



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, June 20, 2018

11:30 A.M.

BOARD TO RECONVENE

Board Members: Berjis, Bigler, Lawson, McGauley, McLaughlin, Pelz, Sistrunk
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS



PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing Colleen McGauley for her service on the Kern County Hospital Authority Board of Governors –
MAKE PRESENTATION
- 4) Presentation by the Chief Executive Officer recognizing the winner of the 2018 Kern Medical Research Forum –
MAKE PRESENTATION

ITEMS FOR CONSIDERATION

- CA
- 5) Minutes for Kern County Hospital Authority Board of Governors regular meeting on May 16, 2017 –
APPROVE
- CA
- 6) Proposed retroactive Agreement with The College of American Pathologists (CAP), an independent contractor, containing nonstandard terms and conditions, for purchase of CAP eFRM software license and support for the CAP electronic Cancer Checklist from June 5, 2018 through June 4, 2021, in an amount not to exceed \$35,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Agreement with Cardinal Health, Inc., an independent contractor, containing nonstandard terms and conditions, for LeaderNet pharmacy administration services, for a term of two years effective upon approval by Cardinal, in an amount not to exceed \$7,792 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT WITH CARDINAL HEALTH, INC. AND ANY OTHER DOCUMENT NEEDED TO PARTICIPATE IN LEADERNET SERVICES

CA

- 8) Proposed Agreement with Cerner Corporation, an independent contractor, containing nonstandard terms and conditions, for purchase of additional modules for the Millennium Project, effective June 30, 2018, in an amount not to exceed \$3,000,000 over seven (7) years –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Agreement with Corepoint Health, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of Corepoint Integration Engine software license and services for the Millennium Project, for a term of one year effective June 20, 2018, in an amount not to exceed \$307,150 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Amendment No. 1 to Agreement 2016-041 with the County of Kern, as represented by the County Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department, for the provision of correctional medicine services to in-custody inmates and juvenile wards for the period July 1, 2016 through June 30, 2018, extending the term for two years from July 1, 2018 through June 30, 2020, in the amount of \$21,767,469 for Fiscal Year 2018-2019 (revenue) –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed retroactive Agreement with the County of Kern, as represented by the County Administrative Office and Kern County Sheriff's Office, for correctional medicine services at Kern County Justice Facility from May 12, 2018 through June 30, 2020, in the amount of \$8,557,346 for Fiscal Year 2018-2019 (revenue) –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL

CA

- 12) Proposed appointment of Moss-Adams LLC to audit the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees –
APPROVE

CA

- 13) Proposed Amendment No. 4 to Agreement 1048-2010 with Total Renal Care, Inc., an independent contractor, containing nonstandard terms and conditions, for acute dialysis services for the period December 1, 2010 through November 30, 2019, extending the term for two years from December 1, 2019 through November 30, 2021, and increasing the maximum payable by \$1,100,000, from \$2,925,000 to \$4,025,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN SUBJECT TO APPROVAL AS TO FORM BY COUNSEL

CA

- 14) Request to employ retired Kern County Hospital Authority employees Scott Cote, as Extra Help Clinical Pharmacist; Rosa Martinez, as Extra Help Physician Assistant; Debbie Pershadsingh, as Extra Help Administrative Coordinator; and Wedad M. Rizkalla, M.D., as Associate-Pediatrics, for the period ending June 30, 2019, or 960 hours, whichever occurs first, effective July 1, 2018 –
APPROVE

CA

- 15) Proposed retroactive Agreement with Korchek Technologies, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of software and data migration services, for a term of one year effective upon installation, in an amount not to exceed \$300,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 16) Proposed renewal and binding of insurance coverages for hospital professional liability, general liability and umbrella/excess liability, excess workers' compensation and employers liability, automobile liability, helipad liability, directors and officers liability, employment practices liability, crime, privacy and securing (cyber) liability, premises pollution liability, underground storage tank liability, property (building, equipment, business interruption, earthquake and flood), employed lawyers liability, and fiduciary liability from July 1, 2018 through June 30, 2019, with option to finance selected premiums through IPFS Corporation of California and CSAC-EIA in an amount not to exceed \$1,528,599 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT AND CERTIFICATE OF INCUMBENCY

CA

- 17) Proposed Amendment No. 1 to Agreement 2016-042 with Trans-West Security Services, Inc., an independent contractor, for the provision of security services for the period July 1, 2016 through June 30, 2018, extending the term for two years from July 1, 2018 through June 30, 2020, and increasing the maximum payable by \$3,200,000, from \$2,412,834 to \$5,612,834, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 18) Proposed approval of Medical Staff policy and procedure regarding Evaluation/Management (E/M) Service Documentation Provided by Students – APPROVE
- 19) Request to employ retired Kern County Hospital Authority employee Rose Bauer, as Extra Help Clinical Pharmacist, for the period ending June 30, 2019, or 960 hours, whichever occurs first, effective July 1, 2018 – APPROVE
- 20) Kern County Hospital Authority Chief Financial Officer report – RECEIVE AND FILE
- 21) Kern County Hospital Authority Chief Executive Officer report – RECEIVE AND FILE

CA

- 22) Claims and Lawsuits Filed as of May 31, 2018 – RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 23) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 24) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 25) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 26) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9(d)(2), (e)(2).) Name of case: Arthur Gray v. County of Kern, et al., United States District Court Case No. 1:14-cv-00204-LJO-JLT –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, JULY 18, 2018, AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

22) CLAIMS AND LAWSUITS FILED AS OF MAY 31, 2018 –
RECEIVE AND FILE

- A) Claim in the matter of Kathryn A. Kodner
- B) Claim in the matter of Laurie Kodner
- C) Claim in the matter of Michael Kodner
- D) Application for leave to file a late claim in the matter of Jennifer Granados

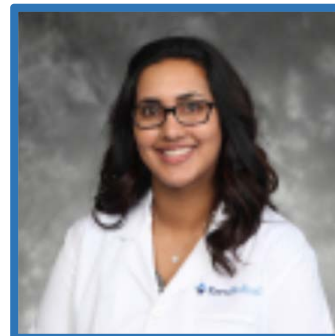


Clinical Outcomes of Pharmacist-Led Diabetes Clinic

Presented by: Rajinder (Nikky) Kaur, PharmD

PGY-1 Pharmacy Resident

Determine the impact that clinical pharmacists have on delivering comprehensive diabetes care as defined by the National Committee for Quality Assurance



Rajinder (Nikky) Kaur PharmD

Department of Clinical Pharmacy
Pharmacy School: Thomas Jefferson University
College: University of California, Los Angeles
Hometown: Riverside, CA
Next Stop: Remain in Bakersfield to work in the Kern Medical Pharmacy



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, May 16, 2018

11:30 A.M.

BOARD RECONVENED

Directors present: Berjis, Bigler, Lawson, McGauley, McLaughlin, Pelz, Sistrunk

NOTE: The vote is displayed in bold below each item. For example, Lawson-McLaughlin denotes Director Lawson made the motion and Vice Chair McLaughlin seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

BOARD ACTION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Also, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

CHERI ANCHETA HEARD REGARDING PENSION SECURITY

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2))

DIRECTOR BERJIS INVITED THE BOARD MEMBERS TO ATTEND THE 61ST ANNUAL RESIDENT AND FELLOWS GRADUATION ON THURSDAY, MAY 31, 2018 FROM 5:30 PM TO 7:00 PM AT THE BAKERSFIELD MUSIC HALL OF FAME

CHAIRMAN BIGLER EXPRESSED HIS APPRECIATION TO ALL WHO ASSISTED WITH THE RESEARCH FORUM

RECOGNITION

- 3) Presentation by the Chief Executive Officer recognizing the 'Association of Kern County Nurse Leaders - 2018 RN of the Year' awardees and nominees from Kern Medical –
MADE PRESENTATION

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for Kern County Hospital Authority Board of Governors regular meeting on April 18, 2017 –
APPROVED
Lawson-McGauley: All Ayes

CA

- 5) Proposed Change Order No. 4 to Agreement 34517 with Black/Hall Construction, Inc., an independent contractor, for construction services related to the radiology room equipment upgrades, increasing the maximum payable by \$25,290, from \$249,544 to \$274,834, to cover the cost of additional services –
MADE FINDING PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 027-2018; AUTHORIZED CHIEF EXECUTIVE OFFICER TO APPROVE ANY FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE ORIGINAL CONTRACT PRICE, FOR A TOTAL CONTRACT PRICE NOT TO EXCEED \$295,871
Lawson-McGauley: All Ayes

CA

- 6) Proposed retroactive Amendment No. 1 to Agreement 06018 with Clarity Technology Partners, LLC, an independent contractor, for technology-related temporary staffing and contingent search services, increasing the maximum payable by \$300,000, from \$250,000 to \$550,000, to cover the term, effective March 26, 2018 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 028-2018
Lawson-McGauley: All Ayes

CA

- 7) Proposed Contract Supplement to Agreement 276-99 with Change Healthcare Technologies, LLC, an independent contractor, for purchase of Horizon Practice Plus software and professional services, in an amount not to exceed \$650,000, effective May 16, 2018 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 029-2018
Lawson-McGauley: All Ayes

CA

- 8) Proposed Amendment No. 5 to Agreement 485-2015 with Mohammed A.S. Molla, M.D., a contract employee, for professional medical services in the Department of Psychiatry for the period July 14, 2015 through July 13, 2020, increasing the hourly rate for after-hours clinic coverage from \$125 to \$150 per hour, adding short-term residential therapeutic program call coverage, and increasing the maximum payable by \$86,500, from \$2,141,284 to \$2,227,784, effective June 9, 2018 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 030-2018
Lawson-McGauley: All Ayes

CA

- 9) Proposed Amendment No. 2 to Agreement 29917 with Abdul-Wahab H. Shararah, M.D., a contract employee, for professional medical services in the Department of Surgery for the period September 16, 2017 through September 15, 2020, adding services as Medical Director of the Laser and Aesthetics Center, and increasing the maximum payable by \$48,000, from \$1,490,000 to \$1,538,000, to cover the cost of additional services, effective June 1, 2018 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 031-2018
Lawson-McGauley: All Ayes

CA

- 10) Proposed Agreement with Osman M. Tahir, D.O., a contract employee, for professional medical services in the Department of Radiology from June 18, 2018 through June 17, 2020, in an amount not to exceed \$1,488,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 032-2018
Lawson-McGauley: All Ayes

- 11) Kern County Hospital Authority Chief Financial Officer report –
RECEIVED AND FILED
Berjis-McLaughlin: All Ayes
 - 12) Proposed Kern County Hospital Authority operating and capital budget for Fiscal Year
2018-2019 –
APPROVED; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS FOR
APPROVAL
Pelz-Sistrunk: All Ayes
 - 13) Kern County Hospital Authority Chief Executive Officer report –
RECEIVED AND FILED
McLaughlin-Sistrunk: All Ayes
- CA
- 14) Claims and Lawsuits Filed as of April 30, 2018 –
RECEIVED AND FILED
Lawson-McGauley: All Ayes

ADJOURNED TO CLOSED SESSION
McGauley-Sistrunk

CLOSED SESSION

- 15) Request for Closed Session regarding peer review of health practitioners (Health and
Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 16) Request for Closed Session for the purpose of discussion or taking action on authority
trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS
BELOW
- 17) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives:
Chief Executive Officer Russell V. Judd, and designated staff - Employee
organizations: Service Employees International Union, Local 521 (Government Code
Section 54957.6) – SEE RESULTS BELOW
- 18) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2), (e)(2).) Number of cases: One (1)
Significant exposure to litigation in the opinion of the Board of Governors on the advice
of legal counsel, based on: Facts and circumstances, including, but not limited to, an
accident, disaster, incident, or transactional occurrence that might result in litigation
against the Authority and that are known to a potential plaintiff or plaintiffs – SEE
RESULTS BELOW

- 19) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Berjis-Pelz: All Ayes

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item No. 15 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE (MOTION BY DIRECTOR LAWSON, SECOND BY DIRECTOR MCGAULEY), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, REVIEW AND RELEASE OF PROCTORING, REQUEST FOR ADDITIONAL PRIVILEGES, CHANGE IN STAFF STATUS, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item No. 16 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 17 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 18 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2), (e)(2)) Number of cases: One (1) Significant exposure to exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs – HEARD; NO REPORTABLE ACTION TAKEN

Item No. 19 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, JUNE 20, 2018, AT 11:30 A.M.

Sistrunk

/s/ Mona A. Allen
Authority Board Coordinator

/s/ Russell E. Bigler
Chairman, Board of Governors
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Agreement with The College of American Pathologists, for the use of the pathology software, eFRM

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with The College of American Pathologists, for the purchase of a license to use eFRM. CAP eFRM™ is a software company that enables pathologists to utilize the CAP electronic Cancer Checklist and helps manage workflow, submit pathology reports, and use discrete data for surgical cancer specimens.

This structured reporting and documentation workflow known as mTuitive, integrates seamlessly with Cerner PowerChart and will assure compliance with required documentation elements for accreditation.

Annual License Fee for 2 Pathologists:	\$6,000
Implementation Services (One Time):	\$3,000
Remote Training:	\$1,000
Travel:	\$1,000 estimate per policy
Total:	\$11,000

The Agreement is effective on June 5, 2018 and may be terminated with sixty (60) day notice on the third anniversary of the effective date, and then each year on the anniversary with a sixty (60) day notice.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to the limitation of indemnity to only Intellectual Property infringement and the absence of a termination without cause section.

CAP eFRM™ License End User Agreement

This CAP eFRM™ (“eFRM”) License End User Agreement (“Agreement”) is entered into as of the date immediately below (the “Effective Date”) by and between The College of American Pathologists, an Illinois not-for-profit corporation with principal offices at 325 Waukegan Road, Northfield, Illinois 60093 (“CAP”) and the organization set forth on Exhibit B (“End User”). This Agreement consists of this front page, the accompanying General Terms and the exhibits listed below.

Effective Date: 6/5/2018

Exhibits:

The following exhibits are incorporated into this Agreement:

- Exhibit A - eFRM Description, Licensed Modules, Fees & Copyright Notices
- Exhibit B - End User Information
- Exhibit C - eFRM Support, Training, Maintenance & Additional Services
- Exhibit D - Service-Level Agreement

BY SIGNING BELOW, CAP AND END USER AGREE THAT THIS AGREEMENT, INCLUDING THIS FRONT PAGE, THE ACCOMPANYING GENERAL TERMS AND THE EXHIBITS, IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES AND SUPERSEDES ALL PROPOSALS, PRIOR AGREEMENTS AND OTHER COMMUNICATIONS BETWEEN THE PARTIES, ORAL AND WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF. THIS AGREEMENT, INCLUDING THE GENERAL TERMS AND EXHIBITS, MAY ONLY BE AMENDED OR MODIFIED IN A WRITTEN DOCUMENT SIGNED BY AUTHORIZED REPRESENTATIVES OF THE PARTIES.

The College of American Pathologists
By: [Signature]
Name: Samantha Spencer
Title: Director, SD 7
Date: 6/5/2018

Kern County Hospital Authority
By: _____
Name: _____
Title: _____
Date: _____

**REVIEWED ONLY
NOT APPROVED AS TO FORM**

By [Signature]
Legal Services Department

**License Agreement
General Terms**

1. SCOPE OF AGREEMENT

CAP has developed, maintains, and owns, or has the right to license, a certain proprietary product, known as eFRM, described in Exhibit A. Use of such product is subject to the condition that End User execute this Agreement. This Agreement sets forth the terms on which CAP will license such product to End User.

2. DEFINITIONS

The terms defined in this Section 2 and any other capitalized terms defined in other Sections of this Agreement shall have the meanings stated.

2.1 **"Agreement"** means the front page of this License Agreement, these General Terms and the exhibits listed on the front page.

2.2 **"Confidential Information"** means any information that: (a) is disclosed by one party to the other in written, graphic, machine readable or other form and is marked "Confidential," "Proprietary" or in some other manner to indicate its confidential nature, or, if orally disclosed or obtained by observation, is identified as confidential at the time of disclosure and confirmed in writing to have been confidential within thirty (30) days of disclosure or observation; (b) a party should, in the exercise of reasonable judgment, know is confidential to the other party; or (c) is specifically identified as Confidential Information in this Agreement. Confidential Information expressly includes eFRM.

2.3 **"Documentation"** means information (in any format, including documents, manuals and computer-readable files) that CAP makes generally commercially available to its licensees of eFRM regarding the installation, use, troubleshooting and other technical information relating to eFRM.

2.4 **"eFRM"** means the proprietary product described in Exhibit A.

2.5 **"Intellectual Property"** means, with respect to a work, all copyrights, trademarks, service marks, patents, patentable inventions and trade secrets embodied in or covering such work.

2.6 **"IHTSDO"** means the International Health Terminology Standards Development Organization.

3. LICENSE GRANT

3.1 **eFRM License.** Subject to the terms and conditions of this Agreement, CAP hereby grants End User a non-exclusive, non-transferable license, without right of sublicense, to use eFRM internally solely for its intended use. End User shall not attempt to distribute or modify eFRM

3.2 **SNOMED CT Sublicense.** CAP hereby grants End User a limited sublicense to use SNOMED CT solely to the extent that it is present in eFRM, subject to the following conditions imposed on CAP by the IHTSDO: (a) End User shall not sub-license or transfer any of its rights under the sublicense; (b) the sublicense shall terminate automatically upon termination of CAP's license to SNOMED CT; provided that End User may apply directly to the IHTSDO upon receiving notice that the sublicense will terminate, and the IHTSDO may in such circumstances (but shall not be obligated to): (i) grant End User a license to SNOMED CT for a limited period in order to enable End User to continue to use eFRM; or (ii) give End User an assurance that for a limited period the IHTSDO will not seek to prevent End User from using eFRM; and (c) CAP shall have the right to disclose the terms of the sublicense set forth in this Section 3.2 upon the IHTSDO's request.

4. FEES

4.1 **License Fee.** End User agrees to pay CAP the license fee set forth in Exhibit A according to the schedule specified therein.

4.2 **[Reserved].**

4.3 **Taxes.** End User agrees to pay or reimburse CAP for all federal, state, or local sales, use, personal property, excise, withholding or other taxes, fees, or duties arising out of this Agreement or the transactions contemplated by this Agreement (other than taxes on the net income of CAP). If End User is not subject to tax, it shall provide a valid tax exemption certificate to CAP prior to or at the execution of this Agreement.

5. INTELLECTUAL PROPERTY OWNERSHIP RIGHTS

5.1 **Ownership and Use of eFRM.** CAP represents and warrants that: (a) it owns, or has a valid license to, all right, title and interest in eFRM and in all Intellectual Property relating to eFRM and its design and operation; and (b) End User's exercise of its license rights pursuant to the terms of this Agreement does not infringe the Intellectual Property rights of third parties. The use by End User of eFRM is authorized only for the purposes herein set forth and upon termination of this Agreement for any reason, such authorization will cease except as otherwise provided herein.

6. WARRANTY AND INDEMNIFICATION

6.1 **Power and Authority.** Each party represents and warrants that: (a) it has the full right, power and authority to enter into this Agreement and to discharge its obligations hereunder, and (b) it has not entered into any agreement inconsistent with this Agreement or otherwise granted any third party any rights inconsistent with the rights granted to the other party under this Agreement.

6.2 **Warranty.** CAP warrants that eFRM will perform substantially in accordance with the documentation for a period of ninety (90) days from the date of delivery of the Software to End User and that all services provided by CAP to End User shall be performed in a professional, competent, and businesslike manner and in accordance with industry standards. End User's sole and exclusive remedy for breach of this warranty shall be to provide CAP with written notice of the details of such alleged nonconformance and to provide CAP with a reasonable opportunity to correct or replace the product. This limited warranty shall be void if CAP determines that eFRM has been used other than in accordance with the documentation, abused, modified, altered or otherwise subjected to damage from accident or acts of nature. End User agrees to comply with CAP's reasonable instructions with respect to the alleged defective product, which may include return of the defective Product at CAP's expense.

6.3 **Disclaimer of Warranty.** EXCEPT AS EXPRESSLY PROVIDED IN SECTION 6.2 END USER ACKNOWLEDGES THAT EFRM AND THE DOCUMENTATION ARE PROVIDED "AS IS." CAP EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE). CAP DOES NOT WARRANT AND HEREBY DISCLAIMS ANY WARRANTY THAT EFRM OR THE DOCUMENTATION WILL SATISFY END USER REQUIREMENTS, OPERATE IN COMBINATIONS SELECTED BY END USER, OR BE FREE FROM DEFECTS OR ERRORS.

6.4 **No Expansion of Warranty.** No employee, agent, representative or affiliate of CAP has authority to bind CAP to any oral representations or warranty concerning eFRM. Any written representation or warranty not expressly contained in this Agreement is not enforceable.

6.5 **Indemnification by End User.** End User agrees to indemnify and hold CAP harmless against any cost, loss, liability or expense (including attorneys' fees) arising out of any claims against CAP as a result of End User's use of eFRM in a manner inconsistent with this Agreement.

6.6 **Indemnification by CAP.** CAP agrees to indemnify, defend, and hold End User harmless against any cost, loss, liability or expense (including attorneys' fees) arising out of any third party Intellectual Property infringement claims against End user resulting from End User's exercise of the license rights granted to it under this Agreement in a manner consistent with this Agreement and as a result of End User's use of the eFRM in a manner consistent with this Agreement. CAP also agrees to indemnify, defend, and hold End User harmless due to CAP's failure to perform pursuant to this agreement.

7. LIMITATION OF LIABILITY AND DAMAGES

7.1 **Limitation of Liability.** IN NO EVENT WILL CAP BE LIABLE FOR ANY COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, LOSS OF USE, INTERRUPTION OF BUSINESS, LOST PROFITS OR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, OR INDIRECT DAMAGES OF ANY KIND UNDER ANY CAUSE OF ACTION (INCLUDING NEGLIGENCE), WHETHER OR NOT CAP HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

7.2 **Limitation of Damages.** EXCEPT FOR THE PARTIES' RESPECTIVE OBLIGATIONS UNDER SECTION 6.4, 6.5, AND 6.6 ABOVE, END USER'S USE OF eFRM OUTSIDE THE SCOPE OF THE LICENSES GRANTED IN SECTION 3, OR END USER'S BREACH OF SECTION 8, EACH PARTY'S TOTAL LIABILITY FOR DAMAGES IN CONNECTION WITH THIS AGREEMENT, WHETHER IN AN ACTION IN CONTRACT OR TORT OR ANY OTHER FORM OF ACTION, WILL IN NO EVENT EXCEED THE AMOUNT OF FEES ACTUALLY PAID TO CAP BY END USER UNDER THIS AGREEMENT.

8. CONFIDENTIAL INFORMATION

8.1 **Confidential Information.** Each party agrees to keep confidential and to use only for purposes of performing or as otherwise permitted under this Agreement, any proprietary or confidential information of the other party disclosed pursuant to this Agreement that is marked as confidential or that would reasonably be considered of a confidential nature. The obligation of confidentiality shall not apply to information that is publicly available through authorized disclosure, is known by the receiving party at the time of disclosure as evidenced in writing, is rightfully obtained from a third party who has the right to disclose it, or that is required by law, government order or request to be disclosed. Notwithstanding any of the foregoing, End User acknowledges and agrees that eFRM shall be deemed to constitute confidential information of CAP. Upon any termination of this Agreement, each party shall return to the other party all confidential information of the other party, and all copies thereof, in the possession, custody or control of the party unless otherwise expressly provided in this Agreement.

9. TERM AND TERMINATION

9.1 **Term.** The term of this Agreement ("Term") shall commence on the Effective Date and shall continue in effect, unless: (a) earlier terminated as provided in this Section 9; or (b) either party gives notice to the other of its intent not to renew this Agreement within sixty (60) days prior to: (i) the third anniversary of the Effective Date; or (ii) any anniversary thereafter.

9.2 **Termination for Cause.** Either party may terminate this Agreement at any time upon notice to the other party if: (a) the other party materially breaches any provision hereof and fails to cure such breach within thirty (30) days after receiving notice of such breach, (b) the other party becomes insolvent, (c) the other party makes an assignment for the benefit of creditors, or (d) if there are instituted by or against the other party proceedings in bankruptcy, reorganization, receivership or dissolution and such proceeding is not stayed or dismissed within sixty (60) days. End User's failure to

pay any amount that is due to CAP hereunder within thirty (30) days after CAP gives End User notice of such non-payment shall be a material breach of this Agreement.

9.3 **Non-appropriation.** End User, as a government entity, reserves the right to terminate this Agreement in the event insufficient funds are appropriated for this Agreement in any fiscal year under the provisions of California Constitution Article 16 section 18a. End User's fiscal year is July 1 to June 30 of each calendar year. Upon such termination, End User will be released from any further financial obligation to, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. CAP will be given 30 days' prior written notice in the event that End User requires such an action.

9.4 **Surviving Provisions of Agreement.** The provisions of Section 5 ("Intellectual Property Ownership Rights"), Section 6 ("Warranty"), Section 6.4 ("Indemnification"), Section 7 ("Limitation of Liability and Damages"), Section 8 ("Confidential Information"), Section 9 ("Term and Termination") and Section 11 ("Additional Provisions") shall survive the termination of this Agreement for any reason. All other rights and obligations of the parties shall cease upon termination of this Agreement.

10. SUPPORT

11. **Support Services.** During the term of this Agreement, End User shall have the right to receive standard support services from mTuitive Inc. as provided in Exhibit C. If support beyond standard is required that will be subject to the terms of a separate written support agreement between End User and mTuitive Inc., which can be added to this Master Agreement as Exhibit D. As referenced in the "Integration and Commercialization Agreement" between the CAP and mTuitive, Inc., dated September 23, 2013, mTuitive is contractually obligated to provide implementation and support services.

11.1 **Disclaimer.** Content modifications (e.g. automated calculation of T and N scores, Gleason scores, etc.) may be included as a value-add in standard eFRM (and are included as standard in eFRM Plus) implementations that have not been validated by the College of America Pathologists.

11.2 **Independent Contractors.** The parties to this Agreement are independent contractors. Nothing contained herein or done pursuant to this Agreement shall constitute either party being the agent or employee of the other party for any purpose, or constitute the parties as partners or joint venturers. Neither party shall create or assume any obligation on behalf of the other party for any purpose whatsoever, unless such other party expressly agrees to such obligation in writing.

11.3 **Notices.** Any notice, approval or consent required or permitted to be given by either party under this Agreement shall be in writing and shall be sent by certified or registered mail (or nationally recognized overnight courier service such as Federal Express) to the Office of General Counsel. Notices sent by mail shall be deemed effective three business days after deposit, postage prepaid, in the mail.

11.4 **Amendment.** This Agreement may be amended or modified only in a written document signed by authorized representatives of CAP and End User.

11.5 **Government Contracts.** All software embodying eFRM constitutes a "commercial item," "commercial computer software" and/or "commercial computer software documentation" as defined in FAR Section 2.101, DFAR Section 252.227-7014(a)(1) and DFAR Section 252.227-7014(a)(5) or subsequent citation. Accordingly, in the event that End User acts as an agency of the U.S. Government or uses eFRM on behalf of the U.S. Government, then, consistent with DFAR Section 227.7202 and FAR Section 12.212, any use, modification, reproduction, release, performance, display, disclosure or distribution of eFRM by or for the

U.S. Government will be governed solely by the terms of this Agreement and prohibited except to the extent expressly permitted by the terms of this Agreement.

11.6 **Publicity.** Any use of End User's name, logo, etc. shall be submitted to End User and approved in writing prior to such use.

11.7 **Special Terms.** The parties hereto agree to any special terms that may be set forth in Exhibit D.

11.8 **Counterparts.** This Agreement may be signed in counterparts, which together constitute one instrument.

End of General Terms

EXHIBIT A

eFRM DESCRIPTION, LICENSED MODULES, FEES & COPYRIGHT NOTICES

eFRM Description

CAP eFRM™ is a software product that enables pathologists to utilize the CAP electronic Cancer Checklists and helps manage their workflow, submit pathology reports and use discrete data for their surgical cancer specimens.

Licensed Modules & Fees

Annual license fee is based on the number of anatomic pathologists (excluding residents or fellows) who requires access to the eFRM application.

eFRM	Licensed number of pathologists	2
	Annual license fee (2 X \$3,000)	\$ 6,000
	Implementation Services	\$ 3,000
	Training (Remote)	\$ 1,000
	Travel	<u>As Incurred</u>
	TOTAL	\$10,000

In the event the licensed End User has a change in the number of anatomic pathologists requiring access to the eFRM application, the End User must notify CAP so annual license fee can be adjusted appropriately. License fees are payable upon software delivery.

Copyright Notices

This product includes the CAP electronic Cancer Checklists, which is/are copyrighted work(s) of the College of American Pathologists. ©2009-2017 College of American Pathologists. All rights reserved. This material includes SNOMED Clinical Terms® (SNOMED CT®) which is used by permission of the International Health Terminology Standards Development Organization (IHTSDO). ©1998- 2017 IHTSDO. All rights reserved. SNOMED CT was originally created by The College of American Pathologists. "SNOMED" and "SNOMED CT" are registered trademarks of the IHTSDO. The CAP electronic Cancer Checklists are used by permission of the College of American Pathologists.

The CAP eCC includes tumor staging data used with permission of the American Joint Committee on Cancer (AJCC), Chicago, Illinois. The original and primary source for this information is the AJCC Cancer Staging Manual, Eighth Edition (2016) published by Springer Science+Business Media.

EXHIBIT B

END USER INFORMATION

Licensing Organization
(legal name)

Contact Information:
Physical address

Mailing address
(if different)

Telephone

Email address for license communications

Email address for user communications

EXHIBIT C

eFRM SUPPORT, TRAINING, MAINTENANCE & ADDITIONAL SERVICES

THIS SUPPORT EXHIBIT ("Support Exhibit") provides the terms and conditions for provision of Support Services to End User for the Product from mTuitive, Inc. (mTuitive), on behalf of and as the subcontractor of CAP, as defined in the Section 10 of the Agreement between the End User and CAP.

