

January 21, 2022

TO: Members of the Board of Directors

Victor Rey, Jr. – President
Regina M. Gage – Vice President
Juan Cabrera – Secretary
Richard Turner – Treasurer
Joel Hernandez Laguna – Assistant Treasurer

Legal Counsel

Ottone Leach & Ray LLP

News Media

Salinas Californian
Monterey County Herald
El Sol
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The Regular Meeting of the Board of Directors of the Salinas Valley Memorial Healthcare System will be held **THURSDAY, JANUARY 27, 2022, AT 4:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR BY PHONE OR VIDEO (Visit svmh.com/virtualboardmeeting for Access Information).**

Please note: Pursuant to SVMHS Board Resolution No. 2021-08, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**THURSDAY, JANUARY 27, 2022
4:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR BY PHONE OR VIDEO**

(Visit svmh.com/virtualboardmeeting for Access Information)

Please note: Pursuant to SVMHS Board Resolution No. 2021-08, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

AGENDA

- | | <u>Presented By</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| I. <u>Call to Order/Roll Call</u> | Victor Rey, Jr. |
| II. <u>Closed Session</u> (See Attached Closed Session Sheet Information) | Victor Rey, Jr. |
| III. <u>Reconvene Open Session/Closed Session Report</u> (Estimated time 5:00 pm) | Victor Rey, Jr. |
| IV. <u>Education Program Regarding the Redistricting Requirement for Salinas Valley Memorial Healthcare District</u> | Pete Delgado
Adrienne Laurent |
| ➤ Public Comment regarding the required redistricting for Salinas Valley Memorial Healthcare District | |
| V. <u>Report from the President/Chief Executive Officer</u> | Pete Delgado |
| VI. <u>Public Input</u> | Victor Rey, Jr. |
| This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda. | |
| VII. <u>Board Member Comments</u> | Board Members |
| VIII. <u>Consent Agenda—General Business</u> | Victor Rey, Jr. |
| (A Board Member may pull an item from the Consent Agenda for discussion.) | |
| A. Minutes of the Annual Meeting of the Board of Directors, December 16, 2021 | |
| B. Financial Report | |
| C. Statistical Report | |
| ➤ Board President Report | |
| ➤ Board Questions to Board President/Staff | |
| ➤ Motion/Second | |
| ➤ Public Comment | |
| ➤ Board Discussion/Deliberation | |
| ➤ Action by Board/Roll Call Vote | |

IX. Reports on Standing and Special Committees

- | | | |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| A. | Quality and Efficient Practices Committee
Minutes from the January 24, 2022 Quality and Efficient Practices Committee meeting have been provided to the Board. Additional Report from Committee Chair, if any. | Juan Cabrera |
| B. | Finance Committee
Minutes from the January 24, 2022 Finance Committee meeting have been provided to the Board. Five proposed recommendations has been made to the Board. | Richard Turner |
1. Recommend Board Approval of Sentrics Interactive Patient Care Solutions System as Sole Source Justification and Contract Award
 - Committee Chair Report
 - Board Questions to Committee Chair/Staff
 - Motion/Second
 - Public Comment
 - Board Discussion/Deliberation
 - Action by Board/Roll Call Vote
 2. Recommend Board Approval of Contract Award to Mercury Healthcare for a New Customer Relationship Management (CRM) Platform
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
 3. Recommend Board Approval of the Abbott Street Lease Agreement between Salinas Valley Memorial Healthcare System and Uni-Kool Partners for Additional Parking Located at 241 Abbott Street, Salinas
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
 4. Recommend Board Approval of the Hellmuth, Obata & Kasabaum Inc. (HOK) Agreement for Space Programming & Full Tenant Design Improvements for the Downing Resource Center (DRC) Expansion – Basement
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

5. Recommend Board Approval for the Purchase of Zoll Medical R Series ALS Defibrillators for all Hospital Based Departments
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

C. **Personnel, Pension and Investment Committee**

Regina M. Gage

Minutes from the January 25, 2022 Personnel, Pension and Investment Committee meeting have been provided to the Board. Three proposed recommendation has been made to the Board.

1. Recommend Board Approval of (i) the Findings Supporting Recruitment of Ryan Griggs, DO (ii) the Contract Terms for Dr. Griggs' Recruitment Agreement, and (iii) the Contract Terms for Dr. Griggs' Urology Professional Services Agreement
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Alison Tammany, MD (ii) the Contract Terms for Dr. Tammany's Recruitment Agreement, and (iii) the Contract Terms for Dr. Tammany's General Surgery & Colorectal Surgery Professional Services Agreement
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of Findings Supporting Recruitment of Physicians to Community Medical Groups and Practices and Approval of Recruitment Incentives
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

X. Consider Board Resolution No. 2022-01 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor's State of Emergency Declaration March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period January 27, 2022 through February 28, 2022

District Legal
Counsel

- Report by District Legal Counsel
- Board Questions to District Legal Counsel/Staff
- Motion/Second
- Public Comment
- Board Discussion/Deliberation
- Action by Board/Roll Call Vote

XI. Report on Behalf of the Medical Executive Committee (MEC) Meeting of January 13, 2022, and Recommendations for Board Approval of the following:

Theodore Kaczmar,
Jr., M.D.

- A. From the Credentials Committee:
 1. Credentials Committee Report
- B. From the Interdisciplinary Practice Committee:
 1. Interdisciplinary Practice Committee Report
- C. Policies:
 1. Physician Orders for Life Sustaining Treatment (POLST)
- D. Bylaws:
 1. Deletion of Article 9.4.6
 2. Revision of Articles 10.9.1, 10.9.2 and 10.9.3
 - Chief of Staff Report
 - Board Questions to Chief of Staff
 - Motion/Second
 - Public Comment
 - Board Discussion/Deliberation
 - Action by Board/Roll Call Vote

XII. Extended Closed Session (if necessary)

Victor Rey, Jr.

(See Attached Closed Session Sheet Information)

XIII. Adjournment – The next Regular Meeting of the Board of Directors is scheduled for **Thursday, February 24, 2022, at 4:00 p.m.**

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Board. Staff and Committee recommendations are subject to change by the Board.

Notes: Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM BOARD OF DIRECTORS
AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

[] **LICENSE/PERMIT DETERMINATION**

(Government Code §54956.7)

Applicant(s): (Specify number of applicants) _____

[] **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____

Agency negotiator: (Specify names of negotiators attending the closed session): _____

Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both): _____

[] **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**

(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers): _____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

[] **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases): _____

Additional information required pursuant to Section 54956.9(e): _____

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): _____

[] **LIABILITY CLAIMS**

(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961): _____

Agency claimed against: (Specify name): _____

THREAT TO PUBLIC SERVICES OR FACILITIES

(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer): _____

PUBLIC EMPLOYEE APPOINTMENT

(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYMENT

(Government Code §54957)

Title: (Specify description of position to be filled): _____

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

(Government Code §54957)

Title: (Specify position title of employee being reviewed): _____

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

CONFERENCE WITH LABOR NEGOTIATOR

(Government Code §54957.6)

Agency designated representative: (Specify name of designated representatives attending the closed session):_

Pete Delgado

Employee organization: (Specify name of organization representing employee or employees in question):

National Union of Healthcare Workers, California Nurses Association, Local 39, ESC Local 20, or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations):

CASE REVIEW/PLANNING

(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

[X] REPORT INVOLVING TRADE SECRET

(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility):

Trade Secrets, Strategic Planning, Proposed New Programs and Services

Estimated date of public disclosure: (Specify month and year): unknown

[X] HEARINGS/REPORTS

(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

1. Report of the Medical Staff Quality and Safety Committee
2. Report of the Medical Staff Credentials Committee
3. Report of the Interdisciplinary Practice Committee

[] CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

CALL TO ORDER/ROLL CALL

(VICTOR REY, JR.)

CLOSED SESSION

*(Report on Items to be
Discussed in Closed Session)*

(VICTOR REY, JR.)

*RECONVENE OPEN SESSION/
CLOSED SESSION REPORT
(ESTIMATED TIME: 5:00 P.M.)*

(VICTOR REY, JR.)

*EDUCATION PROGRAM REGARDING
THE REDISTRICTING REQUIREMENT
FOR SALINAS VALLEY MEMORIAL
HEALTHCARE DISTRICT*

- *PUBLIC COMMENT REGARDING
THE REQUIRED REDISTRICTING
FOR SALINAS VALLEY MEMORIAL
HEALTHCARE DISTRICT*

(VERBAL)

(DELGADO/LAURENT)

*REPORT FROM THE PRESIDENT/
CHIEF EXECUTIVE OFFICER*

(VERBAL)

(PETE DELGADO)

PUBLIC INPUT

BOARD MEMBER COMMENTS

(VERBAL)

**REGULAR MEETING OF THE BOARD OF DIRECTORS
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**THURSDAY, DECEMBER 16, 2021 – 4:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA AND BY PHONE
OR VIDEO (VISIT svmh.com/virtualboardmeeting FOR ACCESS INFORMATION)**

Pursuant to SVMHS Board Resolution No. 2021-06, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Present: President Victor Rey, Jr., Regina M. Gage, Juan Cabrera, Joel Hernandez Laguna and Richard Turner, in person.

Also Present: Pete Delgado, President/Chief Executive Officer, Matt Ottone, Esq., District Legal Counsel, and Theodore Kaczmar, MD, in person.

A quorum was present and the meeting was called to order by President Victor Rey, Jr., at 4:09 p.m.

Closed Session

President Victor Rey, Jr., announced that the items to be discussed in Closed Session as listed on the posted Agenda are:

1. Conference with Labor Negotiator concerning the National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20
2. Report Involving Trade Secret – strategic planning/proposed new programs and services
3. Hearings/Reports – Report of the Medical Staff Quality and Safety Committee, Interdisciplinary Practice Committee, and Report of the Medical Staff Credentials Committee

The meeting was recessed into Closed Session under the Closed Session Protocol at 4:11p.m. The Board completed its business of the Closed Session at 4:54 p.m.

Reconvene Open Session/Report on Closed Session

The Board reconvened Open Session at 5:07p.m. President Rey announced the Board discussed the following in Closed Session:

1. Conference with Labor Negotiator concerning the National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20
2. Report Involving Trade Secret – strategic planning/proposed new programs and services
3. Hearings/Reports – Report of the Medical Staff Quality and Safety Committee, Interdisciplinary Practice Committee, and Report of the Medical Staff Credentials Committee

In Closed Session, the Board received and accepted the Medical Staff Quality and Safety Committee Report. No other action was taken by the Board.

President Rey announced that there will be no Extended Closed Session tonight.

Annual Board Of Directors Report on the Overall Performance of Salinas Valley Memorial Healthcare System for 2021

On behalf of the entire Board, Chair Rey thanked staff, volunteers and the entire community for their support in various accomplishments throughout the year, many illustrating our commitment to bring affordable health options to the people of our community. We end this year with future commitments to diversity, equity & inclusion; continued excellence in care and a healthy community; serving as a vital healthcare resource to the region; and, to fostering staff resilience and engagement.

Report from the President/Chief Executive Officer

Pete Delgado, President/CEO, began his report with a Mission Moment featuring a video with Laurie Freed, ICU Nurse, demonstrating how she shares holiday cheer by painting on the glass walls in the ICU.

A summary of key highlights, centered on the pillars that are the foundation of the Hospital's vision for the organization, is as follows:

- Service – Patient Care Services was presented by Lisa Paulo, CNO, and team members
 - Patient Scorecard: At a time when it's difficult to do well, we continue to improve. Mr. Delgado added: the more informed our employees are, the more engaged they are; the more engaged they are, the better patient experience.
 - Aubree Collins and Stacey Andry shared the 2021 Shared Governance Accomplishments, noting tiny shifts over time have resulted in an increase in employee pride.
 - The Night Shift Council, hosted at night before the beginning of the shift, provides an opportunity for staff to meet and discuss their unique needs and concerns which allows us to better support and be accountable to their needs.
- Growth – presented by Clint Hoffman, CAO Business Development & Physician Integration/COO SVMC
 - Leveraging our investments allows us to create a platform of communication from primary care physicians to specialists with functionality which allows staff to share needed information and allows for much faster response time. The project began in Dermatology; all primary care physicians have been trained.
- Finance – presented by Pete Delgado, CEO/President
 - Hospitals continue to struggle nationwide as margins continue to shrink, with many closing or consolidating. The cost of labor has increased significantly due, in part, to a 20% decline in nursing supply.
 - CVS is moving aggressively into the primary care space through a partnership with Microsoft.
 - The Pajaro Valley Healthcare District is attempting to resurrect Watsonville Hospital. If they are not successful, the hospital will close by February 2022.
- Quality
 - A CathLab update was provided.
 - Mr. Delgado shared a US News headline, recognizing SVMHS in several high performing areas.
 - Judi Melton spoke to the Vizient Award presented to our Purchasing organization for the second year; 300 hospitals are recognized out of the 5,000 members.

➤ People

- A CNO Forum was held Friday and Saturday before and after all shift starts that proved to be a wonderful opportunity to engage our staff in 1:1 conversations, providing information to create a better work environment and care for our patients in a more robust manner. A stoplight report will be created.
- Carla Spencer shared a Code Lavender Update: The Care for the Caregiver Program launched December 1, 2021, providing emotional trauma peer support across all job classes in the organization to continue creating a culture of wellness.
- Ms. Laurent spoke to the holiday festivities: Blue Zone tamales/pie distribution and the holiday meal.
- Mr. Delgado was named Modern Healthcare's Top Diversity Leader out of a 1,000 submissions. Thirty years ago he was named an "up and comer".

➤ Community presented by Adrienne Laurent, Chief Strategic Communications Officer

- At Chair Rey's suggestion, we participated in "Christmas in Closter Park" as the top sponsor. Thanks were extended to Shannon Graham, Director Volunteer & Health Career Services, for coordinating the volunteers.
- A mobile clinic will be providing boosters to Monterey County Office of Education teachers on December 17, 2021.
- Ms. Melton shared a plaque received from Kars4Kids for SVMHS' donation of nine out-of-service vehicles.
- Jeff Wardwell, Chief Philanthropy Officer, spoke to the SVMH Foundation and holiday centered activities. As of this week, we've received nearly \$6.2M in donations for the Children's Miracle Network. A new matching program provided stuffed animals and pajamas for children.

Public Input

Orlando Osorio, Salinas City Council member, thanked and complimented everyone for this year's Christmas in Closter Park event, saying it made an unforgettable positive impression on the community.

Board Member Comments

Mr. Turner thanked the leadership team for another financially viable year. Ms. Gage echoed the prior comments. Mr. Cabrera cited the outreach regarding the importance of vaccines to the agricultural community as an excellent health care system example. Messrs. Hernandez-Laguna and Rey thanked all staff members and departments for sponsoring the Christmas in Closter Park event; it was a magical moment and a fantastic event for families.

Consent Agenda – General Business

- A. Minutes of the Regular Meeting of the Board of Directors, November 18, 2021
- B. Financial Report
- C. Statistical Report
- D. Policies
 - 1. Diagnostic Imaging Quality Assurance and Quality Control
 - 2. Care of the CRRT Patient – Monitoring, Troubleshooting & Termination of PrismaFlex
 - 3. NICU Registered Nurse Insertion: Neonatal Peripherally Inserted Central Catheters

President Rey presented the consent agenda items before the Board for action. This information was included in the Board packet.

No public comment.

MOTION: The Board of Directors approves Consent Agenda – General Business, Items (A) through (D), as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

Reports on Standing and Special Committees

Quality and Efficient Practices Committee

Juan Cabrera, Committee Chair, reported the December 13, 2021 Quality and Efficient Practices Committee Meeting minutes were provided to the Board. There are no recommendations from the Committee.

Finance Committee

Richard Turner, Committee Chair, reported the December 13, 2021 Finance Committee Meeting minutes were provided to the Board. At that meeting, the Committee received Balanced Scorecard – September 2021 and Financial Statistical Review updates. Background information supporting the proposed recommendations made by the Committee was included in the Board packet and summarized by Committee Chair Turner. The following recommendations were made by the Committee:

RECOMMEND THE BOARD OF DIRECTORS APPROVE THE PROJECT BUDGET AND AWARD OF CONTRACT TO OTIS ELEVATOR FOR THE SVMH ELEVATOR MODERNIZATION PROJECT

No public comment.

MOTION: The Board of Directors: 1) approve the total estimated project cost for the SVMH Elevator Modernization Project n the budgeted amount of \$2,600,000; and, 2) award contract for \$1,595,650 to Otis Elevators for construction services for the SVMH Elevator Modernization Project, which is being awarded via attached sole source justification, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND THE BOARD OF DIRECTORS AWARD THE CONSTRUCTION CONTRACT TO AVILA CONSTRUCTION COMPANY FOR THE MONTEREY BAY ENDOSCOPY CENTER AND MONTEREY BAY G.I. CONSULTANTS MEDICAL GROUP OFFICE SPACE AT 212 SAN JOSE STREET SUITES 100 AND 201

No public comment.

MOTION: The Board of Directors award Avila Construction Company the contract for construction of the Monterey Bay Endoscopy Center and Monterey Bay G.I. Consultants Medical Group office space at 212 San Jose Street, Suites 100 and 201 in the amount of \$2,554,985.53, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND THE BOARD FOR APPROVE THE MICROSOFT LICENSING RENEWAL FOR SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM THROUGH CDW GOVERNMENT, A SUPPLIER OF SVMHS'S GROUP PURCHASING ORGANIZATION AND CONTRACT AWARD

No public comment.

MOTION: The Board of Directors approve the Microsoft Licensing Renewal for Salinas Valley Memorial Healthcare System Through CDW Government, a supplier of SVMHS's Group Purchasing Organization, and Contract Award for \$1,283,300.74 over two years, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND APPROVAL OF THE CONTRACT TERMS AND AGREEMENTS NECESSARY FOR THE TRANSITION OF LEONARD RENFER, MD TO SALINAS VALLEY MEDICAL CLINIC AND THE PROGRAM BUDGET FOR SALINAS VALLEY MEDICAL CLINIC UROLOGY EXPANSION

In response to Director Gage's inquiry, Mr. Turner reminded the assembly this type of transaction was more frequent years ago when acquisitions were common; e.g., when we took ownership in the Monterey Surgery Center.

No public comment.

MOTION: The Board of Directors approve the terms and agreements necessary for the transition of Leonard Renfer, MD to Salinas Valley Medical Clinic and the Program Budget for Salinas Valley Medical Clinic Urology Expansion, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

1. Contract terms for Professional Services Agreement for Urology Services with Leonard Renfer, MD
2. Contract terms for purchase and sale of real property with Sweet, Renfer & Milanese, a Medical Partnership
3. Agreement for purchase and sale of assets with Sweet, Renfer & Milanese, a Medical Partnership
4. Agreement for purchase and sale of limited liability company interest with Leonard Renfer, MD for interest in Monterey Peninsula Surgery Center, LLC
5. Program budget for Salinas Valley Medical Clinic Urology expansion

RECOMMEND BOARD APPROVAL OF THE EPIC COMMUNITY CONNECT EXPANSION PROJECT AND PROGRAM BUDGET

No public comment.

MOTION: The Board of Directors approve the Epic Community Connect Project and Program Budget of Seven Million Forty Six Thousand Five Hundred Twenty Six Dollars (\$7,046,526) over five years, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND BOARD APPROVAL OF A GRANT TO ASPIRE HEALTH PLAN FOR 2022 COMMUNITY BENEFIT ACTIVITIES

No public comment.

MOTION: The Board of Directors approve the grant payments to Aspire Health Plan in an amount not to exceed Nine Hundred Eighty Thousand Dollars (\$980,000) to support 2022 Aspire Health Community Benefit activities, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND BOARD APPROVAL OF THE TERMS FOR CENTRAL COAST MANAGEMENT SERVICES ORGANIZATION PARTICIPATION IN QUALITY INCENTIVE POOL PROGRAM FUNDING

No public comment.

MOTION: The Board of Directors approve the terms for Central Coast Management Services Organization participation in Quality Incentive Pool Program funding for calendar years 2022 and 2023, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

Personnel, Pension and Investment Committee

Regina M. Gage, Committee Chair, reported the minutes from the December 14, 2021 Personnel, Pension and Investment Committee Meeting were provided to the Board. She further reported that the Committee received a presentation from Lockton Investment Advisors, LLC regarding the Investment Performance for the Quarter Ending September, 2021 of SVMHS' 403(b) Plan, 457 Plan and Employee Pension Plan and a Financial Statistical Review update. There were no recommendations.

Corporate Compliance and Audit Committee

Juan Cabrera, Committee Chair, reported the December 14, 2021 Finance Committee Meeting minutes were provided to the Board. At that meeting, the Committee received two presentations from Moss Adams regarding the Audited Financial Statements for the Salinas Valley Memorial Healthcare System for the years ended June 30, 2021 and 2020 and the Audited Financial Statements for the Salinas Valley Memorial Healthcare District Employees' Pension Plan for the years ended December 31, 2020 and 2021. Background information supporting the proposed recommendations made by the Committee was included in the Board packet and summarized by Director Cabrera. The following recommendations were made by the Committee:

RECOMMEND BOARD APPROVAL OF THE YEARS ENDED JUNE 30, 2021 AND 2020 AUDITED FINANCIAL STATEMENTS FOR SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

No public comment.

MOTION: The Board of Directors approve the Years Ended June 30, 2021 and 2020 Audited Financial Statements for Salinas Valley Memorial Healthcare System as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

RECOMMEND BOARD APPROVAL OF THE YEARS ENDED DECEMBER 31, 2020 AND 2019 AUDITED FINANCIAL STATEMENTS FOR THE SALINAS VALLEY MEMORIAL HEALTHCARE DISTRICT EMPLOYEES' PENSION PLAN

Director Hernandez Laguna said Moss Adams was very complimentary about the SVMH financial standing, commending the team and CFO Lopez. Ninety percent funding of the pension plan is unusual in the industry and indicates the difference between SVMHS and peers.

No public comment.

MOTION: The Board of Directors approve the Years Ended December 31, 2020 and 2019 Audited Financial Statements for the Salinas Valley Memorial Healthcare District Employees' Pension Plan, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER APPROVAL OF TERMS AND CONDITIONS FOR A LIMITED LIABILITY COMPANY SALE AND PURCHASE AGREEMENT OF APEX MEDICAL ASSOCIATES, LLC BETWEEN PINNACLE MEDICAL GROUP, INC. AND SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

Clint Hoffman, CAO Business Development & Physician Integration/COO SVMC, said the parties have come to terms as outlined in the board packet.

No public comment.

MOTION: The Board of Directors approve the terms and conditions for the sale of the District's limited liability company interest in Apex Medical Associates LLC, and the Sale and Purchase Agreement by and between Pinnacle Medical Group, Inc. and Salinas Valley Memorial Healthcare System. Moved/Seconded/Roll Call Vote: Ayes: Rey, Cabrera, Gage, Hernandez Laguna and Turner; Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER BOARD RESOLUTION NO. 2021-07 AUTHORIZING EXECUTION & DELIVERY OF A LOAN AND SECURITY AGREEMENT PROMISSORY NOTE, & CERTAIN ACTIONS IN CONNECTION WITH THE CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY NONDESIGNATED PUBLIC HOSPITAL BRIDGE LOAN PROGRAM

Mr. Delgado and Mr. Lopez spoke to the board report, identifying several highlights of the loan program.

No public comment.

MOTION: The Board of Directors adopts Resolution No. 2021-07 Authorizing Execution and Delivery of a Loan and Security Agreement Promissory Note and Certain Actions in Connection with the California Health Facilities Financing Authority Nondesignated Public Hospital Bridge Loan Program, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Gage, Cabrera, Turner, Hernandez Laguna; Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER RESOLUTION NO. 2021-08 PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2020, AND AUTHORIZING

REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD NOVEMBER 18 THROUGH DECEMBER 18, 2021

Matt Ottone, Esq., District Legal Counsel, reported that Resolution No. 2021-08 is included in the Board packet for their consideration. The resolution is necessary to continue remote attendance in District Board and Committee meetings with waiver of certain requirements under The Brown Act.

No Public Comment.

MOTION: The Board of Directors adopt Resolution No. 2021-08 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor’s State of Emergency Declaration on March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period December 16, 2021 through January 31, 2022, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Gage, Cabrera, Turner, Hernandez Laguna; Noes: None; Abstentions: None; Absent: None; Motion Carried.

CONSIDER BOARD RESOLUTION NO. 2021-09 APPROVING THE PURCHASE OF THE REAL PROPERTY LOCATED AT 110 EAST ROMIE LANE, SALINAS, CALIFORNIA AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE PURCHASE DOCUMENTS

Matt Ottone, Esq., District Legal Counsel, reported Resolution No. 2021-09 for the Board’s consideration was included in the Board packet. The title company required a separate resolution to complete the transaction. Mr. Turner clarified the written address is 114, the recorded address is 110 East Romie Lane.

No public comment.

MOTION: The Board of Directors adopt Resolution No. 2021-09 Approving the Purchase of the Real Property Located at 110 East Romie Lane, Salinas, California and Authorizing the President/CEO to Execute Purchase Documents, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Gage, Cabrera, Turner, Hernandez Laguna; Noes: None; Abstentions: None; Absent: None; Motion Carried.

REPORT ON BEHALF OF THE MEDICAL EXECUTIVE COMMITTEE (MEC) MEETING OF DECEMBER 9, 2021, AND RECOMMENDATIONS FOR BOARD APPROVAL OF THE FOLLOWING:

The following recommendations from the Medical Executive Committee (MEC) Meeting of December 9, 2021, were reviewed by Theodore Kaczmar, Jr., MD, and recommended for Board approval.

Recommend Board Approval of the Following:

- A. From the Credentials Committee:
 - 1. Credentials Committee Report
- B. From the Interdisciplinary Practice Committee:
 - 1. Interdisciplinary Practice Committee Report
 - 2. NICU Registered Nurse Insertion: Neonatal Peripherally Inserted Central Catheters

Five new physicians, one Nurse Practitioner and one Physician's Assistant were recommended for initial appointment and multiple reappointments with no issues are included.

No public comment.

MOTION: The Board of Directors approve Recommendations (A) and (B) of the December 9, 2021, Medical Executive Committee Meeting, as presented. Moved/Seconded/Roll Call Vote: Ayes: Rey, Gage, Cabrera, Turner, Hernandez Laguna; Noes: None; Abstentions: None; Absent: None; Motion Carried.

Extended Closed Session

President Rey announced that there will be no Extended Closed Session.

Adjournment The next Regular Meeting of the Board of Directors is scheduled for **Thursday, January 27, 2022 at 4:00 p.m.** There being no further business, the meeting was adjourned at 6:44 p.m.

Juan Cabrera
Secretary, Board of Directors

/gmp

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
December 31, 2021

	<u>Month of December,</u>		<u>Six months ended December 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,276,191	\$ 50,733,224	\$ 287,800,541	\$ 289,669,271
Other operating revenue	959,742	3,117,039	5,755,345	7,941,143
Total operating revenue	<u>53,235,933</u>	<u>53,850,263</u>	<u>293,555,886</u>	<u>297,610,414</u>
Total operating expenses	41,801,475	42,641,710	247,421,790	247,850,797
Total non-operating income	<u>(1,803,582)</u>	<u>(283,076)</u>	<u>(15,561,450)</u>	<u>(15,854,333)</u>
Operating and non-operating income	<u>\$ 9,630,876</u>	<u>\$ 10,925,477</u>	<u>\$ 30,572,646</u>	<u>\$ 33,905,284</u>

SALINAS VALLEY MEMORIAL HOSPITAL
 BALANCE SHEETS
 December 31, 2021

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 443,772,673	\$ 403,677,505
Assets whose use is limited or restricted by board	148,277,441	137,490,684
Capital assets	240,294,460	259,153,640
Other assets	188,564,269	188,396,260
Deferred pension outflows	<u>50,119,236</u>	<u>83,379,890</u>
	<u>\$ 1,071,028,079</u>	<u>\$ 1,072,097,979</u>
LIABILITIES AND EQUITY:		
Current liabilities	131,959,240	151,264,630
Long term liabilities	14,556,513	14,780,831
	83,585,120	126,340,336
Net assets	<u>840,927,206</u>	<u>779,712,182</u>
	<u>\$ 1,071,028,079</u>	<u>\$ 1,072,097,979</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
December 31, 2021**

	<u>Month of December,</u>		<u>Six months ended December 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,824	1,941	9,816	9,944
Medi-Cal	1,004	1,190	5,924	6,496
Commercial insurance	937	876	4,608	4,671
Other patient	178	178	728	888
Total patient days	<u>3,943</u>	<u>4,185</u>	<u>21,076</u>	<u>21,999</u>
Gross revenue:				
Medicare	\$ 88,047,477	\$ 86,143,339	\$ 533,035,358	\$ 479,331,786
Medi-Cal	54,799,025	54,844,305	335,023,248	320,338,930
Commercial insurance	56,247,848	51,700,489	300,010,518	298,159,420
Other patient	<u>9,580,541</u>	<u>7,468,982</u>	<u>50,525,098</u>	<u>52,511,594</u>
Gross revenue	<u>208,674,891</u>	<u>200,157,115</u>	<u>1,218,594,222</u>	<u>1,150,341,729</u>
Deductions from revenue:				
Administrative adjustment	261,130	444,528	1,788,822	1,780,141
Charity care	689,366	952,180	5,924,293	5,252,560
Contractual adjustments:				
Medicare outpatient	24,625,771	24,343,399	164,189,916	147,602,398
Medicare inpatient	39,866,470	42,303,240	229,874,434	216,528,493
Medi-Cal traditional outpatient	3,240,835	1,966,785	16,407,254	11,708,638
Medi-Cal traditional inpatient	5,368,781	9,127,538	34,236,976	47,290,368
Medi-Cal managed care outpatient	21,183,274	17,092,178	132,509,949	108,463,399
Medi-Cal managed care inpatient	18,725,985	19,188,613	117,976,072	111,977,351
Commercial insurance outpatient	15,954,479	14,173,839	98,578,258	93,636,719
Commercial insurance inpatient	20,400,169	16,563,587	101,631,944	87,884,007
Uncollectible accounts expense	3,857,903	3,391,787	22,574,967	21,603,253
Other payors	<u>2,224,537</u>	<u>(123,785)</u>	<u>5,100,796</u>	<u>6,945,130</u>
Deductions from revenue	<u>156,398,700</u>	<u>149,423,890</u>	<u>930,793,681</u>	<u>860,672,458</u>
Net patient revenue	<u>\$ 52,276,191</u>	<u>\$ 50,733,224</u>	<u>\$ 287,800,541</u>	<u>\$ 289,669,271</u>
Gross billed charges by patient type:				
Inpatient	\$ 115,641,313	\$ 117,649,383	\$ 644,657,353	\$ 629,336,374
Outpatient	67,416,878	61,137,037	411,554,077	396,024,776
Emergency room	<u>25,616,701</u>	<u>21,370,694</u>	<u>162,382,792</u>	<u>124,980,580</u>
Total	<u>\$ 208,674,892</u>	<u>\$ 200,157,115</u>	<u>\$ 1,218,594,222</u>	<u>\$ 1,150,341,729</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
December 31, 2021**

	<u>Month of December,</u>		<u>Six months ended December 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,276,191	\$ 50,733,224	\$ 287,800,541	\$ 289,669,271
Other operating revenue	959,742	3,117,039	5,755,345	7,941,143
Total operating revenue	<u>53,235,933</u>	<u>53,850,263</u>	<u>293,555,886</u>	<u>297,610,414</u>
Operating expenses:				
Salaries and wages	14,689,345	16,938,694	91,717,781	96,697,730
Compensated absences	2,550,895	2,747,386	16,165,543	16,162,471
Employee benefits	6,112,645	7,229,366	40,568,042	44,272,027
Supplies, food, and linen	6,087,678	6,257,645	37,332,142	37,474,248
Purchased department functions	3,943,521	3,016,032	20,272,318	18,275,972
Medical fees	1,843,045	1,938,088	11,643,054	10,046,048
Other fees	3,287,966	1,539,604	10,405,900	7,237,227
Depreciation	1,829,383	1,803,474	10,967,148	10,676,531
All other expense	1,456,997	1,171,421	8,349,862	7,008,543
Total operating expenses	<u>41,801,475</u>	<u>42,641,710</u>	<u>247,421,790</u>	<u>247,850,797</u>
Income from operations	<u>11,434,458</u>	<u>11,208,553</u>	<u>46,134,096</u>	<u>49,759,617</u>
Non-operating income:				
Donations	188,667	666,667	1,022,000	1,500,000
Property taxes	333,333	333,333	2,000,000	2,000,000
Investment income	(664,768)	880,465	(3,486,855)	2,109,563
Taxes and licenses	0	0	0	0
Income from subsidiaries	(1,660,814)	(2,163,541)	(15,096,595)	(21,463,896)
Total non-operating income	<u>(1,803,582)</u>	<u>(283,076)</u>	<u>(15,561,450)</u>	<u>(15,854,333)</u>
Operating and non-operating income	9,630,876	10,925,477	30,572,646	33,905,284
Net assets to begin	<u>831,296,330</u>	<u>768,786,705</u>	<u>810,354,560</u>	<u>745,806,898</u>
Net assets to end	<u>\$ 840,927,206</u>	<u>\$ 779,712,182</u>	<u>\$ 840,927,206</u>	<u>\$ 779,712,181</u>
Net income excluding non-recurring items	\$ 9,630,876	\$ 9,905,914	\$ 30,090,868	\$ 32,286,175
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>1,019,563</u>	<u>481,778</u>	<u>1,619,109</u>
Operating and non-operating income	<u>\$ 9,630,876</u>	<u>\$ 10,925,477</u>	<u>\$ 30,572,646</u>	<u>\$ 33,905,284</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
December 31, 2021**

	Month of December,		Six months ended December 31,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 139,208	\$ 122,016	\$ 847,928	\$ 819,275
Discounts and scrap sale	968	68	553,449	223,320
Sale of products and services	30,423	6,094	445,932	149,933
Clinical trial fees	1,717	0	23,195	46,128
Stimulus Funds	0	0	0	0
Rental income	159,493	183,509	964,417	970,319
Other	627,933	2,805,352	2,920,424	5,732,168
	<u>\$ 959,742</u>	<u>\$ 3,117,039</u>	<u>\$ 5,755,345</u>	<u>\$ 7,941,143</u>
Detail of investment income:				
Bank and payor interest	\$ 72,763	\$ 37,930	\$ 533,759	\$ 863,446
Income from investments	(579,081)	842,535	(3,885,257)	1,216,367
Gain or loss on property and equipment	(158,450)	0	(135,357)	29,750
	<u>\$ (664,768)</u>	<u>\$ 880,465</u>	<u>\$ (3,486,855)</u>	<u>\$ 2,109,563</u>
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (83,697)	\$ (345,940)	\$ (1,074,597)	\$ (1,173,713)
Neurological Clinic	(25,294)	(11,581)	(308,875)	(448,960)
Palliative Care Clinic	(33,472)	(36,302)	(472,921)	(433,668)
Surgery Clinic	(60,553)	(141,748)	(702,138)	(950,875)
Infectious Disease Clinic	(14,832)	(15,267)	(157,982)	(172,947)
Endocrinology Clinic	(49,433)	(91,511)	(712,529)	(1,095,945)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(164,938)	(299,266)	(2,162,121)	(2,933,330)
OB/GYN Clinic	(251,009)	(208,338)	(1,810,839)	(2,139,390)
PrimeCare Medical Group	(198,065)	(414,003)	(2,215,647)	(5,246,369)
Oncology Clinic	(311,097)	68,483	(1,755,871)	(1,563,882)
Cardiac Surgery	(60,986)	8,038	(841,460)	(858,285)
Sleep Center	(10,682)	(49,041)	(167,620)	(371,306)
Rheumatology	(36,960)	(28,932)	(301,491)	(320,223)
Precision Ortho MDs	(167,721)	(173,015)	(1,395,508)	(2,254,987)
Precision Ortho-MRI	0	1,263	0	(1,263)
Precision Ortho-PT	(24,453)	(16,170)	(278,887)	(264,663)
Vaccine Clinic	(53,749)	0	(135,931)	0
Dermatology	41,405	(6,676)	(77,800)	(178,299)
Hospitalists	0	0	0	0
Behavioral Health	(21,588)	(64,451)	(384,112)	(408,796)
Pediatric Diabetes	(28,750)	(38,160)	(263,467)	(198,165)
Neurosurgery	(13,569)	(31,894)	(134,563)	(180,910)
Multi-Specialty-RR	2,516	15,831	53,092	28,147
Radiology	(202,138)	(196,949)	(1,398,654)	(1,140,531)
Salinas Family Practice	(109,216)	0	(485,055)	0
Total SVMC	(1,878,281)	(2,075,629)	(17,184,976)	(22,308,360)
Doctors on Duty	54,794	(105,839)	220,797	(10,846)
Assisted Living	0	(1,964)	0	(41,583)
Salinas Valley Imaging	0	0	0	(19,974)
Vantage Surgery Center	19,341	11,050	169,857	116,748
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	195,329	51,962	1,441,211	412,639
Aspire/CHI/Coastal	(30,730)	(25,759)	(151,339)	(202,042)
Apex	3,925	1,864	70,968	47,457
21st Century Oncology	(51,202)	(55,681)	107,018	(104,453)
Monterey Bay Endoscopy Center	26,011	36,455	229,870	646,518
	<u>\$ (1,660,814)</u>	<u>\$ (2,163,541)</u>	<u>\$ (15,096,595)</u>	<u>\$ (21,463,896)</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
December 31, 2021**

	Current year	Prior year
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 340,137,885	\$ 299,514,005
Patient accounts receivable, net of estimated uncollectibles of \$24,260,922	84,894,422	85,302,217
Supplies inventory at cost	8,040,159	8,762,916
Other current assets	10,700,207	10,098,368
Total current assets	443,772,673	403,677,505
Assets whose use is limited or restricted by board	148,277,441	137,490,684
Capital assets:		
Land and construction in process	36,308,014	46,821,193
Other capital assets, net of depreciation	203,986,446	212,332,447
Total capital assets	240,294,460	259,153,640
Other assets:		
Investment in Securities	144,039,022	148,588,983
Investment in SVMC	14,828,619	12,069,212
Investment in Aspire/CHI/Coastal	3,629,477	4,327,680
Investment in other affiliates	21,718,069	21,827,062
Net pension asset	4,349,082	1,583,323
Total other assets	188,564,269	188,396,260
Deferred pension outflows	50,119,236	83,379,890
	\$ 1,071,028,079	\$ 1,072,097,979
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 56,932,473	\$ 58,586,920
Due to third party payers	57,214,410	74,822,042
Current portion of self-insurance liability	17,812,357	17,855,668
Total current liabilities	131,959,240	151,264,630
Long term portion of workers comp liability	14,556,513	14,780,831
Total liabilities	146,515,753	166,045,461
Pension liability	83,585,120	126,340,336
Net assets:		
Invested in capital assets, net of related debt	240,294,460	259,153,640
Unrestricted	600,632,746	520,558,542
Total net assets	840,927,206	779,712,182
	\$ 1,071,028,079	\$ 1,072,097,979

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
December 31, 2021

	Month of December,				Six months ended December 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 208,674,891	\$ 196,628,325	12,046,566	6.13%	\$ 1,218,594,222	\$ 1,167,054,514	51,539,708	4.42%
Deductions from revenue	156,398,700	151,337,844	5,060,856	3.34%	930,793,681	896,125,706	34,667,975	3.87%
Net patient revenue	52,276,191	45,290,482	6,985,709	15.42%	287,800,541	270,928,808	16,871,733	6.23%
Other operating revenue	959,742	783,804	175,938	22.45%	5,755,345	4,693,331	1,062,014	22.63%
Total operating revenue	53,235,933	46,074,285	7,161,648	15.54%	293,555,886	275,622,139	17,933,747	6.51%
Operating expenses:								
Salaries and wages	14,689,345	15,145,016	(455,671)	-3.01%	91,717,781	92,433,511	(715,730)	-0.77%
Compensated absences	2,550,895	3,359,057	(808,162)	-24.06%	16,165,543	17,147,655	(982,112)	-5.73%
Employee benefits	6,112,645	6,786,671	(674,026)	-9.93%	40,568,042	42,146,309	(1,578,267)	-3.74%
Supplies, food, and linen	6,087,678	5,936,897	150,781	2.54%	37,332,142	35,250,561	2,081,581	5.91%
Purchased department functions	3,943,521	3,093,378	850,143	27.48%	20,272,318	18,317,635	1,954,683	10.67%
Medical fees	1,843,045	1,823,779	19,266	1.06%	11,643,054	10,961,548	681,506	6.22%
Other fees	3,287,966	943,907	2,344,059	248.34%	10,405,900	5,607,508	4,798,392	85.57%
Depreciation	1,829,383	1,785,356	44,027	2.47%	10,967,148	10,713,217	253,931	2.37%
All other expense	1,456,997	1,442,412	14,585	1.01%	8,349,862	8,629,854	(279,992)	-3.24%
Total operating expenses	41,801,475	40,316,474	1,485,001	3.68%	247,421,790	241,207,798	6,213,992	2.58%
Income from operations	11,434,458	5,757,812	5,676,646	98.59%	46,134,096	34,414,341	11,719,755	34.05%
Non-operating income:								
Donations	188,667	166,667	22,000	13.20%	1,022,000	1,000,000	22,000	2.20%
Property taxes	333,333	333,333	(0)	0.00%	2,000,000	2,000,000	0	0.00%
Investment income	(664,768)	(63,302)	(601,467)	950.16%	(3,486,855)	(379,809)	(3,107,046)	818.05%
Income from subsidiaries	(1,660,814)	(4,055,265)	2,394,451	-59.05%	(15,096,595)	(24,550,331)	9,453,736	-38.51%
Total non-operating income	(1,803,582)	(3,618,567)	1,814,985	-50.16%	(15,561,450)	(21,930,140)	6,368,690	-29.04%
Operating and non-operating income	\$ 9,630,876	\$ 2,139,245	7,491,631	350.20%	\$ 30,572,646	\$ 12,484,201	18,088,445	144.89%

SALINAS VALLEY MEMORIAL HOSPITAL

PATIENT STATISTICAL REPORT

For the month of Dec and six months to date

	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	51	41	277	254	(23)
Other Admissions	105	109	593	584	(9)
Total Admissions	156	150	870	838	(32)
Medi-Cal Patient Days	78	66	412	392	(20)
Other Patient Days	177	174	939	955	16
Total Patient Days of Care	255	240	1,351	1,347	(4)
Average Daily Census	8.2	7.7	7.3	7.3	(0.0)
Medi-Cal Average Days	1.7	1.8	1.6	1.6	0.0
Other Average Days	1.1	1.7	1.6	1.6	0.1
Total Average Days Stay	1.7	1.7	1.6	1.6	0.1
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	326	372	1,911	1,966	55
Medi-Cal Admissions	300	253	1,420	1,451	31
Other Admissions	382	330	1,699	1,835	136
Total Admissions	1,008	955	5,030	5,252	222
Medicare Patient Days	1,730	1,561	8,776	8,447	(329)
Medi-Cal Patient Days	1,285	1,085	6,699	6,167	(532)
Other Patient Days	1,004	1,299	5,710	6,455	745
Total Patient Days of Care	4,019	3,945	21,185	21,069	(116)
Average Daily Census	129.6	127.3	115.1	114.5	(0.6)
Medicare Average Length of Stay	5.4	4.2	4.6	4.2	(0.4)
Medi-Cal Average Length of Stay	4.4	3.8	4.0	3.5	(0.5)
Other Average Length of Stay	2.6	3.0	2.5	2.7	0.3
Total Average Length of Stay	4.1	3.6	3.6	3.4	(0.2)
Deaths	42	34	187	165	(22)
Total Patient Days	4,274	4,185	22,536	22,416	(120)
Medi-Cal Administrative Days	60	29	156	105	(51)
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	60	29	156	105	(51)
Percent Non-Acute	1.40%	0.69%	0.69%	0.47%	-0.22%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Dec and six months to date

	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	269	273	1,494	1,600	106
Heart Center	339	136	2,046	1,462	(584)
Monitored Beds	955	767	5,414	4,664	(750)
Single Room Maternity/Obstetrics	394	439	2,142	2,198	56
Med/Surg - Cardiovascular	850	858	4,347	4,035	(312)
Med/Surg - Oncology	326	287	1,031	1,706	675
Med/Surg - Rehab	510	459	2,491	2,518	27
Pediatrics	88	108	437	550	113
Nursery	255	240	1,351	1,347	(4)
Neonatal Intensive Care	162	202	817	606	(211)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	66.75%	67.74%	62.46%	66.89%	
Heart Center	72.90%	29.25%	74.13%	52.97%	
Monitored Beds	114.10%	91.64%	108.98%	93.88%	
Single Room Maternity/Obstetrics	34.35%	38.27%	31.46%	32.29%	
Med/Surg - Cardiovascular	60.93%	61.51%	52.50%	48.73%	
Med/Surg - Oncology	80.89%	71.22%	43.10%	71.32%	
Med/Surg - Rehab	63.28%	56.95%	52.07%	52.63%	
Med/Surg - Observation Care Unit	0.00%	78.94%	0.00%	55.31%	
Pediatrics	15.77%	19.35%	13.19%	16.61%	
Nursery	49.85%	46.92%	22.25%	22.18%	
Neonatal Intensive Care	47.51%	59.24%	40.37%	29.94%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Dec and six months to date

	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	148	139	861	813	(48)
C-Section deliveries	42	47	256	276	20
Percent of C-section deliveries	28.38%	33.81%	29.73%	33.95%	4.22%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	15,776	17,198	128,184	114,688	(13,496)
Out-Patient Operating Minutes	19,583	29,521	143,711	155,547	11,836
Total	35,359	46,719	271,895	270,235	(1,660)
Open Heart Surgeries	8	14	72	72	0
In-Patient Cases	120	110	877	812	(65)
Out-Patient Cases	214	300	1,585	1,546	(39)
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	44	31	191	222	31
High Risk	566	499	3,080	2,730	(350)
More Than One Resource	2,154	2,376	12,702	15,518	2,816
One Resource	1,025	1,538	8,444	10,046	1,602
No Resources	39	86	247	566	319
Total	<u>3,828</u>	<u>4,530</u>	<u>24,664</u>	<u>29,082</u>	<u>4,418</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Dec and six months to date

	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
CENTRAL SUPPLY					
In-patient requisitions	15,675	14,808	85,803	90,432	4,629
Out-patient requisitions	9,108	9,681	61,717	56,696	-5,021
Emergency room requisitions	1,576	729	9,898	7,651	-2,247
Interdepartmental requisitions	8,211	7,027	41,795	37,283	-4,512
Total requisitions	<u>34,570</u>	<u>32,245</u>	<u>199,213</u>	<u>192,062</u>	<u>-7,151</u>
LABORATORY					
In-patient procedures	39,445	37,695	211,628	202,868	-8,760
Out-patient procedures	11,221	11,485	66,776	68,666	1,890
Emergency room procedures	9,228	10,173	51,501	65,285	13,784
Total patient procedures	<u>59,894</u>	<u>59,353</u>	<u>329,905</u>	<u>336,819</u>	<u>6,914</u>
BLOOD BANK					
Units processed	<u>259</u>	<u>299</u>	<u>1,678</u>	<u>1,668</u>	<u>-10</u>
ELECTROCARDIOLOGY					
In-patient procedures	928	1,090	5,525	5,817	292
Out-patient procedures	358	395	2,357	2,366	9
Emergency room procedures	1,040	1,032	5,097	5,979	882
Total procedures	<u>2,326</u>	<u>2,517</u>	<u>12,979</u>	<u>14,162</u>	<u>1,183</u>
CATH LAB					
In-patient procedures	57	76	448	530	82
Out-patient procedures	78	80	520	554	34
Emergency room procedures	0	0	1	0	-1
Total procedures	<u>135</u>	<u>156</u>	<u>969</u>	<u>1,084</u>	<u>115</u>
ECHO-CARDIOLOGY					
In-patient studies	286	346	1,735	2,035	300
Out-patient studies	175	210	1,124	1,364	240
Emergency room studies	3	0	14	4	-10
Total studies	<u>464</u>	<u>556</u>	<u>2,873</u>	<u>3,403</u>	<u>530</u>
NEURODIAGNOSTIC					
In-patient procedures	172	169	969	925	-44
Out-patient procedures	25	17	145	137	-8
Emergency room procedures	0	0	0	0	0
Total procedures	<u>197</u>	<u>186</u>	<u>1,114</u>	<u>1,062</u>	<u>-52</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
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	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
SLEEP CENTER					
In-patient procedures	0	0	1	0	-1
Out-patient procedures	168	122	1,132	986	-146
Emergency room procedures	0	0	0	0	0
Total procedures	<u>168</u>	<u>122</u>	<u>1,133</u>	<u>986</u>	<u>-147</u>
RADIOLOGY					
In-patient procedures	1,530	1,322	8,054	7,281	-773
Out-patient procedures	452	381	3,907	2,559	-1,348
Emergency room procedures	1,287	1,142	6,722	7,427	705
Total patient procedures	<u>3,269</u>	<u>2,845</u>	<u>18,683</u>	<u>17,267</u>	<u>-1,416</u>
MAGNETIC RESONANCE IMAGING					
In-patient procedures	124	116	755	749	-6
Out-patient procedures	109	102	826	691	-135
Emergency room procedures	10	12	66	43	-23
Total procedures	<u>243</u>	<u>230</u>	<u>1,647</u>	<u>1,483</u>	<u>-164</u>
MAMMOGRAPHY CENTER					
In-patient procedures	3,034	3,246	18,192	21,161	2,969
Out-patient procedures	3,008	3,243	18,094	21,009	2,915
Emergency room procedures	0	0	0	8	8
Total procedures	<u>6,042</u>	<u>6,489</u>	<u>36,286</u>	<u>42,178</u>	<u>5,892</u>
NUCLEAR MEDICINE					
In-patient procedures	7	15	74	80	6
Out-patient procedures	66	74	445	463	18
Emergency room procedures	0	0	3	4	1
Total procedures	<u>73</u>	<u>89</u>	<u>522</u>	<u>547</u>	<u>25</u>
PHARMACY					
In-patient prescriptions	104,022	93,649	524,865	511,032	-13,833
Out-patient prescriptions	12,644	15,615	89,539	92,964	3,425
Emergency room prescriptions	5,658	6,237	31,641	41,799	10,158
Total prescriptions	<u>122,324</u>	<u>115,501</u>	<u>646,045</u>	<u>645,795</u>	<u>-250</u>
RESPIRATORY THERAPY					
In-patient treatments	32,480	20,157	126,851	109,740	-17,111
Out-patient treatments	346	1,389	3,248	6,915	3,667
Emergency room treatments	185	295	806	1,389	583
Total patient treatments	<u>33,011</u>	<u>21,841</u>	<u>130,905</u>	<u>118,044</u>	<u>-12,861</u>
PHYSICAL THERAPY					
In-patient treatments	2,397	2,479	13,853	13,888	35
Out-patient treatments	158	260	1,652	1,938	286
Emergency room treatments	0	0	0	0	0
Total treatments	<u>2,555</u>	<u>2,739</u>	<u>15,505</u>	<u>15,826</u>	<u>321</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Dec and six months to date

	<u>Month of Dec</u>		<u>Six months to date</u>		<u>Variance</u>
	<u>2020</u>	<u>2021</u>	<u>2020-21</u>	<u>2021-22</u>	
OCCUPATIONAL THERAPY					
In-patient procedures	1,320	1,633	7,958	9,022	1,064
Out-patient procedures	72	130	723	987	264
Emergency room procedures	0	0	0	0	0
Total procedures	<u>1,392</u>	<u>1,763</u>	<u>8,681</u>	<u>10,009</u>	<u>1,328</u>
SPEECH THERAPY					
In-patient treatments	430	504	2,334	2,552	218
Out-patient treatments	23	27	148	172	24
Emergency room treatments	0	0	0	0	0
Total treatments	<u>453</u>	<u>531</u>	<u>2,482</u>	<u>2,724</u>	<u>242</u>
CARDIAC REHABILITATION					
In-patient treatments	0	0	0	0	0
Out-patient treatments	389	549	2,139	3,867	1,728
Emergency room treatments	0	0	1	0	-1
Total treatments	<u>389</u>	<u>549</u>	<u>2,140</u>	<u>3,867</u>	<u>1,727</u>
CRITICAL DECISION UNIT					
Observation hours	<u>223</u>	<u>404</u>	<u>1,488</u>	<u>1,908</u>	<u>420</u>
ENDOSCOPY					
In-patient procedures	83	81	541	558	17
Out-patient procedures	14	17	147	194	47
Emergency room procedures	0	0	0	0	0
Total procedures	<u>97</u>	<u>98</u>	<u>688</u>	<u>752</u>	<u>64</u>
C.T. SCAN					
In-patient procedures	498	606	3,266	3,431	165
Out-patient procedures	489	293	3,153	2,236	-917
Emergency room procedures	426	565	2,775	3,612	837
Total procedures	<u>1,413</u>	<u>1,464</u>	<u>9,194</u>	<u>9,279</u>	<u>85</u>
DIETARY					
Routine patient diets	14,895	20,345	95,600	108,751	13,151
Meals to personnel	<u>20,252</u>	<u>22,140</u>	<u>124,871</u>	<u>130,740</u>	<u>5,869</u>
Total diets and meals	<u>35,147</u>	<u>42,485</u>	<u>220,471</u>	<u>239,491</u>	<u>19,020</u>
LAUNDRY AND LINEN					
Total pounds laundered	<u>94,703</u>	<u>102,136</u>	<u>610,515</u>	<u>589,390</u>	<u>-21,125</u>

*QUALITY AND EFFICIENT
PRACTICES COMMITTEE*

*Minutes from the January 24, 2022 meeting of
the Quality and Efficient Practices Committee
will be distributed at the Board Meeting*

(JUAN CABRERA)

FINANCE COMMITTEE

*Minutes from the January 24, 2022 meeting
of the Finance Committee will be
distributed at the Board Meeting*

*Background information supporting the
proposed recommendations from the
Committee is included in the Board Packet*

(RICHARD TURNER)

- Committee Chair Report*
- Board Questions to Committee Chair/Staff*
- Motion/Second*
- Public Comment*
- Board Discussion/Deliberation*
- Action by Board/Roll Call Vote*

Board Paper: Finance Committee

Board Resolution 2018-10, delegation of authority up to \$350,000

Request: Consider Recommendation for Board Approval of Sentrics Interactive Patient Care Solutions System as Sole Source Justification and Contract Award

Executive Sponsor: Audrey Parks, CIO

Date: January 5, 2022

Executive Summary

Salinas Valley Memorial Healthcare System (SVMHS) currently utilizes Sentrics, formerly known as Allen Technologies., Inc (ATI) as the interactive patient care systems or patient education and entertainment solution. The solution is used by patients to access patient education videos, CARE Channel (relaxation videos), Dish Network content and more. We would like to renew the support agreement for an initial 3-year term followed by 1-year annual renewals.

