



Mayers Memorial Hospital District

Chief Executive Officer
Louis Ward, MHA

Board of Directors

Abe Hathaway, President
Michael D. Kerns, Vice President
Allen Albaugh, Treasurer
Beatriz Vasquez, PhD, Secretary
Art Whitney, Director

BOARD of DIRECTORS
MEETING AGENDA
September 20, 2016 1:00 pm
Board Room (Fall River Mills)

Mission Statement

Mayers Memorial Hospital District serves the Intermountain area providing outstanding patient-centered healthcare to improve quality of life through dedicated, compassionate staff and innovative technology.

1	CALL MEETING TO ORDER – Abe Hathaway, President	
2	CALL FOR REQUEST FROM THE AUDIENCE: PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS: Persons wishing to address the Board are requested to fill out a "Request Form" prior to the beginning of the meeting (forms are available from the Clerk of the Board (M-W), 43563 Highway 299 East, Fall River Mills, or in the Board Room). If you have documents to present for the members of the Board of Directors to review, please provide a minimum of nine copies. When the President announces the public comment period, requestors will be called upon one-at-a time, please stand and give your name and comments. Each speaker is allocated five minutes to speak. Comments should be limited to matters within the jurisdiction of the Board. Pursuant to the Brown Act (Govt. Code section 54950 et seq.) action or Board discussion cannot be taken on open time matters other than to receive the comments and, if deemed necessary, to refer the subject matter to the appropriate department for follow-up and/or to schedule the matter on a subsequent Board Agenda.	
3	Reports/Recognitions: 3.1 USDA Presentation 3.2 Resolution 2016-10—August Employee of the Month (Exhibit 1) 3.3 Right Roads Building Report – Ryan Harris, Director of Operations	Presentation ACTION ITEM Report
4	APPROVAL OF MINUTES: 4.1 Regular Meeting – August 24, 2016 (ATTACHMENT A)	ACTION ITEM
5	OPERATIONS ▶ Chief's Reports (CEO, CNO, CCO, IHF CEO) (ATTACHMENT B) WRITTEN REPORT PROVIDED – ADDITIONAL COMMENTS AS NEED VERBALLY ▶ AD HOC BUILDING COMMITTEE UPDATE	Information Information
6	BOARD COMMITTEES: 6.1 Finance Committee – Chair Allen Albaugh 6.1.1 Committee Meeting Report 6.1.2 July/August 2016 Financial review, AP, AR and acceptance of financials (Dispersed Separately) 6.1.3 Quarterly Finance Binder Review..... 6.1.4 Approval of Line of Credit..... 6.2 Strategic Planning Committee – Chair Abe Hathaway 6.2.1 Committee Meeting Report 6.2.2 SEMSA Report – Preferred Provider Agreement Discussion (Attachment C)	Information ACTION ITEM ACTION ITEM ACTION ITEM Information ACTION ITEM

	6.3 Quality Committee – Chair Mike Kerns 6.3.1 Committee Meeting Report.....	Information
7	OLD BUSINESS 7.1 Discontinuance of OB Service effective 2016.09.15—ratification of decision.....	<i>Discussion/ Action</i>
8	NEW BUSINESS 8.1 Approval of Layton Construction Design-Build Contract..... 8.2 Annual Bylaw Review Process (Sent as PDF) 8.3 Board Assessment Process – ACHD Consultants.....	ACTION ITEM Discussion Discussion
	9.1 INFORMATION/REPORTS/BOARD EDUCATION/ANNOUNCEMENTS <ul style="list-style-type: none"> • Board Appointment Process – Letters of Interest due by October 1, 2016. Schedule interviews morning of next board meeting (October 26) or prior. Selection made at October 26, 2016 Board Meeting – Needs to be to county by November 1, 2016. • Board Comments, Upcoming Events, etc. 	
10	ANNOUNCEMENT OF CLOSED SESSION: 10.1 Government Code Section 54952 Quality Assurance: Quality Improvement Issues, Medical Staff Report (Dr. AJ Weinhold, Chief of Staff) AHP Reappointment – Darla Schmunk, NP	
11	RECONVENE OPEN SESSION: REPORT ACTIONS TAKEN DURING CLOSED SESSION	
12	ADJOURNMENT: Next Regular Meeting October 26, 2016, Burney	

Public records which relate to any of the matters on this agenda (except Closed Session items), and which have been distributed to the members of the Board, are available for public inspection at the office of the Clerk to the Board of Directors, 43553 Highway 299 East, Fall River Mills CA 95028.

This document and other Board of Directors documents are available online at www.mayersmemorial.com.

Posted/Distributed 09/14/16



Mayers Memorial Hospital District

Always Caring. Always Here.

RESOLUTION NO. 2016-10

A RESOLUTION OF THE BOARD OF TRUSTEES OF MAYERS MEMORIAL HOSPITAL DISTRICT RECOGNIZING

Destiny Tavares, Fall River Mills

AS August 2016 EMPLOYEE OF THE MONTH

WHEREAS, the Board of Trustees has adopted the MMHD Employee Recognition Program to identify exceptional employees who deserve to be recognized and honored for their contribution to MMHD; and

WHEREAS, such recognition is given to the employee meeting the criteria of the program, namely exceptional customer service, professionalism, high ethical standards, initiative, innovation, teamwork, productivity, and service as a role model for other employees; and

WHEREAS, the MMHD Employee Recognition Committee has considered all nominations for the MMHD Employee Recognition Program;

NOW, THEREFORE, BE IT RESOLVED that, Destiny Tavares is hereby named Mayers Memorial Hospital District Employee of the Month for August 2016; and

DULY PASSED AND ADOPTED this 20th day of September 2016 by the Board of Trustees of Mayers Memorial Hospital District by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Abe Hathaway, CHAIRMAN
Board of Trustees, Mayers Memorial Hospital District

ATTEST:

Valerie L. Lakey
Clerk of the Board of Directors

Date: August 24, 2016
Time: 1:00 P.M.
Location: Mayers Memorial Hospital
Burney, California

(These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.)

1. CALL MEETING TO ORDER: President Hathaway called the regular meeting to order at 1:00 p.m. on the above date with the following present:

Abe Hathaway, President
Mike Kerns, Vice President
Beatriz Vasquez, Secretary
Allen Albaugh, Treasurer
Art Whitney

Board Members Absent:

Staff Present: Louis Ward, CEO; Valerie Lakey; Travis Lakey, CFO; Sherry Wilson, CNO; Keith Earnest, CCO; Theresa Overton

2. CALL FOR REQUEST FROM AUDIENCE TO SPEAK TO ISSUES OR AGENDA ITEMS:

Nancy Weaver – Resident treatment

Her mother is a resident of Burney Annex for 5 years. Weaver suggested the MMHD re-thinks trainings and when hiring have potential employees consider that they are working with elderly patients.

