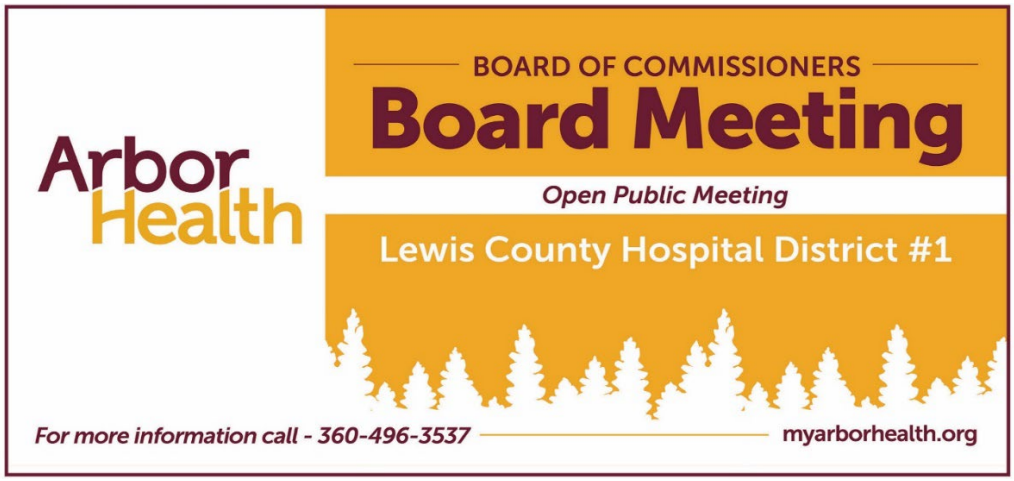
REGULAR BOARD MEETING PACKET



BOARD OF COMMISSIONERS

Board Chair –Tom Herrin, Secretary – Kim Olive,
Commissioner – Craig Coppock, Commissioner – Wes McMahan &
Commissioner-Trish Frady

March 29, 2023 @ 3:30 PM
Conference Room 1 & 2 or Join Zoom Meeting:
https://myarborhealth.zoom.us/j/81379931067
Meeting ID: 813 7993 1067
One tap mobile: +12532158782,,81379931067#
Dial: +1 253 215 8782

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LEWIS COUNTY HOSPITAL DISTRICT NO. 1
REGULAR BOARD OF COMMISSIONERS' MEETING
March 29, 2023 at 3:30 p.m.
Conference Room 1 & 2 or via ZOOM
https://myarborhealth.zoom.us/j/81379931067
Meeting ID: 813 7993 1067
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Mission Statement
To foster trust and nurture a healthy community.

Vision Statement
To provide accessible, quality healthcare.

AGENDA	PAGE	TIME
Call to Order **Roll Call** **Excused/Unexcused Absences** **Reading of the Mission & Vision Statement** **Approval or Amendment of Agenda** **Conflicts of Interest**		3:30 pm
Comments and Remarks • Commissioners • Audience		3:35 pm
Executive Session-*RCW 70.41.200 & RCW 42.30.110 (1)(i)* • Medical Privileging-Chief of Staff Dr. Travis Podbilski & Medical Staff Coordinator Janice Cramer • To discuss with legal counsel about potential litigation. Quality Manager Julie Johnson & CNO/CQO Sara Williamson	6	3:40 pm 3:45 pm
Department Spotlight • Arbor Health Rapid Care-Clinic Managers Hancock & Brazil	8	4:00 pm
Board Committee Reports • Hospital Foundation Report-Committee Chair-Secretary Olive	16	4:10 pm
• Finance Committee Report- Committee Chair-Commissioner Coppock	18	4:15 pm
Consent Agenda *(Action)* • Approval of Minutes: o *February 22, 2023, Regular Board Meeting* o *March 8, 2023, QIO Committee Meeting* o *March 22, 2023, Finance Committee Meeting*	 24 32 37	4:25 pm
• Approve Documents Pending Board Ratification 03.29.23 o *To provide board oversight for document management in Lucidoc.*	41	
• RES 23-07-Approving the Capital Purchase of Portable X-Ray o *To approve the purchase of the Portable X-Ray through a lease.*	42	

• Warrants & EFTs in the amount of $3,363,930.25 dated February 2023		
Old Business • Superintendent Succession Plan (*Verbal Update-Board Chair Herrin & Secretary Olive)* o *To provide a search committee update and process moving forward.*		4:30 pm
New Business • PDC Filing Reminder o *To complete prior to April 17, 2023.*		4:40 pm
• Board Compliance Training o *To discuss questions regarding article, Practical Guidance for Health Care Governing Board on Compliance Oversight.*	69	4:45 pm
Superintendent Report *(Verbal Update-Interim Superintendent Lieb)* • *Packwood Clinic* • *Strategic Planning*		5:10 pm
Meeting Summary & Evaluation		5:20 pm
Next Board Meeting Dates and Times • Special Board Meeting-April 18, 2023 @ 8:00 AM (ZOOM & In Person-Bob Lyle Building) • Regular Board Meeting- April 26, 2023 @ 3:30 PM (ZOOM & In Person) **Next Committee Meeting Dates and Times** • Finance Committee Meeting- April 19, 2023 @ 12:00 PM (ZOOM)		
Adjournment		5:25 pm

EXECUTIVE SESSION

MEDICAL STAFF PRIVILEGING

The below providers are requesting appointment to the Arbor Health Medical Staff. All files have been reviewed for Quality Data, active state license, any malpractice claims, current liability insurance, peer references, all hospital affiliations, work history, National Practitioner Data Bank reports, sanctions reports, Department of Health complaints, Washington State Patrol background check and have been reviewed by the credentialing and medical executive committees including the starred items below. The credentialing and medical executive committees have recommended the following for approval.

INITIAL APPOINTMENTS-1

Radiology Consulting Privileges

- Hartley Sirkis, MD (Consulting Radiology Privilege)

REAPPOINTMENTS-4

Telestroke/Neurology Consulting Privileges

- Aixa Espinosa Morales, MD (Consulting Telestroke/Neurology Privileges)
- Bruce Geryk, MD (Consulting Telestroke/Neurology Privileges)
- Yi Mao, MD (Consulting Telestroke/Neurology Privileges)
- Elizabeth Walz, MD (Consulting Telestroke/Neurology Privileges)

✪-notates files with items to note.

DEPARTMENT SPOTLIGHT

Arbor Health Rapid Care

January 28, 2022 – December 31, 2022

Arbor Health Rapid Care Ribbon Cutting

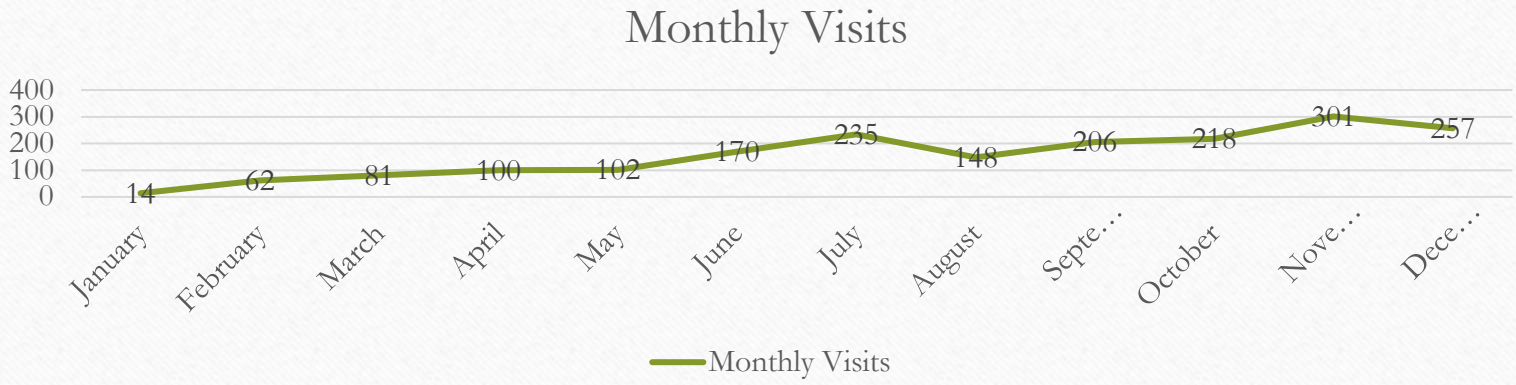
January 28, 2022

History

- January 28, 2022, was the first day Rapid Care was open. We started by being open Friday and Saturday. The first weekend, the only one in January, we saw 14 patients. In February we saw 62 patients. In March, 81. As the volume continued to increase, we realized we needed more days. In June we opened Sunday and Monday and added another provider. Numbers are currently fluctuating between 250 – 300 per month.

Visit Numbers

- Total – 1998
- Highest volume for 1 weekend – 83
- Highest volume for 1 month – 301



Budget Comparison

Budgeted

- Revenue - $161,855
- Expenses - $483,234
- Loss - $321,379

Actual

- Revenue - $227,710
- Expenses - $363,662
- Loss - $135,952

Strategy - Rapid Care 7 days a week

Challenges

- Providers
- Staffing
- Space

Plans and ideas

- Currently recruiting for Provider
- Will need to hire an additional MA and receptionist
- Idea - Move Rapid Care into the Specialty Clinic space in the hospital

Rapid Care FYIs

- The community loves the Rapid Care Clinic.
- Fridays and Mondays have the most patients with 9:00 am on Fridays being the busiest time.
- The receptionist position has been the hardest to fill because of the Friday – Monday schedule. This position has a long learning curve, mostly due to insurance. We have to double up on receptionists on Fridays and sometimes Mondays, at certain times of the day.
- We have two MAs on Fridays and Mondays.
- The Rapid Care Clinic is a great resource for our community.

BOARD COMMITTEE REPORTS

Arbor Health | FOUNDATION

521 Adams Avenue, Morton, WA 98356 | 360-496-3749
Mailing Address: P.O. Box 1132, Morton, WA 98356

Meeting Minutes
March 14th, 2023

1. **Call to order –** By Marc Fisher at 6:05pm in the Tiller Arts Center

   OUR MISSION: To raise funds and provide services that will support the viability and long-term goals of the Lewis County Hospital District No. 1. This includes, but is not limited to, taking a leadership role in maintaining and improving community connection and confidence in all aspects of the hospital's health care system.

   - **EXCUSED ABSENCES:** Ann Marie Forsman, Gwen Turner, Bonnie Justice, Lenee Langham
   - **IN ATTENDANCE:** Jeanine Walker, Christine Brower, Kip Henderson, Jessica Scogin, Kim Olive, Katelin Forrest, Shannon Kelley, Marc Fisher, Louise Fisher, Paula Baker, Mike Lieb
   - **RESIGNATION:** Jessica read Betty Jurey's letter of resignation from the foundation.

2. **Approval of Treasurer's Report and February Minutes—**Motion to approve the Treasurer's report made by Katelin Forrest and seconded by Shannon Kelley. Motion approved.

   Motion made by Christine Brower and seconded by Katelin Forrest to **approve February minutes** with the following corrections:
   Correct spelling of Katelin Forrest
   Correct spelling of Mike Lieb
   HC spelled out as Harrison Christian Development
   Motion was approved.

3. **Administrators Report-** Welcome Mike Lieb, Interim CEO. Mike thanked the foundation for the job they do. It appears that as of April 3, 2023 the mask mandate will be lifted. Julie Taylor is working on the appropriate wording for the masking policy at the hospital in response to Dept of Health mask requirement changes. CEO search is back underway. The board's single most important job is to hire the CEO. The guidelines are set out for the board to follow. They hope to have candidates to the board in the next week or so. Six candidates for zoom meetings with board members. Three selected for on-site visits. Hopeful to onboard new CEO sometime in mid-summer. Packwood clinic is set to open April 17thish. DNV recertification survey will be in April. Strategic planning is April 18th. Mike is committed to stay on board until new CEO is hired.

4. **Director report**
   - **Family Resource Fair Event** is Sat. March 25th at Morton Elem Gym. Great response from about 35 resource/agencies that are wanting to participate. Lots of great raffle prizes. Event is focusing on the whole family which is a plus. Katelin Forrest will head up the set up. Need to bring tables from the HS to Elementary gym hopefully Friday after school. Jessica will be at the gym at 8am Saturday morning to set up. Anyone is welcome to come and help.
   - **Event Calendar** was passed around for people to sign up.
   - **Updated By-Laws** were passed out to those present. Jessica will get them into LUCIDOC.

5. **Old Business:**
   - Hospital support agreement is still at the lawyer's office.
   - Name plate criteria committee members are Marc Fisher, Jeanine Walker, Ann Marie Foresman?, Lynn Bishop? Highlights of criteria—years of service? Offices held? Nominated? Shannon Kelley will advise the group once criteria has been determined.

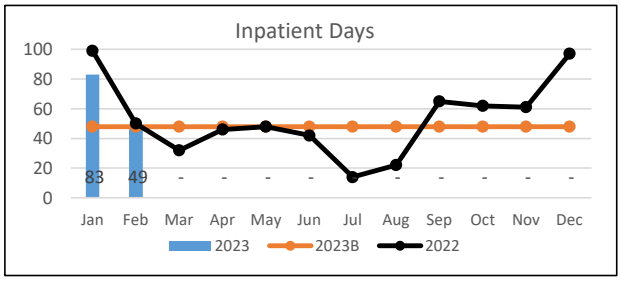
6. **New Business**:
   - Insurance for Foundation Director and Officers was discussed. Marc is still waiting to hear back from Farmers Insurance. It was suggested that Marc talk with Fred S from FMAC as they have gone through the process to provide insurance for their board. Jessica will follow up with the lawyer.
   - The foundation needs to work on developing a structure for how new members are added to the group.
   - Jessica will send out a quarterly update as to where scholarship dollars are being provided.