1. Effect of this Support Exhibit. This Support Exhibit is an additional part of the Agreement and is incorporated herein. This Support Exhibit does not change or supersede any term of the Agreement except to the extent a term or terms of this Support Exhibit is/are unambiguously contrary to the Agreement.
2. Definitions. Unless defined otherwise herein, terms used in this Support Exhibit shall have the same meaning as set forth in the Agreement.
 - 2.1. "Enhancement" means any modification or addition to the Software that materially changes its utility, efficiency, function capability or application, but that does not solely consist of an Error Correction. mTuitive may designate Enhancements as minor or major.
 - 2.2. "Error" means any failure of the Software to conform in any material respect with its published specifications.
 - 2.3. "Error Correction" means either a bug fix, work-around, patch, or other modification or addition that brings the Software into material conformity with its published performance specifications, or a procedure or routine that avoids the adverse effect.
 - 2.4. "Priority A Error" means an Error which renders Software inoperative or causes a complete failure of the Software.
 - 2.5. "Priority B Error" means an Error that substantially degrades the performance of Software or materially restricts End User's use of the Software.
 - 2.6. "Priority C Error" means an Error that causes only a minor impact on the End User's use of Software.
 - 2.7. "Product" or "Software" means CAP eFRM.
 - 2.8. "Support Services" means mTuitive support services as described in Section 3 of this Support Exhibit.
 - 2.9. "Technical Support" means technical support assistance provided by mTuitive by telephone and through email to the Technical Support Contact concerning the installation and use of the then-current release of Software. Telephone support shall only be available during mTuitive's normal business hours, Monday through Friday, 8:00 AM to 5:00 PM EST.
 - 2.10. "Technical Support Contact" means the person(s) designated by End User below (or as otherwise identified by End User) as responsible for communications with mTuitive regarding Support Services hereunder.

- 2.11. "Update" means any new release of the Software issued by mTuitive from time to time generally to its End Users of the Software. Update does not include any other product except the Software as defined in the Agreement.
3. Support Services. Support Services consist of (i) Error Corrections and Technical Support provided to the Technical Support Contact regarding the installation and use of the Software, and (ii) periodic delivery of Updates when mTuitive makes such Updates commercially available to its End Users. Support Services cover only the Product and End User is responsible for obtaining Operating Environments designated by mTuitive in the Documentation. If additional implementation services are required due to any incompatibility between End User's Operating environment or systems and the Software and if End User requests mTuitive to perform other services and mTuitive agrees to provide such additional services ("Additional Services"), these shall be provided by mTuitive for additional fees set forth in this Support Exhibit. At End User's request, mTuitive will provide a written quote project fees for specific Additional Services. mTuitive will not be responsible for providing Support Services for any version of the Software other than the then-most recent release of the Software, except that mTuitive will provide End User with Support Services for a reasonable period of time to allow End User to implement the most recent Update, not to exceed six (6) months. End User agrees to provide mTuitive with reasonable access to the Software and the equipment on which it is installed as may be necessary for mTuitive to perform the Support Services under this Agreement.
4. Term and Termination. Support Services shall be provided for the term of the CAP eFRM subscription agreement. Support Services shall be automatically renewed each year the subscription is renewed unless terminated by either party as provided herein or unless the Agreement terminates for any reason, in which case this Support Exhibit will automatically terminate.
5. Error Priority Levels.
- 5.1. mTuitive shall exercise commercially reasonable efforts to correct any Error reported by End User's Technical Support Contact in accordance with the priority level reasonably assigned to such Error by mTuitive. a) In the event of (i) a crash of End User's computer network causing a critical impact to business operations that End User reasonably believes is due to an Error in the Software or (ii) Priority A Errors, mTuitive will promptly after notification by End User commence verification of the Error and, upon verification, will initiate work to provide End User with an Error Correction. mTuitive will provide End User with periodic reports on the status of the Error Correction. b) In the event of Priority B Errors, and upon notification by End User, mTuitive shall exercise commercially reasonable efforts to commence verification of the Error and, upon verification, will initiate work to provide End User with an Error Correction. mTuitive will provide End User with periodic reports on the status of the Error Correction. c) In the event of Priority C Errors, mTuitive will use commercially reasonable efforts to include the Fix for the Error in the next Update of the Software.
- 5.2. If mTuitive believes that a problem reported by End User may not be due to an Error in the Software, mTuitive will so notify End User. At that time, End User may (i) instruct mTuitive to proceed with problem determination at End User's possible expense as set forth below or (ii) instruct mTuitive that End User does not wish mTuitive to pursue the problem. If End User requests that mTuitive proceed with problem determination at End User's possible expense End User shall pay mTuitive, at mTuitive's then-current and standard consulting rates, for all work performed in connection with such determination, plus reasonable related expenses incurred by mTuitive. If End User instructs mTuitive that it does not wish the problem pursued at its possible expense or if such determination requires efforts in excess of End User's instructions, mTuitive may, at its sole discretion, elect not to investigate the problem with no liability therefore.

6. Exclusions.

6.1. mTuitive shall have no obligation to support: a) altered, damaged or modified Software or any portion of the Software incorporated with or into other software, except for modifications or alterations provided as a result of Service or Support provided by mTuitive; b) Software that is not the then current release (except as provided in Section 3 above); or c) Software problems caused by End User's negligence, abuse or misapplication, use of Software other than as specified in the Documentation (including incompatible Operating Environments and systems, unless services have been specifically provided to make the Software compatible with such Operating Environments), accidents, acts of nature or other causes beyond the control of mTuitive.

6.2. mTuitive shall have no liability for any changes in End User's hardware that may be necessary to use Software due to an Update (including any Error Correction).

6.3. In addition to warranty disclaimers provided in the Agreement, mTuitive does not warrant or represent that every reported problem can or will be resolved to the satisfaction of End User and does not warrant uninterrupted or error free operation of the Software or any other product or service provided by mTuitive.

7. Limitation of Liability. mTuitive's entire liability for damages from any cause of action whatsoever relating to this Support Exhibit shall be limited as provided in the Agreement.

EXHIBIT D

Service-Level Agreement

mTuitive offers support in a variety of methods:

Level One, Level Two and Level Three support directly to the end users of the eFRM application or by providing Level Two and Level Three support to the customer's internal help desk. When supporting the customer's internal help desk, mTuitive will work with the customer to determine service levels, process flow and escalation points, and use the customer's terminology when applicable.

The management and support staff at mTuitive has a vast knowledge of customer support and help desk operations with many years of experience in the creation and operation of help desks and support departments.

Working With mTuitive Customer Support

You may contact mTuitive by phone, by email, or by using our online support site. When you contact our customer support center, you get the fast, responsive service you need. Our customer support center is staffed with experienced technical support engineers who possess detailed knowledge of all mTuitive products.

When you contact customer support, a level one support engineer logs your information into the call tracking system, assigns a case number and severity level, and attempts to solve your issue. Most issues are resolved at this level.

Level two technical support engineers are assigned to issues that cannot be resolved at level one or by the customer's help desk. Each engineer has product knowledge that covers all mTuitive products and is therefore able to quickly resolve issues at this level. Using a team approach, level two engineers resolve issues quickly and ensure that your application is operating properly. Level two engineers will answer your questions, provide advice on application use, and assist with system configuration.

Level three support is comprised of mTuitive's most experienced personnel who fully understand mTuitive products as well as the interoperability issues that come with multi-vendor solutions. At level three, we address your most critical issues – engaging our development engineering team when necessary. These experts resolve your issues in a timely manner.

When you contact our support center, we jointly determine the severity of your issue based on a clearly defined process. By following these guidelines, we can quickly assign your case a severity level on a scale from low to critical.

In the case of a critical issue, we notify the right resources through our call tracking system that alerts the appropriate personnel.

When you have an open case with mTuitive's support center, the engineers monitor the status of your open case and inform you with ongoing updates. You can also monitor your own case online using our call tracking system. You may escalate an open case if a change in severity requires immediate attention or you want faster problem resolution. When you are satisfied that your issue is resolved, the support center will close your case.

Software and Upgrades

Customers who have a Application Subscription or Maintenance Support Agreement are entitled to free upgrades and new product releases for mTuitive. New product releases contain major feature

enhancements including functionality and performance enhancements. Customers are notified of new product releases as soon as they become generally available. Depending on the type of upgrade, they are automatically pushed out or are made available via the support website. Customers who have an Application Subscription are automatically updated.

Maintenance releases are available on request to supported customers at scheduled intervals each year. During any interval, a number of changes may be incorporated into the software.

All documentation for mTuitive applications are incorporated within the product release and are available online. Documentation for product upgrades and maintenance releases are included with the release. Complete documentation for all mTuitive products and releases is always available for download on the mTuitive support website.

mTuitive Software Customer Support Deliverables

mTuitive Software Support Features	Description
Support Description	A complete telephone and online support package for mTuitive customers.
Key Features	Telephone support from application and technical support specialists. Comprehensive online support.
Supported Products	The complete mTuitive product line on supported and certified platforms.
Support Requirements	Customers with active maintenance contracts.
Telephone Support	
Key Features	Telephone and online support from application and technical support specialists.
Coverage Hours	Monday through Friday 8 AM to 5 PM EST.
Electronic Support	
Online Support Call Entry	Online support call entry via mTuitive support online support.
Call Status Reports	Customers may check the status of telephone or online requests via mTuitive support as well as historical reports.
Knowledge Base	Customers can access the same database mTuitive Software support specialists use.
Customer Alerts	Product notifications, customer alerts and FAQs are send proactively to customers.
Service Packs	Service Packs and bug fixes are available for customers to download from mTuitive support online or via automatic update.
Remote Support	Remote support is available via the internet and VPN basis.
Target Response Times	1 hour for critical issues where no known workaround exists. 4 hours for major issues where no known workaround exists. 24 hours for major issues where a known workaround exists.
Software Updates	
Major and Minor Releases	Major and Minor Releases are available online.
Upgrades	Upgrades are available via mTuitive support online.
Service Term	Annual Maintenance Contract.

Pricing	Annual fees vary depending on product installed and the number of seat licenses. Discounts for multiyear agreements.
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**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Agreement with Cardinal Health, Inc. for services related to its Pharmacy Services Administration Organization, LeaderNet

Recommended Action: Approve; Authorize Chief Executive Officer to sign agreement with Cardinal Health and any other document needed to participate in the LeaderNet services

Summary:

Kern Medical requests your Board approve the proposed agreement with Cardinal Health, Inc., for services from LeaderNET, its Pharmacy Services Administration Organization. LeaderNET negotiates third party insurance contracts for the benefit of Kern Medical's Outpatient Pharmacies. Kern Medical's outpatient pharmacies benefit by increased reimbursement rates, larger network coverages, and centralized compliance adherence.

The contract is for 2 years and includes a no-cause 30-day termination clause. The agreement will cost \$400 in an initial set up fee and \$308/month for both Sagebrush and Campus Pharmacies. The total contract price is \$7,792 for the 2-year term.

A few of the affiliations that this Agreement will allow Kern Medical to contract with through Cardinal include Medimpact, Caremark, Express Scripts, Prime Therapeutics, and State Medicaid.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to breach notification timelines that do not take into consideration California law, the authorization of Cardinal as the attorney in fact for the Kern County Hospital Authority for the purpose of entering into contracts, binding arbitration, no indemnification, no ability to review third-party terms that apply to contracts entered into by Cardinal for the Kern County Hospital Authority, no consent to the use of Kern Medical's name by Cardinal and their affiliates, auto-renewal of the term, and governing law being in Ohio.

The proposed agreement with Cardinal Health, Inc., an independent contractor is available to review in the Administrative Office at Kern Medical.

Kern Medical
1700 Mt. Vernon Avenue
Bakersfield, CA 93306
661-326-2102



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Agreement with Cerner Corporation for the purchase of additional modules to the Millennium Project which is the implementation of the Cerner Electronic Health Record

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with Cerner Corporation for the purchase of additional modules to the Millennium Project. The following modules from Cerner Corporation we propose to be added to our Millennium Project scope include:

- American College of Radiology (ACR) Care Select: Decision support for ordering the correct imaging studies at the Point of Care.
- Alaris Pump Interoperability: Software interface for connecting smart pumps to Millennium
- Ambulatory Reference Lab Network (ARLN) Interface: Software interface connecting Millennium to Quest and LabCorp.
- ARLN for Department of Public Health: A bi-directional interface connecting the DPH lab with Millennium
- ARLN for Physicians Automated Lab: A bi-directional interface connecting PAL with Millennium
- CareVive: A Cancer Care Planning interface for patients and their families supporting our accreditation with NCQA
- Cassette Labeler Interface: A software interface allowing rapid printing of pathology cassette labels.
- E-Clipboard: A web-based Patient Portal tool enabling survey and discrete data collection from any mobile or desktop device with a connection to the Internet and secure password. This functionality will replace our Tonic Survey tool.
- Education Training Plan: A comprehensive Cerner-provided Educational training service including Learning Journey's pre-educational videos, educational curriculum development, embedded educators in our configuration sessions, and 10 Educators teaching role-based workflows to our staff over the 6 weeks pre-go live.
- E-Prescribing of Controlled Substances (EPCS): Provides e-prescribing capabilities for narcotics and other controlled substances from within Cerner Millennium.
- Cerner MDRO Data Load: Provides the Cerner side professional fees for uploading Korcheck MDRO data.
- Premier Pass: An IT Analyst educational tool
- Single Sign-On (SSO): A tap and go sign-on solution utilizing Imprivata software that integrates with Cerner Millennium.

7-Year Costs:

• ACR Care Select:	\$290,087
• Alaris Interop:	\$209,790
• ARLN Quest/LabCorp:	\$148,800
• ARLN DPH Acute:	\$16,500
• ARLN DPH Ambulatory:	\$98,520
• ARLN PAL Acute:	\$16,500
• ARLN PAL Ambulatory:	\$98,520
• CareVive:	\$135,846
• Cassette Labeler:	\$15,252
• E-Clipboard:	\$24,750
• Educational Training:	\$308,000*
• EPCS:	\$251,030
• Cerner MDRO Data Load:	\$20,522
• Premier Pass:	\$72,171
• SSO:	\$809,305
TOTAL	\$2,515,593**

*Please note that 10% of the Educational Training Cost (\$30,800) is being placed at Cerner's risk should our Providers not achieve 60% CPOE (Computerized Physician Order Entry) by 90 days post go-live.

**The initial cost at signing is \$1,230,945 with an annual fee of \$214,108.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to possible increases in fees throughout the duration of the agreement, assignment of payments with no approval from KCHA, fees for cancellation, third-party terms that apply to provided hardware and software without approval of Counsel, and auto-renewal of term.



CERNER SYSTEM SCHEDULE NO. 7

This Cerner System Schedule is made on June 20, 2018 ("Effective Date"), between

Kern County Hospital Authority ("Client")

and

Cerner Corporation ("Cerner")

a local unit of government with its principal place of business at:

a Delaware corporation with its principal place of business at:

1700 Mount Vernon Ave
Bakersfield, CA 93306-4018, USA
Telephone: (661) 326-2000

2800 Rockcreek Parkway
Kansas City, MO 64117, U.S.A.
Telephone: (816) 221-1024

This Cerner System Schedule includes the sections noted below. Client agrees to purchase the products and services set forth herein, and Cerner agrees to furnish such products and services, upon the terms and conditions of this Cerner System Schedule and the Cerner Business Agreement, dated July 01, 2016, between Client and Cerner (the "Agreement").

- Facilities
- Scope of Use
- Payment Terms
- Term and Termination
- Solution Descriptions
- Pass-Through Provisions
- Assignment of Payments
- Financial Overview
- Solutions and Services
- Additional Terms and Provisions
- Scope of Services
- Equipment Delivery
- Event Activity Report
- Execution Invoice

KERN COUNTY HOSPITAL AUTHORITY

By: _____
(signature)

(type or print)

Title: _____

Purchase Order #: _____
(if applicable)

Project Kick-off requested the week of: _____

CERNER CORPORATION

By: 

Teresa Waller

Title: _____
Senior Director, Contract Management

Client will complete the following upon execution of this Cerner System Schedule:

Client Invoice Contact: _____

Contact Phone #: _____

Contact E-mail Address: _____

Client's account can be managed online at cerner.com by registering for Cerner eBill. To gain access to eBill, contact the Cerner Client Care Contact Center at 866-221-8877 or e-mail ClientCareCenter@cerner.com.

PERMITTED FACILITIES

For use and access by these facilities:

Name	Address	City	State/ Province	Zip/Postal Code	Country
Kern Medical	1700 Mount Vernon Ave	Bakersfield	CA	93306-4018	USA
Camp Owens	14401 Sierra Way	Kernville	CA	93238-9704	USA
Correctional Medicine - Central Receiving Facility	1415 Truxtun Ave	Bakersfield	CA	93301-5215	USA
Jamison Children's Center	1010 Shalimar Dr	Bakersfield	CA	93306-5633	USA
Justice Facility Pharmacy	17801 Industrial Farm Rd.	Bakersfield	CA	93305-1938	USA
Juvenile Hall Services	1831 Ridge Rd	Bakersfield	CA	93305-4119	USA
Kern Medical Clinic	9330 Stockdale Hwy Ste 210	Bakersfield	CA	93311-3615	USA
Kern Medical Columbus Clinics	1111 Columbus St. Ste. 1000, 2000, 3000, 4000, 5000	Bakersfield	CA	93305-1936	USA
Kern Medical Eye Institute	2920 F Street, Suites B1 & B2	Bakersfield	CA	93301-1845	USA
Kern Medical Foundation	3511 Union Ave	Bakersfield	CA	93305-2937	USA
Kern Medical GYN Oncology Clinic	2011 19th St	Bakersfield	CA	93301-4211	USA
Kern Medical Marketing	3511 Union Ave	Bakersfield	CA	93305-2937	USA
Kern Medical Office Park Drive	5101 Office Park Dr Fl 3	Bakersfield	CA	93309-0615	USA
Kern Medical Reach and GROW Clinics	820 34th St	Bakersfield	CA	93301-2283	USA
Kern Medical Stockdale Clinics	9300 Stockdale Hwy., Suites 100 & 300	Bakersfield	CA	93311-3611	USA
Kern Medical Surgery Center	9300 Stockdale Hwy Ste 200	Bakersfield	CA	93311-3611	USA
Kern Medical Truxtun Peds	6001 Truxtun Ave Suite 210B	Bakersfield	CA	93309-0679	USA
Lerdo - Max-Med Facility	17645 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Lerdo - Minimum Facility	17635 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Lerdo - Pretrial Facility	17695 Industrial Farm Rd	Bakersfield	CA	93308-9520	USA
Public Services Building (M Street)	2700 M St Fl 2	Bakersfield	CA	93301-2374	USA

The parties may add or substitute Permitted Facilities by amending this section, provided Client pays any relevant scope of use expansion fees in the section below.

SCOPE OF USE

Scope of Use Limits. Client will use the following solutions in accordance with the Solution Descriptions and subject to the scope of use limits set forth below.

Solution Description	Scope of Use Metric	Scope of Use Limit	Scope of Use Metric Description
iAccess	Production Environments	1	Specific to a single Cerner environment onto which Cerner licensed software is loaded.
PathNet	Devices	1	Total number of instruments, PCs, handheld devices, or other type of devices applicable to the application being licensed.
CARESELECT Content	Radiology Procedures	155,400	Total number of annual orderable radiology procedures.
Carevive Survivorship	Each	2	Every one considered separately.
Cerner Workflow Authentication	Users	260	Total number of individuals authorized by Client to use the Licensed Software under the Agreement, regardless of whether the user is actively using the Licensed Software at any given time. The user is registered in the System and has a unique sign-on.
Reporting & Analytics Package	Each	155,400	Every one considered separately.
Ref. Lab Network for Ambulatory	Connection	1	Enabling the discovery of patients and clinical data between two disparate sources, (EMR, PHR, state networks, regional networks and other communities etc).
Reference Lab Network Non-Partner Connection	Connection	2	Enabling the discovery of patients and clinical data between two disparate sources, (EMR, PHR, state

			networks, regional networks and other communities etc).
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Scope of Use Expansion. If a scope of use limit is exceeded, Client agrees to pay the additional fees below, which are valid for two (2) years after the Effective Date, and thereafter increase at a rate of five percent (5%) per year.

Solution Description	Scope of Use Metric	Extending Scope of Use Limit by	Additional Licensing Fees	Additional Monthly Support Fees	Additional Monthly Fees
iAccess	Production Environments	1	200,000	3,333	-
PathNet	Devices	1	9,350	125	-
CARESELECT Content	Radiology Procedure	15,540	-	-	323
Carevive Survivorship	Each	1	-	-	700
Cerner Workflow Authentication	Users	26	-	-	208
Reporting & Analytics Package	Each	15,540	-	-	50

Scope of use will be measured periodically by Cerner's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g. FTEs or locations), Client will provide the relevant information (including records to verify the information) to Cerner at least one (1) time(s) per year. Client agrees that if an event occurs that will affect Client's scope of use (such as acquisition of a new hospital or other new facility), Client will promptly notify Cerner in writing of such event no later than thirty (30) days following the effective date of such event so that Client's scope of use can be reviewed. Any additional fees due under this Section will be payable within sixty (60) days following Client's receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded, and paid annually (pro-rated for any partial month).

Scope of Use Expansion: Shared Computing Services. The quantities in the "Solutions and Services" section represent the scope of use limits for each service. If a scope of use limit is exceeded, Client agrees to expand the scope of use at Cerner's then-current fees. Scope of use will be measured periodically by Cerner's system tools. Any additional fees will begin on the date the limit was exceeded, and paid within 30 days following Client's receipt of an invoice for such fees.

PAYMENT TERMS

FIXED TECHNOLOGY FEE

The fees set forth in this Cerner System Schedule for Licensed Software, Support, managed services, subscription services, Shared Computing Services, Professional Services, Equipment, Sublicensed Software, Equipment and Sublicensed Software Maintenance, and Installation shall collectively be referred to as the "Fixed Technology Fee" or "FTF". The FTF shall be payable as set forth in the table below. Cerner will invoice Client for such fees on a quarterly basis on the first day of each quarter, and payment for invoices shall be made within 45 days following Client's receipt of invoice.

Payment Date	Payment Amount
8/15/2018	\$267,657
11/15/2018	\$267,657
2/15/2019	\$267,657
5/15/2019	\$267,657
8/15/2019	\$48,415
11/15/2019	\$48,415
2/15/2020	\$48,415
5/15/2020	\$48,415
8/15/2020	\$48,415
11/15/2020	\$48,415
2/15/2021	\$48,415

5/15/2021	\$48,415
8/15/2021	\$48,415
11/15/2021	\$48,415
2/15/2022	\$48,415
5/15/2022	\$48,415
8/15/2022	\$48,415
11/15/2022	\$48,415
2/15/2023	\$48,415
5/15/2023	\$48,415
8/15/2023	\$48,415
11/15/2023	\$48,415
2/15/2024	\$48,415
5/15/2024	\$48,415
8/15/2024	\$48,415
10/15/2024	\$16,138
FTF Total	\$2,103,487

Note : 10/15/2024 Payment is for 1 month only.

Renewal. If the managed services (RHO), Licensed Software Support, Shared Computing Services, or subscription services are renewed on November 1, 2024, Client shall pay the amounts listed in the table below, or as adjusted, on an annual basis upon the anniversary of the Effective Date of this Cerner System Schedule. The fees may increase on an annual basis for scope of use increases and by the change in the All Items Consumer Price Index for All Urban Consumers; United States City Average (“CPI”). Cerner will invoice Client for fees on the first day of each month, and payment for such fees shall be due upon receipt of an invoice.

Renewal Terms	Quarterly Amount *
Licensed Software Support	\$3,048.24
Subscriptions	\$20,136.96
Managed Services	\$7,200.00
Sublicensed Software Support	\$18,030.00
Total	\$48,415.20

* CPI not factored in

Annual Increases. Cerner may revise the monthly fees for managed services (RHO), subscription services, application services, transaction services, Shared Computing Services, and Licensed Software Support any time following the initial 12 month period after such fees begin (but no more frequently than once in any 12 month period) by giving Client 60 days' prior written notice. The amount of any increase in the fees shall not exceed the previous calendar year's percentage increase in CPI, plus 1% per annum. Cerner may also increase the fees at any time during the term if a Cerner third party supplier increases the fees to be paid by Cerner, with such increase being limited to the amount of increase in Cerner's fee to the third party supplier.

TERM AND TERMINATION

Software Support. Support services begin on the Effective Date, and continue until terminated pursuant to the Agreement.

Equipment and Sublicensed Software Maintenance. Maintenance warranties, if any, begin on the earlier of installation, or 30 days after shipment of the equipment and/or sublicensed software. Maintenance services will continue for an initial term of twelve (12) months, or such longer period as set forth in the "Solutions and Services" section of this Cerner System Schedule. Maintenance will automatically renew for additional periods of the same duration, unless Client provides Cerner with written notification of its intent to terminate maintenance no less than sixty (60) days prior to the expiration of the then-current period. Cerner may terminate maintenance services if Client fails to pay invoices for maintenance. All unpaid charges for maintenance will be immediately due and payable upon such termination. Client will pay all applicable penalties or fees if maintenance services are terminated, then later reinstated.

Other Services. All subscription services and Shared Computing Services begin on July 1, 2019, and continue for the term set forth in the "Solutions and Services" section. At the end of the applicable term, each service will automatically renew for additional 12 month periods at the rate charged in the final period of the then-current term, unless either party provides the other party with written notification of its intent to terminate the relevant service no less than 60 days prior to the expiration of the applicable then-current term.

Managed Services. All managed services begin on July 1, 2018, and continue for the term set forth in the "Solutions and Services" section. At the end of the applicable term, each service will automatically renew for additional 12 month periods at the rate charged in the final period of the then-current term, unless either party provides the other party with written notification of its intent to terminate the relevant service no less than 60 days prior to the expiration of the applicable then-current term.

Premier Pass Package. The professional services will begin on the date set forth in the Scope of Services section and remain in full force and effect for the term set forth therein.

SOLUTION DESCRIPTIONS

Each solution with a Solution Description has a code noted in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://solutiondescriptions.cerner.com> to view the Solution Description. These Solution Descriptions are incorporated into this Cerner System Schedule by reference. In the event a Solution Description is not published on Cerner's website, it may be attached to this Cerner System Schedule.

PASS-THROUGH PROVISIONS

Where pass-through provisions are applicable to third party products and services, these provisions are referenced by a pass-through code in the "Solutions and Services" section of this Cerner System Schedule, and that code can be entered at <https://passthroughprovisions.cerner.com/> to view the pass-through provisions. These pass-through provisions are incorporated into this Cerner System Schedule by reference.

ASSIGNMENT OF PAYMENTS

Client agrees that Cerner may assign its interest in or otherwise grant a security interest in payments due pursuant to this Cerner System Schedule in whole or in part to an assignee with written notice to Client. Client will promptly acknowledge each assignment or granting of a security interest. Cerner will continue to perform its obligations under the Agreement following such assignment or granting of a security interest.

SOLUTIONS AND SERVICES

LICENSED SOFTWARE

Solution Code	Description	Qty	Scope	One-Time Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
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Quote: Instant Access (1-13730901881-R-2)

CTP-IATK-SMALL	Cerner Instant Access Toolkit (1-249 beds)	1	Production Environments	140,000	2,100	SD100402_01	
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Solution Code	Description	Qty	Scope	One-Time Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
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Quote: Solutions (1-13759661838-R-4)

PA-22247	Cassette Labeler Interface (Uni-Dir) w/o NiceLabel	1	Devices	9,350	125	PA-22247_05	
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SUBSCRIPTIONS

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
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Quote: CareSelect (1-13725855730-R-5)

CARESELECT	CARESELECT Content	155,400	Radiology Procedures	64		3,232		
REP	Reporting & Analytics Package	155,400	Each	64		0		

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
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Quote: CareVive (1-13886629641-R-3)

CAREVIVE-SURVIVE	Carevive Survivorship	2	Each	64		1,400		100001
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Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
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Quote: Technology-EPCS (1-13780388787-R-1)

CTP-CERN-WORKFLOWC	Cerner Workflow Authentication	260	Users	64		2,080	CTP-CERN-WORKFLOWC_01	
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SHARED COMPUTING SERVICES

Solution Code	Description	Qty	Scope	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
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Quote: Solutions (1-13759661838-R-4)

PY-27825C	HealthLife: Clipboard Consulting	1	Domain		24,750			
PA-21046	Ref. Lab Network for Ambulatory	1	Connection	64		325	PA-21040_01	
PA-21047	RLN for Ambulatory Setup	1	Connection		125,400			
PA-21050	Reference Lab Network Non-Partner Connection	2	Connection	64		1,070	PA-21050	
PA-21051	Reference Lab Network Non-Partner Connection Setup	2	Connection		33,000			

MANAGED SERVICES

Solution Code	Description	Qty	Scope	Monthly Range	Term (Mo)	One-Time Fees	Monthly Fees	Solution Description Code	Pass-Through Code
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Quote: Technology - RHO (Explicit Logon) (1-13810791859-R-1)

CFG_CMS	CernerWorks	1	Each						
CTS-RHORECUR	Remote Hosting (Recurring Fees)	1	Each	1 to 76	76		2,400		10400_MSR

PROFESSIONAL SERVICES

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: CareSelect (1-13725855730-R-5)								
1	Clinicals FF	FF	CareSelect-Integration				16,500	
1	TP NDSC AMT	FF	CareSelect Services-NDSC led				15,000	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: CareVive (1-13886629641-R-3)								
1	TP Carevive FF	FF	Carevive Professional Services (fixed fee)				35,046	100001

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: Instant Access (1-13730901881-R-2)								
1	ATG iAccessFF	FF	iAccess Services for Pass Thru				6,000	
1	ATG iAccessFF	FF	Instant Access FollowMe Workflow Services				24,000	
1	ATG SSOFF	FF	Imprivata Implementation				24,000	
1	ATG SSOFF	FF	A3 SSO Advanced Authentication Implementation				12,000	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: Learning Services (1-13848015199-R-1)								
1	EUT, TTT, LearnLab	FFS	Training (EUT, TTT, Learning Lab)					
			Learning Consultant - PS	110	Hour	2800	308,000	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: Professional Services (1-13918060973-R-3)								
1	RLN	FFS	PathNet					
			Custom Consulting Services - Consultant	150	Hour	600	90,000	
			Custom Consulting Services - Solution Architect	150	Hour	200	30,000	
1	Consulting	FF	PathNet				4,752	
1	Data Migration	FF	Implementation Services				20,522	

Phase	Project	**Bill Type	Solution	Rate	Metric	Qty	Fees	Pass-Through Code
Quote: Technology-EPCS (1-13780388787-R-1)								
1	EPCS Setup	FF	EPCS Setup				68,750	
1	Workflow Auth Setup	FF	Cerner Workflow Authentication Setup				13,500	

Premier Pass Package

Phase	Project	**Bill Type	Solution	Term (Mo.)	Metric	Qty	Fees	Pass-Through Code
Quote: Learning Services- Premier Pass (1-13906396716-R-1)								
1	Premier Pass	FF	Premier Pass Package	12				72,171

**FF = Fixed Fee / FFS = Fee For Service

Professional services pricing is valid until August 22, 2018. If a Cerner System Schedule is not executed on or before such date, this pricing is considered null and void and will be subject to revision. Cerner will not schedule resources for implementation services until this Cerner System Schedule has been executed by both parties and processed by Cerner.

