except by written agreement executed by both Parties, and may not be amended orally. Any waiver related to, or amendment of, this Agreement must be in a writing that is designated as a waiver or amendment, and must be signed by Physician, and by the Chief Executive Officer of SIHD. This provision is intended to prevent the alteration of the terms and conditions of this Agreement and the acceptance of partial performance in violation of applicable Federal regulation, SIHD policy, or the compliance program.

**6.7 Conflict with Policies**

If any provision of this Agreement conflicts with the personnel policies of SIHD or HCCA, as applicable, this Agreement shall be controlling as to the issue, its interpretation and resolution.

**6.8 Schedules and Exhibits**

The Schedules and Exhibits attached to this Agreement are incorporated herein by reference as if set forth in full in the body of this Agreement.

## **6.9 Access Clause**

If this Agreement is subject to Section 952 of the Omnibus Reconciliation Act of 1980, 42 USC Section 1395x(v) (1) (I) (the "Statute") and the regulations promulgated thereunder, 42 CFR, Part 420, Subpart D (the "Regulations"), Physician shall, until the expiration of four (4) years after furnishing of services pursuant to this Agreement, make available, upon proper request, to the Secretary of Health and Human Services (the "Secretary") and to the Comptroller General of the United States (the "Comptroller General"), or any of their duly authorized representative, the Agreement and the books, documents and records of Physician that are necessary to certify the nature and extent of the cost of services furnished pursuant to the Agreement for which payment may be made to SIHD under the Medicare program.

If the Agreement is subject to the Statute and Regulations and Physician carries out any of the duties of the Agreement through a subcontract (to the extent permitted herein), with a value of or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after furnishing of services pursuant to such subcontract, the related organization shall make available, upon proper request, to the Secretary and the Comptroller General, or any of their duly authorized representative, the subcontract and the books, documents and records of such related organization that are necessary to verify the nature and extent of such costs.

## **6.10 Severability**

The provisions of this Agreement are severable. If any clause or provision shall be held invalid or unenforceable in whole or in part, then such invalidity or unenforceability shall attach only to such clauses or provision, or part thereof, and shall not in any manner affect any other clause or provision in this Agreement.

## **6.11 Governing Law**

This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

## **6.12 Non-Discrimination**

In the performance of this Agreement, Physician will not unlawfully discriminate against individuals under the applicable Federal or State laws. The Parties shall comply with the Civil Rights Act of 1964 as amended, and all other applicable anti-discrimination laws, regulations, and policies. As a recipient of Federal financial assistance, SIHD does not exclude, deny benefits to, or otherwise unlawfully discriminate against any person on the ground of race, color, sex, religion, or national origin, or on the basis of disability or age in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by SIHD directly or through Physician or any other entity with which Physician arranges to carry out his or her obligations, program and activities. Physician agrees to abide by SIHD's

nondiscrimination policies and the rules, procedures and regulations that SIHD may adopt to with respect to such policies and will cooperate in any investigation SIHD may have related to a complaint implicated by SIHD's nondiscrimination policy. Physician shall treat in a non-discriminatory manner any and all patients receiving medical benefits or assistance under any Federal or State health care program.

#### **6.13 Third Party Beneficiaries**

The rights and obligations of each Party to this Agreement shall inure solely to the benefit of the Parties hereto, and no person or entity shall be a third party beneficiary of this Agreement. Notwithstanding the foregoing, HCCA shall be an intended third party beneficiary.

#### **6.14 Captions**

The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this Agreement.

#### **6.15 Counterparts**

This Agreement may be executed in more than one counterpart, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or portable document format (.pdf) transmission.

IN WITNESS WHEREOF, SIHD has caused this Agreement to be executed by its duly authorized representatives and Physician has executed this Agreement to be effective on the Effective Date.

**PHYSICIAN**

\_\_\_\_\_  
Edward Joseph Mescher, MD

Date: \_\_\_\_\_, 2016

**SIHD**

By: \_\_\_\_\_

Name: Richard Fedchenko

Title: Chairman of the Board

Date: \_\_\_\_\_, 2016

## SCHEDULE 1.1

### **Scheduled Hours**

Physician shall provide SIHD with a schedule of Physician's availability to provide Services (including any requested vacation or other personal leave time) hereunder no later than the 10th day of the third month prior to the date the Services are to be performed. So, for example, the schedule for April shall be submitted no later than January 10. Physician shall endeavor to include in its schedule of availability at least 50% more time than Physician actually expects to work. The scheduling of Physician shall be at SIHD's sole discretion, although SIHD will endeavor to schedule Physician's work shifts according to Physician's stated availability. SIHD shall not schedule physician during periods outside of Physician's submitted availability dates without Physician's prior approval.

SIHD shall endeavor to give Physician a copy of the work shift schedule no later than fifteen (15) days prior to the first day of the applicable month, but SIHD shall have no liability to Physician for the late delivery of any work shift schedule. If Physician fails to timely submit any schedule of availability, SIHD may schedule such Physician at any time SIHD determines. Each work shift schedule established by SIHD shall be binding on Physician. If Physician is unable to perform Services during any scheduled work shift, it shall immediately notify SIHD; however, it is Physician's responsibility to find a qualified replacement acceptable to SIHD to cover any missed work shift. Such replacement must be another SIHD-qualified provider.

SIHD will use reasonable efforts to accommodate Physician's request for vacation time, personal time, and holidays, but SIHD cannot guarantee Physician that SIHD will be able to accommodate any or all such requests.

If Physician is late for any work shift (or misses any work shift without finding a replacement), Physician will be required to reimburse SIHD for any compensation or other expense that SIHD may incur to engage other contractors to cover the work shift in question. Any such reimbursement may be deducted by SIHD from Physician's compensation hereunder.



## SCHEDULE 1.5

### **Restrictions – Other Employment/Professional Activities**

During the Term, Physician may not engage in any of the following activities without the appropriate prior written consent of SIHD in accordance with Section 1.5:

1. Providing an affidavit, consulting, or serving as an expert witness in any professional liability suit or action. Any activities of this nature must be submitted in writing and approved in advance by SIHD's Chief Executive Officer;
2. Selling, or promoting sales of, any goods or services, medical products or devices, drugs or pharmaceutical products, supplements or vitamin products, or cosmetic products or devices to SIHD patients or on SIHD premises;
3. Holding a position as director, trustee, or officer of an organization which competes with or is engaged in an existing or proposed business relationship with SIHD;
4. Serving as a medical director, consultant, clinical advisor, preceptor, investigator, or comparable position for any entity outside the SIHD system, whether compensated or not, including, but not limited to medical practices, athletic teams, schools or colleges, pharmaceutical or device manufacturers, employers, or third party payers;
5. Receiving anything of value, including gifts or compensation, from an entity which competes with SIHD or with which SIHD has a contract or other transaction, provides items or services to SIHD or is seeking to do business with SIHD, including, but not limited to, third-party payors, vendors, manufacturers, parties to clinical research agreements, or after-care providers (home care agencies, hospices, and durable medical equipment suppliers). Items of value and gifts include cash or cash equivalents, commissions, share in profits, gift certificates, merchandise, loans or advances, or labor, materials, services, repairs or improvements at no cost or at prices other than for fair value; non-approved SIHD business travel accommodations, airline, or other transportation tickets, or hotel accommodations; or recreational admission tickets, excessive or extravagant entertainment or similar gratuities;
6. Maintaining an investment or ownership interest in any entity that sells goods or services to SIHD where Physician has actual, potential, or perceived decision making authority or influence as to the purchase of such goods or services. Ownership of stock or other securities in closely held or non-public companies that sell goods or services to SIHD may constitute a conflict of interest and must be reported. Ownership of not more than 10 percent of the net worth of a publicly traded company, which ownership is not valued at more than 10 percent of Physician's net worth, however, is not a conflict;
7. Maintaining an investment or ownership interest (subject to the inclusions and exclusions referenced above) in any entity competing with SIHD, where the

Physician has actual, potential, or perceived decision making authority or influence that would directly or indirectly benefit the competing entity;

8. Presenting research reports or studies or otherwise making presentations at conferences; and

9. Engaging in any medical research or development activity.

## SCHEDULE 2.1(a)

### **Services**

In performing the Services described in Section 2.1 of the Agreement, Physician's Services shall include:

#### **Direct Patient Care**

- A. Be available to provide patient care services to Emergency Department patients, Clinic patients, and the skilled nursing facility patients as scheduled, including, but not limited to examinations, review of test results, diagnoses, prescribing and administering of treatments/medications, assisting with medical emergencies, consultations with referring physicians and other referral sources, and referrals as needed to specialists for consultations and specialized treatment.
- B. Accepting referrals from other physicians to provide emergency medical care.
- C. Coordinating medical care for patients admitted to SIHD who are cared for by Physician.
- D. Providing medical supervision (as "Supervising Physician") for nurse practitioners and/or physician assistants for services provided by such providers in connection with Physician's medical practice, as more particularly set forth in, as applicable, (i) a Nurse Protocol prepared, filed and implemented in accordance with the California Registered Professional Nurse Practice Act and implementing regulations, and the applicable requirements of the California professional code for physicians and implementing regulations, or (ii) a Job Description prepared, filed and implemented in accordance with the California Physician's Assistant Act and implementing regulations, and the applicable requirements of the California professional code for physicians and implementing regulations.
- E. Participate in Emergency Department physician peer review process. Provide timely responses to questions and/or findings generated by the reviewing provider or peer review committee.
- F. Participate in annual evaluation of allied health practitioners and licensed staff in coordination with Emergency Department management personnel under Emergency Department designated standards.
- G. Provide such other medical and healthcare services as are customarily provided by physicians in emergency departments of hospitals.
- H. Performance Standards. In performing services under this Agreement, Physician shall comply with the following Performance Standards:
  - (i) assist and cooperate with SIHD activities designed to ensure compliance with the Joint Commission, Det Norske Veritas Healthcare (DNVHC)

Hospital Accreditation, California Department of Public Health, Centers for Medicare and Medicaid Services, State-Only Family Planning, Child Health and Disability Program, and other relevant organizations' applicable standards, including the quality benchmarks set forth in Schedule 2.10.

(ii) promote cooperation and teamwork among other physicians and other employees and personnel of SIHD and HCCA;

(iii) attend, to the extent reasonably practicable, all required management meetings;

(iv) assist SIHD as requested in the efficient and effective day to day management of the Physician's practice;

(v) respond to patient and referring physician needs and concerns regarding patient diagnosis and treatment as expeditiously as reasonably possible;

(vi) fully support SIHD's overall quality improvement and quality assurance initiatives;

(vii) recommend professional, technical, and support staff needs to SIHD;

(viii) recommend policies and procedures regarding scheduling of patients to the end that the safety and health of patients takes precedence over other concerns;

(ix) direct other employees in the provision of medical services, especially with regard to patient safety;

(x) maintain and timely update patient medical records; and

(xi) adhere to such other performance standards (not inconsistent with the terms of this Agreement) as established by SIHD from time to time.

## **EXHIBIT 1**

### **Compensation Plan**

1. Hourly Rate. Physician shall be compensated Ninety Five Dollars per hour (\$95.00) for each hour worked and documented, which shall accrue in quarter-hour increments. Payment shall only be for scheduled shift hours unless specifically preapproved in writing by SIHD. SIHD will reimburse physician for travel and lodging expenses preapproved in writing by SIHD. Payment for any shifts worked between the first and fourteenth of the month will be paid on the first of the month following the next month. Payment for any shifts worked between the fifteenth and the last day of the month will be paid on the fifteenth of the following month.

**Schedule 2.10  
Quality Benchmarks**

To be determined

## Physician Services Agreement

This Physician Services Agreement (this "Agreement") is made and entered into as of the date last written below (the "Effective Date"), by and between **SOUTHERN INYO HEALTHCARE DISTRICT** ("SIHD") and **Marc Martinez, MD** ("Physician"). SIHD and Physician are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

### STATEMENT OF BACKGROUND INFORMATION

- A. SIHD owns and/or operates a hospital, a skilled nursing facility, and other facilities, including a clinic (collectively the "Hospital").
- B. SIHD is committed to providing appropriate, quality, comprehensive care for its patients and, to further expand the services SIHD provides to its community;
- C. SIHD desires to engage a qualified physician to render emergency medicine services (the "Specialty"), who is fully competent to provide professional medical services to patients of SIHD, and can provide such services at such locations as SIHD may direct.
- D. The Parties desire to enter into this Agreement and to set forth the terms of their agreement for Physician's engagement by SIHD as more fully set forth below.

### STATEMENT OF AGREEMENT

**NOW THEREFORE**, in consideration of the foregoing recitals (which by this reference are hereby made a part of this Agreement), the mutual covenants, promises and agreements herein contained and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

#### **ARTICLE I ENGAGEMENT**

##### **1.1 Engagement**

Beginning on the Effective Date and continuing through the Term (as defined herein), SIHD engages Physician and Physician hereby accepts such engagement as an independent contractor for SIHD pursuant to the terms and conditions set forth herein. Physician hereby agrees to devote Physician's working time, attention and energies for the number of hours per week specified in Schedule 1.1, to the practice of medicine for SIHD at such locations as SIHD may direct, including but not limited to staffing the Emergency Department at SIHD as and when directed by SIHD, and otherwise providing the Services (as hereinafter defined), all as set forth in this Agreement. Physician warrants to SIHD that he or she is not subject to any restrictions (including without limitation any restrictive covenants in any agreement to which Physician is bound) that will prevent Physician from carrying out and performing the Services during the Term in accordance with the terms of this Agreement.

## **1.2 Patient Care**

Nothing in this Agreement shall be interpreted to dictate Physician's independent judgment in the practice of medicine. Physician shall have complete control over the diagnosis and treatment of Physician's patients, and neither SIHD nor any SIHD employee or agent shall exercise any direct supervision or control over the individual treatment of the patient.

## **1.3 Independent Contractor**

(a) In the performance of the services hereunder, Physician shall be, and is an independent contractor, and is not an agent, employee, partner or other representative of SIHD or its manager. Physician agrees that while providing the services under this Agreement, Physician will not be entitled to any of the rights or benefits afforded to SIHD's or its manager's employees, including disability or unemployment insurance, workers' compensation, medical insurance through any benefit plan, vacation or sick leave, automobile benefits, family leave, retirement benefits, or any other employment benefit.

(b) Physician is responsible for filing all necessary Federal, State, and local income and other tax returns, and paying, when due, all income and other taxes incurred as a result of the compensation paid by SIHD to Physician for providing the services under this Agreement. In reliance on the foregoing, SIHD will not withhold taxes, Social Security, or other typical withholding amounts from the compensation payable to Physician hereunder. Physician agrees to indemnify SIHD and its manager for any claim, costs, losses, fees, penalties, interest, or damages suffered by SIHD resulting from Physician's failure to comply with this Section 1.3. The provisions set forth in this Section 1.3 shall survive any expiration or termination of this Agreement.

(c) This Agreement sets forth results to be achieved by Physician but doesn't control the means and manner. Physician shall not hold himself/herself out to be or represent to anyone that he/she is an employee of SIHD or its manager, or that Physician's relationship to SIHD or its manager is other than as an independent contractor. Physician shall have no power or authority to bind SIHD, and shall not do so.

## **1.4 Referral Requirement**

During the Term, Physician shall consider referring patients requiring medical services to SIHD, or other physicians employed or contracted by SIHD; provided, however, the foregoing requirement does not apply in any of the following events: (a) if the patient expresses a preference for a different provider, practitioner, or supplier; (b) if the patient's insurer or other payor makes the determination as to the provider, practitioner, or supplier who will provide such services; (c) if, as determined by Physician in the exercise of his or her independent medical judgment, the referral is not in the patient's best medical interests; (d) the referral relates to services that are not provided by Physician under the scope of this arrangement; or (e) such requirement is prohibited by applicable law.

Notwithstanding the foregoing, the parties acknowledge that none of the benefits granted Physician hereunder are conditioned on any requirement that Physician make referrals



to, be in a position to make or influence referrals to, or otherwise generate business for SIHD. Nothing in this Agreement or in any other written or oral agreement between SIHD and Physician, or any consideration offered or paid in connection with this Agreement or other oral or written agreement between SIHD and Physician, requires the admission or referral of any patient to SIHD.

### **1.5 Exclusivity; Conflicts of Interest; Other Employment/Professional Activities**

(a) Physician may not engage in any of the prohibited activities set forth on Schedule 1.5 attached hereto without SIHD's prior written consent or as specifically provided otherwise in Schedule 1.5.

(b) Physician is subject to SIHD's and Healthcare Conglomerate Associates, LLC ("HCCA") Conflict of Interest and Disclosure of Interest Policies for Employees and Agents (the "Conflict Policy"), as same may be amended from time to time. Physician shall comply with all provisions of the Conflict Policy, including disclosure of all actual, potential, or perceived conflicts of interest. Physician further will comply with any remediation plan proposed by SIHD intended to correct a conflict of interest, including but not limited to termination of conflicting relationships, return of gifts or compensation, and/or divestiture of investment interests.