3.

3.1 Resolution 2016-09 July Employee of the Month (*Approved*)Kerns- Whitney – Christina Catalano

3.2 Shasta County Department of Child Support Services – Teri Morelock presented the hospital with a Certificate of Appreciation for their support of the county's program.

3.3 401K Annual Report – John Grimmet, Tri Counties Bank was present to go over the annual 401K report. Grimmet has been managing the MMHD plan for about 10 years ago. The current value is at \$5.2 million with about 115 participants. Pricing has been heavy on the expense. It has a fixed account that pays a flat rate of 3% - Expenses are running at .85% Over \$5 million gives flexibility on pricing. He is working on negotiating the .85 rate – it realistically should be about .40. (Handout provided)

4. APPROVAL OF MINUTES – A motion/second and carried, the Board of Directors accepted the minutes of the July 27, 2016 Regular Board Meeting.
(Albaugh, Kerns) – Approved All

5. OPERATIONS REPORT:

In addition to the written operations report included in the board packet, the following verbal reports and discussions are summarized below:

► **Louis Ward, CEO –** In addition to written report:

- **Seismic permit** has been pulled. Currently working with USDA to approve Layton Construction as the Design-Build Contractor and be able to start design-portion of the project.
- Attended **MVHC Wellness Days**.
- The Family BBQ was a lot of fun and those that attended had a great time.
- Working with Jack Hathaway on Quality projects and developing a quality team. Quality reporting board is being ordered.
- **EHR downtime**. We were down for about 2 weeks. The cost was about \$100,000 – half was equipment to mitigate future issues.
- **SEMSA –** SEMSA Update – we are still talking with SEMSA to see what the model will look like. Remove ground portion from the contract because there is no narrative of

what ground services would look like. Finalize the contract with SEMSA with a clause that allows MMHD to negotiate terms of ground transport with SEMSA within 90 days or contract could be cancelled. Want to have some assurances for employees, services, etc. Looking at the dispatch portion of the contract, termination time frames and rapid response unit. Modoc Medical Center is going the same direction.

- **Burney Outpatient Services** – Right Road Building; Ryan Harris is working on the plan. Will be reporting in September. Services will include PT, Lab, Respiratory, ultrasound, teled. Working with county on permitting. Thrift Store remodel – now open. Outside of building was painted.
 - **OB meeting** was Tuesday, August 23 – provided packet is available on website.
- ▶ **Keith Earnest, CCO** – We have a backlog of 73 referrals in Physical Therapy. A new hire will start in September and another will start in January. In Imaging we interviewed 2 candidates for ultrasound tech and have 2 more interviews. There was a lot of response. We have 3 techs now and the new manager will start as soon and license comes through. We will be moving to a 2 shift pattern. Hospice admission packet has been redone and it is very good. Very proud of the result. A lot of the work was done by Jim Friday, Hospice volunteer.
- ▶ **Sherry Wilson, CNO** – Currently in our second mock survey. Reviewing items from last time. Reviewing charts. Identifying a few other areas. Real survey should be any day.

6. BOARD COMMITTEES:

6.1 Finance Committee –Chair Allen Albaugh

6.1.1 Committee Meeting –See Finance Minutes. Additionally, Albaugh noted that our community and facility should be concerned over the Burney Mill issue as it would have a lot of affect on the hospital. Albaugh also noted the loss of collections because of EHR downtime. We will be getting a Line of credit for a backup while we are waiting for the IGT funds to be returned. Very soon we should be at 60 days cash on hand in – The committee discussed Depreciated Equipment (See finance notes). We have paid off a lot of debt.

6.1.2 July 2016 Financials – Will combine July/August because of the EHR downtime

6.2 Strategic Planning Committee –Chair Abe Hathaway

6.2.1 Committee meeting – See SP minutes. Additionally, Hathaway addressed the OB closure. Liability, staffing. Not a financial piece. Concerned about patient quality and care and being able to provide the service we advertise. Board decided based on keeping the hospital viable. We are in a liability disadvantage. We cannot advertise something we cannot provide. The board has the best interest of the whole community at heart. Whitney – we are not in compliance with our license and that would void our insurance.

6.3 Quality Committee – Chair Mike Kerns

6.3.1 Committee Meeting Report - See Quality minutes – In addition, Kerns noted that there are a few Lab issues – working with Mountain Valleys. There have been issues with one ammonia test. We are working on an interface with MVHC. Jack Hathaway is working on CMS Core measures, surveys, etc. as well as patient experience. He will report to the full board soon. Infection Control had a good report. There were questions regarding Mental Health challenges. Ward feels things are getting better. AB 1300 – through Assembly, in Senate. Passed Senate health - now in rules committee.

7. NEW BUSINESS

7.1 Policy & Procedure Approval (Albaugh/Vasquez) –Approved All

- MEC – Governing Board Endorsement for AHP Reappointment

- MEC – Governing Board Endorsement for Additional Privileges
- MEC – Governing Board Endorsement for Physician Reappointment and Privileges
- MEC – Governing Board Endorsement for AHP Appointment
- MEC – Governing Board Endorsement for Removal of Privileges
- Family Medicine Revision

8. INFORMATION/BOARD EDUCATION/ANNOUNCEMENTS

BOARD COMMENTS, UPCOMING EVENTS, ETC. –

- Legislative Update AB 1300, AB 2024
- Upcoming Events

9.1 Announcement of Closed Session -none

2:26 p.m. adjourned to closed session

10. ADJOURNMENT: There being no further business, at the hour of 2:26 p.m., President Hathaway declared the meeting adjourned. Next meeting September 28, 2016 – Fall River Mills



Mayers Memorial Hospital

Operations Report August 2016

Statistics	August YTD FY17 (current)	August YTD FY16 (prior)	August Budget YTD FY17
Surgeries (including C-sections)	15	20	14
> Inpatient	7	8	2
> Outpatient	8	12	12
Procedures (surgery suite)	40	33	32
Inpatient	384	308	356
Emergency Room	606	723	600
Skilled Nursing Days	4996	4244	4800
OP Visits (OP/Lab/X-ray)	*	*	2955
Hospice Patient Days	284	255	304
PT	1657	2013	2050
Ambulance Runs	63	75	74

**Lab totals were not submitted before report was completed*

Operations District-Wide

Prepared by: Louis Ward, MHA, Chief Executive Officer

Building Project

It has been an exciting month for the district as we have gained considerable ground on our building project. As you will recall, in our August Board meeting the District BOD voted to engage and move forward with Layton Construction pending the approval of USDA. This month we received said approval from the USDA which cleared the way for Mayers Memorial Hospital District and Layton Construction to formalize their relationship. Hospital Leadership has participated in weekly calls with Porter Consulting (MMHD Project Management Firm) drafting timelines, conversing about funding, and working together on the selection of a firm we feel confident can deliver a quality building the community can be proud of. All of the above has been very exciting, rewarding, and necessary for a successful project but we are all very eager to begin this new chapter of the project, DESIGN.