Features	Active at SVMHS
Hospital TV Plus Entertainment	
TV	✓
Music	✓
Internet Browsing	✓
Games	✓
Movies on Demand	✓
Patient Experience	
Message Bars and On-Screen Notifications	✓
Language Selection- Quick Links	✓
Patient Introduction & Orientation	✓
Additional Hospital Information	✓
Patient Education	
Educational Videos Available in English	Wellness Vendor
Educational Videos Available in Spanish	Wellness Vendor
Pre-assigned Educational Videos	✓
On-Screen Patient Education Checklist	✓
Bedside Education Assignment	✓
System Management & Reporting	
Monitor Critical System Components	✓
Remote Device Administration	✓

Financial/Quality/Safety/Regulatory Implications: Service and Finance

Key Contract Terms	Vendor: Sentrics
1. Proposed effective date	February 8, 2022
2. Term of agreement	February 8, 2022 – February 7, 2025 (3-year 2/2022 – 2/2025; annual renewal)
3. Renewal terms	1-year renewal
4. Termination provision(s)	May terminate within 60 days' notice of material breach

5. Payment Terms	\$430,668/3-year term. \$11,963 paid monthly x 36 months = \$430,668; net 45
6. Annual cost(s)	\$143,556
7. Cost over life of agreement	\$430,668 / 3-year term
8. Budgeted (indicate y/n)	Yes, 8540.6600
9. Contract	1001.17

Recommendation

Consider recommendation for Board approval of Sentrics interactive patient care solutions system as sole source justification and contract award for \$430,668 over a 3-year term.

Attachments

- Sentrics, Amendment #4 dated December 29, 2021
- Sole Source Justification

Signature: *Augustine Lopez*

Email: ASlopez@svmh.com

01/05/2022

Signature: *Pete delgado*
Pete delgado (Jan 6, 2022 12:34 CST)

Email: pdelgado@svmh.com

01/06/2022

**Fourth Amendment to the INTERACTIVE PATIENT CARE SOLUTION SYSTEM
AGREEMENT Dated December 29, 2021**

***** Amendment and MSA provided for reference only. *****

This Fourth Amendment to the INTERACTIVE PATIENT CARE SOLUTION SYSTEM AGREEMENT (the “Third Amendment”) is made as of December 29, 2021 (the “Amendment Effective Date”) by and between Salinas Valley Healthcare System (“Hospital”) and Allen Technologies, Inc. (“Allen”) (collectively, the "Parties").

WHEREAS, Allen and Hospital are Parties to a certain Interactive Patient Care Solution System Agreement made as of June 26, 2012 (“Agreement”), and a First Amendment dated September 1, 2014 (“First Amendment”), and a Second Amendment dated June 7, 2018 (“Second Amendment”), and a Third Amendment dated January 24th, 2019, pursuant to which Allen provides certain services and related software and equipment to Hospital;

WHEREAS, Parties mutually desire to modify the terms of the Agreement, as more particularly set forth herein;

NOW, THEREFORE, for good and valuable consideration, including the mutual promises, covenants and agreements herein contained, receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree to incorporate the following provisions and make them part of the Agreement:

1. Attachment D – Recurring Monthly Fees for Software and Services is hereby deleted in its entirety and replaced with the following:

"Recurring Monthly Fees for Software and Services"

Beginning with the services period commencing April 1, 2022, Hospital will pay Allen \$10,280 per month for the right to use the Allen Software and for the Service provided by Allen for up to 243 locations. If the total location count ever exceeds the aforementioned location count, the monthly fee will be increased on a pro rata basis. Such monthly fees shall commence, pro rata (as to number of days and as to number of locations), as installation is completed, as set forth in the Go-Live Certificate(s) and the Final Completion Certificate.

On each anniversary of the Effective Date, the monthly rate will be adjusted to equal the product of the current rate multiplied by a fraction, the denominator of which is the CPI Index last published prior to the Effective Date, and the numerator of which is the CPI Index last published as of the date of the applicable anniversary. “CPI Index” shall mean the Consumer Price Index for All Urban Consumers for the US City Average for all items, as reported by the US Department of Labor’s Bureau of Labor Statistics. Allen will invoice Hospital one month prior to the month of Service. CPI will be capped at 3% per annum.

Additional considerations:

- a. Extend the late payment timeframe from 30 days to 45 days (as requested by SVMH)
- b. Provide continued software support for currently installed IPS PCs through October 31, 2022
- c. Provide software support for newly installed Allen-Compatible Smart TVs with IPS/VIGO TV to E3 upgrades to be completed no later than October 31, 2022

"Additional Recurring Monthly Fees for SWANK Motion Pictures Services"

Hospital has opted to receive Swank Motion Pictures' 40-movie subscription through the E3 Patient Engagement system with 25% of the movies updated quarterly via e-delivery for up to 249 locations. Hospital has the right to terminate the Swank Motion Pictures Subscription at any time with thirty (30) days' advance written notice to Allen. Movie services are provided by Swank Motion Pictures and any fee increases passed to Allen shall be added to the monthly fees as projected below.

Swank Motion Pictures' projected monthly fee schedule (to be paid by hospital to Allen monthly) for SWANK services:

40 Movie Package for up to 249 locations and eDelivery			
Service Effective			
	Apr-22	Apr-23	
	\$1,683	\$1,886	

Note: Allen Technologies does not set SWANK movie package pricing and the above rates are subject to change at any time by Swank Motion Pictures.”

2. Section 6.1 of the Agreement is hereby amended to add the following language:
 - a. The Agreement shall be renewed for a three-year renewal term beginning February 8, 2022, and ending February 7, 2025, and thereafter the successive annual renewal terms shall resume, unless terminated as provided herein. Both parties agree that Allen will be afforded the opportunity to review and potentially reassess the recurring monthly fees, CPI cap rate, and terms for software every 3 years and will notify Hospital 60 days in advance of the renewal effective date.
3. All other terms of the Agreement will remain unchanged and in effect.

**SALINAS VALLEY HEALTHCARE
SYSTEM**

Name: _____

Title: _____

Date: _____

ALLEN TECHNOLOGIES, INC.

Mark Lancaster

Mark Lancaster

Managing Director

Date: 12/29/2021

*** Amendment and MSA provided for reference only. ***

ALLEN TECHNOLOGIES INCORPORATED

**INTERACTIVE PATIENT CARE SOLUTION SYSTEM
AGREEMENT**

For

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
SALINAS, CALIFORNIA**

06/22/2012

This contract is considered proprietary in nature and is issued in confidence to Salinas Valley Memorial Healthcare System and may not be reproduced, copied or disseminated in whole or part by the hospital, its employees, or agents without written permission from Allen Technologies Incorporated. For the purpose of evaluation, permission is granted to the Hospital to provide copies of this document to employees on a "Need to Know Basis".

A handwritten signature in black ink, appearing to be a stylized name or initials, located in the bottom right corner of the page.

AGREEMENT

THIS AGREEMENT dated June 22, 2012 (the "Effective Date") is made by and between Allen Technologies Incorporated, 2600 Longhorn Boulevard, Suite 105, Austin, Texas 78758, hereinafter referred to as "ATI" and Salinas Valley Memorial Healthcare System, a public health care district organized and operating pursuant to Division 23 of the California Health Code and with an address at 450 East Romie Lane, Salinas, California 93901 and hereinafter referred to as "Hospital."

1. Purpose Of Agreement And Intent Of Parties. ATI is a provider of a content delivery service (the "Service") and other services and related software and equipment (collectively, the "ATI Interactive Patient Care Solution System). Hospital desires to obtain and ATI desires to provide Hospital with access to certain of these products and services. Subject to the terms and conditions hereof, ATI shall furnish and install the equipment purchased and provide the services procured hereby.

2. Existing Agreement. ATI and Hospital are parties to a certain Vigo Interactive Television Network Agreement for Salinas Valley Memorial Healthcare System dated August 18, 2008 (the "Existing Agreement"). The Existing Agreement will remain in effect until such time as the Equipment contemplated by this Agreement is fully installed (the Installation Completion Date, as defined in Section 6.2 of this Agreement), at which time the Existing Agreement will automatically terminate. *KE JMS J4*

3. Software To Be Provided. The software to be provided is listed in detail in Attachment B, (which, including any updates thereto delivered by ATI to Hospital, all in object code form, shall herein be referred to as the "Software").

4. Duties Of ATI.

4.1 ATI shall furnish and install the equipment listed in Attachment A (the "Equipment").

4.2 ATI will perform its obligations under this Agreement as an independent contractor, and ATI, its agents, employees and subcontractors, their agents and employees, performing services thereunder, will not be employees of Hospital and Hospital will not be responsible for ATI's acts or the acts of its agents, employees or subcontractors, and their agents and employees, pursuant to the Agreement, whether on Hospital premises or elsewhere. ATI, its agents, employees and subcontractors and their agents and employees, will not have authority to speak for, represent or obligate Hospital. ATI shall be solely responsible for the payment of all applicable federal, state, and local taxes, FICA, unemployment, disability benefits, and worker's compensation obligations that may arise in connection with the services provided by its employees, agents, or subcontractors hereunder.

4.3 ATI will use commercially reasonable efforts to provide the support detailed on Attachment C.

4.4 ATI will furnish to Hospital in writing the names of all subcontractors participating in the installation of Equipment. Contracts between ATI and subcontractors will require each subcontractor to be bound to ATI by the terms of this Agreement, and to assume toward ATI all the obligations and responsibilities which ATI, by this Agreement, assumes toward the Hospital.

4.5 ATI will carry during the term of this Agreement an occurrence based, public liability insurance policy for property loss and personal injury in connection with Equipment and services under the Agreement and their presence on hospital premises in the amount of \$1,000,000 per occurrence. Upon Hospital's written request, ATI will submit a certificate of insurance evidencing such coverage.

4.6 ATI will provide up to 16 hours (over a single 48 hour period) of staff training on use of the system. Additional training will be provided on a time and materials basis as requested by Hospital.

4.7 Upon written request by Hospital (e.g., email), ATI will provide Hospital with up to \$5,000 worth of educational programming content for use on the ATI Interactive Patient System.

5. Duties Of Hospital.

5.1 The storage and risk of loss of each item of Equipment will be the responsibility of Hospital once delivered to the designated delivery site by ATI or its agents.

5.2 Hospital will provide adequate on-site storage and work facilities at no cost to ATI.

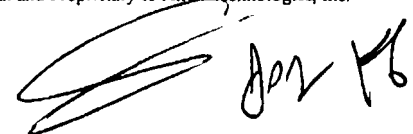
5.3 Hospital will make patient rooms available on a systematic and continuing basis so that an orderly installation process may be completed.

5.4 Hospital will provide ATI with detailed construction drawings (blueprints), for all areas to be installed.

5.5 Hospital will provide all A/C outlets necessary to properly install and operate the Equipment, including generator backed up emergency power at the Master Control Station ("MCS"). All electrical power required will be furnished by and at the expense of Hospital.

5.6 Hospital will provide all television receivers (except those listed in Attachment A).

5.7 Hospital will provide ATI, at no charge, suitable permanent work and storage space and equipment (including telephones and access to voice mail) as reasonably required. Such space will have easy access to the patient areas within which Equipment is being installed, maintained, or serviced under this Agreement. Hospital will further provide ATI, at no charge, a secure suitable climate controlled location for the MCS. Hospital will also provide secure climate controlled IDF locations.

Handwritten signature and initials, possibly "Jan 16", in black ink.

5.8 Hospital will provide ATI with access to all hospital information systems necessary for the design, development, testing and implementation of the ATI Software and Service. This access can include but is not limited to Hospital's development, test, and production environments. Examples of possible necessary hospital information systems include those from MEDITECH, Epic Systems, Computrition and CBORD.

5.9 Hospital will provide ATI, at no charge, an internet connection as described in Attachment E.

5.10 Hospital will allow ATI to use, without charge, all of the existing Hospital-owned television receivers, television antenna equipment, television brackets, television and telephone wiring, related connectors and appurtenances upon Hospital premises ("Existing Equipment"). Hospital will be responsible for procuring and providing any additional or replacement Existing Equipment required over time.

5.11 Hospital shall bear the cost for the removal, movement and re-installation of Equipment once originally installed by ATI.

5.12 Hospital is responsible for ensuring that the hospital facility is wired as described in Attachment E. If hospital facility is not wired as described in Attachment E, ATI will work with Hospital on a time and materials basis to resolve any deficiencies.

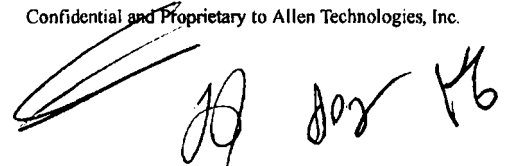
5.13 Hospital is responsible for submitting all menu screen wording and screen flow information to ATI no later than thirty (30) days prior to the projected go-live date of the first location. ATI will communicate this date to Hospital during the project kick-off meeting.

6. Term And Termination.

6.1 The initial term of this Agreement shall commence on the Effective Date and shall continue (unless terminated in accordance herewith) until the date that is 60 months from the Installation Completion Date (defined below). After completion of the initial term, this agreement will auto-renew for successive one-year terms unless either party provides the other party with written notice of its intent to not renew at least 60 days prior to the expiration of the then current term.

6.2 Upon completion of Equipment installation, a "Final Completion Certificate" furnished by ATI will confirm the Installation Completion Date for the entire hospital. If after ten (10) days the Hospital has not returned the Final Completion Certificate or notified ATI in writing of reasons for not returning it, the installation will be deemed complete and accepted by the Hospital (the "Installation Completion Date").

6.3 If either party breaches a material term of this Agreement, the non-breaching party may provide written notice, by certified mail, of the breach to the breaching party and demand performance. If the breaching party fails to cure the breach to the reasonable satisfaction of the non-breaching party within 90 days of the written notice, the non-breaching party may then terminate this Agreement. The parties agree not to use this clause in an arbitrary or capricious manner.



6.4 Upon termination or expiration of this Agreement, Hospital must immediately stop using the Service and the Software. Upon termination of this Agreement, Sections 6.4, 7.1, 8.1, 8.3, 8.4, 8.5, and 13-17 shall survive and remain in effect. All other rights and obligations shall cease.

7. Equipment Purchase Terms.

7.1 Title to Equipment shall pass to Hospital upon completion of payment for such Equipment and the installation thereof in accordance with the terms hereof. Once Equipment is delivered to Hospital, Hospital will be responsible for any Equipment damaged, lost, destroyed or otherwise injured by fire, water, misuse, abuse or theft, provided, such injury to the Equipment is not caused by an agent, employee or contractor of ATI.

7.2 Any damage to Equipment at Hospital caused by ATI, its agents, employees or subcontractors, or their agents and employees, will be repaired or replaced by ATI at no charge to Hospital.

8. License To Software And Service.

8.1 Subject to the terms and conditions of this Agreement, including without limitation Hospital's timely payment of all of the fees due hereunder, ATI hereby grants Hospital a personal, non-sublicensable, non-exclusive, non-transferable license to use the Software on the Equipment during the term of this Agreement.

8.2 Subject to the terms and conditions of this Agreement, including without limitation Hospital's timely payment of all of the fees due hereunder, ATI will provide Hospital with access to the Service during the term of this Agreement. Hospital may use the Service solely for its intended purpose in accordance with this Agreement and any documentation provided by ATI.

8.3 Hospital's rights in the Software and the Service and any related intellectual property rights will be limited to those expressly granted in this Section. All right, title and interest in and to the Software and the Service, including all modifications, improvements, upgrades, derivative works, and feedback related thereto and all intellectual property rights therein will remain with ATI at all times. Hospital agrees to assign all right, title, and interest it may have in the foregoing to ATI. Upon expiration or termination of the Agreement, ATI may, at its option, remove the Software from any Equipment residing on Hospital premises. Hospital agrees to provide ATI with adequate access to the Hospital premises to be able to accomplish this.

8.4 Hospital may not, and may not permit any third party to, (i) copy, reproduce, modify, translate, prepare derivative works of, de-compile, reverse engineer, disassemble or otherwise attempt to derive source code from the Service or the Software; (ii) use, evaluate or view the Service or the Software for the purpose of designing, modifying, or otherwise creating any environment, program, or infrastructure or any portion thereof, which performs functions similar to the functions performed by the Service or the Software; or (iii) use the Service or the Software to provide services for a third party. Hospital shall not remove, obscure, or alter any copyright notice,

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trademarks, logos and trade names, or other proprietary rights notices affixed to, or contained within the Service or the Software.

8.5 Hospital acknowledges that the Service, the Software, the terms of this Agreement, and any other proprietary or confidential information provided to Hospital by ATI ("Confidential Information") constitutes valuable proprietary information and trade secrets of ATI. Hospital agrees to preserve the confidential nature of the Confidential Information by retaining and using the Confidential Information in trust and confidence, solely for its internal use, and by using the same degree of protection that such party uses to protect similar proprietary and confidential information, but in no event less than reasonable care. ATI shall have the right to obtain an injunction (without having to post a bond or prove actual damages) to prevent any breach or continued breach of this Section. Hospital receiving party agrees to promptly report any breaches of this Section to the disclosing party.

9. Entertainment Programming. Hospital will be responsible for providing and paying for all entertainment programming.

10. Educational Programming. Hospital will provide educational programming content to be digitized by ATI as indicated in Attachment A. Except as provided by Section 4.7, Hospital is responsible for any royalties associated with the educational programming content. If Hospital provides ATI with educational programming content as indicated in Attachment A no later than thirty (30) days prior to the projected go-live date of the first location, ATI will encode and load the educational programming content on behalf of Hospital at no additional charge. Any work associated with educational programming content after this timeframe will be provided by ATI to Hospital on a time and materials basis at then current rates.

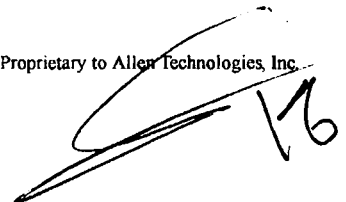
11. Menu Screens. If Hospital provides ATI with menu content no later than thirty (30) days prior to the projected go-live date of the first location, ATI will customize menu screens for the Service at no additional charge. Any work associated with menu screens after this timeframe will be provided by ATI to Hospital on a time and materials basis at then current rates.

12. Additional Professional Services. Upon written request by Hospital, ATI will annually provide up to 100 hours of professional services for menu screen changes and video encoding services at no additional charge to Hospital. Any work associated with professional services in excess of 20 hours annually will be provided by ATI to Hospital on a time and materials basis at then current rates.

13. Fees.

13.1 Fees and invoice timing are outlined in Attachment D.

13.2 All fees are due and payable in U.S. dollars upon receipt by Hospital of the ATI invoice. If payment is not made within thirty (30) days after the invoice date, ATI may charge Hospital a late fee on the unpaid balance at the lesser of one and one half percent (1.5%) per month or the maximum lawful rate permitted by applicable law, rounded to the next highest whole month



and compounded monthly. Should Hospital not pay amounts when due, ATI may also (at its discretion and in addition to other remedies it may have) suspend access to the Service.

13.3 If either party commences legal actions for the payment of fees due hereunder and prevails in any such action, it will be entitled, in addition to such other relief as may be granted, to a reasonable sum for attorney fees in such litigation, which sum will be determined by the court in which such litigation was pending.

14. Applicable Taxes.

14.1 Hospital is responsible for any sales tax, use tax, or other tax imposed in connection with this Agreement. If Hospital is tax-exempt, Hospital agrees to provide ATI a valid tax exemption certificate. Hospital shall indemnify ATI for any tax related amounts imposed on ATI in connection herewith, including without limitation any amounts imposed in connection with an invalid tax exemption certificate.

15. Indemnities.

15.1 ATI will indemnify, defend, and hold harmless Hospital, its successors, assigns, employees, trustees, officers or directors (the "Indemnitees") from any and all losses, damages, liabilities, judgments, or expenses (including reasonable attorneys' fees and costs) (collectively "Losses") that any Indemnitee may incur as a result of any third party claim alleging that the Software infringes upon any United States patent, copyright, trade secret or other proprietary right. To qualify for such defense and indemnity, Hospital must: (a) give ATI prompt written notice of any such claim and (b) provide ATI with all reasonable cooperation and information in Hospital's possession. If such claim has occurred, or in ATI's judgment is likely to occur, Hospital agrees to allow ATI, at ATI's option and expense, to procure the right for Hospital to continue using the Software or to modify the Software to make it non-infringing but to continue to meet the obligations under this Agreement.

15.2 ATI will indemnify, defend, and hold harmless the Indemnitees from any and all Losses that any Indemnitee may incur as a result of any third party claim relating to an act or omission by ATI, its employees, agents, or subcontractors under this Agreement, except Losses arising from a negligent act or omission or willful misconduct of Hospital, its agents or employees.

15.3 ATI will have no obligation with respect to any claim based upon (i) the modification of the Software or Equipment by anyone other than ATI, or its combination, operation or use with programs not furnished or recommended by ATI, (ii) the unauthorized or unintended use of the Software; (iii) any failure by any Indemnitee to take all reasonable actions to prevent or mitigate any Loss, or (iv) any claim arising out of or related to the content or medical aspect or application of any content delivered using the Software, or any medical or diagnostic services whatsoever. The foregoing Sections 15.1 through 15.3 set forth the entire liability of ATI to Indemnitees for third party claims.

15.4 Hospital will hold harmless and indemnify ATI from and against any and all Losses for damage that may occur by reason of (i) the Hospital's performance under this Agreement,

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except loss or damage arising from a negligent act or omission or willful misconduct of ATI, its agents or employees, and/or (ii) unauthorized use of the Software and/or the Service.

16. Warranty And Limitations Of Liability.

16.1 ATI hereby assigns to Hospital, to the full extent possible, the benefits of the manufacturers' warranties applicable to the Equipment. Hospital acknowledges and agrees that the manufacturer, and not ATI, shall be responsible for errors and defects in the Equipment. ATI provides the Equipment to Hospital without any warranty by ATI. The warranty periods currently in effect with respect to the Equipment are set forth in Attachment F attached hereto.

16.2 ATI DISCLAIMS ALL WARRANTIES, CONDITIONS, AND REPRESENTATIONS (EXPRESS OR IMPLIED, ORAL, OR WRITTEN) WITH RESPECT TO THE SOFTWARE, THE EQUIPMENT, THE SERVICE OR ANY SUPPORT RELATED THERETO, INCLUDING ANY AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, NON-INTERFERENCE, ACCURACY OF DATA, AND WARRANTIES ARISING FROM A COURSE OF DEALING. HOSPITAL UNDERSTANDS THAT NEITHER ATI NOR ITS LICENSORS SHALL BE LIABLE FOR ANY DAMAGES RESULTING FROM OR IN CONNECTION WITH THE USE OF THE SERVICE. ATI EXPRESSLY DISCLAIMS PARTICULAR RESULTS.

16.3 EXCEPT FOR LIABILITY ARISING FROM SECTION 8 AND 15, (A) NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS, BUSINESS INTERRUPTION, OR LOSS OF INFORMATION, REGARDLESS OF WHETHER SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING; AND (B) IN NO EVENT SHALL THE TOTAL COLLECTIVE LIABILITY OF EITHER PARTY UNDER THIS AGREEMENT EXCEED THE AGGREGATE FEES PAID OR OWED BY HOSPITAL UNDER THIS AGREEMENT DURING THE 12 MONTHS PRECEDING THE APPLICABLE CLAIM.

16.4 The warranty disclaimers and limitations of liability set forth in this Agreement shall apply irrespective of any failure of essential purpose of any limited remedy. Hospital and ATI each acknowledge and agree that the limitation of liability provisions of this Section reflect an informed, voluntary allocation between them of the risk associated with Hospital's use of the Service and, but for this provision, ATI would not have made the Equipment, Software or Service available to Hospital at the prices contemplated under this Agreement.

17. General Terms.

17.1 The parties agree that any dispute between Hospital and ATI or their successor corporations or assigns, arising in connection with or under this Agreement, will be attempted to be settled privately and in a reasonable amount of time. Nothing in this paragraph, however, will prevent any party to this Agreement from seeking legal, equitable, and specifically injunctive, relief as necessary regarding the activities under this Agreement.

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17.2 Subject to Section 13.3, should any litigation be commenced between the parties hereto concerning any provision of this Agreement or the rights and duties of any person in relation thereto, the parties shall bear their own respective expenses in connection with such litigation.

17.3 Hospital expressly acknowledges that ATI is not responsible for quality issues associated with internet-delivered capabilities, internet-delivered content, cable TV signal or satellite TV signal.

17.4 Either party may assign this Agreement without the consent of the other, but shall provide written notice in connection with any such assignment. Any such assignment by Hospital shall be subject to the assignee acknowledging its assumption of the obligations contained herein. This Agreement will be binding upon and inure to the benefit of and be enforceable by and against the respective heirs, personal representatives, successors, and permitted assigns of the parties hereto.

17.5 The terms of this Agreement may be modified only by a written agreement signed by persons authorized to sign agreements on behalf of ATI and Hospital.

17.6 This Agreement will be governed by the laws of California and any suit pertaining to this Agreement will be brought exclusively in the Courts of California, Monterey County.

17.7 This paragraph and article headings, which appear in this Agreement are for convenience and reference only and do not constitute a part of this Agreement.

17.8 One or more waivers of any provision, term or condition of this Agreement will not be construed as a waiver or later breaches of the same or another provision, term or condition of this Agreement.

17.9 Any and all notices, designations, or other communication provided for under this Agreement will be given between parties in writing, either by personal delivery or by one day delivery such as FedEx or by registered or certified mail return receipt requested, addressed to the appropriate addressee below, unless notice of the change is furnished to the sending party in the manner provided for in this same paragraph. Notice shall be effective when personally delivered or, if notice is given by certified mail, three days after the date on which the notice was mailed.

Allen Technologies Incorporated
ATTN: Tom Sloss, CFO
2600 Longhorn Blvd. Suite 105
Austin, TX 78758

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
ATTN: Ken Goebel, Executive Administrative Director
450 East Romie Lane
Salinas, California 93901

17.10 Hospital hereby consents to any assignment and any re-assignment of this Agreement and any revenues to be received hereunder. Hospital agrees that the rights of any assignee shall not be subject to any defense, setoff or counterclaim that Hospital may have against ATI and that any such assignee shall have all of ATI's rights there under, including all of ATI's obligations under this Agreement.

17.11 All parties agree that in their various dealings under this Agreement they will fairly deal with each other in good faith and reasonableness, and not arbitrarily nor capriciously.

17.12 In the event that the performance by the Hospital or ATI of the obligations or undertakings thereunder will be interrupted or delayed by any occurrence not occasioned by the conduct of either the Hospital or ATI hereto, whether such occurrence be an act of God, common enemy or the result of war, riot, civil commotion, sovereign conduct, terrorism, or the act or conduct of any person or persons not party or privy hereto, then either the Hospital or ATI will be excused from performance for such period of time as is reasonably necessary after such occurrence to remedy the effect thereof.

17.13 Hospital and any permitted assignee thereof agrees that ATI may include such party's name, logo, and success stories on ATI's website, press releases, promotional and sales literature, and advertising materials.

17.14 Hospital agrees that for the term of this Agreement that ATI will be the exclusive patient room interactive television system provider in Hospital.

17.15 The whole of this Agreement is herein set forth, and there is no verbal or other written agreement and no understanding or custom effecting the terms hereof. Only a written instrument signed by the parties to be charged herewith can modify this Agreement.

Allen Technologies, Incorporated

By: _____

Name: _____

Title: _____

Date: _____

Tom Sloss
SVP, Chief Financial Officer
June 26, 2012

Salinas Valley Memorial Healthcare System

By: _____

Name: _____

Title: _____

Date: _____

Lowell Johnson
INTERIM CEO
6/25/12

Ken Label 6-25-2012
ASD 6-25-2012

16

ATTACHMENT A

Equipment and Installation Services for 224 Locations

232	Computers (includes 7 spares and 1 onsite test location)
232	IMX units (includes 7 spares and 1 onsite test location)
2	Video servers
224	Maximum number of existing pillow speakers to receive upgraded firmware provided by ATI
1	Internet interface module (internet connection provided by Hospital)
1	ADT HL7 interface
1	Project manager
224	Maximum number of patient locations to be installed and tested in one single phase
16	Maximum number of hours of training provided to Hospital personnel
50	Maximum number of Hospital provided titles of educational content to be digitized

Equipment cost: \$197,772


Installation services: \$31,426

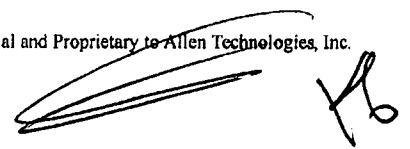
Estimated sales tax: \$15,327

Total: **\$244,525**

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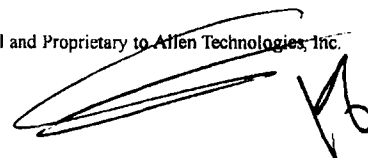
ATTACHMENT B

 Interactive Patient Solution	
Features	Description
Entertainment	
TV	Delivered via coax cable from either local cable company or satellite
Movies on Demand	Capability to view movies and videos from third-party providers
Music On Demand	Genre based (e.g. TuneIn Radio)
Radio via the Internet	Radio Station Website: Icon that opens window to radio station webpages
Games	Site loaded and mutually agreed upon action and board style games
DVD & Gaming Console Interface	On-screen button integrated with controller to allow use of DVD, Xbox & Wii
Information	
Welcome Video	Produced by hospital
System User Instructions	How to use Interactive Patient Solution
Patient Introduction & Orientation	Typical information provided in the Patient Booklet, parking, cafeteria hours etc
Room Service Dining	Videos, instructions and menus for use of Room Service Dining
Food Services Information	Display dietary menus, diets; support Room Service Dining
Gift Shop Information	Static Gift Shop Pages
Pastoral and/or Patient Advocate Request	Ability for patient to request visit from pastoral care or patient advocacy
HVAC temperature change request	Patient can enter request to have temperature in room raised or lowered and send email
Housekeeping & Maintenance Requests	Patient can request services from housekeeping/maintenance such as needing linens, clean room.
Pain Assessment	Patient be prompted to enter their pain level. Insertion of response into EMR available (optional)
Links to External Sites	Button on screen that links to website (e.g. EBSCO, Weather.com)
Feedback & Requests from Patients	Ability for patients to submit non-urgent requests or information to hospital staff
English / Spanish Menu Option	Ability to switch between menus being displayed in English and Spanish
On-screen Language Translation	Translation of words and phrases on-screen using translation websites (e.g. Google Translate)
Educational Content/Digital Learning	
Educational Videos	Support for videos from multiple providers (e.g. Krames, Milner-Ferwick, Emmi Solutions)
Library of Videos	Available for selection from Allen Technologies based upon defined budget
Videos On-Demand	Patient can select health videos from on-screen menus
Specialty Education Channels	Newborn, GE-TIP, Care Channel, Medcaim if hospital has contracted with supplier
Practitioner Prescribed Videos	Nurse or doctor can customize and assign specific videos for a patient to watch
Auto-Assigned Videos	Assign videos to patients by unit or hospital; by patient can occur with optional EMR integration
Viewing Survey	Survey sent to patient after the patient has finished viewing an educational video
Tracking of Patient Progress	Hospital staff can see progress patient has made viewing education videos
Reporting of Education Completion	Hospital staff can generate report with list of education videos that patient viewed
Medication Description Database Link	Link to database that contains descriptions of medications (e.g. Lexicomp, Medline Plus)
Survey/Feedback & Requests	
Survey Functions	Supports single and multiple choice answers and free-form text entry. English or Spanish
Patient selected survey	Patient can select a survey at any time to complete from list of surveys in system
Practitioner prescribed survey	Hospital staff member assigns a survey to a patient
Auto-assigned Patient Survey	Assign surveys based upon time, codes or event. Optional HIS integration may be required.
Patient Requests	Predefined static requests that can be emailed to specific e-mail addresses or distribution lists
Procedure Questions	Ask patients if they are in need of flu shots, mammogram or other beneficial hospital services
Email & Internet Access	
Email Access: Gmail, Yahoo, AOL	Browser is opened, user then logs into the e-mail account
Internet Access	Browser opens using keyboard, patient can go to Internet websites
Facebook, Twitter	Website is opened and user then logs into their Facebook or Twitter account
Website Blocking	Ability to block/filter websites/content determined by hospital that are to not be made available
Integration (Data feeds) from Other Systems	
Input from ADT system	Receive ADT status of Admit, Transfer and Discharge from hospital system
System Management & Reporting	
Monitor critical system components	24x7x365 monitoring of critical components of the solution by Allen Technologies
Remote unit administration	Ability to monitor, diagnose and resolve selected unit issues via central console
System reporting	Management reports for system usage and educational content viewing



ATTACHMENT C

- Software support is available 24x7. Hospital may request support by calling ATI at the support # listed on the ATI website (www.allentek.com).
- Critical software support related to a network outage will be provided within two hours of notification between 7:30 AM and 4:30 PM CST and within four hours otherwise.
- Non-critical software support will be provided within one business day.
- The ATI Network Operating Center (“NOC”) will provide daily monitoring and oversight of the Interactive Patient System installed at Hospital. The ATI NOC staff will provide remote network/Software support to the system and will work with designated Hospital personnel in maintenance, repair, and testing of the system.

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ATTACHMENT D

Recurring Monthly Fees for Software and Services

Hospital will pay ATI the below amounts per month for the right to use the ATI Software and for the Service provided by ATI for up to 224 locations:

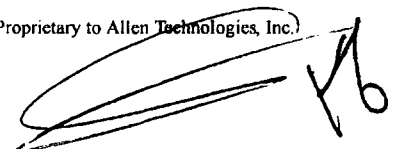
Installation Completion Date - 12 months from Installation Completion Date	\$5,500
12 months from Installation Completion Date - 24 months from Installation Completion Date	\$6,500
24 months from Installation Completion Date - 36 months from Installation Completion Date	\$7,500
36 months from Installation Completion Date - 48 months from Installation Completion Date	\$8,500
48 months from Installation Completion Date - 60 months from Installation Completion Date	\$9,500

ATI will invoice Hospital one month prior to the month of Service.

Equipment and Installation Fees

Hospital will pay ATI the prices set forth on Attachment A for the Equipment and installation services listed in Attachment A. ATI will invoice Hospital according to the following schedule:

- \$120,000 + \$15,327.33 which is 100% of estimated total sales tax on the Effective Date of this Agreement
- \$30,000 upon first shipment of Equipment to Hospital
- \$30,000 upon commencement of installation of Equipment
- \$49,198 on the six month anniversary of the Effective Date of this Agreement



ATTACHMENT E

The following components are required for proper operation of the ATI Service and for connectivity to the ATI Data Center. The in-Hospital network necessary for delivery of the ATI Service can be independent of or integrated with the Hospital's network.

Fiber Backbone / Ethernet – In the Hospital, a vertical fiber riser connects the on-site ATI MCS (head-end) to the IDF (closets). Typically, the IDF connects to each room on a floor or in a Hospital unit. The MCS rack contains a fiber switch. All IDF closet Ethernet switches must be connected to the MCS switch via “home-run” fiber. Fiber requirements:

- Multi-mode or single-mode fiber
- Fiber connector type: preferably LC, but ATI can adjust to any standard multimode
- 1 fiber connection (2 strands) per IDF switch

Internet Connection – Hospital must have a high-speed internet connection to facilitate communications between Hospital and the ATI Data Center (via IPSEC VPN) and to allow Internet access to patients.

- At least 10mb/s download and 1mb/s upload (this could change depending on actual usage patterns at the Hospital and services provided, such as streaming Internet video)
- At least 1 static internet IP address needed (if using ATI-provided firewall)
 - IP info must be provided prior to the day of MCS installation
- Demarcation point must be located within reasonable distance of the ATI MDF rack for connection to the firewall

ADT – An ADT connection is required between Hospital and the ATI Data Center. This connection can be made via VPN (preferred) or direct Ethernet connection at the hospital.

Hospital Network – If the system is to be installed over the hospital's existing physical network, the following requirements must be met:

- Separate VLAN for the Interactive Patient System. If multiple routed VLANs are used, hospital must configure IP helper address to point to Interactive Patient System servers for DHCP
- Hospital backbone must be at least gigabit speed. 2Gb or 10Gb backbone preferred when running IPTV
- If multiple routed VLANs are used, multicast routing must be enabled
- The Interactive Patient System VLANs must be in a DMZ or otherwise firewalled from the rest of the hospital network
- Edge switches must have LLDP enabled with TLV's for switch name and port description

Ethernet – CAT 5e or CAT 6 cable running from IDF to a connector near each TV/monitor

Electrical – One electrical receptacle with two outlets is required near each TV/monitor. Additional outlets are needed if other devices are to be connected to TV/monitor (e.g., gaming boxes and DVD players).

TV/monitor – Coax cable providing TV signal to a connector located near each TV/monitor

Pillow Speaker – For footwall mounted TVs/monitors that use wired pillow speakers or wired keyboards, cross-room wiring is required from the patient headwall jack to a connector located near each TV/monitor. Pillow speaker wiring must not interfere with the nurse call system.

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ATTACHMENT F

OEM	Product(s)	OEM Warranty Period
Anacom Medtek	IMX unit	2 years
Dell	Video server	3 years
Habey Industrial Computer	Computer	5 years

Warranty periods shall commence upon the date of delivery receipt by Hospital.



Justification for Sole Source Form

To: Sentrics (Allen Technologies, Inc)

From: Audrey Parks, CIO

Type of Purchase: (check one)

- Materials/Supplies
 Data Processing/Telecommunication Goods > \$25,000
 Medical/Surgical – Supplies/Equipment > \$25,000
 Purchased Services

Cost Estimate (\$):	\$430,668
Vendor Name:	Sentrics (Allen Technologies, Inc)
Item Title:	Interactive Patient Care Solutions System

Statement of Need: My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of the SVMHS. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

Describe how this selection results in the best value to SVMHS. See typical examples below.

- Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe why it is mandatory to use this licensed or patented product or service:**
- Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe. If product is off-the-shelf, list efforts to find other vendors (i.e. web site search, contacting the manufacturer to see if other dealers are available to service this region, etc.).**
Salinas Valley Memorial Healthcare System (SVMHS) currently utilizes Sentrics, formerly known as Allen Technologies., Inc (ATI) as the interactive patient care systems or patient education and entertainment solution. The solution is used by patients to access patient education videos, CARE Channel (relaxation videos), Dish Network content and more. The current solution is satisfactory and we have an infrastructure already installed to support Sentrics' interactive patient education and entertainment solution. There is little interest in replacing this solution within the proposed 3-year renewal. We would like to renew the support agreement for an initial 3-year term followed by 1-year annual renewals.
- Uniqueness of the service. **Describe.**
- SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Attach documentation from manufacturer to confirm that only one dealer provides the product.**
- Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**
- Used item with bargain price (describe what a new item would cost). **Describe.**
- Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, **Describe:**

By signing below, I am attesting to the accuracy and completeness of this form.

Submitter Signature: 

Date: 01/05/2022

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of contract award to Mercury Healthcare for a new Customer Relationship Management (CRM) platform

Executive Sponsor: Adrienne Laurent

Date: January 24, 2022

Executive Summary

Salinas Valley Memorial Healthcare System (SVMHS) leverages various technologies in its outreach to the community – from broad based traditional media advertising to more targeted, granular communication to individuals. A key element of our communication strategy centers on a personalized approach in our communication to patients, prospective patients, and stakeholders. A Customer Relationship Management platform is a critical element to that strategy.

Background

Customer Relationship Management (CRM) platforms are a standard tool used by marketing departments across the country, allowing organizations to engage patients strategically, improve the patient experience, and open targeted communication to greater segments of the community.

Some of the specific objectives of a CRM solution include:

- Improving the patient experience at all engagement points via a seamless digital experience
- Eliminating data silos, curating all available data, and identifying best next action insights for engagement
- Providing greater ability to influence potential patients early in their decision journey to increase engagement and influence patient retention
- Streamlining technologies and workflows to create efficiencies
- Receiving ROI reporting on all campaigns and initiatives

Salinas Valley Memorial Healthcare System has employed the use of a CRM since 2014, when we became a beta test site for the Advisory Board's CRM solution. Through a series of acquisitions, Optum has become our CRM vendor. It is our opinion that SVMHS and our local community would greatly benefit from a more robust CRM platform than the one in place today.

We reached out to three vendors with a Request for Proposals: Mercury Healthcare (previously known as Healthgrades), SymphonyRM and Optum (our current CRM vendor). Mercury Healthcare was the clear leading proposal due to their customer support, extensive experience with healthcare clients, ROI reporting capabilities, and campaign tracking dashboard.

Timeline/Review Process to Date:

10/2014: SVMHS retains first ever CRM through Advisory Board

1/11/21: Distribute RFP to three vendors

2/15/21: 3/1/21: Site visits from vendors for platform presentations

11/23/21: Final determination made to engage Mercury Healthcare

12/16/21 – 1/7/2022: Contract review period

Strategic Plan Alignment:

With the Mercury Healthcare CRM platform we will be able to leverage technology to reach people in our community with personalized information regarding the services we can provide for them, resulting

in engaged and informed patients with whom we can build long-term relationships. This will open access to care, build brand awareness, and elevate our level of consumerism – all for the benefit of the people in our community.

Pillar/Goal Alignment:

X Service People Quality Finance X Growth X Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms													
1. Proposed effective date	January 27, 2021												
2. Term of agreement	Three years												
3. Renewal terms	After the 3-year contract is completed, one year renewal periods follow												
4. Termination provision(s)	Either Party may terminate an Agreement, effective upon written notice to the other Party if the other Party materially breaches the Agreement and does not cure such breach within thirty (30) days after receipt of written notice of such breach. Upon the early expiration or termination of an Agreement for any reason, MHC shall cease its provision of the Service and, on a pro rata basis, repay all Fees paid in advance for any Services which have not been provided to Customer or its Affiliates through the effective date of termination.												
5. Payment Terms	Payment is annual, due 45 days from the invoice date												
6. Annual cost	\$217,900												
7. Cost over life of agreement	<table border="1"> <thead> <tr> <th>Amount</th> <th></th> </tr> </thead> <tbody> <tr> <td>\$217,900</td> <td>Year 1 Subscription fee</td> </tr> <tr> <td>\$217,900</td> <td>Year 2 Subscription fee</td> </tr> <tr> <td>\$217,900</td> <td>Year 3 Subscription fee</td> </tr> <tr> <td>\$93,375</td> <td>Professional Services (one-time fee made during year 1)</td> </tr> <tr> <td>\$747,075</td> <td>Total</td> </tr> </tbody> </table>	Amount		\$217,900	Year 1 Subscription fee	\$217,900	Year 2 Subscription fee	\$217,900	Year 3 Subscription fee	\$93,375	Professional Services (one-time fee made during year 1)	\$747,075	Total
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\$93,375	Professional Services (one-time fee made during year 1)												
\$747,075	Total												
8. Budgeted (indicate y/n)	\$85,168/year budgeted for Optum product; \$132,732 unbudgeted												

Recommendation

Recommend to the full Board approval of this Mercury Healthcare contract in the amount of \$747,075 for a 3-year term with an effective date of January 27, 2021.

Attachments

- (1) Request for Proposal
- (2) Mercury Healthcare (Healthgrades) quote/RFP Response
- (3) Final contract/BAA with Mercury Healthcare (fully reviewed)



Request for Proposal
For
Customer Relationship Management (CRM) Vendor

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Introduction and Background

Salinas Valley Memorial Healthcare System (SVMHS) has undergone significant transformation. The dramatic shifts in the national healthcare landscape have resulted in profound changes to the health care delivery system of California's Central Coast region. We are in a period of unrivaled innovation that finds local providers coming together to reimagine healthcare in an effort to provide better care more affordably, and to improve the health of the community. We see this as an optimal time to utilize the findings of a CRM to reach those in Monterey County. Salinas Valley Memorial Healthcare System is a local healthcare district in the heart of Steinbeck country, the Salinas Valley. The significant growth for the healthcare system over the last six years came on the heels of great challenges. SVMHS, like many healthcare systems during the economic downturn, suffered a significant financial challenge.

By contrast, we are enjoying remarkable success and growth. We are financially stable, and we are living out our mission more fully than ever before. We are a payor-blind organization, opening access to all, with a focus on wellness.

System Overview

Salinas Valley Memorial Healthcare System is transforming from an institution focused on providing acute care medical services at its tertiary care facility, Salinas Valley Memorial Hospital (SVMH), to an integrated organization providing a variety of healthcare services throughout its service area.

Salinas Valley Memorial Healthcare System includes:

- Salinas Valley Memorial Hospital – an acute care hospital licensed for 263 beds and a medical staff of 335 physicians practicing in 42 medical specialties and subspecialties. The hospital employs nearly 2,000 people.
- Urgent care clinics – SVMHS owns 10 urgent care centers in Monterey and Santa Cruz counties, including Doctors on Duty, Salinas Urgent Care, Harden Urgent Care and the student health center at California State University, Monterey Bay. Salinas Valley Memorial also has partial ownership in three Pinnacle Urgent Care centers—two in Salinas and one in King City.
- Salinas Valley Medical Clinic, a multispecialty clinic operated pursuant to California Health & Safety Code 1206(b), which includes 25 physician specialties, more than 140 providers, and a Diabetes Care Clinic.
- Taylor Farms Family Health & Wellness Center in Gonzales, a primary care clinic that provides preventive care, wellness initiatives and disease management programs.
- Outpatient care and diagnostic centers:
 - The Ryan Ranch Center for Advanced Diagnostic Imaging, which gives patients access to cardiology experts and top technologies for comprehensive cardiovascular diagnosis.
 - The Cardiovascular Diagnostic Outpatient Clinic in Salinas, which provides cardiac and vascular imaging and cardiac stress tests for patients with coronary artery disease,

peripheral vascular disease, neurovascular disease, cardiomyopathy, congestive heart failure and vascular disease, as well as those needing cardiovascular risk assessments and help with cardiovascular disease prevention.

- The Cardiac Wellness Center, which provides comprehensive cardiac care and wellness services for patients who have undergone a heart procedure. One of only 37 such programs in California certified by the American Association of Cardiovascular and Pulmonary Rehabilitation, this program includes medically supervised exercise, education, support and encouragement in a safe, monitored setting.
- The Wound Healing Center – a physician-led, technologically advanced outpatient center designed specifically for patients with chronic, non-healing wounds.
- The Cancer Resource Center, a program that provides patients, family members and the public with information and resources related to cancer diagnosis, treatment, risk reduction and emotional support. This program is available free of charge to the entire community and is not restricted to patients of SVMHS.
- The Nancy Ausonio Mammography Center, which provides breast cancer diagnostic and screening procedures.
- The Sleep Medicine Center, which provides diagnoses and therapies for people with sleep disorders such as insomnia, narcolepsy, sleep apnea, snoring and restless leg syndrome.
- The Infusion Center (under construction). This stand-alone center will provide a state of the art, comfortable environment for patients undergoing chemotherapy.
- Partnerships & Joint Ventures:
 - Montage Health – Joint ownership of three entities designed to improve community health: Aspire Health Plan, Community Health Innovations (CHI) and Coastal Management Services. Aspire Health Plan offers a Medicare Advantage plan, which allows for top-rated hospital care, doctors and drug benefits within a single plan. CHI supports the new focus on wellness and prevention through coordination of care, disease management and patient experience improvements. Coastal Management Services provides administrative services, including claims processing. The partnership gives SVMHS a 49 percent stake in the three organizations.
 - Central Coast Health Connect – A health information exchange in Monterey County offered in partnership with Community Hospital of the Monterey Peninsula and Natividad Medical Center; SVMHS has 50 percent ownership and governance.
 - Central Coast Visiting Nurse Association & Hospice – SVMHS is a governing member of the VNA. This program provides home healthcare services and hospice for people living throughout Monterey and San Benito counties as well as the southern portions of both Santa Cruz and Santa Clara counties.
 - Joint venture with Stanford Children’s Health in a Level III neonatal intensive care unit (NICU) and Perinatal Diagnostic Center. The NICU partnership allows SVMH to care for critically ill babies on-site. Additionally, Salinas Valley Memorial’s Perinatal Diagnostic Center, a partnership with Stanford Children’s Health Lucile Packard Children’s Hospital, is the first and only center in Monterey County specializing in high-risk pregnancies.