(c) Any activities of a professional nature to be undertaken by Physician outside of Physician's duties hereunder, that have been approved in compliance with this Section 1.5 must be performed outside of Physician's scheduled practice hours for SIHD, and without the use of SIHD space, equipment, personnel, or other resources including but not limited to any professional malpractice liability insurance provided by SIHD.

## **ARTICLE II PHYSICIAN DUTIES AND RESPONSIBILITIES**

### **2.1 Provision of Services**

(a) Physician shall provide professional medical services in the Specialty to SIHD patients requiring such services, and shall be responsible for such other professional duties as may be mutually agreed to by the Parties from time to time, including, without limitation, those clinical services and professional responsibilities set forth in Schedule 2.1(a) attached hereto (collectively the "Services"). Physician shall use his or her best efforts to provide Services in a competent, efficient, and appropriate manner, whether such patients are at the Physician's practice locations, a hospital or other treatment location covered by SIHD. Physician shall obey all laws and regulations as they pertain to Physician's practice of medicine, and Physician shall apply his or her particular skill and knowledge to the practice of medicine in accordance with the applicable standards of the professional and ethical practice of medicine (including the ethical standards of the American Medical Association and the California Medical Association), SIHD policies and procedures, and the appropriate standards of care of the community. Physician will cooperate in the implementation and maintenance of any indigent or charity care policy adopted by SIHD, and in any community education

programs sponsored or conducted by SIHD or its manager. In performing the Services, Physician shall, within the limits of acceptable medical risk to the patient, accept under the purview of this Agreement all medically appropriate referral requests for Services to SIHD patients (including without limitation Medicare, MediCal, TriCare, self-pay and indigent patients) from attending physicians. Further, Physician shall not discriminate or differentiate in the treatment of patients on the basis of race, sex, age, religion, marital status, sexual orientation, color, national origin, place of residence, health status, or source of payment for services or membership in any HMO, MCO, or other insurance plan.

(b) In performing Services under this Agreement, Physician shall, in addition to other obligations hereunder, comply with the following performance standards and day-to-day responsibilities: (i) attend all required management meetings (it being understood that teleconferencing and excused absences meet acceptable attendance criteria); (ii) assist SIHD and its manager as requested in the efficient and effective day-to-day management of the practice; (iii) respond to patient and referring physician needs and concerns regarding patient diagnosis and treatment as expeditiously as reasonably possible; (iv) provide input on and recommendation of professional, technical, and support staff needs to the practice; (v) provide input on and recommendation of policies and procedures regarding scheduling of patients to the end that the safety and health of patients takes precedence over other concerns; (vi) direct employees of SIHD and its manager in the provision of medical services, especially with regard to patient safety; (vii) maintain and timely update patient medical records; and (viii) provide timely and accurate coding information and provide appropriate documentation to support the medical services provided by Physician and the notations in the patient medical records, either by Physician or as supervised by Physician as the Supervising Physician (as hereinafter defined) pursuant to this Agreement, all in compliance with applicable laws, rules, regulations and interpretations thereof and payor policies, procedures and guidelines, including but not limited to those relating to documentation and reimbursement.

(c) Notwithstanding that a work shift may end, Physician shall continue to perform Services hereunder until the next physician is present on-site and commences the performance of Services, if such is reasonably required for patient care.

## **2.2 Service Fees; Assignment of Fees**

(a) SIHD shall have the exclusive authority and sole discretion to determine the professional fees, or a procedure for establishing the professional fees, to be charged patients and payors for Services rendered by Physician. All sums paid by Physician's patients in the nature of fees, co-pays, and deductibles, or otherwise for Services rendered by Physician shall be and will remain the property of SIHD, and shall be included in SIHD's income. Physician shall cooperate and assist SIHD in the evaluation and determination of appropriate procedure and service codes for Physician's billable Services in compliance with Federal and State law and third party payor agreements.

(b) Physician hereby assigns to SIHD all (i) professional fees which arise from performing the Services or from patient care activities hereunder, (ii) fees or payments

which arise from "meaningful use" of electronic medical records, and (iii) Physician Quality Reporting System payments, QCPI payments, and other quality payments from third-party payors (collectively, "Physician Receipts") related to the Services provided hereunder, if any. SIHD (and/or its designated agent for billing and collection) shall be responsible for (i) billing patients and paying all costs incident to billing and collection of patient fees for Services provided by Physician pursuant to this Agreement, and (ii) billing and collecting for all services rendered by SIHD in connection with any Services provided by Physician hereunder. All Physician Receipts and collections thereon, whether received by Physician or SIHD, shall be the sole property of SIHD and, if not directly received by SIHD, shall promptly be remitted to SIHD. Physician shall use Physician's best efforts to cause such amounts to be paid directly to SIHD, but if any receipts are paid to or collected by Physician, Physician shall hold such amounts in trust for SIHD until remitted to SIHD. Only SIHD shall bill and collect for any and all Physician Receipts. At the request of SIHD, Physician shall timely complete and file with the appropriate governmental authorities, agencies or bodies or other third party payors all documentation, agreements, and writings, and give all notices necessary to be filed or given by Physician to effectuate the foregoing assignment of Physician Receipts. Physician shall (i) promptly complete accurate records, and fully cooperate in the billing and collection of all amounts due for Physician's Services under this Agreement, and (ii) maintain and provide to SIHD records and reports of all Services provided by Physician pursuant to this Agreement in a manner reasonably acceptable to SIHD. SIHD, on the one hand, and Physician, on the other hand, hereby acknowledge and agree that, as required by 42 C.F.R. § 424.80(d), they are jointly and severally liable for repayment of any overpayments from the Medicare program made to SIHD in connection with the Services rendered under this Agreement. SIHD agrees that Physician shall have unrestricted access to claims and claims information submitted by SIHD for the Services provided by Physician under this Agreement. In carrying out these provisions relating to accounting and payment, Physician agrees to abide by all applicable laws, including any laws relating to assignment or reassignment of fees for Physician's Services, and any and all relevant terms of contractual arrangements between SIHD and third-party payors and government programs. The provisions of this Section 2.2(b) shall survive the expiration or termination of this Agreement.

### **2.3 Licensure and Certifications; Managed Care; Participating Provider**

(a) Physician hereby warrants that Physician is fully authorized to practice medicine in the State of California, and holds all appropriate licenses from the Medical Board of California to be fully licensed and authorized to practice medicine in the State of California. Physician shall, during the Term, maintain such license(s), and shall promptly (and in no event later than 3 days after the occurrence of the relevant event) give notice to SIHD of any suspension, restriction, reduction, revocation, or termination thereof, or receipt by Physician of any notification of actions which could lead to any of the foregoing. Physician further warrants that no license heretofore granted to Physician to practice medicine in any other jurisdiction has been suspended, restricted, reduced, revoked, or terminated.

(b) Physician shall, upon SIHD's request, promptly complete/submit all necessary credentialing documentation that will enable Physician to participate in all managed care arrangements made available by or through SIHD. SIHD shall have the sole and exclusive right and authority to enter into contractual relationships with HMOs, IPAs, PPOs, PHOs, IDSs, ACOs, employer groups, provider networks, and other managed care organizations and networks and third party payors with respect to the Services provided hereunder. During the Term, Physician shall not otherwise contract with any managed care organization, network, or third party payor in any manner detrimental to SIHD.

(c) Physician hereby warrants that Physician is a participating provider under the Medicare, the MediCal, and TriCare programs and shall, during the Term, continuously and without interruption remain a participating provider under such programs. Physician shall promptly complete/submit all necessary documentation that will enable Physician to participate in all Federal or State reimbursed health care programs in which SIHD participates.

#### **2.4 Confidentiality of Information**

Physician acknowledges that SIHD and HCCA consider significant amounts of information available to Physician to be confidential. "Confidential Information" means any and all proprietary items and meaningful information that SIHD or HCCA regards and treats as such and includes any Works (as defined below in Section 2.13(d)), any Inventions (as defined herein), discoveries, know-how, ideas, designs, research and development, and such other works that Physician may create, compile, or develop as a result of or in connection with the Services, whether or not copyrighted, patented, or patentable, or otherwise. Confidential Information includes, without limitation, any and all policies, procedures, contracts, quality assurance techniques, managed care initiatives, utilization management, patient records, credentialing, financial, statistical, and other information of SIHD or HCCA, including information embodied on magnetic tape, computer software, or any other medium for the storage of information, together with all notes, analyses, compilations, studies, or other documents prepared by SIHD or others on behalf of SIHD, including, without limitation HCCA, containing or reflecting such information. Confidential Information includes "trade secrets" (as defined in the California Trade Secrets Act), but is not limited to such. Confidential Information does not include information which: (i) was lawfully made available to or known by third persons on a non-confidential basis prior to disclosure by Physician; (ii) is or becomes publicly known through no wrongful act of Physician; or (iii) is received by Physician from a third party other than in breach of confidence.