7. **Next meeting**: April 11, 2023

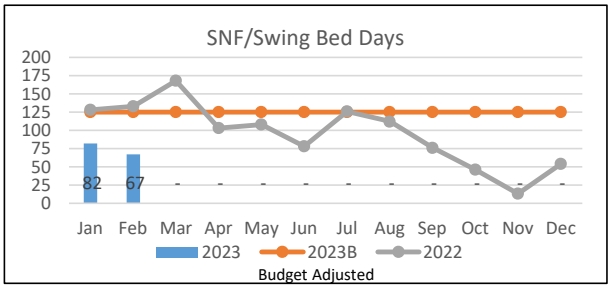
Meeting adjourned at 7:01pm

Lewis County Hospital District No. 1
Board Financial Summary
February 28, 2023

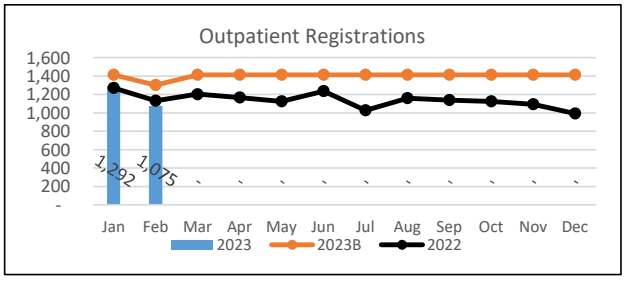
Growth



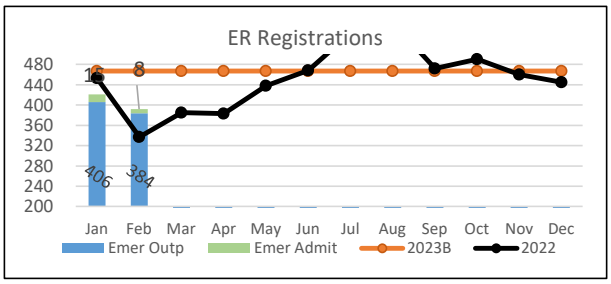
YTD: 132 Budget: 96 Pr Yr: 149



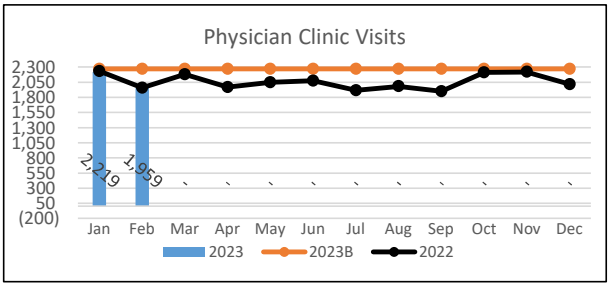
YTD: 149 Budget: 250 Pr Yr: 261



YTD: 2,367 Bud: 2,715 Pr Yr: 2,402

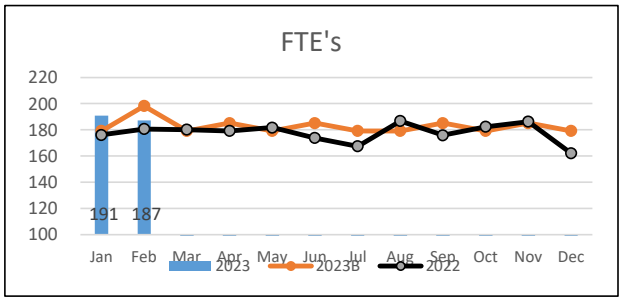


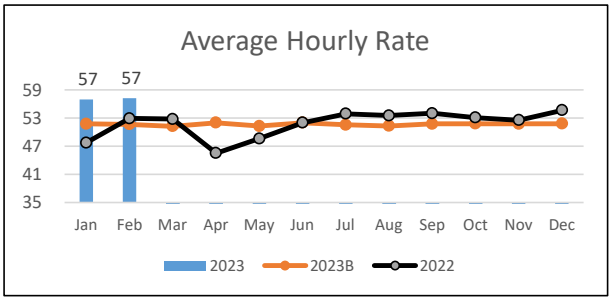
YTD: 790 Bud: 934 Pr Yr: 790

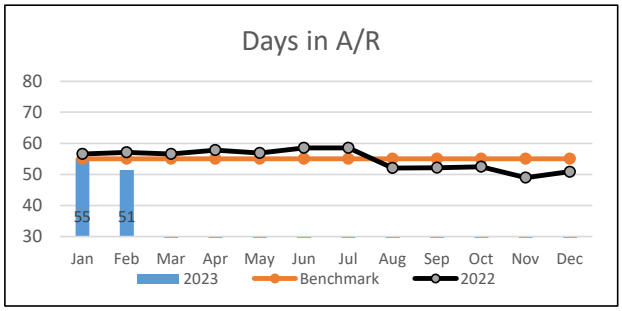


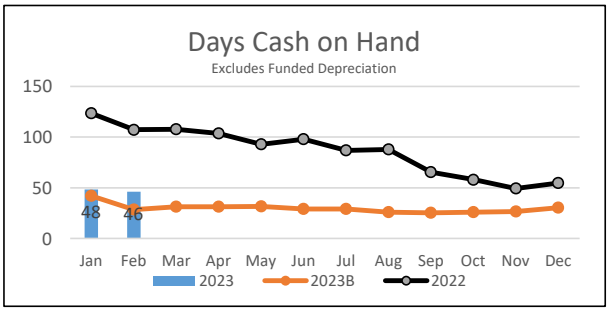
YTD: 4,178 Bud: 4,542 Pr Yr: 4,192

People and Operational Aspects









All Morton General Hospital
Income Statement
February, 2023

Pr Yr MTD	% Var	MTD $ Var	MTD Budget	MTD Actual		YTD Actual	YTD Budget	YTD $ Var	YTD % Var	PY YR YTD
598,916	-46%	(463,177)	1,002,668	539,491	Total Hospital IP Revenues	1,440,632	2,030,154	(589,522)	-29.0	1,636,414
2,925,724	-2%	(58,077)	3,424,836	3,366,759	Outpatient Revenues	6,795,251	6,867,519	(72,269)	-1.1	5,863,693
388,656	-15%	(82,809)	570,104	487,295	Clinic Revenues	1,060,602	1,125,477	(64,875)	-5.8	773,845
3,913,297	-12%	(604,064)	4,997,608	4,393,545	**Total Gross Patient Revenues**	9,296,484	10,023,150	(726,666)	-7.2	8,273,952
(1,192,417)	13%	(238,013)	(1,812,709)	(1,574,696)	Contractual Allowances	(3,112,752)	(3,723,459)	(610,707)	16.4	(2,422,153)
(1,143,828)	-12%	204,318	(1,720,118)	(1,515,799)	Contractual Allowances	(3,055,260)	(3,534,175)	478,915	-13.6	(2,322,132)
(15,016)	314%	(61,174)	(19,504)	(80,678)	Bad Debt	(218,034)	(35,356)	(182,678)	516.7	(10,321)
(18,137)	27%	(13,419)	(50,159)	(63,577)	Charity Care	(134,711)	(102,304)	(32,406)	31.7	(64,769)
(48,589)	-36%	33,695	(92,592)	(58,897)	Other Adjustments	(57,493)	(189,284)	131,792	-69.6	(100,021)
(1,225,570)	-9%	163,421	(1,882,372)	(1,718,951)	**Total Deductions From Revenue**	(3,465,498)	(3,861,120)	395,623	-10.2	(2,497,243)
2,687,727	**-14%**	**(440,643)**	**3,115,237**	**2,674,594**	**Net Patient Revenues**	**5,830,987**	**6,162,030**	**(331,043)**	**-5.4**	**5,776,709**
55,373	38%	38,897	103,429	142,326	Other Operating Revenue	199,064	206,858	(7,793)	-3.8	136,587
2,743,100	**-12%**	**(401,746)**	**3,218,665**	**2,816,920**	**Total Operating Revenue**	**6,030,051**	**6,368,888**	**(338,836)**	**-5.3**	**5,913,296**
					Operating Expenses					
1,607,159	5%	94,007	1,921,201	1,827,194	Salaries	3,787,582	3,846,146	58,564	1.5	3,259,461
404,489	-2%	(9,524)	393,098	402,621	Total Benefits	783,476	790,528	7,052	0.9	819,581
2,011,648	4%	84,483	2,314,298	2,229,815	Salaries And Benefits	4,571,058	4,636,674	65,616	1.4	4,079,042
119,995	33%	45,653	138,336	92,683	Professional Fees	201,936	249,831	47,895	19.2	197,212
161,696	-20%	(45,685)	230,825	276,510	Supplies	482,198	462,119	(20,079)	-4.3	441,119
365,811	13%	51,105	404,427	353,322	Total Purchased Services	662,691	874,762	212,071	24.2	779,599
38,169	-49%	(22,003)	45,352	67,355	Utilities	106,790	91,164	(15,626)	-17.1	115,441
22,096	6%	1,989	30,695	28,706	Insurance Expense	57,275	61,390	4,114	6.7	45,328
100,187	1%	1,085	97,215	96,130	Depreciation and Amortization	203,123	193,267	(9,855)	-5.1	210,514
32,596	-1%	(159)	28,989	29,148	Interest Expense	58,340	57,977	(363)	-0.6	65,235
44,015	57%	61,288	106,870	45,582	Other Expense	87,629	166,625	78,996	47.4	88,036
2,896,213	5%	177,756	3,397,007	3,219,251	**Total Operating Expenses**	6,431,039	6,793,809	362,770	5.3	6,021,525
(153,113)	126%	(223,990)	(178,342)	(402,331)	**Income (Loss) From Operations**	(400,988)	(424,921)	23,933	-5.6	(108,230)
149,479	-277%	(215,970)	77,949	293,919	Non-Operating Revenue/Expense	363,412	155,897	(207,515)	-133.1	281,084
(3,634)	**8%**	**(8,020)**	**(100,393)**	**(108,413)**	**Net Gain (Loss)**	**(37,576)**	**(269,024)**	**231,448**	**-86.0**	**172,854**

Lewis County Hospital District No. 1
Income Statement
February, 2023

CURRENT MONTH						YEAR TO DATE				
Pr Yr Month	% Var	$ Var	Budget	Actual		Actual	Budget	$ Var	% Var	Actual
598,916	-46%	(463,177)	1,002,668	539,491	Inpatient Revenue	1,440,632	2,030,154	(589,522)	-29%	1,636,414
2,925,724	-2%	(58,077)	3,424,836	3,366,759	Outpatient Revenue	6,795,251	6,867,519	(72,269)	-1%	5,863,693
388,656	-15%	(82,809)	570,104	487,295	Clinic Revenue	1,060,602	1,125,477	(64,875)	-6%	773,845
3,913,297	-12%	(604,064)	4,997,608	4,393,545	**Gross Patient Revenues**	**9,296,484**	10,023,150	(726,666)	-7%	8,273,952
1,192,417	13%	238,013	1,812,709	1,574,696	Contractual Allowances	3,112,752	3,723,459	610,707	16%	2,422,153
18,137	-27%	(13,419)	50,159	63,577	Charity Care	134,711	102,304	(32,406)	-32%	64,769
15,016	-314%	(61,174)	19,504	80,678	Bad Debt	218,034	35,356	(182,678)	-517%	10,321
1,225,570	9%	163,421	1,882,372	1,718,951	**Deductions from Revenue**	**3,465,498**	3,861,120	395,623	10%	2,497,243
2,687,727	**-14%**	**(440,643)**	**3,115,237**	**2,674,594**	**Net Patient Service Rev**	**5,830,987**	**6,162,030**	**(331,043)**	**-5%**	**5,776,709**
68.7%	2.3%	1.5%	62.3%	60.9%	**NPSR %**	62.7%	61.5%	-1.2%	-2.0%	69.8%
55,373	38%	38,897	103,429	142,326	Other Operating Revenue	199,064	206,858	(7,793)	-4%	136,587
2,743,100	**-12%**	**(401,746)**	**3,218,665**	**2,816,920**	**Net Operating Revenue**	**6,030,051**	**6,368,888**	**(338,836)**	**-5%**	**5,913,296**
					Operating Expenses					
1,607,159	5%	94,007	1,921,201	1,827,194	Salaries & Wages	3,787,582	3,846,146	58,564	2%	3,259,461
404,489	-2%	(9,524)	393,098	402,621	Benefits	783,476	790,528	7,052	1%	819,581
119,995	33%	45,653	138,336	92,683	Professional Fees	201,936	249,831	47,895	19%	197,212
161,696	-20%	(45,685)	230,825	276,510	Supplies	482,198	462,119	(20,079)	-4%	441,119
365,811	13%	51,105	404,427	353,322	Purchase Services	662,691	874,762	212,071	24%	779,599
38,169	-49%	(22,003)	45,352	67,355	Utilities	106,790	91,164	(15,626)	-17%	115,441
22,096	6%	1,989	30,695	28,706	Insurance	57,275	61,390	4,114	7%	45,328
44,015	57%	61,288	106,870	45,582	Other Expenses	87,629	166,625	78,996	47%	88,036
2,763,431	5%	176,830	3,270,804	3,093,973	EBDITA Expenses	6,169,577	6,542,564	372,988	6%	5,745,777
(20,331)	431%	(224,916)	(52,138)	(277,054)	**EBDITA**	(139,525)	(173,677)	34,151	-20%	167,519
-0.7%	-507.2%	8.2%	-1.6%	-9.8%	EBDITA %	-2.3%	-2.7%	-0.4%	15.1%	2.8%
					Capital Cost					
100,187	1%	1,085	97,215	96,130	Depreciation	203,123	193,267	(9,855)	-5%	210,514
32,596	-1%	(159)	28,989	29,148	Interest Cost	58,340	57,977	(363)	-1%	65,235
2,896,213	5%	177,756	3,397,007	3,219,251	Operating Expenses	6,431,039	6,793,809	362,770	5%	6,021,525
(153,113)	126%	(223,990)	(178,342)	(402,331)	**Operating Income / (Loss)**	(400,988)	(424,921)	23,933	-6%	(108,230)
-5.6%			-5.5%	-14.3%	Operating Margin %	-6.6%	-6.7%			-1.8%
					Non Operating Activity					
155,397	266%	217,528	81,737	299,264	Non-Op Revenue	375,219	163,474	211,745	130%	291,623
5,918	-41%	(1,558)	3,788	5,346	Non-Op Expenses	11,807	7,576	(4,230)	-56%	10,539
149,479	277%	215,970	77,949	293,919	Net Non Operating Activity	363,412	155,897	207,515	133%	281,084
(3,634)	8%	(8,020)	(100,393)	(108,413)	**Net Income / (Loss)**	(37,576)	(269,024)	231,448	-86%	172,854
-0.1%			-3.1%	-3.8%	Net Income Margin %	-0.6%	-4.2%			2.9%

Lewis County Public Hospital District No. 1
Balance Sheet
February, 2023

	Current Month	Prior-Month	Prior-Year end	Incr/(Decr) From PrYr
Assets				
Current Assets:				
Cash	$ 5,141,860	5,204,641	5,055,656	86,204
Total Accounts Receivable	8,000,005	8,224,618	7,492,245	507,760
Reserve Allowances	(3,844,782)	(3,979,614)	(3,362,569)	(482,213)
Net Patient Accounts Receivable	4,155,223	4,245,004	4,129,676	25,547
Taxes Receivable	183,374	120,153	52,607	130,767
Estimated 3rd Party Receivables	2,395	2,395	2,395	0
Prepaid Expenses	331,473	314,924	324,031	7,442
Inventory	255,195	252,660	253,658	1,536
Funds in Trust	1,719,773	1,711,559	1,711,559	8,214
Other Current Assets	182,042	183,471	180,415	1,627
Total Current Assets	11,971,334	12,034,807	11,709,998	261,336
Property, Buildings and Equipment	34,863,167	34,705,872	34,963,861	(100,694)
Accumulated Depreciation	(24,647,315)	(24,597,945)	(24,491,062)	(156,253)
Net Property, Plant, & Equipment	10,215,852	10,107,927	10,472,799	(256,947)
Right-of-use assets	661,982	661,982	681,064	(19,082)
Other Assets	169,514	169,514	167,514	2,000
Total Assets	$ 23,018,683	22,974,231	23,031,375	(12,693)
Liabilities				
Current Liabilities:				
Accounts Payable	526,748	636,030	697,151	(170,403)
Accrued Payroll and Related Liabilities	1,479,760	1,259,378	1,386,406	93,354
Accrued Vacation	797,544	778,085	716,055	81,489
Third Party Cost Settlement	161,370	124,802	109,414	51,956
Interest Payable	53,478	26,739	0	53,478
Current Maturities - Debt	596,976	596,976	596,976	0
Unearned Revenue	252,684	252,684	252,684	0
Other Payables	10,506	26,555	26,555	(16,049)
Current Liabilities	3,879,065	3,701,249	3,785,241	93,824
Total Notes Payable	1,035,969	1,061,031	1,086,048	(50,079)
Lease Liability	681,217	681,217	700,299	(19,082)
Net Bond Payable	4,732,595	4,732,485	4,732,375	220
Total Long Term Liabilities	6,449,781	6,474,733	6,518,722	(68,941)
Total Liabilities	10,328,847	10,175,982	10,303,963	24,884
General Fund Balance	12,798,249	12,727,412	12,746,647	0
Net Gain (Loss)	(108,413)	70,837	(19,235)	(37,576)
Fund Balance	12,689,836	12,798,249	12,727,412	(37,576)
Total Liabilities And Fund Balance	$ 23,018,683	22,974,231	23,031,375	(12,693)

Arbor Health
Cash Flow Statement
For the Month Ending February 2023

	MTD	YTD
Cash Flows from Operating Activites		
Net Income	(108,413)	(37,576)
Adjustments to reconcile net income to net cash provided by operating activities		
Decrease/(Increase) in Net Patient Accounts receivable	89,781	(25,547)
Decrease/(Increase) in Taxes receivable	(63,221)	(130,767)
Decrease/(Increase) in Est 3rd Party Receivable	0	0
Decrease/(Increase) in Prepaid expenses	(16,549)	(7,442)
Decrease/(Increase) in Inventories	(2,535)	(1,537)
Decrease in Other Current Assets	1,430	(1,626)
Increase/(Decrease) in Accrued payroll liabilities	239,841	174,843
Increase/(Decrease) in 3rd Party cost stlmt liabilities	36,568	51,956
Increase/(Decrease) in Accounts payable	(125,331)	(186,452)
Increase/(Decrease) in Interest payable	26,739	53,478
Depreciation expense	49,370	156,253
Net Cash Flow from Operations	127,680	45,583
Cash Flows from Investing Activities		
Cash paid for		
Purchases of Fixed assets	(157,295)	100,693
Right-of-use assets	0	17,083
Net Cash Flow from (used) in Investing Activities	(157,295)	117,776
Cash Flows from Financing Activities		
Cash paid for		
Additions to long-term debt	0	0
Principal payments of long-term liabilities	(24,952)	(49,859)
Lease liabilities	0	(19,082)
Net Cash Flow from (used) in Financing Activities	(24,952)	(68,941)
Net Increase (Decrease) in Cash	(54,567)	94,418
Cash at Beginning of Period	$ 6,916,200	$ 6,767,215
Cash at End of Period	$ 6,861,633	$ 6,861,633

CONSENT AGENDA

LEWIS COUNTY HOSPITAL DISTRICT NO. 1
REGULAR BOARD OF COMMISSIONERS' MEETING
February 22, 2023, at 3:30 p.m.
Conference Room 1 & 2 or via ZOOM
https://myarborhealth.zoom.us/j/82600381357
Meeting ID: 826 0038 1357
One tap mobile: +12532158782,,82600381357#
Dial: +1 253 215 8782

Mission Statement
To foster trust and nurture a healthy community.

Vision Statement
To provide accessible, quality healthcare.

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
Call to Order **Roll Call** **Unexcused/Excused Absences** **Reading the Mission & Vision Statements**	Board Chair Herrin called the meeting to order via Zoom at 3:30 p.m. **Commissioners present:** ☒ Tom Herrin, Board Chair ☒ Kim Olive, Secretary ☒ Wes McMahan ☒ Craig Coppock ☐ Vacant, At-Large Commissioner **Others present:** ☒ Leianne Everett, Superintendent ☒ Mike Lieb, Future Interim Superintendent ☒ Shana Garcia, Executive Assistant ☒ Sara Williamson, CNO/CQO ☒ Cheryl Cornwell, CFO ☒ Shannon Kelly, CHRO ☒ Julie Taylor, Ancillary Services Director ☒ Spencer Hargett, Compliance Officer ☒ Char Hancock, Clinic Manager			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	☒ Janice Cramer, Medical Coordinator ☒ Buddy Rose, Reporter ☒ Dr. Travis Podbilski, Chief of Staff ☒ Clint Scogin, Controller ☒ Jim Frey, IT Director ☒ Julie Johnson, Quality Manager ☒ Jessica Scogin, Foundation Manager ☒ Van Anderson ☒ Trish Frady Board Chair Herrin noted the chat function has been disabled and the meeting will not be recorded.			
Approval or Amendment of Agenda	Superintendent Everett requested to add RES-23-06-Capital Purchase-Randle Clinic Flooring to New Business.	Commissioner Coppock made a motion to approve the amended agenda. Commissioner McMahan seconded and the motion passed unanimously.		
Conflicts of Interest	Board Chair Herrin asked the attendees to state any conflicts of interest with today's amended agenda.	None noted.		
Comments and Remarks	Commissioners: Secretary Olive complemented the Human Resource Department for hiring seven of the eight hard to fill positions over the past year. Secretary Olive thanked all employees for choosing Arbor Health. Commissioner Coppock welcomed Mike Lieb and thanked Superintendent Everett. Commissioner McMahan echoed Secretary Olive, as well as extended best wishes to Superintendent Everett. Commissioner McMahan expressed great patience to the Staff during this transition. Board Chair Herrin thanked Superintendent Everett for her services noting we are going to miss her. Audience: Van Anderson shared sadness noting Peppy Elizaga			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	withdrew his letter of interest for the At-Large Commissioner Vacancy.			
Executive Session- RCW 70.41.200 & RCW 70.41.205	Board Chair Herrin announced going into executive session at 3:40 p.m. for fifteen minutes to discuss RCW 70.41.200-Medical Privileging and RCW 70.41.205 Quality Improvement Oversight Report. Board Chair Herrin extended Executive Session by five minutes at 3:55 p.m. The Board returned to open session at 4:00 p.m. Board Chair Herrin noted no decisions were made in Executive Session. Initial Appointments- Pulmonology 1. Colleen Overdorf, MD (Pulmonology Consulting Privileges) Reappointments- Providence Health & Services 1. Benjamin Atkinson, MD (Telestroke/Neurology Consulting Privileges) 2. Robert Jackson, MD (Telestroke/Neurology Consulting Privileges) 3. Corey White, DO (Telestroke/Neurology Consulting Privileges) Radia Inc. 1. Philip Lowe, MD (Radiology Consulting Privileges) Cardiology Associates 1. Natasha Arora, MD (Cardiology Consulting Privileges)	Commissioner Coppock made a motion to approve the Medical Privileging as presented with amendments and Secretary Olive seconded. The motion passed unanimously.		
Department Spotlight	CHRO Kelly noted being proud of her department and having the			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
• Human Resources	highest employee engagement score of 100%.			
Board Committee Reports • Hospital Foundation Report	Secretary Olive noted the Foundation is interested is supporting the capital purchase of the portable x-ray and raising money through the Fund-A-Need in 2023. Also, the Foundation is using funding from the Roots and Wings program to purchase the Trophon. The Family Resource Fair is March 25 where a handful of Arbor Health providers will be present.			
• Compliance Committee Report	Commissioner McMahan noted PRA & OPA training is coming due for Board Chair Herrin and himself, as well as the commissioner appointed today. There will be Board Compliance Training coming in March and lastly a reminder to file with the PDC for 2022.			
• Finance Committee Report	Commissioner Coppock noted the Finance Committee supported the capital purchase of Defibrillators & AEC units. The District received a clean audit from the State of WA. The District's Self-Insured Health Insurance Plan ended strong for 2022. The District has responded to the CMS letter regarding pricing transparency and has corrected the areas of non-compliance.			
Consent Agenda	Board Chair Herrin announced the consent agenda items for consideration of approval: 1. Approval of Minutes a. December 19, 2022, Special Board Meeting b. January 25, 2023, Regular Board Meeting c. February 1, 2023, Compliance Committee Meeting d. February 3, 2023, Special Board Meeting	Commissioner Coppock made a motion to approve the Consent Agenda and Secretary Olive seconded. The motion passed unanimously. Minutes, Warrants and Resolutions will be sent for electronic signatures.	Executive Assistant Garcia	2.24.23

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	e. February 8, 2023, QIO Committee Meeting f. February 15, 2023, Finance Committee Meeting 2. Approve Documents Pending Board Approval & Ratification 02.22.23 3. RES-23-04-Approving the Capital Purchase of Defibrillators & AED's 4. Warrants & EFTs in the amount of $3,632,584.00 dated January 2023			
Old Business • Electronic Signatures	Executive Assistant Garcia presented the revised version of the Electronic Signatures which removed names and replaced with positions. Commissioner McMahan recommended adjusting the timeline for Executive Assistant Garcia to send for signature. The language will be updated to *Within two business days or otherwise noted,* to be flexible with schedules. The Board approved the revision effective in March.	Marked Electronic Signatures as revised with positions listed and resume the new order in March.	Executive Assistant Garcia	02.22.23
• Superintendent Succession Plan	Board Chair Herrin noted the Superintendent Succession Plan needs to be updated to include the latest process followed. CHRO Kelly recommended reviewing with the new Interim Superintendent to get his input. Board Chair Herrin, Secretary Olive and CRHO Kelly are scheduled to meet with WittKieffer early next week to restart the Superintendent/CEO Search.			
• Interview At-Large Commissioner Position #4	Board Chair Herrin noted Peppy Elizaga and Chris Schumaker withdrew their letters of interest. Board Chair Herrin asked if there was anyone else participating in today's meeting that wanted to be considered for Position #4. Hearing none, the Board proceeded with the interview of the two candidates.			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	The candidates were interviewed in the following order: 1. Trish Frady 2. Van Anderson The interview questions were as follows: 1. What makes our mission meaningful to you? 2. What motivates you? 3. How do you represent to your constituents a board's decision you were opposed to? 4. How would you leverage your position in the community and advocate for the District?			
Executive Session- RCW 42.30.110 (h)- To evaluate the qualifications of a candidate for appointment to elective office.	Board Chair Herrin announced going into executive Session at 4:55 p.m. for ten minutes to discuss RCW 42.30.110 (h). The Board returned to open session at 5:05 p.m. No decisions were made in Executive Session.			
Old Business Continued • Appointment of At-Large Commissioner Position #4	Board Chair Herrin expressed appreciation for each of the candidates that interviewed. Board Chair Herrin requested a motion for the appointment of Lewis County Hospital District No. 1 Position #4 Michelle Matchett, Notary administered the Oath of Office to Patricia Frady. Board Chair Herrin thanked Van Anderson for his interest in the position.	Commissioner McMahan made a motion to appoint Van Anderson for Position #4. The motion was not seconded and the motion fell to the ground. Secretary Olive made a motion to appoint Trish Frady for Position #4 and Commissioner Coppock seconded. The motion passed unanimously. Oath of Office will be sent for electronic signatures.	Executive Assistant Garcia	02.24.23
New Business • RES 23-05- Appoint Lewis	Board Chair Herrin presented Resolution 23-05 and requested a motion for the appointment of Michael Lieb.	Commissioner Coppock made a motion to approved RES 23-05 and		

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
County Hospital District No. 1's Interim Superintendent	Board Chair Herrin thanked Superintendent Everett for restoring trust, calming the fears of staff, and stabilizing the District these past seven years. Board Chair Herrin officially welcomed Mike as the Interim Superintendent effective 12:01 am on February 26, 2023.	Commissioner Frady seconded. The motion passed unanimously. Resolution will be sent for electronic signatures.	Executive Assistant Garcia	02.24.23
• RES 23-06- Approving the Capital Purchase of Randle Clinic Flooring	Superintendent Everett presented the capital purchase of flooring for the Randle Clinic. The most favorable bid is from Arvids. This vendor completed the Mossyrock Clinic a couple of years ago and are scheduled to do the Packwood Clinic too. The purchase has been moved up in the process as a provider is out until the end of March, so the timing is better to minimize interruption of patient care. The Capital Purchase will be for $36,052.29 plus a 5% contingency.	Commissioner Coppock made a motion to approved RES 23-06 and Commissioner McMahan seconded. The motion passed unanimously. Resolution will be sent for electronic signatures.	Executive Assistant Garcia	02.24.23
Superintendent Report	Superintendent Everett shared the Packwood Clinic remains on schedule to open mid-April. Strategic Planning is scheduled for April 18th at the Bob Lyle. The listening session have not been well attended and need to reschedule Packwood.	Reschedule Packwood Listening Session.	Interim Superintendent Lieb & Communication & Marketing Manager Markham	Prior to 04.18.23
Meeting Summary & Evaluation	Superintendent Everett highlighted the decisions made and action items. Secretary Olive noted a good meeting with new beginnings. Commissioner Coppock noted lots of change. Commissioner Frady noted a good meeting. Commissioner McMahan thanked Superintendent Everett. Board Chair Herrin noted getting better and better.			
Adjournment	Commissioner Coppock moved and Secretary Olive seconded to adjourn the meeting at 5:31 p.m. The motion passed unanimously.			