- Monterey Peninsula Surgery Centers (five locations) – SVMHS is a co-owner of these outpatient surgical centers, which partner with 200 top area surgeons to offer a wide variety of surgeries.
- Vantage Eye Surgery Center – SVMHS is a co-owner of this Medicare-approved outpatient facility offering a wide range of services, including surgical procedures for the care of all ocular conditions.
- Salinas Valley Imaging – SVMHS is a partner in MRI services.
- Brookdale at Harden Ranch – SVMHS owns 100 percent of the building and land at this assisted living residence, which serves memory care residents as well as assisted living residents.

SVMHS takes very seriously its mission to “improve the health and well-being of our community.” We have recently entered into a multi-year agreement with the Blue Zones Project, and will launch the program in May 2019.

Mission, Vision, and Values

MISSION

It is the mission of Salinas Valley Memorial Healthcare System to provide quality healthcare to our patients and to improve the health and well-being of our community.

VISION

To be a center of excellence where an inspired team delivers compassionate and culturally sensitive care, outstanding quality, and an exceptional patient experience.

STAR VALUES

Support: We support each other to put our patients and families first.

Teamwork: Together we pursue excellence and exceptional performance with passion.

Accountability: We take personal responsibility for our professional conduct in delivering results.

Respect: We respect our patients, each other, the community and the environment by demonstrating integrity, honesty, fiscal responsibility in everything we do.

Request for Proposal Scope of Services

The current CRM that Salinas Valley Memorial Healthcare System is using was put in place a few years back. We began our first foray into CRM with the Advisory Board's product; the Advisory Board was acquired by Optum in 2017 and we transitioned to their new platform in early 2020. That tool is still in place today and being used by the SVMHS marketing team.

There have also been leadership and team changes in the marketing department at SVMHS since our initial investment in a CRM product. As part of our organization's commitment to the regular evaluation of tools and vendors, we are initiating this RFP process.

As a small healthcare system, our organization is looking for a vendor that can become an extension of the team. We do not have an in-house data analyst to help us identify and facilitate all of the opportunities in which we can and should be reaching out to our community. Therefore, our ideal CRM product would be able to provide a strong level of customer support and consulting services.

Administrative Information

Contact Information

Contact: Alan Shoebridge
Director of Marketing and Communications
Salinas Valley Memorial Healthcare System
450 East Romie Lane
Salinas, CA 93901
831-759-1818
ashoebridge@svmh.com

RESPONDER Contact Information

Provide the following information for a single point of contact for RESPONDER's response.

Contact's Name: _____
Title: _____
Firm Name: _____
Address: _____

Telephone: _____
Email Address: _____

Schedule of Events

- **RFP issued: Monday, January 11**
- Questions from agencies: January 11-February 1.
- **RFP is due: Monday, February 8**
- Finalist presentations: February 15-March 1
- Expected selection: April 2021

Request for Proposal Response Preparation Instructions

Response Format

Responders should submit material in hard copy (3 copies) and PDF version submitted by email or FTP site.

Capability Questions

1. Please provide a brief history of your company.
2. Provide a brief background and experience in the healthcare CRM space.
3. What percentage of your CRM clients are in the healthcare industry?
4. How many CRM customers do you have of similar size as scale as SVMHS?
5. What are the things that sets your proposed solution apart from similar solutions by other vendors?
6. Describe your technical support model, including what support is available. We have limited resources and don't have time to become experts of the tool.
7. What is expected from our team after we go live?
8. How easy / intuitive is it to use your platform? Please provide a few examples.
9. Is consumer data included as part of your proposed solution?
10. What internal client data is used by your solution? What process is used for you to acquire it? What is the process for verifying its accuracy following load to the platform?
11. How much historic data do you accept for initial build?
12. Can your platform manage multi-channel campaigns?
13. Describe your method of calculating / how your platform determines control groups and calculates ROI of marketing campaigns.
14. What is your roadmap /plan for future enhancements/capabilities?
15. Describe your capabilities relating to customer/prospect record matching (including de-duplication / data hygiene).
16. Describe your record/profile management capabilities. Include details on how customer attributes and interactions are captured/utilized.
17. Do you offer predictive models as part of your CRM?
18. Briefly describe your predictive models – their focus, their use case for us, if they apply to households or individuals, how many are included in the contract, etc.
19. What other support can you provide around segmentation and analysis?
20. Describe any functionality to easily create targeted audience lists and campaigns.
21. Describe your capabilities to designate phone numbers for call tracking and call center channel attribution tracking purposes.
22. Describe how actual campaign results data is captured and stored at an individual and campaign level and include how this data is leveraged for future campaigning.
23. If your proposed solution includes Marketing Automation, describe the feature set/capabilities.
24. Can HTML emails be created within platform by a user, without knowledge of HTML or coding? Do you offer email templates for use?
25. Does your team help in the creation of emails, automation, etc. without an additional charge?
26. Is there a limit on the number of emails sent daily/monthly/annually?
27. If we manage social outside the platform, please describe the different ways/processes for how we could attribute and calculate ROI for our social channels.
28. Do you offer landing page templates? Included? If so, how many? If not, what is the fee for you to create them?

29. Describe your platform's "Population Health" capabilities and provide examples of how your clients are utilizing them.
30. Describe the standard (out-of-the-box) reports available.
31. Describe what custom report capabilities are available including the ability to include custom data fields in reports.
32. Describe your capabilities around Web analytics. Can you identify visitors to our site who are and are not yet in our CRM?

Security

1. Provide an overview of your data security capabilities and HIPAA compliance related information.
2. Does the application store, manage, receive, send, or manipulate:
 - a. Personally-Identifiable Information (PII) - such as MRNs, patient names, SSNs, etc.
 - b. Personal Health Information - such as patient conditions, diagnoses, or treatments, etc.
 - c. Financial Data - such as account, billing, or credit card data, etc.
 - d. If yes to any of the above, is data encrypted in motion and at rest? How?

Implementation

1. Describe your implementation process, estimated timeline and support needed (both provided by you as well as by us) during implementation. Provide a timetable outlining how long a project of this scope should take, including major steps, specific deliverables, and responsible parties.
2. Please outline the solution training provided. Will we have access to ongoing training? If so, is there an additional fee?
3. What other services do you provide that can enable our current and future strategies that aren't included with your CRM proposal?

Pricing

1. Propose a fee schedule for a three-year contract period for your platform (i.e. – CRM and Marketing Automation). Please include all fees to make your solution function.
2. What fees will we incur relating to platform upgrades/new releases?
3. Describe multi-year pricing locks that are available as well as any known pricing changes that are planned.

Supplemental Information

Provide identified case studies of your clients' performance using your services and a copy of your standard agreement.



RFP Response

Customer Relationship Management
for:



February 8, 2021

Presented by:

Steve Leibforth
Senior Vice President, Regional
Sales
(630) 229-2843
sleibforth@healthgrades.com

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Cover Letter

Dear Ms. Leavitt and the SVMHS team,

Thank you for your interest in Healthgrades' CRM solution. Our team is excited about the potential collaboration with the Salinas Valley Memorial Healthcare System team and creating a strategic partnership with SVMHS. Our intention is to create a relationship where Healthgrades serves as a strategic market advisor and assists in the development and execution of initiatives to deliver sustainable value.

Healthgrades' solution will enable critical objectives such as:

- Improving the patient experience at all engagement points via a seamless digital experience
- Master your data by eliminating data silos, curating all the 1st, 2nd, and 3rd party data available, and identifying best next action insights for engagement
- Providing greater ability to influence potential patients early in their decision journey to increase lead conversion and influence patient retention
- Streamlining technologies and workflows to create efficiencies for your team

Healthgrades is a technology enabled, healthcare focused services company that engages customers strategically and has achieved proven trusted advisor status with 1,500+ hospitals across the country. Our customers include some of the largest health systems in the country, regional networks, prestigious academic medical centers and specialized provider organizations. Healthgrades' technologies provide differentiating value, but our customers repeatedly point to our employees and their proven subject matter expertise and ability to provide prescriptive guidance as the critical differentiator in their success.

Healthgrades bundles a comprehensive array of proven Success Services with the purchase of our platform. This includes experienced account management, project management, training and support resources, but also premium consulting and strategic planning services. The combination of expert driven services and specialized resources is proven and has repeatedly been used with other Healthgrades' customers to generate highly successful outcomes.

Enclosed you will find our response to the RFP and qualifications. Please reach out should you have any questions as you review our response. We look forward to further discussions about our services.

Sincerely,

Steve Leibforth
Senior Vice President, Regional Sales
sleibforth@healthgrades.com | (630) 229-2843



Capability Questions

1. Please provide a brief history of your company.

Founded in 1998, Healthgrades is the leading digital healthcare brand that connects consumers, physicians and hospitals to make the right care decisions. We provide data-driven digital health marketing and technology solutions that enable customer acquisition, patient engagement and lifetime value. Our solutions are differentiated based on our insights that drive performance and our technology platform that ensures broad distribution. Over 1,500 hospitals rely upon Healthgrades, using our solutions to build their brand, to target and increase engagement with physicians, consumers and patients, and to measure the results of their engagement strategies. We help hospitals reach and motivate people at moments that matter to measurably improve clinical and financial performance. From our headquarters in Denver and offices in Atlanta, Austin, Birmingham, Detroit, Farmington, Madison, and Raleigh, we are dedicated to delivering solutions that bring a new level of transparency and access to healthcare. Healthgrades' full solution suite is longitudinal, designed to enable health systems to connect with, convert and manage relationships with physicians, consumers, and patients. We can provide your CRM needs today and our other solutions may be useful for you in the future as your strategies grow.

- Physician Relationship Management
- Healthcare Websites
- Engagement Center for Call Centers
- Strategic Marketing Services
- Patient Direct Connect (Healthgrades.com)
- Quality Improvement & Achievement

2. Provide a brief background and experience in the healthcare CRM space.

Healthgrades is the leading digital healthcare brand that connects consumers, physicians, and hospitals to make the right care decisions. As the first to bring healthcare-specific Customer Relationship Management to the industry 30 years ago, we provide data-driven digital health marketing and technology solutions that enable customer acquisition, patient engagement, and lifetime value. Our CRM was the first in healthcare, so our longevity and experience working with more hospitals than the other CRM providers is what sets us apart. The predictive models were developed from the same IP which originally powered credit scoring within the financial industry - the IP was retained for use in healthcare. With that our CRM was developed and began serving hospitals with precision targeting and one-to-one communications to individuals, patients, and non-patients. We have been healthcare exclusive for decades and currently have more than 1,500 hospitals utilizing our CRM. We are experts in data integration, modeling, personalized messaging and validated measurement. In addition to offering a CRM system that enables speed to market through digital marketing capabilities, we also provide end-to-end services to support multi-channel engagement strategies. We are experts in multichannel marketing having developed and delivered more than 13 million personalized messages last year for clients. Our platform is best in class and is continuously evolving so that our customers are prepared to meet current and future industry challenges. It is differentiated by its unique ability to identify and predict, with statistically and measured high levels of confidence, the risks potential, compliance profile, and responsiveness of patients and populations.



3. What percentage of your CRM clients are in the healthcare industry?

100% of our business is healthcare-focused.

4. How many CRM customers do you have of similar size as scale as SVMHS?

We have 61 hospital clients with a similar bed count as SVMHS; we also have clients of national scale as well as smaller health systems and community hospitals.

5. What are the things that sets your proposed solution apart from similar solutions by other vendors?

Healthgrades' combination of provider solutions is unique to the industry and therefore there are few if any other vendors able to provide the complete solution that Healthgrades can. Healthgrades experience, our longevity, and commitment to our customers, the breadth of our solutions and services as well as our commitment to transparent knowledge sharing is unsurpassed. Our differentiators are many and the primary ones include:

Depth of data. Hg Mercury CRM can give you such a full, precise, actionable picture of your market. Learn your population's health needs and identify the most promising opportunities.

- Largest repository of American consumer healthcare data — encompassing nearly 250 million individuals, nearly 1.5 billion encounters, and over 9 billion diagnosis and procedure codes.
- Real-time intelligence on market demand, sorted by zip code and service line, based on over 1 million provider searches daily at healthgrades.com
- Insight into clinical outcomes, including mortality rates and complications.
- Native integration with healthgrades.com data giving insights into market-level trends, patterns in behaviors, and near real-time shifts in how consumers find and use healthcare

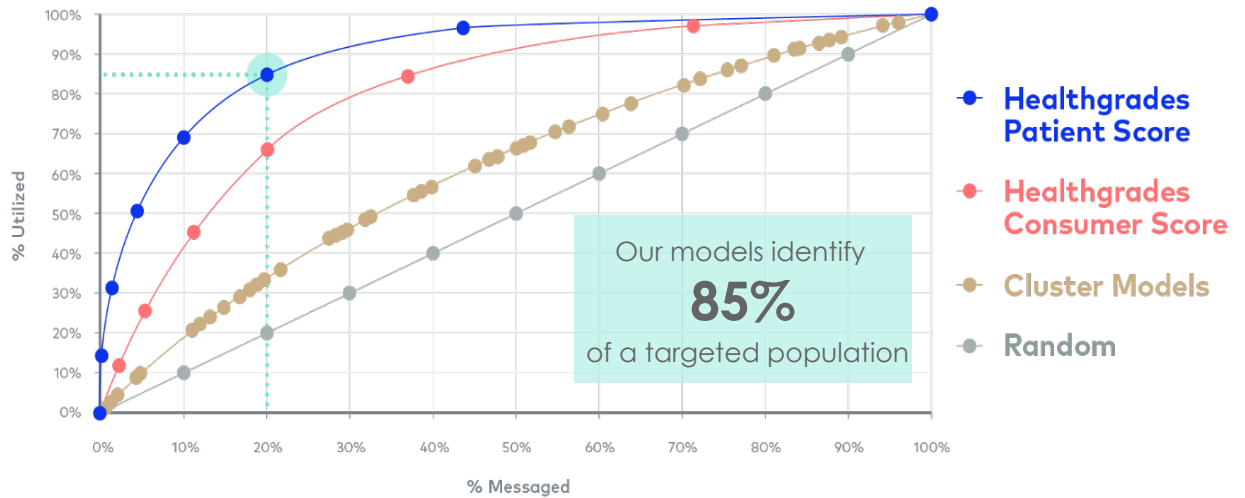
Healthcare-specific models and expertise. Should you be using the same CRM used by retail, tech, and other industries? Or do you want a solution and vendor that understands healthcare? Our models were the first predictive models developed specifically for healthcare and have been continuously enhanced for 30+ years by our in-house data science team. SVMHS will have access to 500+ predictive models through a partnership with Healthgrades. Some additional insights on our predictive models:

- Healthgrades Predictive Models are uniquely trained using the most robust healthcare specific dataset available. Demographics, socioeconomic, geographic and social determinants of health information on 250 million individuals is merged at an individual level with over 1.5 billion medical encounters.
- The models are continuously enhanced, maintained and constantly learning using nearly 1.5 billion encounters and over 30 years of segmentation, campaign, and response data from over 250 million individuals. We are currently on our 5th generation of predictive models.
- The predictive models create a score for each disease state for every individual in your defined market. To predict risk, the consumer models analyze 50+ demographic variables including age, gender, income, marital status, presence of children, and likelihood to utilize services. The patient models analyze 300+ variables including demographic information, patient encounter data, and family history. Once risk propensity is modeled, the data is enriched with consumer behavioral data.
- Individuals are scored from 0-999 to indicate each person's propensity to use healthcare services as defined by ICD, MS-DRG, and CPT categories. All scores are a relative ranking versus other individuals in your database. Patients and non-patients are automatically



rescored each time more data become available, so individual-level predictions are always based on the best possible information.

- To verify predictive model accuracy, we study the lift (i.e. – how well the model performed in identifying the right audience) for each model in a holdout sample. For instance, we've found that our Cardiology patient risk models allows our clients to target up to 85 percent of patients most likely to need services by reaching out to only 20 percent of the total market area (see chart below). Each month tests are performed to ensure models are accurately identifying targets.



Study based on Cardiology model. Results may vary by individual service line.

- The effectiveness of the models is evaluated on a hold-out dataset using AUC, the area under the receiver operating characteristic (ROC) curve. Additional metrics such as Sensitivity, Specificity, Positive Predictive Value, Negative Predictive Value, and F1-Score are also examined.
- Our models focus on behaviors and find variables that objectively predict the likelihood of an outcome, which eliminates racial or ethnic bias that lookalike modeling often creates.
- Our combination of cutting-edge artificial intelligence, access to one of the largest and most robust healthcare data repositories in existence and years of experience has made Healthgrades predictive models some of the most established and proven in healthcare.

Support when you need it. We fill the gaps so you can concentrate on higher-level priorities and take marketing from a cost center to a profit center.

- Assigned account manager, included platform configuration, integrated support
- Recommendations based on millions of communications we've executed for other health systems.
- A strategic partner with in-house experience and resources in areas like contact center, creative services, digital strategy, website design, and direct mail -- optionally available to support you when you need it.

Decades of experience. Things are easier with a partner who knows the industry landscape. They're even better with a partner who's been pioneering healthcare CRM for more than 30 years.

- CRM solution in the market and continuously improved for over 30 years.

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- More than 1,500 hospital clients of all sizes.

Most healthcare CRM experience in the industry — we know best practices.

- A modern, responsive, future-proof platform. The powerful, flexible Hg Mercury CRM lets you harness your data to drive the most complete understanding of your market
- A digital marketing foundation that combines the power of traditional and digital marketing tools to drive a holistic experience for the consumer
- Open architecture to give you maximum flexibility.
- With the real-world predictive power of artificial intelligence embedded within the CRM, healthcare marketers deliver service line growth, engage consumers across their journey, and optimize strategies through campaign performance tracking and ROI.

6. Describe your technical support model, including what support is available. We have limited resources and don't have time to become experts of the tool.

Client Support Model

Client success is a top priority at Healthgrades, and our support services are designed to expedite and optimize client utilization of the platform. The support service includes a dedicated customer success team, dedicated support resources, online guidance, 24x7 product support with expedited SLAs, and enhanced training offerings. Our goal is to offer complete CRM solutions, not simply a technology. This encompasses strategic support and insights to create and execute effective strategies and engagement initiatives. This strategic support is a differentiator and what sets Healthgrades apart. Additionally, all CRM clients are assigned a Product Support Specialist that provides CRM and Marketing Automation premier-level support. They can assist with tasks such as marketing communication list consultation and/or execution, Reporting configuration or interpretation, ad-hoc platform education, ad-hoc list load ingestion, marketing automation consultation, troubleshooting, and best practices consultation. This role is included in our premier support package which is included in the fees for the platform.

Healthgrades CRM Success Package

Value-added services to enable customer success with their new Healthgrades CRM platform.

Client Success Director

Your Client Success Director (CSD) is assigned to your account as your primary point of contact with Healthgrades. The role of the CSD is to understand your business needs, guide you in optimizing your investment with Healthgrades, and provide direction and support as needed. They are surrounded by a team of strategists, analysts, project managers, data scientists, and technical experts.

Bi-Weekly/Weekly Engagement Calls

Based on your needs, your CSD will host a regular cadence call, including members of your Healthgrades account team as appropriate, to review new initiatives, project status updates, campaign performance, and solution enhancements.

Quarterly Deliverables

Quarterly, your CSD will visit you onsite for a deep dive into optimization, performance reporting, and review new solutions and opportunities.

- Quarterly Campaign Performance Report - Performance analysis of managed campaigns including actionable insights and recommendations.



- Regular Data Insights and Opportunity Review - Proactive review of new opportunities as identified by the data, changes in the market, new solution offerings, or as requested.
- Solution Update - Presentation of new solutions, product enhancements, and educational materials such as webinars, thought leadership papers, etc.

Annual Deliverables

Annually, your CSD will work with your account team to provide you with proactive analysis and recommendations based on your top business objectives.

- Business Strategy Review - Discussion around your primary objectives for the year with specific goals and key performance indicators to measure success.
- Market Analysis and Opportunity Roadmap - Data and analytic analysis to provide you with insights into opportunities to achieve your business objectives.
- Analytics Packages - Access to three analytics packages per year, designed based on best practices that meet business objectives (these packages incur additional fees)
- Brand and Creative Review - Overview of Fusion Strategic Marketing Services, review of best practices and discussion around your brand, tone, personality, etc. to ensure any creative work executed on your behalf looks as if it came directly from you.
- Partnership Review - Summary of partnership to date, including investment, results, and next steps. Includes an onsite presentation with executive leadership.
 - Review of prior year objectives
 - Results and activation summary: Growth, Awareness, Engagement, Acquisition, Retention

Access to HealthShare Symposium

Free registration to Healthgrades' premier industry event where you can connect and network with preeminent leaders in healthcare and explore innovations in consumerism, technology, and marketing. HealthShare is a unique and energizing event for healthcare executives sponsored by Healthgrades. Registration is free for Healthgrades customers. HealthShare Symposium 2021 will be held October 4-6, 2021 at the iconic Loews Miami Beach hotel. This year, the world has dramatically transformed, and we are learning to live in a "new normal." This reality has inspired us to do things differently in all aspects of our lives. In response, health systems have evolved, reorienting to new realities and regaining momentum during these unprecedented times. HealthShare Symposium 2021 will explore these pivotal changes by bringing us together to share insights, best practices and new strategies. Through peer-to-peer learning opportunities, interactive workshops, and mainstage presentations from leaders in healthcare, technology, and media, we will together explore this new path forward. Learn more at <https://healthsharesymposium.com/>

Access to Hg Fusion Strategic Services

Enhance your healthcare marketing effectiveness with CRM insights, strategy development, media planning and buying, and full-service creative execution. Named one of the Top 10 Healthcare Marketing Consulting/Services Companies in 2019 by Healthcare Tech Outlook. (Additional SOW by program post-CRM build)

Technical Support Model

Product support is provided through a dedicated product support specialist that will be your go-to resource for day-to-day platform education and ad hoc research that may be needed. SVMHS will also have access to our technical support team that provides support and handles all maintenance,



including updates, releases, and ongoing data updates. Healthgrades provides technical support via email, phone, or the support portal during standard business hours (7am-5pm CT). Technical support for outages is available 24/7. There are 3 ways to contact the support team:

- Portal - Submit tickets through support.healthgrades.com
- Email Support - support@healthgrades.com. Open tickets by using email support. State the question/issue in the email and send. The email will be logged in the web portal and a ticket number will be issued for tracking purposes and follow-up reference
- Call Support - 1-800-332-2631 Ext. 1. Reach the Service Desk during business hours leave a message with details and contact information and a member of the Support team will return the call or contact the user via email during business hours

	PREMIER
Expedited SLAs	✓
Ticket submission 5 days/week from 7am - 5pm CT	✓
24x7 downtime support	✓
24x7 product support via phone and ticketing/portal	✓
Designated Premier Support Specialist	✓
Online training and help content	✓
Training, onsite as possible, customized training exercises, and quarterly enhancement sessions	✓

7. What is expected from our team after we go live?

We feel that it is imperative for the client to be an active participant and partner in our account management process. We take a collaborative approach, engaging your team throughout with the goal of demonstrating extraordinary value by bringing insight-driven recommendations and solutions to achieve maximum measurable results.

Clients who are most successful with our CRM solutions are actively engaged with us; helping us to understand objectives, challenges and needs to help ensure in-depth solution utilization and appropriate recommendations to solve your needs. Each Healthgrades client is successful based on their specific parameters for success as our healthcare-only CRM platform enables our clients to better understand and utilize data to identify, selectively target, and actively engage consumers and patients in their health care.

Our included customer success team will recommend the ideal message for your target, and the most effective channel. This type of service from your provider is extremely important to ensure you are leveraging the data platform to its fullest capacity. The customers achieving the highest success and satisfaction regularly engage with our services team to share objectives and strategies, understand insights, and partner on optimizing success.

8. How easy / intuitive is it to use your platform? Please provide a few examples.

Hg Mercury CRM is a SaaS platform delivered through a secure web connection and used in a web browser. Our easy to use web interface is optimized for desktop & tablet and comprises standard & custom web forms, tables, and charts as well as export to common document formats such as Excel.



The Main Navigation bar of the CRM application provides quick access to the main areas and is anchored to the top of the user experience.

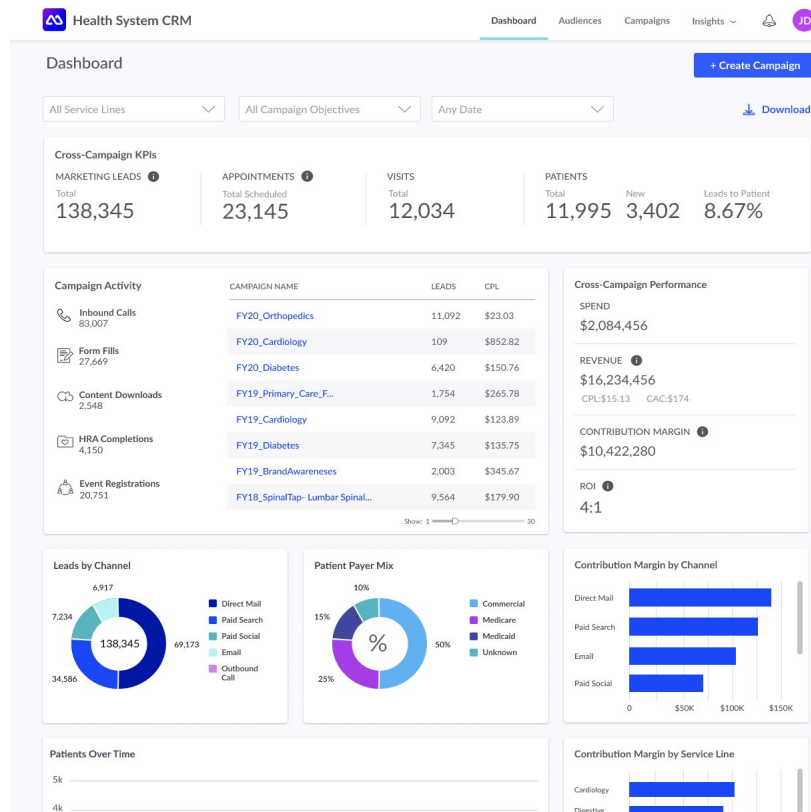


Dashboards

Assess the overall health of your marketing efforts and system trends with a series of intuitive dashboards. These dashboards display key performance metrics at-a-glance, aggregating critical data from a variety of sources, including your patient encounter data, demographic data obtained by Healthgrades, and marketing campaign data recorded in the CRM, such as marketing leads, appointments, visits and total patients acquired across campaigns.

The dashboards allow you to:

- Make well-informed decisions about future campaigns. Metrics include leads by channel, contribution margin by channel or by service line, and more.
- Analyze patient acquisition and retention
- Filter metrics based on service line, campaign objective or timeframe
- Export metrics to a PDF.



Campaign Insights

Turn your audience insights into action with Campaign Insights. Match key audience segments to the media channels that reach them most effectively, optimizing your campaign and maximizing your ROI. The campaign moves the linked audience(s) through the desired engagement channels and allows you to monitor (and optimize) performance via dashboards and detailed reports.

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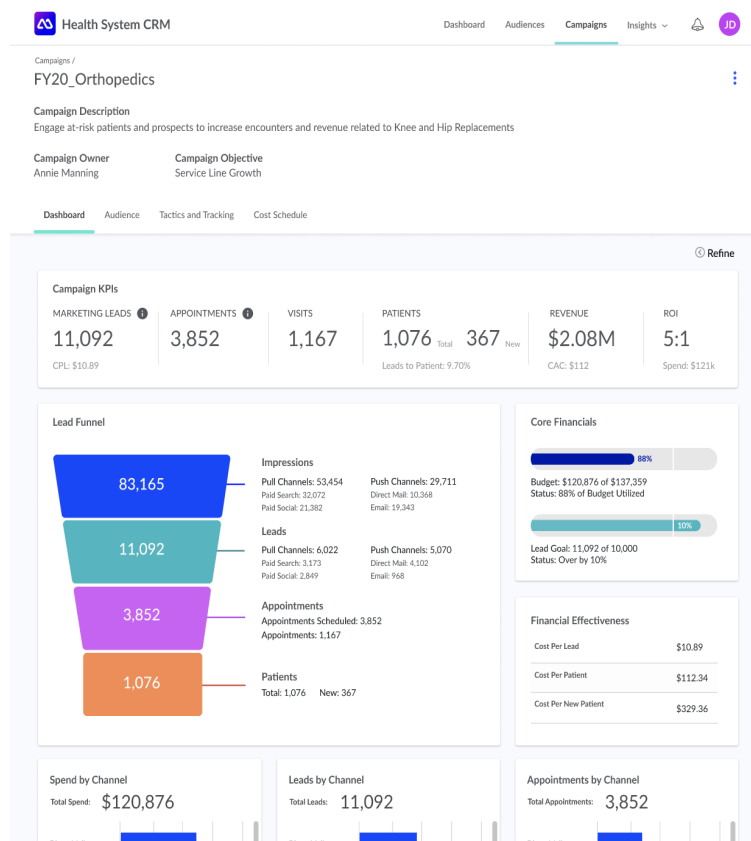
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Within the Campaigns component, you can:

- Link a target audience to a campaign and select the desired engagement channel(s) to automate your campaign, download mailing lists, and more.
- Prioritize and deduplicate by channel availability to optimize your marketing spend or include contacts across all channels for more coverage.
- Record identifying details of the campaign such as name, purpose, campaign lead, and allotted budget.
- Specify tracking criteria to assess the campaign's performance and identify opportunities to further optimize it.
- Monitor and report on key performance metrics such as conversions, contribution margin, and financial performance.



Audience Insights

Audience Insights allows users to analyze audiences based on a variety of attributes including encounter data (condition, diagnosis, procedure, etc.) demographics, consumer data, activity data such as web form completions, and predictive models. It is a user-friendly tool used to identify and organize the people most likely to engage with your marketing efforts. Select individuals with intuitive criteria and link the resulting audience to a campaign, to seamlessly move them through your desired engagement channels. In Audience Insights you can:

- **Target** your marketing efforts to small, well-defined groups for maximum efficiency and ROI.
- **Choose** from a broad selection of criteria to refine your overall audience and create logical audience groups.

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- **Monitor** in real time how the makeup of the audience — payor mix, channel availability, age, gender, and more — changes as you apply or remove criteria
- **Apply criteria visually** using map-based criteria to visualize your health system's geographic location or select individuals. Refine your selections with AND/OR statements and other query builder language, while leveraging drag & drop and area drawing tools, to include or exclude individuals in the easy-to-use logic canvas.

The screenshot displays the 'Audiences / Audience Insights' interface for 'Knee Replacement - Prospects and Patients'. On the left, the 'Refine' panel includes 'Global Filters' and 'Audience' sections. Under 'GEOGRAPHY', 'State' is selected with 'Maryland' chosen. Under 'County', several counties are selected: Anne Arundel, Baltimore, Carroll, Frederick, Harford, Howard, and Prince Georges. An 'Email' filter is also present. A 'Reset Refinements' button is at the bottom. The main area features a 'Geographical Density' map of Maryland. Below the map is a 'List Workbench' showing 8,524 qualified people. It includes a 'Build Criteria (5)' section with filters for Gender (AND), Age (AND), Patient Status (AND), and Diagnosis (OR). The criteria are: Gender (90%), Age (93%), Patient Status (80%), and Diagnosis (90%). The results are summarized in a table:

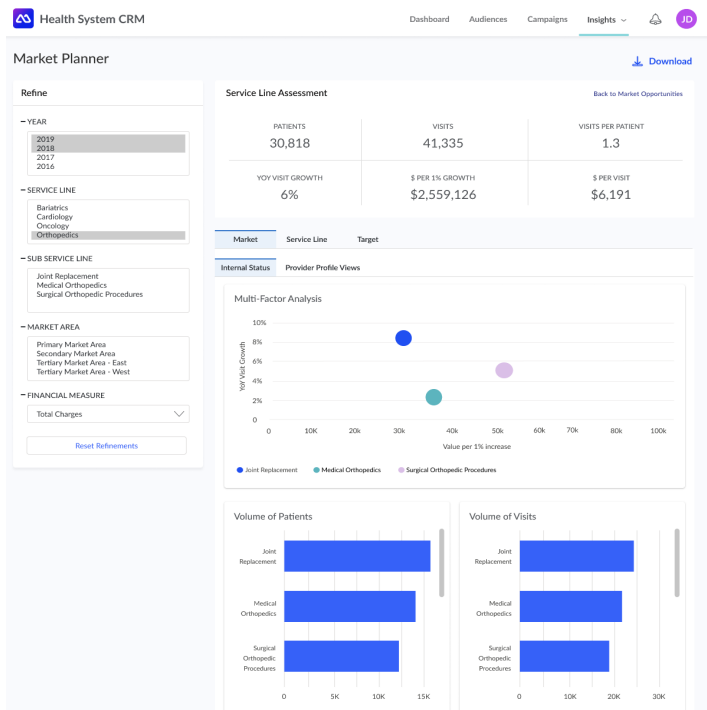
Criteria	Percentage	Count
Gender	90%	29,432
Age	93%	11,748
Patient Status	80%	11,454
Diagnosis	90%	3,215

Insights

The Insights module offers in-depth, on-demand reporting to determine where to invest your marketing dollars. It leverages all available data sources: your patient encounters, proprietary predictive modeling and other targeting data from Healthgrades, and supplementary demographic data. Reports are designed and built in a state-of-the-art, commercially available business intelligence tool. This industry-leading tool makes it easy to move from aggregate to granular detail to better analyze populations. This important section allows you to:

- Use dynamic and interactive reports to easily discover actionable insights, with or without drilling into the details.
- Move from a high-level view of the data to a granular one within a few clicks using intuitive drill down and filter features.
- Bookmark reports to quickly apply a saved set of filters, making it easy to run the same reports week after week.
- Export reports to a PDF to save a view of the data at a given moment.





9. Is consumer data included as part of your proposed solution?

Yes. Healthgrades sources data from a variety of sources including our own data from healthgrades.com and consumer demographic data. This list is inclusive of demographics, contact information and third-party behavioral modeling (Niches). It is included in the contract and will be mastered into the larger CRM platform including the enhancement of patient data. Clients also have the option of purchasing additional third-party lists for inclusion such as New Movers. These additional lists are scoped and priced in advance upon client request.

10. What internal client data is used by your solution? What process is used for you to acquire it? What is the process for verifying its accuracy following load to the platform?

Healthgrades has experience ingesting data from a variety of standard hospital systems, including EMR, credentialing and other systems housing patient data. Depending on the source of data, Healthgrades can accommodate low latency batch feeds and APIs. As a part of the onboarding process, we provide our clients with a standardized data format that enables our teams to integrate the data in a more expedited time-frame. Data validation is conducted during the initial database build and with every monthly update to analyze every field of data received to verify that what we received is what we expected. We typically ingest the following types of data for CRM:

Hospital data

- Patient demographic data
- Visit data
- Financial data

Non-hospital data

- Clinic, physician, or practice data
- Ambulatory surgery center data

Call center data



- Outbound calls
- Inbound calls

Member lists

- Class/event attendees
- Your health system's employees

11. How much historic data do you accept for initial build?

We recommend the most recent 3 years of hospital and non-hospital data be ingested into the platform.

12. Can your platform manage multi-channel campaigns?

Hg Mercury CRM supports multi-channel campaigns. Users can identify and segment target audiences and apply channel strategies to those audiences at the individual level. Emails, automated programs, web forms, and landing pages can all be developed and deployed within the marketing automation platform. In addition, audiences for other outbound strategies such as direct mail, SMS, programmatic display, or outbound calling can be pulled directly from the tool and tracked beginning at the first point of a response mechanism through the entirety of their healthcare experience.

Responses to communications across all channels are measured and results can be viewed in the campaign dashboards. As encounter data flows back into the platform, these dashboards provide ROI results across all channels including email, direct mail, social media, and indirect digital channels.

13. Describe your method of calculating / how your platform determines control groups and calculates ROI of marketing campaigns.

Healthgrades works with hundreds of health system clients actively executing campaigns that deliver ROI. For omnichannel campaigns that are managed by the Hg Fusion team, we have a median ROI of 5.3:1, with our range falling between 2:1 to 7:1 ROI. ROI is determined by the services marketed, channel mix used, seasonality, message and creative, etc. and most importantly the targeting criteria.

Our CRM platform includes executive dashboards that give you a built-in, 10,000-foot view of your performance metrics across your system, facility, service line, and marketing channels. You can easily share performance data across your organization, with the tools and flexibility to analyze performance from any vantage point.

ROI Methodology

For a single push channel (e.g. direct mail, email, text, etc.), Healthgrades utilizes a control group methodology and is the most experienced CRM provider using this approach. Upon CRM database build, approximately 10% of individuals (patients and non-patients) in a campaign are randomly selected and placed into the control group. These individuals and others in the individual's household will not receive targeted push communications. Response rates between the communicated group and the control group are compared and Healthgrades reports on the incremental lift based on the rate differential.

When multiple push channels are used, a fractional attribution methodology is applied. This uses the same control group methodology as above but takes channel mix into consideration. As an example, if the consumer received both mail and email, we leverage a fractional method to allocate value across



those channels. The incremental method (mentioned above) is used again on those who receive both email and direct mail. If the utilization is greater than the control group, there is incremental lift, but we split the resulting value by a predetermined rate. In this way we recognize that both channels provided value. This is a simple example that can expand into as many push channels as there are being applied.

When pull channels (e.g. SEM, organic, display, retargeting, etc.) are applied in combination with push channels, Healthgrades applies a behavioral first methodology. Healthgrades integrates with calls to action (e.g. online forms, call center, HRA's, online appointment requests/scheduling, etc.) and using UTM codes/query parameter tracking, understands which channel drove the individual to the response. When the driving channel is identified as being a pull channel, that individual is immediately pulled out of the control group methodology described above and 100% of their downstream activity is attributed to the pull channel which drove them to the response. Thus, campaign tracking will be a combination of behavioral first downstream tracking for anyone associated with a pull channel and then fractional static control group methodologies for individuals who only received one or more push channel communications.

To ensure success and buy-in from stakeholders and financial staff, we encourage our clients to engage representatives from finance in the CRM implementation. Often a financial analyst will be involved in data extracts related to financial data. We also encourage the CFO and other executives to participate in a discussion regarding ROI to ensure everyone understands and agrees to the ROI methodology. This ensures acceptance of results and ROI reporting once campaigns are executed.

14. What is your roadmap /plan for future enhancements/capabilities?

We are continually advancing our CRM platform with large quarterly releases. Healthgrades maintains a detailed 24-month feature roadmap. In accordance with our confidential information policy, the full roadmap is not shared externally. Below are the high-level themes for 2021. We will be happy to share more details if needed during our presentation.

- Enhanced support for data exchange and interconnectivity
- Deeper Integration with Health Risk Assessments
- Healthcare Customer 360 data lake for real-time personalization
- Preference Center for consumers across CRM systems
- Continuous expansion of AI-driven, healthcare-specific actionable insights
- Further expansion on our consumer and patient journey insights (recommended next actions)
- Out of the box segments and personas
- Expansion of analytic dashboards focused on healthcare-specific opportunities

15. Describe your capabilities relating to customer/prospect record matching (including de duplication / data hygiene).

Healthgrades handles all data analysis, deduplication, matching, householding, and business aggregation. During the ingestion process, data goes through a data validation process where we detect inaccurate, incomplete or invalid records and remove them from the file. We also perform address cleansing using the Coding Accuracy Support System (CASS) to assist in our data mastering process. Healthgrades uses MDM (Master Data Management) technologies to master records both at the household level and the individual record level. The platform performs both passive and active integration as it relates to matching individual person records across multiple data sources. Automated



processes are built-in that if new or updated records appear, we will process these records through MDM and match appropriately.

16. Describe your record/profile management capabilities. Include details on how customer attributes and interactions are captured/utilized.

Data is collected and aggregated from a variety of different internal sources (EMR, financial, consumer, call center, web forms, email, etc), 3rd party sources, and goes through our data hygiene process. In doing so, a consumer profile is built. The profiles give a 360-degree view that contains a number of attributes, including communications, solicitability, contact information, household makeup, and patient status. The platform uses advanced data management capabilities, including machine learning, to allow Healthgrades to continuously enhance the profiles, segmentation, and other targeting criteria so you can anticipate patient or consumer needs.

17. Do you offer predictive models as part of your CRM?

Healthgrades includes over 500 consumer and patient risk models with platform licensing, an important differentiator.

18. Briefly describe your predictive models – their focus, their use case for us, if they apply to households or individuals, how many are included in the contract, etc.

Hg Mercury CRM enables clinically based health risk modeling at the individual level. Users can strategically identify consumers in their market and discover patients that have the greatest propensity to use specific health care services in the next 12 months. Each individual (patients and prospects) in a client's database is scored on over 300 different clinical needs, and over 50 demographic variables. These models are used to identify individuals who "look like" / have the propensity for specific diseases or conditions.

The **Consumer Models** are used for patient acquisition strategies and the **Patient Models** for patient retention strategies. These predictive models create a score for each disease state for every individual in your defined market. All scores are a relative ranking versus other individuals in your database. Individuals are scored from 0-999 to indicate each person's propensity to use healthcare services as defined by ICD, MS-DRG, and CPT categories. People with higher scores have a greater need for service. All patients in the CRM database are rescored as new data is received for clinical need propensity following system updates.

In addition to clinical utilization models, we include access to payor models enabling the ability to target individuals based on predicted payor type. SVMHS will also have access to third-party personas and behavioral modeling through the licensed 3rd party data included in our contract.

19. What other support can you provide around segmentation and analysis?

The platform provides data our end users need to analyze the population, identify a target group, create a target list, monitor results and report performance. There are a number of different options you can choose to start segmenting your audience - duplicate an audience, create a new audience, or leverage an existing audience. Audiences can be analyzed based on a variety of attributes including demography, encounter, models, and consumer data, and can be further stratified by time frame based on actual encounters. The Product Support Specialist (which is an included dedicated product support resource) can assist with segmentation and analysis, reporting configuration and interpretation,



platform education, list loads, troubleshooting, and giving general consultation and best practices for the platform. We include up to 500 full-service list pulls a year.

For more in depth business intelligence projects, our contract includes access to our Business Analytics team for additional segmentation and analytic projects. On an annual basis, you can choose which analytics package(s) best fits your needs. Our clients often engage with the Business Analytics team to provide insights using claims data, unpublished predictive models, persona development, consumer profilers or service line assessments.

20. Describe any functionality to easily create targeted audience lists and campaigns.

Users can analyze audiences based on a variety of attributes including encounter data (condition, diagnosis, procedure, etc), demographics, consumer data, activity data such as web form completions and call center engagements, and predictive models. Audience Insights features a flexible, user-friendly tool you use to identify and organize the people most likely to engage with your marketing efforts. Users can apply criteria visually in a drag and drop, easy-to-use logic builder instead of writing complex queries. The targeting attributes can be used as both inclusion (i.e. signed up for a birthing class, diagnosed with pregnancy or delivery, specific ages) and exclusion criteria (i.e. delivered baby, specific age ranges, or sensitive issues such as miscarriage) to ensure the most relevant individuals are targeted.

Once the target audience has been segmented and identified, a list can be created including name, address, phone number and/or email (depending on type of campaign) using the user interface's click-and-point functionality. Once the target group criteria for a campaign have been identified, a statistically significant subset of the control group that matches the same criteria as the target group is identified for tracking purposes. Typically, 10% of that audience is in the control group. This gives you control groups at segmented levels with no additional work needed. Developed lists are then used for omni-channel engagement strategies including direct mail, email, triggered or call-based campaigns. Lists are stored, organized and managed within the platform.

21. Describe your capabilities to designate phone numbers for call tracking and call center channel attribution tracking purposes.

Hg Mercury CRM gives customers the ability to tag and track digital assets to support a cycle of continuous improvement relative to better understanding your marketing targets. The design of CRM is such that detailed tagging and tracking (for example tagging of any tactics/assets with a unique, identifiable code that allows tracking a click on a digital ad or completing a web form on the associated landing page) allows our customers to track responses by individual patients/consumers at the asset level. This means that once a campaign lead is identified (we've linked the responder to a consumer in the CRM database), we are able to track all subsequent interactions, as well as leverage the demographic, behavioral, past interaction, etc. 'profile'/data that has been built to-date on the individual. Tracking codes link activity and conversions of known and unknown individuals back to campaigns, channels, and tactics. Call tracking can be incorporated for the same level of tracking for contact center conversions. By leveraging this information, we can not only tie a customer back to the interactions that preceded clinical conversion and analyze the timing and surrounding events, but we can also use the 'profile' to successfully nurture that newly established relationship going forward.



22. Describe how actual campaign results data is captured and stored at an individual and campaign level and include how this data is leveraged for future campaigning.

The CRM tracks an individual's pathway from prospect to patient and beyond. The data is maintained in the 360-degree profile, allowing for the consumer engagements to be analyzed and/or leveraged in ongoing communications. Healthgrades utilizes initiative tagging and conversion capture for channel reporting / attribution. Tracking codes (query parameters/UTM codes) and unique tracking phone numbers can be applied to pull strategies (e.g. SEM, display, organic) to track at the individual level as people take action at the points of initial response. We track every outbound and inbound communication and every encounter per individual so you can link activity following a direct mail campaign, call to call center activity, or digital medium use (website, social media) to determine the effectiveness of segmentation and messaging as well as ROI on spend.

23. If your proposed solution includes Marketing Automation, describe the feature set/capabilities.

Hg Mercury CRM is built on an open architecture to support integrations with leading marketing automation platforms. We have pre-built connectors with Oracle Eloqua and Salesforce Marketing Cloud, which enable health systems to plan, personalize, and optimize 1:1 customer interaction across email, social, ads, and the web. These integrations provide a seamless user experience that allows for two-way flow of data between the CRM and the marketing automation environment and supports various multichannel campaign strategies and tactics (nurturing, reminded care, alerts, etc.) via the creation, execution and measurement of emails and automation campaigns.

Customers can utilize the integration to setup and deploy one-time and triggered email sends, conduct A/B testing and review email metrics. Marketing lists and reports are typically created in the CRM to dictate audience while actual execution takes place in the marketing automation platform. Functionality includes a flexible email template tool and template editor, which allows customers to use both standard and custom templates to suit their specific needs. Information related to sends, opens, click-throughs, etc., is reported back into the CRM for integration and broader reporting, including tracking downstream conversions.

24. Can HTML emails be created within platform by a user, without knowledge of HTML or coding? Do you offer email templates for use?

Users do not need to know HTML or coding to create and store mobile-optimized emails, landing pages, and forms within marketing automation. Emails, web forms and landing pages can be designed in the drag-and-drop interface, using a saved template, by creating a new design or uploading an HTML email to the platform. An HTML editor and WYSIWYG editor are also available to use. Out of the box templates are available for use within the selected marketing automation platform.

25. Does your team help in the creation of emails, automation, etc. without an additional charge?

Healthgrades offers full campaign creative development and deployment services for our clients. These services are offered through our Hg Fusion team and are contracted for on a separate work order. Pricing is variable dependent upon the scope and would be documented on a mutually agreed to work order prior to work commencing.

Our Hg Fusion team is a group of subject matter experts who fuse together data, insights, strategy, and creative to augment your team and help maximize the value of your Healthgrades investment. Unlike other firms, the Hg Fusion team focuses solely on healthcare and is backed by the industry's most



powerful in-house Martech stack. We are data-driven, healthcare experts who thrive in creating meaningful connections between consumers and healthcare providers.

The Hg Fusion Team consists of audience experts, strategic consultants, results-driven creative and performance optimization specialists who focus on building connected experiences rooted in data to support health systems achieve objectives of:

- Patient acquisition, engagement and retention
- Population health management and value-based care
- Provider relationship management
- Driving measurable performance metrics based on customer KPIs, from cost avoidance to ROI, that transform marketing and strategy departments from cost centers into profit centers.

Capabilities Include:

- Advanced Analytics: Healthcare data scientists and digital analysts who provide insights to inform, optimize and measure.
 - Market, Consumer and Provider Research
 - Audience Segmentation
 - Measurement and Optimization
 - Deep-Dive Performance Reporting
- Strategic Consulting: Understand customer vision, objectives and priorities to provide strategic consulting, thought leadership and seamless connected experiences. Collaborates with Hg Fusion project management team for resource allocation to keep projects on time and within budget.
 - Industry and Market Trends
 - Thought Leadership and Innovation
 - Program Strategy Development
 - Evidence-based insights and benchmarks
 - Precision marketing tactics
 - Journey mapping
 - Automated nurture programs
- Program Execution & Management: Full-service agency execution including both online and offline tactics, direct response marketing and brand awareness.
 - Single or omni-channel execution
 - Visual storytelling and messaging by segment
 - Media planning and buying
 - Extensive, embedded quality assurance
 - Testing, optimization and performance improvement
- Contact Center: A full-service, healthcare-only out-sourced contact center that is branded for the health system and staffed by a team fully trained in personalized marketing and patient acquisition best practices

26. Is there a limit on the number of emails sent daily/monthly/annually?

The Eloqua subscription includes annual email message delivery and annual contact allotment of up to 500,000 contacts (contacts are defined as records maintained in the marketing automation tool). Best Practices suggest that email batches of 10,000 occurring approximately every 2 hours reduces the chance of bounce backs due to overload.



27. If we manage social outside the platform, please describe the different ways/processes for how we could attribute and calculate ROI for our social channels.

Healthgrades utilizes initiative tagging and conversion capture for channel reporting / attribution. Unique query parameters (UTM codes) are added to campaign links, when a conversion takes place (page visit, click, form completion), these parameters are collected for campaign reporting. The reporting is agnostic to who is running the campaign. At the moment, the costs associated with social advertising would be manually entered in the 'cost schedule' section of the Campaigns module to properly attribute and calculate ROI.

28. Do you offer landing page templates? Included? If so, how many? If not, what is the fee for you to create them?

As part of the configuration of Eloqua, Healthgrades creates 3 templates (landing page, email and/or form templates). Eloqua allows the creation and storage of unlimited templates.

29. Describe your platform's "Population Health" capabilities and provide examples of how your clients are utilizing them.

Healthgrades sees a greater adoption of CRM among health systems as they realize CRM is the foundation for increasing and measuring patient and physician engagement. Many engage us with their clinical, quality and population health teams. The discussion is around the value of the integrated data and the CRM communications platform that help to manage and track all encounters and messaging at an individual level, as well as examples of how the data and campaigns successfully support population health. We are excited about the trends that are emerging that expand the value of the CRM solution across a healthcare system including using CRM as a foundation for population health.

Clients leverage Healthgrades modeling, health risk assessments, and multi-channel outreach to lead population engagement and influence patient behavior. While case managers and care coordinators focus time and resources on the most costly patients, communication strategies enabled by the CRM solution provide a scalable and cost effective solution to engage the 80% of the population that is low-moderate risk to identify propensity for clinical need in next 12 months and encourage screenings, tests and appointments that help with early detection. Communications can be triggered to increase in frequency and intensity of channels to leverage the intelligence and ability to track messages and results. Using Hg Mercury CRM, the patient engagement strategies required to build loyalty and stay connected to patients between visits is easy and effectively managed. Campaigns are designed to help your clinical teams achieve goals with the measures and the populations they are focused on.

Inclusion and exclusion criteria for trigger event communications can be set based on client needs and preferences for these types of campaigns. We can also load business rules such as your evidence based clinical guidelines to develop trigger communications to populations for proactive care coordination, or to encourage non-compliant individuals to take action. For example - trigger event communications can be sent to patients that missed important appointments, tests, and screenings so you can improve performance metrics for population health management.

We have clients conducting screening and immunization programs regularly to get individuals in for these, an important step in managing the health and wellness of populations. We also have clients leveraging our online health risk assessments in integrated campaigns targeting those patients and



prospective patients identified by our predictive models to have health risks. These help drive behavior change and encourage individuals to take action toward improving their health. We also have a readmission predictive model. This allows our clients to more proactively target those at-risk patients who might lead to excess readmissions and manage that risk through highly targeted communications.

