

Bartlett Regional Hospital

BOARD OF DIRECTORS
Agenda
July 28, 2015
Administration Boardroom

Mission Statement

Bartlett Regional Hospital provides its community with quality, patient-centered care in a sustainable manner.

- I. ROLL CALL**
- II. PUBLIC PARTICIPATION**
- III. SPECIAL ORDER OF BUSINESS**
- A. Dr. Dressel
 - B. Dr. Fisher
- IV. APPROVAL OF MINUTES**
- A. May 26, 2015 (tabled from June Board meeting) (Pg. 3)
 - B. June 23, 2015 (Pg. 7)
 - C. Special meeting June 26, 2015 (Pg. 14)
- V. BOARD EDUCATION**
- A. Inpatient vs. Outpatient designation – Amy Deer, Case Manager
- VI. OLD BUSINESS**
- A. JEMA contract – Jane Sebens
 - B. Strategic Plan – Chuck Bill – (update) (Pg. 15)
 - C. Neonatal call analysis – (action) (Pg. 16)
- VII. NEW BUSINESS**
- A. Medical Staff Rules/Regs/Bylaw changes – Dr. Heine
 - Provision of Care (action) (Pg. 18)
 - Emergency Department - OB screening examination (action) (Pg. 19)
- VIII. COMMITTEE REPORTS:**
- A. STANDING COMMITTEE REPORTS**
- 1. Executive Committee - Bob Storer (Pg. 20)
 - 2. Finance Committee – Linda Thomas (Pg. 23)
 - Nuance Communications, Inc. (Pg. 29) (action)
 - Blade System expansion project (Pg. 51) (action)
 - Wireless Access Points (WAP's) (Pg. 54) (action)
 - Fluke Wireless Analyzer (Pg. 55) (ratification)
 - (RFP)HVAC system for OR (Pg. 58)

- Building Automated Controls System (Pg. 58)
- Humidifier replacement (operating room) (Pg. 58)
- (RFP) Surgical Services design (Pg. 58)

3. Board Quality Committee – No meeting held
4. Planning Committee – Lauree Morton (Pg. 59)
5. Bartlett Foundation – Linda Thomas
6. Rainforest Recovery Center – No meeting held
7. Joint Conference Committee – Bob Storer (Pg. 60)

B. AD HOC COMMITTEE REPORTS

1. CAMHU – Mark Johnson (update)
2. Governance – Kristen Bomengen (Pg. 62)
3. CEO performance goals – Mary Borthwick (action)

IX. MANAGEMENT REPORTS

1. Chuck Bill, CEO – see attached
2. Alan Ulrich, CFO
3. Mila Cosgrove, HR Director
4. Billy Gardner, CNO

X. PRESIDENT’S REPORT

1. Minutes process (Pg. 63)
2. Board Self-evaluation (BLUE FOLDER EGNYTE)

XI. EXECUTIVE SESSION

1. Medical Staff report – (action) (Pg. 64)
2. Patient dashboards 2015 (BLUE FOLDER EGNYTE)
3. Cerner update – Jane Sebens
4. Joint Commission – Bethany Rogers (update)

XIV. AUGUST BOARD CALENDAR (Pg. 65)

XV. BOARD COMMENTS AND QUESTIONS

ADJOURNMENT

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartletthospital.org

Bartlett Regional Hospital

Board of Directors

Minutes

May 26, 2015

Called to order at 5:15 p.m.

Roll call

Present

Robert Storer, President

Nancy Davis, Vice President (by phone)

Mary Borthwick, Secretary

Mark Johnson

Kristen Bomengen, Past President

"Clex Malter, M.D.

Linda Thomas

Lauree Morton

Absent

Brenda Knapp

Others present

Chuck Bill, CEO

Billy Gardner, CNO

Toni Petrie, Executive Assistant

Mila Cosgrove, HR

Dick Monkman, Sonosky, Chambers

Jane Sebens, CBJ Law

Sara Parker, Compliance

Bob Koenitzer, The McDowell Group

Carlton Heine, MD, Chief of Staff

Karen Crane, CBJ Liaison

Nathan Peimann, MD

Public participation – None

SPECIAL ORDER OF BUSINESS: Bob Koenitzer with the McDowell Group gave a presentation on the Community Survey they conducted for the hospital over the past couple of months.

After reviewing the results, Mr. Bill said we need to start discussions on how to use the information from the survey.

Approval of the minutes – Ms. Morton made a MOTION to approve the minutes from April 28, 2015. Ms. Bomengen seconded and they were approved.

OLD BUSINESS:

Rural Demonstration Project – Mr. Bill reported Senator Grassley is going to take this bill to the Senate Finance Committee as an independent standalone item.

NEW BUSINESS:

Board guidance – Mr. Monkman included in the packet, a document from the Office of the Inspector General’s Office outlining the Board’s compliance responsibilities. There was a lengthy discussion on what the Board’s responsibilities are for the compliance issues in the hospital.

Ms. Crane asked if the Assembly is also held accountable by OIG for compliance. Mr. Monkman said that the BRH governing board is ultimately responsible. He also noted that the Board has legal protection as long as they follow the rules set in place.

Juneau Emergency Medical Associates “JEMA” Contract – Mr. Storer invited Dr. Nate Peimann to attend the meeting to answer any questions the Board members have. He would like to get the attorneys from all sides input as well. There’s a meeting scheduled with CBJ Legal, the hospital attorney, Mr. Bill, Mr. Storer and Ms. Davis on May 27th to go over all the contractual issues.

Dr. Peimann said he would send the current JEMA rate structure to the Board.

Operating response to potential loss of the Rural Demonstration Project – Mr. Bill said that we need to start thinking about how we are going to respond if we don’t get the Rural Demonstration Project approved. He is in the process of developing plans.

STANDING COMMITTEE REPORT:

Finance Committee - Ms. Thomas reported the Finance Committee approved the emergency purchase of a Chiller for the LAB, not to exceed \$77,000 and it is now before the Board for ratification. *The MOTION passed by a roll call vote.*

Break at 6:50 p.m.

Back in session 7:00 p.m.

Alaska Public Employees' Retirement System “PERS” amendment – Ms. Cosgrove presented a PERS document that states BRH Management is seeking an amendment to our existing PERS agreement to exclude certain medical professionals from coverage. Senior Leadership believes that exempting the classifications from PERS will give greater flexibility in recruitment and limit potential ongoing liability to the hospital that may arise if the positions were included in PERS and then eliminated at a later date.

Establishing the positions in PERS and then eliminating them in the future may expose the hospital to the requirement to pay an ongoing indebtedness fee.

Ms. Thomas made a MOTION to approve the PERS amendment dated May 21, 2015. Mr. Johnson seconded and it was approved by a roll call vote.

Ms. Thomas went over the April financials that were included in the packet and discussion items from the Finance Committee.

AD HOC COMMITTEE REPORT:

CAMHU – Mr. Johnson reported that the CAMHU ad hoc committee and The McDowell Group went over the draft gaps/needs analysis results. Mr. Johnson would like the ad hoc committee to meet again and open it up to the full board. He would also like the larger CAMHU work group to weigh in on the report.

CEO report – Mr. Bill went over his CEO report and highlighted we are continuing to move forward on the Oncology program. He also commented that we are still working with SEARHC to help provide mutual support. Legal is working on the details.

Dr. Hiestand has received her Alaska license and will begin in June as the Medical Director of behavioral health services.

Mr. Bill has approached the physicians who participated in the “no doc” summer call last year about doing the same thing this summer while continue to work on the Hospitalist Program. We are currently interviewing candidates for the Chief Behavioral Health Officer.

Ms. Thomas made a MOTION to go into executive session at 7:42 p.m., to discuss matters that could have an adverse effect on the finances of the hospital and which are confidential by law. Ms. Bomengen seconded and it was approved.

Out of executive session at 8:10 p.m. to extend the meeting to 8:45 p.m.

Ms. Borthwick made a MOTION at 8:28 p.m., to go back into executive session to discuss matters which could have an adverse effect on the finances of the hospital and matters which are confidential by law (personnel).

Out of executive session at 8:28 p.m.

The Credentialing report was approved.

BOARD COMMENTS:

Ms. Morton expressed her concern about not receiving the PERS amendment document before the meeting and then was asked to take action.

Dr. Malter said he would like to see the Board meetings more meaningful by having all the information ahead of time.

Adjourned at 8:36 p.m.

DRAFT

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900 www.bartlethospital.org

**Bartlett Regional Hospital
Board of Directors
Minutes
June 23, 2015**

Called to order at 5:17 p.m.

Roll call

Present

Robert Storer, President
Mary Borthwick, Secretary
Kristen Bomengen, Past President
Linda Thomas
Brenda Knapp

Nancy Davis, Vice President (by phone)
Mark Johnson
Alex Malter, M.D.
Lauree Morton

Absent

None

Others present

Chuck Bill, CEO	Billy Gardner, CNO
Toni Petrie, Executive Assistant	Mila Cosgrove, HR
Karen Crane, CBJ Liaison	Alan Ulrich, CFO
Elizabeth Mow, Contract Manager	Carlton Heine, MD, COS
Mary Skolnik, PTOT	Kathy Stepien, MD
Amy Dressel, MD	Marc Walker, Facilities
Bethany Rogers, Quality	Jeff Torres, RT
Robyn Free, DI, RT	Dianne Bigge, Staff Development
John Fortin, LAB	Sharon Fisher, MD
Kathy Callahan, Physician Services	Charlee Gribbon, House Supervisor
Rose Lawhorne, ED	Jim Strader, Community Relations
Jane Sebens, CBJ Law	Marna Schwartz, MD
Frances Jones, Bartlett Surgery Specialty Clinic	

Public participation – None

INTRODUCTIONS: Mr. Ulrich introduced Elizabeth Mow, Bartlett's new Contract Manager. Mr. Bill introduced Jenna Heistand, Bartlett's Behavioral Health Director.

SPECIAL ORDER OF BUSINESS:

Dr. Joy Neyhart attended the meeting to address the neonatal pediatric call. She recommended some options and the Board asked Mr. Bill to follow-up on an analysis of the pros and cons of those options.

Mr. Storer said the Board will hold another meeting as soon as possible to try and expedite a resolution.

Quality Assessment and Process Improvement “QAPI” reports - Several departments presented their QAPI projects to the board. They are listed as follows;

- Ms. Callahan reported on Bartlett Surgery & Specialty Clinic on Colonoscopy Care Cycle
- Marc Walker reported on Environmental Services Patient Room Cleanliness
- Katherine Coghill, PTOT, Improve Outpatient Physical Therapy Services
- Robyn Free, DI/RT, Diagnostic Imaging MRI Turnaround Times
- Jeffrey Torres, Supervisor of Respiratory Therapy, Respiratory Therapy Inpatient Tobacco Cessation
- Charlee Gribbon, Lead House Supervisor, Nursing Administration Clocking Correctly
- John Fortin, LAB Manager, Laboratory Massive Transfusion Protocol (MTP)

Ms. Crane asked if Marijuana would be included in the tobacco cessation program. Mr. Torres said currently it's not considered tobacco, but they will be looking at that due to it being smoke.

APPROVAL OF THE MINUTES – *Ms. Borthwick made a MOTION to approve the minutes from the May 26, 2015 Board of Directors meeting. Ms. Morton seconded. Discussion: Mr. Storer would like to hold a special board meeting to discuss what members would like to see included in the minutes. Ms. Morton made a MOTION to table the minutes from May 26, 2015. Ms. Bomengen seconded and the minutes were table until further review.*

Ms. Borthwick made a MOTION to approve the minutes from Minutes June 2 2015. Ms. Thomas seconded they were approved as amended.

OLD BUSINESS:

Juneau Emergency Medical Associates “JEMA” contract – Mr. Storer said the contract is still a working document and encouraged board members to provide comments and questions. Mr. Storer said he had a meeting with Jane Sebens, CBJ Law, Amy Mead, CBJ Law, Chuck Bill, Dick Monkman, Hospital Attorney, and board members Nancy Davis and Kristen Bomengen. He said we have been working with our attorneys and JEMA’s attorneys on defining the language in the contract. He feels what he’s hearing from the Board are two areas of concern. The ability to have JEMA raise their rates and the other issue is for them to buy their own equipment that would be in direct conflict for services we could bill for. There was a lengthy discussion by board members to better understand the current relationship with JEMA and if the changes could impact the hospital. Dr. Malter would like to know what the possible, risks and benefits are.

Ms. Thomas made a MOTION to move forward the conceptual proposal to have an agreement with the JEMA doctors. Mr. Johnson seconded. The contract would come back to the Board before it's approved. Mr. Johnson would like to have the old contract to compare the new one to. **Mr. Morton called the question and Dr. Malter seconded. The motion passed by a roll call vote of 7 in favor and 1 against.**

Break 7:30 p.m.

Back in session 7:40 p.m.

Rural Demonstration Project –Mr. Bill included in the packet a summary of options for Medicare's Rural Demonstration Project and the impact it will have on Bartlett if it doesn't go through. After the discussion, Mr. Bill was asked by the Board to put together a 3-5 year plan so they have an idea of what's possible based on a combination on historical information plus what we know now.

NEW BUSINESS:

- Rules & Regulations changes – Dr. Heine presented two rules and regulation changes on behalf of the Medical Staff.
 - Provisions of Care – Orders for treatment, care of services: This change is to be compliant with the federal regulations by adding certain requirements regarding medication orders. **Dr. Malter made a MOTION to approve the Provisions of Care Rules and Regulations amendment. Ms. Borthwick seconded and it was approved.**
 - On Call policy - The amendment reads that if an active medical staff member who is board certified in more than one specialty, and one of the specialties is listed as an essential service, that member may participate in more than one call group. However, the essential service on-call is the priority call.
Dr. Malter made a MOTION to approve the On Call Policy Rules and Regulations amendment. Ms. Borthwick seconded and it was approved.

STANDING COMMITTEE REPORTS:

Executive Committee – Mr. Storer reported there was a committee set to work on the performance criteria for the CEO for next year. Ms. Borthwick is the chair and the other members are Linda Thomas, Lauree Morton and Mark Johnson. There will be a report on the progress they are making a bit later.

A CAMHU meeting was scheduled for Wednesday, June 24th at Noon and Mr. Storer encouraged anyone that could to attend.

A Contract Administrator has been hired and they are putting together an educational packet for her to work with CBJ Law.

The Catholic Community Services contract was discussed and Mr. Bill and Ms. Sebens are working together on the language. Mr. Bill is also working with Ms. Sebens on the Juneau Cancer Center.

The Memorandum of Understanding with the University of Alaska Southeast Nursing School Program was discussed. The Executive Committee is in support of continuing the hospital's support with this program. The cost is \$50,000 a year.

Ms. Bomengen suggested at the Executive Committee meeting that the Board do a self-evaluation.

Finance Committee report – With a limited amount of time at the Finance Committee and the complexity of the four contracts that were presented, there wasn't time to review and approve all of the contracts. Mr. Storer appointed Ms. Thomas as the chair of a sub-committee to work on two of the contracts at a separate meeting and asked the Board to give that committee the authority to approve those contracts.

Mr. Ulrich gave the May financials report (see attached in the Board packet).

Ms. Thomas made a MOTION to extend the meeting until 9:00 p.m. Ms. Bomengen seconded and it was approved.

Ms. Thomas handed out a document stating we were approved for the Meaningful Use hardship exemption for the damaged hardware for the Meditech implementation.

Santa Rosa Service Agreement – Ms. Thomas said the dollar amount was \$248,710.00 plus expenses of \$61,290.00 for consulting services. The amount was previously approved as part of the Meditech project by the Board. The final contract was just approved by CBJ Law and is ready for board approval. ***Ms. Thomas made a MOTION to approve the Santa Rosa Consulting Agreement in the amount of \$310,000.00. Mr. Johnson seconded and it was approved by a roll call vote.***

Resources Global Connection, LLC Services Agreement – This contract is for a consultant to come and help work on the Meditech implementation. The dollar amount is in excess of \$125,000.00. Ms. Thomas would like a clean copy to look at on Friday at the special meeting. ***Mr. Johnson made a MOTION to approve the contract pending the hand written changes be in typed and final form. Ms. Knapp seconded and it was approved by a roll call vote of 6 in favor and 2 against.***

Mr. Storer would like volunteers to work with Ms. Thomas on the following two contracts at a special meeting on Friday, June 26th;

- Summit Health Care – This is an interface engine. The dollar amount was approved as part of the Meditech budget, it was just waiting for contract approval by CBJ Law and Risk Management.

- EnPointe Microsoft Licensing Agreement with a June 30th deadline. The cost is approximately \$120,000 a year. It was previously approved by administration and needs to be renewed. It hasn't gone through final CBJ approval.

Ms. Bomengen made a MOTION to empower an ad hoc committee appointed by the President to review and approve the Summit Health Care and EnPointe contracts in order to expedite the process. Dr. Malter seconded and it was approved.

Ms. Thomas will chair and Dr. Malter and Ms. Knapp will also participate on the Committee.

There was a request for an increase of \$25,000 on the previously approved chiller since installation bids came in higher than planned. It was an emergency purchase brought to the Board in May. ***Ms. Thomas made a MOTION to increase the amount of the chiller by \$25,000. Ms. Bomengen seconded and it was approved.***

The Finance Committee also reviewed an engagement letter from Elgee, Rehfeld and Mertz to do another single audit for the hospital board specifically, outside of the scope of the CBJ audit. The dollar amount was \$19,500.00 plus expenses.

Ms. Thomas made a MOTION to work with Elgee Rehfeld and Mertz again this year on the audit. Ms. Bomengen seconded and it was approved.

This year was the first year BRH did a standalone audit, which the Board found to be very helpful.

There was an ad hoc committee formed to go over the collections policy, which was approved by the Finance Committee.

Ms. Thomas made a MOTION to approve the payment arrangement policy. Ms. Bomengen seconded with a friendly amendment of wordsmithing and it was approved.

Hospital Quality Committee – Mr. Johnson reported the next meeting should be held in July.

Planning Committee – no meeting held

Bartlett Foundation – Mr. Bill said there was a quick report on the wildlife cruise and it was a sold out event. They were completing the evaluation of the scholarship recipients. When they complete the evaluation, a list of the recipients will be sent to the Board.

AD HOC COMMITTEES:

CAMHU – Mr. Johnson reported there is a meeting Wednesday, June 24th to look at the Needs Assessment done by The McDowell Group and the next steps will be discussed. Ms. Crane said the City is starting a discussion on looking at the 1% tax and to give a quick written report to the Assembly as soon as possible. Mr. Johnson said he would get to work on that.

Governance Committee – Ms. Bomengen said the committee met last week with Dr. Raster, Dr. Welling, and Bob Storer, to discuss the CBJ ordinances to look at what we might need to change to give the hospital the best flexibility while moving forward. There was good conversation with the physicians that attended and they agreed to a plan to come back with a set of proposals to look at and what they would mean. They would then take those to the Medical Staff. The other part of the meeting was to develop a set of best practices to guide the Board. They will look at proposals from other hospitals regarding best practices next month.

CEO Performance Criteria Committee – Ms. Borthwick said the committee is still gathering ideas. She hopes to have a report ready next week.

MANAGEMENT REPORTS:

CEO report – Mr. Bill referred to his written report (see attachment in the packet) He noted we had our first onsite visit with a Chief Behavioral Health Officer today.

CFO – Mr. Ulrich said Meditech will be onsite July 1st for a 120 day review of readiness. The Physician champions made a decision to proceed with the NUANCE Dragon software and we will be negotiating that contract through the Finance Committee in July.

HR - Ms. Cosgrove reported the Bartlett organizational culture survey results were reviewed by Senior Leadership and the information was included in the Board packet. She did note that the quality indicators went up. Ms. Cosgrove encouraged the Board to look at all the data.

Ms. Bomengen made a MOTION at 8:56 p.m., to extend the meeting until 9:30. Dr. Malter seconded and it was approved.

President report – Mr. Storer reported he worked with Ms. Cosgrove to come up with some examples on board self-evaluations. He would like the Board to look at both documents and at the Executive Committee, they will make edits. Mr. Storer would also like SLT to evaluate the Board as a whole. Mr. Storer mentioned revisiting the bylaws to possibly address the removal of an officer.