Respectfully submitted,

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE

Kim Olive, Secretary Date

LEWIS COUNTY HOSPITAL DISTRICT NO. 1
QUALITY IMPROVEMENT OVERSIGHT MEETING
March 8, 2023 at 7:00 a.m.
ZOOM

Mission Statement
To foster trust and nurture a healthy community.

Vision Statement
To provide accessible, quality healthcare.

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
Call to Order Roll Call Unexcused/Excused Absences Reading the Mission & Vision Statements	Commissioner Coppock called the meeting to order via Zoom at 7:00 a.m. Commissioner(s) Present in Person or via Zoom: ☒ Craig Coppock, Commissioner ☐ Kim Olive, Secretary Committee Member(s) Present in Person or via Zoom: ☒ Julie Johnson, Quality Manager ☒ Sara Williamson, CNO/CQO ☒ Mike Lieb, Interim Superintendent ☒ Shana Garcia, Executive Assistant ☒ Cheryl Cornwell, CFO ☒ Matthew Lindstrom, CFMO ☒ Dr. Kevin McCurry, CMO ☒ Dr. Travis Podbilski, Chief of Staff ☒ Shannon Kelly, CHRO ☒ Julie Taylor, Ancillary Services Director ☐ Nicholas Tyler, Pharmacist ☐ LeeAnn Evans, Inpatient and ED Services Director ☒ Gary Preston, MA PhD CIC FSHEA	Unexcused Absences: LeeAnn Evans & Nicholas Tyler Excused: Secretary Olive		

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	☒ Spencer Hargett, Compliance Officer ☒ Janice Cramer, Medical Staff Coordinator ☒ Lynn Bishop, Community Member ☒ Patti Kehoe, Hospital Development Coordinator, LifeCenter Northwest			
Approval or Amendment of Agenda		Ancillary Services Director Taylor made a motion to approve the agenda and CHRO Kelly seconded. The motion passed unanimously.		
Conflicts of Interest	Commissioner Coppock asked the Committee to state any conflicts of interest with today's agenda.	The Committee noted none.		
Guest Speaker-LifeCenter Northwest-Organ Procurement Annual Report	Patti Kehoe led with thanking the donors and families for their courage and generosity. Patti recognized in 2022 100% of referral calls made timely organ donations, as well as 74% of referral calls made timely tissue donations. Patti noted 250 lives were enhanced thanks to two tissue donors from Arbor Health in 2022, so great news! Clinical education was completed for 2022 and planning for 2023. Patti shared the trends in 2022 match the national trends with the fall off at the beginning and end of each year, typically the busy times. Quality Manager Johnson recommended bringing LifeCenter Northwest to this year's Healthcare Week for community education on purpose and to hopefully bring in more donors for 2023.	Invite LifeCenter Northwest to annual Healthcare Week	Quality Manager Johnson & Marketing/Communication Manager Markham	Prior to 06.14.23 QIO Meeting

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
Committee Reports • Medical Executive Committee (MEC) • QAPI • EOC	Dr. Podbilski noted appointment summary from February. Quality Manager Johnson noted 2022 data collection has concluded and new metrics for 2023 have been established and will be reported next quarter. Quality Manager Johnson acknowledged shoutouts to both Roxann Morris and Kassey Kaston for great staff. CFMO Lindstrom highlighted the revisions to the Legionella Plan now the Water Management Plan post the DOH findings in 2022. CFMO thanked Dr. Preston for his input.			
Consent Agenda • Approval of Minutes	Approval of the following: 1. February 8, 2023, Quality Improvement Oversight (QIO) Committee Meeting	CNO/CQO Williamson made a motion to approve the agenda and Ancillary Services Director Taylor seconded. The motion passed unanimously.		
Old Business • 122822 Action Item Follow Up	Quality Manager Johnson followed up on the no show question which is in the process of being addressed through a no-show policy going into effect sometime in April. This is being monitored closely through Rehabilitation Services PI. The Committee supports this process and hopes it not only encourages patients to attend appointments or give enough lead time to refill appointment slots with other patients trying to get access to services.			
New Business • Lucidoc Document Management	Quality Manager Johnson presented the following documents for approval: 1. Infection Prevention and Control Risk Assessment and Plan-Approved.	Dr. Podbilski made a motion to approve the documents and Commissioner Coppock seconded. The motion passed unanimously.		

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	2. Nursing Services Plan for the Provision of Care and Staffing Guidelines- Approved. 3. Water Management Plan- Approved. 4. Environment of Care Evaluation-Approved. 5. 2023 Environment of Care Master Plan-Present at the June Meeting. 6. 2022 Emergency Preparedness Management Plan Evaluation- Present at the June Meeting 7. 2023 Emergency Preparedness Management Plan- Present at the June Meeting CFMO Lindstrom presented the EOC Evaluation for 2022. Commissioner Coppock questioned how staff can provide feedback in their areas and this occurs during EOC Rounds. CFMO Lindstrom explained to the Committee that during an outage it is not life as normal and life safety and critical equipment are prioritized. The generators handled the outage running at approximately 98% capacity.	Present for approval #5, #6 & #7 at next QIO Meeting.	CFMO Lindstrom	06.14.23 QIO Meeting
• QIO Dashboard	Quality Manager Johnson presented Medical Staff metrics tracking this year. Press Ganey scores dropped, new vendor starting April 1st. Overall improvement in ED and Clinic and receiving better feedback. There are data elements retiring with new and/or revamped ones in starting in 2023. Staffing issues continue in the clinics, along with management changes, so adding standardization has helped and reiterated the importance of standard workflows. Quality Manager Johnson shared the Peer Review program is improving. Received more			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	grievances, but on top of for the month. QMM Report shows more involvement from staff but would like to see more good catches and near misses reported from staff.			
• Regulatory Update	Quality Manager Johnson presented survey result updates. DNV findings will remain on the tracker until there is evidence of compliance to close them out. More detailed review of recent DOH Findings. Commissioner Coppock noted concerns related to discharge process with patient's and feeling lost after leaving appointments. Ancillary Services Director Taylor shared the hospital and clinics are going to be implementing PHREESIA, a digital platform for texting and interacting with patients. Hoping to utilize this service to stay engaged with patients.	Connect with Clinic Managers on patient discharge and how to best service them so they feel informed leaving a visit.	Ancillary Services Director Taylor	06.14.23 QIO Meeting
Meeting Summary & Evaluation	Quality Manager Johnson provided a summary. Commissioner Coppock noted appreciation for everyone's work, it really shows in this committee.			
Adjournment	Commissioner Coppock adjourned the meeting at 7:51 a.m. The motion passed unanimously.			

LEWIS COUNTY HOSPITAL DISTRICT NO. 1
Finance Committee Meeting
March 22, 2023, at 12:00 p.m.
Via Zoom

Mission Statement
To foster trust and nurture a healthy community.

Vision Statement
To provide accessible, quality healthcare.

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
Call to Order Roll Call Unexcused/Excused Absences Reading the Mission & Vision Statements	Commissioner Coppock called the meeting to order via Zoom at 12:00 p.m. Commissioner(s) Present in Person or via Zoom: ☒ Craig Coppock, Commissioner ☒ Wes McMahan, Commissioner Committee Member(s) Present in Person or via Zoom: ☒ Shana Garcia, Executive Assistant ☒ Cheryl Cornwell, CFO ☒ Mike Lieb, Interim Superintendent ☐ Marc Fisher, Community Member ☒ Clint Scogin, Controller ☒ Sherry Sofich, Revenue Cycle Director ☒ Sara Williamson, CNO/CQO ☒ Char Hancock, Clinic Manager ☒ Jamie Brazil, Clinic Manager ☒ Julie Taylor, Ancillary Services Director ☒ Robert Houser, Imaging Manager	Excused Absences: Marc Fisher		
Approval or Amendment of Agenda		Commissioner McMahan made a motion to approve the agenda and Ancillary		

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
		Service Director Taylor seconded. The motion passed unanimously.		
Conflicts of Interest	Commissioner Coppock asked the Committee to state any conflicts of interest with today's agenda. None were noted.			
Consent Agenda	Commissioner Coppock announced the following in consent agenda up for approval: 1. Review of Finance Minutes –February 22, 2023 2. Revenue Cycle Update 3. Board Oversight Activities 4. Financial Statements- February 2023.	Commissioner McMahan made a motion to approve the consent agenda and Interim Superintendent Lieb seconded. The motion passed unanimously.		
Old Business • Financial Department Spotlight- Rapid Care	Clinic Manager Hancock highlighted a year look back since opening the Rapid Care Clinic. It has certainly increased access for patients and the monthly volumes share the same story. Staffing remains a struggle to recruit MA's and Receptionists, so the Morton Clinic Staff have worked overtime to keep the clinic open. The financials ended stronger than budget, so that is great! The Committee believes this clinic is spot on with the mission and right in the middle of service area to meet patient needs.	Discuss at next Regular Board Meeting	Executive Assistant Garcia	03/29/2023
Capital Review • Trophon • Portable X-Ray	CFO Cornwell noted the Arbor Health Foundation has agreed to ultimately pay for the Nanosonic Trophon 2. Bringing this purchase to the committee just as informational as the District is fronting the cost. Imaging Manager Houser noted the current portable x-ray is end of life at 28 years old and no longer serviced in 2023. Planning to buy a refurbished one which includes all warranties. This equipment needs to be replacement to aid to the provider, add efficiency and speeds up process with real time technology for both the MD and Tech. The Arbor Health Foundation has selected the Portable	The Finance Committee supported requesting the Board's approval of a resolution for the purchase of the Portable X-Ray Machine at the Regular Board Meeting.	Executive Assistant Garcia	03/29/2023

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	X-Ray Machine as their Fund-A-Need in 2023. The District will purchase with a lease to preserve cash. The Finance Committee supports the capital purchase Portable X-Ray Machine and will recommend approval at the Board level in Consent Agenda.			
• Cost Report	CFO Cornwell noted no changes to the cost report. The final 2022 annual report is in process.			
New Business • DZA Financial Audit	CFO Cornwell shared the standard letter from DZA and the engagement for the audit. Commissioner Coppock participated in a pre-audit meeting and noted no concerns but great appreciation districts work.			
• Advanced Beneficiary Notice (ABN)	CFO Cornwell shared Revenue Cycle Director Sofich's presentation reviewing the Advanced Beneficiary Notice process. Sherry summarized the pros/cons of pursuing the value of ABN's and the obstacles moving forward. Data included top denials and writes-offs for medical necessity, as well as by financial pay and service location. Interim Superintendent Lieb noted ABN's noted ABN's have been around for 20 plus years, always been a messy process but with identifying basic tools we can prioritize revisiting high dollar services. The Finance Committee recommended pursuing recognizing it is going to take time and hard work completed by the workgroup and workflows. CFO Cornwell recommended providing quarterly updates.			
Meeting Summary & Evaluation	CFO Cornwell highlighted the decisions made and action items that need to be taken to the entire board for approval. Commissioner Coppock complimented the great articles			

AGENDA	DISCUSSION	ACTION	OWNER	DUE DATE
	included in this month's packet. Commissioner McMahan recognized we remain in difficult times in healthcare while providing services to our community. Thank you for going the extra mile, as this is not just a job but a service to the District. Interim Superintendent Lieb echoed the Commissioners' comments and the Staff that work here.			
Adjournment	Commissioner Coppock adjourned the meeting at 12:50 pm.			

Documents Awaiting Board Ratification 03.29.23		
	LCHD No. 1's Policies, Procedures & Plans:	**Departments:**
1	Electronic Signatures	Governing Body
2	Environment of Care Evaluation	Physical Environment (EOC)
3	Environment of Care Master Plan	Physical Environment (EOC)
4	Nursing Services Plan for the Provision of Care and Staffing Guidelines	Nursing Department

In order to access the above documents you will need to log into Lucidoc. Once you have logged into Lucidoc, on the top toolbar click "My Meetings" and select the upcoming Board meeting date that's highlighted in green to see the agenda with documents needing to be approved. You are able to view the documents once in the agenda. If the date is highlighted in yellow that means the agenda has not been released yet.

LEWIS COUNTY HOSPITAL DISTRICT NO. 1
MORTON, WASHINGTON

RESOLUTION APPROVING THE CAPITAL
PURCHASE OF PORTABLE X-RAY MACHINE RESOLUTION NO. 23-07

WHEREAS, the Lewis County Hospital District No. 1 owns and operates Arbor Health, a 25-bed Critical Access Hospital located in Morton, Washington, and;

WHEREAS, the Lewis County Hospital District No. 1 feel that this is worthy,

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of Lewis County Hospital District No. 1 as follows:

Approving the purchase of the Portable X-Ray Machine through GE lease.

The purchase price is $109,349.51 plus a 5% contingency.

ADOPTED and APPROVED by the Commissioners of Lewis County Hospital District No. 1 in an open public meeting thereof held in compliance with the requirements of the Open Public Meetings Act this 29th day of March 2023, the following commissioners being present and voting in favor of this resolution.

_____
Tom Herrin, Board Chair

_____
Kim Olive, Secretary

_____
Wes McMahan, Commissioner

_____
Craig Coppock, Commissioner

_____
Patricia Frady, Commissioner

EQUIPMENT ASSESSMENT REQUEST FORM

SECTION 1 - DEPARTMENT INFORMATION / ITEM REQUESTED

Department Name: Imaging Radiology
Department#: 7140
Manager: Robert Houser
Phone #: 360 496 3527
General Description of Item: Portable X-Ray machine

This is the only service no other quotes available

Reason For Purchase (Choose all that apply): ☐ New ☑ Replacement ☑ End of Life ☑ Quality of Care ☐ Patient Satisfaction ☐ Increase Volume ☑ Other Staff/MD satisfaction

Expected Life of New Equipment in Years: 15 Years

Notes about reason for request, effect on department's operations, effect on other departments, and impact of purchase on revenues or volumes :

Portable XRAY proposal
Situation:
Current Arbor Health portable x-ray unit GE AMX4 CR unit is 28 years old and is end of life 2023. Current system uses CR (computer rendered) vs DR (digital rendered). Most significant, however, is that DR has at least twice (2X) the dose efficiency of CR or traditional film technology and with DR faster film speeds reduce motion repeats up to 30%. Also, to note CMS will require a 10% reduction in rate due to outdated technology. Cost to

Do We Have Any Similar Equipment In The Organization / Which Department? ☐ Yes ☑ No

Can This Equipment Be Utilized By Other Departments? ☐ Yes ☑ No

Were (3) Competitive Quotes Obtained? (Please Attach) ☐ Yes ☑ No - Detail below

2 quotes obtained GE and Shimadzu

Suggested Vendor: GE Medical
PREFERRED MODEL #: GE Goldseal Optima XR240
Name/Contact Of Vendor:
Estimated Price $: $ 109,847.31
Source Of Estimated Price: Quote (attach) □ Other (Explain)

SECTION 2 – DEPARTMENT AND TECHNOLOGY IMPACT

Will this purchase interface with our computer system? ☑ Yes - Detail below ☐ No ☐ Unsure

Facilities Involvement	☐ Yes - Detail below	☑ No	☐ Unsure
Biomed Involvement	☑ Yes - Detail below	☐ No	☐ Unsure
Clinical Informatics Involvement	☐ Yes - Detail below	☐ No	☑ Unsure
Infection Control	☐ Yes - Detail below	☑ No	☐ Unsure
IT Involvement	☐ Yes - Detail below	☐ No	☑ Unsure

Explain and/or quantify any known involvement or expenses in these areas.

Standard Biomed IT will need to imterface with wireless and PACS

SECTION 3 - EQUIPMENT ASSESSMENT TEAM EVALUATION SUMMARY

Assessment Team Members:

PROS	
CONS	
CONSIDERATIONS	
RECOMMENDATIONS	
WARRANTY INFORMATION	

ADDITIONAL ACQUISITION/ PREP COST $

ADDITIONAL PREP/ TRAINING HOURS

COMMENTS	

Base Equipment Price - As Provided	$ 109,847.31	Ongoing/Monthly
Support And Maintenance Costs	$ 1,500.00	Service contract
Additional Cost of Installation Support	$ -	
Total Additional Associated Cost	$ -	
Total Monthly Consumables Cost		
Depreciation		
TOTAL NON- RECURRING EXPENSE	$ 109,847.31	
TOTAL RECURRING EXPENSE	$ 1,500.00	

****** FOR FINANCE DEPARTMENT USE ONLY ******

HOW ARE WE PAYING FOR THIS? GE LEASE

IS THIS BUDGETED ☐ Yes ☑ No

BUDGETED PURCHASE DATE ASAP

TYPE OF EQUIPMENT

☐ Building Improvement ☐ Fixed Equipment ☐ Building ☑ Capital Lease

☐ Major Moveable Equipment ☐ Other - Explain

****** APPROVALS ******

Chief Financial Officer _____ Date

Chief Executive Officer _____ Date

Board of Commissioner Chairperson _____
if > than $30,000 Date

GE Healthcare

February 14, 2023

Lewis County Hospital District No. 1
521 Adams St
Morton, WA 98356-9323

GE Healthcare Financial Services, a component of GE HFS, LLC , ("GEHFS"), is pleased to submit the following proposal.

Lessor: GE HFS, LLC, or one or more of its affiliates and/or assigns

Lessee: Lewis County Hospital District No. 1
521 Adams St
Morton, WA 98356-9323

Equipment Description: GE GoldSeal Optima XR240

Equipment Cost: $109,349.51

Lease Option	Term	Monthly Rental Payment Amount*	Lease Rate	Swap Rate
True Lease (Fair Market Value (FMV))	60 Monthly	$1,944.20	2.57%	3.9836%
Capital Lease ($1 Out)	60 Monthly	$2,145.89	6.62%	3.9836%

*All monthly payments are in arrears and are subject to increase for any and all applicable taxes.