Obstetrics

This month the team has spent considerable time and resources tackling many challenges surrounding OB. We have worked very closely with CDPH as we work to meet all of their requirements with regards to the closure. ER Nursing, Physicians, and Admin staff have met to discuss policies, share best practices, and establish plans. We have worked with other like hospitals that do not perform OB services to obtain policies and procedures as well as discuss best practices. This information is being regularly shared with Nursing leadership and the Physician ED Director. We have also scheduled training events for the ED staff as well as continuing to work with Enloe to provide Emergency OB training to all ED staff in need, many are already trained.

MMHD QIP

Jack Hathaway, Director of Quality has been leading the charge in recent months to not only improve our quality scores for many of our tracked metrics but also to transfer value to all staff so it is meaningful and

understood. This month we began the framework of our Mayers Memorial Hospital District Quality Improvement Plan (MMHD QIP). We are all very excited as the pieces of the puzzle are rapidly coming together. This plan fits very nicely into our newly adopted Strategic Plan; we look forward to focusing on and refining our MMHD QIP throughout the coming months. Quality is not a burden, quality is what we do!

Survey Season

We have established a new partnership with HealthTechS3, a consulting firm that is assisting our team in their efforts to improve the quality documentation and healthcare performed in our Skilled Nursing and Acute environments. This month we hosted the HealthTechS3 team for the 2nd time this year while their team performed a mock survey as well as provided educational training to our staff. Once again we were very happy with the results of our efforts as it is very evident the staff is engaged with the HealthTechS3 team and are learning some very valuable knowledge. We are expecting our annual survey, performed by CDPH in the very near future, we all feel confident that our efforts to become a leader in Quality and patient care in the North State will not go unnoticed.

TEAM Mayers

The TEAM Mayers committee is once again busy planning out our fall and winter activities. We are working together on a plan to make our upcoming employee meetings (Oct 5th, & 6th) engaging and fun for the staff. We are also working on preliminary plans for the Mayer's Christmas party in December.

The Intermountain Fair

Mayers was once again represented fantastically at the Fair. Our booth was very well thought out and full of information and happy employees for the community to engage with. Thanks to Val, Jessica, Maintenance, and the MIHF for all of their efforts on the booth. Thanks to all that volunteered their time to "man" the booth and chat with the public. I attended the Youth Auction on Monday morning of the fair. I purchased a hog on behalf of Layton Construction which they then donated to the staff off the hospital. Crown Motors once again was very generous donating 2 hogs and a lamb to the hospital. We intend to do payroll drawings later this month sharing our vendor's generosity with our great staff.

Respectfully Submitted by,
Louis Ward, MHA
Chief Executive Officer

Chief Clinical Officer Report

Prepared by Keith Earnest, Pharm.D.--Chief Clinical Officer

Cardiac Rehab

- A new commercial grade treadmill and arm ergo machine have been funded by a grant from the Sierra Health Foundation. The new equipment will be ordered this month.
- Cardiac maintenance numbers have been down recently, Trudi Burns, RN, Cardiac Manager, is working with public relations to market the program.
- In October, Dr. Dahle will start his stress treadmill training with Dr. Chandramouli.

Laboratory

- The department will be staffing a phlebotomist for Mountain Valley Health Center's homeless outreach in October.

Physical Therapy

- The new hire physical therapist will start the week of September 26th. There has been a delay at the State level processing his license.
- FRJUSD has contacted the Physical Therapy Department to discuss a contract for physical therapy services for special needs students.
- Daryl Schneider, PT manager, is working with the Foundation grant writer to obtain appropriate chairs for acute patient rooms.

Respiratory Therapy

- The pulmonary rehab program is going strong with 3 patients and 3 new referrals.
- Medicare has proposed a significant rate increase for pulmonary rehab in 2017.
- One respiratory student from Oregon Institute of Technology in Klamath Falls completed her clinical experience at Mayers and we expect more students this fall.
- As part of the Million Hearts Initiative, Adam Dendauw, Clinical Director, is working with outside entities to recruit patients that will qualify.

Imaging

- Mayers in on phase two of a grant process for 100K for a new mobile x-ray unit.
- The ultrasound position has been filled. We welcome Katerina Medina as our new ultrasound tech the week of September 12th.

Pharmacy

- We have been working with Remote Solutions to speed up the processing time on ER orders after hours. This will enhance bar code scanning as well.
- Stacy Taylor, Pharmacy Tech, was hired and will start the end of the month. She will be part time initially and then cover while staff is out on maternity.

Skilled Nursing Facility – Burney & FRM
Submitted By: Sherry Wilson, RN, CNO

Critical Access Hospital
Prepared by: Sherry Wilson CNO/Acute

Acute/Swing Nursing Unit

Acute Care St. 1 Board Report September 2016

- Working with Enloe to plan training for ER in emergency OB deliveries. Also reaching out to other facilities that do not have OB services to review their procedures.
- Planning Skills Fair with other departments for the end of September.
- Utilizing Full time Licensed personnel to cross train in Outpatient surgery and ER.

Submitted by Theresa Overton, RN
Director of Nursing

Surgery

Procedures – 27

IP Surg – 5

OP Surg – 4

- Our Procedures have doubled for this month
 - 1 – Emerg C-section
 - 1 - Emerg General Surg
 - 2 – IP Ortho Cases
 - 1 – OP Ortho Case
 - 1- IP General Surg
 - 3 – OP General Surg
-
- ✓ EGD and Colon Scopes will be sent out for Annual Inspection one scope at a time
 - ✓ 1 of the EGD Scopes was damaged during a procedure and has been sent out for repair. We still have 1 EGD scope available for use.
 - ✓ Surgical "Call Time" and Emergent Surgery Services is still in the Discussion phase as to if we will be eliminating this entirely or revamping to work around Dr. Syverson availability (ex: Mon, Tues, Wed). Hopefully there will be a more concrete answer in the next week from Administration, as it stands today.... Call Time and Emergent Surgery Services will cease as of 09-16-16.
 - ✓ Housekeeping position 27 still needs to be filled, applications are being look at this next week with possible interviews.