Ms. Borthwick made a MOTION at 9:06 p.m., to go into executive session to discuss matters which could have an adverse effect on the finances of the hospital and other confidential matters. Ms. Knapp seconded and it was approved.

Out of executive session at 9:29 p.m., to extend the meeting.

Ms. Borthwick made a MOTION to extend the meeting to 10:30 p.m. Ms. Morton seconded and it was approved.

Ms. Bomengen made a MOTION at 9:30 p.m., to go back into executive session. Ms. Knapp seconded and it was approved.

Out of exec session 9:37 p.m.

Ms. Bomengen made a MOTION to approve the Credentialing report. Dr. Malter seconded and it was approved.

BOARD COMMENTS:

Ms. Morton said it would be helpful to have a list of money levels which require approval by the Board. She would also like a chart of acronyms.

Dr. Malter would like Mr. Storer to work with administration to address the broad issues Dr. Neyhart brought up tonight and get an analysis of her recommendations to bring back to the Board.

Ms. Bomengen said she was able to take advantage of the opportunity to come when the joint commission showed up and encouraged the other board members to attend when they come this year.

Mr. Storer said Dr. Neyhart deserves a thorough discussion and a definitive conclusion. It's important the entire board hears it in July.

Ms. Crane asked about the articles in the newspaper about SEARHC expanding their services and what this means for Bartlett. Mr. Bill said we don't provide dental services and for psychiatry, it's good to have more providers that can provide psychiatry services in our community.

Adjourned 9:46 p.m.

Board Secretary

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900

www.bartletthospital.org

Special ad hoc committee

June 26, 2015

12:00

Minutes

Called to order at 12:04

Attendance: Linda Thomas, Alex Malter, MD, Brenda Knapp, Chuck Bill, CEO, Alan Ulrich, CFO, Beth Mow, Contract Administrator, Martha Palicka, IT Director, Max Salassi, Network Administrator, Jane Sebens, CBJ Law

This ad hoc committee was appointed by Bob Storer, Board President to review two contracts for approval before July 1, 2015. The Board gave authority for this committee to approve on behalf of the full board.

The first one is Summit Healthcare Interface. This contract was reviewed by CBJ Law. This was approved as part of the Meditech budget. After discussion on the terms of the contract, *Dr. Malter made a MOTION to approve. Ms. Knapp seconded and it was approved.*

The second one is the EnPointe Microsoft Licensing agreement. This contract was reviewed by CBJ Law. The cost is approximately \$120,000 a year for 3 years. After discussion on the terms of the contract, *Dr. Malter made a MOTION to approve. Ms. Knapp seconded and it was approved.*

Adjourned at 12:37 p.m.

Bartlett Regional Hospital provides its community with quality, patient centered care in a sustainable manner.

YEAR/ISSUES	STATUS/IMPACT	YEAR/ISSUES	STATUS/IMPACT	YEAR/ISSUES	STATUS/IMPACT
FY2016		FY2017		FY2018	OIL INDUSTRY REBOUNDS
MEDICAID	No movement on expansion or reform. Rates frozen	MEDICAID	Expanded Medicaid offsets. Reform impacts.	MEDICAID	Reform continues, payments drop 5%. DSH funding for inpatient. Mental Health begins to decline
MEDICARE	Demo project extended	MEDICARE	Lose Cost Report Appeal. Cadillac Tax impact of \$500,000	MEDICARE	Grow inpatient % of business through selective product line development
PRIVATE INSURANCE	5% increase	PRIVATE INSURANCE	Increase 3-5%	PRIVATE INSURANCE	Begin to play hardball. Rates drop 5%
HOSPITALIST	Implemented by 1/1/16	SELF PAY/BAD DEBT	Continues to grow as a %	SELF PAY/BAD DEBT	Drops 5% with improved economy
VOLUMES	5% increase	HOSPITALIST	Increase inpatient volume by 5%	HOSPITALIST	No major changes
PHYSICIANS	New surgeon by 1/1/16 Psychiatrists stable with addition of Dr. Henry on September 1st reducing locum cost	PHYSICIANS	New OB/GYN adds surgical cases. Grow Medical Oncology presence. New surgeon adds cases Explore Ophthalmologic surgery options	VOLUMES	Increase 10% due to maturing. New surgeons and release of pent up demand
BEHAVIORAL HEALTH	Redefine and improve efficiency, effectiveness, and payment. Finalize CAMHU options/plans	BEHAVIORAL HEALTH	Stabilize and improve payments in RRC	PHYSICIANS	Continue succession planning. Explore plastic/hand surgeon
MEDITECH	Go live November 1st. Achieve Meaningful Use in second half of the fiscal year	EMERGENCY DEPT.	Attain Trauma Level 3 status	INFORMATION SYSTEMS	Continues to evolve and cost \$\$
EMERGENCY DEPT.	JEMA assumes billing, reducing gross income and improving net	MEDITECH	Continue to expand use and add modules/interfaces		
PHYSICIAN CLINICS	Automate				
REVENUE CYCLE	Continue to improve timeliness and % of collections				
Other possible opportunities to explore include: Collaboration with SEARHC and other agencies in SE Alaska. Adding services to support the aging population such as GeroPsych, expanded cardiology, etc. Explore development of a 24 hour pharmacy. Explore leasing OR's. Develop urgent care capabilities city wide. Expand cafeteria capabilities, such as catering.					

Quick analysis of neonatal call options presented by Dr. Neyhart

1. Force everyone with privileges to admit pediatric patients to Bartlett Regional Hospital to participate in this call rotation.

PROS:

- This makes sense on the surface and is the quickest possible solution.
- It also would save the hospital several thousand dollars/month in call pay by reducing any individuals amount of call to 5 less days per month

CONS:

- Requires an action of the Medical Staff and Board to change the rules and regulations with political implications
 - Several family practice physicians with privileges to admit pediatric patients have indicated that they are uncomfortable with their competency to handle neonatal resuscitation and would drop Peds privileges.
2. Hospital hires 5-6 pediatricians and provide 24/7 call.
- With a dwindling pediatric population (The McDowell Group study shows a 20% decrease from 1990 to 2014 and predicts another decrease of 9% by 2042, estimating 15,338 children in all of Southeast Alaska) excluding those service areas that have their own providers and the patient's seen by SEARHC that leaves $8518 - 2000 = 6518$ about 6500 assuming that the family practitioners see about 50% in their practice that leaves roughly 3250 patients for pediatric practices. Industry standards indicates that a successful full time pediatric practice has 2500-3000 active patients. Therefore, even if the numbers grow substantially hiring 5-6 pediatricians is nowhere near cost effective.
3. Remove pediatrics from the "essential specialties" designation, thus eliminating the call requirement.
- This option has merit when compared to how other specialties with limited numbers of providers are handled and would allow all of the pediatricians to take some call.
 - It would result in a few extra days a month that are uncovered, costing the hospital more, but less than other options.
 - Assume pediatricians would voluntarily take some call.
4. Require hospitalist participating in Bartlett's program to be able to provide both pediatric and adult services.
- This is also a very viable option, but will reduce the pool of potential candidates for the hospitalist program dramatically and increase the cost slightly (about \$40,000 a year).
5. Do nothing different.

- Pediatricians will withdraw from active staff and take no call.
- Call structure will either have to be changed or additional resources identified and paid for to maintain neonatal call at a significant cost.

I estimate that cost to be approximately \$25,000 a year.

**BARTLETT REGIONAL HOSPITAL
RULES & REGULATIONS**

I. PROVISION OF CARE

C. Orders for Treatment, Care, or Services:

1. All orders for treatment shall be in writing.
 - a. An order shall be considered to be in writing if hand-written in the medical record, entered into the electronic medical record (EMR) using Computerized Physician Order Entry (CPOE), or given verbally to, and documented by, qualified hospital personnel.
2. All orders shall be dated, timed, and signed.
3. Verbal orders:
 - a. The following hospital personnel may accept verbal orders and document in these orders the medical record:
 - i. ~~registered~~ licensed nurse,
 - ii. pharmacist,
 - iii. registered/certified respiratory therapist,
 - iv. licensed physical therapist, occupational therapist, or speech therapist,
 - v. certified or registered dietitian,
 - vi. registered medical technologist,
 - vii. registered radiologic technologist,
 - viii. polysomnographer, and
 - ix. such other personnel that may be authorized by the Medical Staff Executive Committee to take orders.

**BARTLETT REGIONAL HOSPITAL
RULES & REGULATIONS**

V. EMERGENCY DEPARTMENT

1. A policy and procedure outlining the duties and responsibilities of all personnel in the emergency services area shall be developed in conjunction with the Emergency Care Committee and approved by the Medical Staff Executive Committee.
2. All patients presenting for emergency care must have a medical screening examination completed at the Hospital by a physician, physician assistant, or advanced nurse practitioner.
 - a. A registered nurse may perform the examination in the following cases:
 - i. Suture removal
 - ii. Recurring visits for prescribed infusion therapy
 - iii. OB screening examination **for the presence of Stage One (active) labor after 20 weeks gestation**

Assessment of Obstetrical Patient in OB/ED policy:

- A. Assessment of the pregnant patient can be performed in the Emergency Department and/or Obstetrics Department, based on the following guidelines:
 - A.1. Patients at 20 weeks gestation or less should be assessed in the Emergency Department regardless of reason for visit.
 - A.2. Patients greater than 20 weeks gestation **are referred directly to OB for:**
 - A.2.1. **Evaluation for the presence of Stage I labor**
 - A.2.2. **Outpatient or observation obstetrical services, as directed by the patient's obstetrical physician**
 - A.3. Patients greater than 20 weeks gestation **with conditions not meeting A.2 criteria, including postpartum patients following out-of-hospital births,** are to be evaluated in the Emergency Department, in consultation with Labor/Delivery staff **or on-call OB provider** as necessary. If patient is stable and fetal monitoring is indicated, patient may be monitored in the Obstetrics Department following ED assessment.
 - A.4. Physician will make final assessment/treatment decisions.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900

www.bartlethospital.org

Executive Committee

July 2, 2015

12:00

Minutes

Called to order at 12:05 p.m.

Attendance: Mr. Storer, Ms. Borthwick, Ms. Bomengen, Mr. Bill, CEO, Mr. Ulrich, CFO, Mr. Gardner, CNO, Mila Cosgrove, HR, Emma House, Executive Assistant, Jane Sebens, CBJ Law (by phone), Nancy Davis

APPROVAL OF THE MINUTES – *Ms. Borthwick made a MOTION to approve the minutes from the June 8, 2015 Executive Committee. Ms. Bomengen seconded and they were approved.*

CBJ Legal report – The June legal report was reviewed.

OLD BUSINESS:

- A. Meditech update – Mr. Ulrich gave an update on the Meditech 6.1 project. We have contracted with someone to come and help with the project. Meditech did their 120 day evaluation. Santa Rosa is compiling the information.
- B. CAMHU update – Mr. Bill reported we are supposed to get the final draft report from the McDowell Group today. Mr. Bill and Mr. Storer met with Kim Kiefer, CBJ Manager and Bob Bartholomew, CBJ Finance to discuss where we are at in this process.
- C. JEMA contract update – Mr. Bill reported the contract is with legal. We are hoping to have a draft to review around July 15th.

- D. Hospitalist program update – Mr. Bill is working with Ms. Cosgrove on a job description that will include the ability to do pediatrics. In the meantime, the three family medicine groups have agreed to cover summer no doc call.
- E. Juneau Cancer Center update – Mr. Bill reported that we are close to getting the issues resolved through CBJ Legal and CBJ Lands on lease of space from Southeast Radiation Oncology.
- F. Pediatric call discussion – Dr. Neyhart attended the Board meeting in June and proposed five suggested solutions for the pediatric call issues. The committee spent time reviewing the Mr. Bill’s comments to each solution she presented (pros and cons). The committee would like Mr. Bill to make a recommendation in August.
- G. Rural Demonstration Project update – Mr. Bill said the Bill went through the Senate Finance Committee and is now ready to go to the Senate as a whole. There is no date when it will be heard at this time.
- H. Contract Administrator - We have hired a person and she has started. Mr. Bill feels it will help streamline the contractual process.

NEW BUSINESS:

- A. Board evaluation – There were some examples of board evaluations that were sent to the Board. The committee had a discussion on the questions and the intent is to narrow it down to one and to make sure the questions are appropriate.
- B. Chief Behavioral Health Officer update – There have been two candidates that have come for site visits and we are bringing a third up next week with the hopes of making a decision by the end of July.
- C. CEO performance criteria – The committee reviewed the recommendations from the ad hoc committee and they will bring them to the Board at the July board meeting.

D. Ethics - Mr. Storer said he communicated with Ms. Sebens and asked her to do an ethics presentation at the July board meeting.

Ms. Borthwick made a MOTION to go into executive session to discuss matters which could have an adverse effect on the finances of the hospital. Ms. Bomengen seconded and it was approved.

Meeting adjourned at

DRAFT

Bartlett Regional Hospital

June 2015 Financial Operating Summary

Excess of expenses over revenues for June 2015 was a gain of \$326,500 which was (\$25,000) less than the expected \$351,500. In the twelve months ending June 2015, BRH's excess of revenues over expenses showed a gain of \$2.98 million compared to the budget of \$2.4 million. When compared to the prior year, June 2014 finished the year with excess of expenses over revenue of \$1M. This is a positive overall change from FY14 to FY15 of \$3.98M

Total Patient Days:

- In the hospital, in-patient days were under budget by 33 days in June and finished FY15 exceeding budget by 1,117 days (12.5%). The MedSurg patient days in June were 26 days (7%) higher than budget. The other clinical departments – CCU patient days of 91 were 35% higher than budget. OB's patient days of 53 were 55% lower than budget. Mental Health unit's June patient days (221) were 16% lower than budget however finished FY15 with the year-to-date 16% higher than budget.
- In Rainforest, Patient Days were 122 (70%) under budget in June and cumulative Fiscal 2015 days were also under budget.

Total Gross Patient Revenue for the month of June was \$12.5 million which was \$301K (2.5%) better than budget. In the year-to-date period, Total Gross Patient Revenue was \$935K (0.7%) over budgeted Total Gross Patient Revenue of \$137M.

Contractual adjustments and bad debt expense decreased from 37.6% (May) to 36.5% (June) of gross revenue. Gross Accounts receivable continues to decrease and went from \$25.6 million in May down to \$25.1 million in June due to continued improvement in BRH collections. Bad debt expense for Total Gross Revenue in June totaled 3.92% down from May's 4.7%. For FY15 we finished out the year with 5.58% bad debt compared to FY 14 at 6.10%. In the twelve months ending June 2015, contractual allowances and bad debt were 36.5% of gross revenues versus 38.0% in the prior year. This is a 1% improvement from FY14 where we finished up the year at 39.0%.

Net patient revenue was \$470,200 (6.3%) over budget in June and \$818,500 (1%) over budget in the year-to-date period.

Total Operating Expenses were \$579,100 (7.9%) over budgeted expenses of \$7.35 million in June and \$1.83 million (2.2%) over budgeted operating expenses of \$85.4M in the year-to-date period. In June 2015:

- June salary & benefit expenses are over budget by \$122,175, which Physician salary expense attributes \$214K negative variance. Other salary expense has a negative variance of \$31K and Benefits has a positive variance of \$37K. Year-to-date salaries and wages were \$2.55 million over budget which is split between Physicians and other employees just about evenly. Benefits has excess expense over budget of \$283K.
- Fee-Physician continues to exceed budget in June due to Bartlett accruing \$900,000 towards its estimated year end liability to JEMA
- Supply expenses of \$138K are over budget for the month and YTD \$81K over budget. Comparison to supplies in FY14, the excess expense of \$2.4M between the two fiscal years can be attributed to recognizing the Cerner Software expense from CIP to expense.

Operating Cash is \$30.1 million as of June 30, 2015 which is 146 Days Cash on Hand. In addition there is an additional \$12M in funded depreciation that brings the Days Cash on Hand to 196 Days. Net A/R Days closed out FY15 at 65.

BARTLETT REGIONAL HOSPITAL
STATEMENT OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE OF June 15

MTD ACTUAL	MTD BUDGET	MTD \$ VAR	MTD % VAR	PRIOR YR MTD ACTUAL		YTD ACTUAL	YTD BUDGET	YTD \$ VAR	YTD % VAR	PRIOR YTD ACTUAL	PR YTD % VAR
1,992,660	2,201,124	-208,464	-9.50%	2,010,441	1 Inpatient Revenue - Routine	26,068,777	22,757,127	3,311,650	14.60%	20,785,672	20.30%
2,627,445	2,055,275	572,170	27.80%	1,823,908	2 Inpatient Revenue - Ancillary	27,373,800	27,647,059	-273,259	-1.00%	24,534,746	10.40%
4,620,105	4,256,399	363,706	8.50%	3,834,349	3 Total Inpatient Revenue	53,442,577	50,404,186	3,038,391	6.00%	45,320,418	15.20%
\$6,116,914	\$6,105,089	\$11,825	0.20%	\$5,730,958	4 Outpatient Revenue	\$64,989,675	\$66,346,729	-\$1,357,054	-2.00%	\$62,280,897	4.20%
10,737,019	10,361,488	375,531	3.60%	9,565,307	5 Total Patient Revenue - Hospital	118,432,253	116,750,915	1,681,338	1.40%	107,601,316	9.10%
259,398	430,062	-170,664	-39.70%	366,732	6 RRC Revenue	4,140,578	4,720,776	-580,198	-12.30%	4,218,413	-1.90%
1,533,548	1,437,287	96,261	6.70%	1,557,113	7 Physician Revenue	15,610,673	15,777,031	-166,358	-1.10%	14,798,431	5.20%
12,529,965	12,228,837	301,128	2.50%	11,489,153	8 Total Gross Patient Revenue	138,183,503	137,248,722	934,781	0.70%	126,618,159	8.40%
3,798,359	3,623,034	-175,325	-4.80%	9,371,603	9 Contractual adjustments	40,663,433	39,998,200	-665,233	-1.70%	38,745,209	-2.30%
-	-	-	-	(104,002.00)	10 Prior year settlements	-	-	-	0.00%	-994,935	-
11,628	14,794	3,166	21.40%	193,741	11 Other deductions	401,378	163,326	-238,052	-145.80%	369,878	-7.80%
275,038	268,529	-6,509	-2.40%	105,173	12 Charity care	3,725,260	2,964,572	-760,688	-25.70%	2,880,540	-22.70%
491,374	839,156	347,782	41.40%	1,283,236	13 Bad debt expense	7,716,561	9,264,289	1,547,728	16.70%	8,359,076	8.30%
3.92%	6.86%			4.60%	% Bad Debt / Total Gross Patient Revenue	5.58%	6.75%			6.10%	
4,576,399	4,745,513	169,114	-2.57%	10,849,751	14 Total deductions from revenue	52,506,632	52,390,387	-116,245	-0.60%	49,359,768	-4.20%
30.4%	29.7%			82.4%	% Contractual Adj/Total Gross Patient Rev	29.7%	29.3%			30.1%	
6.1%	9.1%			12.1%	% Bad Debt & Charity Care/Total Gross Patient Rev	8.3%	8.9%			8.9%	
36.5%	38.8%			94.4%	% Total Deductions / Total Gross Patient Revenue	38.0%	38.2%			39.0%	
7,953,566	7,483,324	470,242	6.30%	639,402	15 Net patient revenue	85,676,872	84,858,335	818,537	1.00%	77,258,390	9.80%
155,420	82,882	72,538	87.50%	120,790	16 Other operating revenue	2,705,668	1,458,844	1,246,824	85.50%	3,040,733	-12.40%
8,108,986	7,566,206	542,780	7.20%	760,192	17 Total operating revenue	88,382,539	86,317,179	2,065,360	2.40%	80,299,123	9.10%
\$2,853,301	\$2,821,311	-\$31,990	-5.40%	\$2,687,567	18 Salaries and wages	\$34,420,282	\$33,287,456	-\$1,132,826	-6.50%	\$31,735,124	-7.60%
\$255,230	\$127,779	-\$127,451	-99.70%	\$214,145	18 A Physician Wages	\$2,539,863	\$1,402,625	-\$1,137,238	-81.10%	\$2,397,643	-5.60%
\$1,410,359	\$1,447,625	\$37,266	2.60%	\$5,471,303	19 Employee benefits	\$17,311,954	\$17,028,354	-\$283,600	-1.70%	\$19,725,203	13.90%
\$4,518,890	\$4,396,715	-\$122,175	-102.50%	\$8,373,015	Total Salaries and Benefits	\$54,272,099	\$51,718,435	-\$2,553,664		\$53,857,970	
55.7%	58.1%			110.4%	% Salaries and Benefits / Total Operating Revenue	61.4%	59.9%			67.1%	
\$925,950	\$620,550	(\$305,400)	-49.20%	\$569,287	20 Fees - Physician	\$7,399,029	\$6,749,385	(\$649,644)	-9.60%	\$5,821,304	-21.30%
\$447,853	\$441,725	(\$6,128)	-1.40%	\$395,825	21 Fees - Other	\$3,831,320	\$3,921,021	\$89,701	2.30%	\$3,266,624	-14.70%
\$822,458	\$683,558	(\$138,900)	-20.30%	\$3,120,705	22 Supplies	\$8,501,630	\$8,420,095	(\$81,535)	-1.00%	\$10,640,044	25.20%
\$128,143	\$144,597	\$16,454	11.40%	\$138,603	23 Utilities	\$1,630,572	\$2,115,977	\$485,405	22.90%	\$2,017,462	23.70%
\$287,360	\$225,877	(\$61,483)	-27.20%	(\$190,542)	24 Repairs & maintenance	\$2,485,822	\$2,607,752	\$121,930	4.70%	\$1,812,591	-27.10%
\$54,180	\$19,430	(\$34,750)	-178.80%	\$21,851	25 Rentals & leases	\$468,074	\$401,113	(\$66,961)	-16.70%	\$451,084	-3.60%
\$57,471	\$51,289	(\$6,182)	-12.10%	(\$64,052)	26 Insurance	\$513,531	\$606,032	\$92,501	15.30%	\$447,147	-12.90%
\$552,827	\$605,266	\$52,439	8.70%	\$589,113	27 Depreciation & amortization	\$6,808,518	\$7,120,750	\$312,233	4.40%	\$7,086,556	4.10%
\$57,048	\$76,652	\$19,604	25.60%	\$158,185	28 Interest expense	\$685,954	\$931,713	\$245,759	26.40%	\$1,922,737	180.30%
\$81,303	\$88,690	\$7,387	8.30%	\$56,391	29 Other expenses	\$678,116	\$843,009	\$164,893	19.60%	\$520,612	-23.20%
\$7,933,482	\$7,354,349	(\$579,133)	-7.90%	\$13,168,380	30 Total expenses	\$87,274,663	\$85,435,282	(\$1,839,381)	-2.20%	\$87,844,131	0.70%
\$1,159,565	\$211,857	\$947,708	447.30%	(\$12,408,188)	31 Income (loss) from operations	\$2,091,936	\$881,897	\$1,210,039	137.20%	(\$7,545,009)	460.70%
\$2,494	\$6,692	(\$4,198)	-62.70%	\$522,673	32 Interest income - general	\$221,928	\$73,455	\$148,473	202.10%	\$621,160	-179.90%
\$148,474	\$132,900	\$15,574	11.70%	\$4,515,879	33 Other non-operating revenue	\$1,657,402	\$1,458,844	\$198,558	13.60%	\$5,902,822	-256.10%
\$150,969	\$139,592	\$11,377	8.20%	\$5,038,552	34 Total non-operating revenue	\$1,879,330	\$1,532,299	\$347,031	22.60%	\$6,523,982	-247.10%
\$326,473	\$351,449	(\$24,976)	-7.10%	(\$7,369,636)	35 over expenses	\$2,987,206	\$2,414,196	\$573,010	23.70%	(\$1,021,026)	134.20%