Rates Subject to Change: The above lease rate and rental payment amounts have been calculated based on the Swap Rate (as defined below) and an assumption that, at the time of funding, the Swap Rate will be as shown above. GEHFS reserves the right to adjust the interest rate and payment amounts if this is not the case, and/or the transaction funds after December 31, 2023, and/or for other changes in market conditions as determined by GEHFS in its sole discretion. As used herein, "Swap Rate" means the interest rate for swaps that most closely approximates the initial term of the loan as published by the Intercontinental Exchange (NYSE: ICE) in its Ice Benchmark Administration Report entitled "ICE Swap Rate Historical Rates" currently available online at https://www.theice.com/marketdata/reports/180 and determined by GEHFS by clicking on the USD Rates 1100 in the Series/Run drop down box for the Report Date selected by GEHFS, or as published by such other nationally recognized reporting source or publication as GEHFS may specify.

End of Lease Options: ***True Lease (FMV)***: Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for its then fair market value, plus applicable taxes, or return the Equipment to GEHFS.

Capital Lease ($1 Out): Lessee shall, at its option, either purchase all (but not less than all) of the Equipment for $1.00, plus applicable taxes, renew the lease or return the Equipment to GEHFS.

Advance Rent: $0.00 due with signed contract. In no event shall any advance rent or advance charge or any other rent payments be refunded to Proposed Lessee. The Advance Rent will be applied as described in the lease.

Documentation Fee: A documentation fee of $150.00 will be charged to Proposed Lessee to cover document preparation, document transmittal, credit write-ups, lien searches and lien filing fees. The documentation fee is due upon Proposed Lessee's acceptance of this proposal and is non-refundable. This fee is based on execution of our standard documents substantially in the form submitted by us. In the event significant revisions are made to our documents at your request or at the request of your legal counsel or your landlord or mortgagee or their counsel, the documentation fee will be adjusted accordingly to cover our additional costs and expenses.

Interim Rent:	If the lease commencement date is not the 1st or 15th of any calendar month (a "Payment Date"), interim rent may be assessed for the period between the lease commencement date and the Payment Date.
Required Credit Information:	1. Two years fiscal year end audited/un-audited financial statements and comparative interim statements; or tax returns and business plan. 2. Such additional information as may be required.
Proposal Expiration:	This proposal and all of its terms shall expire on March 16, 2023 if GEHFS has not received Proposed Lessee's signed acceptance hereof by such date. Subject to the preceding sentence, this proposal and all of its terms shall expire on May 15, 2023 if the lease has not commenced by such date.

The summary of proposed terms and conditions set forth in this proposal is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed herein would be subject to future negotiations. Moreover, by signing the proposal, the parties acknowledge that, except for the provisions concerning confidentiality set forth herein: (i) this proposal is not a binding commitment on the part of any person to provide or arrange for financing on the terms and conditions set forth herein or otherwise; (ii) any such commitment on the part of GEHFS would be in a separate written instrument signed by GEHFS following satisfactory completion of GEHFS' due diligence, internal review and approval process (which approvals have not yet been sought or obtained); (iii) this proposal supersedes any and all discussions and understandings, written or oral between or among GEHFS and any other person as to the subject matter hereof; and (iv) GEHFS may, at any level of its approval process, decline any further consideration of the proposed financing and terminate its credit review process. Proposed Lessee hereby acknowledges and agrees that GEHFS reserves the right to syndicate (via a referral, an assignment or a participation) all or a portion of the proposed leasing/financing transaction to one or more banks, leasing or finance companies or financial institutions (a "Financing Party"). In the event GEHFS elects to so syndicate all or a portion of the proposed leasing/financing transaction (whether before or after any credit approval of the proposed leasing/financing transaction by GEHFS) and is unable to affect such syndication on terms satisfactory to Proposed Lessee and/or GEHFS, GEHFS may, in its discretion, decline to enter into, and/or decline any further consideration of, the proposed financing. Proposed Lessee hereby further acknowledges and agrees that, in connection with any such syndication, GEHFS may make available to one or more Financing Parties any and all information provided by or on behalf of Proposed Lessee to GEHFS (including, without limitation, any third party credit report(s) provided to or obtained by GEHFS).

Except as required by law, neither this proposal nor its contents will be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know as a result of being involved in the proposed leasing/financing transaction and then only on the condition that such matters may not be further disclosed. Nothing herein is to be construed as constituting tax, accounting or legal advice by GEHFS to any person.

To the extent permitted by applicable law, you hereby authorize GEHFS to file in any jurisdiction as GEHFS deems necessary any initial Uniform Commercial Code financing statements that identify the Equipment or any other assets subject to the proposed financing described herein. If for any reason the proposed leasing/financing transaction is not approved, upon your satisfaction in full of all obligations to GEHFS, GEHFS will cause the termination of such financing statements. You acknowledge and agree that the execution of this proposal and the filing by GEHFS of such financing statements in no way obligates GEHFS to provide the financing described herein. By signing below, you hereby consent to and authorize GEHFS to perform all background, credit, judgment, lien and other checks and searches as GEHFS deems appropriate in its sole credit judgment.

We look forward to your early review and response. If there are any questions, we would appreciate the opportunity to discuss this proposal in more detail at your earliest convenience. Please do not hesitate to contact me directly at (971) 732-3573.

Sincerely yours,

Craig King

Vice President & Senior Account Manager

GE Healthcare
Healthcare Financial Services,
A component of GE HFS, LLC

Acknowledged and Accepted:

_____
(Legal Name)

By:_____

Title:_____

Date:_____

Fed. ID #:_____

February 14, 2023
Quote Number: **2001835462.5**
Customer ID: **1-23MDVE**
Agreement Expiration Date: **03/31/2023**

Morton General Hospital
521 Adams St
Morton, WA 98356-9323

This Agreement (as defined below) is by and between the Customer and the GE Healthcare business ("GE Healthcare"), each as identified below for the sale and purchase of the Products and/or Services identified in this Quotation, together with any applicable schedules referred to herein ("Quotation"). "Agreement" is this Quotation and either: (i) the Governing Agreement identified below; or (ii) if no Governing Agreement is identified, the GE Healthcare Terms and Conditions and Warranties that apply to the Products and/or Services identified in this Quotation. In the event of conflict, the Quotation supersedes.

GE Healthcare can withdraw this Quotation at any time before Customer: (i) signs and returns this Quotation or (ii) provides evidence of Quotation acceptance satisfactory to GE Healthcare ("Quotation Acceptance"). On Quotation Acceptance, this Agreement is the complete and final agreement of the parties relating to the Products and/or Services identified in this Quotation. There is no reliance on any terms other than those expressly stated or incorporated by reference in this Agreement and, except as permitted in this Agreement, no attempt to modify will be binding unless agreed to in writing by the parties. Modifications may result in additional fees and cannot be made without GE Healthcare's prior written consent.

Handwritten or electronic modifications on this Agreement (except an indication of the form of payment, Customer purchase order number and signatures on the signature blocks below) are void.

Governing Agreement:	Providence Health MPA PHS0625
Terms of Delivery	FOB Destination
Billing Terms	80% delivery or Shipment / 20% Acceptance or Installation
Payment Terms	Net Due in 45 Days
Total Quote Net Selling Price	$109,349.51
Sales and Use Tax Exemption	No Certificate on File

IMPORTANT CUSTOMER ACTIONS:

Please select your planned source of funds. Source of funds is assumed to be cash unless you choose another option. Once equipment has been shipped, source of funds changes cannot be allowed.

___ Cash

___ GE HFS Loan ___ GE HFS Lease

___ Other Financing Loan ___ Other Financing Lease Provide Finance Company Name _____

The parties have caused this Agreement to be executed by their authorized representative as of the last signature date below.

Morton General Hospital

Signature: _____

Print Name: _____

Title: _____

Date: _____

_____
Purchase Order Number, if applicable

GE Precision Healthcare LLC, a GE Healthcare business

Signature: Kemala Thompson-Knott

Title: Account Manager - VASO Mfr Rep

Date: February 14, 2023

February 14, 2023
Quote Number: **2001835462.5**
Customer ID: **1-23MDVE**
Agreement Expiration Date: **03/31/2023**

To Accept This Quotation

Please sign and return this quotation together with your Purchase Order to:

Name: Kemala Thompson-Knott
Email kemala.thompson-knott@ge.com
Phone: 206.637.2739
Fax:

Name: Michael Bognar
Email: michael.bognar@ge.com
Phone: +1 414-721-3970
Fax:

Payment Instructions

Please **remit** payment for invoices associated with this quotation to:

GE Precision Healthcare LLC
P.O. Box 96483
Chicago, IL 60693

FEIN: 83-0849145

Morton General Hospital **Addresses:**

Bill To:	MORTON GENERAL HOSPITAL	MORTON GENERAL HOSPITAL, ACCOUNTS PAYABLE PO BOX 1138 MORTON WA, 98356-0019
Ship To:	MORTON GENERAL HOSPITAL	MORTON GENERAL HOSPITAL 521 ADAMS ST MORTON WA,98356-9323

To Accept This Quotation

- Please sign the quote and any included attachments (where requested).
- If requested, please indicate your form of payment.
- If you include a purchase order, please make sure it references the following information:
  - The correct Quote number and Version number above
  - The correct Remit To information as indicated in **"Payment Instructions"** above
  - Your correct SHIP TO and BILL TO site name and address
  - The correct Total Price as indicated above

Upon submission of a purchase order in response to this quotation, GE Healthcare requests the following to evidence agreement to contract terms: Signature page on quote filled out with signature and P.O. number **** OR**** Verbiage on the purchase order must state one of the following:

(i)Per the terms of Quotation # _____, (ii) Per the terms of GPO #_____; (iii) Per the terms of MPA# _____: or (iv) Per the terms of SAA # _____.

Include applicable quote/agreement number with the reference on the purchase order. In addition, Source of Funds (choice of Cash/Third Party Load or GE HFS Lease Loan or Third Party Lease through _____), must be indicated, which may be done on the Quote Signature Page (for signed quotes), or the Purchase Order (where quotes are not signed) or via a separate written source of funds statement (if provided by GE Healthcare)."

Catalog Item Details

Line	Qty.	Catalog	
1	**1.00**	**S9502SC**	**GoldSeal Optima XR240 Gen 2 Sys Only With Dap Meter**

GoldSeal* Optima XR240amx Digital Mobile Radiographic system (Generation 2 - Standard Column)

The GoldSeal* Optima XR240amx is a pre-owned refurbished self-contained; battery operated mobile radiographic imaging system designed to generate diagnostic radiographic images (medical x-rays). The Optima XR240amx system is indicated for use on adult and pediatric patients for general-purpose diagnostic radiographic examinations and procedures. Its mobility enables general-purpose radiographic procedures throughout the clinical environment, or as needed within the emergency, intensive care, premature birth ward, cardiac and operating departments, for patients that may not be able to be moved or in cases where it is unsafe or impractical to move them to a traditional RAD room.

KEY FEATURES:
Helix* - Advanced Image Processing, QuickCharge, QuickShare, QuickConnect, QuickEnhance, QAP (Quality Assurance Procedure), Dose Area Product Meter (DAP), Optimized Graphical User Interface

• 30kW (nominal) generator
• 4.5 hours to go from 0% to 100% for system battery charge
• System can be driven within 4 seconds of activation
• Wireless Digital Detector (Not included, must be ordered separately)
Single panel (non-tiled) amorphous silicon FlashPad HD detector with a directly deposited cesium iodide scintillator; Pixel pitch 100 microns; Typical DQE @ 0lp/mm: 75%
• System Weight: Weight is 445 kg (980 lbs.) max
• X-ray Source; Nominal tube voltage (Radiographic) 40 ~ 150 kV
• Power: Capable of 100-240 V nominal, 50/60 Hz operation; System battery status display
• Battery operated system can perform up to 50 exams (100 X-ray exposures over approximately 6 hours) without being plugged into a power outlet (Refer to Operator Manual for details)

Includes a DAP Meter,Technical Publications and required labels.
THIS IS A ZERO DETECTOR SYSTEM - DETECTOR MUST BE ORDERED SEPERATELY.
The warranty for this system including x-ray tube is 1 year from equipment acceptance, (excludes wireless detector). All other warranty terms limitations and exceptions, including information on detector coverage are identified in the GE Healthcare Warranty Statement. These remain in full force and effect.
Availability
Since GoldSeal* Preowned Equipment may be offered simultaneously to several customers its sale to you is subject to availability and subject to prior sale at the time you offer to purchase it. If the equipment is no longer available, (1) we will attempt to identify other Gold Seal* preowned equipment in our inventory that meets your needs, and (2) if substitute equipment is not acceptable to you, we will cancel your order and refund any deposit you have paid us for the canceled order.

*Trademark of General Electric Company.

Line	Qty.	Catalog	
2	**1.00**	**S3001DM**	**FlashPad HD 3543 Wireless Integrated Digital Detector - 35x43 cm (14x17 in)**

Four times the information with exceptional dose efficiency
The ultra-high definition and dose efficiency of FlashPad™ HD detectors allow visualization of extraordinary anatomical detail at low dose where it matters most even for your most challenging patients. 100 micron detectors pack four times more pixels per area than the original FlashPad for sharp x-ray images.
- 100 microns pixel pitch
- Imaging Area:
  - 4288x4288 pixels for FlashPad HD 4343
  - 3524x4288 pixels for FlashPad HD 3543
  - 2508x3004 pixels for FlashPad HD 2530
- Removable, rechargeable battery
- 802.11 n 5 GHz link between the system and detector with three internal antennae for the fastest image wireless transfer
- Includes QAP (Quality Assurance Procedure) with all necessary hardware and software

Line	Qty.	Catalog	
3	**1.00**	**S3003DE**	**Detector Handle with Integrated Grid for FlashPad HD 3543 Detector – 6:1 Grid**

FlashPad HD 3543 attachable and removable detector handle assembly with integrated 6:1 ratio grid for added ergonomics.

Line	Qty.	Catalog	
4	**1.00**	**S3000GM**	**Detector Grip Sticker for FlashPad HD 3543**

This Grip Sticker is applied to the back of the detector and provides additional texture to the surface for improved handling.

Line	Qty.	Catalog	
5	**1.00**	**S3003DX**	**Weight Bearing Cover for FlashPad HD 3543 Detector**

The Weight Bearing Cover protects the FlashPad HD 3543 detector during weight-bearing exams. The cover allows a 590 kg (1300 lb) load applied over a 25 cm (9.75 in)
The Weight Bearing Cover protects the FlashPad HD 3543 detector during weight-bearing exams. The cover allows a 590 kg (1300 lb) load applied over a 25 cm (9.75 in)

Line	Qty.	Catalog	
6	**1.00**	**S3003CJ**	**Critical Care Suite 2.0 (US), New User on AMX 240**

Critical Care Suite is a suite of AI algorithms for the automated image analysis of frontal chest X-rays acquired on a digital x-ray system for the presence of critical findings, quality checks and/or measurements.

When Critical Care Suite includes the Pneumothorax algorithm, it produces an onscreen
Notification and an image flag to enable case prioritization and triage of critical findings (pneumothorax). This information is also transmitted to the radiologist for review

When Critical Care Suite includes the Endotracheal Tube algorithm, it produces an on-screen image overlay that detects and localizes an endotracheal tube, locates the endotracheal tube tip, locates the carina, and automatically calculates the vertical distance between the endotracheal tube tip and carina. This information is also transmitted to the radiologist for review.

Critical Care Suite comes embedded with three algorithms, coined Quality Care Suite, which provide on-device quality & efficiency benefits for X-ray acquisition. The three algorithms within Quality Care Suite are:
- Intelligent Protocol Check confirms agreement between the selected protocol and the acquitted image for frontal chest X-rays.
- Intelligent Field of View detects whether the lung field is complete in a frontal chest X-ray.
- Intelligent Auto Rotate determines the rotation angle of a chest image and automatically rotates the image upright for proper display.

Intended users include the clinical care team and radiologist.

Critical Care Suite should not be used in-lieu of full patient evaluation or solely relied upon to make or confirm a diagnosis. It is not intended to replace the review of the X-ray image by a qualified physician. Critical Care Suite is indicated for adult-size patients.

GEHC may collect, prepare derivatives from and use non-PHI data related to Products, Services and/or SaaS for such things as training/demonstration, research and development, and continuous product involvement.

GEHC will own the property rights resulting from such activity, but will not sell the data or use it to identify Customer without consent.

Line	Qty.	Catalog

7	**1.00**	**S3003DB**	**Secondary Monitor Option**

High resolution monitor with flexible positioning for maximized visibility

The secondary monitor is a touchscreen display which allows other operators or users in the vicinity to view and interact with the system. The secondary monitor mirrors the top cover in display as well as functionality and is not intended to be used for diagnostic purposes.

Benefits:
- Brighter capacitive touchscreen display.
- Easy to clean and disinfect.
- Allows for quick, easy system interaction, useful in surgery and other clinical settings.
- Monitor is maneuverable and can be adjusted suited to different viewing angles.

Line	Qty.	Catalog	
8	**1.00**	**S3003DL**	**Dose Structured Reporting**

Export dosage information using DICOM defined objects

Radiation Dose Structured Reporting (RDSR) is a reporting feature that generates an exportable report for each exam providing patient dose data and exported using DICOM defined objects with valuable information about patient and the exam (Patient Information; Study UID; Accumulated DAP / Dose; EI, Target EI, DI; Image Specific Technique Parameters; Basic Acquisition Equipment Information)

Benefits:
- Essential feature for facilities looking for help meeting ALARA goals.
- Helps staff track overall dose administered in their facility.
- Helps focus on dosage-specific training.
- Data exported through secure DICOM interface for each exam.

Line	Qty.	Catalog	
9	**1.00**	**S2000RL**	**Auto Protocol Assist**

Procedure code and protocol pairing for faster workflow and exam completion

The optional Auto Protocol Assist (APA) software matches procedure codes from Master Workflow list to select anatomy technique and automatically applies the appropriates kVp and mAs values for the exam. When a patient is selected from the worklist, the system automatically recognizes the type of exam and displays the appropriate protocol.

Benefits:
- Saves time with one-step exam setup
- Can potentially reduce user errors
- Streamlines patient throughput
- APA Codes can be easily backed-up and restored for upgrades and sharing between systems

Line	Qty.	Catalog	
10	**1.00**	**S2000RS**	**Repeat/Reject Analysis**

Classify and Analyze Repeated/Rejected exposures. The optional Repeat-Reject Analysis tool allows classification and analysis of Repeated /Rejected exposures on the system.

Benefits:
- Helps in improving technologist efficiency
- Helps drive quality control and training programs for technologists
- Helps in dose reduction and meeting ALARA guidelines
- Helps achieve better fleet management and patient management

Line	Qty.	Catalog	
11	**1.00**	**S3003DJ**	**AutoGrid**

Achieve equivalent image contrast to a physical grid

AutoGrid is an optional image processing software. It can be used in lieu of a physical anti-scatter grid to improve image contrast in general radiographic images by reducing the effects of scatter radiation. The software can be configured at three global strength options (Low, Medium, and High). The strength indicates the amount of scatter reduction that will occur during image processing. The Low strength corresponds to the amount of scatter reduction that would occur through using a 6:1 ratio grid, Medium 8:1 ratio grid, and High 12:1 ratio grid.

Benefits:
- 3 global strengths (Low = 6:1; Medium = 8:1; High = 12:1)
- Automatically applied based on protocol selected
- Auto disables when physical grid applied
- Added image contrast vs. physical grids
- Helps in timesaving in workflow prep and setup
- Less weight with singular component

Line	Qty.	Catalog	
12	**1.00**	**S3003DS**	**Quick Enhance**

QuickEnhance is a 1-touch image reprocessing software application that applies another predefined image processing look as assigned in the IP Looks editor tool. This can be either a Factory or Custom IP Look.

Benefits:
- Utilizes GE's Helix™ image processing for high quality image output.
- One-touch application
- Easy access via the Quick Tool Bar
- Pre-built custom factory looks.
- Anatomy-specific reprocessing helps in better visualization of metal implants.
- Versatile and Customizable.