EMERGENCY CRITICAL CARE AIR AND GROUND MEDICAL TRANSPORT SERVICES AGREEMENT

This Preferred Provider Agreement for Emergency Air and Ground Critical Care Transport (CCT) Services when air transport services are not otherwise available (this "Agreement") is made and entered into effective as of the last signature date set forth below (the "Effective Date") between Sierra Medical Services Alliance (SEMSA) ("PROVIDER"), a 501c3 not-for-profit corporation having its principal place of business in Reno, Nevada, and Mayers Memorial Hospital District having its principal place of business in Fall River Mills, California ("HOSPITAL"). PROVIDER and HOSPITAL are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties."

WHEREAS, PROVIDER is an institution committed to providing emergency transport services primarily to residents and visitors of the States of California, Oregon, and Nevada;

WHEREAS, HOSPITAL is engaged in the business of operating a general care medical hospital and providing medical care in connection therewith, including emergency medical care;

WHEREAS, HOSPITAL is concerned with the availability of timely and professional delivery of emergency air or ground critical care ambulance services for patients requiring facilities or capabilities not available at HOSPITAL (outbound) or when HOSPITAL has accepted referred patients (inbound);

WHEREAS, HOSPITAL has determined that it would be in the best interest of HOSPITAL patients to have a qualified high quality, primary air and ground critical care ambulance provider experienced in community based air and ground critical care transport operations with patient care staffing and quality consistent with recognized critical care transport and advanced life support standards;

WHEREAS, PROVIDER entered into an agreement with the emergency air medical transportation provider Mercy Air Service, Inc., a wholly owned subsidiary of Air Methods Corporation ("Aviation Provider") to gain access to a high quality, cost effective, helicopter and ground critical care transport service program to provide medically necessary patient transport throughout the PROVIDER's service area and surrounding service area;

WHEREAS, PROVIDER is a licensed and recognized provider of ground critical care transport services;

WHEREAS, HOSPITAL desires to arrange for air and ground critical care ambulance services for HOSPITAL patients requiring ground and air ambulance services, and PROVIDER desires to provide such services as the "Preferred Provider," on the terms and conditions set forth herein; and

WHEREAS, the Parties: (i) desire to delineate clearly between their respective responsibilities and obligations under this Agreement; and (ii) intend that each Party shall be responsible and liable only for that Party's respective responsibilities and obligations with respect to the air and ground ambulance program as specified in this Agreement.

NOW, THEREFORE, in consideration of the foregoing, and in consideration of the mutual covenants and obligations set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **TERM**. This Agreement shall be in effect for a period of five (5) years commencing on the Effective Date (the "Initial Term") and will automatically extend for an additional term of five (5) years (the "Renewal Term"), and together with the Initial Term, the "Term".

2. **PREFERRED PROVIDER.**

a. PROVIDER shall provide air and ground CCT transport service as available (weather and maintenance permitting) to all patients if medically necessary (as defined below). A request shall be considered "Medically Necessary" whenever a receiving physician/hospital accepts the patient and the referring physician/hospital determines that air or ground critical care ambulance transport and a higher level of care or specialty service is in the patient's best interest and medically necessary.

b. PROVIDER will respond to all flight and ground CCT requests as appropriate. In the event that all available PROVIDER helicopters or ground critical care units are already in service or otherwise unavailable, the SEMSA Communications Center will notify the requesting agency of the approximate delay. If the delay is unacceptable to HOSPITAL, the Communication Center will make arrangements for service with another air or ground medical provider selecting the next closest and available helicopter or ground ambulance and initiate such response as necessary and appropriate.

c. Nothing in this Agreement shall be construed to obligate PROVIDER to provide air or ground critical care ambulance transport services when it lacks an available resource(s), qualified on-duty staff or equipment in the service area.

3. **HOSPITAL'S USE OF AIR AND GROUND CCT MEDICAL TRANSPORT SERVICES.**

During the Term, except where applicable laws and regulations otherwise require, if HOSPITAL has a need for critical care air or ground medical transport services, HOSPITAL shall use PROVIDER as HOSPITAL's preferred contractor for such services. This means that if HOSPITAL has a need for any air or ground medical transport services and such transport is Medically Necessary, HOSPITAL shall request that PROVIDER provide such services. HOSPITAL's requests to PROVIDER for air transport services shall be made by utilizing SEMSA's communication center. Subject to the availability of the helicopter or critical care ground ambulance, PROVIDER shall dispatch and launch the helicopter, or ground service. If the helicopter or critical care ground ambulance is unavailable or unable to respond to HOSPITAL's request for any reason (including, without limitation, that the helicopter or ground service is responding to another call or request, is out of service or experiencing mechanical or other difficulties or if weather conditions preclude safe flight or travel operations), or if PROVIDER refuses the critical care transport for any other reason, or if it is advisable or required that the patient be transported by another provider for medical or regulatory reasons, then HOSPITAL shall inform SEMSA's communication center who may request emergency air or ground transport services from another provider thereof.

4. **CONTINGENCY.** Within ninety (90) days of signature of this contract, PROVIDER and HOSPITAL will enter into negotiations with the end-goal of PROVIDER assuming management of the HOSPITAL's existing ground ambulance service. Failure to reach an agreement within that ninety (90) day period will result in immediate termination of the AGREEMENT unless both parties agree to continue negotiations for an extended period of time.

5. **EDUCATION OF AGREEMENT.** HOSPITAL hereby agrees to educate and require all personnel with the authority to request air and ground critical care medical transport services to comply with this Agreement. HOSPITAL shall assure that all relevant HOSPITAL personnel are informed and educated regarding the requirements of this Agreement and appropriate procedures for ordering air or ground ambulance transport services and preparing patients for transport in accordance with professionally recognized standards. PROVIDER shall assist HOSPITAL in providing such information, education and training.

6. **RECEIVING FACILITY.** HOSPITAL shall inform any receiving hospital that offers to initiate air or ground critical care ambulance transport services that HOSPITAL will make transport arrangements with PROVIDER for such transports deemed Medically Necessary.