30. Describe the standard (out-of-the-box) reports available.

Healthgrades offers a collection of out-of-the-box self-service reports. Our standard reports include:

- **Dashboard:** Upon logging into the CRM, users will land on the dashboard which allows users to view marketing KPIs across all campaigns. Users can drill down into specific service lines, campaign objectives, dates, channels, and more.
- **Service Line Assessment Report Bundle:** Users can uncover visit, demographic, and digital engagement trends across high-value service lines.
- **Consumer Profiler:** Choose from several audience types — a group of consumers who share a single characteristic like patient type, geography, or location of care — to see a breakdown of relevant demographic, geographic, and lifestyle trait metrics for that group.
- **Campaign Dashboard:** Users can view campaign performance insights within the campaign dashboard. The dashboard gives users quick access to analytics related to the campaign. The user can view key metrics such as KPIs, financials, channel activity, tactic performance, patient payer mix, leads by geographical area, and ROI. These dashboards feature filtering capabilities to further explore performance by a number of attributes.

Product Support Specialist

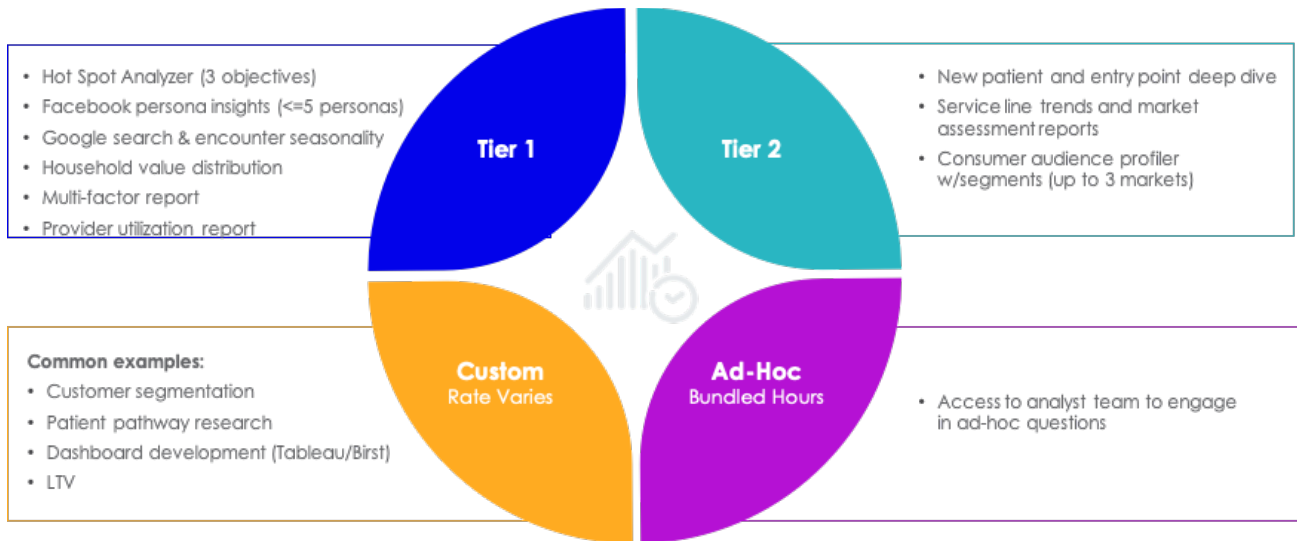
All CRM clients are assigned a Product Support Specialist that will provide CRM and Marketing Automation premier-level support. They can assist with tasks such as marketing communication list consultation and/or execution, Reporting configuration or interpretation, ad-hoc platform education, ad-hoc list load ingestion, marketing automation consultation, troubleshooting, and best practices consultation. This role is included in our premier support package which is included in the fees for the platform.

Analytics Packages

As a part of our support model, clients have access to analytics packages that were developed by our Business Analytics team and are based on best practices that meet business objectives. On an annual basis, you can choose which analytics package(s) best fits your needs. You can choose from either two (2) tier 2 packages, or one (1) tier 1 package.

Additionally, we can assist in custom research and analysis projects that would be scoped separately from the CRM contract. Examples of this type of custom work include customer segmentation, patient pathway research, dashboard development in Tableau, Lifetime Value analysis, etc.





31. Describe what custom report capabilities are available including the ability to include custom data fields in reports.

Ad hoc reports can be built within the CRM and/or our team can configure reports based on need and delivered to SVMHS or published in the user interface via Tableau. We are currently developing a more robust self-service reporting functionality, which will allow users to build more advanced ad-hoc reports within the user interface. This capability will be available later this year. Custom fields are supported through the ingestion of custom attributes into the platform. Custom attributes can be used for segmentation purposes or reporting purposes.

32. Describe your capabilities around Web analytics. Can you identify visitors to our site who are and are not yet in our CRM?

Healthgrades has experience with integrating to a variety of CMS systems using HTML, JavaScript, and tracking pixels. This code can be embedded into templates and applied to pages. We have done this work with major CMS platforms such as Scorpion, Drupal, and others, which have become common with our client base. Another feature is web form submission and integration. The Healthgrades platform supports a web form submission API where landing page and web form submissions are sent directly from you web property into the appropriate CRM record, or a new record is created. These submissions can be nurtured over time. The Healthgrades platform can also integrate with Google Analytics to ingest web activity from unknown individuals for tracking purposes in relation to top of funnel conversions.

Security

1. Provide an overview of your data security capabilities and HIPAA compliance related information.

Healthgrades ensures that the confidentiality, integrity, and availability of all data created, received, maintained, or transmitted using multiple administrative, physical and technological control methodologies as required to be in compliance with all laws and regulations. We employ a full-time InfoSec team to identify any possible threats to the security and integrity of our data resources. This team regularly reviews and adjusts security measures deployed to ensure the continued security and integrity of the resources in our inventory. As such, we have implemented policies, standards, and procedures to audit, identify, report, and mitigate any possible disclosures of regulated data. Healthgrades standard is that all assets are protected through the use of ACLs, AWS GuardDuty, AWS



Shield Standard, Access Log Monitoring via HG's SIEM implementation, and Data Encryption in transit over TLS1.2 using AES 256-bit encryption. Healthgrades has a training program designed to ensure employee compliance with all HIPAA guidelines and requirements. This includes general onboarding training for all employees, role-specific training, as well as annually recurring training. Healthgrades follows all HIPAA and state regulations for the protection of PHI and will ensure that all external access to this system is protected and requires authorization. The CRM is being prepared for a HITRUST assessment that begins in the next 12 months. We are happy to discuss those details with SVMHS.

2. Does the application store, manage, receive, send, or manipulate:

a) Personally-Identifiable Information (PII) - such as MRNs, patient names, SSNs, etc.

Yes

b) Personal Health Information - such as patient conditions, diagnoses, or treatments, etc.

Yes

c) Financial Data - such as account, billing, or credit card data, etc.

Yes; information related to people and their encounters but not credit card data.

d) If yes to any of the above, is data encrypted in motion and at rest? How?

Yes, Healthgrades uses AES 256 encryption at rest and in transit, TLS 1.2 protocol is used in transit.

Implementation

1. Describe your implementation process, estimated timeline and support needed (both provided by you as well as by us) during implementation. Provide a timetable outlining how long a project of this scope should take, including major steps, specific deliverables, and responsible parties.

Below is a summary of the Hg Mercury CRM configuration process. Understanding these milestones, resources and best practices will allow you to get maximum results and help to allocate appropriate resources. Healthgrades provides a team that works with you through the process, a standard part of our licensing arrangements.

Platform Provisioning and User Access

Platform Provisioning

- Platform is activated for Client's tenant
- Healthgrades Managed Packages are deployed

Consumer Data Loaded

- Defined consumer audience will be loaded into the system

Initial Admin User Access

- First licensed system user will be provisioned



Requirements Gathering and Configuration

Requirements Gathering

- Guided discussions are held to review platform, data, and application configuration options to optimize for business objectives
- Configuration requirements are captured and approved by the client

Platform & Application Configuration

- Platform & application configurations that were captured during requirements gathering are applied accordingly

Data Integration

- Data integrations are setup according to standard Healthgrades' specifications with your technical data team
- Analysis is performed by Healthgrades to ensure quality for powering the platform and applications
- Based on findings during analysis, modifications may be needed until validation is complete

Configuration Walkthrough & Prod Deployment

Configuration Walkthrough

- Guided walkthrough is held showcasing the configurations
- Client approves that all configurations meet expectations

Production Deployment

- Configurations are deployed to production environment
- Data integrations are moved to the production environment

Training & Support

User Training

- Healthgrades trains Client users on the platform and application functionality
- During Configuration: Education Snippets
 - Provides an initial overview of the platform and Healthgrades methodology through web sessions and on-demand videos
- Post Configuration: Full Healthgrades product training
 - Onsite training with hands-on guided practice

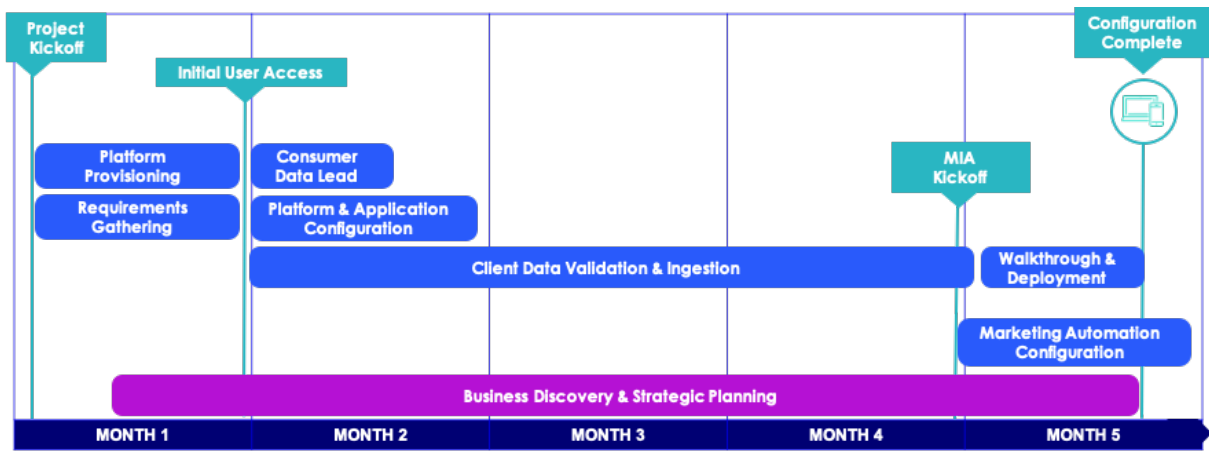
Transition to Support

- Transition to Product Support following configuration and data integrations

High-Level Project Timeline

Below is a high-level timeline and this is based on assumptions that are noted below the graphic. The CRM can be paired with either Eloqua or Salesforce Marketing Cloud; however, we're including Eloqua in our proposal. If SVMHS is interested in SFMC for marketing automation appropriate revisions will be made.





Assumptions:

- Client submits first set of data files to Healthgrades one month after Project Kickoff.
- Dedicated Client Project Team available for Requirements Gathering, Validation, and Project Meetings.
- These dates are estimates only and could change as additional discovery and business assessment occurs.

Healthgrades Project Team

Healthgrades provides a dedicated project team to configure and maintain your solutions and support your ongoing success. They work with your team to ensure a successful configuration and smooth launch. Full team member assignments are determined by solution, client location and caseload for each team member, experience, personality fit, and client goals.

ROLE	DUTIES
Customer Success Director	<ul style="list-style-type: none"> • Achievement of tactical/platform objectives • Track's performance goals • Consults on marketing strategy and best practice insights • Primary interactions are with Client Managers/Director
Project Manager	<ul style="list-style-type: none"> • Main point of contact for project communication • Provides overall project leadership • Coordinate meetings, scheduling, resources, and training; monitors/mitigates risk • Leads data and configuration discussions • Gathers and documents configuration/data requirements • Acts as the technical resource for configurations



Data Analyst	<ul style="list-style-type: none"> • Understands data and data needs for Healthgrades Platform • Analyzes client submitted files for final approval
Marketing Automation Lead	<ul style="list-style-type: none"> • Main point of contact for marketing automation elements of project • Leads and manages Eloqua configuration • Ensures workstream alignment between marketing automation tool and CRM
Trainer	<ul style="list-style-type: none"> • Analyzes requirements to align training goals and objectives • Prepares and delivers training resources and materials • Delivers essential instructor led training, exercises, and follow-up

Client Resource Requirements

Recognizing that internal data is integral to understanding existing patients, assistance from your information services team is needed to pull internal data. Our project team will work with your internal resources to facilitate this process. The success and timeliness of the configuration of the platform depend on identifying stakeholders, the project team and the subject matter experts are critical to your success.

- Healthgrades - Assign project team members referenced in question above.
- Salinas Valley Memorial Healthcare System - Identify governance structure for the project including roles listed below. This should provide you some oversight into the resourcing needs for the project. The role descriptions are as follows:

ROLE	DUTIES	TIME COMMITMENT
Project Sponsor(s)	<ul style="list-style-type: none"> • Acts as project champion • Decision maker • Provides resources and executive sponsorship 	1-2 hours per week during project
Project Manager	<ul style="list-style-type: none"> • Provides client-side project leadership • Coordinate meetings and project resources • Risk Management 	5-10 hours per week during project
Technical & Data Resources	<ul style="list-style-type: none"> • Understands technical aspects of data • Go to resource for data related questions • Support the ingestion points of the solution 	5-10 hours per week during data ingestion



Subject Matter Expert	<ul style="list-style-type: none"> Assists with configuration decisions and data review Understands technical aspects of data 	5-10 hours per week during project
-----------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------

2. Please outline the solution training provided. Will we have access to ongoing training? If so, is there an additional fee?

Healthgrades provides training inclusive of our proposed fees. Our training allows CRM users to learn through a variety of tools, including on-demand videos, practice exercises, hands-on guided practice and more. To familiarize your staff with using your data, our full training is conducted after the platform is live with full encounter and consumer data. Five training snippets are conducted during the configuration to familiarize your end-users with the tool and Healthgrades methodology. This initial training for up to the licensed number of users is included in the proposed fees.

DURING CONFIGURATION

Educational snippets

- Five 10-minute web sessions
- On-demand videos available
- Provides you with an initial overview of the platform and Healthgrades methodology

GO-LIVE

Full Healthgrades product training

- CRM training conducted onsite (if possible)
- Hands-on guided practice
- Customized practice examples utilized during training based on client use case/needs
- Train-the-trainer package included for up to 2 users
- Training hours included based on products purchased

POST-TRAINING

Help Center

- Access to release notes for new features
- Unlimited access to the Healthgrades LMS for all contracted users
- Unlimited access to the Healthgrades Help Center for all contracted users
- Invitation to quarterly group webinar to cover new features

3. What other services do you provide that can enable our current and future strategies that aren't included with your CRM proposal?

All of Healthgrades offerings are designed to enable confident healthcare decisions. Discussion of these additional elements is included in this document to provide context to Healthgrades' total offerings. They are not included in the proposed solution but are available as additional service(s); additional agreement(s) and fees apply.

At Healthgrades, our mission is to help people find the right doctor and the right hospital, for the right care. We are uniquely differentiated by our ability to bring the market to our clients through our enterprise platform, composed of all of our technology and service offerings. Health Systems rely upon



Healthgrades, using our Provider Solutions to build their brand, to target and increase engagement with consumers and patients, and measure the results of engagement initiatives. We help hospitals reach and motivate consumers, patients and physicians to measurably improve clinical and financial performance. One of the benefits of partnering with Healthgrades is the longitudinal approach we bring to our solutions – they are all designed around engagement, access, and loyalty to help our clients succeed in today’s evolving marketplace. And with everything connected via our platforms, you can truly understand where consumers are in their journeys.

The Hg Mercury platform revolutionizes the way health systems engage with consumers, patients, and providers throughout the entire healthcare journey. Hg Mercury is a healthcare-specific platform for intelligent engagement that enables health systems to accelerate growth through smarter acquisition and retention in a highly competitive, consumer-driven marketplace. Best next action insights pinpoint market opportunities and guide hyper-targeted, personalized consumer, patient, and provider touchpoints that ease patient access, optimize the payer mix, improve network utilization, and drive high-value service line growth. Other solutions that make up the Hg Mercury platform include:

Provider Relationship Management (PRM)

Hg Mercury PRM identifies high-value providers, reaches them with insight-driven outreach, and aligns them to improve network utilization. Accelerate effective provider engagement to achieve unsurpassed loyalty.

360-DEGREE PROVIDER PROFILES

Essential, up-to-date details on providers and practices, locations, and specialties are at liaisons' fingertips. Liaisons and business development teams improve network utilization with more informed physician outreach targeting and engagement.

MARKET INTELLIGENCE

Enhance visibility into market activity with the most complete claims-based database available. Our curated master data set represents the most relevant density of inpatient, outpatient, and ambulatory claims across any given market.

PROVIDER OUTREACH

Give physician liaison teams the ability to access provider information in the field and demonstrate improvements to provider network utilization. Tools prioritize outreach efforts by referral and activity trends, collaborate on issue management, and track the most recent outreach via mobile and desktop.

Engagement Center

Hg Mercury Engagement Center enables agents to deliver proactive, personalized experiences that improve patient outcomes and satisfaction through ongoing support. Transform your contact center into a profit center.

MARKETING MODULE

Seamlessly integrate contact center activity with healthcare marketing initiatives. Follow up on inbound marketing campaign inquiries, prioritize outbound calls, upsell complementary services, and streamline event registration.



REFERRAL MODULE

Match patients to the right provider or facility based on clinical need, preferences, appointment availability, and geographic convenience. Efficiently track downstream referral volume and reduce out-of-network leakage.

APPOINTMENT MODULE

Streamline appointment scheduling and reduce no shows. View scheduling guidelines specific to each practice and identify providers by the designations and caller preferences that matter most.

CARE COORDINATION MODULE

Support a data-driven population health approach and automate post-discharge follow-up to lower unnecessary readmissions, improve patient engagement and health outcomes, and increase patient satisfaction.

Hg Mercury Insights

The Hg Mercury Insights modules transcend data silos, enhancing business development strategy. Uncover market dynamics, top growth opportunities, and best next actions within an intuitive, user-driven experience.

MARKET PLANNER INSIGHTS

Combining health system, consumer, claims, web, and campaign information, audiences responsible for strategic planning are provided with unique, integrated, and often novel views of consumer need, market share, physician alignment, and competitive dynamics.

PROVIDER NETWORK INSIGHTS

Investigate outmigration, claims dollars lost to competitors for high-value service lines, new market entrants, where to build a practice, and which providers to recruit with the help of claims powered market intelligence.

PROVIDER SNAPSHOT INSIGHTS

Understand provider activity based on their referral behaviors, payer mix, volumes, open issues, last contact, and other key metrics at a glance to refine personalized and targeted engagement strategies.

PATIENT JOURNEY INSIGHTS

Interpret care patterns within high-value service lines to gain a holistic understanding of the end-to-end patient journey. Uncover opportunities to prevent patient leakage and prioritize areas of improvement.

CAMPAIGN PERFORMANCE INSIGHTS

Track multiple levels of conversion, optimize omnichannel campaign performance in-flight, and expand market share. Attribute real financial outcomes to marketing efforts and demonstrate ROI.

Hg Mercury Healthcare Websites

Hg Mercury Healthcare Websites is a content management system (CMS) purpose-built for the ultimate digital healthcare experience. Our CMS makes it easy for healthcare marketers to control their digital presence. Featuring an intuitive authoring and editing platform, you can simplify the creation,



management, and deployment of your content and assets across responsive websites, microsites, mobile apps, and more.

EASY CONTENT AUTHORING AND EDITING

Make it simple for marketing teams and non-technical contributors to create high-quality content without compromising control. Using WYSIWYG page editing and page previews, administrators can expedite the content creation, review, and publishing process.

HEALTHCARE WEB COMPONENTS

Designed to enhance the website experience for website visitors, our Doctor Finder, Location Finder, Classes & Events, and Blog & News components offer the content and capabilities that drive conversions. Website administrators can leverage these components for more control over their content and to provide information that visitors value most.

API ENABLEMENT

Transform and customize the back-end services of your website with APIs designed for your needs. Let digital platforms drive information display across the hospital lobby, phone, provider syncs, or anywhere else you want to push out a custom message.

DIGITAL ASSET MANAGEMENT

View, edit, and manage digital assets in a simplified, more intuitive way with the Digital Asset Management (DAM) component. With DAM, digital assets may be dynamically repurposed and optimized for delivery across new channels, devices, and target audiences. This centralized repository is accessible via a web browser for use across all of your locations, departments, and teams.

DIGITAL QUALITY MANAGEMENT

Ensure brand, SEO, and ADA compliance with embedded content quality management tools that identify problems such as broken links, web accessibility issues, empty attributes, missing title tags, missing metadata descriptions, and more. With digital governance best practices, you can manage your brand's digital performance and support your marketing activities while protecting your assets, ensuring compliance, and increasing conversions.

Complementary Services

Hg Fusion Strategic Services

Hg Fusion Strategic Services extend your team to accelerate results and achieve your goals. Our strategic consultants, audience experts, results-driven creatives, and performance optimization specialists help maximize the value of your Healthgrades investment. Hg Fusion services build connected experiences rooted in data to help achieve your intelligent engagement goals faster, including:

- Cultivating new patient relationships and building customer loyalty
- Supporting population health and the transition to value-based care
- Improving network utilization by aligning with providers
- Transform your marketing department from a cost center into a profit center by driving measurable performance based on KPIs you set — whether it be growing high-value service lines or simplifying the patient journey.



Full Service Capabilities

As strategic consultants, we can help you with any aspect of execution, including:



Healthgrades.com (Patient Direct Connect)

Health systems are under pressure to recoup lost revenue with limited budgets. Now more than ever, you need a strategy for the patients who are shopping for a healthcare provider but don't come to your website or click on your Google ads. Consumers who have done their preliminary research, gathered recommendations from friends and social channels, and are ready to appoint come to healthgrades.com. By promoting your service lines and providers on healthgrades.com, you drive incremental, commercially insured patient volume at a lower cost per acquisition than other digital channels. As a healthgrades.com partner, you'll get:

- Prime visibility for your brand, service lines, and providers with the largest audience of people looking for a doctor online
- Highly valuable demographic that's 40% more likely to be commercially insured versus typical health system patients
- Measurable financial outcomes so you prove the value of the program within 3 months
- Efficient media spend — half the cost per conversion of other digital tactics
- Easy access to your telehealth and virtual care services
- 15 years of proven success — client campaigns drive a median 6:1 ROI on net new patients alone

Quality Improvement & Achievement

Healthgrades Quality Analysis and Reporting helps you measure your performance against benchmarks. Our team of experts help you identify areas where your hospital may need improvement while giving positive reinforcement for the areas where your hospital excels. Through our physician-led team, Healthgrades Clinical Quality Consulting and Implementation helps health systems achieve better outcomes through consultation and evidence-based implementation. Primary service line specialties include Cardiac, Orthopedics, Critical Care, Pulmonary, Obstetrics and Gynecology, and Stroke. Hospitals can opt to promote their quality achievements and quality messages with multiple marketing channels including CRM campaigns. Many clients opt to promote their performance by

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licensing Healthgrades Quality Achievements. These solutions emphasize the quality your staff has already worked hard to achieve and positions your facility as a leader in delivering exceptional care.

Pricing

1. Propose a fee schedule for a three-year contract period for your platform (i.e. – CRM and Marketing Automation). Please include all fees to make your solution function.

Healthgrades standard agreement features a three-year term with annual subscription fees that include the platform, insights modules, user licenses, consumer data, predictive models, and data connectors configuration and support. One-time fees consist of professional services including platform configuration, initial training, and support services. One-time fees are due on the effective date of the order form.

Customer Relationship Management	List Price
Annual Platform Fee	\$230,000
Configuration Fee (one-time)	\$70,000

Platform:

- Hg Mercury CRM Platform
- Audience Insights
- Campaign Performance Insights
- Clinical Propensity Models
- Consumer Data for up to 134,028 Households
- User Licenses:
 - Up to 20 Hg CRM Mercury Platform User License(s)
 - Up to 20 Audience Insights User License(s)
 - Up to 20 Campaign Performance Insights User License(s)

Data Connectors:

- Up to six (6) Data Connectors
- Data Connector Configuration
- Data Connector Support

Professional Services:

- Configuration of Platform and Insights Modules
- Customer Success Services
- Premier Support
- Initial Training Services

Marketing Automation:

- Eloqua



2. What fees will we incur relating to platform upgrades/new releases?

Platform maintenance is included in the annual license fees, including updates, releases, and ongoing data updates.

3. Describe multi-year pricing locks that are available as well as any known pricing changes that are planned.

Our standard contract term is three years. There are no pricing changes for the CRM service at this time.

Supplemental Information

1. Provide identified case studies of your clients' performance using your services and a copy of your standard agreement.

Please refer to [Appendix A: Relevant Case Studies](#) and a copy of our standard agreement has been included as an attachment to our response.



Appendix A: Relevant Case Studies



The Sport of Segmentation:

Marketing Hits a Homerun With Research and Insights

DETAILS

Client

Small health system

Location

Midwest

RESULTS

3 MONTHS

43,000+ impressions

614 clicks on digital ads

\$1.2M in contribution margin

\$24:1 ROI

SITUATION

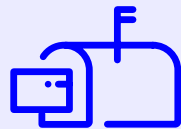
A small health system in the upper Midwest faces stiff competition when it comes to sports medicine services, but growing the service line is important to the organization. It also needs to balance case load, financial impact and the ability to be a good partner to the community at large. To better understand the opportunity, the organization engaged in a data segmentation and personalization research project with Healthgrades.

SOLUTION

First Healthgrades used previous encounter data to better identify patterns of utilization for sports medicine and pull out pertinent information. This included looking at physicians, locations, payers, demographics, density mapping, and more to understand utilization of services. Then behavioral data and clinically based models were overlaid to create segmentation profiles. The comprehensive data set included seven segmented personas evaluated based on propensity to utilize services, size, and value.



Each of the seven segments was broken down by age, gender, socioeconomics, online presence, financial value, and other services utilized. The information allowed the marketing team to tailor communications that would resonate with patients. The health system then used the segments to execute the following tactics:



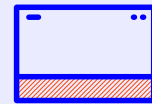
DIRECT MAIL



EMAIL



PAID SEARCH



LANDING PAGE

RESULTS

Early results are showing the segmentation and communication is working. With just three months of encounter data, the organization saw **797** patients correlated directly to the campaign, with **3%** of those patients being new. There were more than **43,000** impressions, **614** clicks on digital ads, and **\$1.2 million** in contribution margin, translating into a **\$24:1 ROI** thus far.

.....

“The data segmentation project we did with Healthgrades for sports medicine and orthopedics changed how we think about service line campaigns. Understanding our target segments helped us discover patient stories that brought our campaign to life in every marketing channel, from TV, radio, and billboards to digital, social, and search.”

— Strategic Communications Director

.....



To learn more about how the Healthgrades platform can empower your health system, your physicians, and your patients — so that you can deliver a new and better model of care while improving your top-line growth — visit partners.healthgrades.com.



Inova Health System

*Cardiology Campaign Gets Results with
Healthgrades' CRM Solution.*

RESULTS

11.7:1 ROI

10% overall passive (service utilization) response rate

Inova Fairfax Hospital conducted a cardiac campaign to educate at-risk individuals about heart attack and its warning signs through Health Risk Assessments and screenings by announcing a new Chest Pain Observation Unit and raising awareness of its comprehensive cardiac capabilities. The results were a 10 percent overall service-utilization response rate and an \$803,613 return on investment.



Executive summary

This case study embodies the changing philosophy of healthcare marketing that, in addition to traditional marketing, has embraced the tools of predictive modeling, variable digital imaging, multiple communication channels, and results tracking.

Using the elements of Healthgrades Customer Relationship Management (CRM) program, Inova Fairfax Hospital, part of Inova Health System, conducted a cardiac campaign to educate at-risk individuals about heart attack and its warning signs, announce a new Chest Pain Observation Unit, and raise awareness of Inova Fairfax Hospital’s comprehensive cardiac capabilities. The results were a control-group adjusted 10 percent overall service utilization response rate and an \$803,613 return on investment.



INNOVA FAIRFAX HOSPITAL

Inova Fairfax Hospital is a 753-bed regional medical center. As a medical and nursing teaching hospital, it is affiliated with the medical schools of Georgetown and George Washington Universities, the Medical College of Virginia, and other nursing schools in the area.

- **Geographic Region:** Northern Virginia/ Washington, DC metro area
- **Market Size:** Approximately 600,000 households
- **Clinical Area:** Cardiology, cardiovascular services



Situation/Objective

With recognition of cardiovascular disease as the American Heart Association’s (AHA) stated number one killer, Inova Health System acted on the importance of educating appropriate individuals to reduce risk factors, know warning signs and respond quickly and properly in the event of an episode.

Inova also knew from AHA research that while cardiovascular diseases take almost twice as many female lives as the next leading killer (all forms of cancer), women are less likely to recognize heart disease as a significant health risk.

To educate at-risk individuals and to announce its Chest Pain Observation Unit’s cardiac capabilities, Inova Fairfax Hospital developed a multi-step, multi-channel “Don’t Wait” cardiac campaign with the CRM leader in healthcare — Healthgrades.

PROGRAM OBJECTIVES INCLUDED:

- Encourage recipients to learn about their heart attack risks and warning signs and to act fast if they experience any of them.
- Invite recipients to learn their heart risks by taking a Health Risk Assessment either online with immediate results or by calling for a paper quiz.
- Promote Inova’s clinical excellence in cardiac care to help increase revenue, drive patients to other service lines, and support quality initiatives.

DESIRED OUTCOMES INCLUDED:

- Stimulate at-risk individuals to think about and act on their heart health.
- Direct recipients to Inova for diagnosis and treatment of episodic heart care, as well as to preventive/early detection heart services to get them into the system.
- Achieve halo effect of drawing individuals into Inova Fairfax Hospital and Inova Health System for additional services in other areas.
- Build relationships and create a dialogue with at-risk individuals.
- Provide a response mechanism and premiums.
- Use a control group to track the value of the “Don’t Wait” campaign.



Audience selection

In selecting the audience for this campaign, Inova Fairfax Hospital paid particular attention to the ethnic diversity of its market, including large differences in heart health and risk perception among people of different genders, ages, and ethnicities.

To assure Inova Fairfax Hospital would reach its identified target audience, it selected 25,000 men and women in its primary service area who met the following criteria:

- Highest CHUI 3_1 — Consumer Healthcare Utilization Index (CHUI) SM DRG code scores for cardiovascular medicine. CHUI is a proprietary predictive segmentation system designed specifically for healthcare that indicates the propensity of an individual to need specific health services.
 - Males 30-65; Females 40-65
 - Include patients who have been diagnosed with hypertension
 - Remove patients with previous inpatient cardiology encounters
 - Household income greater than \$50,000
 - Do not solicit and death suppression applied



Measurement methodology

In any campaign there are two types of campaign measurements that are recorded in the CRM database: the number of individuals who responded to the campaign’s “call to action” and those who received the campaign materials and came in for service during the tracking period.

Call-to-action results show how many people took immediate action suggested by campaign materials — in this case requested and/or took the Health Risk Assessment, called the heart health information phone number, or visited the website address printed on the heart attack warning signs card. While these responses may help determine the creative impact of a campaign, the true mark of a campaign’s effectiveness is how much service utilization occurs.

Service utilization results illustrate the number of individuals who came in for services and the dollar amount of that utilization among individuals who received the “Don’t Wait” campaign materials whether or not they “took up” the lead offer.

To obtain a true measurement of success attributed to this campaign, Inova held out a static control group of individuals with the same campaign criteria as those who received the campaign materials. It compared service utilization of those who received the mailings against the control group to calculate more accurate results and demonstrate the true value of the campaign.



Campaign components

PACKAGE #1

- Personalized, two-color bangtail letterhead with Health Risk Assessment offer in four- color 6”x9” envelope
- Four-color brochure



PACKAGE #2

- Four-color, 6 x 9" postcard with Heart Attack Signs/Learn CPR wallet card and invitation to take or request an online or paper Health Risk Assessment.
- Four different versions with age and gender segmentation multiplied by eight different groups of statistics for a total of 32 customized postcards to these specific and select audience segments. Inova used Healthgrades advanced variable digital imaging techniques to accommodate the ethnic diversity of its market and to fulfill the idea of healthcare marketing to individuals rather than generic messages to the masses.



CAMPAIGN WEB PAGE

A specific URL printed on campaign letter and postcards for online fulfillment (inova.org/heart) featured an opportunity to take the online Health Risk Assessment, set up a personal health record, or search for classes.

The website was a key communication channel in the campaign.



Service utilization results

- **25,352 individuals contacted and tracked over a 10 month period**
 - Control group of 432 individuals
- Of the 25,352 individuals, 480 received cardiology-related services compared with 235 expected individuals. There were **245 incremental cardiac services patients actually attributed to the campaign**, for a passive response rate of .97 percent attributed solely to marketing.
- Of the 25,352 individuals, 8,533 came in for non-cardiology related services, compared with 6,220 expected. There were **2,312 incremental patients** that had non-cardiac related services for a passive response rate of 9.12 percent attributed solely to marketing.



Results

OVERALL RESULTS — CARDIOLOGY SERVICES ONLY

- Total gross charges attributed to the campaign for **cardiology services** only were \$11,381,651. Control group gross charges were \$5,614,163.
- The difference between the two — \$5,767,487 — is considered the gross charges attributed to the campaign. Using a five-percent margin adjustment as a reasonable measure of the return on investment before marketing costs, Inova earned an ROI of \$288,374. Subtracting marketing costs of \$63,365, the **total ROI for cardiology related services was \$225,008.**

OVERALL RESULTS — NON-CARDIOLOGY SERVICES ONLY

- Total gross charges attributed to the campaign for **non-cardiac services only** were \$47,379,452. Control group gross charges were \$34,540,024.
- The difference between the two — \$12,839,428 — is considered the gross charges attributed to the campaign. Using a five-percent margin adjustment as a reasonable measure of the return on investment before marketing costs, Inova earned an ROI of \$641,971. Subtracting marketing costs of \$63,365, the **total ROI for non-cardiology related services was \$578,605.**

TOTAL OVERALL RESULTS — ALL SERVICES

Combining the non-cardiac services and cardiac only services utilization above, this campaign realized a 10-percent overall passive (service utilization) response rate and an **\$803,613 or 11.7: 1 ROI.**



To learn more about how Healthgrades solutions
can engage and align patients and physicians,
call **855.665.9276** or visit **hospitals.healthgrades.com**.



1801 California Street, Suite 1050
 Denver, Colorado 80202
 (303) 716-0041

MERCURY HEALTHCARE SERVICES ORDER FORM

Prepared For

Legal Name of Customer	Salinas Valley Memorial Healthcare System	Created Date	12/16/2021
Contact Name	Seanie Leavitt	Prepared By	Frank Zombo
Email	sleavitt@svmh.com	Email	frank.zombo@healthgrades.com
Phone	831-240-8601	Phone	

Bill To

Billing Address	450 E Romie Ln Salinas, CA 93901	Headquarter Address	450 E Romie Ln Salinas, CA 93901
Billing Contact	Seanie Leavitt	Contact for Notices	Seanie Leavitt
Billing Email	sleavitt@svmh.com	Title of Contact Person	Digital Marketing Coordinator
Billing Phone	831-240-8601	Address for Notices	450 E Romie Ln Salinas, CA 93901

Included Customer Hospitals:

Salinas Valley Memorial Healthcare System Salinas, CA - (050334)

SERVICE	DESCRIPTION	UNITS	QTY
Campaign Workflow	Access to the Campaign Workflow module for the number of instances specified in this Order Form for a single market ("Tenant").	Module(s)	1
Target Audience Builder	Access to the Target Audience Builder for the number of users specified in this Order Form.	Module(s)	1
Campaign Dashboard	Access to the Campaign Dashboard module for the number of users specified in this Order Form.	Module(s)	1
Service Line Assessment	Access to the Service Line Assessment module for the number of users specified in this Order Form.	Module(s)	1
Mercury Platform User(s)	Provides user access to the quantity defined in this Order Form to the Mercury Platform.	User(s)	20
Consumer Profiler	Access to the Consumer Directory for the number of households (Mercury Healthcare Materials) specified in this Order Form.	Households	150,000
Data Connector & Integration Configuration Services	<p>Mercury Healthcare will provide data integration point configuration Professional Services, which will be completed as specified in the Configuration Plan for the Data Connectors specified below.</p> <p>Standard Batch Feeds:</p> <ul style="list-style-type: none"> • Encounters (2 EMR with Weekly Updates) • Consumer/Member Lists (Monthly Updates) • Do Not Solicit (Weekly Updates) • Call Center (1 Call Center with Weekly Updates) <p>Standard Connectors/Integrations:</p> <ul style="list-style-type: none"> • Google Adwords Connector (Nightly Updates) • Google Analytics Connector (Nightly Updates) • Marketing Automation Connector (Eloqua) • Forms via Marketing Automation <p>Note: Customer data must conform to the Mercury Healthcare integration specifications for all integrations. Custom integrations are expressly excluded. Any integrations not specified in this Order Form must be contracted for separately.</p>	Connectors	8
Clinical Propensity Models	Access to the Mercury Healthcare's standard Clinical Propensity Models.	Included	1



SERVICE	DESCRIPTION	UNITS	QTY
Customer Success Package	Mercury Healthcare will provide Customer with the standard Customer Success Package.	Included	1
Standard Platform Performance & Support	Mercury Healthcare will provide Standard Platform Performance & Support services as described in the Service Level Agreement.	Included	1
Initial Platform Training Services	Mercury Healthcare will provide an initial training session comprised of up to thirteen (13) hours of training following Mercury Healthcare's standard training agenda for up to ten (10) attendees (either via remote methodologies or onsite). If onsite training services are selected by Customer, Customer agrees to pay for all related travel expenses incurred by the Mercury Healthcare's trainers as well as a training location that meets Mercury Healthcare's specifications.	Included	1
Marketing Automation Application	Provide Customer with access to a single Customer instance of Mercury Healthcare's Marketing Automation Application for up five (5) Marketing Users.	Instance(s)	1
Marketing Automation Configuration Services	<p>Initial account setup and provisioning for a single Customer instance with up to 500,000 contacts and five (5) Marketing Automation users.</p> <ul style="list-style-type: none"> Application of client supplied SSL certificates (Customer is responsible for the purchase of any required SSL certificates based on Customer's setup preferences) Technical support in providing "From" and "To" email addresses. Up to three (3) Form Templates Up to 16 hours of training for up to ten (10) users related to the Marketing Automation application (via remote methodologies or onsite. If onsite training services are selected by Customer, Customer agrees to pay for all related travel expenses incurred by the Mercury Healthcare's trainers) Onetime IP warming execution including: <ul style="list-style-type: none"> Building one (1) IP warming dedicated audience. Monitoring campaign performance. <p>Note: Client assumes responsibility for developing creative content, building emails for IP warming, any design or development related to supportive assets (landing pages, forms, etc.) for IP warming. If re-warming is required post-implementation, additional cost will be assessed at that time.</p>	Professional Services Hours*	60
Platform Configuration & Training Services	Mercury Healthcare will provide Professional Services related to onetime configuration of the Mercury Platform, integrations/connectors, and all modules identified this Order Form as well as any training and/or data migration as expressly set forth in this Order Form.	Professional Services Hours*	355

*Professional Services Hours: All Professional Services related to this Order Form will be provided on a time and materials basis. Customer shall commit to a minimum block of Professional Services Hours as defined above, which are provided at a reduced blended rate of \$225.00 per hour. In the event the Professional Services requested for this project exceed the quantity provided herein, Customer shall be required to purchase additional Professional Services hours. The Professional Service Hours are made available by Mercury Healthcare on a take-or-pay basis and may be used for a twelve-month period commencing upon the Effective Date of this Order Form (the "Professional Services Hours Term"). Any unused Professional Service Hours at the end of the Professional Services Hours Term will expire without credit or refund and no additional work may be requested or performed following expiry.



1801 California Street, Suite 1050
 Denver, Colorado 80202
 (303) 716-0041

Payment Terms & Conditions

Service Term: The Term of this Services Order Form shall commence on the Effective Date and continue for a three-year period (the "Initial Term"). Thereafter, this Services Order Form may be renewed by mutual written agreement of the parties through a separately executed contract for additional one-year periods (each a "Renewal Term" and together with the Initial Term, the "Service Term").

Total Committed Fees: \$747,075.00 (Total Contract Value - TCV)
 Annual Contract Value: \$217,900.00 (Annual Contract Value - ACV)
 Onetime Fee: \$93,375.00 (Professional Services)

Payment Terms: Invoice 1 will be paid via ACH or EFT within ten (10) days of the Effective Date. Subsequent invoices will be due 45 days from the invoice date. Accepted payment methods are either: check or electronic funds transfer.

Payment Schedule: Fees are due in accordance with the following schedule.

Invoice No.	Description	Due Date	Amount
Invoice 1	Professional Services	Effective Date	\$93,375
Invoice 2	Year 1 Subscription Fee	Effective Date	\$217,900
Invoice 3	Year 2 Subscription Fee	1st Anniversary of the Effective Date	\$217,900
Invoice 4	Year 3 Subscription Fee	2nd Anniversary of the Effective Date	\$217,900
TOTAL:			\$747,075

If a Purchase Order is required, Customer must issue it upon execution of this Services Order Form, and at least sixty (60) days in advance of any subsequent payments due hereunder. If applicable, please indicate the Purchase Order number: _____. The prices shown above are exclusive of any applicable taxes. Customer is responsible for all sales, use, excise or similar taxes imposed on the items purchased in this Services Order Form. This Services Order Form is not an invoice.

General

"Effective Date" means the date of the last signature below. Services are non-cancellable and non-refundable prior to the end of the relevant Service Term. This Order Form is governed by the Mercury Healthcare Terms of Service dated January 15, 2021 (collectively the "Agreement"). Upon signature by Customer and acceptance by Mercury Healthcare, this Services Order Form and the Mercury Healthcare Terms of Service shall become legally binding. In the event of a conflict between the terms of a Service Order Form, a Work Order and the Terms of Service, the order of precedence shall be: (a) Work Order (if applicable), (b) Services Order Form, and (c) Terms of Service.

As of the Effective Date, any active Work Orders between Mercury Healthcare and Customer shall be governed by the Mercury Healthcare Terms of Service dated January 15, 2021 (as amended, modified, or supplemented herein by the Parties). The Parties agree the terms included in Exhibit A, attached hereto, are hereby added to the Mercury Healthcare Terms of Service dated January 15, 2021, as amended.

[SIGNATURE BLOCK ON FOLLOWING PAGE]



1801 California Street, Suite 1050
Denver, Colorado 80202
(303) 716-0041

Authorization

This Services Order Form may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. Facsimile signatures, signatures transmitted by email after having been scanned and signatures submitted by DocuSign, Adobe Sign or similar be accepted as originals.

Salinas Valley Memorial Healthcare System

(Authorized Signature)

(Printed Name)

(Job title)

(Date)

Mercury Healthcare, Inc.

(Authorized Signature)

(Printed Name)

(Job title)

(Date)

Please sign via DocuSign or sign, scan and send to Mercury Healthcare's Legal Team:
contracts@mercuryhealthcare.com or fax (303) 716-1298

Exhibit A**Mercury Healthcare, Inc. Terms of Service**

Last Updated: January 15, 2021

These Terms of Service ("Terms" or "Terms of Service"), together with an order form indicating the license of a Mercury Healthcare's Service ("Order Form"), that incorporates these Terms by reference and including all executed Work Orders thereunder referencing these Terms (each, a "Work Order" and only to the extent applicable to a Service) comprise an "Agreement" between Mercury Healthcare, Inc. ("MHC") and the customer identified in the Order Form ("Customer") on behalf of itself and its affiliates authorized by Customer to execute Order Forms and/or Work Orders under an Agreement. For purposes of an Agreement, "Affiliates" means, individually or collectively as appropriate, any entity controlled by, controlling or under common control with Customer and all references to Affiliates are solely with respect to Work Orders executed by or on behalf of Customer's Affiliates. MHC and Customer may each be referred to herein as a "Party" and collectively as the "Parties".

Universal terms are applicable to all MHC Services ("Universal Terms"). Additional terms specific and exclusive to each individual MHC Service ("Additional Terms") are linked below. Terms of Service, as referred to herein and in the Order Form, include both the Universal Terms and the applicable Additional Terms.

Universal Terms. The terms of this Section 1 apply to all MHC Services.

1 Universal Terms

- 1.1 Agreement and Order of Precedence:** Each Agreement constitutes a separate contract between MHC and Customer. In the event of a conflict between the terms of an Order Form, a Work Order and these Terms, the order of precedence shall be: (a) Work Order (if applicable), (b) Order Form, (c) Terms.
- 1.2 Service:** Pursuant to an Order Form MHC agrees to make available to Customer the "Service" as described in the applicable service product documentation, which may be modified or updated from time to time at MHC's discretion ("Product Documentation"), along with other MHC Materials (as defined in Section 1.3 below) and any updates to the foregoing (unless otherwise agreed in an Order Form). MHC reserves the right to discontinue the Service upon one hundred eighty (180) days' written notice to Customer.
- 1.3 Rights in MHC Materials:** Customer, on behalf of itself and its Affiliates, acknowledges and agrees that MHC and its licensors are and shall remain the sole and exclusive owner of all proprietary and intellectual property rights in all content, ideas, concepts, inventions, technology, software, information, data, website source code, and works of authorship developed, authored or conceived by MHC, whether or not in connection with MHC's providing the Service or MHC's performance of the Service ("MHC Materials"), including all additions, improvements, modifications and derivative works made to MHC Materials. Customer's and its Affiliates' rights to any MHC Materials are limited to use in connection with the Service, as applicable, and are subject to Customer's limited license to use the Service. MHC Materials may be subject to additional license terms made available to Customer.
- 1.4 Rights in Customer Materials:** Customer, its Affiliates, and their licensors are, and shall remain, the sole and exclusive owner of all proprietary and intellectual property rights in and to any documents, data, graphics, animation, art work, photographs, text, audio records, video recordings, know-how, methodologies, software and other materials provided to MHC by Customer or its Affiliates for use in performance of the Service ("Customer Materials"), including all additions, improvements, modifications and derivative works made to Customer Materials. Customer, on behalf of itself and its Affiliates, hereby grants MHC a non-exclusive, worldwide, royalty-free, perpetual, irrevocable license to use, copy, publish, modify, reproduce, display, syndicate, reformat, update and create derivative works of the Customer Materials, or to sublicense such rights to its partners, solely in order to perform the Service. All other rights in and to the Customer Materials are expressly reserved by Customer. To the extent Customer provides MHC or its licensors with any feedback related to the Service, in part or in whole, Customer grants to MHC and its licensors a nonexclusive, perpetual, irrevocable, sublicensable, transferrable, worldwide, royalty-free and fully paid-up license to freely exploit such feedback.
- 1.5 Changes in Functionality:** During the term of the Agreement, MHC shall not materially degrade the Service. MHC will provide advance notice of any elimination of functionality as well as alternative and comparable functionality. Where MHC increases base functionality in the Service, such functionality shall be provided to Customer without any increase in the Fees. Certain premium services may be available for an additional fee in accordance with an applicable Product Documentation.
- 1.6 Loss of Data:** In the event of any compromise to the security, confidentiality, or integrity of Customer Materials (not including Protected Health Information ("PHI") as defined under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")), MHC shall, as applicable: (a) notify Customer as soon as practicable after becoming aware of such occurrence; (b) cooperate with Customer in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to

comply with applicable law; (c) in the case of Personal Identifiable Information ("PII"), at Customer's sole election, (i) notify the affected individuals who comprise the PII as soon as practicable but no later than is required to comply with applicable law; or, (ii) reimburse Customer for any costs in notifying the affected individuals; and (d) perform or take any other actions required to comply with applicable law as a result of the occurrence.

- 1.7 Business Associate Agreement ("BAA"):** To the extent Customer is a "Covered Entity" as defined under HIPAA and, in its performance pursuant to an Order Form or Work Order MHC is required to receive, access, develop, transmitted or otherwise use PHI, all such uses shall be strictly in accordance with this Agreement and the BAA executed by the Parties.
- 1.8 Data Privacy and Information Security:** MHC maintains a data privacy and information security policy ("Security Policy") which includes physical, technical, administrative, and organizational safeguards designed to ensure the security and confidentiality of Customer Materials; and protect against any anticipated threats or hazards to the security or integrity of the Customer Materials; protect against unauthorized disclosure, access to, or use of the Customer Materials. [MHC's Security Policy](#) is subject to change upon written notice to Customer, provided that any such change shall not diminish or reduce MHC's obligations.
- 1.9 Fees and Expenses:** In consideration of the provision of the Service by MHC, Customer, or its Affiliates, shall pay the fees set forth in the Order Form, and/or Work Orders (individually and collectively referred to as, "Fees") in accordance with the invoicing schedules in the Order Form or Work Orders. Notwithstanding anything herein to the contrary, Customer shall pay all Fees in the Order Form. Customer agrees that it, or its Affiliates, will reimburse MHC for all reasonable travel and out-of-pocket expenses incurred by MHC in connection with the performance of the Service and as identified in the Order Form and/or Work Orders. MHC shall issue invoices to Customer or, where specified in a Work Order, its Affiliates, for all Fees and out-of-pocket expenses in accordance with the terms of this Section 1.9. Unless stated otherwise in the Order Form or a Work Order, Customer, or its Affiliates, shall pay all properly invoiced amounts due to MHC within forty-five (45) days after receipt of such invoice. Nonpayment of undisputed fees forty-five (45) days following the invoice date may result in a suspension of Services. All payments shall be in US dollars. Unless substantiated by a valid exemption, evidence of which is provided to MHC and which MHC deems sufficient, Customer or, where specified in a Work Order, its Affiliates, shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state or local governmental entity on any amounts payable by Customer or its Affiliates; *provided, that*, in no event shall Customer or its Affiliates pay or be responsible for any taxes based on MHC's net income.
- 1.10 Use of De-Identified Information and Reference Sites:** MHC shall have the right to use de-identified information, as defined under HIPAA, received from, or developed for, Customer or its Affiliates in connection with the Service in order to generate aggregate statistical information, perform marketplace analyses, and for other analytic purposes, provided that MHC's use of such information does not identify the Customer as its source.
- 1.11 Access to Records:** Upon the written request of the Secretary of Health and Human Services, the Comptroller General of the Government Accounting Office, or their authorized representatives, MHC shall make available all contracts, books, documents and other records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available for a period of four (4) years after the furnishing of services hereunder. If MHC carries out any of the duties in an Agreement through a subcontract with a related organization with a value of \$10,000 or more over a twelve (12) month period, MHC agrees to include this requirement in any such subcontract. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by Customer, its Affiliates, or MHC by virtue of any Agreement.
- 1.12 Term and Termination:** Each Agreement shall commence as of the Effective Date as designated in the Order Form and shall continue thereafter until the date specified in the Order Form or, if no termination date is specified in the Order Form, the last to occur of: substantial completion of the Service, including any services provided under all Work Orders by MHC; or final payment of Fees, under the Agreement and of related expenses ("Term"), unless sooner terminated in accordance with this Section 1.12. Either Party may terminate an Agreement, effective upon written notice to the other Party if the other Party materially breaches the Agreement and does not cure such breach within thirty (30) days after receipt of written notice of such breach. Upon the early expiration or termination of an Agreement for any reason, MHC shall cease its provision of the Service and, on a pro rata basis, repay all Fees paid in advance for any Services which have not been provided to Customer or its Affiliates through the effective date of termination. Customer and its Affiliates shall cease their use of the Service and pay all Fees due and payable as of the effective date of expiration or termination of that Agreement.
- 1.13 Confidential Information:** "Confidential Information" means any information that is made available by a Party ("Disclosing Party") to another Party ("Receiving Party") that is identified as confidential by the Disclosing Party or that a reasonable person would understand to be confidential based on the nature of the information or the circumstances of the disclosure. Confidential Information shall not include information that: (a) is already known to the Receiving Party without restriction on use or disclosure prior to receipt of such information from the Disclosing Party; (b) is or becomes generally known by the public other than by breach of an Agreement by, or other wrongful act of, the Receiving Party; (c) is developed by the Receiving Party independently of, and without reference to, any Confidential Information of the Disclosing Party; or (d) is received by the Receiving Party from a third party who is not under any obligation to the Disclosing Party to maintain the confidentiality of such information. The Receiving Party agrees not to disclose or otherwise make available Confidential Information of the Disclosing Party to any third party without the prior written consent of the Disclosing Party;

provided, however, that the Receiving Party may disclose the Confidential Information of the Disclosing Party to its officers, employees, consultants and legal advisors who have been apprised of this restriction and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in an Agreement. The Receiving Party agrees to use the Confidential Information of the Disclosing Party only for the purposes of performing its obligations under an Agreement or, in the case of Customer or its Affiliates, to make use of the Service. In the event that the Receiving Party receives a subpoena or other validly issued administrative or judicial process, or is otherwise required by law to disclose the Confidential Information, the Receiving Party shall promptly notify the Disclosing Party (to the extent permitted by law) and may thereafter comply with the law, subpoena or process.