EQUIPMENT

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
Quote: CareFusion - Interop (1-13765628473-R-2)									
1	CFN-PD-SUP	Per Diem Clinical Support	1	Each			4,000.00		100005
3	ATE-INSTALL	Alaris Technical Environment Installation	1	Each			20,000.00		100005

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Solution Description Code	Pass-Through Code
Quote: Instant Access (1-13730901881-R-2)									
5	CFG_IMPRIVATA	Imprivata Solutions	1	Each					
11	HDW-IMP-60-500	Imprivata Proximity USB Reader - HID (Qty 500-1499)	1,000	Each	80.00	80,000.00			100004

At the time of the actual order, Cerner may substitute individual equipment items listed above based on availability and technological advancements. Cerner and Client may also agree to replace certain equipment items with other Cerner offerings. If the substitution items result in an increase in fees, Cerner and Client will discuss the fee increase prior to ordering such items. Cerner will not schedule resources for installation until this Cerner System Schedule has been executed by both parties and processed by Cerner.

SUBLICENSSED SOFTWARE

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
Quote: CareFusion - Interop (1-13765628473-R-2)										
2	ACS-CGW-PLATFORM	CareFusion Coordination Engine - Perpetual	1	Each	35,000.00	35,000.00				100005
4	ALARIS-EMR-INT-IMPL	Alaris EMR Interoperability Implementation - Primary Site	1	Each			125,000.00			100005
5	AL-PIP-IS	Alaris Pre-pop of Infusion Param w/ Infusion Status Interop	1	Each	166,500.00	166,500.00				100005

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
Quote: Instant Access (1-13730901881-R-2)										
8										
8	VIR-APP	OneSign New Virtual Appliance	3	Each	1,895.00	5,685.00				100004
9	SSO/AM-1500	License: OneSign SSO/AM 1,500-1,999 Users	1,500	Each	40.00	60,000.00				100004
10	SSPW-1500	License: OneSign SSPW Management 1,500-2,499 Users	1,500	Each	8.00	12,000.00				100004

Line #	Solution Code	Description	Qty	Scope	Unit One-Time Fees	Extended One-Time Fees	Install Fees	Monthly Support Fees	Solution Description Code	Pass-Through Code
Quote: Technology-EPCS (1-13780388787-R-1)										
6	CID-EPCS-CW-RA-200	CID-EPCS-Cwkflow-RemoteAccess (200-299)	260	Each	150.00	39,000.00				100004

EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
Quote: CareFusion - Interop (1-13765628473-R-2)								
6	ISMG-SUP-5YR	Integrated Solutions Management & Support	8X5 M-F Phone Support	1	12	29,970.00	48	119,880.00

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
Quote: Instant Access (1-13730901881-R-2)								
9	SSO/AM-1500	License: OneSign SSO/AM 1,500-1,999 Users	IMP Premium 24x7 M-Su Phone Support	1,500	0	0.00	12	25,200.00
10	SSPW-1500	License: OneSign SSPW Management 1,500-2,499 Users	IMP Premium 24x7 M-Su Phone Support	1,500	0	0.00	12	4,860.00

Line #	Manufacturer Part #	Description	Level of Service	Qty	Initial Maint Term (Mo)	Extended Initial Maintenance Fees	On-going Maint Term (Mo)	Extended Ongoing Maintenance Fees
Quote: Technology-EPCS (1-13780388787-R-1)								
6	CID-EPCS-CW-RA-200	CID-EPCS-Cwkflow -200-299	IMP Premium 24x7 M-Su Phone Support	260	0	0.00	12	12,090.00

At the time of the actual order, Cerner may substitute individual technology solutions based on availability and/or technological advancements. In the event of a substitution, the corresponding Maintenance services and fees are subject to change for the substituted items. If the substitution Maintenance services result in an increase in fees, Cerner and Client will discuss the fee increase prior to ordering such Maintenance services

ADDITIONAL TERMS AND PROVISIONS

- Kern Medical will be responsible for all Training & Conversion Support for Dragon
- Ten percent (10%) of the Professional Services fees for Training (EUT, TTT, Learning Lab) are contingent upon Kern Medical Providers meeting 80% CPOE within 60 days of go live. Only Providers that have completed the end user training and attended the favorites fair will be eligible for this metric calculation. Cerner will invoice Client the remaining 10% of the Professional Services fees for Training (EUT, TTT, Learning Lab) upon achievement of the metric within 60 days.

EQUIPMENT AND SUBLICENSED SOFTWARE MAINTENANCE TERMS

Maintenance Services for Equipment. Maintenance services for Equipment are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) dispatching and coordinating the activities of the third party maintenance supplier; (c) communicating with the third party maintenance supplier throughout the resolution of the issue; (d) field change orders; and (e) inclusion of Equipment issues in a tracking database. Maintenance services for Equipment do not include consumables.

Maintenance Services for Sublicensed Software. Maintenance services for Sublicensed Software are: (a) initial determination of the source of the problem, problem management, critical situation escalation and recovery services; (b) providing all new versions, modifications, and patches of Sublicensed Software that Cerner is authorized to distribute; (c) communicating with third party maintenance providers throughout the resolution of the issue, (d) inclusion of Sublicensed Software issues in a tracking database.

Maintenance Renewals. The initial term for maintenance is set forth in the "Solutions and Services" section of this Cerner

EQUIPMENT AND SUBLICENSSED SOFTWARE MAINTENANCE TERMS

System Schedule , and automatically renews for additional periods of the same duration, unless Client provides written notification of termination no less than 60 days prior to the expiration of the then-current period. Client will also notify Cerner of any Equipment items that are no longer being used by Client, and therefore no longer require maintenance. Cerner may terminate maintenance services if Client fails to pay invoices for maintenance.

Equipment Coverage Levels.

24x7 M-Su 4 HR. Monday through Sunday, 24 hours per day, 365 days per year, on-site coverage. Service effort is continuous until problem is resolved. 24x7 4 HR service does not guarantee that service will be completed same day due to part availability.

9x5 M-F 4 HR. Monday through Friday, 8 AM to 5 PM CST, on-site coverage. Service effort is continuous until problem is resolved, excluding country holidays. On-site coverage does not guarantee that service will be completed same day due to part availability.

9x5 M-F Next Business Day. Monday through Friday, 8 AM to 5 PM CST with the objective of completion the next business day.

9x5 M-F Depot. Monday through Friday, 8 AM to 5 PM CST for service calls. Equipment is shipped to the manufacturer where it is repaired and returned to Client's facility.

9x5 M-F Advanced Exchange. Monday through Friday, 8 AM to 5 PM CST for service calls. A replacement will be shipped the next business day and requires return of the replaced equipment within 15 days of receiving the replaced device. Service requests placed after 1 PM CST cannot be guaranteed next business day delivery. If more than one device is being requested for replacement, one will be Advance Exchange and the remaining will be returned on a best effort basis depending upon availability of replacements.

Sublicensed Software Coverage Levels. Service effort is continuous until the problem is resolved.

24x7 M-Su Phone Support. Monday through Sunday, 24 hours per day, 365 days per year.

Changes to Maintenance Services. Changes to maintenance services must be requested in writing by Client, and will take effect within 60 days after receipt of a signed change order.

Technology components can be added to maintenance coverage if they are in good working order. If a component is not in good working order, Cerner can arrange for it to be repaired on a time and materials basis prior to being placed on maintenance. Serial numbers must be provided.

Inventory. Client will review all Maintenance renewal letters to ensure accuracy, and to avoid charges for uncovered items. Client will provide Cerner with any missing or incorrect serial numbers as soon as possible to keep records current. Client will notify Cerner when technology components are replaced.

Upgrades. Maintenance services do not include hardware/technology updates. Maintenance services include software updates once they become available and have been certified for use by Cerner.

Pricing and Allowances. Equipment and/or Sublicensed Software maintenance pricing and allowances granted by Cerner are confidential and are not to be discussed outside the context of this arrangement. Allowances are available for multi-year maintenance and prepaid terms of one year or greater. Prices do not include any applicable taxes.

Multi-Year Commitments. Fees associated with the initial term are deemed prepaid and are non-refundable.

SHARED COMPUTING SERVICES

Client Responsibilities. Client agrees to comply with all applicable laws, rules, and regulations as they relate to its use of the Services and its provision of the Services to Users. Client or its Users must obtain all appropriate and necessary authorizations and consents to use or disclose any personally identifiable information in compliance with all federal and state privacy laws, rules, and regulations. Client must have security and privacy policies and procedures in place that govern its Users' ability to access information on or through the Services and to prevent unauthorized access, use, and disclosure of personally identifiable information including, but not limited to, protected health information.

Medical Record. The Services do not constitute a medical record. Client and its Users are responsible for ensuring that the information sent through the Services is incorporated into the applicable patient's medical record as necessary. Client acknowledges that the health information exchanged by Users may not include the individual's full and complete medical record or history.

Access to Data. Cerner may use and disclose the Data as necessary to perform, analyze and improve the Services, to the extent permitted by law. Cerner may use and disclose performance and usage data for any purpose permitted by law so long as the data does not contain protected health information as defined under HIPAA or Client-specific identifiable information. Data means data that is collected, stored, processed or generated through Client's use of the Services.

Right to Aggregate. Cerner may use or disclose protected health information, as defined by 45 C.F.R. 160.103, to provide data aggregation services as permitted by 45 C.F.R. 164.504(e)(2)(i)(B), including use for statistical compilations, reports and all other purposes allowed under applicable law.

De-identify and Use Rights. Cerner may de-identify protected health information in accordance with the standards set forth in 45 C.F.R. 164.514(b) and may use or disclose such data unless prohibited by applicable law.

Information Management Tools. Client acknowledges and agrees that the Services are information management tools, many of which contemplate and require the involvement of professional medical personnel, and because medical information changes rapidly, some of the medical information and formulas may be out of date. Information provided is not intended to be a substitute for the advice and professional judgment of a physician or other professional medical personnel. Client acknowledges and agrees that physicians and other medical personnel should never delay treatment or make a treatment decision based solely upon information provided through the Services. Client further acknowledges and agrees that the Services are not intended to diagnose disease, prescribe treatment, or perform any other tasks that constitute or may constitute the practice of medicine or of other professional or academic disciplines.

Third Party Services. Certain Services have been developed by Cerner's third party suppliers (the "Third Party Services"). The Third Party Services may be provided under the required terms of the applicable supplier, which will be available on Cerner's website. Cerner is not liable under this Cerner Sales Order for any damages of any kind or nature related to or arising out of Third Party Services. Cerner does not warrant or provide any indemnities on Third Party Services. To the extent that any third party pass-through provisions contain liability limitations with respect to the Third Party Services, such limitations state the total maximum liability of Cerner (and then only to the extent that Cerner can collect from the supplier for Client's benefit) and each supplier with respect to the Third Party Services.

SCOPE OF SERVICES

This section defines the service deliverables ("**Scope**") for the services set forth in this Cerner System Schedule.

SHARED COMPUTING SERVICES

HEALTHELIFE CLIPBOARD CONSULTING
(PY-27825C)

Defined Terms	<ul style="list-style-type: none"> Cerner Technology Center(s) (CTC) means the data center facilities intended to provide uninterrupted power and service for Cerner-hosted solutions. Each CTC is designed to
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HEALTHELIFE CLIPBOARD CONSULTING (PY-27825C)	
	significantly reduce downtime and operate under supervision 24 hours per day, 7 days per week ("24 x 7"), every day of the year. Cerner will provide the CTC facility space, cooling, power and management, infrastructure components, and security required to provide the in-scope application services.
Cerner Tasks/Activities	<ul style="list-style-type: none"> • Coordinate with Client IT and clinical staff on implementation and project management • Educate Client staff on portal administration tools via online meeting tools; using a train-the-trainer approach • Provide a standard testing plan template for use in creation of Client testing strategy • Provide best practices guidance to establishing compliance with Clipboard • Educate Client team on best practices for achieving high adoption and patient engagement • Complete Clipboard build in 1 non-production domain and 1 production domain • Implement and configure specific features desired by Client for initial go live, including one or more of the following: <ul style="list-style-type: none"> ○ Secure messaging ○ View of upcoming appointments ○ Clipboard (provides the ability for portal users to submit forms through HealtheLife)
Client Tasks/Activities	<ul style="list-style-type: none"> • Grant Center front-end and back-end access to domains • Perform the following build steps to complete the HealtheLife Clipboard setup: <ul style="list-style-type: none"> ○ Define and build new document type for patient-provided information ○ Schedule appointment build for Cerner Millennium Scheduling Appointment Book ○ Interface all scheduled appointments, if a third party is used and Client wishes to enable clipboard or view of upcoming appointments ○ Build out any additional message center inbox pools used for messaging from the portal ○ Choose existing Workflow MPages or build new Workflow MPages to clipboard reconciliation ○ Add patient-provided submitted data filters to additional Workflow MPages ○ Query and modify codified allergies, immunizations, problems, and procedures available to portal users in Clipboard ○ Build new discrete task array (DTAs) for clipboard forms ○ Determine necessary control groups for operations job configuration • Plan marketing campaign - occurs in months 1 and 2 of the project <ul style="list-style-type: none"> ○ Complete pre-launch preparation for consumers, physicians, clinical staff, and support personnel ○ Plan internal and external marketing, including communication materials and hosting informational session ○ Responsible for production, distribution costs, and Client-specific materials • Launch marketing campaign - occurs in month 3 of the project <ul style="list-style-type: none"> ○ Complete launch for consumers, physicians, clinical staff, and support personnel ○ Execute internal and external marketing, including communication materials and hosting informational sessions • Conduct system testing - occurs in months 1 and 2 of the project <ul style="list-style-type: none"> ○ Complete development and execution of a test script, testing, and assist with troubleshooting • Review training materials and utilize reference manuals and documentation • Provide future ongoing train-the-trainer classes • Complete the development, build, testing, implementation, and ongoing maintenance of connections from the source system to HealtheLife

HEALTHELIFE CLIPBOARD CONSULTING
 (PY-27825C)

	<ul style="list-style-type: none"> Download and install all applicable HealtheLife packages available at time of implementation and thereafter while HealtheLife is utilized by Client as well as procuring additional support for the installation, implementation, testing and ongoing maintenance of the required WAS Web servers, hardware, and sublicensed software required to connect to HealtheLife Provide all first-tier, User support unless Client contracts with Cerner to provide such support Determine and implement the custom event set necessary for the view Determine and build any custom DTAs desired for clipboard Configure additional MPages for patient-provided components Interface all scheduled appointments if a third party is used and Client wishes to enable Clipboard or view of upcoming appointments Configure and manage a Security Assertion Markup Language 2.0 identity management solution, providing publicly accessible non-production domain, and is responsible for support related to accounts (such as usernames, passwords, and logon issues)
Project Assumptions	<ul style="list-style-type: none"> Client domains for the Clipboard build are Cerner Millennium domains <ul style="list-style-type: none"> No more than 2 domain reprints during the project Multiple domain clients will require additional Cerner Services HealtheLife Clipboard leverages MPages, CareAware Multimedia (CAMM), Cerner Scheduling, and Message Center; implementation for these solutions is separate from this Scope and must be completed for Clipboard to be utilized Client must satisfy the Health Insurance Portability and Accountability Act and other requirements to aggregate and disclose consumer personal health information
Data Integration (Applicable to Client-Hosted Clients Only)	
Connectivity	<ul style="list-style-type: none"> Client is responsible for the requirements set forth herein only when Client does not leverage Cerner's remote hosting services for its Cerner Millennium electronic health record (EHR) solutions including: <ul style="list-style-type: none"> IBM WebSphere Application Server environment set up and configuration Package installation Enterprise archive deployment All Data sent inbound to HealtheLife from an external network will pass through the CTC; connectivity will use the existing virtual private network (VPN) connection from Client's network to the CTC Other VPN solutions or network connections to the CTC will be evaluated on a case-by-case basis Client will need to provide technical resources whenever possible to assist with the support of the VPN Additional hardware and software will be necessary to establish connectivity to Client's EHR and the Cerner-hosted HealtheLife solution; such costs will be incurred by Client, and must be installed and configured prior to HealtheLife kickoff

RLN FOR AMBULATORY SETUP
 (PA-21047)

Subject to the terms and conditions set forth herein, including but not limited to the scope of use limits set forth in this Ordering Document, Cerner grants to Client a non-exclusive, non-transferable right for Client's employees to use, for the Term, the Cerner Reference Lab Network (the "Network"). The Network is a platform which supports inbound and outbound Transmission Control Protocol (TCP)/Internet Protocol (IP) and/or web services connections among healthcare providers and laboratories, to allow the exchange of order messages and result messages among the organizations. Client's Network users shall be limited to Client personnel. Cerner will provide Client with the implementation services set forth in this Scope, to

RLN FOR AMBULATORY SETUP
(PA-21047)

assist Client in connecting to the Network.

Cerner retains all right, title and interest in and to the Network and any and all work produced by Cerner including, without limitation, the documentation (the "Documentation"), all inventions, creations, expressions, improvements, computer programs, source code, specifications, operating instructions and all other documentation, whether patentable or unpatentable. Client may not (i) use the Network except as permitted in this Ordering Document; (ii) translate, modify, reverse engineer, decompile or disassemble the Network; (iii) export, rent, lease, assign, enter any timeshare or subscription service or make any transfer of the Network; or (iv) remove, obliterate, alter or obscure any copyright and trademark notices that appear on or within the Network. These limitations will survive termination of this Ordering Document for any reason. Cerner reserves the right to audit Client's use of the Network, after reasonable notice and during normal business hours, to verify Client's compliance with the terms of this Ordering Document.

The Network enables organizations to connect disparate systems to coordinate and transmit Reference Lab Interface transactions. The solution allows the exchange of information from the sending system to the service provider system for the communication of orders. The Network will also coordinate the result message traffic back to the sending system.

Defined Terms	<ul style="list-style-type: none"> • Cerner Technology Center(s) (CTC) means the data center facilities intended to provide uninterrupted power and service for Cerner-hosted solutions. Each CTC is designed to significantly reduce downtime and operate under supervision 24 hours per day, 7 days per week ("24 x 7"), every day of the year. Cerner will provide the CTC facility space, cooling, power and management, infrastructure components, and security required to provide the in-scope services. • Connection means a single clinical data feed from the Network to a receiving system/unique database • Connection Method means the method by which the Network communicates with a receiving system • Transaction Type means the type of electronic transaction the Network will use to communicate with the receiving system 	
Technical Overview	<ul style="list-style-type: none"> • Connection Methods available: <ul style="list-style-type: none"> o Transmission Control Protocol (TCP)/Internet Protocol (IP) o Hypertext Transfer Protocol Secure (HTTPS) o Web services 	<ul style="list-style-type: none"> • Transaction Types available: <ul style="list-style-type: none"> o Health Level Seven International (HL7) v2.2, 2.3, and 2.5.1 Lab Reference Interface (LRI)
Cerner Tasks/Activities	<ul style="list-style-type: none"> • Build of a new Connection from Client's system to RLN; such Connection can be used for bidirectional traffic • Create inbound Connection on the RLN • Complete routing build within the Network based on account numbers • Coordinate positive networks (PN) virtual private network (VPN) for secure Connection to the CTC, if necessary • Build communication (COM) servers within Client's domain, if Cerner Millennium Client • Complete updates to the routing script to route transfer list messages to go outbound via the new COM servers, if Cerner Millennium Client • Perform the following for foreign system interfaces: <ul style="list-style-type: none"> o Configure external systems outbound (ESO) route script o Configure external systems inbound (ESI)/ESO o Alias all Reference Lab interface related code sets (excludes 54,72,200, and 14003) o Develop and test required modify object and modify original scripts o Complete functionality testing o Complete bulk testing o Perform production readiness 	

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	<ul style="list-style-type: none"> o Provide 30 days of post go-live support • Complete build, testing, and validation in 1 non-production domain and 1 production domain (for Cerner Millennium) • Provide maintenance training • Provide trainer-conversion preparation • Provide 2-weeks post conversion support from 8 AM-5 PM Central Standard Time unless otherwise specified • Complete requisition (custom Cerner Command Language) build: <ul style="list-style-type: none"> o Cerner has a custom Ambulatory RLN requisition program available that adheres to Quest and LabCorp required requisition formats, in addition to providing a “default” third requisition format for all other labs o Deployment and configuration of requisition code • Complete custom Ambulatory RLN order validation rules <ul style="list-style-type: none"> o Cerner has a custom Ambulatory RLN order validation rules program available that assists in supporting proper lab routing and order activation o Deploy and configure Discern rule and code • Complete the following optional builds, if requested: <ul style="list-style-type: none"> o Medical Necessity <ul style="list-style-type: none"> ▪ This is a function performed by the reference labs for any specimen collected locally in the clinic; how this evaluation is done, within or outside of Cerner Millennium, is not directed by the labs ▪ This service can optionally be enabled to function directly within the ordering conversation of PowerOrders for physician use, at incremental cost o Label Printer(s) <ul style="list-style-type: none"> ▪ With specimens being locally collected, Cerner recommends connected label printers be in place to allow for printing of specimen labels directly from Cerner Millennium and coordination of all critical data elements for patient care, such as accession number, patient medical record number (MRN), and Client account numbers ▪ Any PathNet approved label printer can be utilized • Perform the following additional tasks for HL7 uplift to 2.5.1, if necessary <ul style="list-style-type: none"> o Configure OID processing o Configure outbound alias processing and CKI mapping o Configure coded field processing when applicable o Complete new COM server build to support the LRI profile and any connectivity configurations o Configure ESO/ESI o Complete new development or modification of modify object/original scripts o Complete functionality testing o Complete bulk testing
Client Tasks/Activities	<ul style="list-style-type: none"> • Provide all design decisions • Provide the following resources prior to project kickoff: <ul style="list-style-type: none"> o Laboratory manager/director <ul style="list-style-type: none"> ▪ Review and approve o Laboratory analyst <ul style="list-style-type: none"> ▪ Contributor for up to 20 hours per week for 3 months

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	<ul style="list-style-type: none"> o Clinical manager/physician representation <ul style="list-style-type: none"> ▪ Review and approve o Ambulatory clinical analyst <ul style="list-style-type: none"> ▪ Contributor for up to 10 hours per week project duration o Healthcare Information Management (HIM) <ul style="list-style-type: none"> ▪ Contributor for up to 10 hours per week 2 months o Foreign system interface analyst <ul style="list-style-type: none"> ▪ Contributor for up to 10 hours per week 2 months o Training coordinator <ul style="list-style-type: none"> ▪ Contributor for up to 10 hours per week 1 month • Complete Client build: <ul style="list-style-type: none"> o Provision of Client account numbers with identified reference labs o Correlation of reference lab compendiums to existing Client orders and results data o Testing support throughout the full project cycle o User training materials and resources o Event code build and position within the Event Set Hierarchy for view from the Ambulatory Flowsheet o Personnel and processes in support of unmatched persons and Results Only encounters generated in support of Unsolicited Results processes o Perform testing
Connectivity	<ul style="list-style-type: none"> • All Data sent inbound or outbound to the Network from an external network will pass through the CTC <ul style="list-style-type: none"> o A VPN Connection from the external network to the CTC must be set up utilizing the PN managed VPN solution • Other VPN solutions or network Connections to the CTC will be evaluated on a case by case basis • Clients will need to provide technical resources whenever possible to assist with the establishment of the VPN, especially for a Client-hosted domain
Project Assumptions	<ul style="list-style-type: none"> • If Client cannot complete any of the tasks set forth below, Client may purchase additional professional services hours at Cerner's then-current fees for a Cerner resource to complete the work; any additional hours may result in additional fees: <ul style="list-style-type: none"> o Client will help Network associates installing and configuring the outbound Connection to the Network within Client's domain o Receiving system will install and configure the inbound connection from RLN o Sending and receiving systems must coordinate specific values for person, encounter, order, and result level data and identifiers o Client is responsible for completing any aliasing to coordinate specific values between systems o Sending or receiving systems must have the ability to execute a person match using a person level identifier or a combination of demographic and order details • RLN transaction set: RLN connections consist of 4 outbound Transaction Types from an ambulatory care domain to the receiving system <ul style="list-style-type: none"> o Discrete general laboratory o Report display microbiology o Report display atomic pathology o Discrete blood bank

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	<ul style="list-style-type: none"> • The following prerequisites must be met prior to engagement: <ul style="list-style-type: none"> ◦ Code level minimum is 2015.01.19 ◦ Contracts secured between Client and lab(s) in scope • All reference lab account numbers from Quest and LabCorp must be collected by the Client and provided to Cerner <ul style="list-style-type: none"> ◦ All insurance data must be present and maintained in Cerner Millennium • Resources must be secured from LabCorp/Quest prior to integration testing • PathNet General Laboratory is in place and functioning prior to project engagement <ul style="list-style-type: none"> ◦ Additional order build is covered within this project, but in-lab service resources and routing are beyond scope • Payer organization and health plans must be built in Cerner Millennium • All reference labs and clinics in scope are expected to be implemented and taken live on the same singular event date • Average project duration is 6-9 months, depending on all parties' availability and scope of compendium implementation and testing • All activity to occur remotely unless otherwise specified • A new Ordering Document will be required if additional tasks beyond those outlined in this Scope are requested
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REFERENCE LAB NETWORK (PA-21041, PA-21043, PA-21045, PA-21051)

Subject to the terms and conditions set forth herein, including but not limited to the scope of use limits set forth in this Ordering Document, Cerner grants to Client a non-exclusive, non-transferable right for Client's employees to use, for the Term, the Cerner Reference Lab Network (the "Network"). The Network is a platform which supports inbound and outbound TCP/IP and/or web services connections among healthcare providers and laboratories, to allow the exchange of order messages and result messages among the organizations. Client's Network Users shall be limited to Client personnel. Cerner will provide Client with the implementation services set forth in this Scope, to assist Client in connecting to the Network.

Cerner retains all right, title and interest in and to the Network and any and all work produced by Cerner including, without limitation, the documentation (the "Documentation"), all inventions, creations, expressions, improvements, computer programs, source code, specifications, operating instructions and all other documentation, whether patentable or unpatentable. Client may not (i) use the Network except as permitted in this Ordering Document; (ii) translate, modify, reverse engineer, decompile or disassemble the Network; (iii) export, rent, lease, assign, enter any timeshare or subscription service or make any transfer of the Network; or (iv) remove, obliterate, alter or obscure any copyright and trademark notices that appear on or within the Network. These limitations will survive termination of this for any reason. Cerner reserves the right to audit Client's use of the Network, after reasonable notice and during normal business hours, to verify Client's compliance with the terms of this .

The Network enables organizations to connect disparate systems to coordinate and transmit Reference Lab Interface transactions. The solution allows the exchange of information from the sending system to the service provider system for the communication of Orders. The Network will also coordinate the result message traffic back to the sending system.