7. **ACCESS TO RECORDS AND FACILITY.** In accordance with the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), HOSPITAL agrees to provide PROVIDER reasonable access to patient information for the purposes of providing service under this Agreement. Additionally, HOSPITAL shall maintain and promptly (within twenty-four (24) hours of patient transport) provide authorized PROVIDER representatives access to medical records for each patient receiving services under this Agreement. Patient documentation shall include but not be limited to: medical records, medical necessity statement and other necessary documentation for patients whom PROVIDER provides air or ground ambulance transport service. Hospital medical records shall be in such form and containing such information as required by federal, state and local laws and regulations.

8. **FACILITIES COVERED BY THIS AGREEMENT.** This Agreement shall cover all facilities owned or operated by Mayers Memorial Hospital.

9. **AIR AND GROUND CRITICAL CARE (CCT) AMBULANCE TRANSPORT SERVICE.**

a. **Helicopter and Ground Critical Care Transport (CCT) Ambulances.** PROVIDER shall provide regional air ambulance transport services and all required support services with appropriately equipped and staffed helicopter(s), ground, or other transport assets and shall make such services available to the HOSPITAL on the terms set forth herein. PROVIDER shall ensure that at all times during the Term that the helicopter(s) meet all applicable federal, state and county requirements, including, without limitation, all federal, state and county licensing, permit and equipment specifications.

b. **CCT Medical Staff.** PROVIDER medical staff shall consist of at least one registered flight nurse and one EMT-Paramedic. All medical staff personnel shall be trained in current basic and advanced cardiac life support methods and systems and in air medical transportation to the extent required by all applicable state and local regulations. PROVIDER medical staff training may include the Association of Air Medical Services Guidelines for Air Medical Crew Education (previously published by USDOT/NHTSA) and that of the Commission on Accreditation of Medical Transport Services (CAMTS). In the event air transport is not available for any reason, and other air providers also are also unavailable, and that such delays would in the HOSPITAL’s opinion require immediate transport by ground critical care unit SEMSA shall use best efforts to promptly initiate a ground critical care transport with appropriate medical staff as outlined herein. SEMSA shall also initiate additional training as deemed appropriate by SEMSA’s Medical Director for its paramedic personnel to be able to transport patients not currently allowed under regional scope of practices, thereby enabling more timely and safe transport of patients needing to be transported to higher levels of care.

c. **Pilots.** PROVIDER shall ensure that all pilots have a minimum of two thousand (2,000) hours of Pilot in Command (PIC) helicopter flight time. In addition, PROVIDER shall ensure that each pilot possesses a Federal Aviation Administration (FAA) helicopter commercial instrument rating and demonstrate to PROVIDER supervisory personnel a high degree of aptitude for the type of service required.

d. **Equipment.** PROVIDER shall stock and equip each air and ground ambulance with all advanced life support supplies and equipment customarily carried on air ambulances, which in most cases shall include a cardiac monitor, defibrillator and external pacer, transport ventilator, capnography, pulse oximeter, intravenous infusion pumps, advanced cardiac life support drugs and appropriate emergency and maintenance drugs.

e. **Quality Improvement & In-Service Training.** PROVIDER, through its Aviation Provider, shall conduct regular in-service training for its operational employees during the Term of this Agreement. The focus of in-service training is to consistently improve the clinical proficiency of PROVIDER’s operational employees, including Paramedics, RN’s and SEMSA communication center employees. All in-service training shall be under the direction of PROVIDER’s medical director and appropriate regional management personnel. PROVIDER shall assist HOSPITAL with in-service training program(s) as they relate to helicopter operations. Additional educational programs pertaining to care of transported patients, quality assurance or other air-

medical related topics may be requested by HOSPITAL and provided by PROVIDER staff on an "as needed" basis, with a goal to coordinate staff and care delivery to best and most efficiently serve the HOSPITAL staff's and patient's needs. Both parties shall work together to perform educational and QI activities towards the goal of improving the entire systems coordinated approach to scene response and care with local response agencies, integrated hospital care and support from SEMSA's staff with hospital staff, and timely coordinated care and transport from HOSPITAL to other higher levels of care.

f. **Reimbursement for Services.** PROVIDER and its Aviation Provider will be solely responsible for billing and collection of, and shall be solely entitled to, fees associated with air and ground ambulance transport services from patients, third party payers, and other sources of revenue for air and ground ambulance services provided by PROVIDER.

1. In the event that HOSPITAL requests air ambulance transport services originating or terminating outside of the service area, PROVIDER shall refer such request to SEMSA which will make every reasonable effort to obtain insurance pre-authorization or patient prepayment, but in no event will PROVIDER be obligated to perform air or ground critical care services outside of normal referral areas as determined by PROVIDER for air and ground ambulance transport services until such pre-authorization or prepayment, in a form acceptable to PROVIDER, in its sole and absolute discretion, has been obtained.

2. PROVIDER shall provide its air and ground critical care ambulance transport services, as available within the service area regardless of any patient's ability to pay or payer status.

10. **RELATIONSHIP OF THE PARTIES.** The relationship of the Parties as set forth in this Agreement is that of independent contractors. Nothing in this Agreement is intended or shall be construed as creating any kind of partnership, joint venture, or agency relationship between the Parties. Neither PROVIDER nor its Aviation Provider, employees, agents or subcontractors, if any, shall in any way be deemed to be employees, agents or subcontractors of HOSPITAL. Likewise, neither HOSPITAL nor its employees, agents or subcontractors, if any, shall be deemed to be employees, agents or subcontractors of PROVIDER. Each of the Parties shall be solely responsible for the method and manner in which it and its respective employees carry out the duties imposed on it by this Agreement, and neither Party shall exercise any control or direction over the methods by which the other Party and its respective employees perform their respective functions hereunder, except as may otherwise be provided in this Agreement.

11. **REGIONAL MANAGEMENT.** PROVIDER shall provide or designate management resources locally to oversee the operation of, and be a point of contact for HOSPITAL, for all matters relating to PROVIDER's responsibilities as stated in this Agreement.

FACILITIES FOR AIR AND GROUND CCT OPERATIONS. The HOSPITAL agrees to allow SEMSA the use of HOSPITAL's existing helipad whenever deemed necessary by PROVIDER unless movement is required to allow access by another helicopter. The HOSPITAL agrees to allow SEMSA to improve the HOSPITAL's helipad at its own cost including but not limited to: installing asphalt or concrete helipad, lighting, fencing, access to helipad, a refueling facility near the helipad that is in compliance with the Federal Aviation Administration, California Department of Transportation, solely at the expense of SEMSA or its helicopter vendor. The parties shall work together to determine if any improvements are necessary and initiate such improvements as is acceptable to the parties.