1.14 Representations and Warranties: MHC represents and warrants: (a) that it and its representatives are not currently excluded, debarred, or otherwise ineligible to participate in the federal health care programs, have not been convicted of a criminal offense related to the provision of healthcare items or services, and are not under investigation or otherwise aware of any circumstances which may result in MHC or its representatives being excluded from participation in federal healthcare programs; (b) that that it shall perform the Service using personnel of required skill, experience and qualifications and in a professional and workmanlike manner; and (c) it shall perform the Service in compliance with applicable laws. If an employee/agent performing services under this Agreement is excluded, MHC will replace that employee/agent within a reasonable time. If MHC is excluded, Customer may terminate this Agreement, without penalty and with applicable refund, upon written notice to MHC. Customer, on behalf of itself and its Affiliates, represents and warrants to MHC that: (x) its and its Affiliates' use of the Service will not violate any laws; (y) it or its Affiliate has the right to use, modify, reproduce, display and create derivative works of the Customer Materials and to sublicense such rights to MHC in accordance with this Agreement; and (z) Customer and its Affiliates will not use, nor permit any third party to use, the Service in any way not expressly authorized in an Agreement. Customer acknowledges that the Service is licensed and not sold. EXCEPT FOR THE EXPRESS WARRANTIES IN THIS SECTION 1.14, THE SERVICE IS PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND AND MHC, ON BEHALF OF ITSELF AND ITS THIRD PARTY PROVIDERS, HEREBY DISCLAIMS ANY AND ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESSED OR IMPLIED, WITH RESPECT TO THE SERVICE, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

1.15 Indemnification: (a) MHC shall defend, indemnify and hold harmless Customer and Customer's Affiliates from and against all losses awarded against Customer in a final judgment arising out of or resulting from any third party claim, suit, action or proceeding alleging that the Service infringes upon any intellectual property rights of a third party ("Infringement Claim"). Where Customer notifies MHC of an Infringement Claim or MHC determines in its reasonable discretion that there may be an Infringement Claim related to the Service, MHC shall have the option at its own expense to procure the right for Customer or its Affiliates to continue using the Service; replace or modify the Service to eliminate the infringement without materially reducing functionality or performance; or refund the amount the Customer or its Affiliates actually paid for the Service for the period of time that such Service was not usable, in which case the Agreement, and Customer's, or its Affiliates', rights in the Service, shall terminate. (b) To the extent possible without waiving any sovereign immunity granted under any applicable state statute, Customer shall defend, indemnify and hold harmless MHC and MHC's Affiliates from and against all losses awarded against MHC in a final judgment arising out of or resulting from any third party claim, suit, action or proceeding arising out of: Customer's, or its Affiliates', use of the Service, including use in any manner not otherwise permitted in an Agreement; a claim related to the Customer Materials, including that Customer did not have the authority to provide the Customer Materials or that the Customer Materials violate the intellectual property rights of a third party. Neither Party will have any obligation to the other for an infringement under this section if such alleged infringement claim arises from the other Party's materials or any modifications or changes thereto by the non-indemnifying Party. The Party seeking indemnification hereunder shall promptly notify the indemnifying Party in writing of any claim and provide the indemnifying Party with sole control over the defense or settlement of the claim and such information and assistance to defend or settle the claim as the indemnifying Party may reasonably request. The indemnifying Party may not settle any claim in a manner that adversely affects the indemnified Party's rights or admits liability on the party of the indemnified Party without the indemnified Party's prior written consent. This Section 1.15 sets forth each Party's sole and exclusive remedy for any claim for which indemnification is sought.

1.16 Limitation of Liability: EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS OR DAMAGES ARISING OUT OF A PARTY'S VIOLATION OF ITS CONFIDENTIALITY OBLIGATIONS, UNDER NO CIRCUMSTANCES WILL EITHER PARTY OR ITS LICENSORS BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES, WHETHER FORESEEABLE OR UNFORESEEABLE. EXCEPT FOR LIABILITY ARISING OUT OF A BREACH BY CUSTOMER OF ITS LICENSE OBLIGATIONS, EITHER PARTY'S INDEMNIFICATION OBLIGATIONS OR VIOLATION OF EITHER PARTY'S CONFIDENTIALITY OBLIGATIONS, IN NO EVENT WILL THE AGGREGATE LIABILITY THAT EITHER PARTY AND ITS AFFILIATES AND SUPPLIERS (INCLUDING LICENSORS AND THIRD PARTY PROVIDERS) MAY INCUR IN ANY AND ALL ACTIONS OR PROCEEDINGS UNDER AN AGREEMENT EXCEED THE TOTAL AMOUNT OF THE PRECEDING 12 MONTHS OF FEES MHC ACTUALLY RECEIVED FROM CUSTOMER AND ITS AFFILIATES UNDER THAT AGREEMENT FOR THE SERVICE GIVING RISE TO THE CLAIM.

1.17 Force Majeure: Neither Party shall be considered in default in the performance of any obligations in an Agreement to the extent that the performance of the obligation is prevented or delayed by fire, flood, explosion, telecommunications failure, strike (except for a strike by a Party's employees), war, insurrection, embargo, government requirement, act of civil or military authority, act of God, or any similar event, occurrence or condition which is not caused, in whole or in part, by that Party, and which is beyond the reasonable control of that Party.

- 1.18 Alternative Dispute Resolution:** The Parties will endeavor to resolve controversies or claims (other than where a Party seeks injunctive relief) through discussions between the Parties. In the event a controversy or claim arising out of or relating to an Agreement is not resolved by discussions between the Parties, the Parties agree to consider, in good faith, another form of alternative dispute resolution.
- 1.19 Reservation of Rights:** All rights with respect to the Service not granted to the Customer in these Universal Terms or any Additional Terms are reserved by MHC.
- 1.20 Miscellaneous:**
- 1.20.1** Services provided under this Agreement will not be governed by the Uniform Commercial Code and will not be deemed "goods" within the definition of the Uniform Commercial Code.
 - 1.20.2** Nothing contained in any Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.
 - 1.20.3** Neither Party shall issue or release any announcement, statement, press release or other publicity or marketing materials relating to an Agreement, or otherwise use the other Party's trademarks, service marks, trade names, logos, symbols or brand names, in each case, without the prior written consent of the other Party.
 - 1.20.4** This Agreement and any other documents incorporated herein by reference, constitutes the entire agreement of the Parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.
 - 1.20.5** Neither Party may assign, transfer or delegate any or all of its rights or obligations under this Agreement, without the prior written consent of the other Party; provided, that, upon written notice to the other Party, either Party may assign the Agreement to an Affiliate of such Party or to a successor through merger, reorganization, consolidation or acquisition. No assignment shall relieve the assigning Party of any of its obligations hereunder. Any attempted assignment, transfer or other conveyance in violation of the foregoing shall be null and void. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns.
 - 1.20.6** This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
 - 1.20.7** If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties hereto shall negotiate in good faith to modify this Agreement so as to affect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
 - 1.20.8** These Terms and each Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule.
 - 1.20.9** Any notice required or permitted under an Agreement will be made in writing and sent to the address listed on the applicable Order Form or Work Order for the applicable Party. Notice is deemed received upon the earliest of: actual receipt; one business day after having been sent by overnight courier service; or three business days after having been mailed by first-class mail (registered or certified, return receipt requested).
 - 1.20.10** MHC shall provide services in strict accordance with all applicable state and federal laws and regulations.
 - 1.20.11** The Parties shall maintain in effect throughout the term of this Agreement general liability insurance in the amount of \$1,000,000 per occurrence and \$2,000,000 annual aggregate; and comprehensive automobile liability insurance in the amounts of \$100,000 per occurrence and \$200,000 annual aggregate covering all motor vehicles, including owned, leased, non-owned, and hired vehicles that are or will be used in providing services under this Agreement.

The rights and obligations of the Parties in Sections 1.1, 1.3, 1.4, 1.7, 1.9, 1.10, 1.11, 1.12, 1.13, 1.14, 1.15, 1.16, 1.18 and 1.19 shall survive termination or expiration of an Agreement.

Additional Terms –The terms in the following sections apply to the specific Services identified in an Order Form.

[Mercury Healthcare CRM](#)

[Professional Services](#)

[Mercury Healthcare Materials](#)

[API Services](#)

- 2 MHC's Customer Relationship Management Platform (CRM).** The terms of this Section 2 apply only to CRM and Customer's use thereof.
- 2.1 Work Orders:** In addition to the Services, MHC may provide managed services for the execution of certain marketing campaigns, on a case by case basis, which managed services leverage the Service. Such additional managed services shall be agreed in separate work orders executed by Customer or its Affiliates and MHC (each a "Work Order"). Upon execution of such Work Order by the Parties, the Work Order shall automatically become an addendum to the Agreement and shall become binding upon the parties and subject to the terms of the Agreement.
- 2.2 Customer's Obligations:** Customer and its Affiliates shall respond promptly to any MHC request to provide direction, information, authorizations or approvals that are reasonably necessary for MHC to perform the Service, and provide access to such Customer Materials or information as MHC may reasonably request in order to perform the Service, in a timely manner, and ensure that it is complete and accurate in all material respects. If and to the extent that MHC's performance of its obligations under an Agreement is prevented or delayed by any act or omission of Customer, its Affiliates, or their agents, subcontractors, consultants or employees outside of MHC's reasonable control, including delays or errors caused by Customer's, or its Affiliates' failure to provide, or provision of inaccurate or incomplete, Customer Materials, MHC shall not be deemed in breach of its obligations under an Agreement or liable for any costs, charges or losses sustained or incurred by Customer or its Affiliates. For the purpose of accessing and using the Service, MHC will provide unique security keys, tokens, passwords and/or other credentials (collectively, "Keys"), for accessing the Service. Customer may only access the Service with the Keys issued to Customer by MHC. Customer may not sell, transfer, sublicense or otherwise disclose Customer's Keys to any other party. Customer is responsible for maintaining the secrecy and security of the Keys. Customer is fully responsible for all activities that occur using the Keys, regardless of whether such activities are undertaken by Customer or a third party.
- 2.3 Service Availability:** The Service shall be available in accordance with MHC's CRM [Service Level Agreement](#), the terms of which may be changed or modified by MHC in its sole discretion and upon notice to Customer.
- 2.4 License:** MHC grants Customer a non-exclusive, non-transferable, right and license, without the right to sublicense, for the number of Authorized Users indicated in the Order Form to access and use the Service for Customer's internal business purposes only.
- 2.5 Restrictions:** Customer will not (and will not allow any third party to): (a) reverse engineer, decompile, disassemble, or otherwise attempt to discover the source code, object code, or underlying structure, ideas, or algorithms of the Service; (b) modify, translate, or create derivative works based on the Service; (c) copy, rent, lease, distribute, pledge, assign, or otherwise transfer or encumber rights to the Service; (d) use the Service for timesharing or service bureau purposes or otherwise for the benefit of a third party (excepting Customer's end users as part of the purpose contemplated in the Order Form or applicable Work Order); (e) remove or otherwise alter any proprietary notices or labels from the Service or any portion thereof, or (f) use the Service to create any other product or service. Customer will use the Service only in compliance with this Agreement, the rights granted hereunder, and in accordance with all applicable laws and regulations.
- 2.6 Representations and Warranties:** MHC represents and warrants that the Service, as made available by MHC, includes or is otherwise configured to support multi-factor authentication. Customer represents and warrants that: (a) to the extent Customer implements the Service's native authentication that it will enable and utilize multi-factor authentication; or (b) to the extent Customer implements its own single sign on authentication in conjunction with the Service, that its own authentication utilizes multi-factor authentication.
- 2.7 Indemnification:** Each party shall defend, indemnify and hold harmless the other party and its Affiliates from and against all losses arising out of a third party claim, suit, action or proceeding and resulting from a breach of either party of its Representations and Warranties in Section 2.6 above.
- 3 Professional Services.** The terms of this Section 3 apply only to Professional Services and Customer's use of any Services Outputs (as defined herein).
- 3.1 Work Orders:** MHC shall provide implementation services on a case by case basis ("Services") and as agreed by the Parties in an Order Form. The details of such Services shall be agreed in separate work orders executed by Customer or its Affiliates and MHC (each a "Work Order"). Upon execution of such Work Order by the Parties, the Work Order shall automatically become an addendum to the Agreement and shall become binding upon the parties and subject to the terms of the Agreement. MHC shall control the means, method and manner of its performance of the Services, provided such Services are in accordance with an executed Work Order.
- 3.2 Ownership and Grant of License:** Except as specifically granted in this Agreement, MHC owns and retains all right, title and interest in any work product developed as a result of the Services ("Services Output"). Subject to the terms and conditions of this Agreement, MHC grants Customer a limited, non-sublicensable, non-exclusive license to access and use the Services Output in connection with Customer's authorized use of other services licensed by Customer in connection with the Services herein.
- 3.3 Patents and Inventions:** Each Party will retain title to any inventions, innovations and/or improvements ("Inventions") made or conceived solely by its own employees, consultants or contractors during the Term of this Agreement. The Parties will jointly own any Inventions made or conceived jointly by the Parties. Where Inventions are jointly owned, each Party will share equally the costs of acquiring protection of such Inventions and will furnish to the other Party with assistance reasonably required for acquiring protection.
- 3.4 Export Controls:** Customer shall comply with all applicable laws and regulations of the United States including, without limitation, its export control laws. Customer expressly acknowledges and agrees not to export, re-export, transfer, or release Services Outputs, in whole or in

part, to any embargoed country, any Specially Designated National, or any person on the US Commerce Department's Lists of Parties of Concern.

- 3.5 Expenses:** In addition to the Fees, Customer shall pay all out of pocket expenses incurred by MHC in its performance hereunder. Upon the reasonable request of Customer, MHC shall provide documentation related to such expenses.
- 3.6 Use of Subcontractors:** MHC may, in its provision of the Service, utilize subcontractors provided that MHC shall remain liable for all acts and omissions of such subcontractors in their performance hereunder.
- 3.7 Survival:** The rights and obligations of the Parties in Sections 3.2, 3.3, 3.4 and 3.5 of these additional terms shall survive termination or expiration of an Agreement.
- 4 MHC Materials.** The terms of this Section 4 apply only to MHC Materials provided for use within a Service listed in an Order Form or Work Order.
- 4.1 Ownership and Grant of License:** Except as specifically granted in this Agreement, MHC and its licensors own and retain all right, title and interest in the MHC Materials. Subject to the terms and conditions of this Agreement, including these additional terms, MHC grants Customer a limited, non-sublicensable, non-exclusive license to access and use the MHC Materials in connection with the Services for: (i) Customer's own marketing and communications programs and not those of another party; (ii) Customer's online and offline marketing and communications activities or web content personalization to its own patients or potential patients logged into or authenticated on Customer's own sites; (iii) Customer's own email campaigns, and not those of another party, to patients who have opted in to receive email communications from Customer; and (iv) use on a rental basis only, without conveying any title, to create enhanced and or scored measures for the purpose of marketing and communications. Further, Customer may enhance and/or match, and may allow its online Permitted Service Providers (defined below), to enhance and/or match, any of its cookies and other data with the MHC Materials in connection with Customer's marketing programs. Permitted Service Providers may only use the MHC Materials to support Customer, Customer retains all legal liability for Permitted Service Providers' use of the MHC Materials. MHC Materials may not be used by Permitted Service Providers for internal use, in support of other customers or clients, or any other use. "Permitted Service Provider" is defined as any third party to whom disclosure is necessary in order for Customer to exercise its rights with respect to the MHC Materials hereunder and with which Customer executes a written agreement that: (i) limits the use of the MHC Materials by such party solely to the performance of specified services for Customer; (ii) requires that the MHC Materials be held in confidence; (iii) provides a right for MHC or its licensors to audit the Permitted Service Provider's use of the MHC Materials. Customer's use in accordance with the foregoing shall be limited to:
- 4.1.1 Data Enhancement –** MHC Materials may be appended to Customer's own files to be used by Customer in its own marketing programs for the Term of the applicable agreement/Services Order Form, developing and/or implementing a predictive model;
- 4.1.2 List Selects –** Customer may use the MHC Materials to select records to create a mail, email, or telemarketing list. Customer may use each list on a rental basis;
- 4.1.3 Modeling –** Customer may use the MHC Materials to create models used to rank Customer's file or prospect list, provided that the MHC Materials is used in combination with at least three (3) other variables, a score is not a one-to-one correlation with the MHC Materials, and the model is used in compliance with the other requirements stated herein.
- 4.2 Restrictions:** Customer agrees not to disclose to any third party all or any portion of the MHC Materials in any form whatsoever. Customer is fully responsible to MHC and its licensors for the acts and omissions of its contractors and agents, including, without limitation, its Permitted Service Providers. Without limiting the general requirement of Customer to ensure its compliance with the terms of these additional terms, including those of its Permitted Service Providers, Customer agrees to include, the following terms in its agreements with its Permitted Service Providers as well as any other service provider to whom Customer is providing the MHC Materials to perform services for Customer in accordance with this Agreement: (i) confidentiality; (ii) no reverse engineering; (iii) security (such requirements will ensure: appropriate access controls; prevent unauthorized disclosure; and provide notice of any unauthorized access or unauthorized disclosure of the MHC Materials); (iv) applicable laws (such requirements will ensure compliance with applicable laws generally; and (v) record keeping (such requirement will address maintaining reasonable records of transmissions of the MHC Materials that occur with the MHC Materials).
- 4.3 Restrictions Third Parties; Equitable Adjustment:** MHC or its licensors may, at any time, impose restrictions on the use of MHC Materials to the extent they are imposed on MHC by third parties. MHC may, at any time, impose reasonable restrictions on the use of the MHC Materials to properly manage the integrity of the MHC Materials and it or its licensors access to the MHC Materials from its data sources in light of issues concerning privacy, confidentiality and other issues to which consumers may be sensitive. Use of the MHC Materials is subject to compliance with all such restrictions. In the event the restrictions imposed under this Section 4.3 substantially impair the value of the MHC Materials to Customer, Customer may request, in writing, an equitable adjustment in the license fees otherwise payable for the use of such MHC Materials. The parties will attempt in good faith to arrive at a mutually agreeable equitable adjustment. If such agreement is not reached within 30 days of the request, this Agreement may be terminated by either party by providing prior written notice to the other party.
- 4.4 Compliance with Laws:** MHC Materials must be used (i) in accordance with applicable laws, rules, regulations relating to its use including, but not limited to, privacy laws, anti-corruption and anti-bribery laws, and such use shall not violate or infringe any third party rights, including without limitation, intellectual property rights and publicity/privacy rights; (ii) in accordance with Direct Marketing Association Guidelines in a manner which gives due consideration to matters concerning privacy, confidentiality, good taste, and other issues to which individual and business consumers may be sensitive; and (iii) without any indication that any party possesses any information which is derived from any MHC Materials about the recipient other than name and address. Customer is solely responsible for compliance with, all "DO NOT CALL," "CAN-SPAM," "DO NOT MAIL," and similar legislation relating to telemarketing, privacy and email activities. MHC represents and warrants that it is not responsible for obtaining, nor required to obtain, any required consumer consent and makes no representation or warranty with respect to compliance with "DO NOT CALL," "CAN-SPAM," "DO NOT MAIL," and similar legislation relating to telemarketing, privacy and email activities. Customer assumes responsibility to subscribe to all applicable do not call lists including, without limitation, any national Do Not Call List and will use any mail or telephone suppression lists provided by MHC in accordance with applicable laws, removing names as appropriate from the files provided by MHC

- 4.5 Individual Reference Service, FCRA:** MHC Materials may not be used in connection with any individual reference service application, skip tracing, electronic directory assistance or other e-data look-ups, verification of the accuracy of a record; review of MHC or its customers' employee records; or any other type of review, analysis or assessment of an individual record that is not expressly permitted hereunder, or in connection with credit granting, credit monitoring, account review, collection, insurance underwriting, employment or for any other purpose covered by the Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq ("FCRA")), Federal Trade Commission interpretations of the FCRA, and similar federal and state statutes.
- 4.6 Derivative Works:** Except as expressly permitted hereunder, Customer may not modify, further develop, or create any derivative products from the MHC Materials. No MHC Materials may be decompiled, decoded, or reverse engineered
- 4.7 Survival:** The rights and obligations of the Parties in Sections 4.1-4.6 of these additional terms shall survive termination or expiration of an Agreement.

5 [RESERVED]

6 [RESERVED]

7 [RESERVED]

8 [RESERVED]

9 **API Service Additional Terms.** The terms of this Section 9 apply only to the API Service.

9.1 License: MHC grants Customer a limited, non-sublicensable, non-exclusive license to access and use the API Service in conjunction with a related service included on its Order Form. Nothing herein shall restrict Customer from providing access to the API Service to its contractors, under written agreement with Customer, for the sole purpose of exercising Customer's rights and performing its obligations hereunder, provided that Customer is responsible for all acts and omissions of such contractors in their use of the API Service.

9.2 Description and Restrictions: The API Service consists of programmatic web APIs, interface definitions, generated code libraries and associated tools (as may be more specifically described in the API Service Technical Documentation) hosted on computers owned or operated by MHC and accessible via the Internet, which will allow: (a) Customer to execute certain call functions made available by MHC and display certain data licensed under an order form ("Content") to Customer-owned and operated websites or applications (collectively, "Applications"), if applicable, and to the extent agreed in the Order Form, a MHC-developed and hosted landing page linked from the Application and licensed under a separate MHC service ("Landing Page") and (b) Customer to execute certain push functions, if and to the extent made available by MHC, to transmit Customer data to MHC as "Customer Materials" to be used in accordance with the limited license granted in Section 1.4 above. MHC reserves the right to modify the API Service and to release subsequent versions provided, however, that MHC shall notify Customer not less than 30 days in advance of any such modification which may materially affect the compatibility of the API Service with the Application and, to the extent such modification materially affects the compatibility of the API Service with the Application, Customer may terminate this Agreement upon notice to MHC. Customer may be required to obtain and use the most recent version of the API Service in order to maintain functionality of the Application. For the purpose of accessing and using the API Service, MHC will provide a unique API key. Customer will be issued one or more unique security keys, tokens, passwords and/or other credentials (collectively, "Keys"), for accessing the Web Service. Customer may only access the API Service with the Keys issued to Customer by MHC. Access may not always be available, is subject to MHC's standard Service Level Agreement. Customer may not sell, transfer, sublicense or otherwise disclose Customer's Keys to any other party or use them with any other Application not otherwise agreed in an Order Form. Customer is responsible for maintaining the secrecy and security of the Keys. Customer is fully responsible for all activities that occur using the Keys, regardless of whether such activities are undertaken by Customer or a third party. Without limiting other restrictions in this Agreement, Customer agrees that: (i) the API Service, Landing Page and Content may not be used in connection with Applications not otherwise agreed in the Order Form; (ii) it will not offer or promote services that may be damaging to, disparaging of, or otherwise detrimental to MHC or its licensors; (iii) it will canonical source reference Content and all other information made available through the API Service solely to MHC; and (iv) the API Service and Content may not be used for or to create offline databases or reproductions, in whole or in part. Notwithstanding anything herein to the contrary, Customer may cache Content accessed by a user through the Application only during a single browser session and for a period not to exceed 30 minutes after a user goes idle during such single, active user browser session, after which, Customer shall delete and otherwise clear all cached Content in any and all forms. MHC may limit the number of network calls that the Application may make via the API Service, and/or the maximum file size, and/or the maximum Content that may be accessed via the API Service. MHC may utilize technical measures to prevent over-usage and/or stop usage of the API Service by an Application: (i) after any usage limitations are exceeded; (ii) if MHC, in its sole discretion, determines that continued use of the API Service by Customer poses a security risk to the API Service or any component thereof; (iii) if Customer's use of the API Service may subject MHC or its third party licensors to liability; or (iv) in the event Customer is in breach of any of its rights or obligations under the Agreement.

9.3 Attribution: Subject to the license granted to the MHC Marks in Section 9.7 below, Customer must clearly and conspicuously attribute the source of all Content as received from MHC through the API Service with the prominent display of the words "Powered By MHC" and/or a Powered By MHC logo or other logo of MHC's designation. Each such attribution shall include a hyperlink directing users to a page on MHC's website as designated by MHC. Customer may not modify, obscure, delete or otherwise disable the functioning of such hyperlinks. Similarly, Customer may not modify, obscure or delete the text, images, artwork, logos, copyrights or similar proprietary notices or other aspects of any Content that Customer accesses via the API Service, except that, with respect to graphic images, Customer may re-size such images while maintaining the same relative proportions of such image. If Customer displays the Content in a way that MHC or, where applicable, a third-party provider of such Content to MHC, finds unacceptable for any reason, including if such display violates this Agreement or it disparages, damages, tarnishes or impairs the value, integrity or goodwill of the Content or its subjects therein, MHC may require that Customer immediately change or cease display of such Content. Customer acknowledges and agrees that MHC has no obligation to monitor the Content.

- 9.4 Appropriate Conduct and Usage Restrictions:** Customer agrees that it is responsible for its own conduct while using the API Service and for any consequences thereof. In addition to the other restrictions contained in this Agreement, and unless otherwise agreed in an Order Form, Customer agrees that when using the API Service it will not, directly or indirectly, take or enable another to take any of the following actions: interfere with or disrupt services or servers or networks connected to the API Service, or disobey any requirements, procedures, policies or regulations of networks connected to the API Service; use the Content for any illegal or unauthorized purpose; circumvent or modify any Keys or other security mechanism employed by MHC or the API Service; imply inaccurate creation, affiliation, sponsorship or endorsement of Customer or the Application by MHC or of the Content as Customer's own; use any robot, spider, site search/retrieval application or other device to retrieve, save, cache (except as permitted in Section 9.2 above), download or index any portion of the Content; or transmit any viruses, worms, defects, Trojan horses or any items of a destructive nature
- 9.5 Support:** Except as otherwise agreed in the Order Form, MHC has no obligation to provide Customer or its users with support, software upgrades, enhancements or modifications to the API Service. Customer understands and agrees that Customer is solely responsible for providing Support and any other technical assistance for the Application. MHC may redirect users and potential users of the Application to Customer for purposes of support.
- 9.6 Customer Ownership:** Customer represents and warrants that: (i) the Application is Customer's original work or was legally obtained; and (ii) its use of the Application will not violate any third party's rights. Except to the extent the Application and/or its content displays MHC's Content, MHC claims no ownership or control over the Application. Customer acknowledges and agrees that MHC may be independently creating applications, content and other products or services that may be similar to or competitive with the Application and its content, and nothing in this Agreement will be construed as restricting or preventing MHC from creating and fully exploiting such applications, content and other items, without any obligation to Customer.
- 9.7 License for MHC Marks.** Subject to the terms and conditions in, and during the Term of this Agreement, MHC grants Customer a limited, nonexclusive, revocable, non-sublicensable and non-transferable license to display the trade names, trademarks, service marks, logos, copyright notices, domain names and other distinctive brands of MHC (cumulatively, the "MHC Marks") in accordance with this Agreement and any trademark guidelines that MHC may develop and maintain, provided such guidelines are made available to Customer, and solely for attributing the source of the API Service and/or the Content, and for the purpose of promoting or advertising that Customer uses the Content in the Application. All use by Customer of the MHC Marks (including any goodwill associated therewith) shall inure to the benefit of MHC. In using the MHC Marks, Customer may not do the following: use a MHC Mark in any manner that implies a relationship or affiliation with, sponsorship or endorsement by MHC, other than Customer's licensed right to use the API Service or Content; use a MHC Mark to disparage MHC, its products or services; use MHC Mark in a way that tarnishes, dilutes or otherwise impairs the MHC Marks; use a MHC Mark on Customer's site if it contains or promotes illegal actions or activities; use a MHC Mark in a manner that is misleading, defamatory, infringing, libelous, disparaging, obscene or otherwise objectionable to MHC; or remove, obscure, distort or alter any element of a MHC Mark.
- 9.8 Survival:** The rights and obligations of the Parties in Section 9.6 shall survive termination or expiration of an Agreement



1801 California Street
Denver, Colorado 80202
United States
(303) 716-0041

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("**BAA**") is entered into by and between Mercury Healthcare, Inc. ("**Business Associate**") and _____ ("**Covered Entity**") as of _____ ("**Effective Date**") and applies to all services and relationships between Covered Entity and Business Associate. Business Associate and Covered Entity may each be referred to herein as a "party" or collectively as the "parties."

WHEREAS, Business Associate provides certain services to Covered Entity pursuant to separate agreement(s) between Business Associate and Covered Entity (the "**Base Agreement(s)**");

WHEREAS, In the performance of such agreements, Business Associate may receive or otherwise have access to certain information subject to the privacy and security rules of the Health Insurance Portability and Accountability Act of 1996, as amended; and

WHEREAS, In order to ensure compliance with its obligations under those privacy and security rules, Business Associate and Covered Entity are entering into this BAA.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, the Parties agree as follows:

1. Definitions

a. HIPAA means the Health Insurance Portability and Accountability Act of 1996, as amended. Use of the term "**HIPAA**" herein is deemed to include HITECH, as defined below.

b. HITECH means the Health Information Technology for Economic and Clinical Health Act found at Title XIII of the American Recovery and Reinvestment Act of 2009.

c. Data Aggregation means, with respect to Protected Health Information created or received by Business Associate under this BAA, the combining of such protected health information by Business Associate with the PHI from another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

d. De-Identified PHI has the meaning set forth in HIPAA Section 164.514.

e. Electronic Protected Health Information or ePHI means Protected Health Information transmitted by, or maintained in, electronic media as defined in HIPAA.

f. Protected Health Information or PHI means any protected health information, as defined by HIPAA that was collected, created, received, maintained by, or transmitted to or from, the Covered Entity. For the purposes of this BAA, PHI means all PHI in Business Associate's possession or under its control, received from or transmitted to the Covered Entity, and all PHI collected, created, received, maintained or transmitted by Business Associate or its Subcontractors to or from the Covered Entity after the Effective Date of this BAA.

g. Subcontractor means each of Business Associate's subcontractors as well each of their downstream entities, as applicable.

h. Confidential Information means (i) any and all PHI; (ii) any and all nonpublic information from or about a party hereto; (iii) nonpublic information that belongs or relates to third parties to whom either party has an obligation of confidentiality; and, nonpublic information related to Covered Entities other business associates.

2. Use of PHI by Business Associate

a. Covered Entity authorizes Business Associate to use PHI and ePHI to exercise its rights and perform its obligations under the Base Agreement and as otherwise permitted by this BAA, applicable law or regulation.

b. Business Associate may use PHI for its internal purposes and in connection with the performance of services for Covered Entity pursuant to this BAA or the Base Agreements. Business Associate may only access PHI to the extent required to perform its duties under this BAA or the Base Agreements.

c. Business Associate is permitted to use PHI or De-Identified PHI for Data Aggregation.

3. Use of PHI by Employees and Subcontractors

a. Business Associate will instruct its employees regarding the confidentiality, privacy and security of PHI and shall not disclose to its employees, or otherwise permit them to access, any PHI that is not necessary for the provision of services to Covered Entity under this BAA or an agreement covered by this BAA.

b. Business Associate will ensure its Subcontractors are advised of Business Associates obligations with respect to PHI and Business Associate shall require that each Subcontractor agree in writing to the same permissible uses, disclosures, restrictions and obligations, as they relate to PHI hereunder, as the Business Associate. Further, Business Associate agrees to make a list of Subcontractors available to Covered Entity upon reasonable request.

4. Obligations of Business Associate

a. Business Associate agrees to return or destroy any PHI that is erroneously shared with, or delivered to, Business Associate by Covered Entity.

b. Business Associate agrees not to sell, or use, for its own purposes or for the benefit of its other customers, PHI, De-Identified PHI or other data that identifies, or may identify, the Covered Entity without Covered Entity's prior written consent.

c. Business Associate will maintain reasonable administrative, physical, electronic and technical safeguards to protect the confidentiality, integrity and availability of PHI, including Covered Entity's PHI.

d. Business Associate will require its permitted Subcontractors to agree in writing to implement reasonable administrative, physical, electronic, and technical safeguards to protect the confidentiality, integrity and availability of PHI.

e. Business Associate will report to Covered Entity, in writing within ten (10) business days, any actual or suspected privacy incident, breach of security, intrusion or unauthorized use or disclosure of PHI or ePHI not permitted by this BAA, made by its employees and/or Subcontractors, and will cooperate with Covered Entity in the investigation of these incidents.

f. In accordance with the requirements of HIPAA, upon request of Covered Entity, Business Associate will report, in summary form, any unsuccessful security incident of which Business Associate becomes aware which, if successful, may have compromised the confidentiality of PHI. To the extent the definition of "Security Incident" in HIPAA is modified to remove this requirement, Business Associate shall no longer be required to fulfill this obligation.

g. Business Associate shall report to the Covered Entity, upon reasonable investigation to the extent possible, the identification of each individual whose PHI or ePHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, or disclosed during an actual or suspected breach of privacy or security.

h. Business Associate will cooperate and collaborate with Covered Entity in mitigating any harmful effect resulting from a violation of the requirements of this BAA.

5. Patient Rights with Respect to PHI

a. Business Associate shall notify the privacy officer of Covered Entity if a patient contacts Business Associate directly in connection with such patient's PHI.

b. Covered Entity shall be responsible for communicating with patients regarding their rights with respect to PHI.

c. To the extent there are any limitations and/or restrictions that may affect Business Associate's use or disclosure

of PHI, the Covered Entity shall notify the Business Associate of such limitations and/or restrictions in writing.

d. Business Associate will make PHI available in electronic format to Covered Entity, to the extent such PHI is provided or disclosed under this BAA, upon request of Covered Entity.

e. In the case of a direct request for an accounting from an individual to Business Associate related to treatment, payment or health care operations disclosures from electronic health records, Business Associate shall, in collaboration with Covered Entity, provide such accounting to the individual in accordance with the applicable effective date of Section 13405(c) of HITECH. Business Associate shall document such disclosures and provide Covered Entity notice of the disclosure.

6. Access to Systems

To the extent Business Associate requires electronic access to Covered Entity's systems or servers for the purposes of this BAA or any agreement covered by this BAA, the following shall apply:

a. Upon provision of any applicable policies related to the interconnectivity of systems or servers provided to Business Associate by Covered Entity, Business Associate agrees to comply with such policies as applicable to its access, use or connectivity to Covered Entity's systems or servers.

b. If access to Covered Entity's systems or services requires log in credentials, Business Associate agrees that it and its employees will use Business Associate's access security codes or passwords only in support of this BAA, or an agreement covered by this BAA, and will keep such codes and/or passwords in confidence.

c. Business Associate will grant access to Covered Entity's servers and/or systems only to employees with a need to know in order to fulfill Business Associate's obligations under this BAA or the Base Agreements.

d. Business Associate shall use its access to Covered Entity's systems and/or servers only in the performance of services under this BAA, or the Base Agreements, where such services are permitted by HIPAA and whereby Business Associate accesses only the information required for its performance of the applicable services.

7. Confidential Information

a. The parties hereby acknowledge and agree that, in support of this BAA or an agreement covered by this BAA, each party may be provided with, or given access to, Confidential Information of the other party. The recipient of Confidential Information shall employ the same degree of care in preventing the disclosure of the Confidential Information to a third party (or parties) as it uses with regard to its own confidential information of similar importance, provided that, in no event, shall the recipient employ less than a reasonable degree of care. Except as otherwise permitted in this BAA, or an agreement covered by this BAA, recipient shall disclose Confidential Information of the other party only to third parties who have a need to know the Confidential Information for purposes of performing or exercising the rights granted under this BAA, or an agreement under this BAA, and shall use Confidential Information of the other party only for such purposes. Except for PHI provided by Covered Entity, the term "Confidential Information" shall not include, and neither party shall have any obligation of confidentiality with respect to, information that: (a) is in, or comes into the public domain (except as a result of a breach of this provision); (b) is received without obligation of confidentiality by the recipient from a third party not under an obligation of confidentiality with respect thereto; or (c) is independently developed by the recipient without access to the Confidential Information of the discloser. Recipient may, if ordered to do so by a regulatory authority with jurisdiction over it or if it is required to be disclosed by the recipient under operation of law, court order, or other valid legal process, disclose Confidential Information of the other party to such regulatory authority or other recipient, provided sufficient written notice is given to the discloser prior to such disclosure to enable discloser to seek an order limiting or precluding such disclosure. If the recipient becomes aware of any unauthorized use or disclosure of the discloser's Confidential Information, the recipient will promptly notify the discloser and reasonably cooperate with the discloser's efforts to investigate such unauthorized use or disclosure.

b. Upon termination of this BAA and request by the disclosing party, or at any time upon discloser's request, recipient shall, at its option, promptly return or destroy all, or any part, of the Confidential Information, and all copies thereof, and recipient shall certify in writing its compliance with the foregoing. The foregoing shall not apply to De-Identified PHI utilized by Business Associate for Data Aggregation purposes which does not identify either a patient or

the Covered Entity as its source.

c. The parties acknowledge that, in the event of a breach of this Section 7, damages may not be an adequate remedy and either party shall be entitled to seek injunctive relief to restrain any such breach, threatened or actual, in addition to any other rights and remedies available to such party under this BAA or at law or in equity.

8. Audit

Business Associate shall make its books and records relating to its use and disclosure of PHI, received or disclosed under this BAA or any agreement covered by this BAA, available to Covered Entity and to authorized government investigators for the purposes of determining Business Associate's and Covered Entity's compliance with HIPAA. The parties agree that all information in such books and records is considered confidential and shall be treated as Confidential Information and protected in accordance with Section 7 of this BAA.

9. Term and Termination

a. The term of this BAA shall commence upon the Effective Date and shall continue until the latter of: (i) termination or expiration of any agreement executed by the parties under this BAA, or (ii) termination of this BAA in accordance with this Section 9.

b. Covered Entity may immediately terminate its relationship with Business Associate upon written notice to Business Associate, and without damages or liability to Business Associate, where Business Associate violated a material requirement related to HIPAA and Business Associate does not cure the violation within ten (10) business days. Covered Entity, at its option and discretion, has the right to allow Business Associate additional time to cure the breach and, upon cure, maintain the relationship under this BAA.

c. Either party may terminate this BAA effective immediately if: (i) the other party is named as a defendant in a criminal proceeding for a violation of HIPAA or other security or privacy laws; or (ii) there is a finding or stipulation that a party has violated any standard or requirement of HIPAA or other security or privacy laws in any administrative or civil proceeding in which such party is involved.

d. If this BAA is terminated pursuant to this Section 9, either party may terminate any or all other agreements between the parties which involve use or disclosure of PHI, without damages or liability. This provision shall supersede any termination provision to the contrary in any applicable agreement covered by this BAA.

10. Following Termination

Unless Business Associate is required by law to maintain PHI, upon termination or expiration of this BAA, Business Associate shall, at its discretion, return or destroy all PHI used or disclosed under this BAA in its possession or control within thirty (30) days of such termination or expiration and upon the request of the Covered Entity. If Business Associate is unable to return PHI and if destruction is not feasible, then Business Associate shall notify Covered Entity of the reasons for being unable to return or destroy PHI in writing and must maintain PHI as required by this BAA and HIPAA for so long as the covered Entity PHI exists. If, at any time, Business Associate determines it is unable to protect the Covered Entity's PHI, Business Associate shall destroy all such PHI and all copies thereof and maintain proof of such destruction. The foregoing obligation to return or destroy shall not apply to PHI or De-Identified PHI used by Business Associate for Data Aggregation purposes which does not identify either a patient or the Covered Entity as its source.

11. Indemnification

Each Party shall indemnify, defend and hold the other Party harmless from and against any and all claims, allegations, suits, awards, damages, judgments, costs and expenses which arise out of such other Party's unauthorized use or disclosure of PHI, received or provided under this BAA, or a violation of the HIPAA Privacy Rule (45 CFR 160 and subparts A and E of Part 164) so long as the indemnified Party: (i) promptly notifies the indemnifying Party upon learning of a claim; and (ii) provides the indemnifying Party with sole control over the defense or settlement of the claim and such information and reasonable assistance required to defend or settle the claim.

12. Injunctive Relief



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Business Associate acknowledges that an unauthorized use or disclosure of PHI while performing services pursuant to this BAA or any agreement covered by this BAA may cause irreparable harm to Covered Entity and, in the event of an unauthorized use or disclosure, Covered Entity will be entitled to seek injunctive relief.

13. Miscellaneous

a. Amendment

i. Upon enactment of any law, regulation, court decision or relevant government publication and/or interpretive policy affecting the use or disclosure of PHI, as received or disclosed under this BAA or any agreement covered by this BAA, Covered Entity may amend this BAA in such a manner necessary to comply with the same, upon written notification to Business Associate.

ii. Any other amendment to this BAA shall be upon written agreement of the parties.

b. Assignment - Neither party may assign its rights or obligations under this BAA without the express written consent of the other party.

c. Laws - Each party will comply with all federal and state security and privacy laws applicable to its obligations under this BAA.

d. Survival - The rights and obligations of the parties under this BAA shall survive termination of this BAA, and any agreement covered by this BAA, to the extent necessary to fulfill their purposes with respect to use, disclosure, return or destruction of PHI.

e. Severability. If any term or other provision of this BAA is invalid, illegal or incapable of being enforced by any law or public policy, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and all other terms and provisions of this BAA shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party.

f. No Third-Party Beneficiaries. Nothing in this BAA, either express or implied, is intended to or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this BAA.

g. No Waiver. Failure by either Party to enforce any provision of this BAA shall not be deemed a waiver of the right to thereafter enforce that provision, or any of the provisions of this BAA. All waivers must be in writing.

h. Relationship of the Parties. Nothing in this BAA shall be construed to create any franchise, joint venture, trust or commercial partnership or any other partnership between the parties hereto. Neither party shall have any authority to contract for or to bind the other party in any manner and shall not represent itself as an agent of the other party or as otherwise authorized to act for or on behalf of the other party.

i. Headings. Captions and other headings are for ease of reference only and do not form part of a clause within, and in no way affect the interpretation of, this BAA.

j. Entire Agreement. This BAA constitutes the entire agreement between the parties with respect to the exchange of PHI between the parties and supersedes all prior and contemporaneous agreements and understandings regarding such exchange of PHI, whether written or oral, between the parties with respect to the subject matter hereof.

[SIGNATURE BLOCK ON FOLLOWING PAGE]



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IN WITNESS WHEREOF and upon execution by the parties, Business Associate and Covered Entity cause this BAA to be effective as of the Effective Date.

Mercury Healthcare, Inc.

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Abbott Street Lease Agreement between Salinas Valley Memorial Healthcare System and Uni-Kool Partners for Additional Parking Located at 241 Abbott Street, Salinas

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Director Facilities Management & Construction

Date: January 12, 2022

Executive Summary

To relieve anticipated vehicle-parking shortages at the hospital site during construction of the Parking Garage Annex, a recommendation is being presented to lease an additional 70,000 sq. ft. of parking at 241 Abbott Street, adjacent to the 87,120 sq. ft. lot currently under contract, providing an additional 200 parking spaces alleviating parking pressures at and surrounding the hospital campus.

Background/Situation/Rationale

SVMHS currently leases 87,120 sq. ft. at 241 Abbott Street (Blue Lot) that provides 250 parking spaces. This is to relieve vehicle parking at and around the hospital campus and 355 Abbott (Primecare/Diabetes and Endocrine Center).

Additionally, the medical offices adjacent to the hospital do not provide adequate parking for their staff and patients, with the visit volume that has increased over the years. Medical office staff commonly park on the surrounding surface streets which are limited to 2-hour use, this practice affects clinic operations as well as patient and staff satisfaction.

With construction of the Parking Garage Annex (166 new spaces) scheduled to begin in early summer 2022, make-ready and staging work will result in the loss of the Breschini Energy Center parking lot (53 spaces) as well as Lot 7 (99 spaces). This constitutes a 20% reduction of available employee/staff parking at the main hospital. The purpose of this proposal is to accommodate that loss, minimize impact to clinic operations, and improve patient satisfaction. Said lot will also allow continual and seamless operation of our current Shuttle program.

If approved, the property owner will renovate the current lot to meet SVMHS standards.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial Implications

The essential terms of the proposed Lease are as follows:

Key Contract Terms	Uni-Kool Partners
1. Proposed effective date	March 1, 2022
2. Term of agreement	Five (5) years with 1 option to extend, for five (5) years commencing March 1, 2022.
3. Cost	70,000 square feet at \$0.14 / sq. ft. (\$9,800 monthly / \$117,600 annually / \$588,000 for 5 years, duration of initial contract.
4. Budgeted (indicate y/n)	No

Schedule: December 2021 – Initiate contact with Uni-Kool Partners concerning adjacent space availability.
January 2022 – Anticipate Board Approval for Lease.
March 2022 – Anticipated Start Date of Parking Space Lease.

Recommendation

Consider Recommendation for Board Approval of the Abbott Street Lease Agreement between Salinas Valley Memorial Healthcare System and the Uni-Kool Partners for 70,000 square feet of additional finished parking located at 241 Abbott Street, Salinas for the total cost of \$588,000.00.

Attachments

- Attachment 1: Abbott Street Lease
- Attachment 2: Blue Lot Extension Map

Abbott STREET

LEASE

This LEASE is effective as of March 1, 2022 by and between THE UNI-KOOL PARTNERS, a General Partnership ("LESSOR") and Salinas Valley Memorial Healthcare System, A Healthcare District. ("LESSEE"). The LESSOR and LESSEE agree to the following:

1. **PROPERTY:** LESSOR leases to LESSEE and LESSEE rents from LESSOR, 70,000 square feet adjacent to the "Blue Lot" Exhibit attached.
2. **TERM:** The term of this lease shall start on March 1, 2022 and continue to February 28, 2027.
3. **RENTAL:** the rent shall be \$9,800 monthly for the term paid in advance upon receiving an invoice from the LESSOR. The rent shall be delivered to LESSOR at 373 W. Market Street Salinas, California or mailed to THE UNI-KOOL PARTNERS, P.O. Box 3140, Salinas, California 93912
4. **TAXES AND ASSESSMENTS:** The LESSOR shall pay the real estate taxes and assessments on the property. The LESSEE shall pay any tax and assessment on the LESSEE's personal property that is located on the premises.
5. **INSURANCE:** The LESSEE shall be responsible for insurance covering it personal property located on the premises. The LESSEE shall have in force during the life of this lease a comprehensive general liability insurance policy in a minimum amount of Two Million Dollars (\$2,000,000.00) and the LESSOR shall be named as an additional insured.
6. **UTILITIES:** LESSEE shall reimburse the LESSOR for the electrical power upon being billed by the LESSOR with an itemized billing showing the cost of the power.
7. **USE:** The LESSEE shall use the premises for only the lawful use as a parking lot for personal vehicles and for no other use.
8. **CONDITION OF THE PROPERTY:** Lot will be stripped in accordance with SVMH needs.
9. **CONDEMNATION:** If part of or the whole property is taken by any public authority under the power of eminent domain then either the LESSOR or LESSEE may terminate this lease without penalty to the other party.
10. **DESTRUCTION OF LEASED PROPERTY:** In the event of a partial or complete destruction of the leased premises either party may terminate this lease without penalty to the other party.
11. **ACCESS BY LESSOR:** The LESSOR may enter the leased premises anytime during normal business hours for determining and enforcing compliance with this lease or making repairs.

12. **WASTE:** The LESSEE shall not permit any hazardous or other types of waste within the leased premises.
13. **ALTERATIONS:** The LESSEE shall not make any alterations to the leased premises without the written permission of the LESSOR.
14. **ASSIGNMENT AND SUBLEASING:** The LESSEE shall not sublease or sublet the leased premises without the written approval of the LESSOR.
15. **DEFAULT:** The LESSEE will be in default if the rental amount is not paid with 30 days of receiving the rental invoice. The LESSOR may terminate this lease if the LESSEE is in default.
16. **NOTICES:** All notices to be given may be given in writing personally or by depositing the same in the United States mail, mailed certified, return receipt requested, and addressed to LESSEE at 1788 Lennox Way Salinas, California 93906 and to LESSOR at P.O. Box 3140 Salinas, California 93912. LESSOR and LESSEE may in writing provide other addresses at which notice shall be given from time to time.
17. **ATTORNEYS' FEES:** In case of suite, both parties will be responsible for their own attorney fees regardless of the prevailing party.
18. **TIME:** Time is of the essence of this lease.

IN WITNESS THEREOF, LESSOR and LESSEE have executed this lease agreement on the date written below.