Line	Qty.	Catalog	
13	**1.00**	**W0302XR**	**TIP RAD – Mobile System Training Program**

This training program is designed for customers purchasing a GEHC AMX mobile system. GEHC will work with the designated Customer contact to agree upon a reasonable training schedule for a pre-defined group of core technologists (generally up to 5 technologists) that will leverage blended content delivery and may include a combination of onsite days and virtual offerings, to include the GEHC Answerline, and available on-demand courses ("Virtual Inclusions"). This blended curriculum with multiple delivery platforms promotes learner retention and allows for an efficient and effective skill development.
This program may contain:
Onsite training (generally 3 days)
- Virtual Inclusions may include:
- Remote instructor-led training: Instructor leads a remote training session one-on-one or in a group, typically for 1 hour
- Answerline Support-Access to GEHC experts for clinical, non-emergency applications assistance via phone or by using the iLinq button on the imaging console
- On Demand courses-On healthcare learning system. Self-paced courses and webinars (CE and non-CE).

Training will be delivered at a mutually agreed upon time between the customer and GE Healthcare (excluding GE Healthcare holidays and weekends), are subject to availability and generally will not exceed 6 days. This training program has a term of twelve (12) months commencing on Acceptance, where all onsite training must be scheduled and completed within twelve (12) months of Acceptance, and all Virtual Inclusions also expire at the end of such twelve (12) month period. Additional onsite days may be available for purchase separately.
All GEHC "Training" terms and conditions apply. Given the unique nature of this program, if this program is purchased as part of a purchase under a Governing Agreement, including any Master Purchase Agreement, Group Purchasing Organization Agreement, or Strategic Alliance Agreement, this program shall take precedence over any conflicting training deliverables set forth therein.

Total Quote Subtotal:	**$109,349.51**
Total Quote Net Selling Price:	***$109,349.51***

If applicable, for more information on this devices' operating system, please visit GE Healthcare's product security portal at:
https://securityupdate.gehealthcare.com/en/products

Optional Items

Please initial the Catalogs you wish to purchase

Catalog Number	Qty.	Description	Net Price	Initial
S3001DK	**1.00**	**FlashPad HD 2530 Wireless Integrated Digital Detector - 25x30 cm (10x12 in)** Four times the information with exceptional dose efficiency The ultra-high definition and dose efficiency of FlashPad™ HD detectors allow visualization of extraordinary anatomical detail at low dose where it matters most even for your most challenging patients. 100 micron detectors pack four times more pixels per area than the original FlashPad for sharp x-ray images. • 100 microns pixel pitch • Imaging Area: • 4288x4288 pixels for FlashPad HD 4343 • 3524x4288 pixels for FlashPad HD 3543 • 2508x3004 pixels for FlashPad HD 2530 • Removable, rechargeable battery • 802.11 n 5 GHz link between the system and detector with three internal antennae for the fastest image wireless transfer • Includes QAP (Quality Assurance Procedure) with all necessary hardware and software	**$46,550.00**	_____

Catalog Number	Qty.	Description	Net Price	Initial
S3000DP	**1.00**	**Clip-on Grid 6:1 for FlashPad HD 2530** Optional FlashPad HD 2530 Clip-on grid with a 6:1 aspect ratio for use when the detector is used outside the wall stand or table. Main specifications: • Keyed for proper alignment and attachment • Aspect ratio: 6:1 with horizontal orientation • Line density: 70 lp/cm • Focal distance: 130 cm • Focal range: 100-180 cm • Grid assembly weight: 0.64 Kg (1.40 lbs.)	**$1,470.00**	_____

Catalog Number	Qty.	Description	Net Price	Initial
S3000GK	**1.00**	**Detector Grip Sticker for FlashPad HD 2530** This Grip Sticker is applied to the back of the detector and provides additional texture to the surface for improved handling.	**$0.00**	_____

Catalog Number	Qty.	Description	Net Price	Initial
S3003DC	**1.00**	**RFID Badge Reader** Easy one-tap user login and logout capability	**$2,107.00**	_____

RFID Badge reader provides ease of use for technologists to login or logout of the system through a simple, one-tap of the badge on the badge reader.

Benefits:
- Ability to login and logout through one-tap of the RFID badge
- Unlocks/locks the drive with successful login/logout
- 90% time savings in login/logout vs. using keyboard
- Ability to leverage existing employee badges & security initiatives
- Provides better cybersecurity with RFID badge access to the system

Catalog Number	Qty.	Description	Net Price	Initial
S2000PJ	**1.00**	**Barcode Reader** Bluetooth Bar Code Reader	**$2,327.50**	_____

Catalog Number	Qty.	Description	Net Price	Initial
E06731BL	**1.00**	**Mobile Lateral Detector Holder**	**$6,400.00**	_____

GPO Agreement Reference Information

Customer:	Morton General Hospital
Contract Number:	Providence Health MPA PHS0625
Billing Terms:	80% delivery or Shipment / 20% Acceptance or Installation
Payment Terms:	Net Due in 45 Days
Shipping Terms	FOB DESTINATION

Offer subject to the Terms and Conditions of the applicable Group Purchasing Agreements currently in effect between GE Healthcare and Providence Health MPA PHS0625

If applicable, for more information on this devices' operating system, please visit GE Healthcare's product security portal at:
https://securityupdate.gehealthcare.com/en/products

1. Definitions. As identified in this Agreement, "Equipment" is hardware and embedded software that is licensed with the purchase of the hardware delivered to Customer in GE Healthcare's packaging and with its labeling; "Software" is software developed by GE Healthcare and/or delivered to Customer in GE Healthcare's packaging and with its labeling, and Documentation associated with the software; "Third Party Software" and "Third Party Equipment" are respectively software developed by a third party, and hardware and embedded software that is licensed with the purchase of the hardware, that is delivered to Customer in the third party's packaging and with its labeling (collectively, "Third Party Product"); "Product" is Equipment, Software and Third Party Product; "Services" are Product support or professional services; "Subscription" is a limited-term, non-transferable license to access and use a Product (except Healthcare Digital Products), including any associated support Services; "Healthcare Digital Products" are: (i) Software identified in the Quotation as "Centricity"; (ii) Third Party Software licensed for use in connection with Centricity Software; (iii) hardware used to operate Centricity or Third Party Software; (iv) Services provided for implementation, installation or support and maintenance of Centricity or Third Party Software licensed for use in connection with Centricity Software; and/or (v) any Product or Service that is identified in a Healthcare Digital Quotation. "Specifications" are GE Healthcare's written specifications and manuals as of the date the Equipment shipped; and "Documentation" is the online help functions, user instructions and manuals regarding the installation and operation of the Product as made available by GE Healthcare to Customer.

2. Term and Termination. Software licenses, Services and/or Subscriptions will have individual term lengths identified in the Quotation. If there is a material breach of this Agreement and/or the Quotation that is not cured by the breaching party within 60 days from receipt of written notice, the non-breaching party can terminate the respective Agreement or Quotation. Other than as set forth in this Agreement, neither party can unilaterally terminate this Agreement or a Quotation. Any remaining undisputed, unpaid fees become immediately due and payable on expiration or termination. Expiration or termination of this Agreement will have no effect on Quotations executed prior to the date of expiration or termination.

3. Software License. Other than as identified in a Quotation, GE Healthcare grants Customer a non-exclusive, non-transferable, non-sublicensable, perpetual license to use the Software for Customer's internal business purposes only in the United States consistent with the terms of this Agreement. Customer's independent contractors (except GE Healthcare competitors) may use the Software, but Customer is responsible for their compliance with this license, and additional license fees may apply. Customer cannot modify, reverse engineer, copy or create derivative works of the Software, except for making 1 backup copy, and cannot remove or modify labels or notices of proprietary rights of the Software or Documentation. If GE Healthcare provides Third Party Software, Customer will comply with third party license terms, and licensors are third-party beneficiaries of this Agreement.

4. Commercial Logistics

4.1 Order Cancellation and Modifications.

4.1.1 Cancellation. If Customer cancels an order prior to shipment without GE Healthcare's written consent, Customer will be responsible for all third-party expenses incurred by GE Healthcare prior to Customer's order cancellation and GE Healthcare may charge: (i) a fee of up to 10% of the Product price; and (ii) a fee for site evaluations performed prior to cancellation. GE Healthcare will retain, as a credit, payments received up to the amount of the cancellation charge. Customer must pay applicable progress payments (other than final payment) prior to final calibration, and GE Healthcare may delay calibration until those payments are received. If Customer does not schedule a delivery date within 6 months after order entry, GE Healthcare may cancel on written notice. This Section does not apply to Software or Subscriptions, Third Party Products and/or related professional or installation services; those orders are non-cancellable.

4.1.2 Used Equipment. Equipment identified as pre-owned, refurbished, remanufactured or demonstration Equipment is not new and may have received reconditioning to meet Specifications ("Used Equipment"). Sale of Used Equipment is subject to availability. If it is no longer available, GE Healthcare will attempt to identify other Used Equipment in its inventory that meets Customer's needs, and if substitute Used Equipment is not acceptable, GE Healthcare will cancel the order and refund any deposit Customer paid for the Used Equipment.

4.2 Site Preparation. Customer is responsible for network and site preparation, including costs, in compliance with GE Healthcare's written requirements and applicable laws. GE Healthcare may refuse to deliver or install if the site has not been properly prepared or there are other impediments.

4.3 Transportation, Title and Risk of Loss. Unless otherwise identified in the Quotation, shipping terms are FOB Destination. Title and risk of loss to Equipment and Third-Party Equipment passes to Customer on delivery to Customer's designated delivery location.

4.4 Delivery, Returns and Installation. Delivery dates are approximate. Products may be delivered in installments. GE Healthcare may invoice multiple installment deliveries on a consolidated basis, but this does not release Customer's obligation to pay for each installment delivery. Delivery occurs: (i) for Product, on electronic or physical delivery to Customer; and (ii) for Services, on performance.

Products cannot be returned for refund or credit if they match the Quotation.

Delivery and installations will be performed from 8am to 5pm local time, Monday-Friday, excluding GE Healthcare holidays, and outside those hours for an additional fee. Customer will: (i) install cable and assemble products not provided by GE Healthcare; (ii) enable connectivity and

interoperability with products not provided by GE Healthcare; (iii) pay for construction and rigging costs; and (iv) obtain all licenses, permits and approvals for installation, use and disposal of Products. For upgrades and revisions to non-Healthcare Digital Products, Customer must return replaced components to GE Healthcare at no charge.

4.5 Information Technology Professional Services ("ITPS"). ITPS must be completed within 12 months of the later of the ITPS order date or Product delivery. If not done within this time period, other than because of GE Healthcare's failure to perform, ITPS performance obligations expire without refund. ITPS includes project management, HL7/HIS system integration, database conversion, network design and integration and separately cataloged software installations. This Section does not apply to Healthcare Digital Products.

4.6 Acceptance.

4.6.1 Equipment Acceptance. Beginning on completion of installation (not to exceed 30 days from shipment) or delivery (if installation is not required), Customer will have 5 days to determine if the Equipment operates substantially in accordance with Specifications ("Equipment Test Period"). If the Equipment fails to perform accordingly, Customer will provide to GE Healthcare: (i) written notice; (ii) access to the Equipment; and (iii) a reasonable time to bring the Equipment into compliance. After correction by GE Healthcare, Customer will have the remainder of the Equipment Test Period or 3 days, whichever is greater, to continue testing. Equipment is accepted on the earlier of expiration of the Equipment Test Period or the date the Equipment is first used for non-acceptance testing purposes.

4.6.2 Software Acceptance. Beginning on completion of Software implementation, Customer will have 30 days to determine if the Software operates substantially in accordance with the Documentation ("Software Test Period"). If the Software fails to perform accordingly, Customer will provide to GE Healthcare: (i) written notice; (ii) access to the Software; and (iii) a reasonable time to bring the Software into compliance. After correction by GE Healthcare, Customer will have the remainder of the Software Test Period or 5 days, whichever is greater, to continue testing. Software is accepted on the first to occur of: (a) expiration of the Software Test Period; (b) the date Software is first used to process actual data; or (c) the "Go-Live Date" as defined in the Quotation.

4.6.3 Third Party Product Acceptance. Third Party Products are accepted 5 days after delivery.

4.6.4 Subscription Acceptance. Products provided pursuant to a Subscription are accepted 5 days after GE Healthcare provides Customer access to the Products.

4.7 Third Party Products and Services. If GE Healthcare provides Third Party Products and/or Services, then (i) GE Healthcare is acquiring them on Customer's behalf as its agent and not as a supplier; (ii) GE Healthcare provides no warranties or indemnification, express or implied; and (iii) Customer is responsible for all claims resulting from or related to their acquisition or use.

4.8 Mobile Equipment. GE Healthcare will assemble Equipment it has approved for mobile use at the vehicle location identified by Customer. Customer will comply with the vehicle manufacturer's planning requirements and arrange for delivery of the vehicle. Equipment placed in a mobile environment must be used for medical, billing, or other non-entertainment use by bona fide medical professionals authorized to use and prescribe such use.

4.9 Audit. GE Healthcare may audit Customer's use of Software, Subscription and Healthcare Digital Products to verify Customer's compliance with this Agreement up to 12 months following termination or expiration of the applicable Quotation. Customer will provide reasonable assistance and unrestricted access to the information. Customer must pay underpaid or unpaid fees discovered during the audit, and GE Healthcare's reasonable audit costs, within 30 days of written notification of the amounts owed. If Customer does not pay, or the audit reveals that Customer is not in compliance, GE Healthcare may terminate Customer's Software license, Subscription or use of the Healthcare Digital Product.

4.10 Product Inflation. For GE Healthcare imaging Products only (to exclude ultrasound and life care solutions Products), due to the potential long cycle time from Product order to Product delivery, GE Healthcare may increase Product Total Quote Net Selling Price by an amount equal to the increase in the U.S. Bureau of Labor Statistics Consumer Price Index ("CPI") from the date of Product order to the date of notice prior to Product delivery, by providing at least 4 weeks prior notice from the requested delivery date.

5. Security Interest and Payment.

5.1 Security Interest. Customer grants GE Healthcare a purchase money security interest in all Products in the Quotation until full payment is received, and Customer will perform all acts and execute all documents necessary to perfect GE Healthcare's security interest.

5.2 Failure to Pay. If, after Product delivery, Customer is more than 45 days past due on undisputed payments, GE Healthcare may, on 10 days' prior written notice, disable and/or remove the Products.

5.3 Lease. If Customer leases a Product, Customer continues to be responsible for payment obligations under this Agreement.

6. **Trade-In Equipment.** Trade-in equipment identified in a Quotation will be subject to separate trade-in terms and conditions.

7. **Subscriptions**. The following terms apply to all Subscriptions (excluding Healthcare Digital Products).

7.1 Commencement. Unless otherwise indicated in this Agreement or the Quotation, the Subscription commences on the date GE Healthcare provides Customer access to the Products.

7.2 Renewal / Non-Renewal. The Subscription term renews automatically for the same duration as the initial term of the Subscription unless otherwise identified in the Quotation. Except as otherwise identified in this Agreement or a Quotation, GE Healthcare may increase prices annually by no more than the Consumer Price Index for All Urban Consumers (U.S. City Average, December to December) plus 2%, upon 90 days' prior written notice. Subscriptions are not cancellable; however, either party may opt to not renew the Subscription after the initial Subscription term or any subsequent renewal term by providing at least 60 days' prior written notice to the other party prior to renewal.

7.3 Subscription Equipment. Title to Equipment and Third-Party Equipment provided via Subscription ("Subscription Equipment") remains with GE Healthcare. Customer will not place, or permit the placement of, liens, security interests, or other encumbrances on Subscription Equipment. Customer shall not repair or service Subscription Equipment, or allow others to do so, without the prior written consent of GE Healthcare.

7.4 Support Services. Unless otherwise noted in the Quotation, GE Healthcare will provide support Services as described in the Subscription Products and ViewPoint Software Maintenance Terms and Conditions.

7.5 Upgrades. Included in the Subscription fees if Customer does not owe any undisputed payments, GE Healthcare will provide upgrades if and when they become available and to the extent they are provided to all GE Healthcare customers with a Subscription for the Products, at mutually agreed upon delivery and installation dates. Upgrades do not include: (i) any optional or separately licensable features; (ii) any Products not covered by the Subscription; or (iii) any virtual environment required to host an upgraded Product. GE Healthcare shall have no obligation to provide upgrades if Products are not maintained within the current major release version or the immediately prior major release version.

7.6 Access Controls. Customer must: (i) ensure users maintain individually-assigned confidential user credentials and control mechanisms to access the Subscription; and (ii) take reasonable steps to prevent unauthorized access to Products.

7.7 Post-Termination. Upon termination or expiration of the Subscription: (i) Customer must immediately discontinue use of the Products and return Subscription Equipment to GE Healthcare in proper operating condition; (ii) Customer must destroy its copies of Software and Documentation; (iii) Customer must remove its data from Subscription Equipment; (iv) GE Healthcare is not responsible for and may destroy Customer-provided information, images or data; and (v) GE Healthcare will remove Customer's access.

7.8 Professional Services. For Services not covered under this Agreement or required due to Customer not meeting its responsibilities under the Agreement, applicable additional professional Services and fees will be required: (i) identified in the Quotation; and (ii) subject to GE Healthcare's then-current pricing.

8. General Terms.

8.1. Confidentiality. Each party will treat this Agreement and the other party's proprietary information as confidential, meaning it will not use or disclose the information to third parties unless permitted in this Agreement or required by law. Customers are not prohibited from discussing patient safety issues in appropriate venues.

8.2. Governing Law. The law of the state where the Product is installed, Service is provided, or Subscription is accessed will govern this Agreement.

8.3. Force Majeure. Performance time for non-monetary obligations will be reasonably extended for delays beyond a party's control.

8.4. Assignment; Use of Subcontractors. Neither party may assign this Agreement or any rights, interests or obligations provided by this Agreement without the prior written consent of the other party; provided, however, that either party may assign this Agreement and any or all rights and obligations under this Agreement to any of its affiliates upon prior written notice to the other party; provided, further, that no such assignment shall release either party from any liability under this Agreement. Notwithstanding anything to the contrary in this Agreement, GE Healthcare may assign this Agreement and all of its rights, interests and obligations under this Agreement to a GE Healthcare Subsidiary (as defined below), subject to the GE Healthcare Subsidiary agreeing to be bound by all of the terms and conditions of this Agreement and assuming all of the rights, interests and obligations of GE Healthcare under this Agreement. Immediately upon such assignment and assumption, automatically and without the requirement of any further action by any person or entity, (i) all references in this Agreement to GE Healthcare shall instead apply to GE Healthcare Subsidiary unless the context otherwise requires and (ii) GE Healthcare shall be unconditionally and irrevocably released and discharged from any and all liabilities and obligations under or in connection with this Agreement. ""GE Healthcare Subsidiary" means a majority owned direct or indirect subsidiary of GE Healthcare Parent. "GE Healthcare Parent" means an entity that (A) has at the time of such assignment and assumption (or concurrently therewith) an investment-grade unsecured corporate credit rating issued by each of Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (or any successor thereto), and Moody's Investors Service, Inc. (or any successor thereto), and (B) has succeeded to ownership, directly or indirectly, of substantially all of the assets formerly owned by the GE Healthcare business of the General Electric group of companies. Notwithstanding anything to the contrary in this Agreement, in the event of any change of direct or indirect ownership of GE Healthcare in connection with the previously-announced separation of the General Electric group of companies, regardless of the form such separation takes, the other party hereby acknowledges and consents to the change of ownership of GE Healthcare as part of such separation. GE Healthcare may hire subcontractors to perform work under this Agreement but will remain responsible for its obligations.

8.5. Waiver; Survival. If any provision of this Agreement is not enforced, it is not a waiver of that provision or of a party's right to later enforce it. Terms in this Agreement related to intellectual property, compliance, data rights and terms that by their nature are intended to survive will survive the Agreement's expiration or termination.

8.6. Intellectual Property. GE Healthcare owns all rights to the intellectual property in GE Healthcare's Products, Services, Documentation, Specifications, and statements of work related to a Quotation or otherwise. Customer may provide GE Healthcare with feedback related to Products, Services, and related Documentation, and GE Healthcare may use it in an unrestricted manner.