Defined Terms	<ul style="list-style-type: none"> • Cerner Technology Center(s) (CTC) means the data center facilities intended to provide uninterrupted power and service for Cerner-hosted solutions. Each CTC is designed to significantly reduce downtime and operate under supervision 24 hours per day, 7 days per week ("24 x 7"), every day of the year. Cerner will provide the CTC facility space, cooling, power and management, infrastructure components, and security required to provide the in-scope services. • Connection means a single clinical data feed from the Network to a receiving system / unique database
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REFERENCE LAB NETWORK (PA-21041, PA-21043, PA-21045, PA-21051)			
	<ul style="list-style-type: none"> • Connection Method means the method by which the Network communicates with a receiving system • Transaction Type – Specifies the type of electronic transaction the Network will use to communicate with the receiving system • Reference Lab Network (RLN) Transition means transitioning a point-to-point interface to the RLN 		
Technical Overview	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Connection Methods available: <ul style="list-style-type: none"> o Transmission Control Protocol (TCP)/Internet Protocol (IP) o Hypertext Transfer Protocol Secure (HTTPS) o Web services </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> • Transaction Types available: <ul style="list-style-type: none"> o Health Level Seven International (HL7) </td> </tr> </table>	<ul style="list-style-type: none"> • Connection Methods available: <ul style="list-style-type: none"> o Transmission Control Protocol (TCP)/Internet Protocol (IP) o Hypertext Transfer Protocol Secure (HTTPS) o Web services 	<ul style="list-style-type: none"> • Transaction Types available: <ul style="list-style-type: none"> o Health Level Seven International (HL7)
<ul style="list-style-type: none"> • Connection Methods available: <ul style="list-style-type: none"> o Transmission Control Protocol (TCP)/Internet Protocol (IP) o Hypertext Transfer Protocol Secure (HTTPS) o Web services 	<ul style="list-style-type: none"> • Transaction Types available: <ul style="list-style-type: none"> o Health Level Seven International (HL7) 		
Cerner Tasks/Activities	<ul style="list-style-type: none"> • Build new Connection to RLN from Client's system; such Connection can be used for bi-directional traffic • Create inbound connection on the RLN • Complete routing build within the Network based on account numbers • Coordinate positive networks (PN) virtual private network (VPN) for secure Connection to the CTC, if necessary • Build communication (COM) servers within Client's domain, if Cerner Millennium Client • Complete updates to the routing script to route transfer list messages to go outbound via the new COM servers, if Cerner Millennium Client • Perform the following for foreign system interfaces: <ul style="list-style-type: none"> o Configure external systems outbound (ESO) route script o Configure external systems inbound/ESO o Alias all Reference Lab interface related code sets (excludes 54,72,200, and 14003) o Develop and test required modify object and modify original scripts o Complete functionality testing o Complete bulk testing o Perform production readiness o Provide 30 days of post go-live support 		
Connectivity	<ul style="list-style-type: none"> • All Data sent inbound or outbound to the Network from an external network will pass through the CTC <ul style="list-style-type: none"> o A VPN Connection from the external network to the CTC must be set up utilizing the PN managed VPN solution • Other VPN solutions or network Connections to the CTC will be evaluated on a case by case basis • Clients will need to provide technical resources whenever possible to assist with the establishment of the VPN, especially for a Client-hosted domain 		
Project Assumptions	<ul style="list-style-type: none"> • If any of the assumptions below cannot be completed by Client, additional professional services hours may need to be contracted for a Cerner resource to complete the work <ul style="list-style-type: none"> o Client will help Network associates installing and configuring the outbound connection to the Network within Client's domain o Sending and receiving systems must coordinate specific values for person, encounter, order, and result level data and identifiers o Client is responsible for completing any aliasing to coordinate specific values between systems o Sending or receiving systems must have the ability to execute a person match using a 		

REFERENCE LAB NETWORK

(PA-21041, PA-21043, PA-21045, PA-21051)

person level identifier or a combination of demographic and order details

MANAGED SERVICES

REMOTE HOSTING OPTION (RHO) SERVICES

SCOPE OF USE LIMITS

Cerner Solutions. The managed services fees set forth in the “Solutions and Services” section of this Ordering Document are based on the following scope of use limits, and apply only to RHO services for the Cerner solution(s) set forth below:

Scope of Use Metric	Scope of Use Limit
Cerner Solutions to be Hosted	Explicit Logon Authentication/LDAP Infrastructure (technology used to support communication with Client Active Directory Services)

OTHER SCOPE LIMITS

Explicit Logon Authentication/LDAP Infrastructure (technology used to support communication with Client Active Directory Services)

- In the event Explicit Logon Authentication/LDAP Infrastructure is required in support of the RHO Services the following assumptions would apply.
- Redundant Domain Controllers in CTC for Client’s Active Directory to facilitate Trust with CernerWorks AD
- Cerner is responsible for provisioning, implementation, and support (as needed to address systems resources issues once contacted by Client) of the domain controllers located in the CTC.
- Cerner is responsible for following anti-virus protection: provisioning, service management, and service monitoring agents on domain controllers located in the CTC.
- Client is responsible for administrative management (including desired server monitoring) of the domain controllers located in the CTC, and to allow all Cerner-provided agents to be installed and functional.
- Client is responsible for owning, implementing, and managing all Client domain controllers not located in CTC.
- Client is responsible for creation and maintenance of all user logins within the Client’s Active Directory domain. Maintenance includes group level membership and other security concerns for those users.
- Cerner’s ability to test, monitor and secure the Active Directory servers requires a permanent domain access password, granted by Client to Cerner, with the password known to Cerner. Cerner will only use this account to manage anti-virus monitoring agents. In the event of a virus or worm detection, Cerner will utilize the account to take actions to isolate it. Should the Client not make the password available to Cerner, the affected server(s) may be shut down and any resulting downtime will be excluded from System Availability calculations.
- Hosting fees do not include implementation services or additional licensing that may be required for single sign-on applications or LDAP

General Assumptions

- The basic roles and responsibilities of Cerner and Client for the Cerner solution hosting will be the same as set forth in the Ordering Document originally executed between the parties for RHO services.
- Solutions will run in Client’s existing production domain being remote hosted by Cerner.
- Managed services fees do not include Licensed Software, Sublicensed Software, Licensed Software Support, Maintenance, or professional services.
- Cerner provides the Layered Software needed to deliver core RHO services (e.g., OS, middleware etc.).

PROFESSIONAL SERVICES

IMPLEMENTATION SERVICES	
Project Duration	<p>The following project start date is an estimate and subject to adjustment based upon the Effective Date of this Ordering Document. Cerner requires a minimum of 90 days following the Effective Date to accommodate pre-project activities such as planning, staffing, and technology activities. The overall duration of this project (from the “project kick-off” event to the “go-live” event), based on the scope of services detailed in this Ordering Document, is expected to be 3 month(s).</p> <ul style="list-style-type: none"> Estimated project start date: 09/01/2018
Facility Implementation Strategy	<p>This Scope assumes the design, build, and conversion of 1 facility utilizing a centralized database environment and a single go-live event per phase, converting all solutions in that phase concurrently.</p> <p>Go-live will occur at the following facility:</p> <ul style="list-style-type: none"> Kern Medical
Go Live Support	<p>Command Center Support for go-live event. Cerner will provide 3 days of remote application/technical support and troubleshooting for issues logged to the help desk or command center during the go-live event. Client’s super user team will support end users. After go-live, Cerner will provide remote application support until turnover to Cerner’s SolutionWorks division, which occurs within 30 days after go-live. After turnover, all issues will be reported to SolutionWorks.</p>
Cerner Delivery Project Team Work Space Assumptions	<p>As needed and at Client’s expense, Client will provide to the Cerner project team: a secure Cerner-assigned office (with door locks); work areas with network connectivity to Client network; and access to a network laser printer via a desktop computer with fat client (configured to Cerner’s minimum recommended configuration) access to appropriate Client domains and Clients using Citrix access. Client agrees to provide this access to each Cerner project team member while on Client site. Further, Client will provide a high-speed DSL line or network port through Client firewall for each Cerner associate on site to access the Internet/Cerner network using Aventail software, and a phone line for each Cerner project team member that is assigned to be on site for more than 16 hours per week for at least 10 consecutive weeks.</p>
Client Project Team	<p>Client will identify and make available its project team members within 90 days following the Effective Date of this Ordering Document or, if not identified and available within that timeframe, such delay will be considered a change in scope, and will require the execution of an Ordering Document setting forth the additional work effort and additional professional services fees.</p>
Special Project Assumptions	<p>Modifications to the design and build of the proposed solutions to meet specifications for individual facilities will result in additional professional services fees.</p>
Scope of Services	<p>The solution implementation scope of services documents the services provided by Cerner during the project. This Scope is based on the latest generally available <i>Cerner Millennium</i> software release, project timeline, and use of Consulting Framework, Bedrock, STANDARD content and recommendations. It is also assumed that Client will provide data required to configure the system in a Cerner defined format.</p>
STANDARD Content	<p>STANDARD is Cerner’s best practices content and contains items such as orders, forms, rules, reports, labels and recommended workflows across several roles and venues. STANDARD was developed by Cerner clinicians and experts and is continually updated based on implementation experience, Client input, and industry regulations. This Scope assumes STANDARD content will be utilized without modification unless noted in a particular solution. STANDARD is available for all new and existing <i>Cerner Millennium</i> engagements. Existing <i>Cerner Millennium</i> clients who are adding new solutions will be able to import or build the content into their existing database.</p>
Scope Control	<ul style="list-style-type: none"> There are controls on scope for the total number of a particular item within certain solution sections. Controls are present for the following reasons: <ul style="list-style-type: none"> In order to achieve the project timeline with estimated Client project resources

IMPLEMENTATION SERVICES	
	<ul style="list-style-type: none"> o Recommended use of the system and ease of maintenance long term o Maintain standard consulting fees • Please note that controls on items are not functional limits of the <i>Cerner Millennium System</i> • All requested modifications to this Scope must be evaluated for potential impact to the project plan and may result in a longer project timeline, additional Cerner/Client resources, and/or additional fees. Cerner has a scope management process that will be utilized throughout the implementation to help keep the project on track.
Cassette Labeler Interface (AP)	
Cassette Labeler Interface	<ul style="list-style-type: none"> • Streamline histology workflow while automating the sending of block information to the labeler device • Transmit the patient and specimen data electronically to the labeler device • Label program is included from STANDARD • NiceLabel is a required third party component
RLN Consulting Support	
RLN	<ul style="list-style-type: none"> • DCW mapping • Full results testing • UMPQ and Results Only encounter management, workflow education, testing and build consultation • Configuration Center results mapping build
LEARNING SERVICES SCOPE	
Learning Labs	
Cerner Responsibilities	<ul style="list-style-type: none"> • Cerner will deliver end-user training in a learning lab environment for the relevant roles. Cerner will provide 10 certified <i>Millennium</i> trainers to conduct training in a formal classroom environment for the relevant roles. Instructor-led, end-user training will include <i>Cerner Millennium</i> solution and role-specific workflow content. Participants are assessed on the content through a formal performance assessment. Cerner will provide the <i>Millennium</i> trainers for 6 weeks to train Client end-users. • Total hours for end-user training are calculated at an average of 40 hours per week. Trainers will work no more than 9 hours per day. Trainers will have 40 hours each for project management and localization to content. • Cerner will work with Client to provide the training service on an agreed upon schedule.
Client Responsibilities	<ul style="list-style-type: none"> • Develop a core group of nursing and physician superusers to obtain sustainability post conversion • Provide a Learning Management System to track participant attendance and performance
Deliverables	
	<ul style="list-style-type: none"> • Cerner will present the deliverable(s) listed below for Client to review and approve within 3 business days of receipt <ul style="list-style-type: none"> o End-User Training Agenda
Additional Notes	
Change Process	<ul style="list-style-type: none"> • If the deliverable has been created per the accepted design document and Client desires to make changes, Cerner will provide a change document defining the issue, scope, work effort to complete, effect on delivery timeline, and cost to Client.
Participation and Feedback	<ul style="list-style-type: none"> • Client will identify a primary point of contact (POC) for this engagement. • Client POC will facilitate the identification of Client resources, response to questions, review and acceptance of deliverables, and other requirements agreed to in support of this engagement. • Client POC will review and sign acceptance or comment on milestone deliverables within 3 working days of receipt. • Client will provide timely visibility to project detail affecting the learning engagement so that

IMPLEMENTATION SERVICES	
	Cerner may provide input and feedback to support the project's successful execution.
Work Environment	<ul style="list-style-type: none"> Client will provide workspace, telephone access, and connectivity to Cerner when on-site in support of this engagement. Client will provide appropriate meeting space, projection equipment, and support for events conducted in support of this engagement.
Materials	<ul style="list-style-type: none"> Client is responsible for all production costs associated with materials development including, but not limited to, costs related to copying, printing, laminating, binding, and distribution. Upon request, and with adequate notice, Cerner will coordinate production costs. Client is responsible for any work necessary to copy or distribute the implementation support materials.
Completion Criteria	<ul style="list-style-type: none"> This engagement will be considered complete when the scope of work is completed pursuant to this Scope, or when the Agreement is terminated pursuant to the terms set forth therein. Termination, reduction in scheduled resources, and/or reduction in duration of this project requires written notification and may be subject to cancellation fees and nonrefundable airfare as follows: <ul style="list-style-type: none"> 14 or more days prior to commencement, no cancellation fee 13-7 days prior to commencement, 20% of fees 7-0 days prior to commencement, 30% of fees Reduction of resources and/or project duration post-commencement, 50% of pro-rated fees Client shall pay all outstanding fees and/or expenses owed to Cerner as set forth in the Agreement. Certain reimbursable travel and temporary living expenses, as set forth in the Agreement, will be billed to Client as incurred. Requests for additional end-user conversion support days must be submitted to Cerner in writing.
Assumptions	<ul style="list-style-type: none"> Cerner will work with Client to provide the following services per an agreed upon schedule. Cerner will provide training services at Client's facility for a maximum of 9 hours per day, with each individual resource being on-site for 4 consecutive days, with 3 consecutive days off free of travel. Cerner reserves the right to reassign resources upon notice to Client if hours fall below an average of 28 hours per week. This Scope assumes a previously specified number of end-users will be trained. If the number of users changes significantly from this assumption, Cerner will review available training hours with Client and determine if more hours are needed.
Process/Issue Decision	<ul style="list-style-type: none"> This engagement includes only the items set forth in this Scope. A new Ordering Document must be executed by the parties if Client requests additional tasks beyond those set forth herein. In the event Client requests additional work effort or otherwise modifies the scope set forth herein, Client and Cerner will assess the financial and delivery timeline implications of such changes and will work together to reach a mutually agreeable solution. Jointly, Client and Cerner will discuss, document, and request approval regarding fees and delivery implications of additional work effort(s) prior to any scope expansion. Open process issues affecting training will be assessed by Cerner following the change process documented above. Client will decide whether to include the identified changes in the learning process and accept associated changes in the completion of learning deliverables, or to include the content in an internal post go-live revision process.
Training Hours	<ul style="list-style-type: none"> In the event content development or training estimated time is less than what is stated in this contract, Cerner reserves the right to revise the total numbers and/or allocate those hours to assist with other overall training efforts for the Cerner implementation as agreed by both parties.
Suspension/Rescheduling	<ul style="list-style-type: none"> In the event Client requests this project be rescheduled or suspended, Client will pay costs for hours worked and travel expenses incurred, up to and including the date of shut down. Additional fees may be incurred when the project resumes, including, but not limited to, increased professional

IMPLEMENTATION SERVICES

	<p>service rates, planning, defining scope, reviewing and documenting completed work, and educating new project team members (Client will not incur additional fees if the delay is mutually acceptable between Client and Cerner).</p> <ul style="list-style-type: none"> Client acknowledges that Cerner is not obligated to provide the same project team members that were assigned to the project prior to the suspension.
Travel	<ul style="list-style-type: none"> Resource assignments and travel arrangements, including but not limited to Client site visits, require a minimum of 10 calendar days of preparation time from the date this Scope is executed. The professional services fees do not include travel, lodging, per diem, or other out-of-pocket expenses incurred by Cerner personnel. Such expenses will be billed to Client based upon actual expenses incurred.

Millennium Standard Integrated Migration Scope

Migration	<p><u>Cerner Responsibilities.</u></p> <ul style="list-style-type: none"> Cerner will import up to three data pulls into the Integrated Millennium domain. The first load is for non production validation testing, the second load occurs prior to go live in the production domain and the last load occurs at go live in the production domain. Files will be imported into (1)Non-Production and (1)Production domain. Cerner will upload files from the following foreign systems: <ul style="list-style-type: none"> OpenVista Import will include the following items from extracts provided by the client meeting the Cerner Migration Standard Specifications: <ul style="list-style-type: none"> Multi-Drug Resistant Organisms (Clinical Documents does not include Content 360 Image files) <p><u>Client Responsibilities.</u></p> <ul style="list-style-type: none"> Client must provide data from any non-Cerner legacy Electronic Medical Record (EMR) system in accordance with the Cerner Migration Standard Specification. Client is responsible for validation of the files that are loaded into the Cerner Integrated Millennium Domain. Work any duplicate patients created from the upload of patient demographics from various systems. Provide aliasing for all impacted code sets. Validate the implementation and confirm that educational needs for clinicians have been arranged prior to go live. Implement change control and freezes as determined during project start up Validate and sign-off on each migration data type in a non-production Cerner Integrated Millennium domain before data is uploaded into a production domain Client is responsible for providing dual encrypted hard drive for data exchange. Smaller test files may be passed through Secure File Transfer Protocol (SFTP). Cerner will provide a SFTP upon client request. <p><u>DELIVERABLES</u></p> <ul style="list-style-type: none"> Cerner will Import three data pulls into the Integrated Millennium domain. The first load is for non production validation testing, the second load occurs prior to go live in the production domain and the last load occurs at go live in the production domain.
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IMPLEMENTATION SERVICES
PROJECT ASSUMPTIONS

- Changes to the standard extract specifications are subject to additional professional services
- Specifications can be found at:
 - <https://wiki.ucern.com/display/Ambulatory/Data+Migration+Specification>
- Covers 3 uploads, additional uploads needed are subject to additional professional services
- This scope does not include Content 360 data (Images)
- Travel is not included

**IACCESS SERVICES FOR PASS THRU
(CTS-IA-PASSTHRU)**

Overview	<ul style="list-style-type: none"> • Cerner will ensure a successful enterprise wide implementation of lightweight directory access protocol (LDAP) with pass-thru authentication for <i>Cerner Millennium</i> leveraging the <i>Cerner Instart Access</i> solution. Cerner has developed a specific methodology to ensure a rapid, successful product implementation of this solution. • Certain tasks are dependent on the availability of Client technical personnel for verification, testing, and knowledge transfer. Cerner will identify those Client tasks at the beginning of the project to facilitate scheduling and coordination.
Discovery Process	<ul style="list-style-type: none"> • Identify the enterprise LDAP directory that will be used for <i>Cerner Millennium</i> authentication and understand its design and role within Client organization. • Identify the various <i>Cerner Millennium</i> environments and/or applications that will utilize LDAP authentication. • Identify <i>Cerner Millennium</i> users that will authenticate using LDAP authentication.
Knowledge Transfer	<ul style="list-style-type: none"> • Administrator training <ul style="list-style-type: none"> ◦ Review how the authentication of <i>Cerner Millennium</i> has been configured. ◦ Outline the process of requesting support from Cerner. • Help desk training <ul style="list-style-type: none"> ◦ A short session with the help desk explaining the new authentication configuration of <i>Cerner Millennium</i>, how to resolve common technical problems and who to contact for additional support.
Deliverables	<ul style="list-style-type: none"> • Install and configure LDAP with pass-thru authentication for <i>Cerner Millennium</i> on 1 production and 1 non-production domain including up to 5 mid-tier Win-Intel servers (i.e. Websphere, Citrix). • Provide production domain go-live support (Client responsible for production domain configuration). • Deliver all applicable documentation. • Knowledge transfer.
Assumptions	<ul style="list-style-type: none"> • For proper knowledge transfer Cerner strongly recommends Client be familiar with the core technologies used in this solution (LDAP schema extensions, virtual memory system/advanced interactive executive (VMS/AIX) backend administration, certificate services, domain naming services (DNS)). • A certificate services infrastructure is in place and functioning. • A DNS is in place and functioning. • All work will be performed at Client location unless otherwise noted or agreed upon. • Client code level is either 2005.02.85 or 2007.10 or higher. • Two Client active directory domain controllers and 2 Cerner child active directory domain controllers must exist at Cerner data center. Active directory trust between the 2 domains has been configured and is functional (remote hosted Clients only).

**IACCESS SERVICES FOR PASS THRU
(CTS-IA-PASSTHRU)**

	<ul style="list-style-type: none"> • <i>Cerner Millennium</i> and active directory usernames must match.
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**A3 SSO ADVANCED AUTHENTICATION IMPLEMENTATION
(CTS-A3SSO-ADVAUTH)**

Overview	<ul style="list-style-type: none"> • Cerner provides technical consultation services to implement Advanced Authentication for <i>Cerner Instant Access (iAccess)</i> Single Sign-On (SSO) solution. During this engagement Cerner will configure SSO functionality for Advanced Authentication, assist in the deployment of the advanced authentication devices, provide administrative training and provide train-the-trainer sessions for Client staff responsible for training end users of the Advanced Authentication for the SSO solution. • Certain tasks are dependent on the availability of Client technical personnel for verification, testing, and knowledge transfer. Cerner will identify those Client tasks at the beginning of the engagement to facilitate scheduling and coordination.
Discovery Process	<ul style="list-style-type: none"> • Analysis of up to 5 standard workflows. For each: <ul style="list-style-type: none"> ◦ Identify role and expected use pattern ◦ Identify appropriate login method and applicable second-factor of authentication if applicable (fingerprint reader, etc.) ◦ Identify required identity technologies (proximity badges, Hughes Identification Devices (HID), Radio Frequency, etc) • Identify advanced authentication methods to be used with SSO • Provide a high-level analysis and recommendation regarding the integration of physical and system access (if applicable)
Initial Configuration and Installation	<ul style="list-style-type: none"> • Cerner will install and configure the integration Advanced Authentication devices, SSO and Client Citrix environment, working with Cerner if Client is a remotely hosted Client
Knowledge Transfer	<ul style="list-style-type: none"> • Administrator training: 1 day on-site session that focuses on training Client-assigned SSO administrator on the architecture overview, SSO policies, software deployment options and reporting • Help desk training: training sessions on resolving common technical problems and identifying Advanced Authentication resources for technical assistance • End user training: Cerner will work with the Client in setting up and scheduling end user education sessions that cover the following: <ul style="list-style-type: none"> ◦ End user enrollment for Advanced Authentication Management ◦ Changes to expect in current workflows ◦ Support path during and after deployment
System Management Configuration	<ul style="list-style-type: none"> • This phase is the final customization step. Once a historical set of audit data has been established, a series of Client use cases and reporting processes will be identified and instrumented as applicable • Define Client-specific exception reports • Define automated reporting and exception reporting processes • Knowledge transfer, including: <ul style="list-style-type: none"> ◦ Definition and setup of automated reporting and exception based reporting
Advanced Authentication	<ul style="list-style-type: none"> • Cerner will work with Client IT staff in the deployment & installation of up to 2 forms of supported advanced Authentication hardware, such as fingerprint readers, proximity readers and smart card

A3 SSO ADVANCED AUTHENTICATION IMPLEMENTATION (CTS-A3SSO-ADVAUTH)

Hardware Deployment	readers
Advanced Authentication Policy Templates	<ul style="list-style-type: none"> Cerner will assist Client IT staff with configuration templates for Advanced Authentication on up to 5 User policies and up to 5 computer policies
Advanced Authentication Education Sessions	<ul style="list-style-type: none"> Cerner will assist Client IT staff with enrollment & training sessions for up to 2 groups of users to include: <ul style="list-style-type: none"> End user enrollment for proximity badges End user enrollment for fingerprint biometric What changes to expect in current workflows when Advanced Authentication is used Support path during deployment and after
Deliverables	<ul style="list-style-type: none"> Identify up to 5 SSO user policies and 5 computer policies Install and configure Advanced Authentication devices Validate and test the Advanced Authentication solution with production pilot group End user training Help desk training Administrator training

IMPRIVATA IMPLEMENTATION (CTS-IMPRVT-IMP)

Overview	<ul style="list-style-type: none"> Cerner will provide technical consultation services to review the configuration and integrity of the Single Sign-On (SSO) environment. Cerner will review the SSO appliance configuration, configure review SSO computer and user policies, review administrative management, and review deployed application profiles. Certain tasks are dependent on the availability of Client technical personnel for verification, testing, and knowledge transfer. Cerner will identify those Client tasks at the beginning of the project to facilitate scheduling and coordination.
Discovery	<ul style="list-style-type: none"> Identify any known changes in Client's technical infrastructure including: <ul style="list-style-type: none"> Current solutions in the production domain Current technical infrastructure SSO-enabled application upgrades Review enabled users, groups, or any planned rollouts
Assessment	<ul style="list-style-type: none"> Review appliance configuration, review backup and recovery process. Review security policies: user and computer. Document environment configuration. Review reporting and event notifications. Provide guidance on how to enable or review existing reports/events. Discuss Client technical roadmap and how SSO might be impacted. Ensure awareness to technical configuration considerations of any significant environment change (e.g. upgrades: application, SSO appliance/agent, Citrix). It is Client's responsibility to review these technical topics and determine how they might impact the existing Client environment. End user training: <ul style="list-style-type: none"> Cerner will provide knowledge transfer to identified Client trainer. Client is responsible for scheduling and performing end user education sessions that cover the following:

IMPRIVATA IMPLEMENTATION (CTS-IMPRVT-IMP)	
	<ul style="list-style-type: none"> ▪ End user enrollment for SSO and self-service password management (if in use by Client) ▪ Changes to expect in current workflows ▪ Support path during and after deployment
Deliverables	<ul style="list-style-type: none"> • Document appliance configuration • Document default policy – user and computer • Document deployed applications
Assumptions	<ul style="list-style-type: none"> • For proper knowledge transfer Cerner strongly recommends Client be familiar with the core technologies used in this solution. • All work will be performed at Client’s location unless otherwise noted or agreed upon. • Cerner may recommend environment changes. If so, Client is responsible for testing and implementing. Implementation is not included in this Scope. • Client will provide access to SSO environment (e.g. appliances, Citrix servers, desktops, etc.).

INSTANT ACCESS FOLLOWME WORKFLOW SERVICES (CTS-IA-FMA)	
Overview	<ul style="list-style-type: none"> • Cerner will provide technical consultation services to install and configure FollowMe Workflow of <i>Cerner Instant Access</i> solution. During this engagement, Cerner will work with Client to identify the desired workflows of the end users and configure <i>Cerner Instant Access</i> to best suit their needs • Certain tasks are dependent on the availability of Client technical personnel for verification, testing, and knowledge transfer. Cerner will identify those Client tasks at the beginning of the project to facilitate scheduling and coordination
Deliverables	<ul style="list-style-type: none"> • Install and configure iaListener (up to 3 iaListener workflows) • Install and configure iaLauncher • Configure Imprivata Extension Objects (as needed) • Provide knowledge transfer for administrator throughout project duration
Project Kickoff and Planning	<ul style="list-style-type: none"> • Conduct conference call between information technology (IT) staff, project manager, and Cerner to ensure project readiness, define project roles, set expectations, and articulate project definition. Once on-site the project team will review the project plan. • Provide weekly project status updates for the first month, bi-weekly thereafter. • Schedule status meetings (Cerner and Client project manager)
Discovery	<ul style="list-style-type: none"> • Identify current end user workflows • Analyze up to 3 standard workflows <ul style="list-style-type: none"> ○ Identify role and expected use pattern ○ Identify appropriate chart management services
Technology Implementation	<ul style="list-style-type: none"> • Configure new technology for <i>Cerner Instant Access</i> <ul style="list-style-type: none"> ○ Installation and configuration of iaListener on the XenApp servers ○ Installation and configuration of iaLauncher on the endpoints ○ The following <i>Cerner Instant Access</i> tasks are not included in this Scope <ul style="list-style-type: none"> ▪ Installation of WTSLocation as required ▪ Installation of WTS Advanced Location as required ▪ Installation of Cerner lightweight directory access protocol (LDAP) as required ▪ Installation of Cerner pass-through as required ▪ Installation of advanced authentication as required

INSTANT ACCESS FOLLOWME WORKFLOW SERVICES (CTS-IA-FMA)	
	<ul style="list-style-type: none"> ▪ Installation of single sign on (SSO) as required • Perform functionality test for each workflow • Document results and issues
Assumptions	<ul style="list-style-type: none"> • Client is familiar with the core technologies used in this solution • The following <i>Cerner Instant Access</i> tasks are not included in this Scope <ul style="list-style-type: none"> ○ Installation of WTSLocation as required ○ Installation of WTS Advanced Location as required ○ Installation of Cerner lightweight directory access protocol (LDAP) as required ○ Installation of Cerner pass-through as required ○ Installation of advanced authentication as required ○ Installation of single sign on (SSO) as required • All work will be performed at Client facility unless otherwise noted or agreed upon • Cerner may recommend environment changes. Client is responsible for testing and implementing. Implementation is not included in this Scope. • Client will provide access to SSO environment (e.g. appliances, Citrix servers, desktops, etc.)
Estimated Duration	<ul style="list-style-type: none"> • Four weeks

CARE SELECT - INTEGRATION (SVC-0511928 / CARESELECT-INTEG)	
Implementation Summary	<ul style="list-style-type: none"> • Number of production electronic medical record (EMR) instances to be implemented: 1 • Number of non-production EMR instances to be implemented: 1
Facilities	<ul style="list-style-type: none"> • To ensure the most effective rollout, appropriate EMR instances will be discussed and agreed upon by both Cerner and Client.
Project Details	<ul style="list-style-type: none"> • A project kick-off will initiate the project by reviewing the project plan, domain strategy, and remaining visits, and discussing any additional items. • Cerner will assist in the following portions of the overall project: <ul style="list-style-type: none"> ○ Joint project management ○ Coordination with National Decision Support Company team ○ <i>Cerner Millennium</i> database build components <ul style="list-style-type: none"> ▪ Extraction of Order Catalog ▪ New fields built and added to the specific Order Entry Formats ▪ <i>MPages</i> view set up ▪ Security adjustments ▪ Rule configuration/assistance ▪ Cerner Command Language (CCL) script review and compiling steps ▪ Server maintenance ○ Additional clinical training for trainers, limited to 16 hours of classes
Estimated Project Duration	<ul style="list-style-type: none"> • 2 - 3 months
Conversion Support	<ul style="list-style-type: none"> • Cerner will provide conversion support, when applicable, for a maximum of 3 days

NATIONAL DECISION SUPPORT COMPANY IMPLEMENTATION SERVICES
(CareSelect-200SU)

Service Description	<p>Phase 0: Pre- Implementation Tasks</p> <ul style="list-style-type: none"> • Contract execution • Project team assigned: Build analyst and project sponsor identified • Project scope and definition <ul style="list-style-type: none"> o Define High level scope and timeline o Define domain migration plan/path o Complete questionnaire o Define reporting needs • Export of CareSelect Imaging procedure mapping <p>Phase 1: Initial Procedure Mapping</p> <ul style="list-style-type: none"> • Conduct communication, training, and testing strategy meetings • If applicable, export PROD values for 'reason for exam' field • Export PROD procedures from Cerner for mapping process • Complete CareSelect Imaging procedure mapping • Expert (Client) review of procedure mapping <p>Phase 2: Non-Prod Setup and Integration</p> <ul style="list-style-type: none"> • Deploy CareSelect Imaging HTML alert <ul style="list-style-type: none"> o Build CCL scripts o Setup discern rules – ensure AIX/HP-UX outbound network accessibility • Configure CareSelect – web server, data table, and web App – integrate with HTML alert • Unit test end-to-end implementation • Performance testing
	<p>Phase 3: Testing and Training</p> <ul style="list-style-type: none"> • Unit test most common 10% of procedures • End-to-end integration workflow testing • Plan migration of build to Cerner production • Plan notification to clinicians about upcoming changes <p>Phase 4: Go-Live Execution & Client Communication</p> <ul style="list-style-type: none"> • Go-Live • Migrate build to production • Review orders and decision support session data to confirm successful set up and user adoption • 1-2 month(s) post go-live <p>Post live transition meeting to discuss ongoing support plan</p> <ul style="list-style-type: none"> • Review analytics package for ordering trends • Provide feedback to physicians with high rates of inappropriate exams or frequent use of free text 'Reason for Exam'

NATIONAL DECISION SUPPORT COMPANY IMPLEMENTATION SERVICES
(CareSelect-200SU)