(a) Physician acknowledges that Confidential Information is a valuable property right of SIHD and HCCA, and agrees that during the Term, and for a period of two (2) years thereafter, Physician shall: (i) treat the Confidential Information as secret and confidential; (ii) not disclose (directly or indirectly, in whole or in part) the Confidential Information to any third party except with the prior written consent of SIHD and/or HCCA, as applicable, or to the extent required by law; (iii) not use (or in any way appropriate) the Confidential Information for any purpose other than the performance of SIHD's business

or Physician's duties pursuant to this Agreement; (iv) limit the dissemination of and access to the Confidential Information to such of SIHD's officers, directors, and managers, including HCCA, and their respective employees, physicians, agents or representatives, as may reasonably require such information for the performance of SIHD's business and ensure that any and all such persons observe all the obligations of confidentiality contained in this Section 2.4; (v) not to publish or disclose any portion of the Confidential Information, Works, or Inventions, in a scholarly publication, presentation, or any other media, form or venue, without the prior written consent of SIHD and HCCA; and (vi) not take any action causing, or not fail to take action necessary in order to prevent any Confidential Information to lose its character or cease to qualify as Confidential Information. Provided, however, that any Confidential Information that is a "trade secret" shall be and remain protected by Physician as provided above and to any greater extent or for any longer time period as is provided in the California Trade Secrets Act, and provided further, medical review committee information, peer review organization information, and patient information shall be protected for so long as allowed by applicable law.

(b) Confidential Information constituting the proceedings or records of a medical review committee or of a review organization shall be used and disclosed by Physician solely for the purposes and use of such medical review committee or review organization, and no materials relating to the proceedings or records of a medical review committee or review organization shall be removed from Hospital by Physician.

(c) Confidential Information consisting of patient medical records and patient information shall be used by Physician solely for the purposes of providing Services hereunder, and Physician shall maintain the confidentiality of such records and information in accordance with this Agreement, applicable SIHD policies and procedures, and all applicable laws and regulations, including without limitation, the requirements of the Health Insurance Portability and Accountability Act of 1996 and regulations promulgated and adopted pursuant thereto, as may be amended from time to time ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act of 2009 and regulations adopted pursuant thereto, as may be amended from time to time, and this Section 2.4. Physician shall execute SIHD's standard form of Business Associate Agreement, upon request by SIHD.

(d) Upon termination or expiration of the Term, Physician shall promptly transmit or deliver to SIHD and HCCA all property belonging to SIHD or HCCA, including without limitation all Confidential Information, and all physical embodiments and copies thereof, and any Confidential Information in Physician's possession that is stored electronically shall be erased by Physician so as to be unrecoverable, and Physician shall provide SIHD and HCCA, upon request, evidence of such erasure.

## **2.5 Compliance with Regulations**

(a) Physician warrants that he or she shall comply with all applicable laws and regulations governing his or her licensing and conduct, and with the ethical standards of his or her profession, and with the applicable policies, procedures, bylaws, rules and

regulations of SIHD and its medical staff ("Medical Staff"), including but not limited to the Medical Staff Bylaws and Rules and Regulations of the Medical Staff (collectively, the "Medical Staff Bylaws"). Physician shall cooperate with SIHD and HCCA in satisfying any and all requirements needed to aid SIHD and its facilities in maintaining licensure and accreditation.

(b) By Physician's signature on this Agreement, Physician acknowledges receipt and that Physician has reviewed or will review SIHD's *Compliance Policies and Procedures*, including the Code of Conduct and the Physician Referral, Stark law and Anti-kickback policies and procedures. Physician shall read, and abide by these Policies and Procedures as such may be revised from time-to-time. If requested, Physician will acknowledge receipt of any such revisions in writing.

(c) Physician hereby certifies that Physician shall not violate the Anti-kickback Statute (42 USC § 1320a-7b (b)) and the Stark Law (42 USC § 1395nn) with respect to the performance of this Agreement.

(d) Physician agrees that any *Financial Relationship* between Physician or Physician's *Immediate Family Member* (as such italicized terms are defined in the Stark Law) and SIHD or SIHD's affiliates or its manager, HCCA, whether direct or indirect, must be disclosed to SIHD and HCCA and such disclosure to SIHD must be attached to this Agreement as Schedule 2.5, if not otherwise centrally maintained by SIHD in accordance with applicable law. Physician shall notify SIHD and HCCA in writing within three (3) days of becoming aware that Schedule 2.5 is or has become inaccurate or incomplete.

(e) Physician must comply with SIHD's and HCCA's compliance program(s) including training related to the Anti-Kickback Statute and Stark Law. Physician agrees to receive at least two hours of training within 30 days of the Effective Date. Physician further agrees to receive at least one hour of general training in each subsequent annual period.

(f) Physician will meet with SIHD and HCCA's Compliance Officer and other SIHD and HCCA designees at reasonable times and places to assess compliance with applicable laws and/or the Compliance Program(s), and to provide additional information regarding same, in writing, if SIHD or HCCA so requests. Physician shall provide full and complete responses, in connection with such an assessment or request for information.

(g) As one of SIHD's remedies, but not by way of limitation, SIHD may delay or cease payment, if SIHD does not have Physician's cooperation and compliance with meeting, consulting, certifying and reporting requirements of this Agreement or if in good faith SIHD believes that ceasing a payment or practice hereunder would assist in the settlement of matters that may arise between SIHD and the Federal government, its agencies, or contractors under any Federally funded or Federally required health care program or between the State, its agencies or contractors under any State funded or State required health care programs. In the event that Physician does not cooperate or comply with SIHD's written request concerning the foregoing within 10 days of such request, SIHD shall be relieved of any obligation to pay sums then due, in addition to any other

remedy it may have. If SIHD shall notify Physician not to refer a patient to SIHD for any in- or out-patient SIHD service by reason of its good faith belief that the referrals under Stark Law may not be billed or paid, Physician shall cooperate with such notice and refer such patients other than in an emergency, to a facility other than SIHD. No additional damage can be sought against SIHD if it deposits or places such delayed or unpaid funds in a segregated account to be distributed according to a declaratory or other judgment of a court or arbitrator.

## **2.6 Specialty Boards**

As of the Effective Date, Physician is Board certified or is Board eligible by a board recognized by the American Board of Medical Specialties ("Board certified" or "Board eligible"). If Board certified, Physician covenants that he or she shall remain Board certified for the full Term of this Agreement. If Board eligible, Physician covenants that he or she will become Board certified in accordance with the time requirements set forth in the Medical Staff Bylaws.

## **2.7 Medical Staff Membership**

Physician has provided to SIHD all information, completed all applications, and taken all steps necessary to obtain active medical staff membership on the Medical Staff of the Hospital and clinical privileges in the Specialty at the applicable Hospital. Physician covenants that, as of the Effective Date, he or she will be a member of the Medical Staff, in accordance with the Medical Staff Bylaws, and shall maintain membership on the Medical Staff with active status and clinical privileges in the Specialty sufficient to perform his or her duties hereunder during the Term. All information contained on the Physician's application for Medical Staff membership and privileges is or will be, and with respect to any renewal thereof will be, true and correct, and no information material to a thorough consideration of Physician's qualifications has been or will be omitted from such original or renewal application.

Physician shall furnish SIHD with satisfactory documentation and information about Physician's health status, professional qualifications, licensure and membership status in professional entities, civil and criminal investigations and disciplinary actions concerning Physician, and professional liability claims or actions relating to Physician's professional practice of medicine. Physician authorizes and directs the Medical Board of California, all healthcare entities and peer review bodies, and governmental entities with which Physician is or has been affiliated to provide SIHD with all information and documents relating to Physician's professional practice of medicine. Physician shall execute such authorizations and other documents, and perform such other acts as SIHD may deem necessary, reasonable, or convenient to effectuate the provision of such documents and information to SIHD.

## **2.8 Medical Staff Privileges**

During the Term hereof, Physician warrants that no medical staff or similar privileges granted to Physician by any hospital or similar institution have been denied, suspended,

revoked, curtailed, reduced, or limited in any manner, nor has Physician resigned or voluntarily reduced or limited any such privileges in response to or subsequent to any investigation or disciplinary action instituted with respect to his or her care of patients.

## **2.9 DEA Number**

Physician warrants that he or she has, and during the Term shall maintain, a current narcotic number issued by the Drug Enforcement Agency ("DEA") and that no DEA or similar number that Physician holds or has held, has ever been cancelled or revoked by any State or Federal agency. Physician shall promptly report to SIHD any such cancellation or revocation.