9. Compliance.

9.1. Generally. Each party will comply with applicable laws and regulations. Customer is only purchasing or licensing Products for its own medical, billing and/or non-entertainment use in the United States, or for the purposes of renting or leasing the Products for medical, billing and/or non-entertainment purposes through a mobile system or modular building where Customer maintains title to the Products GE Healthcare will not deliver, install, service or train if it discovers Products have been or are intended to be used contrary to this Agreement. This Agreement is subject to GE Healthcare's ongoing credit review and approval. Customer is aware of its legal obligations for cost reporting, including 42 C.F.R. § 1001.952(g) and (h), and will request from GE Healthcare any information beyond the invoice needed to fulfill Customer's cost reporting obligations. GE Healthcare will provide safety-related updates for Equipment and Software required by applicable laws and regulations at no additional charge.

9.2. Security. GE Healthcare is not responsible for: (i) Customer's passwords or password management (ii) securing Customer's network; (iii) preventing unauthorized access to Customer's network or the Product; (iv) backup management; (v) data integrity; (vi) recovery of lost, corrupted or damaged data, images, software or equipment; (vii) third party operating systems, unless specifically provided in the Quotation; or (viii) providing or validating antivirus or related IT safeguards unless sold to Customer by GE Healthcare. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR DAMAGES CAUSED BY UNAUTHORIZED ACCESS TO THE NETWORK OR PRODUCTS REGARDLESS OF A PARTY'S COMPLIANT SECURITY MEASURES.

9.3. Environmental Health and Safety ("EHS"). GE Healthcare personnel may stop work without penalty due to safety concerns. Customer must: (i) comply with GE Healthcare's EHS requirements; (ii) provide a safe environment for GE Healthcare personnel; (iii) tell GE Healthcare about chemicals or hazardous materials that might come in contact with Products or GE Healthcare personnel; (iv) perform decommissioning or disposal at Customer facilities; (v) obtain and maintain necessary permits; (vi) thoroughly clean Products before Service; (vii) provide radioactive materials required for testing Products; and (viii) dispose of waste related to Products and installations.

9.4. Parts and Tubes. GE Healthcare: (i) recommends the use of parts it has validated for use with the Product; (ii) is not responsible for the quality of parts supplied by third parties to Customer; and (iii) cannot assure Product functionality or performance when non-validated parts are used. Certain Products are designed to recognize GE Healthcare-supplied tubes and report the presence of a non-GE Healthcare tube; GE Healthcare is not responsible for the use of, or effects from, non-GE Healthcare supplied tubes.

9.5. Training. GE Healthcare's training does not guarantee that: (i) Customer trainees are fully trained on Product use, maintenance or operation; or (ii) training will satisfy any licensure or accreditation. Customer must ensure its trainees are fully qualified in the use and operation of the Product. Unless otherwise identified in the training catalog, Customer will complete training within 12 months of: (a) the date of Product delivery for a Product purchase; (b) the respective start date for Services or Subscription for purchase of Service or Subscription; or (c) the date training is ordered for training-only purchases. If not completed within this time period, other than because of GE Healthcare's fault, training expires without refund. Training will be invoiced and payment due pursuant to the billing terms listed in the equipment Quotation. Recording of GE Healthcare training sessions is prohibited.

9.6. Medical Diagnosis and Treatment. All clinical and medical treatment, diagnostic and/or billing decisions are Customer's responsibility.

9.7. Connectivity. If a Product has remote access capability: (i) Customer will provide GE Healthcare with, and maintain, a GE Healthcare-validated remote access connection to service the Product; or (ii) GE Healthcare reserves the right to charge Customer for onsite support at GE Healthcare's then-current billing rate. This remote access and collection of machine data (e.g., temperature, helium level) will continue after the end of this Agreement unless Customer requests in writing that GE Healthcare disable it.

9.8. Use of Data.

9.8.1. Protected Health Information. If GE Healthcare creates, receives, maintains, transmits or otherwise has access to Protected Health Information (as defined in 45 C.F.R. § 160.103) ("PHI"), GE Healthcare may use and disclose the PHI only as permitted by law and by the Business Associate Agreement. Before returning any Product to GE Healthcare, Customer must ensure that all PHI stored in it is deleted.

9.8.2. Data Rights. GE Healthcare may collect, prepare derivatives from and otherwise use non-PHI data related to Products and/or Services for such things as training, demonstration, research, development, benchmarking, continuous improvement and facilitating the provision of its products, software and services. GE Healthcare will own all intellectual property and other rights that could result from this collection, preparation and use. The non-PHI data will not be used to identify Customer or sold by GE Healthcare without Customer's consent.

9.9. Customer Policies. GE Healthcare will use reasonable efforts to respect Customer-provided policies that apply to GE Healthcare and do not materially contradict GE Healthcare policies. Failure to respect Customer policies is not a material breach unless it is willful and adversely affects GE Healthcare's ability to perform its obligations.

9.10. Insurance. GE Healthcare will maintain coverage in accordance with its standard certificate of insurance.

9.11. Excluded Provider. To its knowledge, neither GE Healthcare nor its employees performing Services under this Agreement have been excluded from participation in a Federal Healthcare Program. If an employee performing Services under this Agreement is excluded, GE Healthcare will replace that employee within a reasonable time; if GE Healthcare is excluded, Customer may terminate this Agreement upon written notice to GE Healthcare.

10. Disputes and Arbitration

10.1. Binding Arbitration. Other than collection matters and actions seeking injunctive relief to prevent or cease a violation of intellectual property rights related to Products or Services, the parties agree to submit all disputes arising under or relating to this Agreement to the American Arbitration Association ("AAA") office closest to the largest metropolitan area of the location where the Product is installed or the Service is provided for binding arbitration conducted in accordance with AAA's then-current Commercial Arbitration Rules. Costs, including arbitrator fees and expenses, will be shared equally, and each party will bear its own attorneys' fees. The arbitrator will have authority to award damages only to the extent available under this Agreement. Nothing in this Section shall allow either party to arbitrate claims of any third-party not a party to this Agreement. The parties further agree to keep confidential: (i) the fact that any arbitration occurred, (ii) the results of any arbitration, (iii) all materials used, or created for use, in the arbitration, and (iv) all other documents produced by another party in the arbitration and not otherwise in the public domain.

11. Liability and Indemnity.

11.1. Limitation of Liability. GE HEALTHCARE'S LIABILITY FOR DIRECT DAMAGES TO CUSTOMER UNDER THIS AGREEMENT WILL NOT EXCEED: (I) FOR PRODUCTS, THE PRICE FOR THE PRODUCT THAT IS THE BASIS FOR THE CLAIM; OR (II) FOR SERVICE OR SUBSCRIPTIONS, THE AMOUNT OF SERVICE OR SUBSCRIPTION FEES FOR THE 12 MONTHS PRECEDING THE ACTION THAT IS THE BASIS FOR THE CLAIM. THIS LIMITATION WILL NOT APPLY TO GE HEALTHCARE'S DUTIES TO INDEMNIFY CUSTOMER UNDER THIS AGREEMENT.

11.2. Exclusion of Damages. NEITHER PARTY WILL HAVE ANY OBLIGATION FOR: (I) CONSEQUENTIAL, PUNITIVE, INCIDENTAL, INDIRECT OR REPUTATIONAL DAMAGES; (II) PROFIT, DATA OR REVENUE LOSS; OR (III) CAPITAL, REPLACEMENT OR INCREASED OPERATING COSTS.

11.3. IP Indemnification. GE Healthcare will indemnify, defend and hold Customer harmless from third-party claims for infringement of United States intellectual property rights arising from Customer's use of the Equipment or Software in accordance with the Specifications, Documentation and license.

11.4. General Indemnification.

11.4.1. GE Healthcare will indemnify, defend and hold Customer harmless for losses which Customer becomes legally obligated to pay arising from third party claims brought against Customer for bodily injury or damage to real or tangible personal property to the extent the damage was caused by GE Healthcare's: (i) design or manufacturing defect; (ii) negligent failure to warn, negligent installation or negligent Services; or (iii) material breach of this Agreement.

11.4.2. Customer will indemnify, defend and hold GE Healthcare harmless for losses which GE Healthcare becomes legally obligated to pay arising from third party claims brought against GE Healthcare for bodily injury or damage to real or tangible personal property to the extent the damage was caused by Customer's: (i) medical diagnosis or treatment decisions; (ii) misuse or negligent use of the Product; (iii) improper storage of the Product (iv) modification of the Product; or (v) material breach of this Agreement.

11.5. Indemnification Procedure. For all indemnities under this Agreement: (i) the indemnified party must give the other party written notice before claiming indemnification; (ii) the indemnifying party will control the defense; (iii) the indemnified party may retain counsel at its own expense; and (iv) the indemnifying party is not responsible for any settlement without its written consent.

12. Payment and Finance.

12.1. Late Payment. Customer must raise payment disputes before the payment due date. For any undisputed late payment, GE Healthcare may: (i) suspend performance under this Agreement until all past due amounts are paid; (ii) charge interest at a rate no more than the maximum rate permitted by applicable law; and (iii) use unapplied funds due to Customer to offset any of Customer's outstanding balance. If GE Healthcare suspends performance, any downtime will not be included in the calculation of any uptime commitment. If Customer fails to pay when due: (a) GE Healthcare may revoke its credit and designate Customer to be on credit hold; and (b) all subsequent shipments and Services must be paid in full on receipt.

12.2. Taxes. Prices do not include applicable taxes, which are Customer's responsibility.

12.3. Customer Payment Obligation. If installation or acceptance is delayed more than 90 days because of any reason for which Customer or its subcontractor is responsible, GE Healthcare will provide written notice and bill the remaining balance due on the order, and Customer must pay according to the payment terms listed on the Quotation.

13. **Notices.** Notices will be in writing and considered delivered when received if sent by certified mail, postage prepaid, return receipt requested, by overnight mail, or by fax. Notice to Customer will be directed to the address on this Agreement, and notice to GE Healthcare to General Counsel, 9900 W Innovation Dr., Wauwatosa, WI 53226.

14. **Imaging Equipment Uptime Commitment**. GE Healthcare will provide an uptime commitment during warranty for CT, MR, nuclear imaging, and x-ray Equipment, excluding peripherals ("Eligible Equipment") if Customer provides GE Healthcare with: (i) access to Eligible Equipment through a secure connection meeting Specifications and industry best practices; (ii) notice of changes that impact Customer's connection; and (iii) prompt and unencumbered access to Eligible Equipment. The "Uptime Commitment" for nuclear imaging and x-ray Eligible Equipment is 95%, except digital mammography, digital radiographic and vascular x-ray systems and all other Eligible Equipment is 97%. Other Products may be eligible for an uptime commitment if identified in the Quotation.

If GE Healthcare fails to meet the Uptime Commitment over a 26-week period, it will extend the warranty as follows:

% Less than Uptime Commitment	Warranty Extension
0.1 - 3.0	1 week
3.1 - 8.0	2 weeks
8.1 - 13.0	4 weeks
> 13.0	6 weeks

Uptime is calculated as follows:

$$\left(\frac{UptimeBase - Downtime}{UptimeBase}\right)$$

"Uptime Base" = ("a" hours per day X "b" days per week X 26 weeks) – (Planned Maintenance ("PM") hours during prior 26 weeks), where "a" hours per day and "b" days per week are determined by the standard warranty for Eligible Equipment. "Downtime" is the number of hours during which Eligible Equipment is subject to a Critical Malfunction. Downtime starts when Customer notifies GE Healthcare that Eligible Equipment is inoperable and unavailable for use due to GE Healthcare's design, manufacturing, material or performance failure ("Critical Malfunction"). Downtime ends when Eligible Equipment is available for clinical use. To be eligible for the Uptime Commitment, Customer must maintain a performance log that includes data required to calculate Downtime.

15. **DoseWatch Device License.** Each connection of a Device (defined below) to the DoseWatch Software requires Customer to purchase a unique Device license referencing a Device ID that allows concurrent use of the DoseWatch Software with that Device at a specified Customer facility on Customer's secured network. All other terms, duration and warranties applicable to the Software license apply to the Device license. "Device" is specific Customer equipment approved by GE Healthcare to be connected to DoseWatch Software under this Agreement. Additional Device connections may be added to this Agreement, subject to individual Device licenses, and related installation, implementation, configuration and optimization services at GE Healthcare's then-current rates.

16. **Subscription Products and ViewPoint Software Maintenance Terms and Conditions.**

16.1. Overview. GE Healthcare will, in accordance with the terms and conditions of this section, maintain, support and update: (i) Products provided via Subscription (excluding Healthcare Digital Products); and (ii) ViewPoint Software licensed by Customer ("ViewPoint Software") and HIS interface software installed in the United States covered by a Software Maintenance Agreement ("SMA").

16.2. Scope.

16.2.1. Software Support and Maintenance. GE Healthcare will use reasonable efforts to provide Error Correction (defined below) for verifiable and reproducible Errors (defined below) within a reasonable time after: (a) Customer reports the Error to GE Healthcare; or (b) detection by GE Healthcare. Updates (defined below), if released, will be provided at no additional cost as a part of this maintenance commitment. New functionality must be purchased separately, unless otherwise agreed.

16.2.2. Equipment Maintenance. Preventative maintenance service may be required periodically during normal business hours of 8:00 a.m. to 5:00 p.m. (local time) on mutually agreed dates. Customer will make the Equipment available for preventative maintenance upon GE Healthcare request. Additional services to be performed, including specific additional terms thereof, shall be specified in the Quotation or alternate schedules.

16.2.3. Definitions. "Error" means any Software-related problem that: (i) materially interferes with Customer's use of the Software; and (ii) results from a failure of the Software to materially conform to the Documentation. "Error Correction" means: (a) modification of the Software that corrects an Error by bringing the Software into material conformity with the Documentation; or (b) a procedure that avoids the material adverse effect of the nonconformity. "Update" means a change that provides Error Corrections and/or enhances functionality of the Software version licensed by Customer. An Update does not involve major changes or provide significant, new functionality or applications, or changes to the software architecture or file structure. Updates retain the same license as the original Software.

16.2.4. Hotline Support. GE Healthcare will provide phone and email support during standard business hours, excluding GE Healthcare holidays, for problem solving, Error resolution and general help.

16.2.5. Remote Access Support. GE Healthcare may access Software remotely via Customer's network and GE Healthcare-supplied secure tunnelling software to monitor Software parameters to help prevent and detect Errors. Customer will reasonably cooperate with GE Healthcare to establish remote connections. Certain modules require remote access in order to obtain support.

16.2.6. Warranty. GE Healthcare warrants that its Services will be performed by trained individuals in a professional, workman-like manner. GE Healthcare will re-perform non-conforming Services as long as Customer provides prompt written notice to GE Healthcare. NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY. SERVICE MANUALS AND DOCUMENTATION ARE PROVIDED "AS IS". GE HEALTHCARE DOES NOT GUARANTEE PRODUCTS WILL OPERATE WITHOUT ERROR OR INTERRUPTION.

16.2.7. Exclusions. GE Healthcare has no obligation to Customer for: (i) use of Products in combination with software, hardware, or services not recommended in writing by GE Healthcare; (ii) use in a manner or environment for which GE Healthcare did not design or license the Products, or in violation of GE Healthcare's recommendations or instructions; (iii) interface configuration (often referred to as HIS, PACS or EMR interfaces necessary due to changing vendors or versions); (iv) reorganization of Customer data; (v) consulting or software engineering and programming; (vi) support of Products outside the scope of the foregoing maintenance commitments; (vii) failure to use or install, or permit GE Healthcare to use or install, Error Corrections or Updates; (viii) failure to maintain Products within the current major release version or the immediately prior major release version; (ix) defects in products or services not made and provided by GE Healthcare; (x) any cause external to the Products or beyond GE Healthcare's control; (xi) failure of Customer's network; (xii) replacement of disposable or consumable items; (xiii) additional equipment or upgrades in connection with Products; and (xiv) migration of Software to different hardware or operating systems.

16.2.8. Software Maintenance Agreement Term. The following applies to ViewPoint software and HIS interface software only: The SMA term and start date is identified in the Quotation and its related Schedule A. Either party may terminate the SMA without cause after the first anniversary by providing at least 90 days' prior written notice to the other party. SMA payments are due within 30 days after receipt of GE Healthcare's invoice.

1. Warranty.

1.1. Equipment. For non-customized Equipment purchased from GE Healthcare or its authorized distributors, unless otherwise identified in the Quotation, GE Healthcare warrants that Equipment will be free from defects in title, and, for 1 year from Equipment Acceptance, it will: (i) be free from defects in material and workmanship under normal use and service; and (ii) perform substantially in accordance with the Specifications. The warranty covers parts and labor and only applies to end-users that purchase Equipment from GE Healthcare or its authorized distributors.

1.2. Software. For Software licensed from GE Healthcare, GE Healthcare warrants that: (i) it has the right to license or sublicense Software to Customer; (ii) it has not inserted Disabling Code into Software; (iii) it will use efforts consistent with industry standards to remove viruses from Software before delivery; and (iv) unless otherwise identified in the Quotation, for 90 days from Software Acceptance, Software will perform substantially in accordance with the Documentation. "Disabling Code" is code designed to interfere with the normal operation of Software, but code that prohibits use outside of the license scope is not Disabling Code.

1.3. Services. GE Healthcare warrants that its Service will be performed by trained individuals in a professional, workman-like manner.

1.4. Used Equipment. Certain Used Equipment is provided with GE Healthcare's standard warranty for the duration identified in the Quotation, but in no event more than 1 year. If no warranty is identified, the Used Equipment is provided "AS IS" and is not warranted by GE Healthcare.

1.5. Accessories and Supplies. Warranties for accessories and supplies are at www.gehealthcare.com/accessories.

1.6. Third Party Product. Third Party Product is covered by the third party's warranty and not GE Healthcare's warranties.

1.7. Subscription Products. Unless otherwise specified, Products provided via Subscription do not include a warranty.

1.8. SaaS Offerings. Unless otherwise specified, SaaS Offerings do not include a warranty.

2. **Remedies.** If Customer promptly notifies GE Healthcare of its claim during the warranty and makes the Product available, GE Healthcare will: (i) at its option, repair, adjust or replace the non-conforming Equipment or components; (ii) at its option, correct the non-conformity or replace the Software; and/or (iii) re-perform non-conforming Service. Warranty service will be performed from 8am to 5pm local time, Monday-Friday, excluding GE Healthcare holidays, and outside those hours at GE Healthcare's then-current service rates and subject to personnel availability. GE Healthcare may require warranty repairs to be performed via a secure, remote connection or at an authorized service center. If GE Healthcare replaces Equipment or a component, the original becomes GE Healthcare property and Customer will return the original to GE Healthcare within 5 days after the replacement is provided to Customer. Customer cannot stockpile replacement parts. Prior to returning Equipment to GE Healthcare, Customer will: (a) obtain a return to manufacturer authorization; and (b) back up and remove all information stored on the Equipment (stored data may be removed during repair). Customer is responsible for damage during shipment to GE Healthcare. The warranty for a Product or component provided to correct a warranty failure is the unexpired term of the warranty for the repaired or replaced Product.

GE Healthcare may provide a loaner unit during extended periods of Product service. If a loaner unit is provided: (i) it is for Customer's temporary use at the location identified in the Quotation; (ii) it will be returned to GE Healthcare within 5 days after the Product is returned to Customer, and if it is not, GE Healthcare may repossess it or invoice Customer for its full list price; (iii) it, and all programs and information pertaining to it, remain GE Healthcare property; (iv) risk of loss is with Customer during its possession; (v) Customer will maintain and return it in proper condition, normal wear and tear excepted, in accordance with GE Healthcare's instructions; (vi) it will not be repaired except by GE Healthcare; (vii) GE Healthcare will be given reasonable access to it; (viii) Customer is not paying for its use, and Customer will ensure charges or claims submitted to a government healthcare program or patient are submitted accordingly; and (ix) prior to returning it to GE Healthcare, Customer will delete all information, including PHI, from it and its accessories, in compliance with industry standards and instructions provided by GE Healthcare.

NO OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WILL APPLY. SERVICE MANUALS AND DOCUMENTATION ARE PROVIDED "AS IS". GE HEALTHCARE DOES NOT GUARANTEE PRODUCTS WILL OPERATE WITHOUT ERROR OR INTERRUPTION.