Supplier Responsibilities	<ul style="list-style-type: none"> • Provide project plan and define project team roles for Client • Initial mapping of Client's radiology procedures to Client's radiology procedures to CareSelect Imaging radiology procedures, using extract provided by Client • Provide instructions for build of the CareSelect Imaging integration in Cerner • Provide assistance to Cerner project team and Client to trouble shoot issues during configuration and testing • Optimization support for both content and workflow
Client Responsibilities	<ul style="list-style-type: none"> • Identify clinical champions for CareSelect Imaging project • Provide extract for mapping radiology procedures • Perform the necessary build and set up in Cerner • Complete the testing plan • Communications and notifications for CareSelect Imaging go-live(s)

EPCS SETUP
(PS-24500C)

Cerner Tasks/Activities	<ul style="list-style-type: none"> • Perform build and foreign system interface changes, if required, to maintain and enhance e-prescribe functionality for Electronic Prescribing for Controlled Substances (EPCS) • Perform optimization of the discharge order action of up to 10 Order Entry Formats, if required • Provide Regulatory Consultant who will perform the following tasks, if needed: <ul style="list-style-type: none"> ○ Provide guidance and best practices for identify proofing/credentialing ○ Provide expertise and research around state-based pharmacy laws, boards and rules ○ Provide guidance around nomination and approval of access controls (dual factor authentication) ○ Provide guidance regarding requirement for ongoing security analysis • Build and test EPCS functionality in 1 non-production domain and 1 production domain • Create e-prescribe relationships in <i>Bedrock</i> and assign the EPCS service level for up to 100 providers (as a pilot)
Client Tasks/Activities	<ul style="list-style-type: none"> • Obtain a digital certificate generated from a certificate authority (or Client representative) for 1 non-production domain and for 1 production domain • Create remaining e-prescribe relationships in <i>Bedrock</i> and assign the EPCS service level to those Security Parameter Index (SPI) relationships
Deliverables	<ul style="list-style-type: none"> • Cerner will provide 1 trainer conversion preparation event • Cerner will provide 1 maintenance training event • Cerner will provide go-live troubleshooting support which will occur during normal business hours (8 AM-5 PM CST)
Project Assumptions	<ul style="list-style-type: none"> • Client must have the following prerequisites: <ul style="list-style-type: none"> ○ Required Base Code Level: 2015.01.15, per Drug Enforcement Administration (DEA) certification letter ○ <i>ePrescribe</i> version 10.6 ○ <i>ePrescribe Bedrock</i> Registration Wizard

EPCS SETUP
 (PS-24500C)

	<ul style="list-style-type: none"> ▪ Providers must have an established relationship via this tool for any location(s) from which provider wishes to e-prescribe controlled substances ○ <i>ePrescribe Bedrock</i> Logical Access Control Wizard ○ <i>P2Sentinel</i> version 4.5 or higher ○ <i>CareAware MultiMedia Archive</i> (CAMM) ○ Cerner Workflow Authentication (applicable for <i>Imprivata Confirm ID</i>) ○ Secondary Factor Authentication <ul style="list-style-type: none"> ▪ DEA approved devices include, but are not limited to, one-time-password tokens <ul style="list-style-type: none"> ▫ Soft token that supports RADIUS authentication ▫ Hard token that supports RADIUS authentication ▫ Biometric fingerprint reader (applicable only to <i>Imprivata Confirm ID</i>) • Providers who will be utilizing the EPCS functionality must be registered with the Cerner Hub and <i>SureScripts</i> via the <i>Bedrock Wizard</i> to obtain a unique SPI for each facility from which they will be e-prescribing • DEA regulation requires that providers wishing to e-prescribe controlled substance prescriptions be both nominated and approved for this service level; this will occur via the <i>Bedrock Wizard</i> and will require client input/interaction • Cerner's standard print requisitions have been updated to include the necessary DEA components in relation to EPCS; if Client has custom requisitions, Client must make the necessary modifications or utilize the services of a specialized team at Cerner • All activities will occur remotely
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CERNER WORKFLOW AUTHENTICATION SETUP
 (CTS-CERN-WORKFLOWC)

Cerner Tasks/Activities	<ul style="list-style-type: none"> • Identify Client organizational, clinical, and technical basis including: <ul style="list-style-type: none"> ○ Current solutions in the current production domain ○ Solutions and sites scheduled to go live through the documented <i>Cerner Millennium</i> solution roll-out schedule ○ Authentication requirements specific to Client's business model ○ Current computing infrastructure ○ Technical initiatives • Identify advanced authentication methods to be used • Identify existing software distribution technologies • Provide a high-level analysis and recommendation regarding the integration of physical and system access (if applicable) • Produce the project plan consisting of recommended configurations, integrations, and technologies as identified • Identify Client-defined end-states as defined by Client's requirements and produce gap-analysis and high-level recommendations • Manage the project
Deliverables	<ul style="list-style-type: none"> • Install and configure advanced authentication devices and workflow authentication policies • Validate and test the advanced authentication solution with production pilot group • Provide the following training: <ul style="list-style-type: none"> ○ Administrator training: conduct a 1 day on-site session focusing on training Client-assigned authentication administrator on the architecture overview, authentication policies, software deployment options, and reporting

CERNER WORKFLOW AUTHENTICATION SETUP (CTS-CERN-WORKFLOWC)

	<ul style="list-style-type: none"> o Help-desk training: conduct training sessions on resolving common technical problems and identifying advanced authentication resources for technical assistance o End-user training: coordinate with Client in setting up and scheduling end-user education sessions that cover the following: <ul style="list-style-type: none"> ▪ End-user enrollment for advanced authentication management ▪ Changes to expect in current workflows ▪ Support path during and after deployment
Project Assumptions	<ul style="list-style-type: none"> • Client will provide a minimum of 1 workstation per operating system configured with all identified applications and accounts for workflow authentication • Client is familiar with the core technologies used in Cerner Workflow Authentication • All work will be performed at Client's location unless otherwise noted or agreed upon

PREMIER PASS PACKAGE

TASKS/ACTIVITIES

Client Responsibilities.

- Premier Pass program participation
 - o Identify a primary point of contact (POC) for this engagement
 - o Facilitate the identification of Client resources, response to questions, and other requirements agreed to in the support of this engagement
 - o Complete the *uLearn* WBT for Report Creators and is responsible for pulling any utilization data from the *uLearn* Reporting Module
 - Create and manage Cerner.com or *uCern* account tied to a facility included within the Cerner Sales Order is required for electronic enrollment in WBTs
- On-site courses
 - o Client will identify a primary point of contact (POC) for this engagement
 - o Client POC will facilitate the identification of Client resources, response to questions, and other requirements agreed to in the support of this engagement
 - o Client will establish a Cerner.com or *uCern*.com account that is set to Client/Consultant access level
 - o Additional participants may be added with the approval of the instructor
 - Any participants over the maximum of 12 (not to exceed 15) will be invoiced above and beyond the Premier Pass package at \$400 per day, per person
- Virtual, Kansas City-based, or LINK courses
 - o No more than 2 enrollments are allowed per session
 - If there are already 2 Client employees enrolled in a particular session, Client has the option of choosing an alternate session, or placing the additional employees on the waitlist
 - If there is still availability 1 week prior to the session start date, Cerner will notify those on the waitlist and enroll them at that time
 - Client is allowed up to 2 enrollments per session, based on session availability; seats are not guaranteed in a session and are managed first come, first served
 - o If Client employee receives a failing grade for a course, the employee will be allowed one re-test for that course at no additional cost to Client
 - Client is responsible for any additional re-tests necessary
 - o Test-out options are available for many instructor-led courses; refer to test-out policy in the *uCern* Project and Technical Team training site
- On-site instructor support
 - o Provide instructor(s) directions from airport to Client facility 3 weeks before event date
 - o Provide building, floor, and room access for instructor(s) upon arrival through appropriate key, badge, passcode, or Client escort
 - o Complete a pre-course checklist to instructor's specifications
- Classroom Setup
 - o Cerner domain
 - Provide proper classroom space and facilities
 - Provide 1 device for each participant and instructor
 - Ensure devices meet Cerner technical specification guidelines

- Ensure participants have a cerner.com access for documentation used during class activities
- Ensure a whiteboard (with markers and eraser) or easel with a flip chart (and markers) is in the classroom
- Provide technical support before, during, and after the event:
- Provide audio and visual technical support
- Provide device technical support
- Provide network technical support
- Resolve any technical failures not directly related to *Cerner Millennium* software
- Provide additional materials and/or equipment as identified by Cerner at least 1 week prior to the event
- Client domain
 - Provide proper classroom space and facilities
 - Provide a *Cerner Millennium* application domain loaded with the *Cerner Millennium* basic data set (BDS) (required for the entire duration of the class)
 - It is strongly recommended that no one outside the class use this domain during the duration of the class due to system instability caused by class activities
 - If a BDS domain will not be used, activities and scenarios as presented in the course materials will not match what is seen in the domain. If a BDS domain will not be used, the chosen domain must contain test patients and sample reference data
 - Provide a sample to be used during class for database activity to be permanently added to the database
 - Ensure all devices are connected to Client's network to run the *Cerner Millennium* solutions as well as a terminal emulator session to connect to the back-end host system
 - Ensure the instructor device and participant devices are loaded with Microsoft Windows 2000 Professional, XP Professional or Windows Vista
 - Ensure the class has access to a laser printer near the classroom and the classroom devices are configured for this printer
 - Provide 1 device for each participant and instructor
 - Ensure the instructor device is connected to a projection device that can project a minimum resolution of 1024x768
 - Ensure all devices meet the technical specification guidelines provided by Cerner
 - Ensure each participant has a cerner.com log-on to access documentation used during class activities
 - Ensure a whiteboard (with markers and eraser) or easel with a flip chart (and markers) is in the classroom
 - Provide additional materials and/or equipment as identified by Cerner at least 1 week prior to the event
 - Provide technical support before, during, and after the event:
 - Provide audio and visual technical support
 - Provide device technical support
 - Provide network technical support
 - Resolve any technical failures not directly related to *Cerner Millennium* software

DELIVERABLES

- Cerner will provide 2 on-site courses with maximum of 1 on-site course scheduled per quarter
 - Includes TRAIN domain rental for use with on-site courses
- Cerner will provide additional instructor led courses, including:
 - Kansas City-based courses, virtual courses, LINK courses, and pre-Cerner Health Conference (CHC) workshops:
 - Unlimited enrollments during the term; and a maximum of 2 enrollments per session thereafter
 - Standard web-based training (WBT)
 - Unlimited
 - Illuminations sessions, podcasts, webinars, CHC recordings
 - Unlimited
 - CHC registrations
 - Unlimited for basic registration only
 - Cerner Certified Trainer Program
 - Two enrollments per Premier Pass term, no more than 2 enrollments are allowed per session, late cancellation fees will apply
- Web based training (WBT) courses will be hosted on *uLearn*:

PROJECT ASSUMPTIONS

- The term of the Premier Pass package will begin on July 1st, 2018 through June 30th, 2019
- All courses allotted must be scheduled and delivered within the terms of the contract
- It is Client's responsibility to request on-site courses and to manage all instructor-led enrollments, including virtual and LINK events to ensure all are completed by the end of the contract term
- The following facilities are included in the Premier Pass package. All employees located at this facility are covered under the Premier Pass package. Facilities not listed below are not included in the scope of work set forth in this Scope:
 - Kern Medical Center and all Permitted Facilities from Cerner System Schedule No. 3.
- All deliverables remain the sole and exclusive property of Cerner and may only be used as explained herein
- Standard *Cerner Millennium* WBT and instructor-led courses are included in the Premier Pass package, except the following:
 - Cerner: MillenniumObjects Fundamentals WBT
 - Cerner: Cerner MillenniumObjects Advanced Concepts

- Custom courses are excluded from the Premier Pass package. Custom courses may include, but are not limited to, those conducted by Cerner Ambulatory, *CernerWorks* and Cerner agile business units, such as *MPages*, *PowerInsight*, *CareCompass*, Physician Architect Program, and CDRC Pre-Implementation Workshop.
- Courses containing content provided by acquired companies are excluded from the Premier Pass package, which includes the following: *Anasazi*, *BeyondNow*, *Clairvia*, *CoPathPlus*, *InterMedHx*, *Labotics*, *Pure Wellness*, *Soarian*, and any future acquisitions
- Enrollment in all instructor-led courses is limited and determined on a first come, first served basis
- Course availability and location listed in the *uLearn* application is subject to change. If courses are obsoleted during the contract term, these courses will no longer be available during the contract term. As new standard *Cerner Millennium* courses and WBTs are added to the Course Catalog, they will become available to Client. Client may use the standard WBTs identified herein to its intended audiences within Client's facilities covered under the Premier Pass package. Client may not sell or otherwise distribute the WBTs to any parties or facilities not named herein
- Cerner instructor travel expenses for on-site courses are additional to the Premier Pass package and will be invoiced to Client
- Participant travel expenses to Cerner sponsored events are additional to the Premier Pass package and are to be paid by Client
- Cancellation Policies and Fees
 - Premier Pass package cancellation policy:
 - Client must notify their Cerner representative to renew their Premier Pass package at the end of the specified term. Notice of cancellation is not necessary, as the package will not be automatically renewed
 - Course cancellation policy:
 - All courses are subject to schedule change. Cerner has the right to change delivery method or cancel a course
 - Enrollment cancellation: To avoid penalties, cancellations (made by the participant or the participant's organization) must be received via email to cliented@cerner.com 21 business days prior to course start date. Participant substitutions are allowed, provided the replacement has met all prerequisites for that course and notification for enrollment has been received at cliented@cerner.com
 - Cerner advises participants refrain from booking travel until 21 business days prior to event. If participant chooses to purchase airfare prior to recommended date, it is suggested participant purchase a refundable airline ticket. Cerner will not be held responsible for any charges or fees incurred by participant due to course delivery or scheduling changes initiated prior to 21 days of the event start date
 - Action: 21 or more days prior to commencement
 - Cancellation Fee: \$0
 - Action: 20-8 days prior to commencement
 - Cancellation Fee: 50% of total individual cancelled course fees
 - Action: 7-0 days prior to commencement
 - Cancellation Fee: 100% of total individual cancelled course fees
 - Action: Failure to show (on-site, KC, LINK, or virtual classes)
 - Cancellation Fee: 100% of total individual cancelled course fees (80% attendance required to receive credit for the course)
 - Action: On-site course
 - Cancellation Fee: Fees set forth above, plus instructor's non-recoverable travel expenses
 - In the event Cerner cancels a course less than 21 business days prior to the scheduled course date which prohibits participants from attending, Client will receive an on-account credit to be applied toward future education courses. The scheduled course must have previously been paid in full in order to receive credit. Note: No credit will be offered if the class is cancelled due to Client's inability to meet material and/or technical obligations
- CHC Cancellation
 - All cancellations and transfers must be submitted in writing via mail, email, or fax to:
 - Email: CernerHealthConference@Cerner.com
 - Fax: 1.800.645.7110, option 1
 - Mail: Cerner Health Conference, C/O Abby Tibbles, 2800 Rockcreek Parkway, Kansas City, MO 64117
 - To transfer a registration within the organization, contact registration headquarters via email at CernerHealthConference@Cerner.com. Processing fees do not apply to name transfers
- Event Cancellation
 - Policies regarding cancellation to Cerner events will vary for each event. Prior to enrollment, Client should contact Cerner to obtain the unique cancellation policy
- A signed Cerner Sales Order must be on file to secure the on-site course date, late cancellation fees will apply
- Late cancellation fees apply

Solution Summary

This Sales Order outlines the professional services that have been purchased and that are associated with the Applications listed below, as well as additional consulting services purchased to supplement or support the implementation.

Application Services

- Consulting Services - Additional

Phasing Summary

Application/Service
Phase 1 - 3 Month Duration
Consulting Services - Additional

Professional Services Scope

Professional Services

Consulting Services

Cerner will utilize best practices experience to deliver the following services.

Additional Consulting Services

Cerner will perform the following OPENLink Integration Consultant tasks:

- Provide up to 200 hours for best practice recommendations and interface design, specification review, and migration/build support upon Client's completion of OPENLink education.

Project Assumptions

General Assumptions

The following General Assumptions frame the scope and work associated with the implementation. These assumptions are not intended to be a definitive list of tasks or responsibilities, but rather include key obligations required to support the mutually agreed upon scope.

- Kern Medical Center will provide an environment that supports the project team's work through completion of the project. This may include, but is not limited to, dedicated team conference room(s), separate desks for Cerner on-site consultants, telephone access, internet and network access, system access and sign-on and administrative support as appropriate
- Cerner and Client will mutually agree to the timing and scheduling of required Cerner education to support the implementation process
- Reimbursable Expenses. Client agrees to reimburse Cerner for the following travel expenses incurred by Cerner in its performance of Services: (a) air travel, not to exceed the coach class rate; (b) auto rentals; (c) lodging; (d) miscellaneous expenses, such as parking, taxi fares, and fuel; and (e) a per diem rate for meals, as published and updated by the U.S. General Services Administration.
- Shipping and Handling. Standard shipping and handling fees are payable upon shipment of the applicable Equipment. Additional fees may apply if Client requests expedited shipping. Notwithstanding any other agreement between the parties regarding shipping terms, the items set forth in this Cerner Sales Order will be shipped FOB the manufacturer's plant.
- Cerner will review Client provided information related to major business initiatives, such as facility or infrastructure expansion or renovation, additional technology investments, in-house re-engineering efforts, or other consulting engagements, that may affect the implementation during the planning phase when Client has contracted with Cerner for full implementation services.
- Kern Medical Center will translate their clinical and/or business requirements into system related decisions and settings. Cerner will provide guidance configuring software when appropriate for the level of contracted services

- Kern Medical Center will use current Third Party Software suppliers unless being replaced by a Cerner system included in this agreement
- Kern Medical Center will develop unit and integrated testing scenarios, as well as manage and execute System testing with Cerner collaborating with Client on resolution of functional design issues
- Kern Medical Center will develop core trainer and end user training materials if required for contracted software in this agreement
- Cerner base services include support for the Application live event as specified in the Project Workplan or this Sales Order. This also includes routing issues through the appropriate event tracking system and transitioning Client to support

Technology Assumptions

The following Technology Assumptions frame the scope and work associated with the implementation. These assumptions are not intended to be a definitive list of tasks or responsibilities, but rather include key obligations required to support the mutually agreed upon scope

- An enterprise backup solution is in place for CHO hardware components at Client site that includes the ability to recover data in accordance with Kern Medical Center defined timeframes

CAREVIVE SCOPE OF WORK (TP Carevive FF)	
<p>Service Description</p>	<p>Project Management - coordinate, communicate and track the activities of the integrated project team across all activities. This includes:</p> <ul style="list-style-type: none"> • Develop a unified project plan across all resources and work streams • Manage project timeline • Identify required Supplier resources and work efforts • Manage and facilitate the project kickoff meeting with project leaders • Track all project activities • Maintain the log of project issues and resolutions • Facilitate weekly status meetings and publish the associated minutes • Manage issue escalations with Supplier and Client <p>Program Design - formal project kickoff, laying the foundation of identifying key success criteria, target user groups, key implementation requirements as well as the initial roadmap of cancer types that will be addressed. This includes:</p> <ul style="list-style-type: none"> • Facilitate the analysis of current state including workflow, organization and available data. • Work with Client team to identify data gaps and closure strategies • Identify success KPIs and other criteria • Identify the future state process requirements • Work with the Client team to build the implementation roadmap. • The implementation process is executed in 5 integrated work streams <ul style="list-style-type: none"> o Configuration and Content Localization o Workflow Definition o Integration o Solution Validation o Training and Change Management

CAREVIVE SCOPE OF WORK
(TP Carevive FF)

	<p>Platform Configuration and Content Localization - implements the Supplier platform and localizes it to the specific local resources and clinical guidelines required by the practice. This includes:</p> <ul style="list-style-type: none"> • Setup both the production and staging (testing and training) environments. • Facilitate the localization of care plan resources (referrals, local education materials, etc.) • Facilitate the localization of care plan recommendations and tasks; configuring recommendations and tasks for all in-scope Clinical Topics • Configure the Supplier application with localized resources and recommendations • Configure Client surveys for distress screening <p>Workflow Design - builds on the current state analysis and workflow requirements defined during the program design, to define the future state clinical and administrative workflow that integrates the Supplier solution. This includes:</p> <ul style="list-style-type: none"> • Work with key member of the clinical and administrative teams to define the workflow with the Supplier Application • Socialize the clinical workflow with clinical staff to achieve consensus and buy-in <p>Solution Integration - ensures that the connections between Cerner data and Supplier are successfully configured. This includes:</p> <ul style="list-style-type: none"> • Complete the mapping of Cerner data to the Supplier application • Solution data gaps between the Clients Cerner implementation and Supplier • Define process changes required to close the data gaps • Set-up solution for single sign on • Supplier will deliver tumor registry integration prior to go-live of the Cerner integration. <p>Solution Validation - facilitates the testing and release readiness of the solution and ensures all product localizations are in place and correctly reflected in the platform, as well as ensures the integration properly maps the data into Supplier. This includes:</p> <ul style="list-style-type: none"> • Facilitate the development of the solution test plan (based on Supplier sample plans) • Execute solution testing with the Client to validate all localizations and integration • Perform troubleshooting and fix defects • Promote the configured solution to production <p>Training and Change Management - defines and executes the localization of training materials, the training of Client trainers, and the definition and facilitation of pre-work associated with workflow and process changes. This includes:</p> <ul style="list-style-type: none"> • Build the Supplier training materials • Coordinate training and change management plans with Client resources • Train the trainer activities • Setup of admin user accounts with privileges to manage the user community • Definition of pre-go-live activities and timeline • Off-site technical support for rollout
Deliverables	<ul style="list-style-type: none"> • Project plan • Meeting Minutes

CAREVIVE SCOPE OF WORK
(TP Carevive FF)

	<ul style="list-style-type: none"> • Program design presentation • Completed configuration worksheets for resource localization • Completed worksheets for compendium localization • Client-specific production and testing environment with all localizations • Completed workflow design presentation • Completed data integration setup in testing and production • Completed security (single sign on) integration in production • Solution test plans for the localized and integrated solution • Validated test and production environments • Localized training materials • Delivered training of Client trainers 																																								
Personnel	<ul style="list-style-type: none"> • <u>Project Manager</u> • <u>Solution/Integration Analyst</u> • <u>Clinical Specialist</u> • <u>Configuration Analyst</u> 																																								
Estimated Duration and Work Effort	<table border="1"> <thead> <tr> <th>Work stream</th> <th>Begin</th> <th>End</th> <th>Supplier Resource/Effort</th> <th>Client Resources</th> </tr> </thead> <tbody> <tr> <td>Project Management</td> <td>Week 1</td> <td>Week 12</td> <td>Project Manager (70 hrs)</td> <td>Project Manager</td> </tr> <tr> <td>Program Design</td> <td>Week 1</td> <td>Week 3</td> <td>Solution Analyst (10 hrs) Clinical Specialist (10 hrs)</td> <td>Project champion Clinical project leaders Project Business leaders</td> </tr> <tr> <td>Platform Configuration and Content Localization</td> <td>Week 4</td> <td>Week 8</td> <td>Solution Analyst (10 hrs) Configuration Analyst (15 hrs) Clinical Specialist (15 hrs)</td> <td>Clinical project leaders Navigation leaders</td> </tr> <tr> <td>Solution Integration</td> <td>Week 4</td> <td>Week 12</td> <td>Solution Analyst (20 hrs)</td> <td>Clinical IT Analysts/Developers</td> </tr> <tr> <td>Workflow Design</td> <td>Week 4</td> <td>Week 8</td> <td>Clinical Specialist (20 hrs)</td> <td>Clinical Staff</td> </tr> <tr> <td>Solution Validation</td> <td>Week 9</td> <td>Week 14</td> <td>Solution Analyst (30 hrs)</td> <td>Clinical Staff</td> </tr> <tr> <td>Training and Change Management</td> <td>Week 12</td> <td>Week 16</td> <td>Clinical Specialist (30 hrs)</td> <td>Project Champions Client Trainers</td> </tr> </tbody> </table>	Work stream	Begin	End	Supplier Resource/Effort	Client Resources	Project Management	Week 1	Week 12	Project Manager (70 hrs)	Project Manager	Program Design	Week 1	Week 3	Solution Analyst (10 hrs) Clinical Specialist (10 hrs)	Project champion Clinical project leaders Project Business leaders	Platform Configuration and Content Localization	Week 4	Week 8	Solution Analyst (10 hrs) Configuration Analyst (15 hrs) Clinical Specialist (15 hrs)	Clinical project leaders Navigation leaders	Solution Integration	Week 4	Week 12	Solution Analyst (20 hrs)	Clinical IT Analysts/Developers	Workflow Design	Week 4	Week 8	Clinical Specialist (20 hrs)	Clinical Staff	Solution Validation	Week 9	Week 14	Solution Analyst (30 hrs)	Clinical Staff	Training and Change Management	Week 12	Week 16	Clinical Specialist (30 hrs)	Project Champions Client Trainers
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Client Responsibilities	<ul style="list-style-type: none"> • Project Management <ul style="list-style-type: none"> ○ Assign a staff member to serve as Supplier's primary point of contact ○ Prepare a brief status report for each weekly meeting ○ Provide feedback on product usability and areas for improvement • Platform Configuration and Content Localization <ul style="list-style-type: none"> ○ Provide a copy of Client's logo to be used on Client's subdomains ○ Provide a copy of annual report (broken down number of the annual volume of each tumor type) to Supplier by end of Q1 of each year ○ Complete configuration worksheets, including identification of Client-specific resources for Supplier care plan recommendations and tasks 																																								

CAREVIVE SCOPE OF WORK
(TP Carevive FF)

	<ul style="list-style-type: none"> o Provide copies of any and all PDFs to be loaded into Supplier's CMS • Solution Integration <ul style="list-style-type: none"> o Support data availability and gap analysis o Support data gap closure o Provide any required software development against the Client's IT infrastructure • Workflow Design <ul style="list-style-type: none"> o Participate in current state workflow discovery o Participate and approve future state workflow design • Acceptance Testing and Operational Readiness <ul style="list-style-type: none"> o Modify test plan as necessary o Run test cases o Report defects o Approve configuration for automated deployment into production • Product Support Center Configuration <ul style="list-style-type: none"> o Assist with problem isolation and testing fixes • User Training and Production Deployment (Go-Live) <ul style="list-style-type: none"> o User management
Assumptions	<ul style="list-style-type: none"> • Final timelines and project schedule will be reviewed and approved by the Client during the first 3 weeks of the project • Cerner will direct Client to assign appropriate clinical and IT staff to the project on a timely basis • Cerner will direct Client to assign staff will have the ability to sign off on deliverables • Cerner will direct Client to provide timely feedback on all deliverables and work products • Cerner will notify Client staff that delays in delivering Client assigned tasks and work products may result in schedule delays and additional costs.

Third Party Services. Capitalized terms used in third party statements of work shall have the meanings ascribed to them herein, or as set forth in the applicable third party's pass-through provisions. Where there is a conflict between the definitions in third party statements of work and the Agreement, the definitions in this Scope of Services section shall control, but only with regards to the subject matter set forth herein.

Client: Kern County Hospital Authority
 1700 Mount Vernon Ave
 Bakersfield, CA 93306-4018 USA

Subject: Solution Delivery

Document ID: 1-6DXSK3G

This Event Activity Report ("EAR") serves as confirmation that delivery has occurred of the solutions set forth below. This delivery event does not include customization or implementation of such solutions.

Solution Family	Solution Code	Solution Description
iAccess	CTP-IATK-SMALL	Cerner Instant Access Toolkit (1-249 beds)
PathNet	PA-22247	Cassette Labeler Interface (Uni-Dir) w/o NiceLabel
Workflow Authentication	CTP-CERN-WORKFLOWC	Cerner Workflow Authentication

I acknowledge that delivery of these solutions occurred on _____.
(Date)

The following signature represents completion of this delivery event.

ACCEPTED FOR KERN COUNTY HOSPITAL AUTHORITY

By: _____

(type or print)

Title: _____



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Agreement with Corepoint Health for the purchase and implementation of an integrated engine software solution for the facilitation of the Millennium Project which is the implementation of the Cerner electronic health record.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with Corepoint Health which provides for an Integration Engine software solution that integrates healthcare applications and connects healthcare providers together to facilitate efficient and timely patient data flow. The Integration Engine is a mission critical integration solution that provides a platform for developing interfaces quickly and accurately using communications protocols and data standards customized by the user.

Year 1 cost: \$167,950.00

- License fees
- Implementation services
- Training costs
- \$10,000 travel expenses

Years 2 thru 7: \$139,200 (if agreement is allowed to renew)

- \$23,200 per year including annual support costs and Developers' license

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to a limitation of liability to six months of fees, indemnification limited to infringement and does not include any indemnification for possible malfeasance, fees for cooperation in possible litigation due to breaches of privacy laws, and strict notification terms for requests of documents.



SOFTWARE LICENSE AND SERVICES AGREEMENT
Contract #1086

Effective Date: _____

Corepoint Health, LLC

3010 Gaylord Parkway
Suite 320
Frisco, TX 75034
("Corepoint Health")

Kern County Hospital Authority

1700 Mount Vernon Avenue
Bakersfield, CA 93306
("Customer")

This Software License and Services Agreement (the "Agreement") sets forth the terms and conditions governing transactions between Customer and Corepoint Health under which Customer licenses the Corepoint Health proprietary software as specifically identified in one or more schedules hereto, and acquires maintenance and professional services to support the software.

1. DEFINITIONS

"Deliverable" means any literary work and other work of authorship (other than the Software) that Corepoint Health delivers to Customer in the course of providing Professional Services.

"Documentation" means user manuals that describe the functions, operation, and use of the Software, and that Corepoint Health makes generally available to licensees of the Software, whether in printed or electronic format.

"Enterprise" is any legal entity (such as a corporation) and the subsidiaries it owns by more than 50%.

"Error" means any material defect or malfunction in the Software that causes the Software not to conform in material respects with Corepoint Health's current published specifications for the Software, provided that such nonconformance interferes with the usability of the Software, and Corepoint Health is unable to provide Customer with a workaround.