## **2.10 Standards of Practice**

As part of SIHD's overall Quality Improvement Program, Physician shall abide by procedures established by SIHD applicable to the Physician to assure the consistency and quality of all Services provided by Physician. Physician shall ensure that his or her Services are at all times rendered in a competent and professional manner, consistent with quality improvement standards of the Medical Staff and in compliance with all applicable statutes, regulations, rules and directives of the Federal, State and other governmental and regulatory bodies having jurisdiction over SIHD, the reimbursement and utilization needs of Hospital, and currently accepted and approved methods applicable to Physician. Further, Physician shall promptly prepare and record complete and accurate reports and supporting documentation of all examinations, procedures, treatments and other Services provided by Physician. Physician shall provide assistance with peer review activities as requested by SIHD.

In performance of the Services required under this Agreement, Physician acknowledges this Agreement and his/her performance hereunder is subject to quarterly and annual reviews as required by Det Norske Veritas ("DNV") and/or The Joint Commission and as set forth in SIHD's policies and procedures. The indicators to be evaluated are described in Schedule 2.10 attached hereto and incorporated herein by this reference.

## **2.11 Budgets**

Physician shall exercise diligence and cooperate with and assist SIHD in keeping control over costs in those areas in which Physician provides Services. To this end, Physician shall use his or her best efforts to perform all obligations under this Agreement in accordance with the approved budget, as established by SIHD and in accordance with SIHD's financial needs.

## **2.12 Continuing Medical Education**

Physician shall at all times remain in compliance with the California Medical Board's requirements for continuing medical education.



## 2.13 Ownership of Materials – Copyrights and Patents

### (a) Copyrights

(i) Definition of Work. A "Work" means anything that can be copyrighted which is developed or contributed to after the Effective Date of this Agreement and relates to the operation of the Specialty or SIHD physician practices.

(ii) Work Belonging to SIHD or HCCA. Work belonging to SIHD or HCCA includes all Works that are contributed to, created by or to be created by Physician in the course of performing obligations under this Agreement or within the scope of this Agreement and not identified in writing to SIHD and HCCA at the time of execution of this Agreement. This includes any works created in whole or in part during regular work or on call hours, or using any equipment, personnel, medical records or property of SIHD or HCCA. Any such Works shall by subject, to the extent permitted by law, to the Work for Hire provisions of the United States Copyright Act, Title 17 of the United States Code, 17 U.S.C. Section 101 et seq.,

(iii) Work Not Belonging to SIHD. Any Work created by Physician before the Term and not contributed to after the Effective Date and identified in writing at the time of execution of this Agreement is Work not belonging to SIHD.

(iv) Disclosure and Transfer of Work subject to Copyright. Physician agrees to promptly assign, transfer and convey all right, title and interest in any Work belonging to SIHD or HCCA if such Work is not vested in SIHD or HCCA, as applicable. Physician agrees to promptly execute and deliver any and all documents which, in SIHD's or HCCA's sole discretion, are necessary to allow them to enforce their respective right, title and interest in the copyrights for any Work. All costs and expenses for registration of such Work will be the responsibility of SIHD and HCCA, as applicable. Physician agrees to promptly disclose to SIHD and HCCA in writing, all Work subject to this Section 2.13.

(v) Physician Warranties. Physician warrants: that as to any Work subject to transfer to SIHD or HCCA or owned by SIHD or HCCA he or she will waive any moral rights to such Work; that he or she has no ownership rights to any Works; he or she is not subject to any agreements or understandings which could in any way limit Physician's ability to fulfill the assignment obligations under this Agreement or otherwise interfere with SIHD's or HCCA's right to own the Works; the Works do not infringe upon any existing common law or statutory copyright; the Works have not been published in any form; and the Works contain no unlawful matter.

(vi) Publication. SIHD and HCCA, in their respective sole discretion, will determine whether any Work belonging to it will be published.

### (b) Inventions

(i) Definition of Invention. "Invention" means anything which is covered or defined under The Patent Act, Title 35 of the United States Code, 35 U.S.C. Section 1, et seq., together with all patent applications and patents maturing therefrom. This includes anything made solely by or jointly with Physician whether conceived or reduced to practice; any improvements in technology that provides a new or improved function, decrease in weight or size, increase in efficiency, decrease in cost, solution of an historical problem and the like.

(ii) Inventions Belonging to SIHD or HCCA. Any Inventions created or contributed to by the Physician while under this Agreement including Inventions made in whole or in part during regular work hours, on-call hours, or using any equipment, personnel, or property of SIHD or HCCA, as applicable, and not identified in writing at the time of execution of this Agreement are Inventions belonging to SIHD or HCCA.

(iii) Inventions Not Belonging to SIHD or HCCA. Any Inventions created by Physician before the Effective Date and identified in writing to SIHD and HCCA at the time of execution of this Agreement are excluded from SIHD and HCCA ownership.

(iv) Disclosure of Inventions subject to Patent or Copyright. Physician agrees to promptly disclose all Inventions subject to this Agreement to SIHD and/or HCCA, as applicable, and to assign, transfer and convey all right, title and interest in any Invention. Physician agrees to execute and deliver to SIHD or HCCA, as applicable, any and all Inventions made by Physician either solely or jointly with others in the course of this Agreement. Physician agrees to promptly deliver, execute all necessary documents which in their respective sole discretion will assist SIHD or HCCA to enforce their respective title and rights in the copyrights for any Inventions. All costs and expenses for registration of such Inventions will be the responsibility of SIHD or HCCA, as applicable, if, in their respective sole discretion, SIHD and/or HCCA decides to pursue patent protection. Physician agrees to keep adequate and appropriate records in support of the reporting requirements of this Agreement. The requirement to report all Inventions shall survive expiration or termination of this Agreement.

(v) Physician Assignments, Acknowledgements and Warranties. Physician assigns to SIHD or HCCA, as applicable, all right, title and interest in any and all Inventions made or to be made by Physician either solely or jointly in the course of performing obligations hereunder. Physician warrants that Physician has no ownership rights in any Inventions not disclosed in accordance with subparagraph 2.13(b)(iii) herein and waives any rights, moral or otherwise, to such Inventions; and that he or she is not subject to any agreements or understandings which could limit Physician's ability to fulfill the assignment obligations under this Agreement. Physician warrants that any Invention created or contributed to by

Physician does not infringe on any existing patent or copyright and the Invention contains no unlawful matter.

(vi) Production and Sales of Invention. SIHD and HCCA, in their sole respective discretion, will determine whether any Invention belonging to either of them shall be produced, sold, or otherwise utilized.

#### **2.14 Governmental Reporting Requirements**

The provisions of this Agreement are not intended to reallocate to SIHD any disclosure or reporting requirements imposed upon Physician under any governmental program or law, or to create an inference that such disclosure obligations have been imposed upon SIHD. Physician shall have the sole responsibility to fulfill any such governmental reporting requirements.

#### **2.15 Accountability**

Physician shall report to (i) the Hospital's Administrator or his/her designee for administrative matters, such as scheduling, attendance in continuing education programs, personnel matters, etc., (ii) the Hospital's Medical Director or Chief of Staff, or his/her designee, for clinical oversight of professional services rendered under this Agreement, and (iii) the Hospital's Compliance Officer on matters relating to patient safety and quality, including, without limitation, compliance with laws, regulations, rules and policies.

#### **2.16 Debarment**

Physician represents and warrants that Physician is not and has not been (i) suspended, excluded, barred, or sanctioned by Medicare, Medicaid, or any other State or Federal health care program (or notified of such action); (ii) debarred pursuant to the Federal Food, Drug and Cosmetic Act or received notice of a debarment action; (iii) suspended, excluded, barred, or sanctioned by the U.S. Food and Drug Administration ("FDA") or any other governmental agency from participation in clinical research activities; (iv) convicted of, charged with, or indicted for any criminal offense related to health care; or (v) otherwise engaged in conduct for which a person or entity can be so convicted, indicted, charged, or listed. Physician shall immediately notify SIHD in the event he or she becomes aware of any such action, suspension, exclusion, debarment, sanction, conviction, indictment, or notification pertaining to Physician during the Term of this Agreement. Upon the receipt of such notice by SIHD, or if SIHD otherwise becomes aware of such action, suspension, exclusion, debarment, sanction, or notification, SIHD shall have the right to terminate this Agreement immediately, if such Agreement is still in effect, by notice to Physician. This Section 2.16 shall survive the termination or expiration of this Agreement.

#### **2.17 Malpractice Insurance**

SIHD will provide professional liability insurance including "tail" coverage according to its usual insurance program.

## ARTICLE III RESPONSIBILITIES OF SIHD

### 3.1 Facilities

SIHD shall provide Physician with physical space for use in performing the Services. The size and location of such space shall be determined by SIHD, in consultation with Physician concerning space needs. SIHD facilities shall be used only in connection with performance of the duties hereunder.