12. **INSURANCE REQUIREMENTS.**

a. **Aircraft Hull and Liability Insurance.** PROVIDER shall ensure that its Aviation Provider maintains aircraft liability insurance with a combined single limit of not less than \$50,000,000.

b. **Commercial General Liability Insurance.**

1. PROVIDER shall maintain commercial general liability insurance covering its obligations under this Agreement, including contractual liability insuring the indemnification set forth in this Agreement, the forgoing to have a combined single limit of not less than \$1,000,000. PROVIDER shall provide evidence of this insurance upon reasonable request by HOSPITAL following the Effective Date.

2. HOSPITAL shall maintain commercial general liability insurance covering its obligations under this Agreement, including contractual liability insuring the indemnification set forth in this Agreement, the forgoing to have a combined single limit of \$1,000,000. HOSPITAL shall provide evidence of this insurance upon reasonable request by PROVIDER following the Effective Date.

c. **Professional Medical Liability Insurance.** PROVIDER shall maintain professional medical liability insurance and assume responsibility for all medical care provided to patients transported under this Agreement. Professional medical liability coverage shall be maintained as required by the Northern California Emergency Medical Services, Inc. (NORCAL) – the governmental entities overseeing medical service provision for Lassen County, CA. and other surrounding counties.

d. **Workers Compensation.**

1. PROVIDER shall carry worker's compensation and employers' liability insurance including all endorsements as may be necessary to insure fully PROVIDER obligations required by law, with coverage to the statutory limit. This insurance shall be placed with a reputable insurance company. PROVIDER shall provide evidence of this insurance upon reasonable request by HOSPITAL following the Effective Date.

2. HOSPITAL shall carry worker's compensation and employer's liability insurance including all endorsements as may be necessary to insure fully HOSPITAL obligations required by law, with coverage to statutory limit. This insurance shall be placed with a reputable insurance company. HOSPITAL shall provide evidence of this insurance upon reasonable request by PROVIDER following the Effective Date.

13. **INDEMNIFICATION AND RESPONSIBILITY.**

a. Except as set forth in Paragraph "c" of this Section, PROVIDER agrees to indemnify and hold harmless HOSPITAL, its affiliates and its and their respective directors, managers, officers, employees, agents, representatives, successors, assigns and sub-contractors from and against claims, demands, actions, settlements or judgments, including reasonable attorney's fees and litigation expenses, based upon or rising out of the activities described in this Agreement where such claims, demands, actions, settlements or judgments relate to the negligence, actions or omissions of PROVIDER.

b. Except as set forth in Paragraph "c". of this Section, HOSPITAL agrees to indemnify and hold harmless PROVIDER its affiliates and its and their respective directors, managers, officers, employees, agents, representatives, successors, assigns and sub-contractors from and against claims, demands, actions, settlements or judgments, including reasonable attorney's fees and litigation expenses, based upon or rising out of the activities described in this Agreement where such claims, demands, actions, settlements or judgments relate to the negligence, actions or omissions of HOSPITAL.

c. Neither PROVIDER nor HOSPITAL shall indemnify the other Party for any claim resulting from the willful or negligent acts of the other Party, its agents, employees or subcontractors.

14. **LIMITATION OF LIABILITY.** In no event, whether as a result of contract, tort, strict liability or otherwise, shall either Party be liable to the other for any punitive, special, indirect, incidental or consequential damages, including without limitation loss of profits, loss of use or loss of contract.

15. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** The Party indicated below hereby represents, warrants and covenants as follows:

a. PROVIDER will obtain, and shall maintain and keep in force, or ensure the same for its Aviation Provider, all consents, licenses, permits, approvals and authorization of federal, state and local governmental authorities which may be required to execute, deliver and perform its obligations under this Agreement.

b. PROVIDER is duly organized, validly existing, and in good standing under the laws of the States of Nevada and California, and has the power and authority to execute, deliver and perform its obligations under this Agreement.

c. HOSPITAL is duly organized validly existing, and in good standing under the laws of the State of California, and has the power and authority to execute, deliver and perform its obligations under this Agreement.

d. The execution, delivery and performance by PROVIDER of this Agreement have been authorized by all necessary action on the part of PROVIDER.

e. The execution, delivery and performance by HOSPITAL of this Agreement have been authorized by all necessary action on the part of HOSPITAL.

16. **FORCE MAJEURE.** Neither Party shall be liable to the other Party for failure to perform its respective obligations under this Agreement if and to the extent that such failure results from causes beyond the non-performing Party's reasonable control, including without limitation such causes as strikes, lockouts, riots, fires, floods or other weather conditions, natural disasters, acts of God, acts of public enemy, or any regulations, orders or requirements of any duly authorized governmental body or agency, or loss of reimbursement (collectively, "Force Majeure") and occurs despite the non-performing Party's best efforts to avert such failure. If either Party is unable to perform as a result of Force Majeure, it shall promptly notify the other Party in writing of the beginning and estimated ending of each such period. If any period of Force Majeure continues for thirty (30) days or more, the Party not so failing in performance shall have the right to terminate the Agreement upon written notice to the other Party.

17. **DEFAULT.** A material breach by either Party of any representation, warranty or covenant contained in this Agreement, or the failure of either Party to comply with any material terms or conditions set forth in this Agreement, shall constitute an event of default (a "Default").

18. **TERMINATION.**

a. Termination for Breach. This Agreement shall terminate and, except as otherwise set forth herein, shall be of no further force and effect ninety (90) days after the non-defaulting Party provides the defaulting Party with written notice of a Default (the "Cure Period"), unless the defaulting Party cures the Default prior to the expiration of the Cure Period.

b. The Parties shall meet semi-annually or more often as mutually agreed (especially during start-up operations) to determine if the Agreement is meeting the needs and goals of the respective Parties.

c. Any provision of this Agreement that logically would be expected to survive termination of this Agreement will survive such termination including, without limitation, all representations and warranties, indemnification, confidentiality and choice of law provisions.