"Professional Services" means consulting, development work, training, and other professional services provided by Corepoint Health to Customer as described in Statements of Work entered into by the parties.

"Schedules" contain details confirming each order by Customer of Software or Support Services, including applicable pricing. Each Schedule incorporates this Agreement by reference.

"Schemas" means the various transaction schemas and related message format configuration artifacts provided by Corepoint Health for use with the Software.

"Services" means both Professional Services and Support Services.

"Software" means whole or partial copies of (a) the object code form of the Corepoint Health software products identified in Schedule A or in a subsequent Schedule; (b) Documentation; and (c) Updates. **"Client Software"** means that portion of the Software which resides on a workstation and accesses or utilizes functionality or services in a server. Client Software is used to control and monitor the Server Software. **"Server Software"** means that portion of the Software which is installed on, and provides services or functionality for, the server. The Server Software provides message processing, communications, and related functions.

"Statement of Work" or **"SOW"** means the document that describes the Professional Services provided by Corepoint Health to Customer.

"Support Services" means Corepoint Health's standard support and maintenance services for the Software.

"Updates" are corrected or modified versions of the Software, including enhancements, modifications, error corrections, fixes, patches, and new releases.

2. LICENSE GRANT AND RIGHTS OF USE

- a. License. Subject to the terms and conditions of this Agreement, Corepoint Health grants to Customer, as of the date specified on the applicable Schedule, a non-exclusive, non-transferable (except in connection with an assignment pursuant to Section 11.g), non-sublicensable license to (i) install and use the Software within Customer's Enterprise for Customer's own internal business purposes by up to the number of licenses for which Customer has paid license fees; and (ii) use the Schemas solely in connection with Customer's authorized use of the Software. Customer agrees not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or

legend appearing on, within, or displayed by the Software. Additional or different license terms may be specified on the applicable Schedule. With respect to licenses purchased for a one-time fee (rather than on an annual or other term-limited basis), then such license rights are also perpetual. The license granted under this Agreement includes the right to permit Customer's agents and contractors to exercise the right granted in this Section in the course, and solely for the purpose, of performing services for Customer, provided that Customer will ensure that such agents and contractors adhere to the terms and conditions of this Agreement and that Customer will be responsible for any failure of such agents and contractors to do so.

- b. **Limitations.** Customer will not: (i) transfer the Software except (A) internally, within Customer's Enterprise, to a different server provided that Customer has obtained from Corepoint Health a new activation code or license key, or (B) in connection with an assignment pursuant to Section 11.g; (ii) use the Software or Schemas to process (or permit the Software or Schemas to process) data for any third party; (iii) use the Software or Schemas in operation of a service bureau; or (iv) except as permitted under Section 2.a, permit any third parties to use the Software or Schemas. In addition, Customer will not reproduce, modify, translate, decompile, disassemble, reverse engineer, or distribute the Software in any form or by any means. Customer may not disclose the results of any benchmark test of the Software to any third party.
- c. **No Other License.** All rights, title, and interest in and to the Software, Schemas, Deliverables and Services, including all intellectual property and proprietary rights in connection therewith, are and will remain with Corepoint Health. Except as expressly set forth in this Agreement, no rights or implied licenses in such intellectual property are granted to Customer by this Agreement.

3. SUPPORT SERVICES

- a. **Description of Support Services.** Commencing with the Effective Date of this Agreement, Corepoint Health will provide Customer with Support Services under Corepoint Health's Support Services policies in effect on the date such Services are ordered for the fees specified in the applicable Schedule. A current copy of Corepoint Health's Support Services policies as of the Effective Date is attached hereto as Exhibit A ("Description of Support Services"). Corepoint Health may change Exhibit A on written notice (which may include posting such changed Exhibit on Corepoint Health's web site) if the proposed changes provide for standards of service that are at least as beneficial to Customer as those provided in the then-current Exhibit A. Except as otherwise provided in this Agreement, fees paid for Support Services are nonrefundable.
- b. **Renewal of Support Services.** Corepoint Health Support Services are ordered annually in advance of Corepoint Health's provision of Support Services during the Term of this Agreement as follows: Corepoint Health will provide Customer with reasonable notice of Support Services fees due for the next subsequent twelve month period (each, a "Support Period"). Corepoint Health will not invoice Customer for such fees more than 60 days prior to the expiration of the current Support Period. Renewal will be effective upon Corepoint Health's receipt of Customer's payment. If Customer does not remit payment by the commencement date of the new Support Period, Support Services will be cancelled. Customer may also cancel Support Services at the end of a Support Period upon written notification to Corepoint Health.

4. PROFESSIONAL SERVICES

- a. **Statement of Work.** Customer may request that Corepoint Health provide Customer with Professional Services to train Customer on the use of the Software, develop interfaces or perform other consulting services. If Corepoint Health agrees to do so, the parties will enter into a Statement of Work with respect to such Services. Each Statement of Work must be signed by both parties and may include, for example, a description of the Professional Services to be performed by Corepoint Health, the obligations of each party, applicable charges, Deliverables (if any) to be provided by Corepoint Health, and any other terms. If a Statement of Work contains an estimated schedule, each party agrees to make reasonable efforts to carry out its responsibilities according to that schedule. Corepoint Health provides Professional Services at its facilities, unless otherwise agreed to in the applicable Statement of Work.
- b. **Fees for Professional Services.** Corepoint Health ordinarily bases the fees charged for Professional Services on the hourly rates of the consultants performing the Services under the applicable Statement of Work (referred to as "Time-and-Materials Services"). However, for certain matters, Corepoint Health may charge a fixed fee for such Services based on such factors as the results achieved, the novelty or difficulty of the Services to be performed, the amount at stake, or the time limitations under which Corepoint Health is to perform (referred to as "Fixed-Fee Services"). All Services provided by Corepoint Health under this Agreement are Time-and-Materials Services unless the applicable Statement of Work specifies that Services are Fixed-Fee Services.
- c. **Acceptance of Professional Services.** Acceptance of Professional Services will be deemed to occur unless Customer notifies Corepoint Health in writing of any material nonconformities of the Services with the applicable Statement of Work within ten business days after Corepoint Health has provided such Services to Customer ("Acceptance Period"). In that event, Customer will provide sufficient documentation to enable Corepoint Health to understand the reasons Customer believes the Services are nonconforming and other pertinent details. Corepoint Health will use commercially reasonable efforts to correct the nonconformities and make such correction available to Customer for acceptance

testing as provided above. Acceptance will also be deemed to occur if the Professional Services or Deliverables are put to productive use on behalf of or by Customer.

- d. Modifications to the Statement of Work. Either party may request changes or modifications to the Statement of Work. When the parties agree to change a Statement of Work, Corepoint Health will prepare a written description of the agreed-upon change to the Statement of Work which must be signed by both parties. Any change in the Statement of Work may affect the charges, estimated schedule, or other terms.
- e. License to Use Deliverables. With respect to any Deliverables specified in a Statement of Work as being provided by Corepoint Health to Customer, Corepoint Health hereby grants Customer the non-exclusive, worldwide, fully paid-up, royalty-free license to use copies of each such Deliverable solely in connection with its use of the Software to the same extent and pursuant to the same terms and conditions as provided in this Agreement for such Software.
- f. Termination of a Statement of Work. Either party may terminate a Statement of Work on ten business days' written notice to the other. Upon termination, neither party will have any obligation to the other on account of such termination except that Customer will pay Corepoint Health for Services satisfactorily rendered and non-recoverable travel or travel-related expenses incurred through the date of termination. If Customer has prepaid for Professional Services under the affected Statement of Work, Corepoint Health will refund to Customer any amounts remaining from that prepayment after deducting amounts due for Services satisfactorily rendered and non-recoverable travel or travel-related expenses incurred through the date of termination.

5. DELIVERY; FEES AND PAYMENT

- a. Delivery of the Software; License Keys. For each order of Software or Support Services accepted by Corepoint Health, Corepoint Health will provide Customer with a Schedule confirming the specific details of the order. All distributions of Software ordered by Customer will be via FTP download, HTTP download, or similar technology. Corepoint Health may include features that restrict or eliminate the use of the Software until Corepoint Health receives full payment. Upon payment, Corepoint Health will provide Customer with a new activation code/license key that enables use of the Software by up to the number of licenses for which Customer has paid license fees.
- b. Fees. Customer agrees to pay Corepoint Health the fees set forth in the applicable Schedule for the licenses conveyed in, and Support Services provided under, this Agreement. Customer will pay Corepoint Health for Professional Services as specified in the applicable Statement of Work. Any extension in Customer's rights of use, including any additional licenses, will require the payment of additional fees in accordance with Corepoint Health's then current terms and fees. Corepoint Health may change its fees by notifying Customer in writing at least 30 days in advance of the effective date of the change except that Corepoint Health will only change fees for Support Services prior to commencement of any Renewal Term. Changed rates applicable to Professional Services will apply to any Statement of Work entered into after the effective date of the increase but will not affect the rates for Professional Services provided under a Statement of Work signed before the effective date, except as Corepoint Health and Customer otherwise agree.
- c. Reimbursement of Expenses. Customer agrees to reimburse Corepoint Health for reasonable and actual travel and living expenses incurred in the performance of Services provided such expenses have been pre-approved by Customer. In preapproving expenses, Customer will comply with its travel policies. As a government entity, Customer follows the U.S. General Services Administration (GSA) per diem rates for lodging, meals, and incidental expenses. Any expense seeking reimbursement that is not covered by the GSA per diem rates, must have receipts accompanying the request for reimbursement.
- d. Additional Payment Terms. All payments will be made in U.S. dollars and will be due within 30 days after receipt of Corepoint Health's invoice (or as otherwise set forth in the applicable Statement of Work with respect to payment for Professional Services). Amounts charged by Corepoint Health do not include any applicable taxes or similar fees. Customer is responsible for all such amounts and will pay them in full (except for taxes based on Corepoint Health's net income). Any purchase order submitted by Customer to Corepoint Health will be used only for invoice processing purposes and will have no legal effect.

6. CONFIDENTIALITY.

- a. Confidentiality Obligations. In connection with each party's rights and obligations under this Agreement, each party (the "disclosing party") may disclose to the other party (the "recipient") certain of its confidential or proprietary information ("Confidential Information"). In the case of Corepoint Health, Customer agrees that the Software and Schemas are Corepoint Health Confidential Information. The terms of this Agreement are Confidential Information of both parties. Each party as recipient agrees: (i) to exercise at least the same degree of care to safeguard Confidential Information of disclosing party as recipient exercises to safeguard the confidentiality of its own confidential information, but not less than reasonable care; (ii) to use the disclosing party's Confidential Information only in connection with exercising its rights and performing its obligations under this Agreement; and (iii) to not disclose or disseminate the disclosing party's Confidential Information to any third party and that the only employees and contractors who will have access to the

disclosing party's Confidential Information will be those with a need to know who have agreed to abide by the obligations set forth in this Section pursuant to a written confidentiality agreement.

- b. **Exceptions to Confidentiality.** Information will not be deemed Confidential Information of either Customer or Corepoint Health under this Agreement if such information: (i) is or becomes rightfully known to recipient without any obligation of confidentiality or breach of this Agreement; (ii) becomes publicly known or otherwise ceases to be secret or confidential, except through a breach of this Agreement by the recipient of such Confidential Information; or (iii) is independently developed by the recipient of such Confidential Information. The recipient of such Confidential Information may disclose such Information pursuant to the requirements of a governmental agency or by operation of law, provided that the recipient gives the disclosing party reasonable prior written notice sufficient to permit the disclosing party to contest such disclosure. Corepoint Health is aware that Customer is a government entity and is subject to the California Public Records Act, *Cal. Govt. Code §6250 et seq.*, the Brown Act, *Cal. Govt. Code §54950 et seq.*, and other laws pertaining to government entities. Customer acknowledges that that Corepoint Health is entitled to certain statutory and judicial exceptions governing disclosure of trade secrets. Upon receiving any request under the Act for disclosure of Corepoint Health information other than this Agreement, Customer agrees to provide Corepoint Health with reasonable written notice prior to responding to the request sufficient to permit Corepoint Health to contest such disclosure and to cooperate with Corepoint Health as reasonably requested by Corepoint Health. Thereafter, information required by law to be disclosed will be disclosed only to the extent required to comply with its legal obligation to do so and the parties will not be in violation of this Section for so complying.

7. WARRANTIES; WARRANTY DISCLAIMER

- a. **Warranties.** Corepoint Health makes the following warranties:
- i. Corepoint Health has the right to enter into and grant the licenses described in this Agreement.
 - ii. for the period ending 30 days from the Effective Date of this Agreement (the "Warranty Period"), the Software will perform substantially as described in the applicable Documentation. If the Software fails to perform as warranted, and Customer reports such failure in writing to Corepoint Health within the Warranty Period, Corepoint Health will correct or replace the Software as soon as practicable.
 - iii. Corepoint Health will perform Support Services in a workmanlike manner. If Corepoint Health fails to do so, and Customer reports such failure to Corepoint Health promptly after the performance of such Services, Corepoint Health will re-perform the Services.
 - iv. Corepoint Health warrants that it will perform Professional Services in a timely and professional manner in accordance with the applicable Statement of Work. If Corepoint Health fails to do so, and provided Customer has notified Corepoint Health in writing of such failure within ten business days after Corepoint Health has provided the Services to Customer, Corepoint Health will re-perform the Services as described in Section 4.c ("Acceptance of Professional Services"). If Corepoint Health is unable to do so within a reasonable period of time, Customer may terminate the affected Statement of Work, and Corepoint Health will refund to Customer amounts paid by Customer for the nonconforming Services under the Statement of Work.
- b. **Money-Back During Warranty.** During the Warranty Period, Customer may terminate this Agreement upon written notice to Corepoint Health if Customer is dissatisfied, for any reason, with the Software. In that event, Corepoint Health will refund to Customer all fees which have been paid by Customer to Corepoint Health for the Software, Customer will cease all use of such Software, this Agreement will terminate, and neither party will have any further obligations under this Agreement.
- c. **WARRANTY DISCLAIMER. THE PROVISIONS OF THIS SECTION 7 CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, AND COREPOINT HEALTH'S SOLE AND EXCLUSIVE LIABILITY, FOR BREACH OF THE WARRANTIES FOR SOFTWARE AND SERVICES. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THIS SECTION, COREPOINT HEALTH AND ITS SUPPLIERS AND LICENSORS (COLLECTIVELY, "SUPPLIERS") HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (IMPLIED, STATUTORY OR OTHERWISE), INCLUDING BUT NOT LIMITED TO THE WARRANTY OF NONINFRINGEMENT, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. COREPOINT HEALTH DOES NOT WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE.**

8. INDEMNIFICATION

- a. **Indemnification Obligation.** Corepoint Health will indemnify, defend, and hold harmless Customer from and against all claims, suits or actions arising out of or resulting from any action against Customer that is based on any third party claim that the Software infringes that party's United States patents, copyrights, or trade secrets, and will pay the amount of any final judgment awarded (including reasonable attorney's fees and costs) or final settlement made with respect to such claim. To qualify for indemnification under this Agreement, Customer agrees to (i) promptly notify Corepoint Health in writing of the existence of any such action; (ii) grant Corepoint Health sole authority and control for the defense or

settlement of such action; and (iii) provide Corepoint Health with all reasonable assistance for the defense or settlement of such action. Customer may elect to participate in any such action with an attorney of its own choice and at its own expense. In addition to Corepoint Health's obligation of indemnification, if the Software becomes or, in Corepoint Health's opinion, is likely to become the subject of a claim of infringement, Corepoint Health may, at its option, either procure for Customer the right to continue using the Software or replace or modify the Software to make it non-infringing. If neither of the foregoing alternatives is commercially reasonable, Corepoint Health may terminate the license for the Software and refund to Customer the price paid Corepoint Health for such Software depreciated on a five year straight line basis.

- b. Exceptions. Corepoint Health's indemnification obligations will not apply to any claim of infringement resulting from: (i) the combination of the Software with other products or services (to the extent that the claim is based upon such combination); (ii) use of the Software if it has been modified or otherwise changed by a party other than Corepoint Health if such claim would not have arisen without such modification or change; (iii) use of the Software in a manner not authorized by this Agreement or provided for in the Documentation; or (iv) use of other than the most current release of the Software, if such claim would have been avoided by use of the most current release.
 - c. Entire Obligation. The foregoing states the entire obligation and liability of Corepoint Health with respect to any third party claim.
9. **LIMITATION OF LIABILITY**. Except with respect to liability arising from Customer's breach of Sections 2 ("License Grant and Rights of Use") or 4.e ("License to Use Deliverables"), either party's breach of Section 6 ("Confidentiality"), or Corepoint Health's obligation of indemnification under Section 8 ("Indemnification") of this Agreement, (a) each party's total liability to the other from any cause whatsoever, whether for breach of contract or other default, negligence, misrepresentation, or other contract or tort claim, is limited to the amount of any actual direct damages or loss, up to the total license fee payments plus six months of fees for support services made or owed by Customer to Corepoint Health for the Software or Services which were the subject of the claim, and (b) in no event will either party be liable for any special, incidental, indirect, exemplary, punitive or consequential damages, including but not limited to those for business interruption or loss of profits, even if such party knew or should have known of the possibility of such damage. In no event will Corepoint Health be liable for third party claims against Customer for losses or damages (other than those for which Corepoint Health indemnifies Customer as set forth in Section 8 ("Indemnification")), or loss of, or damage to, Customer's records or data. This limit also applies to any of Corepoint Health's Suppliers. It is the maximum for which Corepoint Health and its Suppliers are collectively responsible.

10. TERMINATION

- a. Term. Unless this Agreement is terminated by mutual agreement or as otherwise provided herein, this Agreement will commence on the Effective Date, and remain in effect for a period of twelve months ("Initial Term"). After expiration of the Initial Term, this Agreement will automatically renew for successive twelve month terms (each, a "Renewal Term" and, together with the Initial Term, referred to as the "Term") unless one party elects to terminate this Agreement by giving the other party at least 30 days' written notice prior to the end of the Initial Term or any Renewal Term.
- b. Termination for Cause. Either party may terminate this Agreement, a Schedule or a Statement of Work hereunder upon 30 days prior written notice to the other party, if the other party is in material breach under this Agreement and fails to cure such material breach within 30 days after delivery of such written notice.
- c. Non-appropriation. Customer reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, Customer will be released from any further payment obligations to Corepoint Health, except for amounts due for licenses purchased and services performed prior to the date of termination for which payment has not been made. Corepoint Health will be given 30 days' prior written notice in the event that Customer terminates for such a reason.
- d. Effect of Termination. In the event of termination, each party will return to the other the original and all copies of the Confidential Information in the other's possession, custody or control or, in lieu of returning such Confidential Information, destroy all copies of such Confidential Information, and certify to such destruction in a writing signed by its officer. Notwithstanding the foregoing, licenses granted hereunder prior to termination will remain in effect unless (i) the Customer terminates this Agreement during the Warranty Period as described in Section 7.b ("Money-Back During Warranty"), or (ii) termination is due to Customer's breach in either of which events Customer will: (x) immediately stop using the Software and Schemas, and (y) return to Corepoint Health or destroy, as described above, the original and all copies of the Software and Schemas.
- e. Survival. Customer's obligation to pay Corepoint Health amounts due hereunder will survive any expiration or termination of this Agreement. The terms of any other Sections that by their nature are intended to extend beyond termination, including Sections 2 ("License Grant and Rights of Use") or 4.e ("License to Use Deliverables") (unless the Customer terminated this Agreement as described in Section 7.b ("Money-Back During Warranty") or Corepoint Health terminated this Agreement for Customer's breach), 6 ("Confidentiality"), 8 ("Indemnification"), 9 ("Limitation of Liability"), 10 ("Termination") and 11 ("General Provisions") will survive termination of this Agreement for any reason.

11. GENERAL PROVISIONS

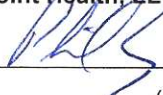
- a. Certifications. Any certification, regulatory approval or filings required (such as, but not limited to, Site Registration, Device Listing, Medical Device Reporting, 510(k) Premarket Notification, and proof of adherence to Good Manufacturing Practices) are exclusively the responsibility of Customer. Corepoint Health has no obligation to provide assistance in any form with respect to any such review, documentation, or filings.
- b. Suggestions. Customer may from time to time provide suggestions, comments or other feedback ("Feedback") to Corepoint Health with respect to the Software or Services. Corepoint Health is free to use the Feedback for any purpose, without obligation.
- c. Export. Customer will comply with all export laws, rules, and regulations of the United States government and any other applicable jurisdiction pertaining to the Software. Customer hereby certifies that it will not directly or indirectly, export, re-export, or otherwise transfer the Software or related information, media, or products in violation of any applicable laws, rules, and regulations.
- d. Force Majeure. Neither party will be liable to the other for any delay or failure to perform its obligations hereunder if such delay or failure arises from any cause or causes beyond that party's reasonable control.
- e. Notices. All notices required to be given under this Agreement will be given in writing, and sent to the recipient party's address stated in this Agreement, unless otherwise changed in writing. All notices will be given by certified or registered mail, or overnight carrier. Such notices will be deemed given on the date of receipt of delivery of said notice.
- f. No Waiver; Severability. No breach or provision of this Agreement will be deemed waived, modified or excused, unless such waiver, modification or excuse is in writing and signed by an authorized representative of the waiving, modifying or excusing party. If any portion of this Agreement is determined to be or becomes unenforceable or illegal, such portion will be deemed eliminated and the remainder of this Agreement will remain in effect in accordance with its terms as modified by such deletion.
- g. Assignment. Neither party may assign or transfer its rights or obligations under this Agreement without the other party's prior written consent except (i) in connection with a merger, acquisition or sale of all or substantially all of its assets or (ii) in the case of Customer, by operation of law if Customer has been dissolved. Any purported assignment in violation of this Section will be null and void.
- h. Audits, Inspection and Retention of Records. In the event that the Agreement provides for services to be performed by Corepoint Health worth \$10,000 or more over a twelve (12) month period, Corepoint Health agrees, until the expiration of four years after the expiration, termination or non-renewal of the Agreement, to make available to the Secretary, U.S. Department of Health and Human Services, and the U.S. Comptroller General and their representatives, the Agreement and all books, documents and records necessary to certify the nature and extent of fees charged by Corepoint Health for those services. If Corepoint Health carries out any of the duties described herein through a subcontract worth Ten Thousand Dollars (\$10,000) or more over a twelve (12) month period with a related organization, the subcontract will also contain an access clause to permit access by the Secretary, Comptroller General and their representatives to the related organization's books, documents and records. The State of California and Customer to the extent applicable shall have the same rights conferred upon the Secretary, U.S. Department of Health and Human Services, and the U.S. Comptroller General herein.
- i. Miscellaneous. This Agreement (including, without limitation, Schedules, Statements of Work, and Exhibits) constitutes the final, complete and exclusive statement of the agreement between the parties with respect to the subject matter hereof. Except as expressly set forth herein, this Agreement may not be modified except by a writing signed by authorized representatives of each party. If there is a conflict among the terms of the various documents, Statements of Work and Schedules prevail over Exhibit terms, and Exhibit terms prevail over the base terms of this Agreement. This Agreement supersedes any click-through license agreements that may be included within the Software. This Agreement will be governed by and construed in accordance with the laws of the State of California without giving effect to principles of conflict of law. This Agreement expressly excludes and disclaims the terms of the UN Convention on Contracts for the International Sale of Goods, which Convention will not apply to any transaction under this Agreement. The parties agree that, regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to this Agreement must be filed within two years after such claim or cause of action arose or be forever barred. If either party employs attorneys to enforce any rights arising out of or related to this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs from the other party. By signing below, Customer and Corepoint Health acknowledge and agree to this Agreement as of the Effective Date.

[Remainder of page intentionally left blank]

Signature required by certain date. This Agreement will be null and void unless Customer returns an executed copy to Corepoint Health on or prior to August 31, 2018.

Agreed to:

Corepoint Health, LLC

By: 
(Signature)

Phil Guy

(Name typed or printed)

CEO

(Title)

6/11/2018

(Date)

Agreed to:

Kern County Hospital Authority

By: _____
(Signature)

Russell E. Bigler

(Name typed or printed)

Chairman, Board of Governors

(Title)

June 20, 2018

(Date)



EXHIBIT A
to
Software License and Services Agreement
Contract #1086

Description of Support Services

1. **Description of Support Services.** Corepoint Health provides the following Support Services with respect to the Software:
 - a. **Technical Assistance.**
 - i. Customer will provide Corepoint Health with the names of Customer's designated support representatives (each, a "Designated Support Contact"), each of whom will be knowledgeable regarding HL7 and the applicable Software. Corepoint Health will provide Customer with the information needed by such Designated Support Contacts to access Corepoint Health's customer support web site and to submit support requests on-line. Customer will notify Corepoint Health promptly with any changes to such Designated Support Contacts.
 - ii. Currently, the Corepoint Health customer support center is available to assist the Designated Support Contact during the hours between 8:00 a.m. and 6:00 p.m. Central Time on regular business days, excluding Corepoint Health holidays. Corepoint Health may, with thirty (30) days notice, change the hours during which customer support center is available but will not shorten the hours of support per day. Customer may request that Corepoint Health provide support for the Software outside of the hours referenced above, and Corepoint Health agrees to provide such support at its standard hourly rates then in effect except that such charges will not apply to Corepoint Health's efforts to resolve any Error which is production inhibiting (see Section 1.c below).
 - iii. Corepoint Health will provide Customer with those Updates to the Software which Corepoint Health makes generally available to customers. Corepoint Health's preferred method of delivery for Updates is via a download from Corepoint Health's web site. However, Corepoint Health may select other methods for delivering Updates such as, but not limited to, via CD-ROM or magnetic media.
 - iv. Customer will maintain at its expense both an Internet e-mail address, and a method and means to download Updates from Corepoint Health's web site. Corepoint Health will use Customer's e-mail address for notification of Updates and for correspondence regarding requests for support.
 - b. **Software Problem Reporting.** Customer agrees to test and verify, on an isolated development environment, any suspected Errors in the Software or Documentation and, through its Designated Support Contact(s), to submit reports concerning suspected Errors to support@corepointhealth.com. To more effectively diagnose problems, Customer's Designated Support Contact(s) agrees to confirm with the system administrator that all supporting systems (e.g., server hardware, etc.) are functioning properly before contacting Corepoint Health Customer Support, and to have the following information available prior to calling Corepoint Health: Corepoint Health Software product and version, available disk space, installed memory and hard disk space, client operating system, and server operating system (including Service Pack). In addition, Customer will provide a clear description of the problem or question, including whether the Error is production inhibiting, and any Error codes or messages. With respect to production inhibiting Errors, once Customer has (i) entered the Error into Corepoint Health's automated system (via support@corepointhealth.com) and via a call into the Corepoint Health customer support center, and (ii) logged the Error as production inhibiting, Corepoint Health will use every effort to initially respond to Customer within 20 minutes. Customer's Designated Support Contact will provide Corepoint Health with data that Corepoint Health reasonably requests in order to reproduce operating conditions similar to those present when the potential Error was discovered. If Corepoint Health requests written verification of an Error or other malfunction discovered by Customer, Customer will promptly provide such verification, by email, telecopy, or overnight mail, setting forth in reasonable detail the respects in which the Software fails to perform. In addition, Customer will provide in a timely manner and with sufficient detail all example data, scripts, source code, or usage patterns that cause the Error to occur. Upon request, Customer will provide Corepoint Health with remote access to Customer's computer system for the purpose of remote diagnostics. Corepoint Health Customer Support may redefine Corepoint Health's Software problem reporting procedures as needed in which event Corepoint Health will post such updated procedures on its customer support web site.
 - c. **Bug Fixes.** Corepoint Health will investigate each suspected Error reported by a Designated Support Contact to determine whether, in Corepoint Health's judgment, the suspected Error is, in fact, an Error. In the event Corepoint

Health determines, in its reasonable judgment, that the suspected Error is, in fact, not an Error, but Customer disagrees with such determination, Corepoint Health and Customer will work together to resolve such difference. This may include, but is not limited to, Corepoint Health's demonstrating to Customer why it does not believe that the Error is, in fact, an Error. If Corepoint Health confirms that there is an Error in the Software, and if the Error is production inhibiting, Corepoint Health agrees to commence investigation of such Error within twenty minutes after such Error is confirmed and to use continuous and diligent efforts to provide an avoidance procedure, a Workaround, or an Error Correction until Customer is back in production. Corepoint Health agrees, if feasible, to commence investigation of a suspected Error on the business day on which such Error is detected. If Corepoint Health confirms that there is an Error in the Software, but the Error is not production inhibiting, Corepoint Health will use reasonable efforts to provide an avoidance procedure, a workaround, or an Error correction. Corepoint Health will have discretion as to the method and manner of maintenance and support efforts, including the use of non-Corepoint Health personnel.

d. Software Updates. As permanent solutions are developed for known Errors in the Software, they will be incorporated from time to time in planned Updates. Corepoint Health will provide such Updates to the Designated Support Contact as they are released. In the event Corepoint Health modifies the Documentation for the Software, Corepoint Health will also provide one copy of such Documentation to the Designated Support Contact at no additional charge as it becomes available.