BARTLETT REGIONAL HOSPITAL
BALANCE SHEET
AS OF JUN 15

ASSETS	15-Jun	15-May	Jun-14	CHANGE FROM PRIOR YEAR
Current Assets:				
1. Cash and cash equivalents	32,248,963	30,051,502	25,168,268	7,080,695
2. Board designated cash	12,411,785	12,673,796	13,515,261	(1,103,476)
3. Patient accounts receivable, net	16,199,576	15,167,599	17,692,765	(1,493,189)
4. Other receivables	540,215	467,884	287,810	252,405
5. Inventories	1,689,367	1,626,684	1,597,091	92,277
6. Prepaid Expenses	714,732	859,643	863,892	(149,160)
7. Other assets	-	-	-	-
8. Total current assets	63,804,639	60,847,107	59,125,087	4,679,552
Appropriated Cash:				
9. CAMHU and other funds	5,327,673	5,327,673	5,327,673	-
Property, plant & equipment				
10. Land, bldgs & equipment	146,480,849	146,212,263	145,203,906	1,276,943
11. Construction in progress	3,620,188	3,402,348	228,426	3,391,763
12. Total property & equipment	150,101,037	149,614,611	145,432,331	4,668,706
13. Less: accumulated depreciation	(82,803,967)	(82,227,318)	(75,995,449)	(6,808,518)
14. Net property and equipment	67,297,071	67,387,293	69,436,882	(2,139,812)
15. Total assets	136,429,382	133,562,073	133,889,642	2,539,740
LIABILITIES & FUND BALANCE				
Current liabilities:				
16. Payroll liabilities	1,043,398	847,977	866,812	176,586
17. Accrued employee benefits	2,752,191	2,735,846	2,539,235	212,956
18. Accounts payable and accrued expenses	3,707,618	2,237,568	1,630,251	2,077,366
19. Due to 3rd party payors	1,471,357	1,471,357	3,371,335	(1,899,978)
20. Deferred revenue	(643,477)	(310,818)	539,986	(1,183,463)
21. Interest payable	375,957	300,364	388,005	(12,048)
22. Note payable - current portion	745,000	745,000	725,000	20,000
23. Other payables	887,006	736,229	738,897	148,108
24. Total current liabilities	10,339,049	8,763,523	10,799,522	(460,472)
Long-term Liabilities:				
25. Bonds payable	21,350,000	21,350,000	22,095,000	(745,000)
26. Bonds payable - premium/discount	2,251,617	2,270,368	2,485,971	(234,354)
27. Total long-term liabilities	23,601,617	23,620,368	24,580,971	(979,354)
28. Total liabilities	33,940,667	32,383,891	35,380,493	(1,439,826)
29. Fund Balance	102,488,715	101,178,182	98,509,149	3,979,566
30. Total liabilities and fund balance	136,429,382	133,562,073	133,889,642	2,539,740

**Bartlett Regional Hospital
Dashboard Report for June 15**

Facility Utilization:	CURRENT MONTH			YEAR TO DATE		
	Actual	Prior Year	Budget	Actual	Prior Year	Budget
<i>Inpatient: Patient Days</i>						
Patient Days - Med/Surg	376	301	350	4,338	3,352	3,725
Patient Days - Critical Care Unit	91	78	55	891	733	690
Avg. Daily Census - Acute	15.6	12.6	13.5	14.3	11.2	12.1
Patient Days - Obstetrics	53	72	95	920	960	1,050
Patient Days - Nursery	53	70	65	779	820	780
Births	21	27	31	376	381	377
Patient Days - Mental Health Unit	221	280	262	3,100	2,707	2,666
Avg. Daily Census - MHU	7.4	9.3	8.7	8.5	7.4	7.3
Total Patient Days	794	801	827	10,028	8,572	8,911
<i>Inpatient: Admissions (Note 1)</i>						
Med/Surg	76	60	100	864	763	1,066
Critical Care Unit	44	26	14	407	378	171
Obstetrics	26	27	38	368	395	415
Nursery	25	27	30	367	381	362
Mental Health Unit	27	41	38	374	384	386
Total Admissions	198	181	220	2,380	2,301	2,400
<i>Surgery:</i>						
Inpatient Surgery Cases	18	43	30	370	596	534
Same Day Surgery Cases	241	224	217	2,583	2,545	2,432
Total Surgery Cases	259	267	247	2,953	3,141	2,966
Total Surgery Minutes	18,434	15,327	19,719	208,065	205,939	228,960
<i>Outpatient:</i>						
Total Outpatient Visits (Hospital)						
Emergency Department Visits	1,342	1,400	1,300	15,213	14,384	14,131
Cardiac Rehab Visits	19	25	42	359	452	452
Lab Tests	8,524	7,528	8,061	92,576	89,686	95,572
Radiology Procedures	2,504	2,207	2,359	25,924	25,119	26,088
Sleep Studies	17	18	17	221	209	208
<i>Rain Forest Recovery:</i>						
Patient Days - RRC	281	403	403	4,446	4,668	4,783
Avg. Daily Census - RRC	9	13	13	12	13	13
Outpatient visits	180	326	N/A	3,448	3,847	N/A
<i>Physician Clinics:</i>						
Specialty Clinic Visits	591	764	990	10,701	6,717	11,900
<i>Other Operating Indicators:</i>						
Dietary Meals Served	19,548	17,931	19,500	228,792	234,226	227,826
Laundry Pounds (Per 100)	327	322	276	4,011	3,559	3,702
<i>Financial Indicators:</i>						
Revenue Per Adjusted Patient Day	6,235	5,267	5,586	6,276	6,457	6,199
Contractual Allowance %	30.40%	82.40%	29.70%	29.70%	30.10%	29.30%
Bad Debt & Charity Care %	6.10%	12.10%	9.10%	8.30%	8.90%	8.90%
Wages as a % of Net Revenue	39.10%	453.80%	39.40%	43.10%	44.20%	40.90%
Staff Hours Per Adjusted Patient Day	45.10	37.61	66.01	52.45	44.77	65.75
Overtime/Premium % of Productive	4.44%	4.50%	3.50%	4.98%	4.98%	4.00%
Days Cash on Hand	146	168	149	146	168	149
Days in Net Receivables	65	74	55	65	74	55

**BARTLETT REGIONAL HOSPITAL
FY 15 Capital Budget through May 31, 2015**

Capital Item #	Description	Dept.	Approved Budget FY 15	Approved Carry-over from FY 14	Substitution	Purchased	Remaining	Notes
FY15-CCU1	2 Support Beds (Purchased 3)	CCU	69,936			93,982	(24,046)	Approved by BOD on 7-22-14
	2 Support Beds	CCU				84,249	(84,249)	
FY15-FAC1	Floor covering with anti fatigue and to reduce noise from boilers/ blood bank	FAC	13,000				13,000	
FY15-FAC2	Bartlett Outpatient Psychiatric Service (BOPS) Deck Replacement	FAC	40,000			49,863	(9,863)	
FY15-FAC3	Rainforest Recovery Center 1991 Passenger Van Replacement	FAC	40,000				40,000	
FY15-FAC4	Mental Health Unit Passenger Van Replacement	FAC	40,000				40,000	
FY15-FAC5	Bartlett House Flooring	FAC	50,000				50,000	
FY15-FAC6	Juneau Medical Center Fire Alarm System	FAC	100,000				100,000	
FY15-FAC7	Rainforest Recovery Center Fire Alarm	FAC	100,000				100,000	
FY15-FAC8	Storage 1 BAS Upgrade	FAC	125,000				125,000	
FY15-FAC9	Master Facility Plan	FAC	1,000,000		(171,523)		828,477	
FY15-FAC10	Emergency Chiller purchase (current chiller failed) - Facilities	FAC	-		77,000		77,000	Approved by BOD 5-21-15
FY15-HISTO1	Tissue Processor - Tissue Tek	HISTO	55,000			54,400	600	Approved by BOD 4-16-15
FY15-HISTO2	Film Coverslipper - Tissue Tek	HISTO	55,000		(55,000)		-	Approved by BOD 4-16-15
FY15-HISTO3	Substitute Replacement of Cryostat & buy a Slide Stainer	HISTO	-		55,000	22,000	33,000	Approved by BOD 4-16-15
FY15-HISTO4	Tissue Tek Smartwrite Cassette Printer	HISTO	-			7,600		
FY15-LAB1	Microbiology Refrigerator	LAB	9,000				9,000	Approved by BOD 4-16-15
FY15-LAB2	Chemistry Refrigerator	LAB	9,000				9,000	Approved by BOD 4-16-15
FY15-LAB3	Blood Bank Refrigerator	LAB	9,000				9,000	Approved by BOD 4-16-15
FY15-IS1	Powerscribe 360 DICOM SR Integration	IS	22,625				22,625	
FY15-IS2	Risk Assessment/Penetration Testing	IS	48,000				48,000	
FY15-IS3	10 Gig Comm Room Expansion	IS	79,000			69,995	9,005	Approved by BOD on 9-16-14
FY15-IS4	Next Generation Firewall and Web Security Solution	IS	215,000				215,000	
FY15-IS5	Meditech Upgrade	IS	4,130,237			3,152,612	977,625	
FY15-M/S1	Accutor V Vital Signs Monitor and Accessories	M/S	7,327				7,327	
FY15-OB1	Linen Warmer	OB	5,540				5,540	
FY15-OR1	Omni Rail and Blade Trays	OR	5,000				5,000	
FY15-OR2	Warming Cabinet (PACU) Post Anesthesia Care Unit	OR	8,000			7,293	707	
FY15-OR3	Retractor Tray	OR	16,111				16,111	
FY15-OR4	DHS Instrument Set and Screw Set	OR	27,000				27,000	
FY15-OR5	Large Frag Instrument Set and Screw Set	OR	27,193				27,193	
FY15-OR6	2 Portable Monitors	OR	28,000				28,000	
FY15-OR7	CO2 Insufflation Device (Dr. Wagner)	OR	44,500				44,500	
FY15-OR8	Small Sterilizer	OR	76,915				76,915	
FY15-OR9	Video Towers for Surgical Procedures	OR	85,000		(85,000)		-	Substituted by Anesthesia Monitor & Translaparoscopic
FY15-OR11	Anesthesia Patient Monitor	OR			50,779		50,779	Approved by BOD on 10-21-14
FY15-ER1	Contingency from Substitution of Video Towers; Choledechocope - Olympu Translaparoscopic	OR/ER			34,221	10,183	24,038	Purchased Translaparoscopic
FY15-OR10	Large Sterilizer	OR	156,494			151,473	5,021	
FY15-PAS1	On Call Software	PAS	25,000				25,000	
FY15-PHAR1	Pandora Software	PHAR	19,887		(19,887)		-	
FY15-PHAR3	Substitute Controlled Substance Manager Software for Pandora Software	PHAR	-		51,049		51,049	Approved by BOD 4-16-15
FY15-PHAR4	Substitute Controlled Substance Manager Omni-scanners	PHAR	-		30,486		30,486	Approved by BOD 4-16-15
FY15-PHAR2	Chargemaster Toolkit	PHAR	52,800				52,800	
FY15-RAD2	Flashpad Digital X-Ray Conversion Kit	RAD	125,200		(16,800)	108,840	(440)	
FY15-RAD1	Agfa multi-plate CR Reader	RAD	79,652		3,151		82,803	
FY15-US1	iU22 Ultrasound System (2 upgrades)	US	94,300		13,649		107,949	
FY15-RT1	Pulmonary Function Testing	RT	5,441				5,441	
FY15-RT2	New 840 Ventilator	RT	23,310			55,534	(32,224)	Approved by BOD on 07-22-14
FY15-RT3	V.60 bipap Units	RT	24,000			23,822	178	Approved by BOD 4-16-15
FY15-RT4	840 Model Ventilator Upgrades	RT	61,009			32,174	28,835	Approved by BOD on 07-22-14
FY14-RAD	PACS Computer Upgrade; Hardware & Software	RAD		5,000		141,822	(136,822)	Resources limited, hardware lifecycle has reached 6 yrs, operating systems due for an upgrade.
	Monitors Patient MP5 15 ea	Post/Pre Op		197,688		197,688	-	Meaningful Use/Compliance. Existing monitors are existing from the original build of the Same Day Surgery unit. They do not have download capability. Staff currently runs paper strips and/or documents Vital Signs manually. The existing old MDE monitors are not repairable/supported. The monitors are compatible with downloading to the Trace Master EKG system as well, so make a great diagnostic tool at the bedside, instead of waiting for an EKG machine that may be tied up when needed.
	Vein Illumination System	SDS				6,270	(6,270)	
	T-System Implementation Software	IS				13,500	(13,500)	PO # 064220
	Bulk Computer Purchas	IS				19,418	(19,418)	15 Computers
	Formfast Software Licenses & Maintenance	BA			32,875	32,875	0	
FY14-OR	Trade in Credit on Sterilizer VPRO-Max	OR				(20,000)	20,000	
	Total		7,207,476	202,688	-	4,315,592	2,891,884	

BARTLETT REGIONAL HOSPITAL
 MEDITECH PROJECT
 FISCAL 2015 CAPITAL BUDGET WITH YTD 6/30/2015 EXPENDITURES

Line Nbr	Category	Description	Budget Fiscal 2014 and Prior	Budget Fiscal 2015	Fiscal 2015 Substitution	Revised	Fiscal 2015 Additional Capital	Revised Budget Fiscal 2015 Before Fiscal 2016 Expenditures	Paid to Date
1	Meditech Software (07/11/14)			2,271,710.00	(75,000.00)	2,196,710.00		2,196,710.00	1,777,366.00
2	Meditech Software (12/27/12) - Phys Care Mgr (PCM)		370,136.00			-		-	
3	Meditech Software - Full BAR Conversion				50,000.00	50,000.00		50,000.00	
4	3rd Party Software - Required	Summit Express Contract				-	88,000.00	88,000.00	44,000.00
5	3rd Party Software - Required	Zynx Health		165,000.00		165,000.00		165,000.00	165,000.00
6	3rd Party Software - Required	First Databank		29,500.00		29,500.00		29,500.00	32,061.00
7	3rd Party Software - Required	Intelligent Medical Objects		15,000.00		15,000.00		15,000.00	
8	3rd Party Software - Required	Dr. First		-		-	-	-	
9	3rd Party Software - Required	Travel and Other		46,749.00		46,749.00		46,749.00	
10	3rd Party Software - Needed/Wanted					-		-	
11	3rd Party Software - Needed/Wanted	Discharge planning content - Krames				-	-	-	
12	3rd Party Software - Needed/Wanted	Provider Dictation - Dragon - Vendor Nuance					290,000.00	290,000.00	
13	3rd Party Software - Needed/Wanted	V-locity			15,325.00	15,325.00	23,675.00	39,000.00	
14	Conversions & Interfaces	Valco				-	61,000.00	61,000.00	
15	Conversions & Interfaces	T-systems				-	120,000.00	120,000.00	
16	Conversions & Interfaces	27x Interface				-		-	
17	Conversions & Interfaces	Interface Engine				-	120,000.00	120,000.00	
18	Conversions & Interfaces	TraceVue interface to Meditech - OB				-		-	
19	IHM Quality Reporting Tools			22,500.00	(22,500.00)	-	-	-	
20	Hardware	Park Place Equipment		499,610.00	29,635.00	529,245.00	-	529,245.00	507,859.92
21	Hardware	Park Place Shipping		-	20,000.00	20,000.00		20,000.00	
22	Hardware	Park Place Travel			3,000.00	3,000.00		3,000.00	
23	Hardware	Equipment - Dragon Server			30,000.00	30,000.00		30,000.00	
24	Hardware	Equipment - Dr. First			15,000.00	15,000.00		15,000.00	36,261.00
25	Hardware	Backup server for Meditech			32,000.00	32,000.00		32,000.00	
26	Hardware	Wireless network upgrade			57,000.00	57,000.00		57,000.00	
27	Tablets/Point of Use Devices/Scanners/Printers/Copiers		-	100,000.00		100,000.00		100,000.00	
28	Implementation Consultants	Bid - Santa Rosa	-	980,168.00	(264,460.00)	715,708.00		715,708.00	536,660.57
29	Implementation Consultants	BAR Conv & timeline ext				-		-	
30	Implementation Consultants	Project Management			12,500.00	12,500.00		12,500.00	
31	Travel - BRH Staff		-	-	37,500.00	37,500.00		37,500.00	17,426.22
32	Physician Champion		-	-	60,000.00	60,000.00		60,000.00	24,082.00
33	Internal Labor					-	-	-	
34	Implementation Contract Labor		-	-		-	-	-	11,895.00
35	Project Administration		-	-			2,500.00	2,500.00	
36	Contingency		-	-			-	-	
	Total Meditech Project - Fiscal 2015 Expenditures		370,136.00	4,130,237.00	-	4,130,237.00	705,175.00	4,835,412.00	
	Board-Approved Project Costs								
	FY2014 and Prior Budget						370,136.00		
	FY2015 Original Budget						4,130,237.00		
	FY2015 Incremental Meditech Project Costs						705,175.00		
	Total FY2015 Capital Expenditures						4,835,412.00		
	FY2016 Proposed Meditech Capital Budget (Excluding Other Info Svces Capital Expenditures)						642,624.00		
	Revised Capital Costs - Meditech 6.1						5,478,036.00		3,152,611.71

**Nuance Communications, Inc.
Contract – Request for Preparation**

Project Description:

An important component of the Meditech 6.x project is voice recognition software that will facilitate entry of data into the Electronic Medical Record. Medical Staff identified Nuance’s DM 360 software as the vendor of choice.