### 3.2 Equipment

SIHD shall provide to Physician the equipment reasonably necessary for the provision of the Services. Equipment shall be maintained by SIHD, and as determined by SIHD, equipment will be replaced and updated, subject to approved operating and financial budgets of SIHD. Physician shall promptly notify SIHD of any defect, malfunction, or other deficiency in any such equipment of which he or she becomes aware. New equipment may be recommended by Physician through SIHD's standard capital equipment budgetary process. SIHD shall provide Physician with opportunities for input in decisions about major equipment acquisition for and supplies needed in Physician's practice; provided, however, that at the time of such input Physician shall disclose to SIHD in writing any financial or other relationship with the manufacturer, distributor, vendor, supplier, or other provider of any equipment or supplies recommended by Physician. SIHD shall also provide all supplies necessary to provide the Services. SIHD equipment and supplies (wherever located) shall be used only in connection with performance of the Physician's duties hereunder.

### 3.3 Personnel

During the Term, SIHD, directly or through its manager, shall provide personnel to deliver administrative, clinical, and technical assistance and support to Physician in the performance of the Services hereunder. Any such SIHD personnel providing assistance to Physician hereunder shall be and remain employees of SIHD or its manager and may be disciplined, transferred, or discharged only by their respective employer; provided, however, Physician can notify SIHD of his good faith objection to the continued employment of such staff, and request SIHD to remove such personnel. SIHD shall provide Physician with opportunities to provide input about the performance of such personnel to appropriate departmental directors. SIHD-supplied personnel shall be used only in connection with performance of the duties hereunder involving SIHD operations and patients.

During the Term, and for a further period of two (2) years after expiration or other termination of this Agreement, Physician shall not recruit, solicit for hire, or induce any person to recruit, hire or solicit for hire, any person who is an employee or independent contractor of SIHD and/or HCCA.

**ARTICLE IV  
COMPENSATION AND BENEFITS**

**4.1 Compensation**

SIHD agrees to compensate Physician for the Services rendered pursuant to this Agreement in accordance with the compensation plan set forth on Exhibit 1 attached hereto, and Physician accepts and agrees to such compensation plan. Physician further accepts such compensation as payment in full for all services provided by physician hereunder. Physician shall document all Services provided hereunder in a form as required by SIHD. SIHD and Physician agree that the compensation paid by SIHD to Physician, (including benefits, if any), as set forth herein is consistent with and does not exceed the fair market value of Physician's services.

**4.2 Offset**

If SIHD determines, in good faith, that Physician owes a repayment to SIHD pursuant to this Agreement or otherwise (a "Repayment Amount"), after notice to Physician and without limiting any other rights or remedies, SIHD shall have the right to offset, in whole or in part, the Repayment Amount against any payment or compensation due Physician under this Agreement until the Repayment Amount is paid in full (unless Physician pays the Repayment Amount to SIHD). If any Repayment Amount remains unpaid upon expiration or termination of this Agreement, Physician shall promptly pay such unpaid amount to SIHD.

**ARTICLE V  
TERM AND TERMINATION**

**5.1 Term**

This Agreement shall be effective as of the Effective Date and shall continue for an initial term of one (1) year (the "Term"), unless earlier terminated as provided herein. This Agreement shall automatically renew for continuous periods of one year each (subject to termination as provided herein). Any renewal hereunder shall be in accordance with 42 C.F.R. §411.357 renewal provisions.

**5.2 Termination without Cause**

Either Party may terminate this Agreement at any time (without cause) by giving written notice to the other of such termination and specifying the effective date thereof. Physician shall provide not less than ninety (90) days' prior written notice of termination and SIHD shall provide not less than thirty (30) days' prior notice before the effective date of such termination. If either Party should terminate this Agreement with or without cause during the Initial Term, the Parties shall not thereafter enter into a similar contract for a period of one year from the effective date of such termination. The foregoing sentence is intended to satisfy the regulation at 42 CFR § 411.357(d)(iv) on altering material terms of this Agreement, and shall survive the termination of this Agreement.

### **5.3 Termination by SIHD for Cause**

SIHD shall have the right to immediately terminate this Agreement for cause at any time, by notice to Physician. For purposes of this Agreement, an event or occurrence constituting "cause" shall mean any one or more of the following:

- (a) Revocation, suspension, resignation, or substantial curtailment or limitation of Physician's Medical Staff privileges at a hospital or any license to practice medicine;
- (b) Physician's DEA number is revoked, suspended, terminated, relinquished, or restricted in any way;
- (c) Physician becomes the subject of an investigatory, disciplinary, or other proceeding before any governmental, professional, licensing board, medical staff, or peer review body. Termination under this subsection is not contingent on the outcome of any such proceeding;
- (d) Patient health or safety is or may, in the sole discretion of SIHD, be in imminent and serious danger because of Physician action or inaction;
- (e) Physician fails to maintain malpractice insurance necessary to meet the requirements set forth in this Agreement;
- (f) Physician's use of drugs or alcohol which interferes with the performance of Physician's duties and responsibilities under this Agreement;
- (g) Physician is charged with a felony, or with other crime involving moral turpitude, or offenses related to the billing or provision of health care services;
- (h) Loss of Board certification or failure to become Board certified as required by Section 2.6 herein;
- (i) If Physician is substantially unable to provide professional services for a period in excess of 15 consecutive days, or more than 30 days in any six month period, regardless of the reason;
- (j) Suspension, exclusion, debarment or sanction of Physician from any of Medicare, MediCal, TriCare or other government reimbursed health care programs or if Physician's billing numbers have been denied, suspended, or revoked;
- (k) Public notoriety that calls into question Physician's skill, capability, or character, or which, in SIHD's sole judgment, may undermine SIHD or patient confidence in such skill, capability, or character;
- (l) Physician (or Physician's liability carrier) is required to pay damages in any malpractice action by way of judgment or settlement;
- (m) Physician's failure to adhere to the Medical Staff Bylaws of the Hospital;

(n) An event occurs that substantially interrupts all or a portion of Physician's professional practice or that materially adversely affects Physician's ability to perform Physician's obligations hereunder, which is not related to a disability to which SIHD can make reasonable accommodation;

(o) Failure to complete SIHD required compliance training within the time and manner specified by SIHD;

(p) A matter that a reasonable person would consider a notable violation of criminal, civil, or administrative law for which penalties or exclusions from health care programs may arise;

(q) Continued performance of this Agreement, in SIHD's sole discretion, violates any applicable law or materially conflicts with any accreditation standard, or Federal or State health care program requirements;

(r) Upon Physician's death or permanent disability;

(s) Physician's failure to agree to those changes to his or her compensation that are necessary to ensure that Physician's compensation remains fair market value; and

(t) Upon breach of any material term of this Agreement by Physician, which breach is not corrected within thirty (30) days after written notice thereof is given to Physician by SIHD provided that, of the foregoing the cure period shall not apply to any breach under clause (i) above or any breach which is incapable of cure.

Termination for Cause as provided hereunder shall not prohibit SIHD from exercising any other right or remedy under this Agreement or otherwise allowed by law.

#### **5.4 Termination by Physician for Cause**

This Agreement may be terminated by Physician for cause upon a breach by SIHD of this Agreement, provided that SIHD fails to correct such breach within sixty (60) days after SIHD's receipt of written notice thereof from Physician.

#### **5.5 Changes in Applicable Law**

The Parties agree that in the event there is a material change in any laws, rules, regulations, or interpretations thereof which would (in the opinion of counsel of either Party) (i) require the Parties hereto to restructure this Agreement or any provision of this Agreement, including without limitation a change in payment methodologies for medical services from a productivity model to non-productivity models such as quality incentive payments, bundling of payments, shared savings payments, (ii) so materially affect either of the Parties that continued performance under this Agreement shall become impossible, intolerable, or a violation of any law or regulation, or (iii) jeopardizes any of SIHD's bonded indebtedness, then, in any such instance, the Parties shall cooperate and renegotiate this Agreement in good faith and in such a manner that the essence of this Agreement is

maintained to the greatest extent possible. Renegotiation of the terms of this Agreement shall commence promptly after either Party gives written notice to the other Party hereto of such change. Immediately upon the giving of such notice, the Parties hereto shall suspend performance of all noncomplying (in the opinion of the Party hereto giving such notice) obligations hereunder, including but not limited to the payment of any amounts hereunder that might be deemed to be inappropriate or prohibited (but any sums not in question shall continue to be paid), pending renegotiation of this Agreement. With respect to the matters set forth in clauses (ii) or (iii) above, if the Parties hereto are unable to renegotiate this Agreement within thirty (30) days after the date of such notice, then either Party may, by written notice to the other Party, immediately terminate this Agreement. With respect to the matter set forth in clause (i) above, if the Parties hereto are unable to renegotiate this Agreement within sixty (60) days after the date of such notice, then either Party may, by written notice to the other Party, immediately terminate this Agreement. Any such termination shall not be deemed a termination for cause.