LESSOR:

LESSEE:

THE UNI-KOOL PARTNERS

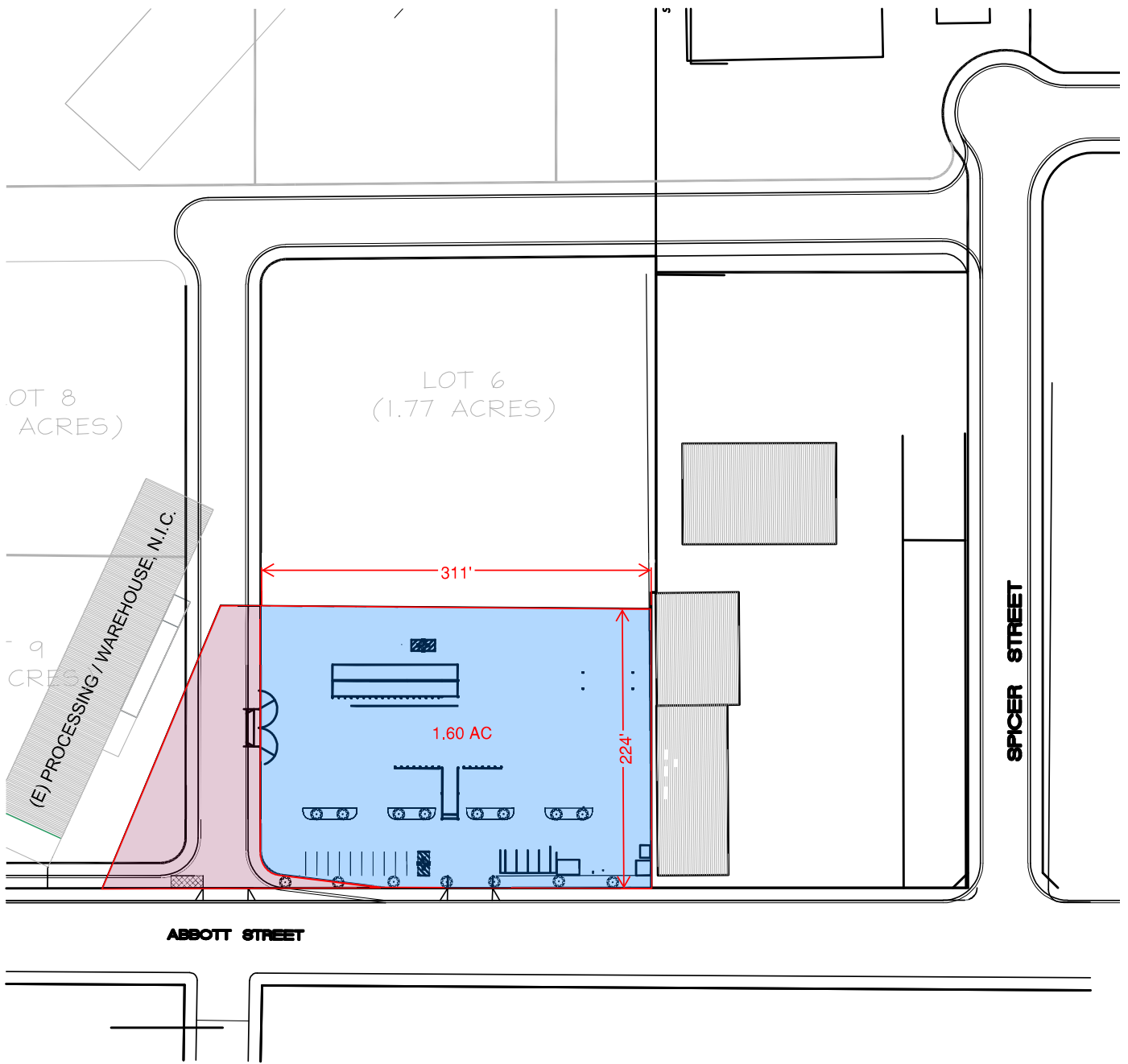
Salinas Valley Memorial Healthcare System

By: _____
 Stephen Kovacich

By: _____

Dated: _____

Dated: _____



Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Hellmuth, Obata & Kasabaum Inc. (HOK) Agreement for Space Programming & Full Tenant Improvements Design for the Downing Resource Center (DRC) Expansion – Basement.

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Director Facilities Management & Construction
Dave Sullivan, Facilities Management

Date: January 12, 2022

Executive Summary

The Downing Resource Center (DRC) Parking Garage Annex project approved by the Board in July 2021 specifically did not call out for build-out of the 20,000 square foot lowest (basement) level beyond open shell space. This proposal calls on HOK to provide space programming and full tenant improvements necessitated to design the building out of the shell space for office and hospital support space (administrative offices). This includes:

Updating the existing space program and validating past and current inclusions in the administrative offices, providing full design and documentation of the new administrative space (schematic design, design development and construction documents) for permitting and construction, and construction administration.

Background/Situation/Rationale

At the July 22, 2021 Board of Directors meeting, the Downing Resource Center (DRC) Parking Garage Annex and Ancillary Improvements project was presented for Design-Builder contract award and realignment of project cost with an estimated budget of \$36 Million. Included within the project budget was an allowance for the development (both design and construction) of the basement level for future build-out of approximately 20,000 square feet of office and hospital support spaces (tenant improvement space), as well as connecting the additional space with the basement of the existing DRC structure. At the same meeting, the Board of Directors authorized the President/Chief Executive Officer to approve Change Orders for the DRC project in amounts not to exceed four hundred fifty thousand dollars (\$450,000).

On May 18, 2016, SVMHS and HOK entered into an Agreement for professional services in connection with the SVMH Master Plan and Hospital Replacement. Using terms and conditions set forth in this Master Agreement, staff requested a proposal from HOK to provide design services for the future tenant improvement space at the Annex. The future tenant space needs to be designed and built in order to facilitate the future hospital expansion of the new perioperative services department. Design services proposal amount for this scope of work is (\$413,210). As noted above, the design and construction cost for the future tenant improvement space is included as part of the \$36M dollar DRC Parking Garage Annex and Ancillary Improvements project cost.

Completing the design of the future tenant space will allow for coordination and build out of the supporting mechanical, electrical, and plumbing systems relative to the superstructure. Developing the design in advance will provide the design-builder with information needed for pathways and or block-outs, to support the build out of tenant space. Based on the current design and construction schedule, we have aligned the issuance of construction permitting for the tenant space, to complete the construction project in the most efficient manner. Completing this design effort at a later date may result in rework, lengthening the construction schedule and increasing the overall cost of construction.

It is requested that Board approve the agreement for Space Programming & Full Tenant Design Improvements for the DRC Expansion – Basement.

Financial Implications

The essential terms of the proposed Contract with the vendor are as follows:

Key Contract Terms	Hellmuth, Obata & Kasabaum Inc (HOK)
1. Proposed effective date	Issuance of Notice to Proceed anticipated on January 2022
2. Anticipated Completion Date:	September 2023
3. Renewal terms	Not Applicable
4. Cost	Total all-inclusive sum \$413,210
5. Budgeted (indicate y/n)	Yes

Direct and Indirect Construction Cost:

HOK – Space Program Validation & Update	\$ 22,530
HOK – Design & Documentation for Permit & Construction	\$238,680
Mazzatti – Mechanical, Electrical, Plumbing, IT	\$142,000
Reimbursable Expenses (est)	\$ 10,000
<u>Total:</u>	\$413,210

Timeline: July 2021: Board approval of Parking Structure Annex Cost Estimate
July 2021: Board approval Authorizing CEO to approve Change Orders not to exceed \$450k.
January 2022: Requesting Board Approval of Space Programming & Full Tenant Design Improvements Of DRC Expansion-Basement.

Budget: A project cost estimate of \$413,210 is presented and detailed in Attachment 1. Funding for project has been allocated in previously approved Parking Garage Annex Design-Build Project (RFP #01.1250.3271) dated July 2021. No additional funding or funding allocation is expected.

Recommendation

Consider Recommendation for Board approval of the Hellmuth, Obata & Kasabaum inc. (HOK) Agreement for Space Programming & Full Tenant Design Improvements for the DRC Expansion – Basement in the amount of \$413,210.

Attachments

- Attachment 1: HOK Agreement for Space Programming & Full Tenant Design Improvements for the DRC Expansion – Basement.



Project: SVMHS – Master Plan and Hospital Replacement
Client: Salinas Valley Memorial Healthcare System
Date Prepared: 12/16/2021
HOK Project No: 16-04011.34
Additional Service No.: 19
File:

Attention: SVMHS Executive Leadership
From: William Roger
Regarding: Proposal for Space Programming, & full Tenant Improvements design for the DRC Expansion - Basement
Copies To: Kalt Schwartzkopf, Karen Cagney

Client and HOK entered into an agreement dated May 18, 2016 (the "**Agreement**") for the provision of professional services in connection with SVMH Master Plan Plan and Hospital Replacement. Except as expressly modified in this document, each and every term of the Agreement shall remain unchanged and in full force and effect.

Description of Work:

Validate and update the Space Program and provide full design services for the administrative space in the basement of the DRC Expansion.

- Update the existing space program and validate the past and current inclusions in the administrative offices.
 - Review the existing space program and update any changes that may be required.
 - Create a space program based on the hospital administration requirements for their offices.
 - Refine or modify the internal planning based on the new space program and department discussion & review. To be single line drawings with enough detail to understand the functional flow.
 - Meet with the administration representatives to gain their direction and review planning solutions.
 - Review planning and project scope with MEP consultant to validate the infrastructure impacts and requirements the interior improvement.
- Provide full design and documentation of the new administrative space. This will include Schematic Design, Design Development and Construction Documents for permitting and construction.
 - HOK will prepare test fits of the final program in the space to provide options to the administration.
 - Schematic Design will define the administrative organization, area layout and general materials and finishes. The interior design will “go with” the existing basement design. The design intents will be reviewed with administration for comment, any updates and approval.
 - Design Development will provide specific details of the planning and include all finishes, materials, and equipment. Furniture will be a mixture of existing and new and will be managed by the hospital. Interior renderings will illustrate the design character.

- Construction Documents for permit will detail the interior buildout and coordinate the final construction, MEP/IT/fire, and code compliant planning.
 - Construction Plan - Will contain a scaled plan of the project indicating type of partitions and locations (dimensions). Doors and frames will be numbered and referenced to a schedule. Location of plumbing fixtures will be indicated along with any architectural millwork. Areas designated to receive special construction (i.e. structural reinforcing or floor cut outs) will be indicated and referenced to the appropriate engineering drawings.
 - Power/Signal Plan - Will contain the type and location of telephone, data and electrical outlets required. Outlets will be designated as floor or wall mounted. Locations of special equipment (i.e. copiers, refrigerators, computers, etc.) will be numbered and referenced on an equipment schedule.
 - Reflected Ceiling Plan - Will contain the type and location of light fixtures, exit signs, special HVAC diffusers and ceiling mounted electrical junction boxes. Suspended ceiling types and extent will also be indicated along with any special soffit conditions or access panels.
 - Finish Plan - Will designate the type and location of the finishes which will be applied to both the partitions and floors. Finishes such as wall covering, paint, carpet, etc. will be designated and referenced to a finish schedule. Special finish items such as window-covering, motorized shades, etc. will be indicated on this plan.
 - Floor Covering Plan.
 - Systems Furniture Component Plan - by your furniture dealer, if required.
 - Systems Furniture Electrical Plan - coordinate with furniture dealer, if required.
 - Special Architectural Enlargement - These sheets will contain scaled enlargements of special areas. Areas such as reception/conference rooms, computer equipment rooms and toilet rooms will be enlarged to indicate critical dimensions, details and special requirements.
 - Elevations - Will provide an elevated view of walls containing special items such as:
 - Architectural Millwork
 - Interior Glazing, etc.
 - All of these items will be detailed with critical dimensions, finishes and other pertinent information indicated.
 - MEP/IT/fire will coordinate with the existing systems in the building and campus systems to be connected.
 - HOK will provide required drawings for General Contractor to submit to Building Department, Fire Department, and all authorities with jurisdiction over the Project for Plan Check/Permit. HOK will make or coordinate the completion of all necessary corrections for General Contractor to resubmit for approval.
- Construction Administration
 - HOK shall consult with the Client, CM and/or GC to establish construction and installation schedules, and provide Project administration as follows:
 - Review shop drawings and samples for conformance with the design concept of the Project, and for compliance with the information given in the Contract Documents (with up to two reviews per submittal);
 - Consult with and assist the Client, CM and/or GC, manufacturers, and vendors to establish delivery, installation and move-in schedules;
 - Provide periodic observations at the site, as HOK deems necessary to observe quality and quantity of work. These observations shall in no way relieve the CM and/or GC of full responsibility for construction means and methods and for construction safety procedures.
 - At the time construction is substantially complete, HOK & Mazzetti will prepare a punch list of items needing correction or modification. HOK shall visit the Project site shortly after move-in and discuss the final Project in relation to overall client goals.

Approximate Schedule:

Anticipated Start Date: January 04, 2021

Anticipated Completion Date: September 2023

Compensation & Method: Hourly w/ estimated maximum

HOK – Space Program Validation & Update	\$22,530
HOK – Design & Documentation for Permit & Construction	\$238,680
Mazzetti – Mechanical, Electrical, Plumbing, IT	\$142,000
Reimbursable Expenses (estimated)	\$10,000
Total	\$413,210



Issued by: _____

HOK

Printed Name: William Roger, Senior Principal

Date: 12-16-2021

Client Approval: _____

SVMHS

Printed Name:

Date:

Attachments:

Attachment A - HOK fee breakdown

Attachment B – Mazzetti fee breakdown

Attachment A

Salinas Valley Memorial Hospital - DRC Basement Administration Offices

16-Dec-21

Employee

Billing Rate

PIC / Project Director, Roger	\$390
PM, Kalt Scowharzkopf	\$240
Project Architect, Gemma Mechure	\$180
Progammer/Planner, Katherine Chen	\$165
Sr. Interior Designer, Donald Cremers	\$230
Interior Designer	\$115
Specifications	

Employee	Billing Rate	Base Project	Base Project	Mos	Validate Program			Mos	Schematic Design			Mos	Design Development			Mos	Construction/Permit Drwgs			Mos	Construction Administration		
		Total	Total	Wks	Hrs	Total	Total	Wks	Hrs	Total	Total	Wks	Hrs	Total	Total	Wks	Hrs	Total	Total	Wks	Hrs	Total	Total
		Labor \$	Labor Hrs	3.0	Wk	Hrs	\$	4.0	Wk	Hrs	\$	4.0	Wk	Hrs	\$	6.0	Wk	Hrs	\$	6.0	Wk	Hrs	\$
		\$14,430	37		1	3	\$1,170		1	4	\$1,560		1	4	\$1,560		0	0	\$0		1	26	\$10,140
		\$70,080	292		8	24	\$5,760		8	32	\$7,680		8	32	\$7,680		8	48	\$11,520		6	156	\$37,440
		\$95,040	528		8	24	\$4,320		20	80	\$14,400		32	128	\$23,040		32	192	\$34,560		4	104	\$18,720
		\$9,900	60		20	60	\$9,900		0	0	\$0		0	0	\$0		0	0	\$0		0	0	\$0
		\$17,480	76		2	6	\$1,380		4	16	\$3,680		4	16	\$3,680		2	12	\$2,760		1	26	\$5,980
		\$54,280	472		0	0	\$0		20	80	\$9,200		24	96	\$11,040		32	192	\$22,080		4	104	\$11,960
		\$0	-		0	0	\$0				\$0				\$0				\$0				\$0
SUBTOTALS		\$261,210	1,465			117	\$22,530			212	\$36,520			276	\$47,000			444	\$70,920			416	\$84,240



Mazzetti MEP Engineering | Technology

220 Montgomery Street, Suite 650, San Francisco, CA 94104

December 9, 2021

HOK
One Bush Street
Suite 200
San Francisco, California 94104 USA
190-081

Dear Mr. Roger:

Thank you for the opportunity to propose on MEP/LTG/IT design services for buildout of the basement of the DRC expansion. This letter and all documents it references are our integrated proposal for this project.

We have based this Proposal on your emails of October 28, 2021 and November 18, 2021, design schedule of twenty weeks and construction completion by mid-May 2023.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey S. Lin". The signature is stylized with a large, sweeping initial "S" and a long, horizontal stroke extending to the right.

Stacey S. Lin, PE
Principal

FEE PROPOSAL

A. Client & Project Details

Client Names: Salinas Valley Memorial Health System

Project Address: 450 E Romie Ln, Salinas, CA
93901

Proposal Date: December 9, 2021

B. Project Description

This project is for buildout of the basement of the SVMHS DRC Expansion project. The 19,000 sf basement has been planned for office spaces and its Core and Shell (C&S) has been designed under separate contracts.

C. Scope of Work and Fees

Design services included:

1. Space Program and Shell & Core Validation
2. Design Development (Schematic Design is excluded).
3. Construction Documents/Permit Set
4. Construction Administration
 - a. Written response to contractor RFI's
 - b. Review of contractor submittals and shop drawings
 - c. Two site observations including a final punch list.
5. Coordination with Architect and other design consultants

MEP/IT systems covered:

6. Mechanical
 - a. Provide a variable refrigerant flow (VRF) system and a dedicated outside air system (DOAS) as planned by the C&S design.
 - b. Provide a general exhaust system.
7. Electrical/Lighting
 - a. Provide normal power distribution to receptacles and lighting including transformers and panels.
 - b. Provide emergency power distribution to egress lighting. Provide over-current device coordination study for additions to the emergency system.
 - c. Provide 120V or greater power to all mechanical, plumbing and Owner-furnished equipment. The Owner shall provide rough-in plans indicating all equipment loads and requirements.
 - d. Provide extension of building grounding system, transient voltage surge suppression system.
 - e. Provide performance-based specification for extension of the C&S fire detection, alarm, and control systems.
 - f. Provide functional lighting suitable for office spaces. Architectural lighting is assumed to be not required.
8. Plumbing

- a. Provide fixtures and branch piping connections to the C&S domestic hot & cold water, waste and vent systems.
 - b. Provide performance-based specs for extension of the C&S fire sprinkler system.
9. IT
- a. Provide structured cabling design utilizing the C&S IT Room.
 - b. Provide public address, security, intercom, television and wireless network design interfacing with the existing DRC building systems.
 - c. Provide specifications for technology systems.

In consideration for this scope of services, we are proposing a fee of **\$142,000** on a Time and Materials basis.

	Valid.	DD	CD	CA		
	4wks	6wks	6wks	34wks	hours	fees
PIC/PM	4	6	6	8	24	\$7,000
Mechanical	12	48	96	72	228	\$46,000
Electrical/Ltg	12	42	72	68	194	\$39,000
Plumbing	8	24	24	24	80	\$16,000
IT	8	48	42	36	134	\$27,500
OA/OC		2	16		18	\$4,500
Expenses						\$2,000
Total						\$142,000

In order to protect the Owner's interests as well as yours, we will not proceed with any services we consider to be in addition to the contract without first notifying you of our intent to do so, and without obtaining your authorization for such work as an amendment to our contract.

In addition to the professional services fee quoted above, HOK will reimburse Mazzetti for 1.0 times our direct cost for project travel, delivery, and document reproduction. Project reimbursable costs are in addition to the fees quoted above.

D. Attachments

Attachments A through D are integral parts of this proposal.

E. Signatures

This proposal may be accepted as outlined in Terms and Conditions (Attachment C). Once HOK signs and returns this document or authorizes us to proceed with work included for this project, we will proceed in accordance with the scope and terms as outlined here.

Thank you again for the opportunity to present you with this Proposal. Please feel free to call me with any questions.

Sincerely,

Mazzetti



Stacey Lin, PE
Principal

HOK

to be signed and returned by
William Roger, FAIA, ACHA
Date signed:

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval for the purchase of Zoll Medical R Series ALS Defibrillators for all hospital based departments.

Executive Sponsor: Clement Miller, COO
Lisa Paulo, CNO

Date: January 24, 2022

Executive Summary

SVMH currently utilizes Philips Heartstart Defibrillators in patient care areas to support patients requiring resuscitation during a Code Blue as well as during Cardioversion procedures. With our current equipment reaching end of life, the clinical care team is requesting that we transition our defibrillation system from our current model to the Zoll Medical R Series ALS which offers the same functionality of our current system, with the addition of improved ease of use, and expands our ability to assess the adequacy of CPR and objectively monitor the quality of care during Code Blues.

Background/Situation/Rationale

Following a 2019 notification from the FDA that they were revoking Philips approval to manufacture defibrillators, our clinical care team began assessing competitors to determine the best fit for our organization. The FDA's decision to revoke approval also provided a provision for affected organizations to continue to use the Philips models until they reached end of life. In late 2019 an SVMHS multidisciplinary team came together and assessed 2 different brands with the understanding that the Philips models were reaching end of life at the end of 2021. Subsequently Philips was able to extend the prior end of life designation by 1 year giving our team an additional year to utilize the current systems in place.

The outcome of the evaluation of the 2 vendors assessed (Zoll and Physio Control) by the multidisciplinary team was for SVMHS to transition to the Zoll Medical R Series ALS model which the team felt would expand our ability to continue high level critical care through the functionality offered by the Zoll system that was not previously available with our current model and not a functionality available with the Physio Control system that the team assessed.

We have since circled back with the team members to reassess their prior decision and the team's desire is to move forward with the prior plan of transitioning to the Zoll Medical R Series ALS Defibrillator.

Timeline/Review Process to Date:

[10/2019] Notification from FDA
[10/2019] Code Blue Committee Review
[7/2020] Capital Purchase delayed due to extension of end of life
[1/2022] Stakeholders reengaged
[1/2022] Updated Quote received

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The replacement of our Defibrillators will allow us to provide the standard of care, our community expects while giving our organization the opportunity to objectively assess the adequacy of CPR, in real time, while giving us the ability to review codes blue incidents utilizing the review functionality from the code recording system that is available with the Zoll defibrillator.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: Zoll
1. Proposed effective date	June 30, 2022
2. Term of agreement	Capital purchase with 5 year extended warranty
3. Renewal terms	N/A
4. Termination provision(s)	N/A
5. Payment Terms	N/A
6. Annual cost	N/A
7. Cost over life of agreement	N/A
8. Budgeted (indicate y/n)	No, reprioritizing capital funds

Recommendation

Consider Recommendation for Board Approval for the purchase of thirty seven (37) Zoll Medical R Series ALS Defibrillators at the cost of \$748,675.40 subject to final negotiation and legal review.

Attachments

- (1) Equipment quote (Q-22080)
- (2) Defibrillator RFP



ZOLL Medical Corporation

269 Mill Road
 Chelmsford, MA 01824-4105
 Federal ID# 04-2711626

Phone: (800) 348-9011
 Fax: (978) 421-0015
 Email: esales@zoll.com

Quote No: Q-22080 Version: 1

Salinas Valley Memorial Health Care System
 450 East Romie Lane
 Salinas, CA 93901

Quote No: Q-22080
 Version: 1

ZOLL Customer No: 625

Issued Date: January 19, 2022
 Expiration Date: March 11, 2022

Carla Spencer
 (831) 759-3217
 cspencer@svmh.com

Terms: NET 30 DAYS

FOB: Shipping Point
 Freight: Prepay & Add

Prepared by: Jacob Harris
 Hospital Territory Manager
 jharris@zoll.com
 +1 9167422812

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
1	993470	30720005201310012	<p>R Series ALS Defibrillator with Expansion Pack - SpO2, OneStep Pacing, EtCO2 (mainstream), NIBP</p> <p>Includes: Guidelines 2020 compatible, Code Readiness testing system, High current Rectilinear Biphasic Waveform, OneStep 3 lead ECG cable, Advisory Defibrillation, Built-in test port, AC Power Cord, Operators manual, and 5-year hospital warranty.</p> <p>Parameter Details: Real CPR Help® - Numeric display of CPR Depth and Rate for Adult and Pediatric patients, Visual and audio prompts to coach CPR depth (Adult patient only), Release bar to ensure adequate release off the chest, Metronome to coach rate for Adult and Pediatric patients. See-Thru® CPR artifact filtering, Defib Mentor • OneStep Pacing with OneStep Pacing Cable (also supports CPR) • NIBP with 23-33cm reusable cuff & 3 meter air hose • Masimo Pulse Oximetry with Signal Extraction Technology (SET) and Reusable adult sensor & reusable 4 ft ext. cable • EtCO2 CAPNOSTAT® 5 Mainstream CO2 Cable and sensor. For use with adult, pediatric, and neonatal patients. Airway adapter sold separately •</p>	36	\$24,225.65	\$18,345.64	\$660,443.04
2	993470	8019-0535-01	<p>SurePower Rechargeable Lithium Ion Battery Pack</p> <p>5.8 Ah Capacity, High density lithium ion chemistry, RunTime™ Indicator, Automatic calibration ready, Stores history of use and maintenance</p>	41	\$513.71	\$364.09	\$14,927.69
3	993470	8005-000102-01	<p>R Series WiFi Card with Clock Sync</p>	37	\$697.57	\$528.25	\$19,545.25



ZOLL Medical Corporation

269 Mill Road
 Chelmsford, MA 01824-4105
 Federal ID# 04-2711626

Phone: (800) 348-9011
 Fax: (978) 421-0015
 Email: esales@zoll.com

Salinas Valley Memorial Health Care System
 Quote No: Q-22080 Version: 1

Item	Contract Reference	Part Number	Description	Qty	List Price	Adj. Price	Total Price
4		8400-100005	Defibrillator Dashboard Subscription, 5 Year, R Series and X Series ZOLL software program for asset management and device readiness. Subscription for 5 years for R Series. Includes service, updates, and upgrades.	37	\$1,000.00	\$1,000.00	\$37,000.00
5		8400-100045	CaseReview Subscription, 5 Year, R Series and X Series - Hosted	37	\$450.00	\$450.00	\$16,650.00
6		8400-110001	Deployment Support for ALS/BLS Software Solutions	1	\$9,500.00	\$9,500.00	\$9,500.00
7	993470	37120005201310012	R Series ALS Non-Clinical: Masimo SpO2, EtCO2, NIBP, Expansion Pack, ECG Cable --NOT FOR CLINICAL USE-- Includes: Guidelines 2020 compatible, Code Readiness testing system, High current Rectilinear Biphasic Waveform, OneStep 3 lead ECG cable, Advisory Defibrillation, Built-in test port, AC Power Cord, Operators manual, and 90 Day hospital warranty. Parameter Details: Real CPR Help ® - Numeric display of CPR Depth and Rate for Adult and Pediatric patients, Visual and audio prompts to coach CPR depth (Adult patient only), Release bar to ensure adequate release off the chest, Metronome to coach rate for Adult and Pediatric patients. See-Thru ® CPR artifact filtering, Defib Mentor • NIBP with 23-33cm reusable cuff & 3 meter air hose • Masimo Pulse Oximetry with Signal Extraction Technology (SET) and Reusable adult sensor & reusable 4 ft ext. cable •	1	\$8,487.20	\$6,427.20	\$6,427.20
8	993470	8700-0893-01	R Series Training Kit Includes AP manikin, See-Thru CPR simulator, OneStep Training Cable and Electrode (training cable with CPR sensor and Y-connector for simulator connection and OneStep training electrode- adult and pediatric), Training Manual, In-Service DVD and Replacement OneStep Training Electrodes- (adult and pediatric) (8 per case).	1	\$1,081.50	\$819.00	\$819.00
9	993470	8050-0030-01	SurePower Charging Station 4 Charging bays, Multiple chemistry compatible, 200 watt capacity, Graphic driven user interface, RS-232 Communication port, Standard one (1) year warranty	1	\$2,460.41	\$1,863.22	\$1,863.22
10		7800-0214-61	All Philips MRx Hospital Trade In Allowance See Trade Unit Considerations.	37		(\$500.00)	(\$18,500.00)

Subtotal: \$748,675.40

Total: \$748,675.40



ZOLL Medical Corporation

269 Mill Road
Chelmsford, MA 01824-4105
Federal ID# 04-2711626

Phone: (800) 348-9011
Fax: (978) 421-0015
Email: esales@zoll.com

Salinas Valley Memorial Health Care System
Quote No: Q-22080 Version: 1

Contract Reference	Description
993470	Reflects Vizient - Defib CE7361 Tier 3 contract Pricing. Notwithstanding anything to the contrary herein, the terms and conditions set forth in Vizient Contract No. CE7361 shall apply to the customer's purchase of the products set forth on this quote.

Trade Unit Considerations
Trade-In values valid through March 11, 2022 if all equipment purchased is in good operational and cosmetic condition and includes all standard accessories. Trade-In values are dependent on the quantity and configuration of the ZOLL devices listed on this quotation. Customer assumes responsibility for shipping trade-in equipment at the quantities listed on the trade line items in this quotation to ZOLL's Chelmsford Headquarters within 60 days of receipt of new equipment. Customer agrees to pay cash value for trade-in equipment not shipped to ZOLL on a timely basis.

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

1. Delivery will be made 120-150 days days after receipt of accepted purchase order.
2. Applicable tax, shipping & handling will be added at the time of invoicing.
3. All purchase orders are subject to credit approval before being accepted by ZOLL.
4. To place an order, please forward the purchase order with a copy of this quotation to esales@zoll.com or via fax to 978-421-0015.
5. All discounts from list price are contingent upon payment within the agreed upon terms.
6. Place your future accessory orders online by visiting www.zollwebstore.com.



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Order Information (to be completed by the customer)

- Tax Exempt Entity (Tax Exempt Certificate must be provided to ZOLL)
- Taxable Entity (Applicable tax will be applied at time of invoice)

BILL TO ADDRESS	SHIP TO ADDRESS
Name/Department:	Name/Department:
Address:	Address:
City / State / Zip Code:	City / State / Zip Code:

Is a Purchase Order (PO) required for the purchase and/or payment of the products listed on this quotation?

- Yes PO Number: _____ PO Amount: _____
(A copy of the Purchase Order must be included with this Quote when returned to ZOLL)
- No (Please complete the below section when submitting this order)

For organizations that do not require a PO, ZOLL requires written execution of this order. The person signing below represents and warrants that she or he has the authority to bind the party for which he or she is signing to the terms and prices in this quotation.

Salinas Valley Memorial Health Care System

Authorized Signature:

 Name: _____
 Title: _____
 Date: _____

ALS/BLS Software Solutions Master Application Service Provider Agreement

1. Orders. ZOLL Data Systems, Inc. (“ZOLL”) shall provide the ASP Services, Implementation Services and Support Services identified in any order or contract (“Order”) between ZOLL and another party (“Customer”) incorporating this Software Solutions Master Application Service Provider Agreement (together with each such Order, the “Agreement”). ASP Services are further defined in [Section 3](#). Implementation Services are further defined in [Section 4](#). Support Services are further defined in [Section 5](#). The ASP Services, Implementation Services, and Support Services are each, and are collectively, “Services”. The terms and conditions set forth in this Agreement shall only apply to ALS/BLS Software Solutions products that are used with ZOLL Medical Corporation defibrillators. For the sake of clarity, these terms and conditions do not apply to any ZOLL patient care reporting software.

2. Payment. Customer shall pay fees to ZOLL for Services as provided in any Order and this Agreement (“Fees”). Unless otherwise provided in the applicable Order, Customer will pay ZOLL all Fees due under this Agreement within thirty (30) days after the date of ZOLL’s invoice. The first invoice will be sent after the Deployment Effective Date. “Deployment Date” means the date upon which the deployment of the ASP Services is complete and it is able to function as described in the warranty set forth in this Agreement, regardless of whether Customer actually uses such ASP Services. “Deployment Effective Date” means the earlier of (a) the Deployment Date or (b) 90 days from the date after ZOLL’s shipment of defibrillators that are included on the Order (the “Latest Deployment Date”), unless a delay in the Deployment Date has been caused by ZOLL, in which case the Deployment Effective Date shall be postponed by a number of days equal to the delay that ZOLL has caused. Fees are non-refundable other than as expressly set forth herein. Amounts not paid when due will accrue interest at the rate of 1.5% per month, or the maximum allowed by law, whichever is less. Customer shall pay all expenses (including reasonable attorney’s fees) incurred by ZOLL in connection with collection of late payments. Any amounts not paid by Customer when due may result in the forfeiture by Customer, in ZOLL’s sole discretion, of any discounts previously offered by ZOLL. In addition, ZOLL may cease providing any or all of the Services if any invoice is not paid in a timely manner, in which event ZOLL will not be liable to Customer for any damages caused by such cessation. Payment terms are subject to ZOLL’s credit approval. Fees exclude all applicable sales, use and other taxes and all applicable export and import fees, customs duties and similar charges (“Taxes”).

3. ASP Services. “ASP Services” means the hosting and maintenance of ZOLL software, as modified, updated, and enhanced (the “Underlying Software”), for remote electronic access and use by Registered Users on the website with a unique URL to be provided by ZOLL to Customer (the “ZOLL Site”) in substantial conformity with the instructions for use, documentation and users manuals from time-to-time provided by ZOLL (the “Documentation”), as listed in any Order, on and after the Implementation Date (defined below) for such services and before that Order has expired or been terminated in accordance with the Agreement. Customer acknowledges that the ASP Services are only compatible with ZOLL equipment that has been enabled and configured for use with the ASP Services in accordance with the Documentation and only with the browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation.

3.1. Provision of ASP Services. Subject to the terms and conditions of the Agreement, ZOLL will use commercially reasonable efforts to make the ASP Services available to Customer and Customer’s employees, directors, principals, partners, consultants and agents authorized to use ASP Services on behalf of Customer and registered through the ZOLL Site for such use (“Registered Users”) through the ZOLL Site over normal network connections in accordance with the Documentation, excepting downtime due to necessary maintenance and troubleshooting. Customer, not ZOLL, shall be responsible for controlling Registered Users and protection of confidentiality of its login identifications and passwords. Customer acknowledges that (i) it is responsible for maintaining its interface and connectivity to the ASP Services and (ii) any facilities used for provision of the ASP Services may be owned or operated by ZOLL, or a ZOLL affiliate or a third party, or any combination of such facilities, as determined by ZOLL. Customer acknowledges that ZOLL may modify and upgrade the ASP Services, on an ongoing basis, to improve or adapt the ASP Services. Without limiting the foregoing, ZOLL will have the right, in its sole discretion, to develop, provide and market new, upgraded or modified ASP Services to Customer, including adding, removing or modifying the functionality or features of the ASP Services accessible by Registered Users. ZOLL will use commercially reasonable efforts to notify Customer within a reasonable period of time prior to the implementation of such changes so that Customer is reasonably informed of alterations to the ASP Services that will affect the ASP Services and Customer’s use of them. Notwithstanding anything to the contrary in the Agreement, ZOLL may cease providing any ASP Services upon at least six months advance notice to Customer.

3.2. Access Software. Subject to the terms and conditions of this Agreement, ZOLL grants to Customer, during the Term, a non-exclusive, non-transferable, non-sublicensable license for Registered Users to access and use the ASP Services using the ZOLL software that Registered Users may download at the ZOLL Site to access the ASP Services, as modified, updated and enhanced (the “Access Software”), each as made available to Customer through the ZOLL Site, solely for Customer’s internal business purposes and solely in accordance with the Documentation. Access Software and Underlying Software are, collectively, the “Software”.

3.3. Restrictions. Customer shall not, and shall not permit any third party to: (a) use, reproduce, modify, adapt, alter, translate or create derivative works from the ASP Services, Software or Documentation; (b) merge the ASP Services, Software or Documentation with other software or services; (c) sublicense, distribute, sell, use for service bureau use, lease, rent, loan, or otherwise transfer or allow access to the ASP Services, Software or the Documentation to any third party; (d) reverse engineer, decompile, disassemble, or otherwise attempt to alter or derive the Source Code for the ASP Services or Software; (e) remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included in the ASP Services, Software or Documentation; or (f) otherwise use or copy the ASP Services, Software or Documentation in any manner not expressly permitted by the Agreement. Customer agrees not to use the ASP Services in excess of its authorized login protocols. Customer shall immediately notify ZOLL of any unauthorized use of Customer’s login ID, password or account or other breach of security. If Customer becomes aware of any actual or threatened activity contemplated by the restrictions on use set forth in this section, Customer will, and will cause Registered Users to, immediately take all reasonable measures necessary to stop the activity or threatened activity and to mitigate the effect of such activity including: (i) discontinuing and limiting any improper access to any data; (ii) preventing any use and disclosure of improperly obtained data; (iii) destroying any copies of improperly obtained data that may have been made on their systems; (iv) otherwise attempting to mitigate any harm from such events; and (v) immediately notifying ZOLL of any such event so that ZOLL may also attempt to remedy the problem and prevent its future occurrence.

3.4. Service Level Agreement.

3.4.1. Downtime. “Downtime”, expressed in minutes, is any time the ASP Services are not accessible to Registered Users.

3.4.2. Planned Downtime. “Planned Downtime” is Downtime during which ASP Services may not be available in order for ZOLL to continue to provide commercially reasonable services, features and performance to its customers. Planned Downtime includes, but is not limited to: (a) Standard Maintenance; and (b) Emergency Maintenance. “Standard Maintenance” is performed when upgrades or system updates are desirable. “Emergency Maintenance” is performed when a critical system update must be applied quickly to avoid significant Downtime. Standard Maintenance may be performed weekly on Monday and Wednesday between the hours of 7 p.m. to 11 p.m. in Broomfield, Colorado. ZOLL will provide Customer with notice at least 24 hours in advance of Standard Maintenance.

3.4.3. Excused Downtime. “Excused Downtime” time is Downtime caused by: (a) services, software or hardware provided by anyone or any entity other than ZOLL, (b) software, services or systems operating outside of a ZOLL Site, including any software or systems operating on a Customer’s premises (including ZOLL software); (c) a Force Majeure Event or (d) Customer’s failure to comply with its obligations under the Agreement or use of the ASP Services in ways that were not intended.

3.4.4. Unplanned Downtime. Unplanned Downtime in a calendar month is expressed as a percentage calculated as follows:

$$\frac{(\text{Downtime} - (\text{Planned Downtime} + \text{Excused Downtime}))}{\text{Total number of minutes in the calendar month}} \times 100 = x \%, \text{ where “x” is Unplanned Downtime.}$$

3.4.5. Unplanned Downtime Goal. ZOLL shall provide the ASP Services such that there is less than 1% of Unplanned Downtime in a calendar month (the “Unplanned Downtime Goal”). The ASP Services covered by the Unplanned Downtime Goal are those for which Customer has paid all Fees when due and is using in the course of carrying out its normal business operations in accordance with the Agreement.

3.4.6. Revocation of Administrative Rights. Notwithstanding anything to the contrary in the Agreement, ZOLL may revoke administrative rights, including database access rights, if the use of any such rights results in Downtime.

3.4.7. Customer Content; Security; Backup.

3.4.7.1. Customer Content. As between ZOLL and Customer, and without limiting the rights of any patient, Customer will retain all right, title and interest in and to all data, information or other content provided by Customer in its use of the ASP Services (“**Customer Content**”); *provided, however*, that ZOLL may de-identify and use Customer Content for any lawful purpose consistent with all applicable law.

3.4.7.2. Security. Subject to Customer’s obligations under this Agreement, ZOLL will implement commercially reasonable security measures within the ASP Services in an attempt to prevent unlawful access to Customer Content by third parties. Such measures may include, where appropriate, use of updated firewalls, commercially available virus screening software, logon identification and passwords, encryption, intrusion detection systems, logging of incidents, periodic reporting, and prompt application of current security patches and virus definitions.

3.4.7.3. Backup of Customer Content (Not Applicable to Remote View). Although ZOLL will use commercially reasonable efforts to maintain the integrity of the Customer Content, to back up the Customer Content, and to provide full and ongoing access to the ASP Services, loss of access to the ASP Services and loss of Customer Content may occur. Customer will make provision for additional back-up storage of any critical Customer Content and shall be responsible for compliance with all records retention requirements applicable to Customer. ZOLL will not be responsible for any loss, corruption of or inaccessibility of the Customer Content due to interruption in the ASP Services or otherwise arising out of circumstances not within ZOLL’s control.

3.4.7.4. Availability of Customer Content (Not Applicable to Remote View). It is Customer’s responsibility to maintain any Customer Content that it requires for archival purposes, ongoing management of its operations and compliance with applicable records retention requirements. Unless specified otherwise in the Agreement, ZOLL will store Customer Content, other than Inactive Customer Content as defined below (the “**Active Customer Content**”), in ZOLL’s working data set until the earlier of (i) five years (calculated from the date of creation of such Customer Content, or ZOLL’s receipt of such Customer Content, whichever is later) or (ii) the expiration or termination of this Agreement or the Order under which such Active Customer Content was stored (the “**Active Retention Period**”). Upon the expiration of the Active Retention Period, ZOLL will notify Customer in writing and will provide Customer the option, which Customer shall exercise by informing ZOLL in writing, within 30 days of receiving the notice, that either (a) Customer wishes to receive Active Customer Content in a database determined by ZOLL in its sole and absolute discretion (a “**Database**”), or (b) Customer will pay ZOLL, at ZOLL’s then-current storage rates and upon ZOLL’s then-current terms and conditions, to continue to store the Active Customer Content. If Customer fails to exercise one of the foregoing options within such 30-day period, ZOLL will have the right to destroy the Active Customer Content. During the time ZOLL stores Customer Content for Customer hereunder, ZOLL may periodically identify Customer Content that has had no activity associated with it for at least 180 days (“**Inactive Customer Content**”) and will notify Customer in writing of its intent to remove the Inactive Customer Content from ZOLL’s working data set and destroy such data, unless Customer requests, in writing, within 30 days of receiving the notice from ZOLL, that either (z) Customer wishes to receive the Inactive Customer Content in a Database, or (y) Customer will pay ZOLL, at ZOLL’s then-current storage rates and upon ZOLL’s then-current terms and conditions, to continue to store such Inactive Customer Content. If Customer fails to exercise one of the foregoing options within such 30-day period, ZOLL will have the right to destroy the applicable Inactive Customer Content in its possession or under its control. Except for this [Section 3.4.7.4](#), the terms of [Section 3.4](#) (including, without limitation, the Unplanned Downtime Goal) do not apply to Customer’s access of Inactive Customer Content. Customer represents, warrants and agrees that it (A) is solely responsible for determining the retention period applicable to it with respect to Customer Content maintained by ZOLL; (B) has consulted with or has had the opportunity to consult with legal, information governance or records management professionals; and (C) is not relying upon ZOLL to assist with determining the records maintenance or retention requirements applicable to it.

3.4.8. Remedies. A “**Service Credit**” means a percentage of the monthly Fee to be credited to Customer (subject to Customer’s written request therefor and ZOLL’s verification thereof) for any ASP Service for which the Unplanned Downtime Goal is exceeded in a calendar month. For any calendar month where the aggregate total of Unplanned Downtime for any ASP Service exceeds one percent ZOLL will provide a 10% Service Credit towards Customer’s monthly Fee for such ASP Service that was affected; *provided, that* Customer (i) requests such Service Credit in writing within 30 days of the end of the calendar month in which such Unplanned Downtime occurred, (ii) includes in such request the nature of, and date and time of such Unplanned Downtime and (iii) such Unplanned Downtime is verified by ZOLL. Such Service Credit will be applied to a future month’s invoice for such ASP Services, which typically is two months later. Failure to submit a written request for Service Credit as provided in this [Section 3.4.8](#) shall constitute a waiver of such Service Credit by Customer. Further, Service Credits shall not be issued if Customer is not current on all Fees due and payable. The remedy set forth in this [Section 3.4.8](#) shall be the Customers’ sole and exclusive remedy with respect to ZOLL exceeding the Unplanned Downtime Goal.

3.4.9. Modifications. Changes to this [Section 3.4](#) may be made from time to time at ZOLL’s sole discretion. Customer will be notified of any such changes that are material.

4. Implementation Services. ZOLL shall provide ASP Services implementation, training and any related services identified in an Order (the “**Implementation Services**”). Customer shall, in a timely manner and at its own expense, cooperate and provide or make available to ZOLL access to the Customer’s premises, systems, telephone, terminals and facsimile machines and all relevant information, documentation and staff reasonably required by ZOLL to enable ZOLL to perform the Implementation Services. Customer acknowledges that any time frames or dates for completion of the Implementation Services set out in an Order are estimates only and the ability to meet them is influenced by a range of factors including, without limitation, response times and level of cooperation of Customer. Any obligations as to time are therefore on a “reasonable efforts” basis only and ZOLL shall not be liable for failure to meet time frames or completion dates unless solely due to ZOLL’s negligence.

5. Support Services. ZOLL shall provide the following Support Services for ASP Services without any additional Fees, except that ZOLL will have no obligation to provide such Support Services if any Fees for ASP Services are past due.

5.1. Support.

5.1.1. Emergency Support. ZOLL shall provide telephone support to Customer for 24 hours a day, 7 days a week, to address Errors that prevent Customer from using Supported ASP Services for a purpose for which Customer has an immediate and material need. “**Supported ASP Services**” means the ASP Services for which Customer has paid the then-current Fees. “**Supported Environment**” means a browser and other technical environment that supports the use of the ASP Services in accordance with the Documentation. “**Error**” means a reproducible defect in the Supported ASP Services when operated in accordance with the Documentation in a Supported Environment that causes the Supported ASP Services not to operate substantially in accordance with such Documentation.

5.1.2. Technical Support. ZOLL shall provide telephone support to Customer during 6 a.m. to 6 p.m. Eastern Time, Monday to Friday, excluding ZOLL holidays (“**Business Hours**”) to address all other Errors relating to any Supported ASP Services. Such telephone support will include (i) clarification of functions and features of the Supported ASP Services; (ii) clarification of the Documentation; (iii) guidance in operation of the Supported ASP Services; (iv) assistance in identifying and verifying the causes of suspected Errors in the Supported ASP Services; and (v) advice on bypassing identified Errors in the Supported ASP Services, if reasonably possible. Responses to such reporting shall be provided at a minimum within twenty-four (24) hours during Business Hours.

5.1.3. Resolution. ZOLL shall use commercially reasonable efforts to provide a modification or workaround to Supported ASP Services that resolves an Error in all material respects (“**Resolution**”).

5.1.4. Expenses. Support Services provided hereunder shall be provided from Chelmsford, Massachusetts or Broomfield, Colorado, as determined in ZOLL’s sole discretion. Should Customer request that ZOLL send personnel to Customer’s location to resolve any Error in the Supported ASP Services, ZOLL may charge Customer a fee of \$2,500 for each day ZOLL personnel is at Customer’s location.

5.1.5. Exceptions. ZOLL shall have no responsibility under this Agreement to fix any Errors arising out of or related to the following causes: (a) Customer’s modification or combination of the Access Software (in whole or in part), (b) use of the Supported ASP Services in an environment other than a Supported Environment; or (c) accident; unusual physical, electrical or electromagnetic stress; neglect; misuse; failure or fluctuation of electric power, air conditioning or humidity control; failure of media not furnished by ZOLL; excessive heating; fire and smoke damage; operation of the Supported ASP Services with other media and hardware, software or telecommunication

interfaces; or causes other than ordinary use. Any corrections performed by ZOLL for such Errors shall be made, in ZOLL's reasonable discretion, at ZOLL's then-current time and material charges. ZOLL will provide the Support Services only for the most current release and the one immediately preceding major release of any Access Software. Notwithstanding anything to the contrary in the Agreement, (i) ZOLL may cease providing Support Services for any ASP Services upon at least six (6) months advance notice to Customer of such cessation and (ii) Support Services do not cover Third Party Products or Services (defined below).

5.2. Conditions and Limitations. Customer shall provide ZOLL with access to Customer's personnel and its equipment. This access must include the ability to remotely access the equipment on which the Supported ASP Services are operating and to obtain the same access to the equipment as those of Customer's employees having the highest privilege or clearance level. ZOLL will inform Customer of the specifications of the remote access methods available and associated software needed, and Customer will be responsible for the costs and use of said equipment. Fees for third party software and services are set by the owner of such software.

6. Warranties.

6.1. Implementation Services and Support Services. Subject to Customer's payment of the Fees, ZOLL warrants that any Implementation Services or Support Services provided to Customer will be performed with due care in a professional and workmanlike manner. ZOLL shall, as its sole obligation and Customer's sole and exclusive remedy for any breach of the warranty set forth in this [Section 6.1](#), perform again the Implementation Services or Support Services that gave rise to the breach or, in the case of Implementation Services, at ZOLL's option, refund the Fees for such Implementation Services paid by Customer for the Implementation Services which gave rise to the breach. The availability of any remedy for a breach of the warranty set forth in this [Section 6.1](#) is conditioned upon Customer notifying ZOLL in writing of such breach within thirty (30) days following performance of the defective Implementation Services or Support Services, specifying the breach in reasonable detail.

6.2. ASP Services and Access Software. Subject to Customer's payment of the Fees, ZOLL represents and warrants with respect to any ASP Services that (i) ZOLL has the right to license the Access Software and Documentation and make the ASP Services available to Customer pursuant to this Agreement and (ii) the ASP Services, when used as permitted and in accordance with the Documentation, will materially conform to the Documentation. ZOLL does not warrant that Customer's use of the ASP Services will be error free or uninterrupted. Customer will notify ZOLL in writing of any breach of this warranty with respect to any ASP Services prior to the expiration or termination of the Order for such ASP Services. If ZOLL is unable to provide a correction or work-around pursuant to the terms governing the provision of the ASP Services after using commercially reasonable efforts, ZOLL may terminate such Order upon written notice to Customer. Any such correction or work-around shall not extend the term of such Order. This [Section 6.2](#) sets forth Customer's exclusive remedy, and ZOLL's entire liability, for breach of the warranty for the ASP Services contained herein.

6.3. Warranty Disclaimers. The warranties for the Software and Services are solely and expressly as set forth in [Section 6.1](#) and [Section 6.2](#) and are expressly qualified, in their entirety, by this [Section 6.3](#). EXCEPT AS EXPRESSLY SET FORTH IN [SECTION 6.1](#) AND [SECTION 6.2](#), (A) THE SOFTWARE AND SERVICES ARE PROVIDED STRICTLY "AS IS", WITHOUT ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, WRITTEN OR ORAL; (B) ZOLL DOES NOT PROMISE THAT THE SOFTWARE OR SERVICES WILL BE SECURE, UNINTERRUPTED OR ERROR-FREE OR THAT THEY ARE SUITABLE FOR THE PARTICULAR NEEDS OF CUSTOMER, REGISTERED USERS OR ANY THIRD PARTY; AND (C) ZOLL SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON INFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR COURSE OF PERFORMANCE OR USAGE IN TRADE. CUSTOMER ACKNOWLEDGES THAT IT HAS RELIED ON NO WARRANTIES OTHER THAN THE EXPRESS WARRANTIES IN THIS AGREEMENT, AND THAT NO WARRANTIES ARE MADE BY ANY OF ZOLL'S LICENSORS OR SUPPLIERS WITH RESPECT TO THIRD PARTY PRODUCTS OR SERVICES. Customer acknowledges and agrees that, in entering into this Agreement, it has not relied upon the future availability of any new or enhanced feature or functionality, or any new or enhanced product or service, including, without limitation, updates or upgrades to ZOLL's existing products and services. ZOLL's performance obligations hereunder are limited to those expressly enumerated herein, and payment for ZOLL's performance obligations shall be due as described herein.

7. Confidentiality. Neither party will use any trade secrets, information, or other material, tangible or intangible, that relates to the business or technology of the other party and is marked or identified as confidential or is disclosed in circumstances that would lead a reasonable person to believe such information is confidential ("Confidential Information") for any purpose not expressly permitted by this Agreement, and will further disclose the Confidential Information of the party disclosing it ("Disclosing Party") only to the employees or contractors of the party receiving it ("Receiving Party") who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than the Receiving Party's duty hereunder. The Receiving Party will protect the Disclosing Party's Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. The ASP Services, Software and Documentation shall be ZOLL's Confidential Information (including without limitation any routines, subroutines, directories, tools, programs, or any other technology included in the Software), notwithstanding any failure to mark or identify it as such. The Receiving Party's obligations under this [Section 7](#) with respect to any Confidential Information of the Disclosing Party will terminate when and to the extent the Receiving Party can document that such information: (a) was already lawfully known to the Receiving Party at the time of disclosure by the Disclosing Party; (b) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without any confidentiality restrictions; (c) is, or through no fault of the Receiving Party has become, generally available to the public; or (d) is independently developed by the Receiving Party without access to, or use of, Confidential Information. In addition, the Receiving Party may disclose Confidential Information of the Disclosing Party to the extent that such disclosure is: (i) necessary for the Receiving Party to enforce its rights under this Agreement in connection with a legal proceeding; or (ii) required by law or by the order of a court or similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such disclosure in writing prior to making such disclosure and cooperates with the Disclosing Party, at the Disclosing Party's reasonable request and expense, in any lawful action to contest or limit the scope of such disclosure.