Bartlett will require 60 medical staff and 16 other providers (e.g., rehab) to use voice recognition software for discharge summaries, progress notes and problem lists. In 2016, providers will dictate histories and physicals and operating notes.

The Statement of Work requires Nuance to deliver the software to Bartlett in early September 2015. Training of IT staff and providers will begin on September 15, 2015.

Review Status:

- CBJ Law has negotiated final terms of Agreement with Nuance’s legal counsel. Nuance received a final copy of Agreement and BAA on Thursday, July 23, 2015.
- CBJ Risk Management has approved the insurance coverage.
- Alan Ulrich, CFO, and Beth Mow, Contract Manager, negotiated terms of the Agreement

Contracting Department Information

Name	I.T.	Contact Person	Martha Palicka	
Project Name	Voice Recognition	Project Type	Capital	
Date	July 23, 2015	Final Approval Date	August 31, 2015	
Cost	\$177,859 plus travel	Appropriated Software: \$226,000 Hardware: \$30,000	Yes	
Competitive Bid	Yes			
Agreement Terms		Number of Renewals		

Required Approvals – After Final Contract

Dept. Manager	Signature	Date
SLT		
CBJ Law		
CBJ Risk		
Procurement		

HEALTHCARE MASTER AGREEMENT

THIS HEALTHCARE MASTER AGREEMENT (“the Agreement”) is effective as of August 1, 2015 (the “**Effective Date**”) by and between Nuance Communications, Inc., a _____(state) corporation, having its principal offices at 1 Wayside Road, Burlington, MA, 01803, USA (“**Nuance**”) and Bartlett Regional Hospital, an enterprise fund of the City and Borough of Juneau (“**CBJ**”) having a place of business at 3260 Hospital Drive, Juneau, AK 99801 USA (“**Company**”). Nuance and Company are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**”.

General Terms and Conditions

In consideration of the mutual covenants stated below, and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

1. DEFINITIONS.

In addition to the terms defined elsewhere in this Agreement, the following terms used in this Agreement shall have the meanings set forth below:

- 1.1. “**Affiliates**” means any entity that is directly or indirectly controlled by, under common control with, or in control of a Party to this Agreement. For these purposes, an entity shall be treated as being controlled by another if: (i) that other entity has fifty percent (50%) or more of the votes in such entity, or (ii) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
- 1.2. “**Authorized User(s)**” are those individuals who are authorized, subject to the terms and conditions of this Agreement, to access and use the Nuance Software and/or Hosted Services, which individuals are limited to those identified in the applicable Schedule.
- 1.3. “**Company PO**” means a Company generated purchase order for Software, Equipment and/or Services, that (i) incorporates by specific reference the quote number and date of the applicable Nuance Quote against which the purchase order is issued, or (ii) sets forth, in detail, the Software licenses, Equipment, and/or Services that Company seeks to purchase (including number of license units and license type), the price associated with each item, and includes a cross-reference to this Agreement.
- 1.4. “**Data**” means the audio and/or text data input, all data elements output (e.g. interpretation of clinical contents xml or other format), associated transcripts or medical reports, whether in draft or final form, any information received from Company from any Order under this Agreement, or any other clinical information received by Nuance from Company under this Agreement.
- 1.5. “**Documentation**” means the administrative guide and user’s guide provided by Nuance to Company to facilitate the use of the Nuance Products and Hosted Services.
- 1.6. “**Equipment**” means Nuance Equipment and Third Party Equipment, collectively.
- 1.7. “**General Terms and Conditions**” means the term of this Agreement contained under the heading “General Terms and Conditions”.
- 1.8. “**Hosted Service**” means a Nuance proprietary subscription-based software as a service (SaaS) offering specified in an Order; as more particularly described in the applicable Schedule.
- 1.9. “**Maintenance Services**” means the services that Nuance provides, pursuant to an Order, to maintain Software and Equipment (as applicable), as more fully described at URL- <http://support.nuance.com/healthcare> under “Healthcare Hardware and Software Maintenance Options,” or as otherwise provided in an applicable Schedule. Maintenance Services for any period shall mean the then current Maintenance Services terms and conditions in effect as of the date of purchase of such Maintenance Services.
- 1.10. “**Nuance Equipment**” means Nuance manufactured hardware specified in an Order.
- 1.11. “**Nuance Products**” means the Nuance Software and Nuance Equipment, collectively.
- 1.12. “**Nuance Quote**” means a Nuance generated quotation for Software, Equipment and/or Services, that lists the Software licenses, Equipment and/or Services that Company seeks to purchase (including number of license units and license type), and the price associated with each item.
- 1.13. “**Nuance Software**” means the object code version of any Nuance proprietary software product specified in an Order, including all corrections, modifications, enhancements, Updates and Upgrades (if any) thereto that Nuance may provide to Company under this Agreement, and all related Documentation.

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

1.15. **“Order”** means an order for Software licenses, Equipment and/or Services that is (a) issued by Company in the form of a Nuance Quote or Company PO signed by Company (physically or electronically), and (b) accepted by Nuance; and includes the Statement of Work (if any).

1.16. **“Professional Services”** means any installation, project management and/or consulting services provided by Nuance pursuant to an Order, as specified in an Order, and which may be more fully described in a Statement of Work.

1.17. **“Schedule”** means each of the schedules indicated in Exhibit B of this Agreement, which schedules are a part of the Agreement that define the specific terms that apply to the applicable Nuance Products and Services.

1.18. **“Services”** means Maintenance Services, Training Services, Professional Services, Hosted Services and/or Transcription Services, as applicable.

1.19. **“Software”** means Nuance Software and Third Party Software, collectively.

1.20. **“Statement of Work”** or **“SOW”** means the supplement to an Order, setting forth, in more detail, the Professional Services and/or Training Services purchased under the Order.

1.21. **“Term”** is as defined in Section 6.1 of the General Terms and Conditions.

1.22. **“Third Party Equipment”** means any third party manufactured hardware specified in an Order.

1.23. **“Third Party Software”** means any third party proprietary software specified in an Order.

1.24. **“Training Services”** means any training services provided by Nuance pursuant to an Order, as specified in an Order.

1.25. **“Transcription Services”** means any transcribing services and/or editing services provided by Nuance pursuant to an Order, as specified in an Order and more fully described in the Schedule for Transcription Services.

1.26. **“Update”** means a release of Nuance Software, issued as part of Maintenance Services, that may include minor feature enhancements, and/or bug fixes and/or fixes of minor errors and/or corrections, and typically is identified by an increase in a release or version number to the right of the first decimal (for example, an increase from Version 5.1 to 5.2 or from Version 5.1.1 to 5.1.2). **“Update”** shall not be construed to include Upgrades.

1.27. **“Upgrade”** means a release of Nuance Software, issued as part of Maintenance Services, that may include some feature enhancements and/or additional capabilities (functionality) over versions of the Nuance Software previously supplied to Company, and typically is identified by an increase in the release or version number to the left of the decimal (for example, an increase from Version 5.2 to Version 6.0). Upgrades do not include new software and/or products that Nuance, in its sole discretion, designates and markets as being independent from the Nuance Software.

2. SCOPE OF AGREEMENT. Company agrees to purchase from Nuance, and Nuance agrees, subject to the terms and conditions of this Agreement, to supply to Company, the Software licenses, Equipment, and Services, as specified in each Order. Nuance may accept an Order by fulfilling it.

3. GRANT OF RIGHTS.

3.1. Software

3.1.1. **License Grant.** Subject to the terms and conditions of this Agreement, Nuance hereby grants to Company, and Company accepts, a limited, non-exclusive, non-transferable, non-sub-licensable license to permit its Authorized Users to use the Nuance Software (listed in the applicable Order) strictly in accordance with the license grant specified in the applicable Schedule; provided such use is (i) commensurate with the intended use of the Nuance Software (as prescribed in this Agreement and the applicable Documentation), and (ii) solely for Company’s internal business purposes.

3.1.2. **Third Party Software.** Third Party Software supplied by Nuance is subject to the terms and conditions of this Agreement and the applicable third party terms.

3.1.3. **Updates and Upgrades.** Upon installing any Update or Upgrade to Nuance Software, Company shall discontinue use of the previous version of such Nuance Software and Company will be licensed to use only the updated or upgraded version of the Nuance Software, in accordance with the license granted by Nuance with respect to such Nuance Software.

3.2. **Equipment.** Equipment supplied by Nuance is subject to the terms and conditions of this Agreement and, if Third Party Equipment, the applicable third party terms.

3.3. **Services.** Subject to the terms and conditions of this Agreement, Nuance will provide the Services, as are specified in an Order.

3.3.1. **Maintenance Services.** If purchased, Nuance will provide the annual Maintenance Services indicated in the Order. After the initial annual Maintenance Services term, an invoice will be issued to Company, in accordance with Nuance’s

[BRH 7/20/2015 Review](#)

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

renewal policy, for subsequent one-year terms of Maintenance Services, at least thirty (30) days prior to the end of the then-current Maintenance Service term, if Maintenance Services for the applicable Software and/or Equipment is made available by Nuance. Company shall, if it wishes to renew annual Maintenance Services for the applicable Software and/or Equipment, issue a PO to Nuance affirming its intent to contract for Maintenance Services in the next one-year with payment of the invoice for renewal Maintenance Services, in full, within thirty (30) days of the date of such invoice. Company acknowledges that failure to pay such invoice within such 30 day period will result in Maintenance Services expiring with respect to such Software and/or Equipment. Unless expressly stated otherwise in the applicable Schedule or Order, Maintenance Services provided hereunder will commence on the date of initial delivery of the applicable Software and/or Equipment (or anniversary thereof if Company is purchasing renewal Maintenance Services). To purchase Maintenance Services with respect to any Software or any Equipment, Company is required to purchase Maintenance Services for all licenses of such Software and all units of such Equipment respectively. Maintenance Services will be subject to the then current Maintenance Services terms and conditions in effect, as listed in the URL indicated above, under the definition of "Maintenance Services" as of the date of purchase of such Maintenance Services. Unless otherwise agreed, Nuance shall not be obligated to provide Maintenance Services for, or required as result of (i) any Software or Equipment modified by anyone other than Nuance; (ii) any Software or Equipment used for other than its intended purpose; (iii) any Software or Equipment used with any equipment not specified as compatible with the Software or Equipment in its Documentation; (iv) any Software or Equipment being used with software not supplied by Nuance in conjunction with such Software or Equipment, or specified in the applicable Documentation as compatible with the respective Software or Equipment; (v) any Software or Equipment (or any associated equipment, software or firmware) which Customer failed to properly install or maintain; (vi) any willful misconduct or negligent action or omission of Customer, (vii) any computer malfunction not attributable to the Software or Equipment; or (viii) damage to Software or Equipment from any external source, including computer viruses not attributable to Nuance, computer hackers, or force majeure events. If, however, any of the events identified in (i) to (viii) above do occur, Nuance, at its option, may choose to provide maintenance services to Company to correct the software with Company paying Nuance for labor, technical services, hardware or software at a specified price, subject to a writing mutually agreed upon.

3.3.2. Training Services. Unless otherwise agreed to by the Parties, Training Services will be held at a designated Nuance location during Nuance's standard business hours, excluding Nuance recognized holidays. If the Parties agree to hold any Training Services at Company's site, all such Training Services (including associated travel time) will be conducted during times mutually agreed to by the Parties, which may include before and after normal business hours and week-ends excluding Nuance recognized holidays. Company shall ensure that all Training Services attendees are or will be Authorized Users and have the skills and experience to participate in the training sessions.

3.3.3. Professional Services. Unless otherwise agreed to by the Parties, all Professional Services (including associated travel) will be conducted during times mutually agreed to by the Parties, to ensure availability to Company Monday through Friday, excluding Nuance recognized holidays.

3.3.4. Hosted Services. Hosted Services will be as further described in, and will be provided by Nuance in accordance with, the applicable Schedule.

3.3.5. Transcription Services. Transcription Services will be as further described in, and will be provided by Nuance in accordance with, the applicable Schedule.

3.3.6. On-Location. If Nuance will perform Services at a location other than a Nuance facility, Company shall provide or arrange for the necessary equipment, information, and facilities required by Nuance to perform such Services, as specified by Nuance. For the Products and Services contained in the initial Order, such initial Order to be signed contemporaneously with the execution of this Agreement, the requirements are summarized in Exhibit D to this Agreement.

3.4. Proprietary Rights; Restrictions. Notwithstanding any use of the term "sale," "purchase" or other similar terms in this Agreement, Nuance and its licensors retain all right, title and interest in and to the Software, Services and Documentation, and any derivative works thereof, including, but not limited to, all patent, copyright, trade secret, trademark and other intellectual property rights associated therewith. Without limiting the generality of the foregoing, Company will not itself, directly or indirectly, and will not permit Authorized Users, other employees or contractors, or any third party to: (i) access the Hosted Services with software or means other than as described in this Agreement; (ii) submit any automated or recorded requests to the Hosted Services except as otherwise provided in this Agreement; (iii) modify, port, translate, or create derivative works of the Software, Services, or Documentation; (iv) decompile, disassemble, reverse engineer or attempt to reconstruct, identify or discover any source code, underlying ideas, or algorithms of the Software or Services by any means (except to the extent permitted by mandatory laws); (v) sell, lease, license, sublicense, copy, assign, transfer, share, market, or distribute the Software, Services or Documentation, except as expressly permitted in this Agreement; (vi) grant any access to, or use of, the Nuance Software or Services through a service bureau, timesharing or application service provider basis; (vii) remove any proprietary notices, labels or marks from the Software, Services or Documentation; (viii) release to a third party the results of any benchmark testing of the Software or Services; or (viii) defeat or circumvent any controls or limitations contained in or associated with the use of the Software. In no event shall anything in this Agreement or in Nuance's conduct or course of dealing convey any license, by implication, estoppel or otherwise, under any patent, copyright, trademark or other intellectual property right not

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

explicitly licensed. All rights not expressly granted to Company under this Agreement are reserved by Nuance and/or its licensors.

~~3.5. **Authorized Users.** Company is legally responsible for and will exercise due diligence to ensure each Authorized User's compliance with the terms of this Agreement, and guarantees each Authorized User's full and faithful compliance with the terms of this Agreement and guarantees each Authorized User's full and faithful compliance with the terms of this Agreement. Company will be liable for any act or omission by an Authorized User that, if performed or omitted by Company, would be a breach of this Agreement. To the extent not prohibited by Alaska Stat. §§09.50.250 et seq. Subject to a specific appropriation by the Assembly of the City and Borough of Juneau ("Assembly") for this purpose, Company will, at its expense, defend any and all claims, actions, suits, or proceedings made or brought against Nuance by any Authorized User with respect to this Agreement (each, a "User Claim"), and pay any losses, claims, costs, expenses, damages, or liabilities (including reasonable attorneys' fees) sustained or incurred by Nuance arising from a User Claim. The parties to this Agreement recognize and agree that the Company/City and Borough of Juneau has no appropriation currently available to it to defend or indemnify Nuance under this provision, and that enactment of an appropriation in the future to fund a payment under this provision remains in the sole discretion of the Assembly, and the Assembly's failure to make such an appropriation creates no further liability or obligation of the Company/CBJ.~~

~~3.5.3.6.~~

~~3.6.3.7. **Notice of Unauthorized Use.** Company shall promptly notify Nuance upon learning of any actual or suspected unauthorized possession or use of any Software or Hosted Services supplied under this Agreement.~~

4. MEDICAL CARE RESPONSIBILITY. COMPANY ACKNOWLEDGES THAT SOFTWARE AND SERVICES ARE NOT ERROR FREE. FURTHERMORE, SPEECH RECOGNITION, NATURAL LANGUAGE PROCESSING, AND MEDICAL FACT EXTRACTION ARE STATISTICAL PROCESSES AND INACCURACIES OCCUR. COMPANY AGREES THAT IT IS THE SOLE RESPONSIBILITY OF COMPANY (AND ALL AUTHORIZED USERS) TO IDENTIFY AND CORRECT ANY SUCH ERRORS AND INACCURACIES BEFORE USING AND/OR RELYING ON THE CONTENT, RESULTS OR OUTPUT OF ANY SOFTWARE AND/OR SERVICES PROVIDED UNDER THIS AGREEMENT FOR ANY MEDICAL PRACTICE RELATED PURPOSES. IN ADDITION, CONTENT, RESULTS OR OUTPUT FROM THE SOFTWARE AND/OR SERVICES MAY BE PROVIDED TO COMPANY ONLY AS RECOMMENDATIONS FOR COMPANY'S CONSIDERATION AND EVALUATION IN LIGHT OF ALL OTHER AVAILABLE INFORMATION. COMPANY AGREES THAT NUANCE IS NOT PROVIDING MEDICAL PRACTICE ADVICE, AND THAT COMPANY WILL CONSULT WITH AND RELY EXCLUSIVELY ON ITS OWN PHYSICIANS OR OTHER MEDICAL DIRECTION FOR REVIEW, NECESSARY REVISIONS AND APPROVAL OF ANY AND ALL SUCH MEDICAL PRACTICE-RELATED CONTENT, RESULTS OR OUTPUT. NUANCE ASSUMES NO RESPONSIBILITY FOR ANY OF THE FOREGOING. SUBJECT TO A SPECIFIC APPROPRIATION BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU ("ASSEMBLY") FOR THIS PURPOSE, COMPANY AGREES TO INDEMNIFY AND HOLD NUANCE HARMLESS FROM AND AGAINST ANY DAMAGES, CLAIMS OR OTHER LIABILITIES FOR THE WRONGFUL DEATH OR PERSONAL INJURY OF A THIRD PARTY DIRECTLY OR INDIRECTLY CAUSED OR ARISING OUT OF (I) COMPANY'S USE OR NON-USE OF ANY SOFTWARE OR SERVICE, (II) ANY CONTENT, RESULTS OR OUTPUT FROM ANY SOFTWARE OR SERVICE PROVIDED BY NUANCE, (III) ANY MEDICAL PRACTICE RELATED RECOMMENDATIONS PROVIDED BY NUANCE, AND (IV) COMPANY'S FAILURE TO IDENTIFY AND CORRECT ANY INACCURACIES AND/OR ERRORS IN THE CONTENT, RESULTS OR OUTPUT OF ANY SOFTWARE AND/OR SERVICES PROVIDED UNDER THIS AGREEMENT. THE PARTIES TO THIS AGREEMENT RECOGNIZE AND AGREE THAT THE COMPANY/CITY AND BOROUGH OF JUNEAU HAS NO APPROPRIATION CURRENTLY AVAILABLE TO IT TO INDEMNIFY NUANCE UNDER THIS PROVISION, AND THAT ENACTMENT OF AN APPROPRIATION IN THE FUTURE TO FUND A PAYMENT UNDER THIS PROVISION REMAINS IN THE SOLE DISCRETION OF THE ASSEMBLY, AND THE ASSEMBLY'S FAILURE TO MAKE SUCH AN APPROPRIATION CREATES NO FURTHER LIABILITY OR OBLIGATION OF THE COMPANY/CBJ.

5. PAYMENT AND DELIVERY.

5.1. **Fees.** ~~For products delivered and services performed.~~ Company shall pay to Nuance all fees and other charges for services and products as they are due and payable, as provided specified in, each Order and this Agreement. All fees due under the Agreement are non-cancelable.

5.2. **Expenses.** Prices do not include travel expenses that may be incurred in the course of providing Services, including, but not limited to, transportation, meals, lodging and other living expenses. Company shall pay or reimburse Nuance for all such charges and expenses reasonably incurred. Nuance agrees that its employees or contractors will travel at economy rates.