2. **Conditions and Limitations of Services.** Corepoint Health's obligations to render Support Services are subject to the following conditions and limitations:

a. Problems Caused by Third Party Products, Errors in Use of Software, or Modifications to the Software. Corepoint Health has no obligation to provide Support Services with respect to problems in the use or functioning of the Software caused by any (i) hardware or software product (including but not limited to operating systems, networks, and third party software) not provided to Customer by Corepoint Health, (ii) error in the use of the Software inconsistent with the Documentation, or (iii) modification of the Software by any person or entity other than one authorized by Corepoint Health (including, without limitation, any modifications to Software which by their nature and functionality are modifiable by Customer). If Support Services are rendered for any problem caused by any of the foregoing or for troubleshooting with respect to any of the foregoing, or if Corepoint Health's Support Services efforts are increased as a result, Corepoint Health reserves the right to impose charges at its then standard commercial time and materials rates for all such services, including travel and per diem expenses. The Corepoint Health customer service representative will notify a caller as soon as the billable status of the call is determined. The caller may terminate the call at that time without charge.

b. Maintenance of Current Releases of the Software. Customer should promptly install Updates to maintain the Software in the most current revision level. Corepoint Health provides Support Services only for (i) the most current major released version of the Software; and (ii) for a period of twelve months subsequent to the release date of the most current major version, the immediately preceding major release. Corepoint Health will have no obligation to support Customer where Customer is using a version of the Software that is not a then-supported release. Corepoint Health recommends that an isolated development environment be replicated outside of the production environment in order to test all new or changed processes and software upgrades prior to making modifications to the live production environment.

c. Access to Customer's Facilities. Customer may need to supply Corepoint Health with access to and use of all information and facilities reasonably necessary for Corepoint Health to render these services, subject to any security requirements or other company procedures of Customer. Resolving some product issues may require Corepoint Health to dial in to Customer's Corepoint Health's server or to otherwise remotely access the Software. If Corepoint Health is not permitted or is unable to do so, Customer may experience slower resolution times or higher costs, and Corepoint Health's ability to resolve a problem may be inhibited.

d. Backup Procedures. Customer is responsible for maintaining procedures external to the Software for reconstruction of lost or altered files, data, or programs to the extent it deems necessary, and for actually reconstructing any lost or altered files, data, or programs.

SCHEDULE A
to
Software License and Services Agreement
Contract #1086

SOFTWARE PRODUCTS – PRICING AND SUPPORT

Effective Date: _____

Software Product and Additional License Terms:

1. Corepoint Integration Engine Software Product (Engine Mode) – Production License

Server License – Additional Terms: Corepoint Health grants Customer the right to install the Server Software on one server for use in production and on a second server for use as the Assured Availability backup. Connections can be purchased by Customer at the rate set forth below. Each copy of the Software will be enabled for use via a license key.

Client License – Additional Terms: Customer may install and use the Client Software on an unlimited number of workstations provided such Client Software is only being used in conjunction with authorized copies of the Server Software.

Number of Licenses and License Fees:

Software Product	Number of Licenses	License Fees	Initial Configuration	
			Qty	Price
Corepoint Integration Engine with Assured Availability*	1 (Base license)	\$30,000.00	1	\$30,000.00
RFMDB Gear with Assured Availability	1	6,000.00	1	6,000.00
Package of Five (5) connections with A2 (price is for each of the ten (10) packages required to add connections 1 – 50).	As needed	6,000.00	10	60,000.00
Package of Five (5) connections with A2 (price is for each package required to add connections over 50).	As needed	3,000.00		
File Gear	1	5,000.00	1	5,000.00
FTP Gear	1	5,000.00	1	5,000.00
Total Initial Configuration				\$106,000.00

* The license fee of \$30,000.00 is for one Corepoint Integration Engine base license and does not include any product extensions. Connections may be licensed for a per license fee from the table labeled Number of Licenses and License Fees.

Corepoint Integration Engine Gears

Customer may use the licensed Gears Software solely in connection with Customer’s use of Corepoint Integration Engine, as permitted in the Agreement and the relevant Schedule.

2. Corepoint Integration Engine Software Product, Developer Edition (Engine Mode) – Nonproduction License

License Grant: The following terms apply to the Corepoint Integration Engine Software Product, Developer Edition (“Developer Edition”), and replace the license grant set forth in Section 2.a (“License”) of the Agreement:

Subject to the terms and conditions of this Agreement, Corepoint Health grants Customer the right to install the Developer Edition on up to the number of machines for which Customer has paid license fees for internal use solely to design, develop, test, and support Customer’s use of the Corepoint Integration Engine Software as authorized in the Agreement, including this Schedule. Neither production use nor “Hot Standby” processing capabilities are allowed.

The duration of the license grant is for a period of twelve months from the date on which Corepoint Health issues an activation code/license key to Customer that enables access to the Developer Edition (the "Initial License Term"). While the Agreement is in effect and unless either party has notified the other at least 30 days in advance of the expiration of the then current term of its intent not to renew the license, at the expiration of the Initial License Term, Customer's license for the Developer Edition will automatically renew for additional twelve month terms subject to payment of applicable license fees, and Corepoint Health will issue an activation code/license key for the additional twelve-month term.

Developer's License Fee:

Software Product	Annual License Fees	Qty	Price
Team Developer's License (For use on up to three machines within Customer's Enterprise)	\$2,000.00	1	\$2,000.00
Department Developer's License (For use on up to eight machines within Customer's Enterprise)	5,000.00		
Organization Developer's License (For use on up to thirty machines within Customer's Enterprise)	10,000.00		
Developer's License Total			\$2,000.00

Software Product Support Fees

Length of Initial Support Period: 12 months

Annual Support Fees:

Software Support	Number of Licenses	License Support Fees	Initial Configuration	
			Qty	Price
Corepoint Integration Engine with Assured Availability	1 (Base license)	\$6,000.00	1	\$6,000.00
RFMDB Gear with Assured Availability	1	1,200.00	1	1,200.00
Package of Five (5) connections with A2 (price is for each of the ten (10) packages required to add connections 1 – 50).	As needed	1,200.00	10	12,000.00
Package of Five (5) connections with A2 (price is for each package required to add connections over 50).	As needed	600.00		
File Gear	1	1,000.00	1	1,000.00
FTP Gear	1	1,000.00	1	1,000.00
Total Initial Configuration				\$21,200.00

Current Hourly Rate: Integration Engineer – \$175.00

Solution Architect – \$250.00

Current Annual Renewal Rate: \$21,200.00

Special Payment Provisions

- Following the purchase of the Total Initial Configuration detailed in the table labeled "Number of Licenses and License Fees," Corepoint Health will defer payment for any *additional* purchases of connections made by Customer through June 30th of each year. On July 1st of each year, Corepoint Health will invoice the license fees for such additional connections, and payment will be due as specified in the Agreement.
- Support Services fees applicable to such additional purchases of connections will be waived through June 30th of each year. On July 1st of each year, annual fees for Support Services applicable to such additional purchases will commence.

EXHIBIT “D”

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”) is entered into by and between the Kern County Hospital Authority on behalf of Kern Medical Center (“**Covered Entity**”) and Corepoint Health, LLC. (“**Business Associate**”) (each a “**Party**” and collectively the “**Parties**”), effective as of effective date of the underlying agreement (the “**Effective Date**”).

RECITALS

WHEREAS, Covered Entity is a “Covered Entity” as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91), as amended, (“**HIPAA**”), and the regulations promulgated thereunder by the Secretary of the U.S. Department of Health and Human Services (“**Secretary**”), including, without limitation, the regulations codified at 45 C.F.R. Parts 160, 162, and 164 (“**HIPAA Rules**”);

WHEREAS, Business Associate performs Services for or on behalf of Covered Entity, and in performing said Services, Business Associate may create, receive, maintain, or transmit Protected Health Information (“**PHI**”);

WHEREAS, the Parties intend to protect the privacy and provide for the security of PHI Disclosed by Covered Entity to Business Associate, or received or created by Business Associate, when providing Services in compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (Public Law 111-005) (the “**HITECH Act**”) and its implementing regulations and guidance issued by the Secretary; and

WHEREAS, the Privacy and Security Rules (defined below) require Covered Entity and Business Associate to enter into a BAA that meets certain requirements with respect to the Use and Disclosure of PHI, which are met by this BAA.

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

**ARTICLE I
DEFINITIONS**

1.1 “**Breach**” shall have the meaning given under 45 C.F.R. § 164.402.

1.2 “**Breach Notification Rule**” shall mean the Breach Notification for Unsecured Protected Health Information interim final rule at 45 C.F.R. Parts 160 and 164, Subpart D, as may be amended from time to time.

1.3 “**Designated Record Set**” shall have the meaning given such term under 45 C.F.R. § 164.501.

1.4 “**Disclose**” and “**Disclosure**” mean, with respect to PHI, the release, transfer, provision of access to, or divulging in any other manner of PHI outside of Business Associate or to other than members of its Workforce, as set forth in [45 C.F.R. § 160.103](#).

1.5 “**Electronic PHI**” or “**e-PHI**” means PHI that is transmitted or maintained in electronic media, as set forth in [45 C.F.R. § 160.103](#).

1.6 “**Protected Health Information**” and “**PHI**” mean any information created, received or maintained by Business Associate on behalf of Covered Entity, whether oral or recorded in any form or medium, that: (a) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) shall have the meaning given to such term under the Privacy Rule at [45 C.F.R. § 160.103](#). Protected Health Information includes e-PHI.

1.7 “**Privacy Rule**” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended from time to time.

1.8 “**Security Rule**” shall mean the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C, as may be amended from time to time.

1.9 “**Services**” shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to any service agreement(s) between Covered Entity and Business Associate which may be in effect now or from time to time (the “**Underlying Agreement**”), or, if no such agreements are in effect, then the services or functions performed by Business Associate that constitute a Business Associate relationship, as set forth in [45 C.F.R. § 160.103](#).

1.10 “**SubContractor**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#).

1.11 “**Unsecured PHI**” shall have the meaning given to such term under [42 U.S.C. § 17932\(h\)](#), [45 C.F.R. § 164.402](#), and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009) by the Secretary.

1.12 “**Use**” or “**Uses**” mean, with respect to PHI, the sharing, employment, application, utilization, examination or analysis of such PHI within Business Associate’s internal operations, as set forth in [45 C.F.R. § 160.103](#).

1.13 “**Workforce**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#)

Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in HIPAA or the HITECH Act, as applicable.

ARTICLE II OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate shall not Use or Disclose PHI other than as permitted or required by any Underlying Agreement, this BAA, or as Required by Law. Business Associate shall not Use or Disclose PHI in any manner that would constitute a violation of the Privacy Rule if so Used or Disclosed by Covered Entity, except that Business Associate may Use or Disclose PHI (i) for the proper management and administration of Business Associate; (ii) to carry out the legal responsibilities of Business Associate, provided that with respect to any such Disclosure either: (a) the Disclosure is Required by Law; or (b) Business Associate obtains a written agreement from the person to whom the PHI is to be Disclosed that such person will hold the PHI in confidence and shall not Use and further Disclose such PHI except as Required by Law and for the purpose(s) for which it was Disclosed by Business Associate to such person, and that such person will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached. Business Associate may perform Services, including Data Aggregation for the Health Care Operations purposes of Covered Entity and de-identification of PHI in accordance with 45 C.F.R. § 164.514, if required by any Underlying Agreement or with the advance written permission of Covered Entity.

2.2 Adequate Safeguards of PHI. Business Associate shall implement and maintain appropriate safeguards to prevent Use or Disclosure of PHI other than as provided for by this BAA. Business Associate shall reasonably and appropriately protect the confidentiality, integrity, and availability of e-PHI that it creates, receives, maintains or transmits on behalf of Covered Entity and shall comply with Subpart C of 45 C.F.R. Part 164 to prevent Use or Disclosure of PHI other than as provided for by this BAA.

2.3 Reporting Non-Permitted Use or Disclosure.

2.3.1 Reporting Security Incidents and Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity in writing each Security Incident or Use or Disclosure that is made by Business Associate, members of its Workforce, or SubContractors that is not specifically permitted by this BAA no later than twenty-four (24) hours days after becoming aware of such Security Incident or non-permitted Use or Disclosure, in accordance with the notice provisions set forth herein. Notwithstanding the foregoing, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and Covered Entity acknowledges and agrees that no additional notification to Covered Entity of such ineffective Security Incidents is required, as long as no such incident results in unauthorized access, Use or Disclosure of PHI. Business Associate shall investigate each Security Incident or non-permitted Use or Disclosure of Covered Entity's PHI that it discovers to determine whether such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI and shall provide a summary of its investigation and risk assessment to Covered Entity. Business Associate shall document and retain records of its investigation of any suspected Breach, including its reports to Covered Entity under this Section 2.3.1. Business Associate shall take prompt corrective action and any action required by applicable state or federal laws and regulations relating to such Security Incident or non-permitted disclosure. If Business Associate or Covered Entity, in its review of this initial report, determines that such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI, then Business Associate shall comply with the additional requirements of Section 2.3.2 below.

2.3.2 Breach of Unsecured PHI. If Business Associate or Covered Entity determines that a reportable Breach of Unsecured PHI has occurred, Business Associate shall provide a written report to Covered Entity without unreasonable delay but no later than five (5) calendar days after discovery of the Breach. To the extent that information is available to Business Associate, Business Associate's written report to Covered Entity shall be in accordance with 45 C.F.R. §164.410(c). Business Associate shall cooperate with Covered Entity in meeting Covered Entity's obligations under the HIPAA Rules with respect to such Breach. Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the Secretary and, if applicable, the media. Business Associate shall reimburse Covered Entity for its reasonable and actual costs and expenses in providing the notification, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, and costs of mitigating the harm (which may include the costs of obtaining credit monitoring services and identity theft insurance) for affected individuals whose PHI has or may have been compromised as a result of the Breach.

2.3.3 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA.

2.5 Use of SubContractors. Business Associate shall require each of its SubContractors that creates, maintains, receives, or transmits PHI on behalf of Business Associate, to execute a Business Associate Agreement that imposes on such SubContractors substantially the same restrictions, conditions, and requirements that apply to Business Associate under this BAA with respect to PHI.

2.6 Access to Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall make the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets available to Covered Entity for inspection and copying, or to an Individual to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524. If Business Associate maintains PHI in a Designated Record Set electronically, Business Associate shall provide such information in the electronic form and format requested by the Covered Entity if it is readily reproducible in such form and format, and, if not, in such other form and format agreed to by Covered Entity to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524(c)(2). Business

Associate shall notify Covered Entity within five (5) days of receipt of a request for access to PHI from an Individual.

2.7 Amendment of Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall amend the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets to enable the Covered Entity to fulfill its obligations under 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within five (5) days of receipt of a request for amendment of PHI from an Individual.

2.8 Accounting. Within thirty (30) days of receipt of a request from Covered Entity or an Individual for an accounting of disclosures of PHI, Business Associate and its SubContractors shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c). Business Associate shall notify Covered Entity within five (5) days of receipt of a request by an Individual or other requesting party for an accounting of disclosures of PHI from an Individual.

2.9 Delegated Responsibilities. To the extent that Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate must comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.

2.10 Availability of Internal Practices, Books, and Records to Government. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI promptly available for inspection and copying to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Rules. In addition, Business Associate agrees that Covered Entity shall have the right to audit such practices, books, and records of Business Associate to determine Business Associate's compliance with the HIPAA Rules and shall promptly make available to Covered Entity access to such books, records, or other information relating to the Use and Disclosure of PHI for such purpose subject to Covered Entity's maintaining all of such practices, books, and records in strict confidentiality and using such practices, books, and records solely for the purpose described in this Section.

2.11 Minimum Necessary. Business Associate (and its SubContractors) shall, to the extent practicable, limit its request, Use, or Disclosure of PHI to the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure, in accordance with 42 U.S.C. § 17935(b) and 45 C.F.R. § 164.502(b)(1) or any other guidance issued thereunder.

2.12 Acknowledgement. Business Associate acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA, the HITECH Act, and the HIPAA Rules. Business Associate shall comply with all applicable state privacy and security laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

ARTICLE III OBLIGATIONS OF COVERED ENTITY

3.1 Covered Entity's Obligations.

3.1.1 Covered Entity will (i) comply with HIPAA and the HITECH Act in its Use and Disclosure of PHI; (ii) not Use or Disclose PHI in any manner that violates applicable federal or state laws; (iii) request Business Associate to Use or Disclose PHI to another party only for the purposes allowed by HIPAA, the HITECH Act, and state privacy and security laws; and (iv) implement and follow appropriate minimum necessary policies in the disclosure of any PHI under this Agreement or in requesting Business Associate to use PHI in the performance of the Underlying Agreement.

3.1.2 Covered Entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

3.1.3 Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to Use or Disclose his or her PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

3.1.4 In the event Covered Entity agrees with an Individual to any restrictions on Use or Disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or if Covered Entity determines that it is obligated to accommodate a reasonable request of an Individual to receive communications of PHI pursuant to 45 C.F.R. § 164.522(b), Covered Entity promptly shall notify Business Associate of the same, as well as any revocation or modification of the same, and Business Associate thereupon shall observe such restriction or accommodation (or revocation or modification, if any, thereof) to the extent applicable to its Use or Disclosure of PHI hereunder, notwithstanding any other provision hereof, except as otherwise required by law.

3.1.5 Covered Entity agrees to obtain any consent or authorization that may be required under HIPAA or any other applicable law and/or regulation prior to furnishing Business Associate with PHI.

3.1.6 Covered Entity shall not request Business Associate to make any Use or Disclosure of PHI that would not be permitted under HIPAA if made by Covered Entity. Covered Entity agrees to fulfill its obligations under this BAA in a timely manner.

ARTICLE IV TERM AND TERMINATION

4.1 Term. Subject to the provisions of Section 4.1, the term of this BAA shall be the term of any Underlying Agreement.

4.2 Termination of Underlying Agreement.

4.2.1 A breach by Business Associate of any provision of this BAA, as determined by Covered Entity, shall constitute a material breach of the Underlying Agreement and shall provide grounds for immediate termination of the Underlying Agreement, any provision in the Underlying Agreement to the contrary notwithstanding.

4.2.2 Covered Entity may terminate the Underlying Agreement, effective immediately, if: (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws or (ii) a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

4.3 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in any Underlying Agreement, upon Covered Entity's knowledge of a material breach or violation of this BAA by Business Associate, Covered Entity shall either:

4.3.1 Notify Business Associate of the breach in writing, and provide an opportunity for Business Associate to cure the breach or end the violation within ten (10) business days of such notification; provided that if Business Associate fails to cure the breach or end the violation within such time period to the satisfaction of Covered Entity, Covered Entity may terminate this BAA and any Underlying Agreement upon thirty (30) calendar days written notice to Business Associate; or

4.3.2 Upon thirty (30) calendar day written notice to Business Associate, immediately terminate this BAA and any Underlying Agreement if Covered Entity determines that such breach cannot be cured.

4.4 Disposition of Protected Health Information Upon Termination or Expiration.

4.4.1 Upon termination or expiration of this BAA, Business Associate shall return or destroy all PHI received from, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form and retain no copies of such PHI. If Covered Entity requests that Business Associate return PHI, PHI shall be returned in a mutually agreed upon format and timeframe.

4.4.2 If return or destruction is not feasible, Business Associate shall: (a) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities; (b) return to Covered Entity the remaining PHI that the Business Associate still maintains in any form; (c) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains the PHI; (d) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to the same conditions set out in Sections 2.1 and 2.2 above, which applied prior to termination; and (e) return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

ARTICLE V MISCELLANEOUS

5.1 Regulatory References. A reference in this BAA to a section or other part of HIPAA, the HIPAA Rules, or the HITECH Act means, as of any point in time, the section or part as it may be amended or in effect at such time.

5.2 Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as necessary for Covered Entity to implement its obligations pursuant to HIPAA, the HIPAA Rules, or the HITECH Act.

5.3 Relationship to Underlying Agreement Provisions. In the event that a provision of this BAA is contrary to a provision of an Underlying Agreement, the provision of this BAA shall control solely as such this BAA pertains to compliance with HIPAA and the HITECH Act with respect to PHI. Otherwise, this BAA shall be construed under, and in accordance with, the terms of such Underlying Agreement, and shall be considered an amendment of and supplement to such Underlying Agreement.

5.4 Headings. The headings of the paragraphs and sections of this BAA are inserted solely for convenience of reference and are not a part or intended to govern, limit or aid in the construction of any term or provision hereof.

5.5 Equitable Relief. Business Associate understands and acknowledges that any Disclosure or misappropriation of any PHI in violation of this BAA may cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further Disclosure or Breach and for such other relief as Covered Entity shall deem appropriate. Such right of Covered Entity is to be in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

5.6 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, cyber and privacy liability insurance on an occurrence basis, covering Business Associate, its officers, employees, agents and SubContractors. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.7 Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any SubContractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA who have access to PHI available to Covered Entity, at a cost agreed upon by the Parties, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of HIPAA or other applicable laws relating to privacy or security of PHI by Business Associate except that the foregoing shall not apply where (i) Business Associate is indemnifying Covered Entity or responsible for mitigating costs and expenses of the unauthorized use or disclosure, (ii) where Business Associate or its Subcontractor, employee or agent is the target of an investigation or a named an adverse party, or (iii) where such assistance would result in the waiver or deemed waiver of any attorney-client, or other legal privilege to which Business Associate or its personnel is or may be entitled.

5.8 Indemnification. Notwithstanding anything to the contrary which may be contained in any Underlying Agreement, including but not limited to any limitations on liability contained therein, Business Associate hereby agrees to indemnify, defend, and hold harmless Covered Entity and its

respective officers, directors, managers, members, employees and agents from and against any and all losses, damages, fines, penalties, claims or causes of action and associated expenses (including, without limitation, costs of judgments, settlements, court costs and attorney's fees) resulting from Business Associate's (including its employees, directors, officers, agents, or other members of its Workforce, and its SubContractors) Use or Disclosure of PHI in violation of (i) the terms of this BAA, including but not limited to failure of Business Associate to perform its obligations under this BAA, or (ii) HIPAA or applicable state privacy or security law (collectively, the "Misuse of PHI"); provided, however, that if both Covered Entity and Business Associate are partially responsible for the Misuse of PHI, then Business Associate shall bear financial liability for only that portion of any resulting damages that arises from Business Associate's Misuse of PHI.

5.9 Legal Actions. If legal action is brought by the Secretary against Business Associate that may affect the interests of Covered Entity or jeopardize this BAA, Business Associate will use commercially reasonable efforts to notify Covered Entity, except to the extent prohibited by law.

5.10 Notice of Request or Subpoena for Data. Business Associate agrees to notify Covered Entity promptly, but no later than five (5) business days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions, for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.

5.11 Requests from Secretary. Business Associate shall use commercially reasonable efforts to promptly advise Covered Entity of any subpoena from by the Secretary concerning any actual or alleged violation by Business Associate of the Privacy Rule or the Security Rule with respect to Covered Entity's PHI.

5.12 Notices. Any notices required or permitted to be given hereunder by either Party to the other shall be given in writing: (1) by personal delivery; (2) by electronic mail or facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt, in each case, addressed to a Party on the signature page(s) to this BAA, or to such other addresses as the Parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. mail as required herein.

Covered Entity's Notice Address:

Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306
Attn: Chief Executive Officer

Business Associate's Notice Address:

Corepoint Health, LLC
3010 Gaylord Parkway, Suite 320
Frisco, TX 75034
Attn: Privacy Officer

5.13 Relationship of Parties. Notwithstanding anything to the contrary in any Underlying Agreement, Business Associate is an independent Consultant and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all Business Associate obligations under this BAA.

5.14 Survival. To the extent that Business Associate retains PHI, the respective rights and obligations of the Parties set forth herein, including in Sections 2.3, 3.1, 4.4, 5.8, and 5.10 of this BAA shall survive the termination, expiration, cancellation, or other conclusion of the BAA or any Underlying Agreement.

5.15 Interpretation. Any ambiguity in this BAA shall be interpreted to permit the Parties to comply with HIPAA, the HITECH Act, and the HIPAA Rules.

5.16 Governing Law; Applicable Law and Venue. This BAA shall be construed in accordance with the laws of the State of California applicable to agreements made and to be performed in such state.

5.17 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other term or condition hereof.

5.18 Assignment and Delegation. Neither this BAA nor any of the rights or duties under this BAA may be assigned or delegated by either Party hereto.

5.19 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

5.20 Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA relating to certification of its security practices, Covered Entity or its authorized agents or Consultants may, upon reasonable written notice and subject to strict obligations of confidentiality, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures, and records, as may be necessary for such agents or Consultants to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HIPAA Rules, the HITECH Act, or this BAA.

5.21 Counterparts. This BAA may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on both Parties hereto.

The Parties hereto have executed this BAA as of the Effective Date.

COVERED ENTITY:


The Kern County Hospital Authority on
behalf of Kern Medical Center

Title: Chief Executive Officer

Date: _____

BUSINESS ASSOCIATE:

Corepoint Health, LLC



Title: CEO

Date: 6/11/2018



STATEMENT OF WORK

for

Installation of Corepoint Integration Engine and Assured Availability (A2), Onsite Workshops, Level 1: Corepoint Integration Engine and Level 2: Corepoint Integration Engine Training

Kern County Hospital Authority
Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306

SOW EFFECTIVE DATE:

_____, **2018**

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3010 Gaylord Parkway, Suite 320, Frisco, TX 75034

Confidential & Proprietary
Fax: (214) 618-7001

I. Overview

This Statement of Work (SOW) is governed by the terms and conditions of the Software License and Services Agreement (Contract No. 1086) in effect between Kern County Hospital Authority ("Customer") and Corepoint Health, LLC ("Corepoint Health") (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Agreement.

This SOW is based upon preliminary information received from Customer in oral and/or written form and represents the understanding and interpretation by Corepoint Health of Customer's requirements as expressed by Customer. The statements, requirement definitions, and other contents of this SOW are subject to further discussion and clarification, and may be changed and clarified as additional information is provided to Corepoint Health by Customer or is otherwise obtained by Corepoint Health.

II. Definitions

Connection: An Interface Object that is defined for every system from which Corepoint Integration Engine receives data and for every system to which Corepoint Integration Engine sends data.

Corepoint Health Point of Contact (Corepoint Health POC): The individual designated by Corepoint Health to provide leadership for the Corepoint Health team(s) assigned to perform the Services specified in this SOW. The Corepoint Health POC is responsible for the administration and technical direction of all Corepoint Health activities, and is the primary point of contact for Customer regarding any communications pertaining to this SOW.

The Corepoint Health POC will:

1. Assign Corepoint Health resources required for the Services to be performed under this SOW and determine that they are available as scheduled.
2. Coordinate activities between the Customer POC and the Corepoint Health team.
3. Monitor the progress of the Services to be performed under this SOW, and communicate Project status with Customer.
4. When necessary, work with the Customer POC to execute change control activities.
5. Monitor customer satisfaction throughout performance of the Services under this SOW.
6. Ensure the Services are delivered as specified under this SOW.

Customer Point of Contact (Customer POC): The individual designated by Customer to provide leadership for the Customer responsibilities in this SOW, including to coordinate activities between the Corepoint Health POC and the Customer team(s). The Customer POC is responsible for the administration and technical direction of all Customer activities. The Customer POC will:

1. Assign the Customer resources required for the tasks and determine that they are available as scheduled.
2. Monitor Customer progress of Customer responsibilities in this SOW and communicate status with Corepoint Health.

3. Ensure that the Customer team(s) will be available for kick-off and status meetings, if applicable.
4. Work with the Corepoint Health POC to execute change control activities.

Customer Primary Contacts: The individuals designated by Customer as the primary contact person(s) within each application system and/or department to assist in the creation or modification of the needed environments. Examples would be the EHR Application Manager, Network Administrator, VM Infrastructure Lead, or SQL Server DBA. The Customer Primary Contacts will be available as needed for the Services in this SOW.

Interface: A single message type from one application or system (the source) to another application or system (the destination) via Corepoint Integration Engine, in one direction. In order to achieve an Interface within the Software, two Connections are typically required.

Interface Object: A configurable element that is developed in the Software for an Interface.

Interface Specification: The written definition of the Interface which includes requirements by the source and destination systems.

Production Deployment: The act of going live with Interfaces. It means to install all Interface Objects related to an Interface that are slated for go-live from the Test Environment to the Production Environment. This includes the validation and activation of the Interface(s) for productive use.

Production Environment: The instance of the Software at the Customer site dedicated to productive use of the Software.

Project: An endeavor undertaken to achieve a specific goal. The Project has resources assigned to meet a set of objectives. The Project scope is defined in the Services section of this SOW.

Software or Corepoint Integration Engine: For purposes of this SOW, "Software" or "Corepoint Integration Engine" refers to Corepoint Integration Engine.

System Integration Testing: Application to application testing at the Customer site using test environments for all available applications to confirm that the entire system level integration meets requirements.

Test Messages: Production quality messages that are used for testing during Interface development. Test Messages should reflect the desired output and match the Interface Specification.

Test Environment: The instance of the Software dedicated to developing and/or testing Interfaces at the Customer site.

Unit Testing: Method of validating Interface Objects in the Software during the development process to ensure results match Interface Specifications, and before delivery to the Test Environment for System Integration Testing.

III. General Assumptions

This SOW is predicated upon the following assumptions. Additional assumptions may be specified throughout this SOW as applicable.

1. Unless specified otherwise, all Services will be performed remotely with no onsite travel required. With respect to Services to be performed onsite as specified in this SOW or as otherwise requested by Customer, the following applies:
 - a. Specific dates for the onsite travel will be mutually agreed upon and scheduled in advance.
 - b. Customer will provide Corepoint Health with any necessary security badge or facility access.
 - c. Customer is responsible for pre-approved travel expenses incurred by Corepoint Health for the onsite Service per the Agreement.
2. Corepoint Health will perform Services during normal business hours, Monday through Friday, excluding holidays. If Customer requests that Services be performed outside of these hours, special arrangements will be made (additional fees may apply).
3. Software response time or performance criteria are not specified and have not been modeled.
4. Services will be provided on a time-and-materials basis.

IV. General Corepoint Health Responsibilities

The following are the general Corepoint Health responsibilities. Additional Corepoint Health responsibilities may be specified throughout this SOW as applicable.

1. Resources

- a. Corepoint Health will provide a Corepoint Health POC.
- b. Corepoint Health will provide additional resources as needed for the Services in this SOW.

V. General Customer Responsibilities

The following are the general Customer responsibilities. Additional Customer responsibilities may be specified throughout this SOW as applicable.

1. Resources

- a. Customer will provide a Customer POC.
- b. Customer will provide additional resources as needed for the Services in this SOW.

2. Application Systems Communications/Connectivity

- a. Customer will provide application support for all required systems as needed for Corepoint Health to perform the Services.
- b. Customer will provide communications support for its network(s).

- c. Customer will install and secure all cabling, communications facilities, and application software/hardware configuration.
- d. Customer will provide the hardware and software infrastructure required for the Services.

3. Corepoint Health Remote Access

Customer will provide means for remote access to the Corepoint Integration Engine servers to perform Service. Note: Corepoint Health maintains an account with and recommends LogMeIn (www.logmein.com) for remote system access. LogMeIn avoids issues with VPN software, firewall and remote terminal software.