#### **5.6 Effect of Termination**

The termination of this Agreement by either Party shall not, in and of itself, affect a termination of Physician's appointment to and membership in the Medical Staff of the Hospital. However, the foregoing shall not be construed as limiting the rights of SIHD and its Medical Staff to take any action regarding Physician's privileges pursuant to the applicable Medical Staff Bylaws. Further, termination of this Agreement shall not, however, afford Physician any right to a hearing or access to any other due process or similar procedure set forth in the Medical Staff Bylaws.

In the event that a cause for termination by SIHD arises under this Agreement, SIHD may also terminate any other agreements between SIHD and its affiliates and Physician, in its sole and absolute discretion. A termination of one, any or all such agreements shall not limit available rights and remedies of SIHD.

#### **5.7 Survival**

No termination or expiration of this Agreement shall affect (a) any rights or liabilities that arose or accrued prior to the date of termination or expiration, (b) any rights or obligations that by their terms or nature must extend beyond the date of termination or expiration to be effective or (c) any rights or obligations which expressly survive expiration or termination.

### **ARTICLE VI MISCELLANEOUS**

#### **6.1 Rights in Property**

All title to supplies, fiscal records (except Physician's personal records), charts and medical records, equipment and furnishings shall remain the sole property of SIHD. SIHD shall maintain all medical records of patients to whom Physician has provided Services. All case histories, medical records, patient records, X-rays, CTs, MRIs or other radiological studies, computer printouts or electronic media, patient lists, and all other



professional, medical or financial information regarding SIHD's patients or patients consulted, interviewed or treated or cared for by Physician during the Term of this Agreement shall at all times belong to and remain the property of SIHD. During the Term of this Agreement and thereafter, Physician shall have no proprietary rights in such records. Upon termination or expiration of this Agreement, irrespective of the time, manner or cause of said termination, Physician shall surrender to SIHD all such medical records, patient records, X-rays, CTs, MRIs or other radiological studies and all other professional, medical or financial information regarding SIHD's physician practice which is in Physician's possession. Notwithstanding the foregoing, SIHD shall release a copy of a patient's medical records to Physician only in the following instances: (i) upon written request from a patient provided that the patient pays the costs of duplication; or (ii) upon written request from Physician, together with written HIPAA authorization from the patient, provided that Physician shall pay the costs of duplication.

## **6.2 Waiver**

Any waiver of the breach of any term or condition of this Agreement by either Party must be in writing and shall not constitute a waiver of any subsequent breach or breaches of the same or any other term or condition.

## **6.3 Assignment**

No assignment or delegation of this Agreement or the rights and obligations hereunder by Physician shall be valid without the specific written consent of SIHD, and any such attempted assignment or delegation shall be null and void.

## **6.4 Entire Agreement**

This Agreement supersedes all previous understandings, discussions, writings, letters of intent, contracts, or agreements between the Parties with respect to the subject matter hereof, and constitutes the entire agreement between the Parties.

## **6.5 Notices**

Notices required or permitted to be given under this Agreement shall be in writing and may either be delivered personally or sent by a reputable overnight delivery service or by certified or registered mail in the United States Postal Service, return receipt requested, postage prepaid to the notice address for each Party set forth below. Notices may also be sent by e-mail to the e-mail address below, provided that a copy of such notice is sent concurrently by one of the other methods of service.

**To Physician:**

Marc Martinez, MD  
46 Tidal Surf  
Newport Coast, CA 92657

**To SIHD:** Southern Inyo Healthcare District  
Attn: CEO  
501 East Locust Street  
Lone Pine, CA 93545

A notice shall be deemed given on the date it is delivered in person or 3 days after deposit in the United States mail in accordance with the foregoing. E-mail notices shall be deemed delivered on the day of transmission, provided that such message is transmitted prior to 5:00 p.m. (Pacific Time) on a business day or otherwise on the next business day. Either Party may change the address at which to send notices by giving the other Party at least ten (10) days prior written notice of such change.

#### **6.6 Amendments**

This Agreement may not be modified or amended except by written agreement executed by both Parties, and may not be amended orally. Any waiver related to, or amendment of, this Agreement must be in a writing that is designated as a waiver or amendment, and must be signed by Physician, and by the Chief Executive Officer of SIHD. This provision is intended to prevent the alteration of the terms and conditions of this Agreement and the acceptance of partial performance in violation of applicable Federal regulation, SIHD policy, or the compliance program.

#### **6.7 Conflict with Policies**

If any provision of this Agreement conflicts with the personnel policies of SIHD or HCCA, as applicable, this Agreement shall be controlling as to the issue, its interpretation and resolution.

#### **6.8 Schedules and Exhibits**

The Schedules and Exhibits attached to this Agreement are incorporated herein by reference as if set forth in full in the body of this Agreement.

#### **6.9 Access Clause**

If this Agreement is subject to Section 952 of the Omnibus Reconciliation Act of 1980, 42 USC Section 1395x(v) (1) (I) (the "Statute") and the regulations promulgated thereunder, 42 CFR, Part 420, Subpart D (the "Regulations"), Physician shall, until the expiration of four (4) years after furnishing of services pursuant to this Agreement, make available, upon proper request, to the Secretary of Health and Human Services (the "Secretary") and to the Comptroller General of the United States (the "Comptroller General"), or any of their duly authorized representative, the Agreement and the books, documents and records of Physician that are necessary to certify the nature and extent of the cost of services furnished pursuant to the Agreement for which payment may be made to SIHD under the Medicare program.

If the Agreement is subject to the Statute and Regulations and Physician carries out any of the duties of the Agreement through a subcontract (to the extent permitted herein), with

a value of or cost of Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period, with a related organization, that subcontract shall contain a clause to the effect that until the expiration of four (4) years after furnishing of services pursuant to such subcontract, the related organization shall make available, upon proper request, to the Secretary and the Comptroller General, or any of their duly authorized representative, the subcontract and the books, documents and records of such related organization that are necessary to verify the nature and extent of such costs.

#### **6.10 Severability**

The provisions of this Agreement are severable. If any clause or provision shall be held invalid or unenforceable in whole or in part, then such invalidity or unenforceability shall attach only to such clauses or provision, or part thereof, and shall not in any manner affect any other clause or provision in this Agreement.

#### **6.11 Governing Law**

This Agreement and the rights and obligations of the Parties hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the State of California.

#### **6.12 Non-Discrimination**

In the performance of this Agreement, Physician will not unlawfully discriminate against individuals under the applicable Federal or State laws. The Parties shall comply with the Civil Rights Act of 1964 as amended, and all other applicable anti-discrimination laws, regulations, and policies. As a recipient of Federal financial assistance, SIHD does not exclude, deny benefits to, or otherwise unlawfully discriminate against any person on the ground of race, color, sex, religion, or national origin, or on the basis of disability or age in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by SIHD directly or through Physician or any other entity with which Physician arranges to carry out his or her obligations, program and activities. Physician agrees to abide by SIHD's nondiscrimination policies and the rules, procedures and regulations that SIHD may adopt to with respect to such policies and will cooperate in any investigation SIHD may have related to a complaint implicated by SIHD's nondiscrimination policy. Physician shall treat in a non-discriminatory manner any and all patients receiving medical benefits or assistance under any Federal or State health care program.

#### **6.13 Third Party Beneficiaries**

The rights and obligations of each Party to this Agreement shall inure solely to the benefit of the Parties hereto, and no person or entity shall be a third party beneficiary of this Agreement. Notwithstanding the foregoing, HCCA shall be an intended third party beneficiary.

#### **6.14 Captions**

The captions contained herein are used solely for convenience and shall not be deemed

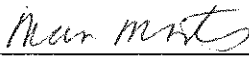
to define or limit the provisions of this Agreement.

**6.15 Counterparts**

This Agreement may be executed in more than one counterpart, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. This Agreement may be executed and delivered by facsimile or portable document format (.pdf) transmission.

IN WITNESS WHEREOF, SIHD has caused this Agreement to be executed by its duly authorized representatives and Physician has executed this Agreement to be effective on the Effective Date.