5.3. **Taxes.** Company shall pay all taxes, duties, import and export fees, and any other charges or assessments, except the withholding of income taxes, which are applicable to the performance of this Agreement, and shall reimburse Nuance for any encumbrance, fine, penalty, or other expense which Nuance may incur as a result of Company's failure to pay any such taxes,

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Comment [JS1]: This language is unacceptable--the 2 prior sentences provide appropriate protection to Nuance & Authorized Users should not be given (implied) third party beneficiary status-with standing to sue Nuance under this contract. And see related note below re indemnity clauses.

Nuance comment 7/17/15:

Nuance cannot agree to these changes. This does not give implied 3rd party beneficiary status--the language is stating that Authorized Users should look to company, who then looks to Nuance for relief. I have added in language acknowledging applicable law that may place limitations on what indemnity obligations CBJ may be able to agree to.

JES/BRH/CBJ comment 7/20/15 BRH will accept clause as revised. This is as far as we can go, per CBJ Charter, the Alaska Constitution and the opinion of the Alaska Attorney General.

Comment [JS2]: See comment above.

Comment [NBF3]: Please explain Company's intent with insertion of this phrase. Fees are due net 30 from the invoice date, whether the product or service has been delivered or not. If Nuance doesn't deliver its obligations under the agreement, Nuance is in breach of its obligations under the agreement. Further, some services are billed in advance, such as maintenance services.

JES/BRH/CBJ 7/20/15 Comment Acceptable as tweaked.

Confidential

duties, fees, charges, or assessments. For purposes of this Agreement, the term "taxes" shall include, but is not limited to any and all assessments and other governmental charges, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, use, value added, ad valorem, consumption, transfer, franchise and withholding taxes, except taxes imposed on the net income of Nuance, together with all interest, penalties and additions imposed with respect to such amounts. If any applicable law requires Company to withhold an amount from any payment to Nuance hereunder Company shall affect such withholding, remit such amount to the appropriate taxing authority, and supply Nuance with the tax receipt evidencing the payment of such amount to the government within sixty (60) days of its receipt by Company. To the extent that an income tax convention between the country of Nuance and the country of Company permits, upon the filing of a proper application, for a reduction or elimination of such withholding tax, the Parties shall cooperate in the completion and filing of such application. Company shall provide to Nuance, and Nuance shall complete and return to Company, all applicable forms required by the governing tax authority in order to secure the reduction or elimination of withholding tax as authorized by the convention.

5.4. **Payment.** Except as expressly stated otherwise in the applicable Order or Schedule, Company shall pay all invoices issued under this Agreement or any Orders in U.S. dollars, either by mail, credit card (solely using the Credit Card Information Form attached hereto as Exhibit C), or wire transfer, within thirty (30) days of the date of invoice in accordance with the remittance information contained on the invoice. Interest shall accrue at the rate of one and one half percent (1.5%) per month on any amounts past due. Company shall reimburse Nuance for all reasonable costs incurred (including reasonable attorneys' fees) in collecting past due amounts from Company. If Company fails to pay for any Equipment, Nuance reserves the right to take legal action to repossess such Equipment. Nuance reserves the right to suspend Services to Company in the event any invoice is past due. Company shall notify Nuance within thirty (30) days of the date of invoice if it disputes any amount contained in an invoice. Notwithstanding the foregoing, if Company elects not to renew annual Maintenance Services for Software licenses and/or Equipment purchased by Company hereunder, Company shall not be required to pay the invoice for such renewal Maintenance Services. Company acknowledges that failure to pay such invoice when due will result in Maintenance Services expiring with respect to such Software and/or Equipment. If Company does not renew Maintenance Services for any Software or Equipment purchased by Company hereunder, Company will still be able to use Software and Equipment without Maintenance Services, subject to the terms and conditions of this Agreement.

5.5. **Company Purchase Orders.** Company agrees to pay Nuance's invoices without a purchase order reference. Company acknowledges and agrees that if it is Company's standard practice to issue unsigned purchase orders, such purchase orders are valid and binding. Neither Party shall be subject to provisions of any pre-printed terms on or attached to purchase orders generated by Customer, or any Customer policies, regulations, rules, or the like, including those set forth in any Customer sponsored registration system, regardless if such requires affirmative acknowledgement from a Nuance representative.

5.6. **Leasing Arrangements.** If Company has entered into a lease arrangement with a third-party financing/leasing company ("**Lessor**") to finance the Order, then Nuance shall, at Company's request, submit the invoice(s) for the Order to, and accept payment for the Order from, the Lessor. Notwithstanding the foregoing, Company remains fully liable to Nuance for all amounts due and owing under the Order. If Lessor fails to pay Nuance any amount due under the Order, when due, Company shall pay such amounts to Nuance immediately upon receipt of Nuance's invoice.

5.7. **Audit.** Company shall keep full, true and accurate records and accounts to support its use of the Software and Hosted Services, as applicable, under this Agreement. Nuance, or a third party appointed by Nuance, will have the right, not more than once a year and upon reasonable notice, to conduct an audit of Company's systems and records to confirm compliance with the terms of this Agreement. Any audit will be performed during Company's normal business hours. If an audit reveals that Company's Software or Hosted Services usage exceeds its usage rights, as granted by Nuance, Company shall pay Nuance for all such excess usage, based on Nuance's standard pricing in effect at the time of the audit. Nothing in this Section 5.7 will limit any other remedy available to Nuance.

5.8. **Shipment.** For Orders with Software and/or Equipment requiring delivery within the United States including Alaska, such Software and/or Equipment will be shipped "FOB Destination". For Orders with Software and/or Equipment requiring delivery outside the United States, such Software and/or Equipment will be shipped "FCA Shipping Point". Company shall bear all shipping, freight, and transportation charges from Nuance's warehouse facility.

5.9. INSURANCE REQUIREMENTS.

Nuance shall obtain and maintain the following minimum insurance at its expense for the duration of this Agreement covering locations where Nuance is to perform work on your premises:

- (a) Workers Compensation—As required by the statute of states where services are being performed;
- (b) Employer's Liability--\$500,000 each occurrence;
- (c) Comprehensive General Liability Insurance -- \$1,000,000 per occurrence/aggregate bodily injury and \$1,000,000 per occurrence/aggregate property damage; and

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

(d) Automobile Liability Insurance -- \$1,000,000 —per occurrence, bodily injury and tangible property damage combined.

Nothing in this Agreement shall be deemed to preclude Nuance from selecting a new insurance carrier or carriers or obtaining new or amended policies at any time, as long as the above insurance coverage is maintained. This provision is not intended to, and does not, increase or decrease Nuance's liability under the Limitation of Liability provision of this Agreement. The City and Borough of Juneau shall be ~~named-considered an~~ "additional insured" for General and Automobile Liability coverages listed above. ~~At least 30 days prior to the cancellation, non-renewal or reduction in the amount of coverage, Nuance shall provide written notice to CBJ Risk Management. Except in the case of Workers Compensation or Professional Liability Insurance,~~ Nuance's insurance shall be primary and any insurance maintained by the CBJ shall be non-contributory. ~~If Nuance maintains higher limits than shown below, the CBJ shall be entitled to coverage for the higher limits maintained by Nuance.~~ Failure of CBJ to demand such certificate or other evidence of full compliance with these insurance requirements or failure of CBJ to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Nuance to maintain the insurance required by this contract.

Comment [NBF4]: Nuance does not have a process in place to provide for such notification.

Comment [NBF5]: This language is not showing as redlined, however, it has not yet been agreed to by Nuance. Nuance is able to agree to the revisions in this draft.

~~5.9-5.10.~~

6. TERM; TERMINATION.

6.1. **Term.** This Agreement commences on the Effective Date and, unless terminated earlier in accordance with the terms hereof, will continue in effect indefinitely (the "Term"), unless the Parties otherwise agree in writing. Unless terminated earlier in accordance with the terms hereof, Company's rights, and Nuance's obligations, related to Nuance Software licenses and/or Services delivered pursuant to an Order shall be limited to the duration or term of such Nuance Software license or Service as specified in the applicable Schedule or Order(s).

6.2. **Termination for Cause.** Either Party may terminate the Agreement and/or any Order immediately upon written notice if the other Party commits a material breach of this Agreement and fails to cure such breach within thirty (30) days of receipt of written notice of such breach by the non-breaching Party. Without limiting the foregoing, failure of Company to pay any sum due to Nuance hereunder in accordance with the payment terms in Subsection 5.4 above [Payment] is a material breach. Notwithstanding the foregoing, Nuance may terminate this Agreement and/or any Order immediately upon written notice to Company if Company (a) infringes Nuance's intellectual property rights; (b) commits, or permits any third party to commit, any breach of confidentiality obligations under Section 8 [Confidentiality]; or (c) Company has a receiver appointed to handle its assets or affairs, admits that it is insolvent, or is otherwise unable to pay its debts as they mature, or ceases to do business in the ordinary course.

6.3. **Effect of Termination.** Upon termination of this Agreement, all Orders issued under this Agreement will immediately terminate. Upon the termination of an Order, all Nuance Software licenses and all Services obtained by Company under such Order shall immediately terminate, and Company shall immediately (a) cease use of the applicable Nuance Software (in any form, including partial copies in its possession or under its control) and/or Services; (b) return to Nuance or destroy all copies of the Nuance Software and certify in writing to Nuance that no copies have been retained by Company within ten (10) days of any expiration or termination; and (c) pay any outstanding amounts due to Nuance. In the event of termination due to Nuance's material breach of this Agreement, Company shall be entitled to a full refund of advance payments made for products not delivered. In the event Company has prepaid Maintenance Services, Nuance will provide a pro-rated refund of such unused Maintenance Services within thirty (30) days of the termination date, provided that the termination was due to Nuance's material breach of this Agreement.

6.4. **Survival.** Notwithstanding anything to the contrary in this Section 6, the provisions of Sections 1, 3.4, 3.5, 4, 5, 6.3, 6.4, 7, 8, 9, 10, 11, and 13 of these General Terms and Conditions shall survive expiration or termination of this Agreement.

7. **HIPAA.** The Parties agree to the Business Associate Terms and Conditions attached hereto as Exhibit A, wherein, Nuance is referred to as "Business Associate" and Company is referred to as "Covered Entity".

8. CONFIDENTIALITY.

Definition. Subject to the exceptions contained in this Section 8.1, "Confidential Information" shall mean (a) all information disclosed by a Party or its Affiliates (the "Disclosing Party"), in whatever tangible form or otherwise, to the other Party or its Affiliates (the "Receiving Party") that is clearly marked "confidential" or with some other proprietary notice, (b) all information disclosed orally or otherwise in intangible form by the Disclosing Party and designated as confidential or proprietary at the time of the disclosure; and (c) the Nuance Software, Documentation, and information provided as part of any Services. Notwithstanding the above, information shall not be deemed Confidential Information to the extent that it: (i) was generally known and available in the public domain at the time it was disclosed or subsequently becomes generally known and available in the public domain through no fault of the Receiving Party; (ii) was rightfully known to the Receiving Party at the time of disclosure without any obligation of confidentiality; (iii) is disclosed with the prior written approval of the Disclosing Party; (iv) was independently developed by the Receiving Party without any use of the Confidential Information of the Disclosing

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

Party; or (v) is protected health information or any other personally identifiable information (the protection of which is governed by Exhibit A). The obligation not to use or disclose Confidential Information will remain in effect until one of these exceptions occurs. Nuance acknowledges and understands that the CBJ is subject to the Alaska Public Records Act (AS 40.25.120) and that all documents received, owned or controlled by the CBJ in relation to this Agreement must be made available for the public to inspect upon request, unless an exception applies. It is Nuance's sole responsibility to clearly identify any documents Nuance believes are exempt from disclosure under the Public Records Act by clearly marking such documents "Confidential." Should the CBJ receive a request for records under the Public Records Act applicable to any document marked "Confidential" by Nuance, the CBJ will notify Nuance as soon as practicable prior to making any disclosure, and provide reasonable time for Nuance to oppose such disclosure, should Nuance deem such opposition necessary. Nuance acknowledges it has five (5) calendar days, or such longer period if provided for by applicable law, after receipt of notice to notify the CBJ of its objection to any disclosure, and to file any action with any competent court Nuance deems necessary in order to protect its interests. Should Nuance fail to notify the CBJ of its objection or to file suit, Nuance shall hold the CBJ harmless of any damages incurred by Nuance as a result of the CBJ disclosing any of Nuance's documents in the CBJ's possession. Additionally, Nuance may not promise confidentiality to any third party on behalf of the CBJ, without first obtaining express written approval by the CBJ.

8.1. **Permitted Disclosure.** Notwithstanding any other provision of this Agreement, disclosure of Confidential Information shall not be precluded if such disclosure (a) is in response to a valid order of a court or other governmental body, provided, however, that the responding Party shall first have given notice and reasonable opportunity to the other Party hereto to obtain a protective order requiring that the Confidential Information so disclosed be used only for the purposes for which the order was issued; (b) is otherwise required by law; or (c) is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

8.2. **Use and Obligations.** The Receiving Party will not use the Disclosing Party's Confidential Information for purposes other than as provided in this Agreement. The Receiving Party shall protect the Disclosing Party's Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure, or publication of the Confidential Information to third parties as the Receiving Party uses to protect its own Confidential Information of a like nature. Confidential Information received by a Receiving Party hereto may be disclosed to and used by such Receiving Party's employees, agents and contractors in accordance with the terms and conditions of this Agreement, and each Party shall be liable for any act or omission by its Affiliates, and its and their respective employees, agents and contractors, which, if performed or omitted by such Party, would be a breach of this Agreement. Each Party agrees that its Affiliates, and its and their respective employees, agents and contractors, shall be bound by the terms of an agreement protecting against unauthorized use or disclosure of Confidential Information that is at least as protective of the Disclosing Party's rights as this Agreement. No Confidential Information shall be disclosed to any person who does not have a need for such information.

8.3. **Return of Confidential Information.** The Receiving Party shall return to the Disclosing Party, or destroy, all Confidential Information of the Disclosing Party in tangible form: (i) upon the written request of the Disclosing Party; or (ii) upon the expiration or termination of this Agreement, whichever comes first. In both cases, the Receiving Party shall, upon request, promptly certify in writing that it has complied with the obligations of this Section 8.4. Notwithstanding the foregoing, each Party may retain a copy of the Confidential Information in electronic format in accordance with its corporate security and/or disaster recovery procedures.

9. **DATA.** Company is solely responsible for obtaining all necessary consents under applicable laws and regulations in order to allow Nuance to use the Data in accordance with this Section 9. Company gives Nuance the right, and Nuance has permission to use, the Data in accordance with this Section 9, and to de-identify the Data in accordance with 45 C.F.R. §164.514. Nuance and third parties acting under the direction of Nuance may use, compile (including creating statistical and other models), annotate and otherwise analyze the Data to develop, train, tune, enhance and improve the speech recognition, natural language understanding and other components of its software and services. To the extent any Data is compiled or used by Nuance in or with any such software and services, all intellectual property rights in such software and services shall be owned by Nuance. Any and all information that Company provides will remain confidential and Nuance may only provide access to Data to third parties acting under the direction of Nuance in order to fulfill the foregoing use of the Data, pursuant to confidentiality agreements, or to meet legal or regulatory requirements, such as under a court order or to a government institution if required or authorized by law. Nuance will not use the names of individuals and companies to contact anyone for any reason.

10. LIMITED WARRANTIES.

10.1. **Nuance Software Warranty.** Nuance warrants that upon initial installation of the Nuance Software (in the case of Nuance Software that, pursuant to the applicable Order, is to be installed by Nuance) or initial delivery of the Nuance Software to Company (in all other cases), and for a period of ninety (90) days thereafter (the "Software Warranty Period"), the Nuance Software will operate in all material respects in conformity with its Documentation. Company's sole and exclusive remedy and Nuance's sole obligation for any breach of the warranty set forth in this Section 10.1 will be for Nuance, at Nuance's option, to undertake reasonable efforts to correct or replace the nonconforming Nuance Software reported by Company during the Software

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

Warranty Period, or to accept a return of, and refund to Company the fees paid by Company to Nuance for, such non-conforming Nuance Software, and terminate the license to any such non-conforming Nuance Software.

10.2. **Nuance Equipment Warranty.** Nuance warrants that upon initial installation of the Nuance Equipment (in the case of Nuance Equipment that, pursuant to the applicable Order, is to be installed by Nuance) or initial delivery of the Nuance Equipment to Company (in all other cases), and for a period of ninety (90) days thereafter (the "Equipment Warranty Period"), the Nuance Equipment will operate in all material respects in conformity with its Documentation. Company's sole and exclusive remedy and Nuance's sole obligation for any breach of the warranties set forth in this Section 10.2 will be for Nuance, at Nuance's option, to undertake reasonable efforts to promptly correct or replace the nonconforming Nuance Equipment reported by Company during the Equipment Warranty Period, or to accept a return of, and refund to Company the fees paid by Company to Nuance for, such non-conforming Nuance Equipment.

10.3. **Services Warranty.** Nuance warrants that the Maintenance Services, Training Services and Professional Services provided by Nuance pursuant to this Agreement shall be performed in a professional manner by trained and skilled personnel. Company must notify Nuance of any breach of such warranty within ninety (90) days from performance of the non-conforming Services giving rise to the breach of warranty claim. Company's sole and exclusive remedy and Nuance's entire liability for any breach of the warranty set forth in this Section 10.3 will be for Nuance to re-perform such non-conforming Services that Company notified Nuance of in accordance herewith.

10.4. **Limitation of Warranties.** The warranties set forth in this Section 10 [Limited Warranties] shall not apply, and Nuance shall have no warranty obligation or liability with respect to (a) any Nuance Product that (i) is damaged through no fault of Nuance; (ii) is modified by anyone other than Nuance; (iii) is used for any purpose other than its intended purpose (as specified in the Documentation); (iv) is used with equipment not specified as compatible with the Nuance Product in such Nuance Product's Documentation; (v) is used with software not specified as compatible with said Nuance Product in the Nuance Product's Documentation; (vi) Company fails to properly install or maintain; (b) any computer malfunction not attributable to the Nuance Products or Nuance; (c) any incorrect use of the Nuance Products; or (d) any willful misconduct or negligent action or omission of Company.

10.5. **Disclaimer.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE WARRANTIES EXPRESSLY SET FORTH IN THIS SECTION 10 [LIMITED WARRANTIES] ARE EXCLUSIVE AND THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND NUANCE HEREBY EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, ~~AND/OR~~ FITNESS FOR ANY PARTICULAR PURPOSE, ~~AND/OR NON-INFRINGEMENT AND TITLE AND/OR NON-INFRINGEMENT AND TITLE~~. NUANCE DOES NOT GUARANTEE THAT THE SOFTWARE, EQUIPMENT OR SERVICES WILL YIELD ANY PARTICULAR BUSINESS OR FINANCIAL RESULT, OR THAT THE SERVICES WILL BE PERFORMED WITHOUT ERROR OR INTERRUPTION. NUANCE MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT TO ANY THIRD PARTY SOFTWARE OR ANY THIRD PARTY EQUIPMENT. Company acknowledges its responsibility to regularly back-up data and to adequately test prior to deployment each production version of the Software in a configuration that reasonably simulates Company's planned production environment.

11. LIMITATION OF LIABILITY.

11.1. **Application.** Nothing in this Agreement shall be taken to exclude or limit liability to the extent that such exclusion or limitation is not permitted by applicable law.

11.2. **Limitation of Liability.** THE TOTAL AGGREGATE LIABILITY OF NUANCE AND ITS AFFILIATES, AND THEIR RESPECTIVE OFFICERS, AGENTS, SUPPLIERS AND EMPLOYEES, FOR ANY AND ALL CLAIMS ARISING UNDER THIS AGREEMENT OR OTHERWISE ARISING FROM THE TRANSACTIONS CONTEMPLATED HEREIN, REGARDLESS OF THE FORM OF ACTION (INCLUDING, BUT NOT LIMITED TO ACTIONS FOR BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, RESCISSION AND BREACH OF WARRANTY) WILL NOT EXCEED THE ~~HIGHER OF THE AMOUNT PAID AS OF THE ORDER ON THE EFFECTIVE DATE, OR THE~~ AGGREGATE FEES ACTUALLY PAID TO NUANCE UNDER THIS AGREEMENT ~~DURING THE ONE YEAR PRECEDING SUCH CLAIM. NUANCE'S LIMITATION OF LIABILITY IS CUMULATIVE WITH ALL COMPANY'S PAYMENTS DURING SUCH ONE YEAR PERIOD BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT DURING THE ONE YEAR PRECEDING SUCH CLAIM. NUANCE'S LIMITATION OF LIABILITY IS CUMULATIVE WITH ALL COMPANY'S PAYMENTS DURING SUCH ONE YEAR PERIOD BEING AGGREGATED TO DETERMINE SATISFACTION OF THE LIMIT.~~ THE EXISTENCE OF MORE THAN ONE CLAIM SHALL NOT ENLARGE OR EXTEND THE LIMIT.