19. **NO REFERRAL CONTINGENCY.** The Parties agree that the benefit to each Party hereunder do not require, are not payment for, and are in no way contingent upon the admission, referral, or any other

arrangement for the provision of any item or service offered by either Party in any facility, controlled, managed, or operated by any Party. Each of the Parties expressly acknowledges and agrees that it has been and continues to be its intent to comply fully with all federal, state, and local laws, rules, and regulations. It is not the purpose nor is it a requirement of this Agreement to offer or receive any remuneration or benefit of any nature or to solicit, require, induce, or encourage the referral of any patient, the payment for which may be made in whole or in part by Medicare, Medicaid or other payor. No payment made or received under this Agreement is in return for the referral of patients or in return for the purchasing, leasing, ordering, or arranging for or recommending the purchasing, leasing, or ordering of any goods, service, item, or product for which payment may be made in whole or in part under Medicare, Medicaid or other payor. No Party shall make or receive any payment that would be prohibited under state or federal law.

20. **PATIENT INFORMATION AND CONFIDENTIALITY.** HOSPITAL and PROVIDER agree that all patient medical records shall be considered as, and treated as, confidential so as to comply with all federal, state and local laws and regulations regarding confidentiality of medical patient records. PROVIDER shall cause its employees, agents and affiliates to hold as confidential, in accordance with state and federal law, including but not limited to HIPAA, all individually identifiable health information except as it relates to the delivery of treatment, obtaining of payment for services and conducting necessary healthcare operations. HOSPITAL shall cause its employees, agents and affiliates to hold as confidential, in accordance with state and federal law, including but not limited to HIPAA, all individually identifiable health information except as it relates to the delivery of treatment, obtaining of payment for services and conducting necessary healthcare operations. In addition, during the course of PROVIDER's performance pursuant to this Agreement, PROVIDER may have access to certain other confidential and proprietary information owned by HOSPITAL, PROVIDER and its employees and agents shall keep confidential all knowledge, information and documents entrusted to its care by HOSPITAL. Neither PROVIDER nor any of its employees or agents shall disclose any knowledge, information or documents entrusted to it by HOSPITAL to any person, firm or corporation other than a person, firm or corporation designated by HOSPITAL. Knowledge, information and documents entrusted by HOSPITAL to PROVIDER may include, but are not limited to, the names of vendors and the terms and conditions (including financial information) with vendors, the names of patients and the terms and conditions (including financial information) of agreements with or for the benefit of patients and all medical records and information.

21. **WAIVER.** The waiver by one Party of any breach or failure of the other Party to perform any covenant or obligation contained in this Agreement shall not constitute a waiver of any subsequent breach or failure.

22. **SEVERABILITY.** Subject to Section 24, in the event that any provision of this Agreement is determined to be unlawful or contrary to public policy, such provision shall be severed here from, shall be deemed null and void, but shall in no way affect the remaining provisions outlined herein.

23. **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regards to conflict of laws principles thereof.

24. **NOTICE.** Any notices, demand or communication required or permitted to be given hereunder shall be deemed effectively given when personally delivered, when actually received by facsimile or email transmission or by guaranteed overnight delivery service, or five (5) business days after being deposited in the United States mail, with postage prepaid thereon, sent certified or registered mail, return receipt requested, and in all such cases addressed as follows:

Intended to Provider:

Sierra Medical Services Alliance
160 Country Estates Circle, Suite 3
P.O. Box 18920
Reno, NV 89511
Attn: President/CEO

Intended to Customer:

Mayers Memorial Hospital
43563 Hwy. 299 East
Fall River Mills, CA 96028
Attn: Chief Executive Officer

25. **MODIFICATION TO COMPLY WITH LAWS.** In the event that any one or more of the terms of this Agreement is determined to be unlawful or invalid under, or is otherwise inconsistent with state or federal law, as the result of an enforcement action brought against any Party hereto, or an audit or examination of any Party hereto by the Office of Inspector General of the Department of Health & Human Services, the Internal Revenue Service, the United States Justice Department, or any other agency of the state or federal government having jurisdiction over the subject matter of the Agreement, the Parties hereto agree to negotiate in good faith to reform this Agreement and shall reform the same to eliminate the illegality, invalidity, or infeasibility. In the event that an enforcement action is brought or threatened against any Party hereto, or an audit or examination is commenced with respect to any Party hereto by any of the aforementioned agencies, and reformation of this Agreement shall facilitate the resolution of the enforcement action or threatened enforcement action, or shall facilitate the resolution of the audit or examination in favor of the Party being examined or audited, the Parties hereto agree to negotiate in good faith to reform this Agreement and shall reform the Agreement to eliminate or revise its term or its terms in a manner to favorably resolve the enforcement action, threatened enforcement action, audit or examination; "favorably resolve" means that it shall be resolved in such a manner that the agency of state or federal government which is bringing or threatening the enforcement action, audit, or examination does not conclude or find that a term of this Agreement is unlawful or invalid under state or federal law. In the event that a change or further interpretation of state or federal law that either of the Parties reasonably believes would render any one or more of the terms of this Agreement unlawful, invalid, or infeasible as provided herein, the Parties hereto agree to negotiate in good faith to reform this Agreement and shall reform the same to eliminate the illegality, invalidity, or infeasibility, and to comply with such change or interpretation. In the event that the Parties do not agree to reform this Agreement as provided herein, this Agreement shall terminate ten (10) days from the date of the negotiations contemplated herein. The terms of this Section shall survive the termination of this Agreement.
26. **ATTORNEYS' FEES.** In the event that it becomes necessary for either Party to enforce any rights or obligations outlined herein, through litigation, arbitration, or other similar proceeding, the Party substantially prevailing in any such action shall be entitled to recover all costs associated therewith from the non-prevailing Party, including without limitation all reasonable attorneys' fees, expert witness fees and all other fees and costs, provided that such fees and costs have been awarded by a court of competent jurisdiction.
27. **ENTIRE AGREEMENT.** This Agreement represents the entire agreement between the Parties, and supersedes all prior written agreements, arrangements and understandings and all prior and contemporaneous oral agreements, arrangements and understandings between the Parties with respect to the subject matter of this Agreement.
28. **AMENDMENT AND MODIFICATION.** This Agreement may not be amended, modified or supplemented except by an instrument in writing signed on behalf of each Party and otherwise as expressly set forth herein.
29. **NO PRESUMPTION AGAINST DRAFTING PARTY.** Each of HOSPITAL and PROVIDER acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the drafting Party has no application and is expressly waived.
30. **COUNTERPARTS; FACSIMILE OR ELECTRONIC SIGNATURE.** This Agreement may be executed in counterparts, all of which shall be considered one and the same instrument and shall become

effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party. Any executed counterpart to this Agreement may be delivered by facsimile, pdf or other electronic means, and any counterpart so delivered shall constitute an original for all purposes.