3. **Limitations.** GE Healthcare has no obligation to Customer for warranty claims if Customer uses the Product: (a) for non-medical or entertainment use or outside the United States; (b) in combination with software, hardware, or services not recommended in writing by GE Healthcare; and(c) in a manner or environment for which GE Healthcare did not design or license it, or in violation of GE Healthcare's recommendations or instructions. GE Healthcare has no obligation to Customer for warranty claims for damages or deficiencies outside GE Healthcare's reasonable control.

In addition, these warranties do not cover: (i) defects or deficiencies from improper storage or handling, maintenance or use that does not conform to Specifications and/or Documentation, inadequate backup or virus protection, cyber-attacks, failure to maintain power quality, grounding, temperature, and humidity within Specifications and/or Documentation, or other misuse or abuse; (ii) repairs due to power anomalies or any cause external to the Products or beyond GE Healthcare's control; (iii) payment or reimbursement of facility costs arising from repair or replacement of the Products or parts; (iv) planned maintenance (unless applicable to Equipment), adjustment, alignment, or calibration; (v) network and antenna installations not performed by GE Healthcare or its subcontractors; (vi) lost or stolen Products; (vii) Products with serial numbers altered, defaced or removed; (viii) modification of Product not approved in writing by GE Healthcare (ix) Products immersed in liquid; (x) for Mobile Equipment, defects or deficiencies from mobile use outside of normal transportation wear and tear (excluding OEC regarding transportation wear and tear) and (xi) replacement of disposable or consumable items.

4. Exceptions to Standard Warranty.

Partial System Equipment Upgrades for CT, MR, X-Ray, IGS, PET (Scanners, Cyclotrons and Chemistry Labs) and Nuclear systems: 6 months (only applies to the upgraded components unless the parties otherwise agree to modify the coverage of the upgraded and existing components in an existing service agreement. Optima XR240amx partial upgrades are warranted for 1 year on the wireless detector. This exception does not apply to the Artist Evo 1.5T and Premier Evo 3T upgrades which will have a full system one year warranty.

Cyclotron and Radiopharmacy: Warranty starts on the earlier of (i) 3 months after the date GE Healthcare completes mechanical installation, or (ii) the date Product testing is successfully completed

MR Systems: Warranty does not cover: (i) a defect or deficiency from failure of water chillers supplied or serviced by Customer, and (ii) for MR systems with LHe/LN or shield cooler configured superconducting magnets (except for MR Systems with LCC magnets), any cryogen supply, cryogenic service or service to the magnet, cryostat, coldhead, shield cooler compressor or shim coils unless the need for supply or service is caused by a defect in material or workmanship covered by this warranty.

Proteus XR/a, Definium and Precision 500D X-Ray Systems: Warranty does not cover collimator bulbs

Performix 160A (MX160) Tubes: 3 years

X-Ray High Voltage Rectifiers and TV Camera Pick-Up Tubes: 6 months

X-Ray Wireless Digital Detectors: In addition to the standard warranty, GE Healthcare will provide coverage for detector damage due to accidental dropping or mishandling. If accidental damage occurs, GE Healthcare will provide Customer with 1 replacement detector during warranty at no additional charge. If subsequent accidental damage occurs during warranty, each additional replacement will be provided for $30,000 per replacement. This additional coverage excludes damage caused by any use that does not conform to original equipment manufacturer ("OEM") guidelines, use that causes fluid invasion, holes, deep scratches or the detector case to crack, and damage caused by abuse, theft, loss, fire, power failures or surges. If the warranty is voided by these conditions, repair or replacement is Customer's responsibility.

Bone Mineral Densitometry: Alpha Source, Inc. will perform installation, application support and warranty services. Direct warranty claims to Alpha Source, Inc. at 1-800-654-9845. Upgraded computer, printer and monitor components include a 1 month warranty. Customer will not be credited the value of this warranty against pre-existing warranties or service agreements.

OEC New or Exchange Service Parts: 120 days

OEC Tubes and Image Intensifiers: 1 year

HealthNet Lan, Advantage Review — Remote Products: 3 months

LOGIQ e, Venue 50, Venue Go, Versana Active and related transducers purchased with them: 5 years

LOGIQ V1, LOGIQ V2, Vivid iq, Vscan and Vscan Extend and related transducers purchased with them: 3 years

Except the following have a 1 year warranty:

Transducers: TEE Probes,

Carts: Venue 50 Docking Cart, Venue Go Cart, Venue Go mounting cradle, LOGIQ e Isolation Cart, LOGIQ e Docking Cart, LOGIQ V1/V2 Cart and Vivid IQ cart

Other Accessories: Batteries (internal & external), and printers and peripherals, TEE cleaning & storage system, ICECord Connector and printers

Warranty covers defective parts and components and includes: (i) repair at GE Healthcare facilities, (ii) a loaner unit or probe replacement shipped for next business day delivery for requests received by 3pm Central Time, (iii) phone support from 7am to 7pm Central Time, Monday-Friday, excluding GE Healthcare holidays. For an additional charge, GE Healthcare may provide field support/service, planned maintenance, and/or coverage for damage due to accidental dropping or mishandling.

LOGIQ P9 R2.5 and newer and, Versana Premier, Versana Balance, Venue and related transducers purchased with them: 5 years

Voluson P8 BT18 and newer, Voluson SWIFT, Voluson S8 Touch and Voluson S10 Expert, LOGIQ F8 2016 and newer, LOGIQ V5, Vivid T8 and Vivid T9 and related transducers purchased with them: 3 years

Except the following have a 1 year warranty:

Other Accessories: Batteries (internal & external) and printers and peripherals, TEE cleaning & storage system

Transducers: TEE Probes

Warranty Includes: (i) repair at Product location by a qualified service technician Monday-Friday 8am to 5pm local time, excluding GE Healthcare holidays, and (ii) phone support from 7am to 7pm Central Time, Monday-Friday, excluding GE Healthcare holidays. For an additional charge, GE Healthcare may provide planned maintenance and/or coverage for damage due to accidental dropping or mishandling.

Ultrasound Partial System Equipment Upgrades: 3 months (only applies to the upgraded components). Customer will not be credited the value of the warranty against pre-existing warranties or service agreements.

Veterinary Use: Notwithstanding anything herein, any Product validated and sold by GE Healthcare for specific use in the veterinary market shall have a one (1) year warranty.

Batteries: 3 months, except for x-ray nickel cadmium or lead acid batteries and ultrasound batteries, which are warranted for 1 year

CARESCAPE Monitors B450, B650 and B850 3 years parts, 1 year labor (excluding displays, which are standard 1 year parts and labor)

CARESCAPE ONE : 3 year parts, 1 year labor (excluding displays, which are standard 1 year parts and labor)

Micromodules: 3 year parts, 1 year labor (i) repair services performed at GE Healthcare Repair Operations Center

B40 Monitors: 2 years parts, 1 year labor (excluding displays, which are standard)

B105 B125, and B155 Patient Monitors: 3 years with: (i) repair services performed at GE Healthcare Repair Operations Center, (ii) phone support from 7am to 5pm Central Time, Monday-Friday, excluding GE Healthcare holidays; and (iii) a loaner Product (subject to availability; shipping charges included).

Novii Wireless Patch System- Interface and Pods: 1 year starting 40 days after shipment with: (i) exchange services performed at GE Healthcare Repair Operations Center; and (ii) phone support from 7am to 5pm Central Time, Monday-Friday, excluding GE Healthcare holidays. Customer may elect to purchase coverage for Pod damage due to accidental dropping or mishandling. This coverage excludes patches and cables, which are considered Product accessories, and are warranted pursuant to Section 1.5 above.

MAC 5, MAC 7, MAC 2000 and MAC 3500: 3 years (i) repair services performed at GE Healthcare Repair Operations Center, (ii) phone support from 7am to 5pm Central Time, Monday-Friday, excluding GE Healthcare holidays

CARESCAPE V100 and VC150 Vital Signs Monitors: 2 years

SEER 1000: 2 years (i) repair services performed at GE Healthcare Repair Operations Center, (ii) phone support from 7am to 5pm Central Time, Monday-Friday, excluding GE Healthcare holidays

Exergen: 4 years

Microenvironment and Phototherapy consumable components: 1 month
Corometrics® Fetal Monitoring: Warranty includes: (i) warranty starting on the earlier of (a) if GE Healthcare or Customer installs, 5 days after installation or (b) 40 days after shipment; and (ii) 2 years parts, 1 year labor
Corometrics® Nautilus Transducers: 2 years
Lullaby Phototherapy System: 3 years on lamp assembly
Blood pressure cuffs and related adaptors and air hoses: 1 month
Anesthesia Monitor Mounting Solutions: If purchased directly from GE Healthcare, it will be warranted as a GE Healthcare Product
Tec 850 Vaporizers: 3 years
Tec 6 Plus Vaporizers: 2 years
CARESCAPE Gateway: 1 year
CARESCAPE Bridge: 1 year
Vscan Air and Vscan Air Vet Warranty: 3 years with the exception of the battery and peripherals which are covered for 1 year. Warranty covers defective parts and components and includes: (i) a replacement unit, and (ii) phone support from 7am to 7pm Central Time, Monday-Friday, excluding GE Healthcare holidays. For an additional charge, GE Healthcare may provide additional battery and/or coverage for damage due to accidental dropping or mishandling

OLD BUSINESS

NEW BUSINESS

Arbor Health

Mossyrock Clinic
745 WILLIAMS STREET
360-983-8990

Randle Clinic
108 KINDLE ROAD
360-497-3333

Morton Hospital
521 ADAMS AVENUE
360-496-5112

Morton Clinic
531 ADAMS AVENUE
360-496-5145

To: Board of Commissioners
From: Spencer Hargett, Compliance Officer
Date: 3/29/2023
Subject: Practical Guidance for Health Care Governing Boards on Compliance Oversight

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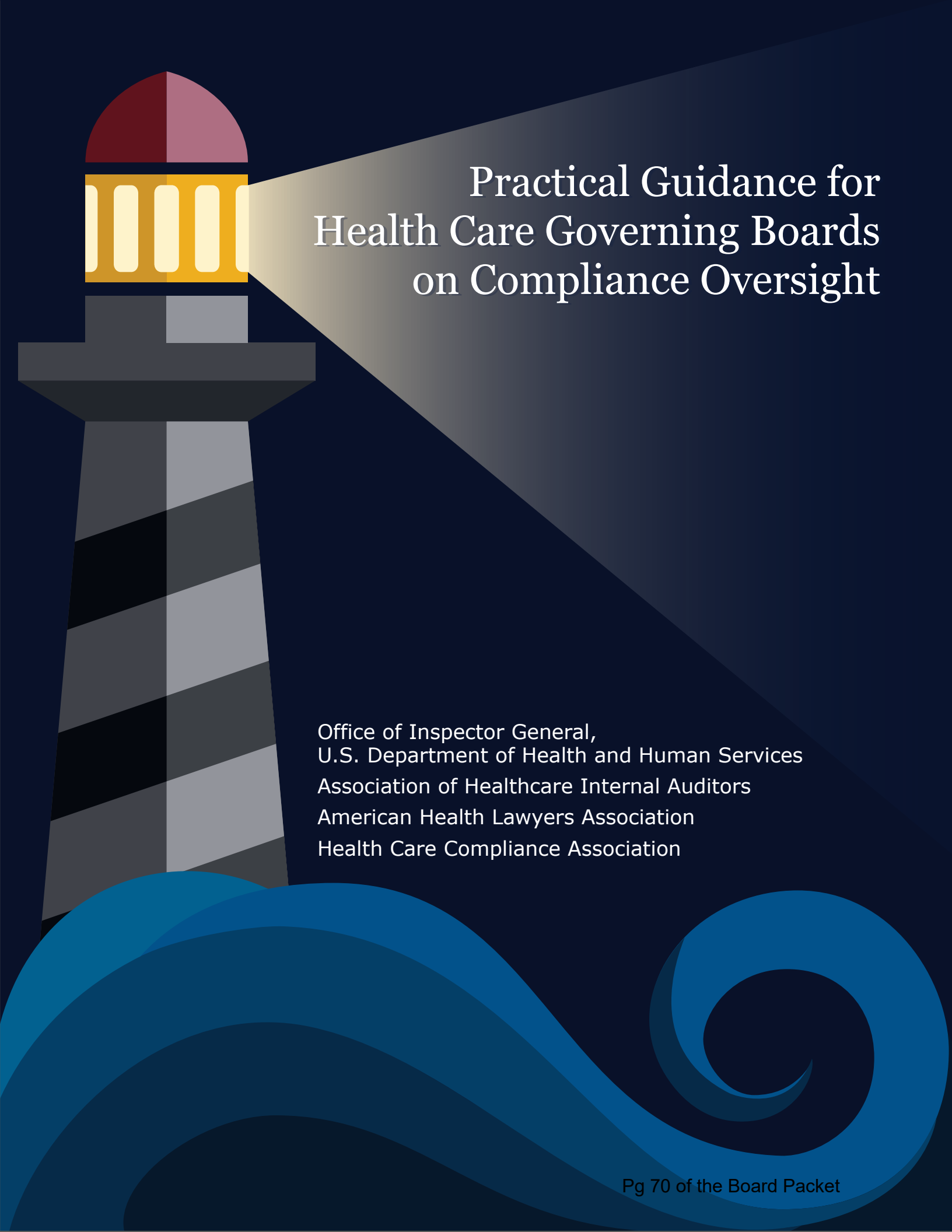
The attached document is intended to assist governing boards of health care organizations to responsibly carry out their compliance plan oversight obligations under applicable laws. Please read through document and we will go over the below questions in the meeting:

1. What is a corporate information and reporting system and why is it a key compliance element?
2. What are some widely recognized compliance resources boards can use as benchmarks for their organizations? What is a corporate integrity agreement (CIA)?
3. Do we have an "Audit Committee of the Board" and what structure do we have in place for oversight and reporting of audits?
4. Compliance program design is not a one size fits all. What does this mean for us?
5. What are some areas of regulatory risk common to all health care providers?



Practical Guidance for Health Care Governing Boards on Compliance Oversight

Office of Inspector General,
U.S. Department of Health and Human Services
Association of Healthcare Internal Auditors
American Health Lawyers Association
Health Care Compliance Association

About the Organizations

This educational resource was developed in collaboration between the Association of Healthcare Internal Auditors (AHIA), the American Health Lawyers Association (AHLA), the Health Care Compliance Association (HCCA), and the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services (HHS).

AHIA is an international organization dedicated to the advancement of the health care internal auditing profession. The AHLA is the Nation's largest nonpartisan, educational organization devoted to legal issues in the health care field. HCCA is a member-based, nonprofit organization serving compliance professionals throughout the health care field. OIG's mission is to protect the integrity of more than 100 HHS programs, including Medicare and Medicaid, as well as the health and welfare of program beneficiaries.

The following individuals, representing these organizations, served on the drafting task force for this document:

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Published on April 20, 2015.

This document is intended to assist governing boards of health care organizations (Boards) to responsibly carry out their compliance plan oversight obligations under applicable laws. This document is intended as guidance and should not be interpreted as setting any particular standards of conduct. The authors recognize that each health care entity can, and should, take the necessary steps to ensure compliance with applicable Federal, State, and local law. At the same time, the authors also recognize that there is no uniform approach to compliance. No part of this document should be taken as the opinion of, or as legal or professional advice from, any of the authors or their respective agencies or organizations.

Table of Contents

Introduction

Previous guidance[1] has consistently emphasized the need for Boards to be fully engaged in their oversight responsibility. A critical element of effective oversight is the process of asking the right questions of management to determine the adequacy and effectiveness of the organization's compliance program, as well as the performance of those who develop and execute that program, and to make compliance a responsibility for all levels of management. Given heightened industry and professional interest in governance and transparency issues, this document seeks to provide practical tips for Boards as they work to effectuate their oversight role of their organizations' compliance with State and Federal laws that regulate the health care industry. Specifically, this document addresses issues relating to a Board's oversight and review of compliance program functions, including the: (1) roles of, and relationships between, the organization's audit, compliance, and legal departments; (2) mechanism and process for issue-reporting within an organization; (3) approach to identifying regulatory risk; and (4) methods of encouraging enterprise-wide accountability for achievement of compliance goals and objectives.

A critical element of effective oversight is the process of asking the right questions....

1 OIG and AHLA, *Corporate Responsibility and Corporate Compliance: A Resource for Health Care Boards of Directors* (2003); OIG and AHLA, *An Integrated Approach to Corporate Compliance: A Resource for Health Care Organization Boards of Directors* (2004); and OIG and AHLA, *Corporate Responsibility and Health Care Quality: A Resource for Health Care Boards of Directors* (2007).

Expectations for Board Oversight of Compliance Program Functions

A Board must act in good faith in the exercise of its oversight responsibility for its organization, including making inquiries to ensure: (1) a corporate information and reporting system exists and (2) the reporting system is adequate to assure the Board that appropriate information relating to compliance with applicable laws will come to its attention timely and as a matter of course.[2] The existence of a corporate reporting system is a key compliance program element, which not only keeps the Board informed of the activities of the organization, but also enables an organization to evaluate and respond to issues of potentially illegal or otherwise inappropriate activity.

Boards are encouraged to use widely recognized public compliance resources as benchmarks for their organizations. The Federal Sentencing Guidelines (Guidelines),[3] OIG's voluntary compliance program guidance documents,[4] and OIG Corporate Integrity Agreements (CIAs) can be used as baseline assessment tools for Boards and management in determining what specific functions may be necessary to meet the requirements of an effective compliance program. The Guidelines "offer incentives to organizations to reduce and ultimately eliminate criminal conduct by providing a structural foundation from which an organization may self-police its own conduct through an effective compliance and ethics program."[5] The compliance program guidance documents were developed by OIG to encourage the development and use of internal controls to monitor adherence to applicable statutes, regulations, and program requirements. CIAs impose specific structural and reporting requirements to

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2 *In re Caremark Int'l, Inc. Derivative Litig.*, 698 A.2d 959 (Del. Ch. 1996).

3 U.S. Sentencing Commission, *Guidelines Manual* (Nov. 2013) (USSG), http://www.ussc.gov/sites/default/files/pdf/guidelines-manual/2013/manual-pdf/2013_Guidelines_Manual_Full.pdf.

4 OIG, *Compliance Guidance*, http://oig.hhs.gov/compliance/compliance-guidance/index.asp.

5 USSG Ch. 8, Intro. Comment.

LCDH No. 1 specific note about our corporate information and reporting system:

We use a service called ComplianceLine for our reporting system. ComplianceLine has staff available 24/7 and callers can remain anonymous. The purpose is to ensure any potentially illegal or non-compliant activty can be reported without fear of retaliation.

promote compliance with Federal health care program standards at entities that have resolved fraud allegations.

Basic CIA elements mirror those in the Guidelines, but a CIA also includes obligations tailored to the organization and its compliance risks. Existing CIAs may be helpful resources for Boards seeking to evaluate their organizations' compliance programs. OIG has required some settling entities, such as health systems and hospitals, to agree to Board-level requirements, including annual resolutions. These resolutions are signed by each member of the Board, or the designated Board committee, and detail the activities that have been undertaken to review and oversee the organization's compliance with Federal health care program and CIA requirements. OIG has not required this level of Board involvement in every case, but these provisions demonstrate the importance placed on Board oversight in cases OIG believes reflect serious compliance failures.

Although compliance program design is not a "one size fits all" issue, Boards are expected to put forth a meaningful effort....

Although compliance program design is not a "one size fits all" issue, Boards are expected to put forth a meaningful effort to review the adequacy of existing compliance systems and functions. Ensuring that management is aware of the Guidelines, compliance program guidance, and relevant CIAs is a good first step.

One area of inquiry for Board members of health care organizations should be the scope and adequacy of the compliance program in light of the size and complexity of their organizations. The Guidelines allow for variation according to "the size of the organization."[6] In accordance with the Guidelines,

6 USSG § 8B2.1, comment. (n. 2).

OIG recognizes that the design of a compliance program will depend on the size and resources of the organization.[7] Additionally, the complexity of the organization will likely dictate the nature and magnitude of regulatory impact and thereby the nature and skill set of resources needed to manage and monitor compliance.