11.3. **No Consequential Damages.** IN NO EVENT SHALL NUANCE OR ITS AFFILIATES, OR THEIR RESPECTIVE OFFICERS, AGENTS, SUPPLIERS AND EMPLOYEES, BE LIABLE FOR ANY INCIDENTAL, SPECIAL, INDIRECT, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF REVENUES, LOSS OF, OR LOSS OF USE OF, SOFTWARE OR DATA, LOSS OF CUSTOMERS, LOSS OF ANTICIPATED SAVINGS AND LOSS

Comment [NBF6]: New request by Company. Nuance does not offer a warranty of non-infringement as there is no way to be 100% certain that there are no infringement claims, rather, we will cover you pursuant to the indemnity Section 12 below. Ultimately Company's concern is what happens in the event of a third party claim and the indemnification section covers this.

JES/BRH/CBJ 7/20/15 Comment: Revised to eliminate conflict between the liability disclaimer & the indemnity provision--highly unusual/odd for a proprietary software developer to disclaim legal responsibility for the title/ownership of its software. Warranting title-- isn't guaranteeing a claim won't be brought, it means Nuance will absolutely defend against such claim.

Comment [NBF7]: New request by Company. Nuance offers this language as an alternative

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

OF PROFITS, WHETHER SUCH ALLEGED DAMAGES ARE LABELED IN TORT, CONTRACT OR INDEMNITY, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

~~11.4. **Third Party Suppliers.** UNDER NO CIRCUMSTANCES SHALL NUANCE'S THIRD PARTY SUPPLIERS OF ANY COMPONENT OF THE NUANCE SOFTWARE, HOSTED SERVICES OR NUANCE EQUIPMENT BE RESPONSIBLE OR LIABLE TO COMPANY OR ITS AFFILIATES FOR ANY DAMAGES, DIRECT OR OTHERWISE, ARISING UNDER THIS AGREEMENT OR OTHERWISE ARISING FROM THE TRANSACTIONS CONTEMPLATED HEREIN, AND ANY SUCH CLAIMS WOULD BE DIRECTED TO NUANCE, SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT INCLUDING SECTION 11.2. SUCH THIRD PARTY SUPPLIERS ARE THIRD PARTY BENEFICIARIES OF THIS SECTION 11.4. COMPANY AGREES TO LOOK TO NUANCE FOR ANY ECONOMIC RELIEF RESULTING FROM DAMAGES ARISING UNDER THIS AGREEMENT RESULTING FROM THIRD PARTY SUPPLIERS.~~

Comment [NBF8]: The changes to this and the next section were not requested in the previous draft supplied by Company. Note that this language is covering components embedded within Nuance products—these are not products that contain their own T&Cs, but rather, their use is governed by this agreement. As such, any claims arising from these products should be directed at Nuance. The customer's previous request went to this point and Nuance agreed to the concept, with modified language inserted.

11.4. **Third Party Suppliers.** UNDER NO CIRCUMSTANCES SHALL NUANCE'S THIRD PARTY SUPPLIERS OF ANY COMPONENT OF THE NUANCE SOFTWARE, HOSTED SERVICES OR NUANCE EQUIPMENT BE RESPONSIBLE OR LIABLE TO COMPANY OR ITS AFFILIATES FOR ANY DAMAGES, DIRECT OR OTHERWISE, ARISING UNDER THIS AGREEMENT OR OTHERWISE ARISING FROM THE TRANSACTIONS CONTEMPLATED HEREIN, AND ANY SUCH CLAIMS WOULD BE DIRECTED TO NUANCE, SUBJECT TO THE TERMS AND CONDITIONS OF THIS AGREEMENT INCLUDING SECTION 11.2. SUCH THIRD PARTY SUPPLIERS ARE THIRD PARTY BENEFICIARIES OF THIS SECTION 11.4.

Formatted: Font: Not Bold

Formatted: No bullets or numbering, Tab stops: Not at 0.38"

~~11.5. **Essential Basis.** The disclaimers, exclusions, and limitations of liability set forth in this Agreement form an essential basis of the bargain between the Parties, and, absent any of such disclaimers, exclusions or limitations of liability, the provisions of this Agreement, including, without limitation, the economic terms, would be substantially different. The disclaimers, exclusions, and limitations of liability set forth in this Agreement shall apply to the maximum extent permitted by applicable law, even if any remedy fails its essential purpose.~~

Comment [JS9]: Need to discuss.

~~**Essential Basis.** The disclaimers, exclusions, and limitations of liability set forth in this Agreement form an essential basis of the bargain between the Parties, and, absent any of such disclaimers, exclusions or limitations of liability, the provisions of this Agreement, including, without limitation, the economic terms, would be substantially different. The disclaimers, exclusions, and limitations of liability set forth in this Agreement shall apply to the maximum extent permitted by applicable law, even if any remedy fails its essential purpose.~~

Comment [JS10]: Why is this being demanded?

12. INDEMNIFICATION.

12.1. **By Nuance.** Nuance shall, at its own expense, defend or, at its option, settle, any claim or action brought against Company by a third party, to the extent it is based on a claim that the Nuance Software and/or Hosted Services directly infringes any United States patent, copyright or trademark, or misappropriates a trade secret, of such third party. Nuance will indemnify Company against any losses, damages, and expenses that are attributable to such claim or action and are assessed against Company in a final judgment. Nuance shall have the foregoing obligations only if Company provides Nuance with: (a) a prompt written request to undertake the defense in such claim or action; (b) sole control and authority over the defense and settlement thereof; and (c) all available information, assistance, and authority reasonably necessary to settle and/or defend any such claim or action. Nuance shall not be responsible for any attorneys' fees or other expenses or costs that Company incurs before receipt of Company's request for indemnification or defense. Notwithstanding anything to the contrary in the foregoing, Nuance's obligations under this Section 12.1 shall not apply to open source software.

12.2. **Limited Remedies.** If the Nuance Software and/or Hosted Services becomes, or in the opinion of Nuance, is likely to become, the subject of an infringement claim or action, Nuance may, at its option and in its sole discretion, discharge its obligations under this Section 12 (Indemnification) by: (a) procuring, at no cost to Company, the right to continue using the Nuance Software and/or Hosted Services; (b) replacing or modifying the Nuance Software and/or Hosted Services to render it non-infringing, provided there is no material loss of functionality; or (c) if, in Nuance's reasonable opinion, neither (a) nor (b) above are commercially feasible, terminating Company's rights to use such Nuance Software and/or Hosted Services and (i) with respect to perpetual Nuance Software licenses, refunding the license fees Company paid for such Nuance Software, depreciated on a straight-line sixty (60) month basis from the delivery date, and (ii) with respect to Hosted Services and term licenses of Nuance Software, refunding any unused, prepaid fees Company may have paid to Nuance for the infringing Nuance Software or Hosted Services.

~~12.3. **Exclusions.** Nuance will have no obligation or liability under this Section 12 (Indemnification) for any claim or action regarding any claim resulting from any of the following: (i) modifications to the Nuance Software and/or Hosted Services by a party other than Nuance; (ii) the combination or use of the Nuance Software and/or Hosted Services with other products, processes, or materials if the Nuance Software and/or Hosted Services itself would not infringe; (iii) where Company continues allegedly infringing activities after being provided with modifications that would have avoided the alleged infringement; (iv) any development, modification, or customization of the Nuance Software and/or Hosted Services by Nuance based on specifications~~

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

or requirements supplied by Company; or (v) Company's use of the Nuance Software and/or Hosted Services in a manner that is not in compliance with the terms of this Agreement. Subject to a specific appropriation by the Assembly of the City and Borough of Juneau ("Assembly") for this purpose, Company shall, at its own expense, defend or at its option, settle, any claim or action brought against Nuance to the extent it is based on the conditions described above. ~~To the extent not prohibited by Alaska Stat. §809.50.250 et seq. and will indemnify Nuance against any losses, damages, and expenses that are attributable to such claim or action and are assessed against Nuance in a final judgment. Company shall have the foregoing obligation only if Nuance provides Company with: (a) a prompt written request to undertake the defense in such claim or action; (b) sole control and authority over the defense and settlement thereof; and (c) all available information, assistance, and authority reasonably necessary to settle and/or defend any such claim or action. Company shall not be responsible for any attorneys' fees or other expenses or costs that Nuance incurs before receipt of Nuance's request for indemnification or defense. The parties to this Agreement recognize and agree that the Company/City and Borough of Juneau has no appropriation currently available to it to defend or indemnify Nuance under this provision, and that enactment of an appropriation in the future to fund a payment under this provision remains in the sole discretion of the Assembly, and the Assembly's failure to make such an appropriation creates no further liability or obligation of the Company/CBJ~~

~~12.4.12.3.~~ **Exclusive Obligation.** This Section 12 (Indemnification) states the sole obligation and exclusive liability of Nuance (express, implied, statutory or otherwise), and the sole remedy of Company, for any third-party claims or actions of infringement of any intellectual property or other proprietary right.

13. Miscellaneous.

~~13.1.~~ **Assignment.** Company shall not assign or otherwise transfer its rights, obligations or remedies under this Agreement, in whole or in part, to a third party unless such assignment is approved in writing by Nuance. Notwithstanding the foregoing, Company may assign its rights hereunder in their entirety pursuant to: (i) a merger with; (ii) the sale of substantially all of its assets to; or (iii) a consolidation with a third party; provided (a) Company provides Nuance with prompt written notice of such sale, merger or consolidation, and (b) the assignee agrees to be bound by all terms and conditions set forth by this Agreement. Nuance shall be free to assign or otherwise transfer its rights and obligations under this Agreement, in whole or in part, to a third party, provided that the assignee agrees to be bound by all terms and conditions set forth in this Agreement. And Nuance provides Company with the prompt written consent of Company, which consent will not be unreasonably held~~notice of the assignment.~~

~~13.1.13.2.~~ **Force Majeure.** Except for the obligation to make payments, nonperformance of either Party shall be excused to the extent that performance is rendered impossible by strike, fire, flood, acts of God, governmental acts or orders or restrictions, acts of terrorism, war, failure of suppliers, or any other reason where failure to perform is beyond the reasonable control of the non-performing Party and not due to its fault or negligence.

~~13.2.13.3.~~ **Notices.** All notices hereunder shall be sent by the notifying Party, in writing, to the other Party at its address set forth above (or such other address as they may communicate to the notifying Party in writing), to the attention of the General Counsel. Notice shall be deemed delivered and effective: (i) when delivered personally, (ii) five (5) days after posting when sent by certified United States mail (return receipt requested), or (iii) two (2) days after posting when sent by reputable private overnight courier (e.g., DHL, Federal Express, etc.).

~~13.3.13.4.~~ **Relationship Between the Parties.** In all matters relating to this Agreement, Company and Nuance shall act as independent contractors. Except as may be otherwise expressly permitted hereunder, neither Party will represent that it has any authority to assume or create any obligation, expressed or implied, on behalf of the other Party, or to represent the other Party as agent, employee, or in any other capacity. Nuance shall at all times have the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all work to be performed by Nuance hereunder unless otherwise provided herein. Nuance shall, at all times, be responsible for the compliance of its third parties involved in the delivery of the services with the terms and conditions of this Agreement. Nothing in this Agreement shall be construed to create any contractual relationship between Company and any such third parties, nor any obligation on the part of Company, to pay or to ensure the payment of any money due any such third party.

~~13.5.~~ **Governing Law.** This Agreement shall be governed by the laws of the State of Delaware.

~~13.4.13.6.~~ **Injunctive Relief.** Each Party recognizes and acknowledges that any use or disclosure of Confidential Information by the receiving Party in a manner inconsistent with the provisions of this Agreement may cause irreparable damage to the disclosing Party for which remedies other than injunctive relief may be inadequate, and the receiving Party agrees that in any request by the disclosing Party to a court of competent jurisdiction for injunctive or other equitable relief seeking to restrain such use or disclosure, the receiving Party will not maintain that such remedy is not appropriate under the circumstances. The Parties further agree that in the event such equitable relief is granted in the United States, they will not object to courts in other jurisdictions granting provisional remedies enforcing such United States judgments.

~~13.5.13.7.~~ **Partial Invalidity; Waiver.** If any provision of this Agreement or the application thereof to any Party or circumstances shall be declared void, illegal or unenforceable, the remainder of this Agreement shall be valid and enforceable to

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

Comment [NBF11]: New request by Company. This language is not marked as redlined, but it has not been agreed to by Nuance.

Nuance needs to be able to assign to other Nuance Group companies or in the event of a merger etc. without customer's consent.

JES/BRH/CBJ 7/17/15 Acceptable as revised.

the extent permitted by applicable law. In such event the Party shall use reasonable efforts to replace the invalid or unenforceable provision by a provision that, to the extent permitted by applicable law, achieves the purposes intended under the invalid or unenforceable provision. Any deviation by either Party from the terms and conditions required under applicable laws, rules and regulations shall not be considered a breach of this Agreement. No failure of either Party to exercise any power or right given either Party hereunder or to insist upon strict compliance by either Party with its obligations hereunder, and no custom or practice of the Party at variance with the terms hereof shall constitute a waiver of either Party's right to demand exact compliance with the terms of this Agreement.

~~13-6-13.8.~~

Publicity. The Parties may mutually agree upon a press release announcing this Agreement to be issued at a mutually agreed upon time. Either Party may refer to statements made in such press release in future marketing materials and advertisements. Any additional statements regarding the relationship of the Parties hereunder shall require mutual written consent, except that either Party may refer to the existence of this Agreement or the relationship of the Parties in connection with a press release related to regulatory filings. Each Party is authorized to use the name and logo of the other Party on its website solely to identify such Party's relationship. Nuance may include Company's name in Nuance's customer list, and may identify Company as its customer in its sales presentations, marketing materials, advertising, promotion and similar public disclosures.

~~13-7-13.9.~~ **Entire Agreement; Headings; Counterparts.** This Agreement, all Orders issued hereunder, and the exhibits attached hereto, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof, and supersede all prior agreements, arrangements and undertakings between the Parties. No addition to or modification of any provision of this Agreement shall be binding upon the Parties unless made by a written instrument signed by a duly authorized representative of each of the Parties. The headings to the sections of this Agreement are for ease of reference only and shall not affect the interpretation or construction of this Agreement. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall be deemed to be an original instrument.

~~13-8-13.10.~~ **Order of Precedence.** In the event of a conflict between or among the provisions in this Agreement and any Order, the order of precedence shall be as follows: (i) Schedules, (ii) General Terms and Conditions, (iii) Business Associate Terms and Conditions, (iv) Maintenance Services terms, and (v) each Order.

~~13-9-13.11.~~ **No Third Party Beneficiaries.** Except as expressly stated otherwise in this Agreement, nothing in this Agreement is intended to create any rights in, or confer any benefits upon, any person or entity other than the Parties to this Agreement.

~~13-10-13.12.~~ **Export Controls; Government Use.** Company will comply with all applicable export and import laws and regulations and, unless authorized by applicable governmental license or regulation, not directly or indirectly export or re-export any technical information or software subject to this Agreement to any prohibited destination. If software or services are being acquired by or on behalf of the U.S. Government or by a U.S. Government prime contractor or subcontractor (at any tier), the software, services and related documentation are "commercial items" as that term is defined at 48 C.F.R. 2.101. The software and documentation consists of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212. Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4, all U.S. Government end-users acquire the software and documentation with only those rights set forth herein.

~~13-11-13.13.~~ **Foreign Corrupt Practices Act.** Company shall comply with all applicable laws or regulations in all countries in which Company conducts business. The fact that in some countries certain laws prohibiting particular conduct are not enforced in practice or that violation is not subject to public criticism or censure, will not excuse noncompliance with those laws. Furthermore, Company confirms by way of signature of this Agreement that Company has knowledge and understanding of the Foreign Corrupt Practices Act of the United States of America ("FCPA") and shall comply with the FCPA at all times.

~~13-12-13.14.~~ **HHS Audit Right.** Until the expiration of four (4) years after the furnishing of Services under this Agreement, Nuance shall make available, upon written request of the Secretary of the Department of Health and Human Services ("Secretary"), or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement and the books, documents and records of Nuance that are necessary to certify the nature and extent of the costs for which Company seeks reimbursement. Nuance further agrees that if Nuance carries out any of the duties of this Agreement through a subcontract with a value or cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after furnishing services pursuant to such subcontract, the related organization shall make available to the Secretary or the Comptroller General, as the case may be, or any of their duly authorized representatives, the subcontract, and such books and documents and records of such organization that are necessary to verify the nature and extent of such costs.

~~13-13-13.15.~~ Any discount or rebate, including a single discounted item or bundled discounts, received by Company hereunder is a "discount or other reduction in price," as such terms are defined under the discount exception of the Medicare/Medicaid Anti-Kickback Statute (42 U.S.C. § 1320a-7b(3)(A)) ("Discount Exception") and the "safe harbor" regulations regarding discounts or other reductions in price set forth in 42 C.F.R. § 1001.952(h) ("Discount Safe Harbor"), on the Products or Services purchased by Company under the terms of this Agreement. Under the Discount Exception or Discount Safe

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

Harbor, Company may have an obligation to accurately report under any state or federal program which provides cost or charge based reimbursement for the Software, Equipment and Services covered by this Agreement, or as otherwise requested or required by any governmental agency, the net cost actually paid by Company.

IN WITNESS WHEREOF, the Parties have executed this Agreement under seal as of the date first set forth above.

Bartlett Regional Hospital

Nuance Communications, Inc.