**PHYSICIAN**

  
\_\_\_\_\_  
**Marc Martinez, MD**

Date: 12/20, 2016

**SIHD**

By: \_\_\_\_\_

Name: Richard Fedchenko

Title: Chairman of the Board

Date: \_\_\_\_\_, 2016

## SCHEDULE 1.1

### Scheduled Hours

Physician shall provide SIHD with a schedule of Physician's availability to provide Services (including any requested vacation or other personal leave time) hereunder no later than the 10th day of the third month prior to the date the Services are to be performed. So, for example, the schedule for April shall be submitted no later than January 10. Physician shall endeavor to include in its schedule of availability at least 50% more time than Physician actually expects to work. The scheduling of Physician shall be at SIHD's sole discretion, although SIHD will endeavor to schedule Physician's work shifts according to Physician's stated availability. SIHD shall not schedule physician during periods outside of Physician's submitted availability dates without Physician's prior approval.

SIHD shall endeavor to give Physician a copy of the work shift schedule no later than fifteen (15) days prior to the first day of the applicable month, but SIHD shall have no liability to Physician for the late delivery of any work shift schedule. If Physician fails to timely submit any schedule of availability, SIHD may schedule such Physician at any time SIHD determines. Each work shift schedule established by SIHD shall be binding on Physician. If Physician is unable to perform Services during any scheduled work shift, it shall immediately notify SIHD; however, it is Physician's responsibility to find a qualified replacement acceptable to SIHD to cover any missed work shift. Such replacement must be another SIHD-qualified provider.

SIHD will use reasonable efforts to accommodate Physician's request for vacation time, personal time, and holidays, but SIHD cannot guarantee Physician that SIHD will be able to accommodate any or all such requests.

If Physician is late for any work shift (or misses any work shift without finding a replacement), Physician will be required to reimburse SIHD for any compensation or other expense that SIHD may incur to engage other contractors to cover the work shift in question. Any such reimbursement may be deducted by SIHD from Physician's compensation hereunder.

## SCHEDULE 1.5

### **Restrictions – Other Employment/Professional Activities**

During the Term, Physician may not engage in any of the following activities without the appropriate prior written consent of SIHD in accordance with Section 1.5:

1. Providing an affidavit, consulting, or serving as an expert witness in any professional liability suit or action. Any activities of this nature must be submitted in writing and approved in advance by SIHD's Chief Executive Officer;
2. Selling, or promoting sales of, any goods or services, medical products or devices, drugs or pharmaceutical products, supplements or vitamin products, or cosmetic products or devices to SIHD patients or on SIHD premises;
3. Holding a position as director, trustee, or officer of an organization which competes with or is engaged in an existing or proposed business relationship with SIHD;
4. Serving as a medical director, consultant, clinical advisor, preceptor, investigator, or comparable position for any entity outside the SIHD system, whether compensated or not, including, but not limited to medical practices, athletic teams, schools or colleges, pharmaceutical or device manufacturers, employers, or third party payers;
5. Receiving anything of value, including gifts or compensation, from an entity which competes with SIHD or with which SIHD has a contract or other transaction, provides items or services to SIHD or is seeking to do business with SIHD, including, but not limited to, third-party payors, vendors, manufacturers, parties to clinical research agreements, or after-care providers (home care agencies, hospices, and durable medical equipment suppliers). Items of value and gifts include cash or cash equivalents, commissions, share in profits, gift certificates, merchandise, loans or advances, or labor, materials, services, repairs or improvements at no cost or at prices other than for fair value; non-approved SIHD business travel accommodations, airline, or other transportation tickets, or hotel accommodations; or recreational admission tickets, excessive or extravagant entertainment or similar gratuities;
6. Maintaining an investment or ownership interest in any entity that sells goods or services to SIHD where Physician has actual, potential, or perceived decision making authority or influence as to the purchase of such goods or services. Ownership of stock or other securities in closely held or non-public companies that sell goods or services to SIHD may constitute a conflict of interest and must be reported. Ownership of not more than 10 percent of the net worth of a publicly traded company, which ownership is not valued at more than 10 percent of Physician's net worth, however, is not a conflict;
7. Maintaining an investment or ownership interest (subject to the inclusions and exclusions referenced above) in any entity competing with SIHD, where the Physician

has actual, potential, or perceived decision making authority or influence that would directly or indirectly benefit the competing entity;

8. Presenting research reports or studies or otherwise making presentations at conferences; and

9. Engaging in any medical research or development activity.



## SCHEDULE 2.1(a)

### Services

In performing the Services described in Section 2.1 of the Agreement, Physician's Services shall include:

#### Direct Patient Care

- A. Be available to provide patient care services to Emergency Department patients, Clinic patients, and the skilled nursing facility patients as scheduled, including, but not limited to examinations, review of test results, diagnoses, prescribing and administering of treatments/medications, assisting with medical emergencies, consultations with referring physicians and other referral sources, and referrals as needed to specialists for consultations and specialized treatment.
- B. Accepting referrals from other physicians to provide emergency medical care.
- C. Coordinating medical care for patients admitted to SIHD who are cared for by Physician.
- D. Providing medical supervision (as "Supervising Physician") for nurse practitioners and/or physician assistants for services provided by such providers in connection with Physician's medical practice, as more particularly set forth in, as applicable, (i) a Nurse Protocol prepared, filed and implemented in accordance with the California Registered Professional Nurse Practice Act and implementing regulations, and the applicable requirements of the California professional code for physicians and implementing regulations, or (ii) a Job Description prepared, filed and implemented in accordance with the California Physician's Assistant Act and implementing regulations, and the applicable requirements of the California professional code for physicians and implementing regulations.
- E. Participate in Emergency Department physician peer review process. Provide timely responses to questions and/or findings generated by the reviewing provider or peer review committee.
- F. Participate in annual evaluation of allied health practitioners and licensed staff in coordination with Emergency Department management personnel under Emergency Department designated standards.
- G. Provide such other medical and healthcare services as are customarily provided by physicians in emergency departments of hospitals.
- H. Performance Standards. In performing services under this Agreement, Physician shall comply with the following Performance Standards:
  - (i) assist and cooperate with SIHD activities designed to ensure compliance with the Joint Commission, Det Norske Veritas Healthcare (DNVHC)

Hospital Accreditation, California Department of Public Health, Centers for Medicare and Medicaid Services, State-Only Family Planning, Child Health and Disability Program, and other relevant organizations' applicable standards, including the quality benchmarks set forth in Schedule 2.10.

(ii) promote cooperation and teamwork among other physicians and other employees and personnel of SIHD and HCCA;

(iii) attend, to the extent reasonably practicable, all required management meetings;

(iv) assist SIHD as requested in the efficient and effective day to day management of the Physician's practice;

(v) respond to patient and referring physician needs and concerns regarding patient diagnosis and treatment as expeditiously as reasonably possible;

(vi) fully support SIHD's overall quality improvement and quality assurance initiatives;

(vii) recommend professional, technical, and support staff needs to SIHD;

(viii) recommend policies and procedures regarding scheduling of patients to the end that the safety and health of patients takes precedence over other concerns;

(ix) direct other employees in the provision of medical services, especially with regard to patient safety;

(x) maintain and timely update patient medical records; and

(xi) adhere to such other performance standards (not inconsistent with the terms of this Agreement) as established by SIHD from time to time.

## EXHIBIT 1

### Compensation Plan

1. Hourly Rate. Physician shall be compensated Ninety Five Dollars per hour (\$95.00) for each hour worked and documented, which shall accrue in quarter-hour increments. Payment shall only be for scheduled shift hours unless specifically preapproved in writing by SIHD. SIHD will reimburse physician for travel and lodging expenses preapproved in writing by SIHD. Payment for any shifts worked between the first and fourteenth of the month will be paid on the first of the month following the next month. Payment for any shifts worked between the fifteenth and the last day of the month will be paid on the fifteenth of the following month.

**Schedule 2.10  
Quality Benchmarks**

To be determined



SOUTHERN INYO  
HEALTHCARE DISTRICT

# Southern Inyo Hospital

501 E. LOCUST STREET  
P.O. BOX 1009  
LONE PINE, CALIFORNIA 93545

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(760) 876-5501  
FAX (760) 876-4388  
Admin. FAX (760) 876-2268

January 30, 2017

Board of Directors  
Southern Inyo Hospital  
P.O. Box 1009  
Lone Pine, CA 93545

Active Medical Staff Privileges are extended to Dr. James Wichser, for a period of two years, from 01/30/2017 to 01/30/2019 by the Board of Directors of Southern Inyo Healthcare District, in accordance with the Medical Staff Bylaws of Southern Inyo Healthcare District.

Respectfully,

Vickie Torix  
Medical Staff Secretary

\_\_\_\_\_  
Ronald Ostrom, DO, Medical Director of ER Date

\_\_\_\_\_  
Alan Germany, CEO/CRO Date

\_\_\_\_\_  
Richard Fedchenko, Board President Date