31. **Compliance with Applicable Standards.** PROVIDER shall comply with all standards applicable to the Services, as such standards may be amended from time to time, including, but not limited to, (a) the standards of accreditation agencies if deemed applicable, (b) the standards, rulings and regulation of any federal, state and local governmental agency, corporate entity or individual having authority to administer, regulate, or otherwise set standards for healthcare facilities, and (c) third party payor standards and requirements. Whenever providing services or goods pursuant to this Agreement on HOSPITAL's premises, PROVIDER and its employees and agents shall comply with and shall observe all HOSPITAL rules and regulations concerning conduct on HOSPITAL premises. If any of the services or goods provided under this Agreement are services or goods for which HOSPITAL may, directly or indirectly, obtain compensation or reimbursement from any governmental health program (e.g. Medicare, Medicaid, AHCCCS, TRICARE), PROVIDER shall comply with all government reimbursement requirements, as specified by HOSPITAL, and shall assist HOSPITAL in completing necessary documents and records for reimbursement.

32. **Compliance with Employment Laws.** PROVIDER agrees to comply with all federal, state, and local laws, regulations, ordinances, and orders governing immigration, equal employment opportunity, and affirmative action that are applicable to PROVIDER, including 42 U.S.C. Sec. 2000(e) et seq., the Civil Rights Act of 1964, the Civil Rights Act of 1991, Sections 503 and 504 of the Rehabilitation Act of 1973, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, the Immigration Reform Act of 1986, the Americans with Disabilities Act, Executive Order 11246 of September 24, 1965, Executive Order 13496 of January 30, 2009, and all amendments and applicable regulations pertaining to any of them, including 41 C.F.R. §§ 60.1.4(a)(7), 60-250.5, 60-300.5 and 60-741.5 (imposing anti-discrimination and affirmative action requirements) and 29 C.F.R. Part 471, appendix A to subpart A.

33. **Agreement.** This Agreement is exclusive for the HOSPITAL Facilities only. Accordingly, both HOSPITAL and PROVIDER shall have the right to enter into one or more agreements with other facilities relating to the same or similar matters as are covered by this Agreement, and execution by HOSPITAL or PROVIDER of such Agreements shall not constitute a breach of this Agreement.

34. **No Federal Exclusion.** PROVIDER hereby represents and warrants that PROVIDER and, to the best of its knowledge, all PROVIDER personnel providing services under this Agreement are not, and at no time have been, excluded from participation in any federally funded health care program, including Medicare and Medicaid, and that no such action is pending. PROVIDER hereby agrees to immediately notify HOSPITAL of any threatened, proposed, or actual sanction or exclusion from any federally funded health care program, including Medicare and Medicaid. Such notice shall contain reasonably sufficient information to allow HOSPITAL to determine the nature of any sanction. In the event that PROVIDER or any of PROVIDER's equity owners, members or employees is excluded from participation in any federally funded health care program during the term of this Agreement, or if, at any time after the Effective Date, it is determined that PROVIDER is in breach of this Section, HOSPITAL shall terminate this Agreement, which termination shall be effective immediately upon notice to PROVIDER of such termination.

35. **Regulatory Termination.** If, prior to the expiration of the term of this Agreement, any federal, state or local regulatory body, including but not limited to The Centers for Medicare and Medicaid Services (CMS), Department of Health and Human Services (HHS) or the Internal Revenue Service (IRS) determines that this Agreement is illegal or jeopardizes the HOSPITAL, OR PROVIDER'S tax exempt status or otherwise materially affects either party's business, then the affected party shall give the other party such notice as is reasonable in the circumstances and shall make available a reasonable period within which to cure. If no cure is implemented by the parties, then HOSPITAL OR PROVIDER, in its discretion may terminate this Agreement with such notice as is reasonable under the circumstances.

36. **Retention and Inspection of Records.** PROVIDER shall keep all records related to this Agreement on file for a period of four years from the date the record is made. Upon reasonable notice, PROVIDER shall give HOSPITAL, or its authorized representative, the privilege of inspecting, examining, and auditing, during normal business hours, such of PROVIDER's business records that are directly relevant to the financial arrangements under this Agreement. The cost of such inspection, examination, and audit shall be at the sole expense of HOSPITAL, and such inspection, examination, and audit shall be conducted where said records are normally maintained.

37. **Access to Records for Government Inspection.** PROVIDER agrees, until the expiration of four years after the furnishing of services to be provided under this Agreement, to make available, upon written request, to the Secretary of Health and Human Services, or, upon request, to the Comptroller General of the United States of America, or any of their duly authorized representatives, the contracts, books, documents and records that are necessary to certify the nature and extent of reimbursable costs under the Medicare laws. If PROVIDER carries out any of the agreements under this Agreement through a subcontract with a value or cost of \$10,000.00 or more over a 12-month period with a related organization, such subcontract shall contain a requirement identical to that set forth in the preceding sentence.

38. **Drug Screening.** PROVIDER agrees that if HOSPITAL believes any PROVIDER Personnel providing the Services in any HOSPITAL Facility is impaired, HOSPITAL may escort said individual PROVIDER Personnel off the HOSPITAL Facility premises and said individual PROVIDER Personnel shall not be able to return to any HOSPITAL Facility until HOSPITAL has approved said individual PROVIDER Personnel's return. PROVIDER is required to replace said individual PROVIDER Personnel with another PROVIDER Personnel.

39. **Replacement of PROVIDER Personnel.** If HOSPITAL reasonably requests PROVIDER to replace an employee providing Services on HOSPITAL premises under this Agreement, PROVIDER shall replace said employee immediately.

40. **No Physician Ownership.** PROVIDER hereby expressly represents and warrants to HOSPITAL that no physician, no physician organization and no member of any physician's immediately family owns or holds an ownership or financial interest in PROVIDER, including any affiliated or related entity or person, that is not the subject of an exception or "safe harbor" under applicable law, such as the exception for publicly-traded securities under 42 C.F.R. §411.356(a).

IN WITNESS HEREOF, the Parties, through their respective undersigned authorized officers, have duly executed this Agreement to be effective as of the Effective Date.

Sierra Medical Services Alliance, a Nevada
nonprofit corporation

Mayers Memorial Hospital

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

Signature Date: _____

Signature Date: _____