By:

By:

Name:

Name:

Title:

Title:

Date:

Date:

| [BRH 7/20/2015 Review](#)
| Nuance Communication V3 7-7-2015
| Bartlett Counsel edits 20150715

Confidential

Exhibit A

Business Associate Terms and ~~Conditions~~ See Appendix A

Comment [ACU 312]: Substitute Bartlett's BAA

~~WHEREAS, Nuance may perform certain services on behalf of or for Company pursuant to this Agreement that require Nuance to access, create and use health information that is subject to the federal privacy regulations (the "Privacy Rule") and the federal security regulations (the "Security Rule") issued pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and codified at 45 C.F.R. parts 160 and 164, and Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"); and~~

~~WHEREAS, this Exhibit A serves to establish the responsibilities of both Parties regarding Protected Health Information, and to bring this Agreement into compliance with HIPAA and the HITECH Act.~~

~~NOW, THEREFORE, the Parties agree to the following additional terms and conditions:~~

- ~~1. Definitions. Capitalized terms used in this Exhibit A, but not otherwise defined, shall have the same meanings ascribed to them in the Privacy Rule, the Security Rule and the HITECH Act.~~
- ~~2. Permitted Uses and Disclosures. Except as otherwise specified herein, Business Associate may use and/or disclose Protected Health Information ("PHI") to perform the functions, activities, or services for or on behalf of Covered Entity as specified in this Agreement, provided that such use and/or disclosure would not violate HIPAA if done by Covered Entity. Except as otherwise limited in this Agreement, Business Associate may:
 - a. use PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate.
 - b. disclose PHI for the proper management and administration of Business Associate and to carry out the legal responsibilities of Business Associate, provided that the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom PHI is disclosed that the PHI will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of PHI has been breached.
 - c. use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. §164.504(e)(2)(i)(B).
Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.502(j)(1).~~
- ~~3. Responsibilities of Business Associate. Except as otherwise required by law, Business Associate shall use PHI in compliance with 45 C.F.R. §164.504(e). To comply with the security and privacy obligations imposed by HIPAA, Business Associate agrees to:
 - a. implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity as required by HIPAA. Business Associate acknowledges that pursuant to Section 13401(a) of the HITECH Act, 45 C.F.R. §§ 164.308, 164.310, 164.312 and 164.316 shall apply to Business Associate in the same manner that such sections apply to Covered Entity.
 - b. notify Covered Entity of any successful Security Incident of which Business Associate becomes aware.
 - c. not use or further disclose PHI other than as permitted or required by this Agreement, or as required by law.
 - d. use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for by this Agreement.
 - e. report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which Business Associate becomes aware, and:
 - f. ensure that any agents, including a subcontractor, to whom it provides PHI (received from, or created or received by Business Associate on behalf of, Covered Entity) agrees in writing to the same restrictions and conditions on the use or disclosure of PHI that apply to Business Associate with respect to such PHI.
 - g. make PHI available to Covered Entity or, as directed by Covered Entity, to an Individual who is the subject of the PHI, to comply with an Individual's right of access to their PHI in compliance with 45 C.F.R. §164.524 and Section 13405(e) of the HITECH Act. This provision shall be applicable only if Business Associate maintains a Designated Record Set on behalf of Covered Entity.
 - h. make PHI available to Covered Entity for amendment and incorporate any amendment(s) to PHI that Covered Entity directs, in accordance with 45 C.F.R. §164.526. This provision shall be applicable only if Business Associate has PHI in a Designated Record Set.~~

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

- i. document disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. §164.528 and Section 13405(e) of the HITECH Act.
 - j. make available to Covered Entity in response to a request from an Individual, the information required to provide an accounting of disclosures of PHI with respect to the Individual in accordance with 45 C.F.R. §164.528 and Section 13405(e) of the HITECH Act.
 - k. make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the Department of Health and Human Services or his/her designee (the "Secretary"), in a time and manner designated by the Secretary, for purposes of determining Covered Entity's compliance with the HIPAA.
 - l. notify Covered Entity following Business Associate's discovery of a security breach of Unsecured PHI, in accordance with Section 13402 of the HITECH Act.
 - m. refrain from exchanging any PHI with any entity (including Covered Entity) of which Business Associate knows of a pattern of activity or practice that constitutes a material breach or violation of HIPAA, and upon becoming aware of such behavior by an entity with which Business Associate has already exchanged PHI, take reasonable steps to cure the breach or end the violation, as applicable, and if such steps are unsuccessful, terminate the contract or arrangement with such entity, if feasible; or if termination is not feasible, report the problem to the Secretary, in accordance with Section 13404 of the HITECH Act and 45 C.F.R. §164.504(e).
 - n. limit the use, disclosure or request for PHI in accordance with Section 13405(b) of the HITECH Act.
 - o. refrain from receiving any remuneration in exchange for any Individual's PHI unless such exchange (i) is pursuant to a valid authorization that includes a specification of whether the PHI can be further exchanged for remuneration by the entity receiving PHI of that Individual, or (ii) satisfies one of the exceptions enumerated in the HIPAA regulations and specifically Section 13405(d)(2) of the HITECH Act.
 - p. refrain from marketing activities that would violate HIPAA and specifically Section 13406 of the HITECH Act.
4. Responsibilities of Covered Entity. Covered Entity shall:
- a. provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. §164.520, as well as any changes to such notice.
 - b. provide Business Associate, in writing, with any changes in, or revocation of, permission by Individual to the use or disclosure of PHI, if such changes affect Business Associate's permitted or required uses or disclosures. Upon receipt by Business Associate of such notice of changes, Business Associate shall cease the use and disclosure of any such Individual's PHI except to the extent it has relied on such use or disclosure, or where an exception under HIPAA expressly applies.
 - c. notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. §164.522.
5. Termination.
- a. Termination for Cause. Either Party may immediately terminate this Agreement if such Party (the "Non-Breaching Party") determines that the other Party (the "Breaching Party") has breached a material term of this Exhibit A. Alternatively, the Non-Breaching Party may choose to provide the Breaching Party with written notice of the existence of an alleged material breach and afford the Breaching Party an opportunity to cure the alleged breach. Failure to cure the material breach within thirty (30) days of the written notice constitutes grounds for immediate termination of this Agreement.
 - b. Effect of Termination.
 - (1) Except as provided in paragraph (2) of this Section 5(b), upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This Section 5(b)(1) shall apply to PHI that is in the possession of Business Associate and its subcontractors or agents. Business Associate shall retain no copies of the PHI.
 - (2) In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate shall provide to Covered Entity, in writing, notification of the conditions that make return or destruction infeasible, and Business Associate shall extend the protections of this Exhibit A to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

6. ~~Miscellaneous.~~

- a. ~~Amendment.~~ The Parties agree to negotiate in good faith an amendment to this Exhibit A from time to time as is necessary for the Parties to comply with the requirements of HIPAA, as amended from time to time. No amendment shall be effective unless in writing and signed by duly authorized representatives of both Parties.
- b. ~~Survival.~~ The respective rights and obligations of Business Associate under Section 5(b) of this Exhibit A shall survive termination of this Agreement.
- c. ~~Interpretation.~~ Any ambiguity in this Exhibit A shall be resolved in favor of a meaning that permits the Parties to comply with HIPAA.
- d. ~~No Third Party Beneficiary.~~ Nothing in this Exhibit A is intended, nor shall be deemed, to confer any benefits on any third party.

BRH 7/20/2015 Review
Nuance Communication V3 7-7-2015
Bartlett Counsel edits 20150715

Confidential

Exhibit B
Schedules

SCHEDULE FOR NUANCE MANAGEMENT SERVER FOR DRAGON MEDICAL 360 | NETWORK EDITION

SCHEDULE FOR DRAGON MEDICAL 360 | NETWORK EDITION: CLIENT LICENSE

INSTALLATION ON CUSTOMER SERVER BY SEPTEMBER 4, 2015

TRAINING FOR CUSTOMER I.T. STAFF BY SEPTEMBER 11, 2015

TRAINING FOR PHYSICIAN USERS BEGINNING SEPTEMBER 14, 2015

Comment [NBF13]: These dates need to be discussed with our Professional Services team and placed in a Statement of Work to the Order

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

SCHEDULE FOR

NUANCE MANAGEMENT SERVER FOR DRAGON MEDICAL 360 | NETWORK EDITION

Comment [ACU 314]: Max and Jeremy to confirm terms

The terms of this Schedule for *Nuance Management Server for Dragon Medical 360 | Network Edition* ("Schedule") apply to the Applicable Software specified in an Order (such Order, the "Applicable Order"). In the event of a conflict between the General Terms and Conditions and the terms of this Schedule, the terms of this Schedule will prevail.

1. **Definitions.** For purposes of this Schedule, the following terms shall have the following meanings:

- "**Applicable Software**" means the *Nuance Management Server for Dragon Medical 360 | Network Edition* Software specified in an Order, which Software consists of the *Nuance Management Server (NMS) Software* and the *Dragon Medical 360 | Network Edition (DMNE) Software*.
- "**Authorized User**" is as defined below in Section 2(b) of this Schedule.
- "**DMNE Software**" means the *Dragon Medical 360 | Network Edition Software* component of the Applicable Software.
- "**Instance**". An "Instance" of the NMS Software is created by installing the NMS Software, or by duplicating an existing "Instance". References to the NMS Software in this Schedule include "Instances" of the NMS Software.
- "**License Duration**" means the duration of the license grant specific to a particular Software license, which duration is either a Perpetual License or a Term License, as indicated in the Applicable Order.
- "**NMS Software**" means the *Nuance Management Server Software* component of the Applicable Software.
- "**Operating System Environment**" means a single instance of an operating system and instances of applications, if any, configured to run on that single operating system instance.
- "**Perpetual License**" means a license grant that is not limited in duration, subject to early termination pursuant to the Agreement.
- "**Physical Operating System Environment**" means an Operating System Environment configured to run directly on a physical hardware system that uses physical processors, each occupying a single socket on a system's motherboard in a physical hardware system.
- "**Processor**" is generally a physical chip that resides in a physical socket of the hardware partition and contains one or more Cores.
- "**Processor Limit**" means (a) when running the SQL Server component of the Applicable Software in a Physical Operating System Environment, the maximum number of Processors that a physical server running the SQL Server component can have; and (b) when running the SQL Server component of the Applicable Software in a Virtual Operating System Environment, the maximum number of Processors that can be allocated to the Virtual Operating System Environment running an instance of SQL Server.
- "**SQL Server**" means Microsoft SQL Server software.
- "**Term License**" means a license grant that is limited in duration, which duration is as indicated in the Applicable Order, subject to early termination pursuant to the Agreement.
- "**Virtual Operating System Environment**" means an Operating System Environment configured to run on a virtual (or otherwise emulated) hardware system that uses virtual processors, whereby a "virtual processor" is a processor in a virtual (or otherwise emulated) hardware system. A "virtual processor" is considered to have the same number of threads and cores as a physical processor on the underlying physical hardware system.

2. **Grant of Rights.** Subject to the terms and conditions of the Agreement (including this Schedule), Nuance hereby grants Company, and Company accepts, a limited, revocable, non-exclusive, non-transferable, non-sublicensable license, solely during the License Duration, to:

- (a) install and run one Instance of the NMS Software for production purposes (such Instance, the "Production Instance"), and one Instance of the NMS Software solely for non-production testing purposes (such Instance, the "Testing Instance"). The Production Instance and Testing Instance shall each be run on one compatible Physical Operating System Environment

BRH 7/20/2015 Review

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

or one Virtual Operating System Environment, whereby, to “run an Instance” means to load the NMS Software into memory and execute one or more of its instructions (once running, an Instance is considered to be running, whether or not its instructions continue to execute, until it is removed from memory).

(b) allow up to: (i) twenty (20) Company employees and contractors, for both the Production Instance and Testing Instance, to use the Nuance Management Console for NMS to set up Company’s licensed users of *Dragon Medical 360 / Network Edition* Software, manage the user options, and perform maintenance tasks on the NMS Software; and (ii) five (5) Company employees and contractors, for both the Production Instance and Testing Instance, to use the DMNE Software for the sole purpose of testing *Dragon Medical 360 / Network Edition* Software - to support Company’s licensed users (each such employee and contractor under this Section 2(b), an “Authorized User”). For the avoidance of doubt, the *Dragon Medical 360 / Network Edition* Software component of the Applicable Software cannot be used for clinical dictation when such clinical dictation is transcribed by someone other than the Authorized User.

Comment [NBF15]: Nuance comment 7/13/2015: This sentence is stating that with the license grant in clause (ii) of this paragraph, customer’s employees who are using the DMNE Software for testing purposes, cannot use such software for clinical dictation.

3. **Restrictions.** Company shall not allow any Authorized User to use the Applicable Software for: (a) the Authorized User’s own personal use, or (b) the benefit of any third party. Company shall not allow anyone other than the Authorized Users to use the Applicable Software.

4. **SQL Server.** Company acknowledges that SQL Server is a component embedded within the Applicable Software. Company shall not exceed the Processor Limit with respect to such SQL Server. The Processor Limit is as indicated in the Applicable Order. Company shall not unbundle the SQL Server from the Applicable Software and use it with any other product or service.

BRH 7/20/2015 Review
Nuance Communication V3 7-7-2015
Bartlett Counsel edits 20150715

Confidential

SCHEDULE FOR

DRAGON MEDICAL 360 | NETWORK EDITION: CLIENT LICENSE

The terms of this Schedule for *Dragon Medical 360 | Network Edition: Client License* (“Schedule”) apply to the Applicable Software specified in an Order (such Order, the “Applicable Order”). In the event of a conflict between the General Terms and Conditions and the terms of this Schedule, the terms of this Schedule will prevail.

1. **Definitions.** For purposes of this Schedule, the following terms shall have the following meanings:
 - “**Applicable Software**” means the *Dragon Medical 360 | Network Edition* (DMNE) Software specified in an Order as being licensed pursuant to the “Physician Client License” or the “Non-Physician Client License” License Model; and which Software requires Company to have a valid licensed copy of NMS Software (licensed separately).
 - “**Authorized User**” is as defined below in Section 2 of this Schedule.
 - “**Device**” means a personal computing device as specified in the accompanying Documentation.
 - “**License Duration**” means the duration of the license grant specific to a particular Software license, which duration is either a Perpetual License or a Term License, as indicated in the Applicable Order.
 - “**NMS Software**” means Nuance’s proprietary *Nuance Management Server* software product.
 - “**Non-Physician**” means a person who is not a Physician (including, but not limited to, a nurse, physician assistant, or psychologists), working on behalf of Company.
 - “**Physician**” means a person who is a physician (including, but not limited to, a full-time or part-time physician, resident, attending physician, physician with privileges, M.D., or D.O.) working on behalf of Company.
 - “**Perpetual License**” means a license grant that is not limited in duration, subject to early termination pursuant to the Agreement.
 - “**Term License**” means a license grant that is limited in duration, which duration is as indicated in the Applicable Order, subject to early termination pursuant to the Agreement.
 - “**User Profile**” means the record of an individual’s speaker-specific data that provides a consistent dictation experience across successive dictation sessions by such individual.
2. **Grant of Rights.** Subject to the terms and conditions of the Agreement (including this Schedule), for each license to the Applicable Software purchased (as indicated in the Applicable Order), Nuance hereby grants Company, and Company accepts, a limited, revocable, non-exclusive, non-transferable, non-sublicensable license to allow a single Physician or Non-Physician (such Physician or Non-Physician, an “Authorized User”) to use the Applicable Software during the License Duration; provided such use is: (i) in a manner commensurate with the intended use of the Applicable Software (as prescribed by the Agreement and the Documentation), and (ii) solely for Company’s internal business purposes. Company shall not allow any Authorized User to use the Applicable Software for: (a) the Authorized User’s own personal use, or (b) the benefit of any third party. Company shall not allow anyone other than the Authorized Users to use the Applicable Software. A separate license to the Applicable Software must be purchased for each Physician or Non-Physician whose User Profile is used by the Applicable Software. Use of the Applicable Software requires that Company have a valid licensed copy of NMS Software, which software is licensed separately.
3. **Restrictions.** If the Applicable Software is identified on the Applicable Order as being a “Non-Physician Client License,” then the Authorized User under such license must be a Non-Physician, and Company shall not allow a Physician to utilize the Applicable Software under such license.
4. **Right to Copy.** Pursuant to the rights granted under Section 2 of this Schedule, Company may reproduce and install copies of the Applicable Software on as many Devices as is reasonably necessary to exercise its license rights under Section 2 of this Schedule. All such copies must be true and complete copies (including intellectual property notices) and be made from media or files supplied by Nuance to Company under the Agreement or from a network source if true and complete copies of such media or files supplied by Nuance are copied to the network source.

[BRH 7/20/2015 Review](#)

Nuance Communication V3 7-7-2015

Bartlett Counsel edits 20150715

Confidential

Exhibit C

Credit Card Information Form

(Please see following page)


BRH 7/20/2015 Review
Nuance Communication V3 7-7-2015
Bartlett Counsel edits 20150715

Confidential

Exhibit D

Company Requirements

For services Nuance provides in groups, such as Train-the-Trainer, Help Desk, Super User, Company will need:

- A conference room that can accommodate two-times the number of trainees attending. We recommend having a seat between each trainee since Dragon Medical 360 | Network Edition is a voice recognition product. This will allow the trainees to focus on their exercises and not be distracted by others in the class.
- A computer for each trainee with Dragon Medical 360 | Network Edition and your EHR installed.
- A projector with a laptop or computer attached.
- Microphone or headset for each participant (available and plugged into each computer).
- Login names and passwords for the training computers and EHR.
- Load test patients in the EHR training environment. For best results, have patients loaded with X-ray or lab results (scanned documents will suffice).
- 2 providers scheduled for Part 1: Basic Training in the afternoon of days 1 and 2. Please look for this symbol  to indicate when you need to schedule providers.

If Nuance is training providers in their own environment/office/workspace:

- A computer for each trainee with Dragon Medical 360 | Network Edition and your EHR installed.
- Microphone or headset for each participant (available and plugged into each computer).
- Login names and passwords for the training computers and EHR.
- Load test patients in the EHR training environment. For best results, have patients loaded with X-ray or lab results (scanned documents will suffice).

If Nuance is delivering admin installation assistance and training:

- Installation DVDs
- Access, passwords and Organization ID
- New License Key
- On Premise Server or NMS in the cloud (to be used in conjunction with Dragon Medical 360 | Direct or Dragon Medical 360 | SpeechAnywhere Service products)

Formatted: Font: 9 pt
Formatted: Font: 9 pt
Formatted: Font: 9 pt
Formatted: Font: (Default) Times New Roman, 9 pt

Formatted: Font: (Default) Times New Roman, 9 pt
Formatted: Font: (Default) Times New Roman, 9 pt
Formatted: Font: 9 pt
Formatted: Font: 9 pt
Formatted: Font: (Default) Times New Roman, 9 pt

Formatted: Font: 9 pt
Formatted: Font: (Default) Times New Roman, 9 pt

Blade System Expansion Project Summary
Prepared by Max Salassi

Bartlett currently utilizes a Cisco and NetApp solution known as a FlexPod. It is comprised of a Cisco Unified Compute (UCS) Blade Server System that stores its data on a NetApp Storage Area Network (SAN). The current solution is nearing capacity and needs to be expanded for current and future (1 year) projects.

Reasons to expand our current Cisco Blade System:

- We have immediate needs for servers to be built for the Meditech project.
- Licensing for the virtualization technology (VMware) required by most of the individual projects is integrated into this project.
- We will be able to migrate existing virtual servers running on legacy Dell hardware to the new system. This will allow Bartlett to regain physical space in server rooms and reduce heat load.

The requested solution includes:

- A new Cisco UCS with eight physical servers and the computing capacity to host 40 virtual servers running on VMware.
- VMware Enterprise Licensing
- Migration of our NetApp 3240 system to a NetApp 8020 solution
- 3 Year Hardware support for NetApp equipment
- 1 Year SmartNet support for new Cisco equipment
- 1 Year support on VMware software

Summary of Estimated Project Costs via En Ponte Technologies:

PROJECT DESCRIPTION	ESTIMATED COST	CAPITAL BUDGET
Cisco UCS Blade System:	\$220,000	\$220,000
VMware Software Licensing:	\$76,700	\$160,000
NetApp SAN (1)	\$197,200	\$95,000
SmartNet (2)	\$11,000	
10% Project Contingency:	\$50,500	
TOTAL PROJECT	\$555,400	

- (1) Pricing is for new configuration that replaces existing “end-of-life” hardware. The pricing includes three year service agreement – an operating expense – for which Bartlett pays approximately \$50,000 per year.
- (2) Support for Cisco equipment



Leverage Information Systems

Phone: 425-482-9200
 Fax: 425-485-9400
 PO Box 630
 Woodinville, WA 98072

Quote
 No.: **1503423**
 Date: 07/17/2015

Prepared for:
 Jeremy Ludeman 907.796.8689
 Bartlett Regional Hospital

Prepared by: Shelby Matsui
 Account No.: 824
 Type:
 Job: Cisco 3702 Access Points - End of Year Pricing

CLIN	Qty.	Item ID	Description	UOM	Ea. Price	Total
------	------	---------	-------------	-----	-----------	-------

End of Year Pricing Expires July 30th 2015

Cisco 3702 Access Points - 10 Packs

001	12	AIR-CAP3702I-AK910	802.11ac Ctrlr 10APs 4x4:3SS w/CleanAir; Int; A Reg Domain	EA	\$7,475.00	\$89,700.00
002	12	CON-SNT-C372IA10	SMARTNET 8X5XNBD 802.11ac Ctrlr 10APs	EA	\$0.00	\$0.00
003	120	SWAP3700-RCOVRY-K9	Cisco 3700 Series IOS WIRELESS LAN RECOVERY	EA	\$0.00	\$0.00
004	120	AIR-AP-BRACKET-1	802.11n AP Low Profile Mounting Bracket (Default)	EA	\$0.00	\$0.00
005	120	AIR-AP-T-RAIL-R	Ceiling Grid Clip for Aironet APs - Recessed Mount (Default)	EA	\$0.00	\$0.00
006	120	AIR-CAP3702I-ABULK	BOM Level AP3700i Bulk PID for A reg domain	EA	\$0.00	\$0.00
007	120	CON-SNT-C372IAB	SMARTNET 8X5XNBD BOM Level AP3700i Bu	EA	\$50.00	\$6,000.00
008	1.00	Freight - Prepay/Add - No Limit	Prepay And Add Actual Freight Costs From Shipper Invoice	EA	\$0.00	\$0.00

Your Price:	\$95,700.00
Total:	\$95,700.00

Prices are firm until 7/30/2015 Terms: Net 30

Quoted by: Shelby Matsui, shelbym@leverageis.com

Date: 7/17/2015

Signature: _____

PO#: _____

Date: _____

Print Name: _____

Title: _____

PH# : _____

Disclaimer

Unless otherwise quoted, Standard delivery charges are 30 days ARO. Expedited freight will be charged prepay and add. Please notify your sales rep should you want to use a freight account.