While smaller or less complex organizations must demonstrate the same degree of commitment to ethical conduct and compliance as larger organizations, the Government recognizes that they may meet the Guidelines requirements with less formality and fewer resources than would be expected of larger and more complex organizations.[8] Smaller organizations may meet their compliance responsibility by "using available personnel, rather than employing separate staff, to carry out the compliance and ethics program." Board members of such organizations may wish to evaluate whether the organization is "modeling its own compliance and ethics programs on existing, well-regarded compliance and ethics programs and best practices of other similar organizations."[9] The Guidelines also foresee that Boards of smaller organizations may need to become more involved in the organizations' compliance and ethics efforts than their larger counterparts.[10]

Boards should develop a formal plan to stay abreast of the ever-changing regulatory landscape and operating environment. The plan may involve periodic updates from informed staff or review of regulatory resources made available to them by staff. With an understanding of the dynamic regulatory environment, Boards will be in a position to ask more pertinent questions of management

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7 Compliance Program for Individual and Small Group Physician Practices, 65 Fed. Reg. 59434, 59436 (Oct. 5, 2000) ("The extent of implementation [of the seven components of a voluntary compliance program] will depend on the size and resources of the practice. Smaller physician practices may incorporate each of the components in a manner that best suits the practice. By contrast, larger physician practices often have the means to incorporate the components in a more systematic manner."); Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289 (Mar. 16, 2000) (recognizing that smaller providers may not be able to outsource their screening process or afford to maintain a telephone hotline).

8 USSG § 8B2.1, comment. (n. 2).

9 *Id.*

10 *Id.*

and make informed strategic decisions regarding the organizations' compliance programs, including matters that relate to funding and resource allocation. For instance, new standards and reporting requirements, as required by law, may, but do not necessarily, result in increased compliance costs for an organization. Board members may also wish to take advantage of outside educational programs that provide them with opportunities to develop a better understanding of industry risks, regulatory requirements, and how effective compliance and ethics programs operate. In addition, Boards may want management to create a formal education calendar that ensures that Board members are periodically educated on the organizations' highest risks.

Finally, a Board can raise its level of substantive expertise with respect to regulatory and compliance matters by adding to the Board, or periodically consulting with, an experienced regulatory, compliance, or legal professional. The presence of a professional with health care compliance expertise on the Board sends a strong message about the organization's commitment to compliance, provides a valuable resource to other Board members, and helps the Board better fulfill its oversight obligations. Board members are generally entitled to rely on the advice of experts in fulfilling their duties.[11] OIG sometimes requires entities under a CIA to retain an expert in compliance or governance issues to assist the Board in fulfilling its responsibilities under the CIA.[12] Experts can assist Boards and management in a variety of ways, including the identification of risk areas, provision of insight into best practices in governance, or consultation on other substantive or investigative matters.

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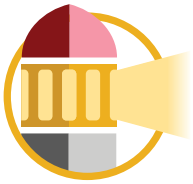
11 *See* Del Code Ann. tit. 8, § 141(e) (2010); ABA Revised Model Business Corporation Act, §§ 8.30(e), (f)(2) Standards of Conduct for Directors.

12 *See* Corporate Integrity Agreements between OIG and Halifax Hospital Medical Center and Halifax Staffing, Inc. (2014, compliance and governance); Johnson & Johnson (2013); Dallas County Hospital District d/b/a Parkland Health and Hospital System (2013, compliance and governance); Forest Laboratories, Inc. (2010); Novartis Pharmaceuticals Corporation (2010); Ortho-McNeil-Janssen Pharmaceuticals, Inc. (2010); Synthes, Inc. (2010, compliance expert retained by Audit Committee); The University of Medicine and Dentistry of New Jersey (2009, compliance expert retained by Audit Committee); Quest Diagnostics Incorporated (2009); Amerigroup Corporation (2008); Bayer HealthCare LLC (2008); and Tenet Healthcare Corporation (2006; retained by the Quality, Compliance, and Ethics Committee of the Board).

Roles and Relationships

Organizations should define the interrelationship of the audit, compliance, and legal functions in charters or other organizational documents. The structure, reporting relationships, and interaction of these and other functions (e.g., quality, risk management, and human resources) should be included as departmental roles and responsibilities are defined. One approach is for the charters to draw functional boundaries while also setting an expectation of cooperation and collaboration among those functions. One illustration is the following, recognizing that not all entities may possess sufficient resources to support this structure:



The compliance function promotes the prevention, detection, and resolution of actions that do not conform to legal, policy, or business standards. This responsibility includes the obligation to develop policies and procedures that provide employees guidance, the creation of incentives to promote employee compliance, the development of plans to improve or sustain compliance, the development of metrics to measure execution (particularly by management) of the program and implementation of corrective actions, and the development of reports and dashboards that help management and the Board evaluate the effectiveness of the program.

The legal function advises the organization on the legal and regulatory risks of its business strategies, providing advice and counsel to management and the Board about relevant laws and regulations that govern, relate to, or impact the organization. The function also defends the organization in legal proceedings and initiates legal proceedings against other parties if such action is warranted.

The internal audit function provides an objective evaluation of the existing risk and internal control systems and framework within an organization. Internal audits ensure monitoring functions are working as intended and identify where management monitoring and/or additional

LCHD No.1 specific note about our compliance, legal, internal audit, human resources, and quality improvement functions:

We have dedicated staff who are responsible for compliance, human resources, and quality improvement functions.

Our legal function is outsourced to Skip Houser at Budd Bay Law who provides general counsel services. Administration, Compliance, Human Resources, and Quality Improvement may reach out to other firms who have expertise in specific areas such as public records act, risk management, etc.

We do not have a dedicated internal audit department but we have an internal audit committee that is led by Quality and includes cross functional representation. The purpose of the committee is to audit internal processes. Additionally, our annual compliance work plan includes a section dedicated to audit and monitoring activities.

Board oversight may be required. Internal audit helps management (and the compliance function) develop actions to enhance internal controls, reduce risk to the organization, and promote more effective and efficient use of resources. Internal audit can fulfill the auditing requirements of the Guidelines.

The human resources function manages the recruiting, screening, and hiring of employees; coordinates employee benefits; and provides employee training and development opportunities.

The quality improvement function promotes consistent, safe, and high quality practices within health care organizations. This function improves efficiency and health outcomes by measuring and reporting on quality outcomes and recommends necessary changes to clinical processes to management and the Board. Quality improvement is critical to maintaining patient-centered care and helping the organization minimize risk of patient harm.

Boards should be aware of, and evaluate, the adequacy, independence,[13] and performance of different functions within an organization on a periodic basis. OIG believes an organization's Compliance Officer should neither be counsel for the provider, nor be subordinate in function or position to counsel or the legal department, in any manner.[14] While independent, an organization's counsel and compliance officer should collaborate to further the interests of the organization. OIG's position on separate compliance and legal functions reflects the independent roles and professional obligations of each function;[15]

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13 Evaluation of independence typically includes assessing whether the function has uninhibited access to the relevant Board committees, is free from organizational bias through an appropriate administrative reporting relationship, and receives fair compensation adjustments based on input from any relevant Board committee.

14 *See* OIG and AHLA, *An Integrated Approach to Corporate Compliance: A Resource for Health Care Organization Boards of Directors*, 3 (2004) (citing Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,987, 8,997 (Feb. 23, 1998)).

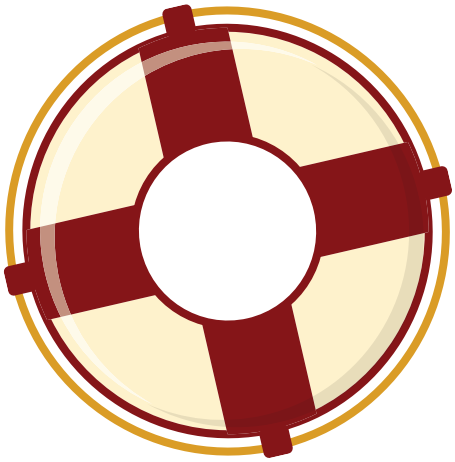
15 *See, generally, id.*

the same is true for internal audit.[16] To operate effectively, the compliance, legal, and internal audit functions should have access to appropriate and relevant corporate information and resources. As part of this effort, organizations will need to balance any existing attorney-client privilege with the goal of providing such access to key individuals who are charged with the responsibility for ensuring compliance, as well as properly reporting and remediating any violations of civil, criminal, or administrative law.

The Board should have a process to ensure appropriate access to information; this process may be set forth in a formal charter document approved by the Audit Committee of the Board or in other appropriate documents. Organizations that do not separate these functions (and some organizations may not have the resources to make this complete separation) should recognize the potential risks of such an arrangement. To partially mitigate these potential risks, organizations should provide individuals serving in multiple roles the capability to execute each function in an independent manner when necessary, including through reporting opportunities with the Board and executive management.

Boards should also evaluate and discuss how management works together to address risk, including the role of each in:

1. identifying compliance risks,
2. investigating compliance risks and avoiding duplication of effort,
3. identifying and implementing appropriate corrective actions and decision-making, and
4. communicating between the various functions throughout the process.



16 Compliance Program Guidance for Hospitals, 63 Fed. Reg. 8,987, 8,997 (Feb. 23, 1998) (auditing and monitoring function should "[b]e independent of physicians and line management"); Compliance Program Guidance for Home Health Agencies, 63 Fed. Reg. 42,410, 42,424 (Aug. 7, 1998) (auditing and monitoring function should "[b]e objective and independent of line management to the extent reasonably possible"); Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289, 14,302 (Mar. 16, 2000).

LCDH No. 1 specific note regarding references to "Audit Committee of the Board":

Because we are a smaller organization, we do not have a formal "Audit Committee of the Board". Multiple committees with reporting lines to the Board of Commissioners conduct audits and report the results in committee and to the Board as needed.

Boards should understand how management approaches conflicts or disagreements with respect to the resolution of compliance issues and how it decides on the appropriate course of action. The audit, compliance, and legal functions should speak a common language, at least to the Board and management, with respect to governance concepts, such as accountability, risk, compliance, auditing, and monitoring. Agreeing on the adoption of certain frameworks and definitions can help to develop such a common language.

Reporting to the Board

The Board should set and enforce expectations for receiving particular types of compliance-related information from various members of management. The Board should receive regular reports regarding the organization's risk mitigation and compliance efforts—separately and independently—from a variety of key players, including those responsible for audit, compliance, human resources, legal, quality, and information technology. By engaging the leadership team and others deeper in the organization, the Board can identify who can provide relevant information about operations and operational risks. It may be helpful and productive for the Board to establish clear expectations for members of the management team and to hold them accountable for performing and informing the Board in accordance with those expectations. The Board may request the development of objective scorecards that measure how well management is executing the compliance program, mitigating risks, and implementing corrective action plans. Expectations could also include reporting information on internal and external investigations, serious issues raised in internal and external audits, hotline call activity, all allegations of material fraud or senior management misconduct, and all management exceptions to the organization's

The Board should receive regular reports regarding the organization's risk mitigation and compliance efforts....

code of conduct and/or expense reimbursement policy. In addition, the Board should expect that management will address significant regulatory changes and enforcement events relevant to the organization's business.

Boards of health care organizations should receive compliance and risk-related information in a format sufficient to satisfy the interests or concerns of their members and to fit their capacity to review that information. Some Boards use tools such as dashboards—containing key financial, operational and compliance indicators to assess risk, performance against budgets, strategic plans, policies and procedures, or other goals and objectives—in order to strike a balance between too much and too little information. For instance, Board quality committees can work with management to create the content of the dashboards with a goal of identifying and responding to risks and improving quality of care. Boards should also consider establishing a risk-based reporting system, in which those responsible for the compliance function provide reports to the Board when certain risk-based criteria are met. The Board should be assured that there are mechanisms in place to ensure timely reporting of suspected violations and to evaluate and implement remedial measures. These tools may also be used to track and identify trends in organizational performance against corrective action plans developed in response to compliance concerns. Regular internal reviews that provide a Board with a snapshot of where the organization is, and where it may be going, in terms of compliance and quality improvement, should produce better compliance results and higher quality services.

As part of its oversight responsibilities, the Board may want to consider conducting regular "executive sessions" (i.e., excluding senior management) with leadership from the compliance, legal, internal audit, and quality functions to encourage more open communication. Scheduling regular executive sessions creates a continuous expectation of open dialogue, rather than calling such a session only when a problem arises, and is helpful to avoid suspicion among management about why a special executive session is being called.

Identifying and Auditing Potential Risk Areas

Some regulatory risk areas are common to all health care providers. Compliance in health care requires monitoring of activities that are highly vulnerable to fraud or other violations. Areas of particular interest include referral relationships and arrangements, billing problems (e.g., upcoding, submitting claims for services not rendered and/or medically unnecessary services), privacy breaches, and quality-related events.

The Board should ensure that management and the Board have strong processes for identifying risk areas. Risk areas may be identified from internal or external information sources. For instance, Boards and management may identify regulatory risks from internal sources, such as employee reports to an internal compliance hotline or internal audits. External sources that may be used to identify regulatory risks might include professional organization publications, OIG-issued guidance, consultants, competitors, or news media. When failures or problems in similar organizations are publicized, Board members should ask their own management teams whether there are controls and processes in place to reduce the risk of, and to identify, similar misconduct or issues within their organizations.

The Board should ensure that management consistently reviews and audits risk areas, as well as develops, implements, and monitors corrective action plans. One of the reasonable steps an organization is expected to take

under the Guidelines is "monitoring and auditing to detect criminal conduct."[17] Audits can pinpoint potential risk factors, identify regulatory or compliance problems, or confirm the effectiveness of compliance controls. Audit results that reflect compliance issues or control deficiencies should be accompanied by corrective action plans.[18]

Recent industry trends should also be considered when designing risk assessment plans. Compliance functions tasked with monitoring new areas of risk should take into account the increasing emphasis on quality, industry consolidation, and changes in insurance coverage and reimbursement. New forms of reimbursement (e.g., value-based purchasing, bundling of services for a single payment, and global payments for maintaining and improving the health of individual patients and even entire populations) lead to new incentives and compliance risks. Payment policies that align payment with quality care have placed increasing pressure to conform to recommended quality guidelines and improve quality outcomes. New payment models have also incentivized consolidation among health care providers and more employment and contractual relationships (e.g., between hospitals and physicians). In light of the fact that statutes applicable to provider-physician relationships are very broad, Boards of entities that have financial relationships with referral sources or recipients should ask how their organizations are reviewing these arrangements for compliance with the physician self-referral (Stark) and anti-kickback laws. There should also be a clear understanding between the Board and management as to how the entity will approach and implement those relationships and what level of risk is acceptable in such arrangements.

Emerging trends in the health care industry to increase transparency can present health care organizations with opportunities and risks. For example, the Government is collecting and publishing data on health outcomes and quality measures (e.g., Centers for Medicare & Medicaid Services (CMS) Quality Compare Measures), Medicare payment data are now publicly available (e.g.,

17 *See* USSG § 8B2.1(b)(5).

18 *See* USSG § 8B2.1(c).

CMS physician payment data), and the Sunshine Rule[19] offers public access to data on payments from the pharmaceutical and device industries to physicians. Boards should consider all beneficial use of this newly available information. For example, Boards may choose to compare accessible data against organizational peers and incorporate national benchmarks when assessing organizational risk and compliance. Also, Boards of organizations that employ physicians should be cognizant of the relationships that exist between their employees and other health care entities and whether those relationships could have an impact on such matters as clinical and research decision-making. Because so much more information is becoming public, Boards may be asked significant compliance-oriented questions by various stakeholders, including patients, employees, government officials, donors, the media, and whistleblowers.

Encouraging Accountability and Compliance

Compliance is an enterprise-wide responsibility. While audit, compliance, and legal functions serve as advisors, evaluators, identifiers, and monitors of risk and compliance, it is the responsibility of the entire organization to execute the compliance program.

Compliance is an enterprise-wide responsiblity.

In an effort to support the concept that compliance is "a way of life," a Board may assess employee performance in promoting and adhering to compliance.[20] An organization may assess individual, department, or facility-level performance or consistency in executing the compliance program. These assessments can then be used to either withhold incentives or to provide bonuses

19 *See* Sunshine Rule, 42 C.F.R. § 403.904, and CMS *Open Payments*, http://www.cms.gov/Regulations-and-Guidance/Legislation/National-Physician-Payment-Transparency-Program/index.html.

20 Compliance Program Guidance for Nursing Facilities, 65 Fed. Reg. 14,289, 14,298-14,299 (Mar. 16, 2000).

based on compliance and quality outcomes. Some companies have made participation in annual incentive programs contingent on satisfactorily meeting annual compliance goals. Others have instituted employee and executive compensation claw-back/recoupment provisions if compliance metrics are not met. Such approaches mirror Government trends. For example, OIG is increasingly requiring certifications of compliance from managers outside the compliance department. Through a system of defined compliance goals and objectives against which performance may be measured and incentivized, organizations can effectively communicate the message that everyone is ultimately responsible for compliance.

Governing Boards have multiple incentives to build compliance programs that encourage self-identification of compliance failures and to voluntarily disclose such failures to the Government. For instance, providers enrolled in Medicare or Medicaid are required by statute to report and refund any overpayments under what is called the 60 Day Rule.[21] The 60-Day Rule requires all Medicare and Medicaid participating providers and suppliers to report and refund known overpayments within 60 days from the date the overpayment is "identified" or within 60 days of the date when any corresponding cost report is due. Failure to follow the 60-Day Rule can result in False Claims Act or civil monetary penalty liability. The final regulations, when released, should provide additional guidance and clarity as to what it means to "identify" an overpayment.[22] However, as an example, a Board would be well served by asking management about its efforts to develop policies for identifying and returning overpayments. Such an inquiry would inform the Board about how proactive the organization's compliance program may be in correcting and remediating compliance issues.

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21 42 U.S.C. § 1320a-7k.

22 Medicare Program; Reporting and Returning of Overpayments, 77 Fed. Reg. 9179, 9182 (Feb. 16, 2012) (Under the proposed regulations interpreting this statutory requirement, an overpayment is "identified" when a person "has actual knowledge of the existence of the overpayment or acts in reckless disregard or deliberate ignorance of the overpayment.") disregard or deliberate ignorance of the overpayment."); Medicare Program; Reporting and Returning of Overpayments; Extensions of Timeline for Publication of the Final Rule, 80 Fed. Reg. 8247 (Feb. 17, 2015).

Organizations that discover a violation of law often engage in an internal analysis of the benefits and costs of disclosing—and risks of failing to disclose—such violation to OIG and/or another governmental agency. Organizations that are proactive in self-disclosing issues under OIG's Self-Disclosure Protocol realize certain benefits, such as (1) faster resolution of the case—the average OIG self-disclosure is resolved in less than one year; (2) lower payment—OIG settles most self-disclosure cases for 1.5 times damages rather than for double or treble damages and penalties available under the False Claims Act; and (3) exclusion release as part of settlement with no CIA or other compliance obligations.[23] OIG believes that providers have legal and ethical obligations to disclose known violations of law occurring within their organizations.[24] Boards should ask management how it handles the identification of probable violations of law, including voluntary self-disclosure of such issues to the Government.

As an extension of their oversight of reporting mechanisms and structures, Boards would also be well served by evaluating whether compliance systems and processes encourage effective communication across the organizations and whether employees feel confident that raising compliance concerns, questions, or complaints will result in meaningful inquiry without retaliation or retribution. Further, the Board should request and receive sufficient information to evaluate the appropriateness of management's responses to identified violations of the organization's policies or Federal or State laws.

Conclusion

A health care governing Board should make efforts to increase its knowledge of relevant and emerging regulatory risks, the role and functioning of the organization's compliance program in the face of those risks, and the flow and elevation of reporting of potential issues and problems to

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23 *See* OIG, *Self-Disclosure Information*, http://oig.hhs.gov/compliance/self-disclosure-info.

24 *See id.*, at 2 ("we believe that using the [Self-Disclosure Protocol] may mitigate potential exposure under section 1128J(d) of the Act, 42 U.S.C. 1320a-7k(d).")

senior management. A Board should also encourage a level of compliance accountability across the organization. A Board may find that not every measure addressed in this document is appropriate for its organization, but every Board is responsible for ensuring that its organization complies with relevant Federal, State, and local laws. The recommendations presented in this document are intended to assist Boards with the performance of those activities that are key to their compliance program oversight responsibilities. Ultimately, compliance efforts are necessary to protect patients and public funds, but the form and manner of such efforts will always be dependent on the organization's individual situation.

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