8. Indemnification.

8.1. By ZOLL. ZOLL will defend, at its own expense, any action against Customer or its or any of its agents, officers, director, or employees ("Customer Parties") brought by a third party alleging that any Software or Services infringe any U.S. patents or any copyrights or misappropriate any trade secrets of a third party, and ZOLL will pay those costs and damages finally awarded against the Customer Parties in any such action that are specifically attributable to such claim or those costs and damages agreed to in a monetary settlement of such action. The foregoing obligations are conditioned on Customer: (a) notifying ZOLL promptly in writing of such claim or action; (b) giving ZOLL sole control of the defense thereof and any related settlement negotiations; and (c) cooperating with ZOLL and, at ZOLL's request and expense, assisting in such defense. If any of the Software or Services become, or in ZOLL's opinion is likely to become, the subject of an infringement claim, ZOLL may, at its sole option and expense, either: (i) procure for Customer the right to continue using such Software or Services; (ii) modify or replace such Software or Services with substantially similar software or services so that such Software or Services becomes non-infringing; or (iii) terminate this Agreement, in whole or in part. Notwithstanding the foregoing, ZOLL will have no obligation under this [Section 8.1](#) or otherwise with respect to any infringement claim based upon: (1) use of any of the Software or Services not in accordance with this Agreement; (2) any use of any Software or Services in combination with products equipment, software, services or data not supplied by ZOLL if such infringement would have been avoided but for the combination with other products, equipment, software, services or data; (3) the failure of Customer to implement any replacements, corrections or modifications made available by ZOLL for any Software or Services including, but not limited to, any use of any release of the Software other than the most current release made commercially available by ZOLL; (4) any Customer Content; or (5) any modification of any Software or Services or use thereof by any person other than ZOLL or its authorized agents or subcontractors. This [Section 8](#) states ZOLL's entire liability and the exclusive remedy for any claims of infringement.

8.2. By Customer. Customer shall indemnify, defend and hold ZOLL and its agents, officers, directors and employees (the "ZOLL Parties") harmless from and against any and all liabilities, losses, expenses, damages and claims (collectively, "Claims") that arise out of the following except to the extent the Claims are due to the gross negligence, intentional misconduct or breach of this Agreement by the ZOLL Parties: (i) information provided to any of the ZOLL Parties by any of the Customer Parties; (ii) any of the Customer Parties' use or misuse of any of the Software or Services, including without limitation in combination with Customer's software or services or third party software or services; (iii) any modifications made by any of the Customer Parties to any of the Software or Services; (iv) infringement by any of the Customer

Parties of any third party intellectual property right; (v) Taxes (other than taxes based on ZOLL's net income) and any related penalties and interest, arising from the payment of the Fees or the delivery of the Software and Services to Customer; and (ix) any violation of laws or regulations, including without limitation applicable export and import control laws and regulations in the use of any of the Software or Services, by any of the Customer Parties.

9. Limitation of Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN NO EVENT WILL ZOLL OR ITS AFFILIATES, SUBCONTRACTORS OR SUPPLIERS, OR ANY OF THEIR OFFICERS OR DIRECTORS, BE LIABLE, EVEN IF ADVISED OF THE POSSIBILITY, FOR: (i) SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE), (ii) LOSS OF PROFIT, DATA, BUSINESS OR GOODWILL, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES OR (iii) ANY LOSSES, COSTS OR DAMAGES ASSOCIATED WITH CUSTOMER'S PRODUCTS OR OTHER ELEMENTS INCORPORATED OR USED THEREWITH WHICH WERE NOT PROVIDED BY ZOLL OR WITH RESPECT TO ANY MODIFICATIONS MADE TO THE SOFTWARE OR SERVICES OR MISUSE OF THE SOFTWARE OR SERVICES. ZOLL'S TOTAL CUMULATIVE LIABILITY IN CONNECTION WITH THIS AGREEMENT, WHETHER IN CONTRACT OR TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT PAID TO ZOLL BY CUSTOMER FOR THE SOFTWARE AND SERVICES PROVIDED UNDER THIS AGREEMENT DURING THE 12-MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY. Customer acknowledges that these limitations reflect the allocation of risk set forth in this Agreement and that ZOLL would not enter into this Agreement without these limitations on its liability. Customer agrees that these limitations shall apply notwithstanding any failure of essential purpose of any limited remedy. The remedies in this Agreement are Customer's sole and exclusive remedies. In addition, ZOLL disclaims all liability of any kind of ZOLL's licensors and suppliers, for third party products or services, and for the actions or omissions of Customer's representatives.

10. Ownership. All right, title and interest, including but not limited to all existing or future copyrights, trademarks, service marks, trade secrets, patents, patent applications, know how, moral rights, contract rights, and proprietary rights, and all registrations, applications, renewals, extensions, and combinations of the foregoing, in and to the following are the exclusive property of ZOLL (or, as the case may be, its subsidiaries, licensors and suppliers): (i) ASP Services, Software, Documentation, and all proprietary technology used by ZOLL to perform its obligations under this Agreement; (ii) all software, tools, routines, programs, designs, technology, ideas, know-how, processes, techniques and inventions that ZOLL makes, develops, conceives or reduces to practice, whether alone or jointly with others, in the course of performing the Services; (iii) the fully compiled version of any of the foregoing software programs that can be executed by a computer and used without further compilation (the "Executable Code"); (iv) the human readable version of any of the foregoing software programs that can be compiled into Executable Code (the "Source Code"); and (v) all enhancements, modifications, improvements and derivative works of each and any of the foregoing (the "ZOLL Property"). If any derivative work is created by Customer from the Software or Services, ZOLL shall own all right, title and interest in and to such derivative work. Any rights not expressly granted to Customer hereunder are reserved by ZOLL (or its licensors and suppliers, as the case may be).

11. Term and Termination.

11.1. Term. The term of this Agreement ("Term") begins on the effective date of the first Order incorporating this Agreement and continues until it is terminated. The term of each Order begins on the effective date of such Order and continues until it expires or is terminated; *provided, however*, that such term (and any extension thereof) shall automatically renew for an equivalent period at ZOLL's then current list pricing unless either party notifies the other party in writing of an intent to not renew such term at least ninety (90) days prior to the expiration of such term. "Implementation Date" for any ASP Services means the earlier of (a) the date upon which the activation of such ASP Services is complete and such ASP Services are able to function as described in the warranty for such ASP Services, regardless of whether Customer uses such ASP Services or (b) one hundred eighty (180) days following the shipment of the monitor/defibrillators in connection with which such ASP Services are to be used, unless a delay in the activation of such ASP Services is caused by ZOLL, in which case the Implementation Date shall be postponed by a number of days equal to the delay that ZOLL has caused; or (c) if Customer does not use Implementation Services to activate such ASP Services, the date of the Order for such ASP Services.

11.2. Termination. Either party may terminate this Agreement or any Order without cause on thirty (30) days' prior written notice to the other party. Either party may terminate this Agreement or any Order if the other party materially defaults in the performance of any of its obligations hereunder and fails to cure such default within twenty (20) days after written notice from the non-defaulting party.

11.3. Effects of Termination. Upon expiration or termination of this Agreement or any Order for any reason: (a) all amounts, if any, owed to ZOLL under this Agreement or the Order that has expired or been terminated (the "Expired or Terminated Document") before such termination or expiration will become immediately due and payable; (b) Customer's right to access the ASP Services, and all licensed rights granted, in the Expired or Terminated Document will immediately terminate and cease to exist; and (c) Customer must (i) promptly discontinue all use of any ASP Services provided under the Expired or Terminated Document (ii) erase all copies of Access Software from Customer's computers and the computers of its customers and return to ZOLL or destroy all copies of such Access Software and related Documentation on tangible media in Customer's possession and (iii) return or destroy all copies of the Documentation in Customer's possession or control; (d) each party shall promptly discontinue all use of the other party's Confidential Information disclosed in connection with the Expired or Terminated Document and return to the other party or, at the other party's option, destroy, all copies of any such Confidential Information in tangible or electronic form. Additionally, if any Order for ASP Services is terminated by ZOLL for a material default or by Customer without cause, then Customer immediately shall pay ZOLL an early termination fee equal to the amount of (x) the Fees for such ASP Services otherwise payable during the initial term of such Order had such Order not been terminated during such term minus (y) the sum of such Fees paid by Customer to ZOLL prior to the date of termination. Upon ZOLL's request, Customer will provide a written certification (in a form acceptable to ZOLL), certifying as to Customer's compliance with its post-termination obligations set forth in this [Section 11.3](#).

12. General Provisions.

12.1. Compliance with Laws. Customer shall comply with all applicable laws and regulations, and obtain required authorizations, concerning its use of the ASP Services, including without limitation if applicable all export and import control laws and regulations. Customer will not use any ASP Services for any purpose in violation of any applicable laws. ZOLL may suspend performance if Customer violated applicable laws or regulations.

12.2. Audits and Inspections. Upon written request from ZOLL, Customer shall furnish ZOLL with a certificate signed by an officer of Customer stating that the ASP Services are being used strictly in accordance with the terms and conditions of this Agreement. During the Term and for a period of six months following the termination or expiration of this Agreement, upon prior written notice, ZOLL will have the right, during normal business hours, to inspect, or have an independent audit firm inspect, Customer's records relating to Customer's use of the ASP Services to ensure it is in compliance with the terms of this Agreement. The costs of the audit will be paid by ZOLL, unless the audit reveals that Customer's underpayment of Fees exceeds five percent. Customer will promptly pay to ZOLL any amounts shown by any such audit to be owing (which shall be calculated at ZOLL's standard, non-discounted rates) plus interest as provided in [Section 2](#) above.

12.3. Assignments. Customer may not assign or transfer, by operation of law or otherwise (including in connection with a sale of substantially all assets or equity, merger or other change in control transaction), any of its rights under this Agreement or any Order to any third party without ZOLL's prior written consent. Any attempted assignment or transfer in violation of the foregoing will be null and void. ZOLL shall have the right to assign this Agreement or any Order to any affiliate, or to any successor to its business or assets to which this Agreement relates, whether by merger, sale of assets, sale of stock, reorganization or otherwise, and to contract with any third party to provide part of any of the Software and Services, and to delegate performance of this Agreement or any Order to any of its subsidiaries.

12.4. U.S. Government End Users. If Customer is a branch or agency of the United States Government, the following provision applies. The Software and Documentation are composed of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212 (SEPT 1995) and are (i) for acquisition by or on behalf of civilian agencies, consistent with the policy set forth in 48 C.F.R. 12.212; or (ii) for acquisition by or on behalf of units of the Department of Defense, consistent with the policies set forth in 48 C.F.R. 227.7202 1 (JUN 1995) and 227.7202 3 (JUN 1995).

12.5. Notices. All notices, consents, and approvals under this Agreement must be delivered in writing by electronic mail, courier, electronic facsimile, or certified or registered mail (postage prepaid and return receipt requested) to the other party at the address set forth in the most recent Order (or to such other address or person as from time to time provided by such party in accordance with this [Section 12.5](#)), and will be effective upon receipt or three (3) business days after being deposited in the mail as required above, whichever occurs sooner.

12.6. Governing Law and Venue; Waiver of Jury Trial. This Agreement will be governed by and interpreted in accordance with the laws of the State of Colorado without reference to its choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any action or proceeding arising from or relating to this Agreement shall be brought in a federal or state court in the State of Colorado, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

12.7. Remedies. Except as otherwise expressly provided in this Agreement, the parties' rights and remedies under this Agreement are cumulative. Customer acknowledges that the Software and Services are built on valuable trade secrets and proprietary information of ZOLL, that any actual or threatened breach hereof will constitute immediate, irreparable harm to ZOLL for which monetary damages would be an inadequate remedy, and that ZOLL will be entitled to injunctive relief for such breach or threatened breach. Customer further agrees to waive and hereby waives any requirement for the security or the posting of any bond in connection with such remedies. Such remedies shall not be considered to be the exclusive remedies for any such breach or threatened breach, but shall be in addition to all other remedies available at law or equity to ZOLL.

12.8. Waivers. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

12.9. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, such provision will be changed and interpreted to accomplish the objectives of such provision to the greatest extent possible under applicable law and the remaining provisions of this Agreement will continue in full force and effect. In any event, the unenforceability or invalidity of any provision shall not affect any other provision of this Agreement, and this Agreement shall continue in full force and effect, and be construed and enforced, as if such provision had not been included, or had been modified as above provided, as the case may be.

12.10. Independent Contractors. The parties are entering into, and will perform, this Agreement as independent contractors. Nothing in this Agreement will be construed to make either party the agent of the other for any purpose whatsoever, to authorize either party to enter into any contract or assume any obligation on behalf of the other or to establish a partnership, franchise or joint venture between the parties.

12.11. Third Parties. Customer is solely responsible for, and none of the fees set forth herein shall be deemed to cover, any amounts owed to third parties in connection with the use of the ASP Services. If Customer engages a third-party provider ("**Third Party Provider**") to deliver products or services, including without limitation software, integrated into or receiving data from or accessing the ASP Services ("**Third Party Products or Services**"), Customer represents, warrants and agrees that: (i) ZOLL shall have no liability, and makes no representation, with respect to such Third Party Products or Services; and (ii) the Third Party Provider shall not be an agent of ZOLL. To the extent the ASP Services or Software contains software owned by a third party for which ZOLL has a license agreement with a third party, the ASP Services and Software and all rights granted hereunder are expressly limited by and subject to any license agreements ZOLL may have for such software.

12.12. Force Majeure. Neither party shall be liable for damages for any delay or failure of performance hereunder (other than payment obligation) arising out of causes beyond such party's reasonable control and without such party's fault or negligence, including, but not limited to, failure of its suppliers to timely deliver acceptable parts or services, any act or omission of Customer that interferes with or impedes ZOLL's performance hereunder, acts of God, acts of civil or military authority, fires, riots, wars, embargoes, Internet disruptions, hacker attacks, or communications failures (a "**Force Majeure Event**").

12.13. Entire Agreement; Amendment; No Third Party Beneficiaries; Survival. This Agreement, which may be accepted by performance, constitutes the entire agreement between the parties regarding the subject hereof and supersedes all prior or contemporaneous agreements, understandings, and communication, whether written or oral, except agreements at zollonline.com. Any other representation or agreement, whether written or oral, including but not limited to any purchase order issued by Customer, shall be wholly inapplicable to the Software and Services and shall not be binding in any way on ZOLL. This Agreement may not be amended or changed or any provision hereof waived except in writing signed by both parties. Any different or additional terms in any purchase order, confirmation or similar form issued or otherwise provided by Customer but not signed by an authorized representative of ZOLL shall have no force or effect. There are no third party beneficiaries of this Agreement. Those provisions of this Agreement that may be reasonably interpreted as surviving termination of this Agreement or the survival of which is necessary for the interpretation or enforcement of this Agreement shall continue in full force and effect in accordance with their terms notwithstanding the termination hereof including, but not limited to, [Section 7](#) (Confidentiality), [Section 8](#) (Indemnification), [Section 9](#) (Limitation on Liability), [Section 10](#) (Ownership), [Section 11.3](#) (Effects of Termination) and [Section 12](#) (General Provisions). This Agreement may be executed in counterparts, each of which will be considered an original, but all of which together will constitute the same instrument.

13. HIPAA. This [Section 13](#) applies if and to the extent that ZOLL creates, receives, maintains or transmits, directly or indirectly, any protected health information of Customer ("**PHI**") in the course of providing Software or Services to Customer. Capitalized terms used but not defined in this [Section 13](#) have the meanings assigned to them elsewhere in the Agreement or, if not defined therein, as defined in the Health Insurance Portability and Accountability Act of 1996 (P.L. 104 191), 42 U.S.C. Section 1320d, et seq., and regulations promulgated thereunder, as amended from time to time (such statute and regulations collectively referred to as "**HIPAA**"). "**Covered Entity**" as used herein means Customer. "**Business Associate**" as used herein means ZOLL. The purpose of this [Section 13](#) is to comply with 45 C.F.R. §164.502(e) and §164.504(e), governing PHI and business associates under HIPAA.

13.1. Applicability. This [Section 13](#) applies if and to the extent that Business Associate creates, receives, maintains or transmits, directly or indirectly, any PHI in the course of providing Software or Services to Covered Entity.

13.2. Compliance and Agents. Business Associate agrees that, to the extent it has access to PHI, Business Associate will fully comply with the requirements of this [Section 13](#) with respect to such PHI. Business Associate will ensure that every agent, including a subcontractor, of Business Associate to whom it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity will comply with the same restrictions and conditions as set forth herein.

13.3. Use and Disclosure; Rights. Business Associate agrees that it shall not use or disclose PHI except as permitted under this Agreement, and in compliance with each applicable requirement of 45 CFR Section 164.504(e). Business Associate may use or disclose the PHI received or created by it, (a) to perform its obligations under this Agreement, (b) to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the Agreement, or (c) to provide data aggregation functions to Covered Entity as permitted by HIPAA. Further, Business Associate may use the PHI received by it in its capacity as Business Associate, if necessary, to properly manage and administer its business or to carry out its legal responsibilities. Business Associate may disclose the PHI received by it in its capacity as Business Associate to properly manage and administer its business or to carry out its legal responsibilities if: (a) the disclosure is required by law, or (b) the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it is disclosed to the person and the person notifies Business Associate of any instances of which it is aware that the confidentiality of the information has been breached. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity.

13.4. Safeguards. Business Associate agrees to develop, document, use, and keep current appropriate procedural, physical, and electronic safeguards, as required in 45 C.F.R. §§164.308 - 164.312, sufficient to prevent any use or disclosure of electronic PHI other than as permitted or required by this Agreement.

13.5. Minimum Necessary. Business Associate will limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request.

13.6. Report of Improper Use or Disclosure. Business Associate shall report to Covered Entity any information of which it becomes aware concerning any use or disclosure of PHI that is not permitted by this Agreement and any security incident of which it becomes aware. Business Associate will, following the discovery of a breach of "**unsecured protected health information**," as defined in 45 C.F.R. § 164.402, notify Covered Entity of such breach within 15 days. The notice shall include the identification of each individual whose unsecured protected health information has been, or is reasonably believed by Business Associate to have been, accessed,

acquired, or disclosed during such breach. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of this Agreement.

13.7. Individual Access. In accordance with an individual’s right to access to his or her own PHI in a designated record set under 45 CFR §164.524 and the individual’s right to copy or amend such records under 45 CFR §164.524 and §164.526, Business Associate shall make available all PHI in a designated record set to Covered Entity to enable the Covered Entity to provide access to the individual to whom that information pertains or such individual’s representative.

13.8. Amendment of and Access to PHI. Business Associate shall make available for amendment PHI in a designated record set and shall incorporate any amendments to PHI in a designated record set in accordance with 45 CFR §164.526 and in accordance with any process mutually agreed to by the parties.

13.9. Accounting. Business Associate agrees to document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to an individual’s request for an accounting of disclosures of their PHI in accordance with 45 CFR §164.528. Business Associate agrees to make available to Covered Entity the information needed to enable Covered Entity to provide the individual with an accounting of disclosures as set forth in 45 CFR §164.528.

13.10. DHHS Access to Books, Records, and Other Information. Business Associate shall make available to the U.S. Department of Health and Human Services (“DHHS”), its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity for purposes of determining the Covered Entity’s compliance with HIPAA.

13.11. Individual Authorizations; Restrictions. Covered Entity will notify Business Associate of any limitation in its notice of privacy practices, any restriction to the use or disclosure of PHI that Covered Entity has agreed to with an individual and of any changes in or revocation of an authorization or other permission by an individual, to the extent that such limitation, restriction, change, or revocation may affect Business Associate’s use or disclosure of PHI.

13.12. HITECH Act Compliance. Covered Entity and Business Associate agree to comply with the amendments to HIPAA included in the Health Information Technology for Economic and Clinical Health Act (the “HITECH Act”), including all privacy and security regulations issued under the HITECH Act that apply to Business Associate.

13.13. Breach; Termination; Mitigation. If Covered Entity knows of a pattern of activity or practice of Business Associate that constitutes a material breach or violation of Business Associate’s obligations under this Section 13, Covered Entity and Business Associate shall take any steps reasonably necessary to cure such breach and make Business Associate comply, and, if such steps are unsuccessful, Covered Entity may terminate this Agreement. Business Associate shall take reasonable actions available to it to mitigate any detrimental effects of such violation or failure to comply.

13.14. Return of PHI. Business Associate agrees that upon termination of this Agreement, and if feasible, Business Associate shall (a) return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, that Business Associate has continued to maintain in any form or manner and retain no copies of such information or, (b) if such return or destruction is not feasible, immediately notify Covered Entity of the reasons return or destruction are not feasible, and extend indefinitely the protection of this Section 13 to such PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI not feasible.

13.15. De-identified Health Information. Business Associate may de-identify any and all PHI and may create a “**Limited Data Set**” in accordance with 45 C.F.R. § 164.514(b) & (e). Covered Entity acknowledges and agrees that de-identified information is not PHI and that Business Associate may use such de-identified information for any lawful purpose. Use or disclosure of a Limited Data Set must comply with 45 CFR 164.514(e).

13.16. Survival. All representations, covenants, and agreements in or under this Section 13 shall survive the execution, delivery, and performance of this Agreement.

13.17. Further Assurances; Conflicts. Each party shall in good faith execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other party to carry out the purpose and intent of this Section 13. The terms and conditions of this Section 13 will override and control any expressly conflicting term or condition of the Agreement. All non-conflicting terms and conditions of the Agreement shall remain in full force and effect. Any ambiguity shall be resolved in a manner that will permit Covered Entity to comply with HIPAA. For the avoidance of doubt, a limitation on liability in the Agreement does not conflict with this Section 13.

13.18. Applicable Law. The parties acknowledge and agree that HIPAA may be amended and additional guidance or regulations implementing HIPAA may be issued after the date of the execution of this Agreement and may affect the parties’ obligations hereunder. The parties agree to take such action as is necessary to amend this Agreement from time in order as is necessary for Covered Entity to comply with HIPAA.

By signing below, the Customer acknowledges and agrees to those terms and conditions. The person signing below represents and warrants that she or he has the authority to bind the Customer to those terms and conditions.

Customer

Signature:

Name: _____

Title: _____

Company: _____

Company Address: _____

Date: _____

Defibrillator Replacement, RFP - October 2019					
Agency	SVMHS relationship	Cost	General notes	SVMHS team review	Final rank
Physio Control	None		This device is difficult to operate for the end user, requiring multiple steps. In addition, the device does not have a CPR feedback or way of reviewing events for Performance Improvement	Yes	2
Zoll	None		The Zoll device requires very few steps for the end user. The machine is laid out efficiently with excellent visual aides which supports patient safety. This machine has a CPR feedback device embedded in the defib pads that allows you to get real-time feedback on quality of CPR. The machine also has a comprehensive event review feature which allows the user to review every aspect of the Code Blue. You can input documentation of medications that will also come out on the report. It is an excellent tool for performance improvement	Yes	1

Review Team:

- Israel Hester- ED RN
- Suzette Urquides- Cath Lab RN
- Megan Giovanetti- Cath Lab Manager
- Carla Spencer- ED Director
- Jeremy Hadland- ED Manager
- Misty Navarro, ED MD
- Jim Kitlitz, ED RN
- Agnes Lalata- MS Director
- Scott Baker- CC Director
- Vanessa Lockard, ED RN
- Kelly Flower- CC Manager
- Laurel Black- CC Educator
- Kyle Dixon
- Junior Tualla
- Jon Baird
- Rakesh Singh, ED MD

*PERSONNEL, PENSION AND
INVESTMENT COMMITTEE*

*Minutes from the January 25, 2022 meeting of
the Personnel, Pension and Investment Committee
will be distributed at the Board Meeting*

*Background information supporting the
proposed recommendations from the
Committee is included in the Board Packet*

(REGINA M. GAGE)

- *Committee Chair Report*
- *Board Questions to Committee Chair/Staff*
- *Motion/Second*
- *Public Comment*
- *Board Discussion/Deliberation*
- *Action by Board/Roll Call Vote*

Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Ryan Griggs, DO (ii) the Contract Terms for Dr. Griggs' Recruitment Agreement, and (iii) the Contract Terms for Dr. Griggs' Urology Professional Services Agreement**

Executive Sponsor: Allen Radner, MD, Chief Medical Officer
Stacey Callahan, Physician Services Coordinator

Date: January 12, 2022

Executive Summary

In consultation with members of the medical staff, hospital executive management has identified the recruitment of a physician specializing in urology as a recruiting priority for the hospital's service area. Based on the Medical Staff Development Plan, completed by ECG Management Group in October 2019, the specialty of urology is recommended as a priority for recruitment. In 2021, two of the four urologists who covered urology services at SVMH departed leaving a need for additional urologists in the SVMHS service area. Furthermore, Salinas Valley Medical Clinic (SVMC) will be expanding to add urology as a new service line on February 1, 2022.

The recommended physician, Ryan Griggs, DO, received his medical degree at Lincoln Memorial University-DeBusk College of Osteopathic Medicine in 2016. He completed his urology residency at Einstein Healthcare Network in Philadelphia, PA, and will be completing his Men's Health Fellowship at Willis Knighton Health System in Shreveport, LA. A native of the Sacramento area, Dr. Griggs is excited to return to California with his young family and establish roots in our community. Dr. Griggs plans to join SVMC in August.

Background/Situation/Rationale

The proposed physician recruitment requires the execution of two types of agreements:

(1) **Professional Services Agreement**

- Contracted physician of the Salinas Valley Memorial Healthcare System and a member of Salinas Valley Medical Clinic - Urology
- Two year Professional Services Agreement that provides W-2 relationship for IRS reporting
- 1.0 Full-Time Equivalent (FTE)
- Base Compensation: \$400,000 per year
- Productivity Compensation: To the extent it exceeds the base salary, physician is eligible for Work Relative Value Unit (wRVU) productivity compensation: wRVU conversion factor of \$69.22
- Required to cover SVMH ER Urology Call Panel, up to five days of call compensation included in Base Compensation, days in excess of five paid at current call rates for SVMH Medical Staff coverage
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans, 5% base contribution to 403b plan that vests after three years
 - Based on current federal contribution limits this contribution is capped at \$15,250 annually
- Three weeks off for vacation
- One week off for Continuing Medical Education (CME)
- Annual stipend for CME: \$2000
- The physician will receive an occurrence based professional liability policy through BETA Healthcare Group

(2) **Recruitment Agreement** that provides a sign-on bonus of fifty thousand dollars (\$50,000).

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The recruitment of Dr. Griggs is aligned with our strategic priorities for the growth and finance pillars. We continue to develop the SVMC infrastructure that engages our physicians in a meaningful way, promotes efficiencies in care of delivery and creates opportunities for expansion of services. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by opening up access to care regardless of insurance coverage or ability to pay for services.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

The addition of Dr. Griggs to SVMC has been identified as a need for recruitment while also providing additional resources and coverage for the SVMC Urology practice.

The compensation proposed in these agreements have been reviewed by independent valuation and compensation consulting firms to confirm that the terms contemplated are fair market value and commercially reasonable.

Recommendation

Administration requests that the Personnel, Pension and Investment Committee recommend to the SVMHS Board of Directors approval of the following:

- (i) **The Findings Supporting Recruitment of Ryan Griggs, DO,**
 - **That the recruitment of a urologist to Salinas Valley Medical Clinic is in the best interest of the public health of the communities served by the District; and**
 - **That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;**
- (ii) **The Contract Terms of the Recruitment Agreement for Dr. Griggs; and**
- (iii) **The Contract Terms of the Urology Professional Services Agreement for Dr. Griggs.**

Attachments

(1) Curriculum Vitae – Ryan Griggs, DO

Ryan P. Griggs, DO; Board Eligible Urologist

EDUCATION

Aug 2021-Aug 2022

Northern Louisiana Men's Health Fellowship

Endorsed program by the Sexual Medicine Society of North America

Willis Knighton Health System

Shreveport, LA

- Northern Louisiana Men's Health Fellow

July 2016-July 2021

Einstein Healthcare Network

Philadelphia, PA

- Urological Surgery Resident

July 2012 – June 2016

Lincoln Memorial University-DeBusk College of Osteopathic Medicine (LMU-DCOM)

- Doctor of Osteopathic Medicine

October 2003 - December 2007

University of California, Davis

- B.S. Biological Sciences
Concentration: Neurobiology, Physiology, and Behavior

HONORS/AWARDS

July 2021

Scored in top quintile on the part one qualifying AUA Board Exam

June 2016

Dean's Award

- Presented to the member of the graduating class who displays a strong commitment to academic excellence, embodies empathy and compassion toward others, exemplifies personal integrity and professionalism and has earned the respect and trust of classmates and faculty.

PRESENTATIONS

Henry, G.; Labrecque, M.; Marmar, J.; Griggs, R.; Hakky, T. "New Bipolar Radiofrequency Sealing Tool for Transdermal Vasectomy in the Rabbit Model: A Paradigm Shift in Vasectomy Technique." Video Presentation SMSNA Annual Fall Meeting 2021, 10/23/21

Karpman, E, Griggs, R, Henry, G. "Does Irrisept Dipping/Irrigation Adversely Affect the Hydrophilic Coating of Titan Implants?" Short talk SMSNA Annual Fall Meeting 2021, 10/23/21.

Karpman, E, Griggs, R, Henry, G. "Dipping Time for Irrisept Solution on Titan Inflatable Penile Prosthesis Hydrophilic Coating: No Difference from 1-60 minutes." E-Poster SMSNA Annual Fall Meeting 2021, 10/23/21.

Brennan, M., Griggs, R. et al, "Is Modeling Alone Enough for Management of Significant Curvature During Inflatable Penile Prosthesis (IPP) Implantation?" AUA 2018 Annual Meeting, San Francisco, CA, 5/2018

Ghiraldi, E., Griggs, R. et al, "A predictive model to help identify factors associated with submitting 24-hour urine collections." AUA 2018 Annual Meeting, San Francisco, CA 5/2018

PUBLICATIONS

Brennan, M., Griggs, R. et al, "Is Modeling Alone Enough for Management of Significant Curvature During Inflatable Penile Prosthesis (IPP) Implantation?" Journal of Urology Vol. 199, No. 4S, Supplement, May 20, 2018.

Ghiraldi, E., Griggs, R. et al, "A predictive model to help identify factors associated with submitting 24-hour urine collections." Journal of Urology Vol. 199, No. 4S, Supplement, May 20, 2018.

Sunny Smith, MD; Robert Thomas, III, PhD; Michael Cruz, MD; Ryan Griggs, BS; Brittany Moscato, MD; Ashley Ferrara, MD, "Presence and Characteristics of Student-Run Free Clinics in Medical Schools," JAMA Medical Education. 312(22): 2407-2410, December 2014.

LEADERSHIP

January 2014-June 2014

Physicians and Students Serving Appalachia Gaining Education (PASSAGE) Club
Club Cofounder and President

- Co-founding this club served to potentiate our work to open a free medical clinic, which would guarantee my future colleagues additional clinical exposure before their rotations begin after second year. Organization of and leadership over monthly meetings, medical free clinic dates, and fundraisers.

July 2013-July 2014

Servolution Health Services
Board Member

- Attending monthly board meetings as a LMU-DCOM medical student representative, I am currently coordinating a clinical volunteer opportunity for my fellow medical students at the Servolution Health Services free medical clinic.

PROFESSIONAL MEMBERSHIPS

July 2016-present	American College of Surgeons (ACS)
May 2016-present	American College of Osteopathic Surgeons (ACOS)
May 2015-present	American Urological Association (AUA)
July 2012-present	American Osteopathic Association (AOA)

WORK EXPERIENCE

February 2007 - June 2012

Kaiser Permanente Outpatient Pharmacy, San Diego, CA
Pharmacy Assistant

- Medical billing problem solving, selling prescriptions, stocking/ordering OTCs, and member service.

March 2004 - June 2004

Surgical Intensive Care Unit (SICU) Mercy General Hospital, Sacramento, CA

- Undergraduate Internship: Transported patient labs, stocked patient rooms, shadowed nurses and doctors in the SICU.

Quality Improvement Projects

Griggs, R., Higgins, A. "IPP preop powerplan." 8/5/20. Supervising physician: Jay Simhan, MD, FACS

Griggs, R., Higgins, A., Lucas, J. "Discharge teaching and pictorial illustrations of penile bandage therapy in surgery recipients."7/5/2019. Supervising physician: Jay Simhan, MD, FACS

Griggs, R. Community Prostate Cancer free PSA Screenings and discussing the risk/benefit aspects of prostate cancer screening. Beloved St. John Evangelistic Church. 6/9/2018. Supervising Physician: Dr. Serge Ginzburg, MD, FACS

EXTRACURRICULAR ACTIVITIES

May 2013-July 2014	Established student-run free clinic for the medically underserved populations of Harrogate, TN at Servolution Health Services, "LMU-DCOM Student Clinic Nights."
January 2014-June 2014	Physicians and Students Serving Appalachia Gaining Education (PASSAGE) Club: Cofounder and President
January 2013 - present	Student Osteopathic Medical Association (SOMA)
August 2012 - present	Student National Medical Association (SNMA)
October 2010 - present	Society of Student-Run Free Clinics (SSRFC)
August 2000 - present	Sigma Chi Fraternity

INTERESTS/HOBBIES

Work-life balance is critical within a physician's life and participating in outdoor water sports are invigorating and challenging. I particularly love wakeboarding and surfing. When I am not in the water, I thoroughly enjoy spending time with my wife and daughter walking on the beach or just relaxing in the backyard with our dog.

While spending time in our reconstructive urologist's clinic during residency, I witnessed how paramount sexual health is to both a couple's and individual man's happiness. So much so, that often our patient's partners accompany them to the visit and/or initiate the visit themselves. Additionally, I have further grown to realize how socially inhibitory and embarrassing urinary incontinence can be for men. Some immensely fear leaving their homes without the security of urinary pads and ultimately this has a profound effect on their quality of life.

Consequently, I am interested in practicing men's health within a collegial environment of other urologists who practice general and/or urologic oncology. My training as a sexual medicine fellow will add expertise in the management of complex erectile dysfunction and refractory male stress urinary incontinence. Ultimately, my goal is it to become a tertiary care referral provider within this subspecialized field.

Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Recommendation for Board Approval of (i) the Findings Supporting Recruitment of Alison Tammany, MD (ii) the Contract Terms for Dr. Tammany's Recruitment Agreement, and (iii) the Contract Terms for Dr. Tammany's General Surgery & Colorectal Surgery Professional Services Agreement**

Executive Sponsor: Allen Radner, MD, Chief Medical Officer
Stacey Callahan, Physician Services Coordinator

Date: January 12, 2022

Executive Summary

In consultation with members of the medical staff, hospital executive management has identified the recruitment of a general surgeon as a recruiting priority for the hospital's service area. Based on the Medical Staff Development Plan, completed by ECG Management Group in October 2019, the specialty of general surgery is recommended as a priority for recruitment. In 2020, the retirement of a long-tenured general surgeon emphasized the need to recruit in order to increase overall patient access and provide coverage for general surgery emergency call at SVMH. Furthermore, there are a lack of surgeons in our district who subspecialize in colorectal surgery.

The recommended physician, Alison Tammany, MD, received her Doctor of Medicine degree at the Medical College of Georgia in 2015. She then completed her internal medicine residency at the University of Alabama at Birmingham and her general surgery residency at Orlando Health. She will be graduating from her Colorectal Fellowship at Ohio Health-Grant Medical Center in August and plans to join Salinas Valley Medical Clinic (SVMC) in September. Dr. Tammany is a native of Northern California and speaks Spanish.

Background/Situation/Rationale

The proposed physician recruitment requires the execution of two types of agreements:

(1) Professional Services Agreement

- Contracted physician of the Salinas Valley Memorial Healthcare System and a member of Salinas Valley Medical Clinic - General, Thoracic & Vascular Surgery
- Two year Professional Services Agreement that provides W-2 relationship for IRS reporting
- 1.0 Full-Time Equivalent (FTE)
- Base Compensation: \$375,000 per year
- Productivity Compensation: To the extent it exceeds the base salary, physician is eligible for Work Relative Value Unit (wRVU) productivity compensation: wRVU conversion factor of \$71.33
- Required to cover SVMH ER General Surgery Call Panel, up to eight days of call compensation included in Base Compensation, days in excess of eight paid at current call rates for SVMH Medical Staff coverage
- Access to SVMHS Health Plan. Physician premium is projected based on 15% of SVMHS cost
- Access to SVMHS 403(b) and 457 retirement plans, 5% base contribution to 403b plan that vests after three years
 - Based on current federal contribution limits this contribution is capped at \$15,250 annually
- Three weeks off for vacation
- One week off for Continuing Medical Education (CME)
- Annual stipend for CME: \$2000
- The physician will receive an occurrence based professional liability policy through BETA Healthcare Group

(2) **Recruitment Agreement** that provides a sign-on bonus of forty thousand dollars (\$40,000).

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The recruitment of Dr. Tammany is aligned with our strategic priorities for the growth and finance pillars. We continue to develop the SVMC infrastructure that engages our physicians in a meaningful way, promotes efficiencies in care of delivery and creates opportunities for expansion of services. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by opening up access to care regardless of insurance coverage or ability to pay for services.

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications:

The addition of Dr. Tammany to SVMC has been identified as a need for recruitment while also providing additional resources and coverage for the SVMC General, Thoracic & Vascular Surgery practice.

The compensation proposed in these agreements have been reviewed by independent valuation and compensation consulting firms to confirm that the terms contemplated are fair market value and commercially reasonable.

Recommendation

Administration requests that the Personnel, Pension and Investment Committee recommend to the SVMHS Board of Directors approval of the following:

- (i) **The Findings Supporting Recruitment of Alison Tammany, MD,**
 - **That the recruitment of a colorectal surgeon to Salinas Valley Medical Clinic is in the best interest of the public health of the communities served by the District; and**
 - **That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;**
- (ii) **The Contract Terms of the Recruitment Agreement for Dr. Tammany; and**
- (iii) **The Contract Terms of the General Surgery & Colorectal Surgery Professional Services Agreement for Dr. Tammany.**

Attachments

(1) Curriculum Vitae – Alison Tammany, MD



Alison Tammany, MD

Education

- **Medical College of Georgia** Augusta, GA
Graduation: May 2015- Medical Doctorate
Step 1 Score: 229; Step 2 225; GPA 3.32
- **Emory College** Atlanta, GA
Graduation: Spring 2011 (GPA 3.76)
Bachelor of Science in Environmental Studies; Magna cum Laude
- **Oxford College of Emory University** Oxford, GA
Graduation: Spring 2009-AA Degree (GPA 3.89)
- **Montgomery High School** Class of 2007 Santa Rosa, CA

Residency/Fellowship Experience

- **UAB Montgomery Campus-Internal Medicine: 2015-2016**
 - PGY1: Satisfactorily completed June 30th, 2016
- **Orlando Health-General Surgery Residency: 2016-2021**
 - PGY1-PGY5 Successfully completed June 30th, 2021
 - Absite scores: PGY1-69th percentile, PGY2-74th percentile, PGY3-84th percentile, PGY4-91st percentile, PGY5-74th percentile
 - Step 3 score: 230; Passed ABS Qualifying Exam 75th percentile; pending Certifying Exam 10/11/21
- **Ohio Health-Grant Medical Center Colorectal Fellowship 2021-2022**
 - Current Fellow under Dr. Bruce Kerner, Chairman of Surgery at GMC

Research Experience + Scholarly Projects

- Ohio Health: 2021: Hemorrhoidectomy and Opioid Use-IRB approved, pending data collection
- Orlando Health: 2018-current: Risk Factors Associated with Postoperative Complications in the Treatment of Rectal Neoplasia by Transanal Endoscopic Microsurgery, primary author/sub-investigator; manuscript pending submission; E-poster for ASCRS 2020
- Orlando Health: 2020- IRB approval: Patient Long-Term Satisfaction and Incontinence After Use of Cutting Seton for Complex Anorectal Fistulas: Single Surgeon Experience Over 30 Years; primary author/sub-investigator, data collection stage
- Orlando Health: 2018-current: Subjective and Objective Outcomes of Vascularized Lymph Node Transfer for Secondary Lower Extremity Lymphedema, sub-investigator, abstract accepted for Plastic Surgery the Meeting Oct 2020, manuscript draft pending

- Orlando Health: 2019-current: Case Report: A Rare Cause of Cecal Volvulus After Duodenal Switch for Morbid Obesity; co-author, manuscript written and pending submission
- Orlando Health: EBM Guidelines: Alcohol Withdrawal and Delirium Guidelines surgicalcriticalcare.net
- Emory University: Honor's thesis topic "Intra- versus Inter-colony Competition in Bumble Bee Foraging Specificity" (Aug. 2010-April 2011)

Presentations

- ASCRS E-Poster Presentation for 2020 (conference cancelled in Boston, MA); uploaded online for TEM paper with audio file
- Grand Rounds Orlando Health, Department of General Surgery: March 2020 "Benign Anorectal Disease"
- Grand Rounds Orlando Health, Department of General Surgery: November 2020 "Medical Errors in a Surgeon's World"
- Basic Science Presentation Orlando Health, Department of General Surgery: March 2020 "Spleen Anatomy and Physiology"
- Basic Science Presentation Orlando Health, Department of General Surgery: July 2020 "Thyroid Anatomy and Physiology; Benign Pathology"
- Basic Science Presentation Orlando Health, Department of General Surgery: March 2021 "Mediastinal Disease"

Awards Received + Programs

- Academic Achievement Award 2019-2020 ORMC General Surgery Residency
- Academic Achievement Award 2018-2019 ORMC General Surgery Residency
- Orlando Health Management Committee
- Magna Cum Laude at Emory University for environmental science thesis project
- SIRE-Lester Research Grant recipient/symposium presenter at Emory University
- Dean's Honor List at Oxford College 2007-2009
- Alpha Epsilon Upsilon Honor Society Emory University
- Member of NJCAA Soccer Academic Team-of-the-Year ranked 6th in Nation 2008

Work Experience

- **Hospitality Server** April 2015-current
Augusta National Golf Course Augusta, GA
 - Server for IBM executive cabin and for Green Jacket members
- **Server** June 2009-Sept. 2012
Cakes and Ale Restaurant Decatur, GA
 - Greeted guests, reviewed the menu/wine/cocktails, took orders, assisted bartenders and other servers, cleared and reset tables, expedited food to tables

- **Zebra Fish Curator** Sept. 2009-May 2011
Emory University Dept. of Biology Atlanta, GA
 - Performed crosses of zebra fish, used microscopes to investigate diseases, mixed dietary supplements, fed fish, and monitored and controlled water composition
- **Resident Assistant** Aug. 2008-May 2009
Oxford College RES Life Oxford, GA
 - Fostered community among residents, created educational bulletin boards, programmed hall activities, maintained safety of students
- **Field Botany Teaching Assistant** Jan. 2009-May 2009
Oxford College Biology Dept. Oxford, GA
 - Assisted students with plant identification using a dichotomous key

Volunteer Experience

- Arnold Palmer Invitational Volunteer Physician 2019, 2020
- Habitat for Humanity (2019-2021) Orlando/Apopka
 - Assisted in constructing homes for low-income families
- Richmond Academy (Aug 2012-Dec 2012), Augusta, GA
 - Mentored high school students who desired to pursue medical careers
- Helping Hands, GRU (Aug 2011-May 2012), Augusta, GA
 - Interviewed homeless patients at shelters for psychiatric screening
- GRU Clinic Volunteer: Women/Free clinic (Sept 2011-May 2012) Augusta, GA
 - Evaluated patients in clinic, performed physical exams and pap smears

Extracurricular Activities

- Wellness Committee at Orlando Health for Surgical Residency 2020-2021
- Pain Management Committee at Orlando Health 2018-2021
- Red Cross Disaster Action Team (DAT) member of Atlanta, 2008-2011
- Student Admissions Association-Campus Tour Guide- Emory, 2007-2009
- Emory Intercollegiate Women's Soccer-August 2007-May 2009—Academic All-American

Languages

- English: Native language
- Advanced in Spanish

Interests & Hobbies

- Mountain biking, reading, hiking, camping, cooking, playing soccer, skiing, golfing, and traveling/backpacking

Board Paper: Personnel, Pension and Investment Committee

Agenda Item: **Consider Recommendation for Board Approval of Findings Supporting Recruitment of Physicians to Community Medical Groups and Practices and Approval of Recruitment Incentives**

Executive Sponsor: Allen Radner, MD, Chief Medical Officer
 Stacey Callahan, Physician Services Coordinator

Date: January 14, 2022

Executive Summary

In consultation with members of the SVMH medical staff, and in compliance with requirements of Stark Law, SVMHS executive management has identified the recruitment of physicians in certain medical specialties as a recruiting priority for the hospital's service area.

The Medical Staff Development Plan, completed by ECG Management Consultants in October 2019, identified the specialties of Family Medicine, Gastroenterology, and Plastic Surgery as recommended priorities for recruitment. Recruitment for hospital-based specialties of Anesthesia and Emergency Medicine are evaluated based on the needs of the hospital to ensure appropriate levels of coverage to meet patient care needs. Service line volumes and program coverage needs are the primary drivers of recruitment to these specialties.

To support physician recruitment to the District's service area, SVMHS collaborates with local medical groups and practices in the recruiting process through contributions to the costs of recruiting firms and associated recruitment expenses, and contributions to incentives paid to physicians that relocate to our community.

The following medical groups and practices have requested support from SVMHS:

Specialty	Group/Practice	FTE(s)
Anesthesia	Cypress Coast Anesthesia Medical Group	2
Emergency Medicine	Salinas Valley Emergency Medical Group	1
Family Medicine	Acacia Family Medical Group	1
Gastroenterology	Monterey Bay GI Associates Medical Group	1
Plastic Surgery	Salinas Valley Plastic Surgery Associates	1
Total FTEs		6

Financial support for each of these recruitments includes approximately \$35,000 in recruitment fees and/or between \$7,500 and \$40,000 in incentive payments to physicians that are structured as two-year forgivable loans. The financial request for recruitment of the above 6 FTEs is a total amount not to exceed \$140,000 in recruiting firm fees and \$177,500 in incentive payments to physicians for a total of \$317,500 that will be expended over the course of the next year as our recruitment team works to fill these vacancies.

The recruitment fees and incentive compensation were originally budgeted at \$169,000 as part of our annual budget for physician recruitment. However, several unanticipated requests for community recruitment support and a more challenging recruitment environment requires a change to our support levels. In November 2021, the SVMHS Board of Directors approved \$720,000 for such requests received by SVMHS. Since then, SVMHS received the requests presented in this memo to provide financial recruitment support to the community groups and practices noted.

Required Documents

The proposed physician recruitments will require the execution of a Physician Recruitment Agreement among SVMHS, the Medical Group or Practice, and the Physician. A template of the Physician Recruitment Agreement is attached for your review.

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

The recruitment of certain specialty physicians is aligned with our strategic priority for growth. We continue to support the local community physicians and private practice offices that provide care to our patients both in the hospital and the clinics. This investment provides a platform for growth that can be developed to better meet the needs of the residents of our District by increasing access to necessary care.

Pillar/Goal Alignment:

Service People Quality Finance X Growth Community

Financial/Quality/Safety/Regulatory Implications:

The addition of physicians from these specialties to the community has been identified as a need for recruitment and demonstrates the support from Salinas Valley Memorial Healthcare System to community practices. The recruitment incentive proposed for the recruitments is within fair market value and is commercially reasonable.

Recommendation

Administration requests that the Personnel, Pension and Investment Committee recommend to the SVMHS Board of Directors to take the following actions:

- (i) **The Board makes the following findings supporting the recruitment of the physicians in the specialties of anesthesia, emergency medicine, family medicine, gastroenterology, and plastic surgery:**
 - **The assistance by SVMHS in the recruitment of physicians in the specialties of anesthesia, emergency medicine, family medicine, gastroenterology, and plastic surgery by community medical groups and practices is in the best interest of the public health of the communities served by the District; and**
 - **The recruitment incentives requested by the community medical groups and practices and supported by SVMHS for these recruitments are necessary in order to attract and relocate appropriately qualified physicians to practice in the communities served by the District.**
- (ii) **Approve the recruitment support to community medical groups and practices and the recruitment incentives for the medical specialties of anesthesia, emergency medicine, family medicine, gastroenterology, and plastic surgery to be set forth in Recruitment Agreements among SVMHS, the community medical groups and practices, and the physicians.**

Attachments:

- SVMHS Physician Recruitment Agreement

**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM
PHYSICIAN RECRUITMENT AGREEMENT**

(<Physician Name> and <Medical Group Name>)

This Physician Recruitment Agreement (“Agreement”) is made effective on *<Effective Date>* (“Effective Date”), by and among **Salinas Valley Memorial Healthcare System**, a local health care district organized and operating pursuant to Division 23 of the California Health & Safety Code (“SVMHS”), *<Physician Name>*, a physician specializing in *<Specialty>* (“Physician”), and *<Medical Group Name>*, a California professional medical corporation (“Group”). SVMHS, Physician, and Group are referred to as the “Parties” and individually as a “Party.”

RECITALS

- A. SVMHS owns and operates Salinas Valley Memorial Hospital, a general acute care hospital located at 450 East Romie Lane, Salinas, California (“Hospital”). SVMHS provides health care services to residents of the district and surrounding communities (“Service Area”). Group is a California professional medical corporation providing medical services in the Service Area. Physician intends to practice her specialty with Group in the Service Area.
- B. SVMHS has determined that there is a shortage of, and a need for, a physician specializing in *<Specialty>* medicine in the Service Area. The shortage of such a physician jeopardizes SVMHS’ ability to provide such health care services to residents of the Service Area. SVMHS also has determined that such shortage is not likely to resolve itself through market forces, but that financial support will have to be offered if the appropriate physician is to relocate to the Service Area.
- C. To facilitate its goal of providing medical services in the Service Area, SVMHS has determined that it must provide certain incentives in order to enable a physician specializing in *<Specialty>* medicine to join a practice in the Service Area. SVMHS has determined that the incentives set forth in this Agreement meet a community need and promote SVMHS’ mission and goal of providing health care services to all residents in the Service Area who need such care.
- D. Physician is duly licensed to practice medicine in the State of California and is qualified to provide medical services in Physician’s specialty (“Professional Services”). Physician is prepared to join Group in order to practice in the Service Area and to provide Professional Services, in return for the financial assistance provided in this Agreement.
- E. SVMHS has determined that the financial assistance required by Physician to relocate is justified by the benefit to patients in the Service Area. Accordingly, SVMHS is prepared to offer a financial assistance to Physician under the terms and conditions set forth in this Agreement. Physician hereby acknowledges and agrees that the financial assistance provided by SVMHS under this Agreement is reasonable and not in excess of fair market value, which is not determined in a manner that takes into account the volume or value of any actual or anticipated referrals by Physician or Group to Hospital. Physician and SVMHS shall enter into an unsecured Promissory Note, attached as Exhibit A to this Agreement, for any payments made under this Agreement.
- F. SVMHS, Physician and Group wish to enter into this Agreement in order to set forth a full statement of the terms of this recruiting arrangement, which all Parties acknowledge is necessary in order to allow Physician to relocate to the Service Area and to provide Professional Services to its residents.

The Parties agree as follows:

Article 1 Duties of Physician and Group

- 1.1 Full-Time Practice. Physician shall conduct a full-time practice with Group in Physician’s specialty within the Service Area as determined by Hospital, with Group’s office being open during normal business hours on normal working days. Physician shall commence Physician’s practice with Group in accordance with this Agreement on or about *<Start Date>* (“**Start Date**”). Physician shall comply with the requirements of this Agreement in order for Physician to begin practicing on the Start Date.

- 1.2 Services to Patients, Billing and Collection. Physician shall provide services under this Agreement to private pay patients and to Medicare patients at a level which is at least consistent with the custom and practice in the community. Group shall be responsible for billing and collecting for Physician's Professional Services on a timely, consistent, accurate and commercially reasonable basis.
- 1.3 Employment by Group. Physician has selected Group with whom Physician intends to be employed in the practice of Physician's specialty. Physician has agreed to this employment voluntarily and without inducement or influence of SVMHS. Physician shall use reasonable, good-faith efforts to maintain this employment during the term of the Agreement. The termination of Physician's employment shall not in any way affect Physician's, Group's, or SVMHS' obligations under this Agreement.
- 1.4 Duties of Group. Group shall use best effort to provide Physician with a stable, productive work environment and shall take steps reasonably necessary to promote the growth of Physician's practice.