If applicable, sales tax will be charged when invoiced.

Leverage Information Systems 30 day return policy does not apply to changed, opened, or cancelled orders. In

Quote

No.: **1503423**

Date: 07/17/2015

the event the customer chooses to change or cancel an order, restocking fees may apply.

- Leverage is a Small Business Enterprise
- Pricing is valid for (30) days
- Accepted Methods of Payment - Check or EFT, Please contact your sales rep for re-quote should you like to pay via Credit Card

Tax ID / EIN# 91-1607710
DUNS# 807596051
Cage Code: 0X6H7

Cisco Wireless Access Points (WAPs) Summary

Prepared by Martha Palicka and Jeremy Ludeman

Our current wireless access points, (WAPs) are based on the IEEE 802.11g standard (released in June 2003). In order to meet the new wireless connectivity demands of the MEDITECH system, we are proposing to upgrade our wireless access points to the latest standards.

Reasons to upgrade our Cisco Wireless Access Points:

- Enhanced bandwidth (DATA/VOICE/VIDEO) through support for latest wireless standards 802.11ac
- MIMO support (multiple input, multiple output) to handle higher volumes of clients per AP
- Integrated Dual-Band antennas (both 2.4 GHz and 5GHz)

The attached quote includes enough WAPs for 1:1 replacement, and also includes some additional WAPs to expand coverage. This quote also includes Cisco's end of year pricing incentive, which expires July 30, 2015. The same quote after July 30th, is \$102,876.00.

Summary of Project Costs:

Cisco WAPs via Leverage:	\$ 95,700.00
10% Project Contingency:	\$ 9,570.00
Total Project Costs:	\$105,270.00

This capital enhancement will be paid via savings realized with the Dragon software negotiations and the interface engine. Specifically,

		Actual	Savings Carry-Over
F2015 Budget for Wireless Upgrade:	\$57,000		\$57,000
Budgeted Dragon software:	\$222,700		
Budgeted Dragon server:	\$30,000		
Total Dragon budget:	\$252,700	\$177,900	\$74,800
Budgeted Interface Engine:	\$120,000	\$88,000	\$32,000
Total Savings Available			\$163,800

Fluke Wireless Analyzer Summary
Prepared by Martha Palicka and Pete Morrissette

BRH has an extensive wireless infrastructure currently, but we lack the sophisticated tools necessary to efficiently troubleshoot wireless connectivity. The Fluke analyzer would allow us the ability for troubleshooting and faster identification of problems with wireless. Some of the features include the following:

- Optiview XG Device can assist in designing wireless networks, can locate signal interferers and assist in Wireless Access Point, (WAP) placement. The device can troubleshoot wireless signal in existing wireless networks, and test throughput of physical Ethernet and fiber connections.
- Another feature is AirMagnet Mobile for designing, deploying, and troubleshooting wireless networks.
- AirMagnet Enterprise is for security monitoring, performance analytics, and remote troubleshooting. We also have the ability to collect radio frequency and Wi-Fi data and create maps.

We are purchasing the Fluke analyzer with one year of Gold support for the hardware and three years of support for the software for troubleshooting. This software support includes security threat troubleshooting, enterprise policies, performance analysis, and regulatory compliance. The Fiscal 2016 capital budget was \$61,791.

Summary of Project Costs:

Fluke Analyzer via Fluke Networks:	\$ 48,883.41
5% Project Contingency:	\$ 2,444.17
Total Project Costs:	\$ 51,327.58



We appreciate the opportunity to do business with you. Attached is the quote that you requested. To ensure we are able to process your purchase order without delay, please include a copy of this quotation, or reference the Quote Number below, with your Purchase Order.

Quote Information

Prepared By	Andy Benson	Quote Number	00174956
E-mail	andy.benson@flukenetworks.com	Expiration Date	7/31/2015

Order Processing Information

Please Send Your Order To:

Fluke Networks
PO Box 777 M/S 207C
Everett WA 98206-0777
Duns No: 07 972 5352
FEIN: 91-2171817
Cage Code: 1UQL0

Fax: (425) 446-4839
Email: orders@flukenetworks.com

Please contact us at orders@flukenetworks.com or 1-800-283-5853 if you have questions regarding the processing of your order.

Please Make Payments To:

Fluke Networks
PO Box 742306
Los Angeles CA 90074-2306

Payment Terms: Net 30
Terms of Sales: FOB Origin
Freight Terms: PPA (Prepay & Add)
Freight and Tax Are Not included In The Quotation
Created Date 7/17/2015

Prepared For

Name	Pete Morrissette	Phone	9077968988
Email	pmorrissette@bartlethospital.org		

Address Information

Bill To	3260 Hospital Dr Juneau, AK 99801 US	Ship To Name	Bartlett Hospital
Bill To Name	Bartlett Hospital		

Terms & Conditions

Fluke Networks is ISO registered. All items are of USA origin unless otherwise noted. We are a large business and not a minority or woman owned business. Prices quoted are valid for Sales/Shipments with ultimate destinations within the US including US Territories unless otherwise noted. PRODUCTS QUOTED HEREIN ARE OFFERED ONLY UPON CONDITION OF FULL ACCEPTANCE OF FLUKE NETWORKS TERMS & CONDITIONS OF SALE, WHICH ARE AVAILABLE FOR REVIEW BY CLICKING THE REFERENCED LINK AND CAN BE FAXED UPON REQUEST. ANY ADDITIONAL TERMS & CONDITIONS IN THE PURCHASE ORDER OR OTHERWISE PROPOSED, ARE REJECTED UNLESS ACCEPTED BY FLUKE NETWORKS IN WRITING.

If you are a new Fluke Networks customer, please visit the link below to download the following information.

- FLUKE NETWORKS COMPANY INFORMATION AND TAX ID NUMBERS (US and Canada)
- FLUKE NETWORKS STANDARD TERMS AND CONDITIONS (US and Canada)
- FLUKE NETWORKS SUPPORT PROGRAM TERMS AND CONDITIONS
- CREDIT APPLICATION (US and Canada)
- UNIFORM SALES & USE TAX CERTIFICATE - MULTIJURISDICTION (US)
- <http://www.flukenetworks.com/content/credit-tax-information>



QUOTATION

Quote Line Items

Product Code	Quantity	Product	Product Description	Sales Price	Discount	Total Price
4233952	1.00	OPVXG-EXPTPLUS/GLD	OPTIVIEW XG EXPTPLUS WITH 1 YR GOLD SUPPORT	USD 44,071.00	13.00%	USD 38,341.77
4299480	1.00	AM/A5510	AME RTK BUNDLE W/3 NG5 SPECTRUM SENSORS	USD 7,772.00	13.00%	USD 6,761.64
4478408	1.00	GLD-S5510-3Y-G	3 YR MAINT AME RTK BUNDLE - NG5	USD 3,780.00		USD 3,780.00

Discount 12.12%
Grand Total USD 48,883.41

RFP to enhance the HVAC system in the OR

Requesting Finance Committee Authorization to Proceed

The design of our HVAC system for the OR is not able to maintain the current desired room temperatures while maintaining the Relative Humidity within guidelines. We have received a project cost estimate of \$250,000 for the addition of a low temperature chiller that will allow us to maintain appropriate humidity levels on days when dehumidification is difficult. This project will require up to 8 months to complete.

BAS upgrade Phase 1 and 2:

Requesting Finance Committee Authorization to Proceed

The BRH Building Automated Controls System is at end of life and parts are becoming increasingly difficult to purchase. BRH's Facility Department is proposing a phased, multi-year approach to replacement.

1. Phase 1 is to purchase the Head End Equipment which is the brains that drive the entire system. Phase 1 is quoted at \$125,000.
2. Phase 2 would be to install and interface the head end equipment to our existing field devices, this phase is estimated at \$125,000; Facilities is currently working on a quote.
3. After this equipment is installed and operational, BRH will have more flexibility to purchase and modernize the field devices.

Facilities recommends a multi-year systematic approach to replacement of field devices by facility area (section).

OR Humidity and Controls upgrade:

Requesting Finance Committee Authorization to Proceed

BRH must replace its current humidifiers, upgrade the controls for humidification and install additional balancing dampers. Our humidifiers and controls, although still functional, have a reasonable life expectancy of 10-15 years. Due to an extensive maintenance program, the humidifiers are at 30 years of age. The installation of additional balancing dampers would offer us more precise air balancing. These projects are estimated at \$100,000.

RFP for Surgical Services Conceptual Design and Project Cost Estimation:

Requesting Finance Committee Authorization to Proceed

In order to improve patient flow and clinical services in the Operating Room and related departments, BRH plans to develop and send out an RFP for Conceptual Design and Project Cost Estimation Services for renovating Surgical Services. The area was last renovated in 1987 and is in need of modernization and layout enhancements to ensure reliability and improve work flow.

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900

www.bartlethospital.org

Planning Committee

Minutes

July 15, 2015

Called to order at 12:17 p.m.

ATTENDANCE: Lauree Morton, Nancy Davis, Mary Borthwick, Chuck Bill, CEO, Alan Ulrich, CFO, Billy Gardner, CNO, Toni Petrie, Executive Assistant, Mila Cosgrove, HR

Approval of the minutes – Ms. Borthwick made a *MOTION* to approve the minutes from April 9, 2015. Ms. Davis seconded and they were approved.

5 year SLT vision – Mr. Bill handed out a document that Senior Leadership put together for a 5 year strategic plan. The focused items were;

- Medicaid
- Medicare
- Private insurance
- Hospitalist
- Volumes
- Physicians
- Behavioral services
- Meditech
- Emergency Department
- Physician clinics
- Revenue Cycle
- IT
- Self-pay/Bad debt

Board retreat – Mr. Bill said he would like to get a date set for the Board retreat for the fall. He would feedback from the Board if there should be a facilitator or not at the retreat. Ms. Morton asked the Committee

COMMENTS:

Ms. Davis said as part of Planning Committee to try and keep the Board education continuing. Include compliance, conditions of participation.

Meeting adjourned at 1:04 p.m.

Bartlett Regional Hospital

JOINT CONFERENCE COMMITTEE

June 22, 2015 - 12:15 p.m.

Robert F. Valliant Boardroom

MINUTES

MEMBERS PRESENT:

Robert Storer, President
Carlton Heine, MD, Chief of Staff
Sharon Fisher, MD, Vice-Chief of Staff
Kristen Bomengen, Past-President
Amy Dressel, MD, Past-Chief of Staff

MEMBERS ABSENT:

Nancy Davis, Vice-President
Janice Sheufelt, MD, Secretary/Treasurer
Mary Borthwick, Secretary

ALSO PRESENT:

Charles Bill, CEO
Alan Ulrich, CFO
Billy Gardner, DON
Debbie Kesselring, CPCS

CALL TO ORDER: The regular Joint Conference Committee meeting was called to order by Robert Storer, BRH BOD President at 12:08 p.m.

OLD BUSINESS - None

NEW BUSINESS

- A. **Recruitment** – The Recruitment Committee approved to recruit the 5th Psychiatrist. Dr. Jenna Hiestand, Behavioral Health Medical Director, has begun her role at BRH. Psychiatry services have stabilized. Dr. Henry Lucas begins September 2015. Dr. Hiestand has asked to post pone the recruitment of the 5th Psychiatrist as they are researching the feasibility of using mid-levels versus Psychiatrist.
 1. **Family Practice Physicians** – The Family Practice Physician clinic has the hospital for assistance in recruiting another physician for their clinic.
 2. **General Surgeon** – The Hospital will work collaboratively with the other general surgeons while recruiting a fulltime general surgeon. It was reported that there is an out of town general surgeon who might be interested in fulfilling this need.
 3. **Chief Behavioral Health Officer** – There is an onsite visit will be this week for the Chief Behavioral Health Officer. Three candidates were contacted and two took other opportunities.
 4. **Gynecologist** – A Gynecologist has been identified and would like to take part in the succession plan for Dr. Nell Wagoner. The Hospital has been asked to financially assist in the endeavor.
- B. **Medicare Patients** – Bob Storer reported that he spoke with a member of the community who expressed concern that there is a perception that local clinics are not taking Medicare patients. After speaking with this person for quite some time he encouraged them to attend the BRH Board meeting and speak under community comment.
- C. **Physician Council** - No discussion.
- D. **Hospitalist Program** – It was reported that there has been limited response surrounding any local physician(s) filling the Hospitalist position. SEARHC is interested in participated in the program for weekend and night coverage. The hospital is designing a job description for the Director of the Hospitalist program. In the meantime, the on-call no-doc financial compensation is being reinstated. Dr. Carlton Heine suggested if the Hospitalist could be used for the ICD 10 implementation and Meditech go live to assist in being a super user.

- E. In-House Hospice Care** - Dr. Sharon Fisher said the prolonged lengths of stay, when patients and their families are requesting Hospice care in the hospital as their final resting place, are an issue. The physicians currently consult with Hospice staff and the current system is working. Dr. Heine suggested maybe remodeling an area or specific room(s) for inpatient Hospice rooms. Mr. Bill stated that while he was at other hospitals, he has seen the Foundation take the lead on this type of a project.
- F. Pediatric Call Coverage** – Dr. Heine has been in communication that two Pediatricians who have submitted letters to change their staff status due to the amount of on-call Active Medical Staff members are mandated to participate in. Two pediatricians will be making an informational presentation to the BRH Board tomorrow evening. It is clear that this is information only and no action will be taken. The intent of this presentation is to educate the Board of the issue while having neutral discussions in a controlled environment.
- G. Rural Demonstration Project** – It was reported that a Bill should be approved today in the Senate that will extend the Rural Demonstration Project for another five years. The House Ways and Means Committee will need to respond in support of the project. The current program sunsets at the end of June 2015. If the project is renewed, whether the project would begin at the fiscal year or at a different time is still in question. There is a \$4/M impact on the BRH budget. Mr. Bill has put together an analysis of various scenarios that could occur.
- H. JEMA** – It was reported that JEMA has expressed interest in taking over their own billing for emergency room services they provide. There have been a number of presentations given and negotiations are ongoing.
- I. Meditech** – This project is moving right along. There are a few pressing issues:
- J. Voice Recognition** – There needs to be some lead time in order to obtain a voice recognition program that will be compatible with Meditech. The decision as to which program to chosen needs to be made soon, be purchased, and in place prior to the go-live date. The Hospital will continued to provide dictation services until the selection process has been made.
- K. Super User** – A survey monkey has been sent to see if any physicians will volunteer to be a Meditech super users in their area of expertise.
- L. Board Governance**– The BRH Board has formed an ad hoc committee regarding Board Governance. Two charges they are currently working on is a CBJ ordinance review and the other is to develop best practice governance. This ad hoc committee is slated to meet 1-2 times per month with a goal of completing its work in November.

MEDICAL STAFF COMMENTS - None

BOARD/ADMINISTRATION COMMENTS - None

ADJOURNMENT: There being no further business, the Joint Conference Committee meeting was adjourned at 1:08 p.m.

Robert Storer, President
BRH Board of Directors

(Date)

Bartlett Regional Hospital

3260 Hospital Drive, Juneau, Alaska 99801 907.796.8900

www.bartletthospital.org

Governance Committee

June 17, 2105

Minutes

Called to order at 5:17 p.m.

Attendance: Kristen Bomengen, Alex Malter, MD, Richard Welling, MD, John Raster, MD, Jane Sebens, CBJ Law, Chuck Bill, CEO, Anita Moffitt, Executive Assistant

Absent: Lauree Morton

Ms. Bomengen discussed the purpose of this committee and goals. The first one is to look at the ordinance that has charged the hospital board with the responsibilities of managing healthcare for the community. This is an ordinance that hasn't been revisited in quite some time, it would be helpful to review it and propose changes that will help us adapt to changes.

The second item is to develop some models for the best practices for our hospital board by working with the Medical Staff to assure the ongoing smooth operations for our community.

Dr. Raster said it would be helpful for them (medical staff) to know what the interests are for the hospital, where the dead ends are, and what needs to be on the front burner. Also, it would be helpful to know what other cities with hospitals like ours have done in changing the ordinances.

Ms. Bomengen said it's important to get input from law while moving forward with this process. Ms. Sebens recommended having a meeting with Law, HR, Risk, and Bartlett management.

Ms. Sebens suggested the committee to look through all of Title 40 since it isn't that long and see what needs to be fixed and what doesn't. Meanwhile she will look to see if there's history to provide.

Dr. Malter said in terms of the next steps, he would recommend that Mr. Bill, Mr. Monkman, and Ms. Sebens to start drafting some revisions. Once they think about them for a while, then that could come back to this committee to think about whether or not it would be feasible to get enough support from the Medical Staff.

Ms. Bomengen said she would like to get proposals and materials to circulate to the committee 4 or 5 days before the next meeting.

Adjourned at 6:42 p.m.

Bartlett Regional Hospital

Minutes process

- **Level of detail to put in the minutes**
- **Draft minutes will be reviewed by SLT member(s) & 2 staff members for a “new set of eyes” review.**
- **Send to Board Secretary for review/edits or committee chair**
- **Send to full board with 3 day turnaround time for edits for packet (eventually could be on the consent agenda)**

- **Other issue**
 - **Committee draft minutes in packet**

Credentials Committee
Hospital Privileges for Board of Director's Consideration
Tuesday, July 28, 2015 12:15 p.m. – Robert F. Valliant Center Boardroom

INITIAL APPOINTMENT:

- | | | |
|---------------------------------|---------------|--|
| 1. Jenna A. Hiestand, MD | Active | Psychiatry, Chemical Dependency
Detox |
|---------------------------------|---------------|--|

Dr Jenna A. Hiestand graduated from the Washington University School of Medicine in 1999. Dr Hiestand is a board certified psychiatrist who is the Medical Director of Behavioral Health for BRH.

REAPPOINTMENTS:

- | <u>Name</u> | <u>Category</u> | <u>Privileges In</u> |
|--------------------------------|------------------------|---|
| 1. Clifford Crafton, MD | Locum Tenens | Psychiatry, Child/Adolescent
Psychiatry, and Chemical
Dependency Detox |

Dr Clifford G. Crafton graduated from the Tulane University School of Medicine in 1973. Dr Crafton is a board certified psychiatrist for Locum Tenens.com.

- | | | |
|--------------------------------|---------------|--|
| 2. Don C. Schneider, MD | Active | Family Medicine w/Obstetrics,
Tubal Ligation, D&C, 4th Degree
Repair, C-Section, and Exercise
Stress Treadmill |
|--------------------------------|---------------|--|

Dr. Schneider graduated from Loma Linda University School of Medicine in Loma Linda, CA in 1999. Dr. Schneider is a board certified family medicine physician at Valley Medical Care.

- | | | |
|-------------------------------|---------------|---|
| 3. Norman Thompson, MD | Active | Pathology and Conscious Sedation |
|-------------------------------|---------------|---|

Dr. Thompson graduated from the University of Colorado in Denver, CO on 1984. Dr. Thompson is a board certified pathologist at Bartlett Regional Hospital.

TELERADIOLOGY:

- | |
|---|
| 1. Russ Savit, MD - (Consulting – Vrad; Teleradiology) |
|---|

MEDICAL STUDENT:

- | |
|--|
| 1. Margaret M. Jayich, MSII – (University of Washington SOM; Evaluate and Treat Patients, Write History and Physicians/Progress Notes, Observe Obstetrical and Surgical Procedures Under the Supervision of the Sponsoring Physician) |
|--|

August 2015

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 Noon -Executive Committee BR	4	5	6	7	8
9	10	11 07:00 Credentials Committee BR	12 3:00 Hospital Quality Committee BR	13	14	15
16	17	18	19	20 5:15 Finance Committee BR	21	22
23	24 Noon- RRC Advisory Board BR	25 5:15 Board of Directors BR				