Article 2 Standards

- 2.1 Licensure and Board Certification. Physician shall maintain California licensure in good standing during the term of this Agreement. Physician shall be board certified or board eligible in <Specialty> medicine during the term of this Agreement.
- 2.2 Medical Staff Standing and Hospital Regulations. Physician shall be responsible for obtaining and maintaining active status and membership on Hospital's Medical Staff with appropriate privileges and shall be subject to all of the responsibilities of that membership. In the event that Physician loses active Medical Staff membership or privileges, this Agreement shall terminate immediately. Physician shall comply with all applicable bylaws, rules and regulations, and policies of the Hospital and the Hospital's Medical Staff.
- 2.3 Corporate Compliance Program. Group and Physician shall support and comply with Hospital's Corporate Compliance Program, as applicable to this Agreement. Group and Physician shall comply with all policies and procedures adopted by Hospital in support of the Corporate Compliance Program.

Article 3 Term & Termination

- 3.1 Term. The term of this Agreement shall commence on the Effective Date of this Agreement and continue until the later of two (2) years from the Start Date of this Agreement, or until all sums are repaid or forgiven under the terms of this Agreement.
- 3.2 Prohibition on New Agreement. If terminated within less than twelve (12) months, the Parties shall refrain from entering into another contract with each other covering the same subject matter for at least twelve (12) months from the Effective Date of this Agreement.
- 3.3 Immediate Termination by SVMHS. SVMHS may terminate this Agreement immediately upon the occurrence of any of the following events: (i) Loss or suspension of Physician's license to practice medicine, Physician's conviction of a felony or any crime involving moral turpitude, or Physician's failure to maintain Physician's status as a member of the Hospital Medical Staff with appropriate privileges; or (ii) Physician's appointment of a receiver for Physician's assets, assignment for the benefit of Physician's creditors, or any relief taken or suffered by Physician under any bankruptcy or insolvency act.
- 3.4 Termination Due to Total Disability. Either Party shall have the right to terminate this Agreement in the event of total disability of Physician. Physician shall be deemed to suffer a "total disability" if Physician becomes physically or mentally incapacitated for more than three (3) months as shown by inability to perform all or substantially all of the material obligations of this Agreement, and which disability is likely, in the opinion of a physician mutually designated by Physician and SVMHS, to persist for six (6) months following the date of determination of said physician.
- 3.5 Termination Not Subject to Fair Hearing. It is agreed between the parties that should this Agreement be terminated for any reason, such decision to terminate and actual termination shall apply to rights under this Agreement only and not to Physician's medical staff privileges or membership of the Medical Staff of Hospital. The termination of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, any hearing procedures provided by Local Health Care District Law, or any other Fair Hearing procedures regarding medical staff appointments or privileges.

- 3.6 Effect of Termination. Following expiration or termination of the Agreement for any reason, the Parties shall cooperate in the resulting transition in a manner that serves the best interests of the patients of SVMHS. Termination of this Agreement shall have no effect on Physician's Medical Staff membership or clinical privileges at the Hospital, which will continue unless terminated in accordance with the Hospital's Medical Staff Bylaws. Termination of this Agreement shall not affect the obligation of Physician to repay money as otherwise provided in this Agreement.

Article 4 Recruitment Incentive

- 4.1 Recruitment Incentive. As part of the consideration for Physician entering into and complying with the terms and conditions of this Agreement and provided that Physician commences practice in the Service Area consistent with the terms of this Agreement by the Start Date, SVMHS shall pay to Physician a recruitment incentive in the amount of *<Incentive Amount>* Dollars (\$____,000.00) on or about the Effective Date of this Agreement. Physician agrees that (i) this amount is reasonable and necessary to secure Physician's relocation and Physician's services under this Agreement, (ii) this amount is not in excess of fair market value, and (iii) this amount is not made in consideration for the referral of patients by Physician or Group to SVMHS or its affiliates.
- 4.2 Repayment. If either Party terminates this Agreement prior to the expiration of two (2) years from the Start Date, Physician shall be obligated to repay to SVMHS a pro-rated amount of the payment advanced by SVMHS to Physician pursuant to Section 4.1 of this Agreement, plus interest at an annual rate equal to the most recent prime rate published in the Wall Street Journal (or any successor publication) from time to time ("Prime Rate"), plus one percent (1.0%), payable monthly.

For example, if this Agreement is terminated after ten (10) months, Physician shall repay to SVMHS 14/24ths of the recruitment incentive, plus ten (10) months of accrued interest at an annual rate equal to the Prime Rate, plus one percent (1.0%), payable monthly. Such repayment shall be made within ninety (90) days of the event triggering Physician's repayment obligation. If Physician fails to make such repayment to SVMHS within this ninety (90) day period, SVMHS shall have the right to increase the interest rate on the amount owed to SVMHS to the Prime Rate plus two percent (2%), beginning on the ninety-first day.

- 4.3 Promissory Note. At the time of payment to Physician of any amounts under this Agreement, Physician shall execute a Promissory Note substantially in the form attached to this Agreement as Exhibit A to secure repayment of any amounts paid to Physician under this Agreement which are not forgiven by SVMHS pursuant to the terms of this Agreement.
- 4.4 Debt Forgiveness Over Term of Agreement. If Physician has complied and is continuing to comply with all of the terms of this Agreement, SVMHS shall reduce and eliminate the debt due to SVMHS as follows: SVMHS shall forgive fifty percent (50%) of the recruitment incentive, including accrued interest, for each full year of physician services provided by Physician after the Start Date, such that the recruitment incentive will be forgiven upon the second (2nd) anniversary of this Agreement.
- 4.5 Debt Forgiveness at Death/Disability. SVMHS shall forgive all sums advanced by SVMHS under this Agreement and accrued interest, in the event of Physician's death or permanent disability during the Term of this Agreement.

Article 5 General Provisions

- 5.1 Other Agreements. This Agreement may be one of several between SVMHS and Physician, dealing with different aspects of their relationship. SVMHS maintains a current master list of all such agreements, together with copies of the actual agreements, that is available for review by the Department of Health and Human Services in accordance with Stark Law regulations.
- 5.2 Referrals. Physician shall be entitled to refer patients to any hospital or other institution Physician deems qualified to deliver health care services to a particular patient. Nothing in this Agreement shall be deemed to require Physician to refer patients to Hospital, and SVMHS may not terminate this Agreement because of Physician's referral decisions. No payment or other consideration is or will be made under this Agreement for the referral of patients to SVMHS or its affiliates.

- 5.3 Medical Staff Privileges. Throughout the term of this Agreement, and thereafter, Physician shall be permitted to maintain medical staff privileges at other area hospitals.
- 5.4 Waiver. The failure of SVMHS to insist in any one or more instances upon strict performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment for the future of such terms, but the same shall continue and remain in full force and effect.
- 5.5 Governing Law/Venue. This Agreement shall be interpreted in accordance with the laws of the State of California, and any questions arising under it shall be construed or determined in accordance with such laws. Venue shall be in Monterey County, California.
- 5.6 Attorneys' Fees. In the event that suit is brought regarding the enforcement of the provisions of this Agreement, the prevailing Party/Parties shall be awarded its costs of suit and reasonable attorneys' fees as part of any judgment rendered.
- 5.7 Partial Invalidity. Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of the remaining portions which shall remain in effect as if this Agreement had been executed with the invalid portion eliminated.
- 5.8 Entire Agreement/Modifications. This Agreement constitutes the entire Agreement between the Parties with respect to the subject matter and supersedes any and all prior negotiations, understandings and agreements. All modifications to this Agreement must be in writing and signed by the Parties.
- 5.9 Government Audit. Until the expiration of five (5) years after the furnishing of any services pursuant to this Agreement, Group and Physician shall make available to the Secretary of the United States Department of Health and Human Services or to the United States Comptroller General, or to any of their duly authorized representatives, upon written request of the same, this Agreement and such books, documents, and records of Group or Physician necessary to certify the nature and the reasonable cost of services of the Hospital.
- 5.10 Agreements between Physician and Group. Upon request by SVMHS, Group agrees to supply SVMHS with copies of its employment agreement with Physician. Nothing in Group's agreements with Physician shall be inconsistent with Physician's obligation to perform the terms and conditions of this Agreement. Group agrees that payments by SVMHS under this Agreement shall be for the benefit of Physician. Nothing in Group's agreements with Physician shall be inconsistent with the requirements Stark Law.
- 5.11 Income Tax Ramifications. The Parties acknowledge that Physician may incur federal and state income tax obligations from certain of the transactions provided for in this Agreement that SVMHS is required to report items of income under relevant income tax laws and regulations, and that forgiveness of debt may constitute income to Physician. It is Physician's responsibility to consult with tax advisors with respect to the filing of income tax returns and the tax treatment of items provided for in this Agreement.
- 5.12 Assignment. Except as otherwise agreed in writing by the SVMHS, nothing contained in this Agreement shall be construed to permit assignment or delegation by Physician of any rights or obligations under this Agreement, and any such assignment or delegation is expressly prohibited. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of SVMHS.
- 5.13 Conditions and Effective Date. This Agreement is subject to approval by the Board of Directors of SVMHS, which approval has not been secured and is not guaranteed. This Agreement shall be effective as of the later of the date the Board approves the Agreement and the date it is signed by all Parties.
- 5.14 Notices. All communications and notices of any kind which any Party may be required or desire to give or serve upon any other Party under this Agreement shall be made in writing and shall be delivered in person or sent by registered or certified mail, return receipt requested, to the addresses below. Any Party may change its address by giving any other Parties written notice of its new address as provided in this Agreement.

SVMHS: Salinas Valley Memorial Healthcare System
Attn: President/Chief Executive Officer
450 East Romie Lane
Salinas, CA 93901

Physician: <Physician Name>
<Address>
<Address>
<Address>

Group: <Medical Group Name>
<Address>
<Address>
<Address>

5.15 Applicable Legal Standards. The Parties shall exercise their rights and perform their duties under this Agreement in accordance with the legal standards set forth in the United States Code, the Code of Federal Regulations, the California Health and Safety Code, the California Business and Professions Code, and any other pertinent and applicable laws, rules, regulations, and orders of the United States and the State of California and their agencies, to the extent that such laws, rules, regulations, and orders pertain to the powers, functions, and duties of SVMHS, Group, and Physician.

5.16 Confidentiality. The Parties agree that this Agreement is personal and confidential between them, and agree, unless otherwise required by law, not to release information concerning this Agreement, or any information exchanged between the Parties pursuant to this Agreement, to any person without the consent of the other Party, which consent shall not be unreasonably denied.

The Parties have executed this Agreement as of the Effective Date first set forth above.

SVMHS
Salinas Valley Memorial Healthcare System

By: _____
Pete Delgado, President/CEO

Date: _____

PHYSICIAN
<Physician Name>

<Physician Name>

Date: _____

GROUP
<Group Name>

By: _____
<Group Authorized Officer>

Date: _____

EXHIBIT A

PROMISSORY NOTE
(Recruitment Incentives)

\$<Incentive Amount>.00

<Effective Date>

FOR VALUE RECEIVED, the receipt of which is hereby acknowledged, <Physician Name> (“Maker”) hereby promises to pay to the order of **Salinas Valley Memorial Healthcare System** (“Holder”), at the place designated by Holder, the principal sum of <Incentive Amount> Dollars (\$ __,000.00), plus accrued interest on such amount calculated at an annual fixed rate equal to the prime rate published on the effective date of this Promissory Note in the Wall Street Journal (“Prime Rate”), plus one percent (1%), from the date of this Promissory Note, payable in lawful money of the United States of America. Principal and interest shall be immediately due and payable to Holder on <Date 2 years from Start Date>. Notwithstanding the foregoing, if Maker is and remains in full compliance with the **PHYSICIAN RECRUITMENT AGREEMENT** effective <Effective Date>, by and between Maker and Holder (“Recruitment Agreement”), the principal and interest due under this Promissory Note shall be forgiven pursuant to the terms and conditions of the Recruitment Agreement.

This Promissory Note is unsecured. In no event shall any payment of interest or any other sum payable hereunder exceed the maximum amount permitted by applicable law. If it is established that any payment exceeding lawful limits has been received, Holder will refund such excess or, at its option, credit the excess amount to the principal due hereunder, but such payments shall not affect the obligation to make periodic payments required herein.

Maker agrees to pay, to the extent permitted by law, all costs and expenses incurred by Holder in connection with the collection and enforcement of this Promissory Note, including, but not limited to, expenses and reasonable attorneys’ fees to the extent permitted by applicable law, irrespective of whether any suit or security foreclosure or court proceeding has been commenced. Maker and all endorsers and all persons liable or to become liable on this Promissory Note, and each of them, hereby waive diligence, demands, presentation for payment, notice of nonpayment, protest and notice of protest, and specifically consent to and waive notice of any renewals or extensions of this Promissory Note, or any modification or release of security for this Promissory Note, whether made to or in favor of Maker or any other person or persons, and further agree that any such action by Holder shall not affect the liability of Maker or any person liable or to become liable on this Promissory Note.

No delay or omission by Holder in exercising any remedy, right or option under this Promissory Note shall operate as a waiver of such remedy, right or option. In any event, a waiver on any one occasion shall not be construed as a waiver or bar to any such remedy, right or option on a future occasion. The invalidity of any one or more covenants, phrases, clauses, sentences or paragraphs of this Promissory Note shall not affect the remaining portions hereof, and this Promissory Note shall be construed as if such invalid covenants, phrases, clauses, sentences or paragraphs, if any, had not been included herein.

This Promissory Note is to be construed in all respects and enforced according to the laws of the State of California. This Promissory Note may not be amended or modified except by a written agreement duly executed by Maker and Holder. This Promissory Note and the obligations created hereby shall bind Maker and, to the extent applicable, Maker’s respective successors and assigns, and the benefits hereof shall inure to Holder and its successors and assigns. This Promissory Note may be assigned by Holder in its sole discretion.

Any notice to Maker under this Promissory Note shall be in writing and shall be deemed to have been given upon (i) receipt, if hand delivered, (ii) transmission, if delivered by facsimile transmission, (iii) the next business day, if delivered by express overnight delivery service or (iv) the third business day following the day of deposit of such notice in U.S. certified mail, return receipt requested to the following address:

<Physician Name>
<Address>
<Address>
<Address>

Maker has executed and delivered this Promissory Note effective as of the date first set forth above.

MAKER: _____
<Physician Name>

Date: _____

**RESOLUTION NO. 2022-01
OF THE BOARD OF DIRECTORS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A
STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION
ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS
FOR THE PERIOD JANUARY 27, 2022 THROUGH FEBRUARY 28, 2022**

WHEREAS, Salinas Valley Memorial Healthcare System ("District") is a public entity and local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code;

WHEREAS, the District Board of Directors is committed to preserving and nurturing public access and participation in its meetings;

WHEREAS, all meetings of the District's governing body are open and public, as required by The Ralph M. Brown Act, so that members of the public may attend, participate, and observe the District's public meetings;

WHEREAS, The Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the boundaries of the District, caused by natural, technological, or human-caused disasters;

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, such conditions now exist within the District Boundaries of Salinas Valley Memorial Healthcare System;

WHEREAS, the District Board of Directors does hereby acknowledge the current state of emergency and is following the September 22, 2021 recommendation by the Monterey County Health Department that public agencies continue to utilize remote meetings for the purpose of preventing the transmission of COVID-19;

WHEREAS, as a consequence of the local emergency, the District Board of Directors may conduct meetings without compliance with Government Code Section 54953(b)(3), as authorized by Section 54953(e), and that the District shall comply with the requirements to provide the public with access to the meetings pursuant to Section 54953(e) (2);

WHEREAS, meetings of the District Board of Directors will be available to the public via zoom link listed on the agenda;

NOW THEREFORE IT IS HEREBY ORDERED AND DIRECTED THAT:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. Proclamation of Local Emergency. The District hereby proclaims that a local emergency continues to exist throughout Monterey County, and as of September 22, 2021, the Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies, to the extent possible.
3. Ratification of Governor's Proclamation of a State of Emergency. The District hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
4. Remote Teleconference Meetings. The District Board of Directors is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of The Brown Act.
5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) February 28, 2022, or (ii) such time the District adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District may continue to meet via teleconference meeting all the requirements of Section (3)(b).

This Resolution was adopted at a duly noticed Regular Meeting of the Board of Directors of the District on January 27, 2022, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Board Member
Salinas Valley Memorial Healthcare System

Medical Executive Committee Summary – January 13, 2022

Items for Board Approval:

Credentials Committee

Initial Appointments:

APPLICANT	SPECIALTY	DEPT	PRIVILEGES
Chamberlain, Brittany, MD	Family Medicine	Medicine	Adult Hospitalist

Reappointments:

APPLICANT	SPECIALTY	DEPT	PRIVILEGES
Arrington, Cammon, MD	Pediatric Cardiology	Pediatrics	Pediatric Cardiology
Bernardino, Carlo, MD	Ophthalmology	Surgery	Ophthalmology
Chen, Patrick, MD	Internal Medicine	Medicine	Medicine – Active Community
Dickey, James, MD	General Surgery	Surgery	General Surgery
Fajardo, Eric, MD	Emergency Medicine	Emergency Medicine	Emergency Medicine
German, Michael, MD	Otolaryngology	Surgery	Otolaryngology
Harry, Wendell, MD	Palliative Medicine	Family Medicine	Family Medicine – Active Community
Heide, Aaron, MD	Neurology	Medicine	Tele-Neurology
Honegger, Judy, DO	Ob/Gyn	Ob/Gyn	Obstetrics and Gynecology
Kim, Kyong-Mee, MD	Pediatric Cardiology	Pediatrics	Remote Pediatric Cardiology
Krishna, Chandrika, MD	Internal Medicine	Medicine	Medicine – Active Community
Mendoza, Michael, MD	Gastroenterology	Medicine	Gastroenterology Taylor Farms Family Health & Wellness Center Gastroenterology
Rinderknecht, John, MD	Critical Care/ Pulmonary Medicine	Medicine	Medicine – Active Community
Schosheim, John, MD	Psychiatry	Medicine	Tele-Psychiatry
Stemerman, Amy, MD	Radiology	Diagnostic Imaging	Mammography Diagnostic Imaging Non-Cardiac Diagnostic Radiology at Ryan Ranch
Wilson, Hugh, MD	Pathology	Surgery	Pathology
Yoneda, Glenn, MD	Internal Medicine	Medicine	Medicine – Active Community

Staff Status Modifications:

NAME	SPECIALTY	RECOMMENDATION
Carroll, Catherine, MD	Internal Medicine	Resignation effective 12/31/2021.
Chamsuddin, Abbas, MD	Radiology	Resignation effective 12/7/2021.
Kaminski, Andrew, MD	Emergency Medicine	Leave of Absence effective 12/06/2021.
Lin, Michael, MD	Radiology	Resignation effective 11/28/2021.
Oppenheim, Peter, MD	Family Medicine	Return from Leave of Absence to Active Community status effective 01/27/2022.
Rubin, Mitchell, MD	Neurology	Resignation effective 12/17/2021.
Worsham, Stephen, MD	Urology	Requesting Emeritus status effective 12/16/2021.

Interdisciplinary Practice Committee

Staff Status Modifications:

NAME	SPECIALTY	RECOMMENDATION
McClain, Marguerite, PA-C	Physician Assistant	Leave of Absence status effective 12/28/2021.
Gilbert, Mark, PA-C	Physician Assistant	Resignation effective 12/15/2021.

Other Items: *(Attached)*

ITEM	RECOMMENDATION
Standardized Procedure: COVID Testing Swab	The Committee recommended approval of the new Nursing Standardized Procedure: COVID Testing Swab.
Advanced Practice Provider Rules and Regulations – Revision to include CRNA	The Committee recommended approval of revisions to the Advanced Practice Provider Rules and Regulations that included a new category of independent practitioners: Certified Registered Nurse Anesthetist (CRNA).

Policies: Physician Orders for Life Sustaining Treatment (POLST) *(Attached)*

Bylaws: The following amendments were previously submitted for review by the Board and subsequently put forward for a vote of the General Medical Staff. All proposed amendments were approved and are now submitted to the Board for ratification:

1. Article 9.4 Duties of Departments

~~9.4.6 Each Medical Staff department shall form an Executive Committee of the Department (ECD). The ECD will assume all duties and responsibilities of the department related to quality assessment and performance improvement as may be defined in the Medical Staff Bylaws, Rules and Regulations, Medical Staff and Hospital administrative policies. The ECD will report information to appropriate Medical Staff members the substantive results of their activities.~~

2. Article 10.9 Joint Conference Committee

10.9.1 COMPOSITION

The Joint Conference Committee consists of the Chief of Staff, Vice Chief of Staff, Chief Medical Officer, Chief Nursing Officer, two (2) members of the Hospital Board appointed by the Chair of the Board, and the Hospital Chief Executive Officer.

~~The Chief of Staff shall serve as the Chairperson. Chairperson of the Board shall appoint the Chairperson of the Joint Conference Committee. The chairmanship shall rotate annually between a medical staff Joint Conference Committee member and Board representative to the Joint Conference Committee.~~

10.9.2 DUTIES

The duties of the Joint Conference Committee shall be:

- a. To provide a forum for discussion of matters of mutual concern to the Medical Staff, Board, and Administration;
- b. ~~To receive reports of the Quality and Safety Committee; and~~
- c. ~~To address existing or potential conflicts of interest involving licensed independent practitioners and/or staff and how these issues will be addressed. recommend resolution of any specific disagreements between the Medical Staff, Board, and/or Administration, such as decisions on applications for Medical Staff appointment and clinical privileges, whether for initial appointment and privileges, or for renewal of appointment and/or privileges.~~
- d. ~~To serve as the initial forum for exercise of the meet and confer provisions contemplated by Section 14.13 of these Bylaws; provided, however, that upon request of at least three committee members (which must be comprised of at least one Medical Staff officer and at least one member of the Board of Directors), a neutral mediator, acceptable to both the Board of Directors and the Medical Staff representatives shall be engaged to assist in dispute resolution.~~

10.9.3 MEETINGS

The Joint Conference Committee ~~meets quarterly~~ shall meet on an ad hoc basis, keeping ~~and keeps~~ a record of its proceedings, which are reported to both the Board of Directors and the Medical Executive Committee.

Informational Items:

I. Committee Reports:

- a. Quality and Safety Committee Reports:
 - i. 2021 Organ Donation Report
 - ii. 2022 Leapfrog Survey Update
 - iii. Perinatal Services Quality Update
 - iv. NICU Quality Update
 - v. Perioperative Services Quality Update
 - vi. Nursing Practice Council Update
 - vii. Emergency Department Quality Update
 - viii. Laboratory Quality Update
 - ix. Heat Failure Program Report
 - x. Medical-Surgical Cluster Report
 - xi. Pediatrics Report
 - xii. Wound Care Clinic Report
 - xiii. Outpatient Infusion Clinic Report
- b. Medical Staff Excellence Committee:
 - i. January 11, 2022
 1. 12 Total Cases Reviewed/Discussed
 2. 2 Systems Issues Identified
 3. 2 Referral to Other Committees
 4. 2 Educational/Information Items
 - ii. December 14, 2021
 1. 13 Total Cases Reviewed/Discussed
 2. 3 Systems Issues Identified
 3. 1 Referral to Other Committees
 4. 1 Educational/Information Item

II. Other Reports:

- a. Financial Update/Daily Dashboard Review
- b. Executive Update
- c. Summary of Executive Operations Committee Meetings
- d. Summary of Medical Staff Department/Committee Meetings
- e. Medical Staff Treasury
- f. Medical Staff Statistics
- g. HCAHPS Update 01/05/2022

III. Treatment Plans Approved:

<i>Treatment Plan Name</i>	<i>Used for:</i>
Pembro+PACLi/CARBO > Pembro+Cyclophos/DOXO or EpiRUB > Pembro (BRS187)	Breast Cancer
Carfilzomib/Dexamethasone + Daratumumab (SQ), Q28D (MUM87)	Multiple Myeloma
Atezolizumab + CARBOplatin AUC 5 / Etoposide 100 mg/m2, Q21D (SCL27)	Small Cell Lung Cancer
AD (Doxorubicin 60 mg/m2 + Dacarbazine 750 mg/m2), Q21D (SOT1)	Soft Tissue Carcinoma
Pembrolizumab + PACLitaxel 200 mg/m2 / CARBOplatin AUC6, Q21D (NSC86)	Non-Small Cell Lung Cancer

COVID TESTING SWAB STANDARDIZED PROCEDURE

Reference Number	6942
Effective Date	Not Set
Applies To	EMERGENCY DEPT
Attachments/Forms	

I. **POLICY**

A. N/A

II. **DEFINITIONS**

- A. ED: Emergency Department
- B. RN: Registered Nurse
- C. URI: Upper Respiratory Infection
- D. CA: Clinical Assistant

III. **PROCEDURE:**

A. Function

- To expedite admission process for patients who present to the Emergency Department and will be admitted into Salinas Valley Memorial Hospital or will be going to procedure and require a COVID-19 test.
- To sort low acuity ED patients presenting with upper respiratory symptoms (URI) symptoms including:
 1. Headache
 2. Sore throat
 3. Nasal congestion
 4. Runny nose
 5. Cough
 6. Shortness of breath
 7. Active vomiting (if not going immediately to ED room)
 8. Diarrhea
 9. Body aches

B. Circumstances

- Setting
 1. Registered nurses in the ED may order the SARS-COV2 RAPID-NAA (ABBOTT Rapid) test for every patient that is being admitted or going to procedure outside the Emergency Department

COVID TESTING SWAB STANDARDIZED PROCEDURE

2. Registered nurses in the ED may order BinaxNOW test for low acuity ED patients with symptoms listed above.
- Supervision
 1. Registered nurses who are qualified to perform this standardized procedure may independently order the SARS-COV2 Rapid-NAA (ABBOTT Rapid) test or BinaxNOW test. Physician supervision is not required. Registered Nurses may delegate swabbing to Clinical Assistants who have had the training and competency.
 - Patient Conditions
 1. All patients who will be admitted to Salinas Valley Memorial Hospital.
 2. All patients who will be going to procedure outside the Emergency Department.
 3. All low acuity ED patients with symptoms previously listed.
- C. Database
- Subjective
 1. Patients in the ED and/or being admitted who are under investigation for COVID-19
 - Objective
 1. General appearance of illness
 2. No appearance of illness
- D. Diagnosis
- Patients being admitted who are under investigation for COVID-19
 - Patients going to procedure and require COVID-19 test
 - Lower acuity patients presenting with listed symptoms
- E. Plan
- Treatment
 1. Patient must have an accurate name-band in place before swab is obtained.
 2. The order will be placed under the name of the supervising ED physician.
 3. RN will place the Meditech order for the SARS-COV2 (Abbott Rapid) test or BinaxNOW test as appropriate. Then the RN or CA as delegated will collect the specimen from the patient wearing the appropriate PPE.
 4. Specimens collected must be timed and initialed by the person obtaining the specimen and placed in a yellow specimen bag and **hand delivered** to the lab (they should not go through the tube system).
 5. Documentation of the Meditech order for the COVID-19 test.
- F. Record Keeping
- The facility will retain the patients record according to the [RECORDS RETENTION POLICY](#)

COVID TESTING SWAB STANDARDIZED PROCEDURE

IV. **REQUIREMENTS FOR THE REGISTERED NURSE**

A. Education

- In accordance with the SVMH RN job description

B. Training

- The RN completes an initial review of the Standardized Procedure with an evaluation of knowledge

C. Experience

- In accordance with the SVMH RN job description

C. Initial and Ongoing Evaluation

- Initial: During the initial orientation process RNs are educated to this SP and complete a review with their preceptor. This is documented on the Department Specific Orientation Checklist and maintained in the the office of the Director of Nursing. The RN is required to implement this SP two (2) times prior to being deemed competent.
- Ongoing: At least every 3 years competency will be re-assessed via annual skills assessment.
- During the annual RN performance process, any areas of this SP not meeting requirement will be reviewed with the RN and a plan will be defined if necessary.

V. **DEVELOPMENT AND APPROVAL OF THE STANDARDIZED PROCEDURE**

A. Review schedule

- Every 3 years or when practice changes are made.

B. Approval

- The electronic policy and procedure system maintains tracking of initiation, review and approval of this SP including the Interdisciplinary Practice Committee, Medical Executive Committee and the Board of Directors.

VI. **REGISTERED NURSES AUTHORIZED TO PERFORM PROCEDURE AND DATES**

- #### A.
- The list of qualified individuals who may perform this standardized procedure is available in the department/cluster Nursing Directors office and available upon request.

VII. **REFERENCES**

COVID TESTING SWAB STANDARDIZED PROCEDURE

- A. Board of Registered Nursing, Title 16, California Code of Regulations (CCR)
- B. Section 1474; Medical Board of California, Title 16, CCR Section 1379

review



Advanced Practice Provider Rules and Regulations

December, 2021

**ARTICLE I
PREAMBLE**

The Medical Staff of Salinas Valley Memorial Healthcare System has adopted these Advanced Practice Provider (APP) Rules and Regulations for the governance of the APP Staff that provide services at Salinas Valley Memorial Healthcare System. Adherence to these rules and regulations is required by all members of the APP Staff holding privileges or working under clinical privileges.

**ARTICLE II
GENERAL ORGANIZATION**

The APP Staff shall include those practitioners who are not members of the Medical Staff but provide clinical services to hospital patients as described in this document. The APP Staff shall be composed of Dependent Practitioners.

**ARTICLE III
NATURE OF MEMBERSHIP**

No APP shall provide patient care services unless they have been granted clinical privileges. Appointment to the APP Staff shall permit the exercise of only those privileges that are granted in accordance with the Salinas Valley Memorial Healthcare System Medical Staff Bylaws and these Rules and Regulations. The criteria for APP clinical privileges shall be developed in consultation with and subject to oversight of the Medical Staff Department in which said privileges will be exercised.

**ARTICLE IV
APPOINTMENT AND REAPPOINTMENT**

4.1 DURATION OF ALLIED PRACTITIONER STAFF APPOINTMENT

All appointments and reappointments to the APP Staff will be for a period of no more than two (2) years.

4.2 MECHANISM FOR APPOINTMENT OR REAPPOINTMENT

4.2-1 APPLICATION

Every applicant for appointment or reappointment to the APP Staff at Salinas Valley Memorial Healthcare System will make application on the approved APP application form.

4.2-2 GENERAL PROVISIONS

The process for granting APP Staff appointment or reappointment and clinical privileges shall be the same as the process described in Article IV of the Salinas Valley Memorial Healthcare System Medical Staff Bylaws with the exception that the Interdisciplinary Practice Committee (IDPC) of the Medical Staff shall carry out the credentialing processes as described in Section 4.6.

4.2-3 CREDENTIALS FILE

The credentials file will contain credentialing information and clinical privileges for APP Staff. The credential file shall be maintained by Medical Staff Services.

4.2-4 CLINICAL PRIVILEGES

- a. The activities that the APP Staff will perform are defined as “clinical privileges”.
- b. All APP Staff clinical privilege forms shall be reviewed by the IDPC.
- c. The privileges which may be granted to specific APP Staff members shall be defined in these Rules and Regulations. Clinical privilege forms shall be reviewed at minimum every two years. Privileges may include:
 - i. The provision of specific patient care services under the supervision or direction of a physician member of the Medical Staff consistent with the APP Staff member’s licensure or certification;
 - ii. Participation, by request, on Medical Staff and/or administrative committees or teams;
 - iii. Attendance by request at Medical Staff and/or administrative meetings.
- d. Dependent Practitioners may only provide clinical services to a patient under the supervision of a Medical Staff member holding appropriate clinical privileges relevant to the service to be provided.

ARTICLE V HEARING AND APPEAL RIGHTS

Nothing in the Medical Staff Bylaws or these Rules and Regulations shall be interpreted to entitle APP Staff members to the fair hearing rights as described in Articles VI and VII of the Medical Staff Bylaws. An APP Staff member shall, however, have the right to challenge any action that would, a) constitute grounds for a hearing under Section 7.2 of the Medical Staff Bylaws, or b) may otherwise adversely affect the APP’s ability to provide patient care services. Under such circumstances, the affected APP may file a written grievance with the Medical Executive Committee. The Medical Executive Committee shall, through a mechanism determined by the Medical Executive Committee, conduct a review of the issues and afford the APP Staff member an opportunity for an interview concerning the grievance. The interview shall not be considered a hearing as established in Article VII of the Medical Staff Bylaws and need not be conducted according to the procedural rules applicable to hearings.

Before the interview, the APP shall be informed of the general nature of the circumstances giving rise to the action and the APP Staff member may present relevant information at the interview. A record of the interview shall be made and the Medical Executive Committee shall determine a decision on the action. This decision shall be forwarded to the Board of Directors. If, following review of the grievance, the Medical

Executive Committee recommends withdrawing action against the APP, then the Board of Directors shall affirm the decision if it is supported by substantive evidence. If the Medical Executive Committee recommends upholding the action against the APP, then the APP shall be so notified and may appeal the decision to the Board of Directors prior to the Board of Directors rendering a final decision. This appeal process shall follow a format as may be developed by the Board of Directors.

**ARTICLE VI
AUTOMATIC SUSPENSION OF PRACTICE RIGHTS**

6.1 SUPERVISING PHYSICIAN

6.1.1 If the supervising physician's membership or privileges are terminated, whether voluntarily or involuntarily, then the APP's ability to perform clinical services shall also terminate. In addition, the APP cannot be supervised by physicians whose privileges have been restricted through Medical Staff action based on quality of care issues.

6.1.2 APP Staff who do not have a supervising physician on the Medical Staff at SVMH shall have their privileges automatically suspended. This shall not be deemed an adverse action and shall not entitle the APP to hearing and appeal rights as outlined in Article V of these Rules & Regulations.

6.2 LOSS OF LICENSURE OR CERTIFICATION

The APP's ability to provide clinical services shall terminate if the APP Staff member's licensure or certification is suspended, expired or revoked.

6.3 FAILURE TO BE ADEQUATELY INSURED

If at any time an APP's professional liability insurance coverage lapses, falls below the required minimum, is terminated or otherwise ceases to be in effect (in whole or in part), the APP's clinical privileges shall be suspended automatically as of that date until the Medical Staff determines that it has received acceptable documentation of adequate professional liability insurance coverage. If acceptable proof of such coverage is not provided to the Medical Staff within ninety (90) days of such lapse, then the practitioner's clinical privileges and allied health staff membership shall automatically terminate.

6.4 ACTION BY GOVERNMENT FUNDED HEALTH PROGRAM

Whenever an APP is excluded from any federally funded health care program, the APP's clinical privileges shall be automatically suspended as of the effective date of such exclusion.

6.5 FAILURE TO RESPOND OR APPEAR

APP Staff are expected to cooperate with Medical Staff committees and representatives in the discharge of their official functions. This includes responding promptly and appropriately to correspondence, providing requested information, and appearing at appropriately announced meetings regarding quality of care issues, utilization management issues, Medical Staff administrative issues, and other issues that may arise in the conduct of Medical Staff affairs. It also includes submitting to mental or physical examinations, as requested by the Chief of Staff or the Medical Executive Committee, for the purpose of resolving issues of fitness to perform mental or physical functions associated with the practitioner's privileges / prerogatives or any related issues of reasonable accommodation. Failure to comply shall constitute grounds for the Chief of Staff or a Department Chair to suspend the Member's privileges / prerogatives or take other appropriate action until a response is provided which is satisfactory to the requesting party. Any such suspension or action shall remain in effect until the APP is expressly notified that it is rescinded.

6.6 CRIMINAL ACTIVITY

Conviction of any felony or of any misdemeanor involving violations of law pertaining to controlled substances, illegal drugs, Medicare, Medicaid, or insurance fraud or abuse, or a plea of guilty or nolo contendere to charges pertaining to the same shall result in automatic relinquishment of APP membership and privileges / prerogatives.

6.7 MEDICAL EXECUTIVE COMMITTEE DELIBERATIONS AND ACTION

As soon as practicable after action is taken or warranted as described elsewhere in this Article, with the exception of routine suspensions for failure to complete medical records, the Medical Executive Committee shall review and consider the facts, and may take or recommend such additional action as it deems appropriate.

6.8 MEMBER OBLIGATIONS

An APP Staff member shall immediately provide written notice to the Medical Staff Services Department of any of the above described actions or events. The member shall also promptly provide the Medical Staff Services Department with a written explanation of the basis for such actions, including copies of relevant documents. The limitations described above shall take effect automatically as of the date of the underlying action or event, regardless of whether the member provides notice thereof to the Medical Staff Services Department. The Medical Executive Committee may request the member to provide additional information concerning the above described actions or events, and a failure of the member to provide such information may extend the special actions listed above, even though the underlying limitation may have been removed.

ARTICLE VII RESPONSIBILITIES

APP Staff members' responsibilities shall include:

- a. Maintain all applicable licensure or certification requirements;
- b. Comply with any applicable requirements of the Medical Staff Bylaws, Rules and Regulations, and Medical Staff and hospital administrative policies;

- c. Retain appropriate responsibility within their area of professional competence for the care of each patient in the hospital for whom they are providing services;
- d. Participate in quality assessment and performance improvement activities as requested by the Interdisciplinary Practice Committee, a Medical Staff Department, or any committee of the Medical Staff or the Board of Directors. Failure of an APP Staff member to participate in quality assessment or performance improvement activities when requested by the Medical Executive Committee shall result in responsive action including the possible revocation or suspension of all privileges.
- e. Provide only those services, which are contained and approved in the practitioner's clinical privileges.
- f. Not admit patients or assume primary patient care responsibilities unless otherwise specified in their clinical privileges.
- g. Only provide clinical services to a patient pursuant to the order of a Medical Staff member unless otherwise specified in their clinical privileges.
- h. Complete all proctoring requirements as may be established by the Interdisciplinary Practice Committee or the Medical Executive Committee.
- i. Maintain certification (BLS, ACLS, NPRP, etc.) as required by these APP Rules and Regulations or other organizational/Medical Staff policies and procedures.
- j. Maintain continuing education as required by licensure and/or certification and Salinas Valley Memorial Healthcare System Medical Staff policies.
- k. Complete all medical records in accordance with requirements established by the Medical Staff Bylaws and organizational policies.
- l. Participate as appropriate in performance improvement and peer review activities as requested by the applicable Quality and Safety Committee, Medical Staff Excellence Committee or other Medical Staff or administrative committees.
- m. Meet any additional requirements as may be described in these APP Rules and Regulations or as described in their respective approved /clinical privileges.
- n. Abide by the Medical Staff Code of Conduct as outlined in the General Medical Staff Rules and Regulations
- o. Demonstrate a willingness and capability, based on current behavior and evidence of performance, to work with and relate to other staff members, members of other health disciplines, administration and employees, visitors and the community in general in a cooperative, professional, non-disruptive manner that is essential for maintaining a health care environment appropriate to quality and efficient patient care.

**ARTICLE VIII
DEPENDENT PRACTITIONERS**

8.1 DEFINITION

Dependent Practitioners are licensed or certified in the State of California and are not authorized the independent exercise of clinical privileges at Salinas Valley Memorial Healthcare System. Dependent Practitioners may only provide patient care services as defined in the APP specific clinical privileges.

8.2 CATEGORIES

The following categories of Dependent Practitioners authorized to provide patient care at Salinas Valley Memorial Healthcare System are:

- a. Nurse Practitioner (NP)
- b. Physician Assistant (PA)

8.3 RESPONSIBILITIES/ PREROGATIVES

The Dependent Practitioner:

- a. Must meet and abide by all requirements of these APP Rules and Regulations, Medical Staff Bylaws, Medical Staff Rules and Regulations, and Hospital policies.
- b. Must provide a written supervising physician agreement that is signed and dated by both the APP and the supervising physician.

8.4 SUPERVISION

- a. No physician shall supervise more than four (4) APP's.
- b. The APP must function in a reasonable proximity to the supervising physician and the supervising physician or designee must be available either in person or by electronic communication. A supervising physician shall delegate to an APP only those tasks and procedures consistent with the supervising physician's specialty or usual and customary practice.
- c. The physician must physically see each admitted patient prior to admission and prior to discharge. Thereafter, the supervising physician shall examine the patient the same day (or within 24 hours) as care is given by the APP to an in-patient.
- d. In the case of a patient proceeding to the Operating Room, physician review and countersignature of an H&P completed by an APP must be completed prior to surgery. A note must be made by the supervising physician and must include a summary of the pertinent details of the history, important physical findings, the planned surgery, the rationale for the surgery, and documentation that the procedure has been explained to the patient by the supervising physician. The duty to obtain informed consent cannot be delegated to an APP.

e. Dictation: The APP may dictate the H&P or discharge summary only if they have participated in the patient's care.

8.5 MECHANISM OF SUPERVISION

8.5.1 **Physician Assistants:** Defined in the Practice Agreement/Clinical Privileges

8.5.2 **Nurse Practitioners:** Defined in the Clinical Privileges

The Nursing Practice Act (NPA) does not require physician countersignature of Nurse practitioner charts.

8.7 PATIENT CARE CLINICAL SERVICES

Locations of Services:

- a. Salinas Valley Memorial Hospital
- b. Ambulatory Care/Taylor Farms Family Health & Wellness Center
- c. Cardiovascular Outpatient Diagnostic Center (CDOC)
- d. Center for Advanced Cardiac Imaging (CADI)
- e. Regional Wound Care Center
- f. Outpatient Infusion Center

The APP Staff member may provide patient care clinical services through an approved practice agreement/clinical privileges

ARTICLE IX
APP INDEPENDENT PRACTITIONERS

8.6 DEFINITION

APP Independent Practitioners are licensed or certified in the State of California and are authorized the independent exercise of clinical privileges at Salinas Valley Memorial Healthcare System. APP Independent Practitioners may only provide patient care services as defined in the APP specific clinical privileges.

8.7 CATEGORIES

The following category of APP Independent Practitioner is authorized to provide patient care at Salinas Valley Memorial Healthcare System:

Certified Registered Nurse Anesthetist (CRNA)

~~———— Certified Registered Nurse Anesthetist~~

8.8 RESPONSIBILITIES/ PREROGATIVES

c. Must meet and abide by all requirements of these APP Rules and Regulations, Medical Staff Bylaws, Medical Staff Rules and Regulations, and Hospital policies.

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8.8 PATIENT CARE CLINICAL SERVICES

Locations of Services:

Salinas Valley Memorial Hospital

The APP Staff member provides patient care clinical services through an approved practice agreement/clinical privileges

ARTICLE X

AMENDMENTS TO THE APP RULES AND REGULATIONS

Suggested amendments to the APP Rules and Regulations shall be submitted to the Interdisciplinary Practice Committee and Medical Executive Committee for review and recommendation prior to approval by the Board of Directors. Amendments shall become effective when approved by the Board of Directors.

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PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

<i>Reference Number</i>	1990
<i>Effective Date</i>	Not Set
<i>Applies To</i>	All Departments
<i>Attachments/Forms</i>	POLST FORM

I. POLICY STATEMENT:

A. N/A

II. PURPOSE:

A. To provide a guide for hospital staff regarding correct interpretation and execution of a patient's existing, completed POLST orders, as well as guidance for correct completion (or revision) and execution of new POLST orders.

III. DEFINITIONS:

A. **POLST:** Physician Orders for Life-Sustaining Treatment (POLST). POLST is a physician order form that complements an advance directive by converting an individual's wishes regarding life-sustaining treatment and resuscitation into physician orders

B. **Surrogate:** In this document, the legally recognized decision maker will be referred to as "surrogate"; deference to the surrogate usually implies that the patient does not have decision making capacity, unless decision making authority has been granted otherwise in a valid advance directive.

C. **Health care provider:** means an attending physician. It also means a nurse practitioner or physician assistant practicing in accordance with standardized procedures or protocols developed and approved by the supervising physician and the nurse practitioner or physician assistant.

D. **Legally recognized healthcare decision maker:** includes the person's agent (as designated by a power of attorney for healthcare), surrogate, conservator, closest available relative or friend, as determined by the attending physician according to CA law

IV. GENERAL INFORMATION:

A. POLST orders are followed in consultation with the attending physician and with the patient's (or patient's surrogate) participation and consent.

B. POLST orders will be reviewed by the attending physician, and incorporated into orders for the care and treatment plan of the patient, as appropriate.

PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

- C. Discussions with the patient regarding the POLST and related treatment decisions will be documented in the medical record.
- D. Staff will copy the POLST form for the medical record, place appropriate hospital patient information label on the copy of the POLST form and write “COPY” on the form and the date copied. The copy of the POLST forms should be placed in the front of the order section of the medical record. The date and time the order is placed in the medical record must be documented in the medical record.
- E. The original POLST form will be returned to the patient / surrogate. The date, time, and recipient of the returned original POLST should be documented in the medical record.
- F. POLST is designed to be a statewide mechanism for an individual to communicate his or her wishes about a range of life-sustaining and resuscitative measures. It is designed to be a portable, authoritative and immediately actionable physician order consistent with the individual’s wishes and medical condition, which shall be honored across treatment settings.
- G. The POLST form:
 - 1. Is a standardized form meant to be printed on bright pink paper clearly identifiable and easy to locate
 - 2. Can be revised or revoked by an individual with decision-making capacity at any time;
 - 3. Is legally sufficient and recognized as a physician order;
 - 4. Is recognized and honored across treatment settings;
 - 5. Provides statutory immunity from criminal prosecution, civil liability, discipline for unprofessional conduct, administrative sanction or any other sanction to a healthcare provider who tries in good faith to honor a POLST; Is an alternative to the “Pre-Hospital Do Not Resuscitate” form, although POLST is more comprehensive in that it addresses other life-sustaining treatment in addition to resuscitative measures; and should be made available for patients who wish to execute a POLST form while they are in the general acute care hospital.
 - 6. A health care provider is not required to initiate a POLST form, but is required to treat a patient in accordance with a POLST form. As outlined in the following procedures, the physician will review the POLST and incorporate the content of the POLST into the care and treatment plan of the patient. This does not apply if the POLST requires medically inappropriate care or health care contrary to generally accepted health care standards.

PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

7. A surrogate may execute, revise or revoke the POLST form for a patient only if the patient lacks decision making capacity. This policy does not address the criteria or process for determining or appointing a legally recognized health care decision maker, nor does it address the criteria or process for determining decision making capacity.
8. While a health care provider such as a nurse or social worker can explain the POLST form to the patient and/ surrogate, the physician is responsible for discussing the nature, details, and appropriateness of the treatment options with the patient or surrogate.
9. Once the POLST form is completed, it must be signed by the patient or surrogate, AND the attending physician.
10. The POLST is particularly useful for persons who are frail and elderly or who have a serious, advanced medical condition, a prognosis of one year of life or less, and/or a terminal illness. The POLST form should be executed as part of the health care planning process and ideally is a complement to a patient's advance directive. A POLST form may also be used by patients who do not have an advance directive. Completion of a POLST form should reflect a process of careful decision making by the patient, or surrogate, in consultation with the physician about the patient's medical condition and known treatment preferences.

V. PROCEDURE:

A. Patient in Emergency Department with a Completed POLST Form

1. **Categorized as Level 1 or 2 using the Emergency Severity Index System (Triage Assessment) POLST will be confirmed and/or obtained on Level 1 or 2 patients as soon as reasonably possible if appropriate.**
2. During the initial nursing assessment, document the existence of the POLST form and confirm with the patient or surrogate that the POLST form in hand has not been voided or superseded by a subsequent POLST form or advance directive.
3. The ER nurse will communicate to the emergency department physician caring for the patient the existence of the POLST.
4. If the emergency department physician, upon review of the POLST and evaluation of the patient, determines that a change or revision of order(s) is indicated, he/she shall review the proposed changes with the patient and/or surrogate and issue new order(s) consistent with the most current information available about the patient's health status, medical condition, treatment preferences and goals of care. The physician should document the reasons for any deviation from the POLST in the medical record.

PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

B. Patient Admitted with a Completed POLST Form

1. During the initial patient assessment, document the existence of the POLST form in the medical record and confirm with the patient, if possible, or surrogate that the POLST form is valid and current.
2. The admitting nurse will communicate to the admitting physician caring for the patient the existence of the POLST.
3. The admitting physician reviews any POLST form as soon as possible after admission. ~~The physician enters appropriate orders in the patient's medical record.~~
4. If the admitting physician, upon review of the POLST and evaluation of the patient, determines that a change or revision of order(s) is indicated, he/she shall review the proposed changes with the patient and/or surrogate and issue new order(s) consistent with the most current information available about the patient's health status, medical condition, treatment preferences and goals of care. The physician should document the reasons for any deviation from the POLST in the medical record.
5. Upon transfer, the nurse should make a copy of the POLST form (ensuring a copy is left in the chart) and place in the transfer packet that will accompany the patient during any transfer. Document in the EMR that copy was sent to the receiving facility.

C. Completing a POLST Form with the Patient

1. If the patient or surrogate wishes to complete a POLST form, the patient's physician should be contacted. The physician should discuss the nature, details, and appropriateness of treatment options with the patient or surrogate as outlined in the POLST.
2. A health care provider such as a nurse or social worker can explain the POLST form to the patient and/or the patient's legally recognized health care decision maker. The POLST will be completed, dated, and signed by both physician and patient or surrogate, and related discussions should be documented in the medical record.
3. Follow the instructions above for copying the POLST form and placing in the medical record.

D. Reviewing/Revising a POLST Form

1. At any time the attending physician and patient or surrogate, together, may review or revise the POLST consistent with the patient's most recently expressed wishes.

PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

2. During the acute care admission, care conferences and/or discharge planning, it is recommended that the attending physician reviews the POLST when there is substantial change in the patient's health status or medical condition, and/or when the patient's treatment preferences change.
3. If the current POLST is no longer valid due to a patient changing his/her treatment preferences, or if a change in the patient's health status or medical condition warrants a change in the POLST, the POLST can be voided. To void POLST, draw a line through Sections A through D and write "VOID" in large letters. The physician and patient (or surrogate) should sign and date this line.
4. If a new POLST is completed, the above procedures are to be followed.

E. **Conflict Resolution**

1. If the POLST conflicts with the patient's previously-expressed health care preferences or advance directive, then the most recent expression of the patient's wishes govern. If there are any conflicts or ethical concerns about the POLST orders, appropriate hospital resources – e.g., palliative care service, ethics committee, care conference, risk management or other administrative and medical staff resources – may be utilized to resolve the conflict. During conflict resolution, consideration should always be given to:
 - a. The attending physician's assessment of the patient's current health status and the medical indications for care or treatment;
 - b. The determination by the physician as to whether the care or treatment specified by POLST is medically inappropriate, non-beneficial, or contrary to generally accepted health care standards;
 - c. The patient's most recently expressed preferences for treatment and the patient's treatment goals.
 - d. The appropriateness of the currently designated/acting surrogate.

VI. **EDUCATION/TRAINING:**

- A. Education and/or training are provided as needed.

VII. **REFERENCES:**

- A. [_Coalition for Compassionate Care of California; https://coalitionccc.org/AB3000](https://coalitionccc.org/AB3000), Chapter 266, statutes 2008. Sections 4780-4785 of the California Probate

PHYSICIAN ORDERS FOR LIFE SUSTAINING TREATMENT (POLST)

Code; http://www.leginfo.ca.gov/pub/07-08/bill/asm/ab_2951-3000/ab_3000_bill_20080804_chaptered.pdf

- B. California Hospital Association Consent Manual
- C. https://emsa.ca.gov/dnr_and_polst_forms/

Approval

EXTENDED CLOSED SESSION
(if necessary)

(VICTOR REY, JR.)

*ADJOURNMENT – THE NEXT
REGULAR MEETING OF THE
BOARD OF DIRECTORS IS
SCHEDULED FOR THURSDAY,
FEBRUARY 24, 2022, AT 4:00 P.M.*