4. Testing

Customer will provide test environments and Test Messages for each application or system needed for successful Unit Testing and/or System Integration Testing.

5. Physical Security

It is recommended that Customer choose a location for the servers on which the Software is installed that has controlled access.

6. Other

It is recommended that the Software be installed on a hardware server with no other concurrent applications.

VI. Scope

Corepoint Health will provide Customer with the following Services, as further detailed in this SOW:

1. Installation of Corepoint Integration Engine and Assured Availability (A2)
2. Onsite Workshop – Initial Discovery, Architectural Planning, and Training
3. Onsite Workshop – Interface Development Work
4. Onsite Workshop – Go-Live Professional Services
5. Level 1: Corepoint Integration Engine Training
6. Level 2: Corepoint Integration Engine Training

VII. Services

1. Installation of Corepoint Integration Engine and Assured Availability (A2)

a. Service Specific Scope

- i. Install the Software on primary and backup servers. Configure Software with A2. Test and verify the deployment of A2.

b. Assumptions Specific to this Service

- i. Customer Primary Contacts from other departments, i.e. IT, Networking, VM Infrastructure, or SQL Server Database, will be required for this Service.

c. Deliverables

- i. Installation of Software, A2 tested.

d. Tasks

i. Install Software

- A. Prerequisite: The primary and backup servers are ready for Software installation, including any third-party software installations, i.e. SQL Server.

B. Sub-Tasks:

Corepoint Health Responsibilities:

- Perform pre-install upgrade checker tool, as needed.
- Back up existing data and configuration, as appropriate.
- Obtain the executable installer file.
- Obtain a new or updated license file for Software.
- Install the Software on the primary and backup servers.
- Verify license files are properly read by the primary and backup servers.
- Configure Software with A2

- C. Prerequisite: The Software has been installed on both primary and backup servers.

D. Sub-Tasks:

Corepoint Health Responsibilities:

- Gather A2 configuration settings (Customer responsibility)
- Configure DCOM security settings on both servers.
- Enable and configure A2 on both servers.

ii. Perform A2 deployment verification

- A. Prerequisite: The Software has been configured with A2.

B. Sub-Tasks:

Corepoint Health Responsibilities:

- Test message replication.
- Test configuration replication.
- Perform the failover and failback test plan.

- Test failover functionality through power off of primary server or manual failover.
- Test failback functionality from backup to primary server.
- Verify that the service IP is passed between the servers under normal network conditions.
- Confirm that no messages are lost upon failover to the backup server.
- Monitor the tests, evaluate the test results and make needed changes, if any.
- Repeat testing until test results meet the requirements of the test plan.

Customer Responsibilities:

- Initiate all system transactions that trigger Interface messages.
- Confirm that all Interface messages are received at the destination systems.
- Verify the test results meet the test plan requirements for failover and failback.

2. Onsite Workshop – Initial Discovery, Architectural Planning, and Training

a. Service Specific Scope and Description

- i. The onsite workshop is a 4-day professional services engagement conducted by a Corepoint Health instructor at the Customer site. The Service is tailored to Customer's specific requirements; however, this section of the SOW provides a list of topics typically discussed while onsite.
- ii. This onsite workshop is primarily for providing an opportunity for in-depth discovery of the Customer's current and future interface environment. Whether completed prior to or after the Level 1: Corepoint Integration Engine training, the focus of the onsite will be to review, discuss, and architecturally plan all aspects of the Corepoint Integration Engine implementation project. Time-permitting, the Corepoint Health instructor will work with the Customer's team to begin developing interfaces.

b. Assumptions specific to this Service

- i. Onsite travel to Customer's facility will be required
- ii. The onsite workshop is most effective following the Level 1: Corepoint Integration Engine training
- iii. The onsite workshop is a hands-on working session requiring a Corepoint Integration Engine development environment

c. Tasks

- i. The list of topics in the table below are typically discussed or implemented as they evolve naturally during the course of Project work. Other topics specific to Customer may be applicable in addition to or in lieu of the list of topics below:

Topic	Description
Introductions	Team introductions, Corepoint Health corporate overview for any team members not familiar with Corepoint Health. Discuss Customer team structure, roles, and responsibilities.
Corepoint Product Overview	Overview of Corepoint Integration Engine, as needed, for any unfamiliar team members.
Project Management	Review and discuss the Project Management methodology and process to be used for the duration of the engagement, if applicable.
Prioritize and Review Deadlines	Define project goals, milestones, deadlines, and assign tasks to resources.
Conversion Methodology Planning	Review and discuss conversion plan options. Identify which interfaces will be converted, decommissioned, or maintained. Review methodologies available for conversion process.
Existing Workflow Analysis	Review current interface environment, workflow diagrams, and special considerations.
Naming Conventions	Review best practices for interface object naming to ensure maximum manageability and scalability.
Configuration Management	Review and discuss the features that will help streamline the process of bringing interfaces from development to production for Customer's environment and team composition.
Review user community resources	Register users, as needed; enable developer licenses, if applicable; provide an overview of user community resources.
Software installation on multiple environments	Review configuration of development, test, and production installation/licensing. Coordinate with Corepoint Health's support team, as needed, to ensure environments are implementation ready.
User Setup in Engine	Work with Customer team to configure Windows/AD credentials.
Derivative Creation	Load production data and create HL7 derivatives for future interfaces.
Non-standard Interface Workflow	Overview and discussion of HL7 file batches, XML data, X12, CCD, flat files, web services, SFTP, delimited files, etc.
Interface testing tools overview	Demonstrate and discuss how Corepoint Integration Engine features, such as Test Collections, Action List Tester, Profiling, and Test Coverage, are used during the conversion process to ensure accuracy of converted interfaces.
Training	Basic GUI navigation and interface monitoring, if Customer team has not taken Level 1 training.
Action List Best Practices	Best practices on how to organize, create, and maintain interface logic.
Documentation Best Practices	Best practices for documenting objects and logic.

Where to look for help	Help search, pattern help, user community, support, and license requests.
Managing Assured Availability (if applicable)	Review of Corepoint Integration Engine's native high availability solution, Assured Availability (A2). Review runtime and monitoring considerations, including A2 specific alerts, failover and fallback.
Watch and Learn	Corepoint Health instructor creates an interface showing shortcuts, workflow, and detailed explanation of all functionality utilized.
Hands on interface work	Customer team creates their first interface with direction and assistance of Corepoint Health instructor.
Review of work	Review of the work from the Customer team that week with suggestions on how to keep the work organized and running efficiently.
Testing practices	Showing how to unit test interfaces and how to keep track of completed tests over time.

d. Acceptance

- i. This Service is deemed accepted upon completion of the onsite workshop.

3. Onsite Workshop – Interface Development Work

a. Service Specific Scope and Description

- i. The onsite workshop is a 4-day professional services engagement conducted by a Corepoint Health Software specialist at the Customer site. The Service is tailored to Customer's specific requirements; however, this section of the SOW provides a list of topics typically discussed while onsite.
- ii. This onsite workshop consists primarily of the Corepoint Health instructor demonstrating best practices and standards. The Customer team will create and test interfaces while the Corepoint Health Software specialist provides guidance.

b. Assumptions specific to this Service

- i. Onsite travel to Customer's facility will be required
- ii. Customer has completed Level 1: Corepoint Integration Engine training
- iii. The onsite workshop is a hands-on working session requiring a Corepoint Integration Engine development environment

c. Tasks

- i. The list of topics in the table below are typically discussed or implemented as they evolve naturally during the course of Project work. Other topics specific to Customer may be applicable in addition to or in lieu of the list of topics below:

Topic	Description
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Review of work	Review and Q&A on all interface work completed since previous onsite, if applicable.
Check for adherence to best practices	Review and advise on adherence to best practices.
Streamlining development and testing	Review and advise on efficiency of current process for development, and testing of interfaces.
Timeline assessment	Evaluate rate of completion for ongoing interface work to determine if project is adhering to established timelines.
Possible augmentation of team to meet deadlines	Corepoint Health Software specialist member assists with any "difficult" interfaces with team, or on any assigned interfaces, as needed.
Performance review of interfaces	Demonstrate use of Action List Profiling for evaluation of interface efficiency, and evaluation of high traffic interfaces.
Processor connections and parallel processing	Evaluate need for "processor" connections, as applicable.
Go-live planning	Review and refine plan for cut-over from existing interfaces to Corepoint Integration Engine interfaces.
Alerts on existing interfaces	Discussion and creation of appropriate alert configuration for interfaces prior to go-live.
Backload of existing patient data	Backload application data as necessary.
Backup Procedures	Automating backups of the repositories.
Integrated testing	Integrated testing review and execution as available.
Update to latest release	Perform regression testing for any unit tested interfaces against latest release to ensure consistency of output, as needed to conform with change control requirements.

d. Acceptance

- i. This Service is deemed accepted upon completion of the onsite workshop.

4. Onsite Workshop – Go-Live Professional Services

a. Service Specific Scope and Description

- i. The onsite workshop is a 4-day professional services engagement conducted by a Corepoint Health Software specialist at the Customer site. The Service is tailored to Customer's specific requirements; however, this section of the SOW provides a list of topics typically discussed while onsite.
- ii. As the hub of clinical information flowing between all applications in the Customer's integration environment, it is essential that the Corepoint Integration Engine maintains maximum uptime with rapid identification and resolution of any issues that arise during the go-live event. Many customers have found that having Corepoint Health's professional services team present shortly before and during the entirety of the go-live event ensures minimal downtime and interfaces will perform as expected once in production.

b. Assumptions specific to this Service

- i. Onsite travel to Customer's facility will be required
- ii. Customer's Interfaces should be completed and tested in preparation for Go-Live.
- iii. The onsite workshop is a hands-on working session requiring a Corepoint Integration Engine development environment

c. Tasks

- i. The list of topics in the table below are typically discussed or implemented as they evolve naturally during the course of Project work. Other topics specific to Customer may be applicable in addition to or in lieu of the list of topics below:

Topic	Description
24 hour onsite support	Provide an around-the-clock, onsite presence for immediate assistance with, and resolution of, any issues found during the go-live event.
Review of processes	Confirm go-live process and sequence of events.
Test environment clean-up	Clean-up temporary production and test interfaces. Ensure Test environment is inclusive of all production interfaces.
Troubleshoot interfaces	Help with finding interface issues, correcting, and resending data as needed.
Alert adjustments for production	With interfaces processing messages at expected volumes, the alert configurations can be fine-tuned as needed for the production environment.
Review Corepoint Integration Engine performance metrics and server stability	Review of Administration console, including logs, connection graphs, and metrics to ensure production environment is handling production workloads as expected.
Set up additional users and train analysts	Configure production server access for any customer team members requiring access, and teach analysts how to respond to alerts, monitor their interfaces, find messages in the logs, and resend messages if needed.

d. Acceptance

- i. This Service is deemed accepted upon completion of the onsite workshop.

5. Level 1: Corepoint Integration Engine Training

a. Service Specific Scope

- i. Level 1: Corepoint Integration Engine Training ("Level 1") provides Customer with three days (6 hours per day) of comprehensive training on configuring, testing, and maintaining Interfaces. Instructors provide practical examples and hands-on exercises for participating Customer to gain a solid understanding of developing and managing Interfaces daily. Upon completion of this Service, Customer is equipped to create, test, debug, deploy, monitor, and review connections and message logs within their healthcare environment.

b. Assumptions specific to this Service

- i. Level 1 will be conducted via an interactive web session. No onsite travel will be required.
- ii. Level 1 is typically offered monthly. Customer may select class dates from those made available by Corepoint Health. Corepoint Health's current class schedule may be viewed through the following link: www.corepointhealth.com/training.
- iii. Customer participants have either attended HL7: First Steps or have an understanding of the concepts in HL7: First Steps. A link to launch a 20-question self-assessment to check a participant's HL7 knowledge of these concepts can be found here: <http://corepointhealth.com/training/level-1-corepoint-integration-engine>.
- iv. Customer participants have completed a short, self-paced tutorial that is an introduction to this Service.

c. Training Curriculum

- i. Creating and monitoring TCP/IP inbound and outbound Connections
- ii. Creating HL7 derivatives to support non-standard message formats
- iii. Creating Interface objects such as Connections, Action Lists, Annotation Sets, and Code Set Correlations
- iv. Using the Message Set window to load, view, and manipulate Test Message
- v. Testing Interfaces using HL7 messages saved and loaded into the Software
- vi. Monitoring interfaces and troubleshooting using message log files

A complete course outline, which is subject to change, can be found through the following link: www.corepointhealth.com/training/corepoint-integration-engine-level-1-outline

d. Acceptance

- i. This Service is deemed accepted upon completion of the training.

6. Level 2: Corepoint Integration Engine Training

a. Service Specific Scope

- i. Level 2: Corepoint Integration Engine Training ("Level 2") is two days and is an instructor-led, hands-on web training. In Level 2, participants will be presented with a wide variety of problems that they might encounter in their interfaces. Many issues are around messages not being intact when they are received or sent, and participants will learn how to troubleshoot errors ranging from HL7 parsing and encoding issues, derivative or action list modifications, and TCP/IP and acknowledgement modifications.

b. Assumptions specific to this Service

- i. Level 2 will be conducted via an interactive web session. No onsite travel will be required.
- ii. Level 2 is typically offered monthly. Customer may select class dates from those made available by Corepoint Health. Corepoint Health's current class schedule may be viewed through the following link: www.corepointhealth.com/training.

- iii. Customer participants have proficiency building the interfaces learned in the Level 1: Corepoint Integration Engine Training.
- iv. Training will be more effective if each student has one monitor to view the student's training computer for activities, and another monitor or projector to view the instructor's screen.

c. Training Curriculum

- i. Creating and troubleshooting Corepoint Action Points
- ii. Troubleshooting common issues, such as:
 - A. HL7 parsing and encoding issues
 - B. Messages not intact when received/sent
 - C. Managing HL7 acknowledgements
 - D. Derivatives or action list modifications
 - E. TCP/IP and acknowledgement modifications
- iii. Creating connection alerts and global alerts

A complete course outline, which is subject to change, can be found through the following link: www.corepointhealth.com/training/level-2-corepoint-integration-engine-training-outline

d. Acceptance

- i. This Service is deemed accepted upon completion of the training.

VIII. Non-Solicitation

Customer and Corepoint Health mutually agree that neither party will knowingly solicit, directly or indirectly, employ, engage or contract with any employee, consultant or personnel of either party performing Services under this SOW for a period of one year following completion of the Services, unless authorized in writing by both parties.

IX. Fees and Payment Terms

Customer will pay Corepoint Health for the Services and/or Deliverables specified in this SOW in accordance with the following schedule:

Service*1	Cost Per Unit	Qty	Total Cost	Payment Terms
1. Installation of Corepoint Integration Engine	\$5,000.00	1	\$5,000.00	Due upon execution of SOW
1. Installation of Assured Availability	2,500.00	1	2,500.00	Due upon execution of SOW

2. Onsite Workshop – Initial Discovery, Architectural Planning, and Training	10,000.00	1	10,000.00	Due upon completion
2. Travel and living expenses (Onsite Workshop)	TBD			Billed at cost upon completion
3. Onsite Workshop – Interface Development Work	10,000.00	1	10,000.00	Due upon completion
3. Travel and living expenses (Onsite Workshop)	TBD			Billed at cost upon completion
4. Onsite Workshop – Go-Live Professional Services	10,000.00	1	10,000.00	Due upon completion
4. Travel and living expenses (Onsite Workshop)	TBD			Billed at cost upon completion
4. One-Time Discount for Onsite Workshop – Go-Live Professional Services	(10,000.00)	1	(10,000.00)	Discount provided upon completion
5. Level 1: Corepoint Integration Engine Training Initial Attendee	3,000.00	1	3,000.00	Due upon registration
5. Level 1: Corepoint Integration Engine Training Each Additional Attendee	750.00	1	750.00	Due upon registration
5. One-Time Discount for Level 1: Corepoint Integration Engine Training Initial Attendee	(3,000.00)	1	(3,000.00)	Discount provided upon registration
6. Level 2: Corepoint Integration Engine Training Initial Attendee	2,000.00	1	2,000.00	Due upon registration
6. Level 2: Corepoint Integration Engine Training Each Additional Attendee	500.00	1	500.00	Due upon registration
6. One-Time Discount Level 2: Corepoint Integration Engine Training Initial Attendee	(2,000.00)	1	(2,000.00)	Discount provided upon registration
Total Cost²			\$28,750.00	

¹. Services are to be used by Customer within 12 months from the SOW Effective Date.

². Total does not include travel and living expenses (TBD).

This SOW will be null and void unless signed by Client and returned to Corepoint Health on or prior to August 31, 2018.

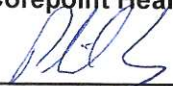
Corepoint Health's performance of its obligations is contingent upon Customer's timely and effective performance of its responsibilities, decisions, and approvals. In the event Corepoint Health is delayed in, or otherwise unable to complete the performance of its obligations due to the actions or inactions of Customer, its personnel or other agents, Corepoint Health will invoice Customer for fees due (including for Services performed and Deliverables completed), and Customer agrees to make timely payment to Corepoint Health of such fees.

Accepted and agreed:

Accepted and agreed:

Corepoint Health, LLC

Kern County Hospital Authority



Authorized Signature
Phil Guy

Name (Type or Print)
CEO

Title *6/11/2018*

Date

Authorized Signature
Russell E. Bigler

Name (Type or Print)
Chairman, Board of Governors

Title
June 20, 2018

Date



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed Amendment No. 1 to Agreement 2016-041 with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office, and Kern County Probation Department

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical will provide Correctional Medical Care to the Kern County Sheriff's Department and the Kern County Probation Department. Kern Medical will appoint a single onsite health authority who will be responsible for correctional healthcare.

Kern Medical will provide within the facilities as many services as possible and will delineate in writing those services that will be available at Kern Medical or through community providers. Healthcare services will meet the minimum requirements of Title 15 and 24. Healthcare services will be available at a level to address acute symptoms and/or conditions and avoid pre-deterioration of health while in correctional confinement. This Amendment is effective July 1, 2018 through June 30, 2020 in the amount of \$21,767,469 for Fiscal Year 2018-2019 (revenue).

**AMENDMENT NO. 1
TO
CORRECTIONAL MEDICINE AGREEMENT
(County of Kern – Kern County Hospital Authority)**

This Amendment No. 1 to the Correctional Medicine Agreement is made and entered into this ____ day of _____, 2018, between the County of Kern, a political subdivision of the state of California (“County”), on behalf of the County Administrative Office (“CAO”), the Kern County Sheriff’s Office and the Kern County Probation Department (collectively “Responsible County Departments”), and the Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“Kern Medical”).

RECITALS

(a) County and Authority have heretofore entered into a Correctional Medicine Agreement (Kern County Agt. #718-2016, dated June 22, 2016) (the “Agreement”), for the period July 1, 2016 through June 30, 2018, whereby Authority through Kern Medical provides health care services to inmates and juvenile wards under the responsibility of the Responsible County Departments; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective July 1, 2018;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term of Agreement and Records at Termination of Agreement, paragraph 1.1 shall be deleted in its entirety and replaced with the following:

“1.1 Term of Agreement. This Agreement shall be effective as of July 1, 2016, and remain in effect through June 30, 2020, unless the Board of Supervisors has selected a replacement provider of healthcare services to inmates and juvenile wards under the responsibility of Responsible County Departments.”

2. Section 3, Equipment and Facilities, paragraph 3.1 shall be deleted in its entirety and replaced with the following:

“3.1 Responsible County Departments will provide space, routine custodial services, routine building maintenance, housekeeping, linen, computer lines, furniture, fixtures, utilities, telephones, modem and fax lines, security, and other similar items necessary for the efficient operation of the health care delivery system. Any equipment purchased by Kern Medical for use in County’s jail facilities shall remain the property of County upon termination of this Agreement. Kern Medical shall be responsible for the

maintenance of any equipment it purchases for use in County's jail facilities as long as this Agreement remains in effect. Equipment purchases shall be included as part of the budget described in section 5 herein. Within 30 days of the effective date of this Agreement, Responsible County Departments and Kern Medical shall prepare a list of all equipment and inventory items at all County jail facilities."

3. Section 5, Compensation, paragraph 5.3, Exceptions to Base Compensation, subparagraph 5.3.3, shall be deleted in its entirety and replaced with the following:

"5.3.3 The financial obligation of Kern Medical is limited to the following existing programs and services and specifically excludes those participants assigned to the Department of State Hospitals' Admission, Evaluation and Stabilization program: (a) Adult Jail Facilities, which include Central Receiving Facility, Lerdo Pre-Trial Facility, Male Minimum Facility, Female Minimum Facility, and Maximum-Medium; and (b) Juvenile Detention Facilities and Programs, which include Kern Crossroads Facility, Juvenile Hall and incorporated rehabilitative programs, and Camp Erwin Owen. In the event that any new facility is opened, any facility or program is closed, or the capacity of any facility is changed from the capacity at the time this Agreement becomes effective, this Agreement shall be amended to reflect a change in operational costs and the CAO, as well as Responsible County Departments will be notified of the proposed change(s)."

4. Section 11, Notices, shall be deleted in its entirety and replaced with the following:

"11. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above. Nothing in this Agreement shall be construed to prevent or render ineffective delivery of notices required or permitted under this Agreement by personal service.

Notice to County:

County of Kern
Administrative Center
1115 Truxtun Avenue, Fifth Floor
Bakersfield, CA 93301
Attn.: County Administrative Officer

Notice to Sheriff:

Kern County Sheriff's Office
1350 Norris Road
Bakersfield, CA 93308
Attn.: Sheriff-Coroner

Notice to Probation: Kern County Probation Department
2005 Ridge Road
Bakersfield, CA 93305
Attn.: Chief Probation Officer

Notice to Authority: Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306
Attn.: Chief Executive Officer”

5. Section 30, Importing Inmates from other Jurisdictions, shall be deleted in its entirety and replaced with the following:

“30. **Importing Inmates from other Jurisdictions.** If the Kern County Sheriff’s Office engages in the import of inmates from any of California’s 57 counties or any state or federal agency, including without limitation the U.S. Marshals Service, said importation shall include sufficient funding to provide adequate medical care for the new inmate population separate and apart from the dollar amounts agreed upon per the parameters of section 5 herein. Similarly, all medical costs incurred for off-site treatment of imported inmates shall be the responsibility of the county/agency of origin. The Kern County Sheriff’s Office shall be responsible for tracking costs and revenue associated with the care provided to imported inmates. Under no circumstances shall the budget associated with this Agreement be comingled or included with the costs necessary to provide care for any imported inmates.”

6. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

7. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

8. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.

9. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Supervisors

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
ADMINISTRATIVE OFFICE

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Ryan J. Alsop
County Administrative Officer

By _____
Russell V. Judd
Chief Executive Officer

SHERIFF'S OFFICE

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Name: _____
Title: _____

By _____
VP & General Counsel
Kern County Hospital Authority

PROBATION DEPARTMENT

By _____
Name: _____
Title: _____

APPROVED AS TO FORM:
OFFICE OF COUNTY COUNSEL

By _____
Chief Deputy



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed retroactive Agreement with the County of Kern, as represented by the Administrative Office, Kern County Sheriff's Office – Justice Facility

Recommended Action: Approve; Authorize Chairman to sign Subject to Approval as to Form by Counsel

Summary:

On May 12, 2018, the Kern County Sheriff's Office opened the Kern County Justice Facility. Kern Medical will provide Correctional Medical Care to the Kern County Sheriff's Department. Kern Medical will appoint a single onsite health authority who will be responsible for correctional healthcare.

Kern Medical will provide within the facility, as many services as possible and will delineate in writing those services that will be available at Kern Medical or through community providers. Healthcare services will meet the minimum requirements of Title 15 and 24. Healthcare services will be available at a level to address acute symptoms and/or conditions and avoid pre-deterioration of health while in correctional confinement. This Agreement is effective retroactive to May 12, 2018 through June 30, 2020 in the amount of \$8,557,346 for Fiscal Year 2018-2019 (revenue).

The proposed agreement with County of Kern, as represented by the County Administrative Office and Kern County Sheriff's Office, for correctional medicine services at Kern County Justice Facility is available to review in the Administrative Office at Kern Medical.

Kern Medical
1700 Mt. Vernon Avenue
Bakersfield, CA 93306
661-326-2102



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed appointment of Moss-Adams LLC to audit the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees

Recommended Action: Approve

Summary:

The authority sponsors the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees (the "Plan"), an Internal Revenue Code Section 401(a) defined contribution, money purchase retirement plan, for eligible physician employees of Kern Medical Center.

The Plan provides that a Pension Committee appointed by your Board shall oversee administration of the Plan. The Pension Committee has the sole and exclusive fiduciary responsibility over the assets of the Plan, and is responsible to administer the Plan in a manner that will assure prompt delivery of benefits and to hold the Plan's assets for the exclusive purposes of providing benefits to the Plan participants and their beneficiaries.

Section 8.3 of the Plan states the Pension Committee has all of the powers and duties necessary to accomplish these purposes including recommending to your Board the appointment of any service provider that the Pension Committee determines is necessary or desirable in connection with administration of the Plan, including auditors.

Historically the Kern County Auditor-Controller audited the Plan every two years. The last audit was in 2016. The Pension Committee recommends the appointment of Moss-Adams LLC to perform annual audits of the Plan.

Therefore, it is recommended that your Board approve the appointment of Moss-Adams LLC to perform annual audits of the Kern County Hospital Authority Deferred Compensation Plan for Physician Employees.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed Amendment No. 4 to Agreement #1048-2010 with Total Renal Care, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 4 with Total Renal Care, Inc., a subsidiary of DaVita Inc., for the provision of acute dialysis services at Kern Medical. The amendment lengthens the term by two years, increasing the maximum payable by \$1,100,000, \$550,000 per year, for a total maximum payable of \$4,025,000 for the eleven-year agreement. The amendment also includes a change in the fee schedule and the inclusion of new quality improvement items.

The Agreement is effective as of June 20, 2018.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to the suspension of the termination without cause section to November 1, 2018.

**AMENDMENT NO. 4 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR**

THIS AMENDMENT NO. 4 TO THE AGREEMENT FOR PROFESSIONAL SERVICES INDEPENDENT CONTRACTOR ("**Amendment No. 4**") is entered into and effective as of June 20, 2018 ("**Amendment No. 4 Effective Date**"), by and between **Total Renal Care, Inc.**, ("**CONTRACTOR**"), a subsidiary of DaVita Inc., "**DaVita**"), and the **Kern County Hospital Authority ("KCHA")**, a local unit of government, which owns and operates Kern Medical Center ("**KMC**").

WITNESSETH:

WHEREAS, on November 30, 2010, the parties hereto entered into that certain Agreement for Professional Services ("**Agreement**"), Kern County Agreement #1048-2010, pursuant to which KMC agreed to engage the services of Contractor to provide acute dialysis services at KMC; and

WHEREAS, on March 25, 2014, the parties hereto executed that certain Amendment No. 1 to the Agreement ("**Amendment No. 1**") to revise several sections, including the renewal of the Agreement by for a period of three (3) years from December 1, 2013 through November 30, 2016, and replacing several sections with updated language; and

WHEREAS, on July 1, 2016, the Assignment of Agreements became effective transferring the Agreement and First Amendment from the County of Kern to KCHA; and

WHEREAS, on August 23, 2016, the parties hereto executed Amendment No. 2 to the Agreement, KCHA# 14616PA, ("**Amendment No. 2**") to revise the Fee Schedule and update the Maximum Payable; and

WHEREAS, on December 1, 2016, the parties hereto executed Amendment No. 3 to the Agreement, KCHA# 14616PA, ("**Amendment No. 3**") to extend the term, revise the Fee Schedule, add certain other terms and update the Maximum Payable; and

WHEREAS, in accordance with Section 24 of the Agreement, the parties wish to further amend the Agreement to extend the term of the Agreement, and to make other necessary modifications to the Agreement as set forth herein.

NOW, THEREFORE, for and in consideration of the premises contained in this Amendment No. 4, the parties do hereby agree as follows:

1. Section 1.2 shall be deleted in its entirety and replaced with the following:

"1.2 This Agreement. Performance by Contractor and KCHA shall commence on December 1, 2010 (the "**Effective Date**"), and shall end November 30, 2021 (the "**Term**"), unless earlier terminated pursuant to other provisions of this Agreement."

2. Section 34.2, Termination Without Cause, of the Agreement is hereby deleted in its entirety and replaced with the following:

"34.2, Termination Without Cause. Beginning on November 1, 2018, the parties may terminate this Agreement, without cause, upon ninety (90) days' prior written notice to the other party. For the avoidance of doubt, any such termination under this Section 34.2 will not be effective before February 1, 2019."

3. Section 2.21.1, Quality Improvement ("QI"), of the Agreement is hereby amended to add the following new subsections:

"6) With respect to CRRT services only, measurement of the achievement rate of two (2) hour STAT response time.

7) With respect to CRRT services only, measurement of the number of cartridge changes for each CRRT patient."

4. Exhibit G-3, Fee Schedule, is hereby deleted in its entirety and replaced with the Exhibit G-4 Fee Schedule attached to and incorporated into the Agreement by this reference.

5. Section 3.2 Maximum Payable, of the Agreement is hereby deleted in its entirety and replaced with the following:

"3.2 Maximum Payable. The maximum payable under this Agreement will not exceed \$275,000 per year or \$825,000 for the three year period of December 1, 2010 to November 30, 2013; will not exceed \$300,000 per year or \$900,000 for the three year period of December 1, 2013 to November 30, 2016; will not exceed \$400,000 per year or \$1,200,000 for the three year period of December 1, 2016 to November 30, 2019; and will not exceed \$550,000 per year or \$1,100,000 for the two year period of December 1, 2019 to November 30, 2021. The total maximum payable for the eleven year term of this Agreement will not exceed \$4,025,000.

[Signatures to Follow]

IN WITNESS WHEREOF, the parties have executed this Amendment No.4 by their duly authorized representatives:

KCHA:
Kern County Hospital Authority

CONTRACTOR:
Total Renal Care, Inc.

By: _____

By: _____

Name: **Russell Bigler**

Name: **Michael Unton**

Title: **Chairman, Board of Governors**

Title: **Division Vice President**

Date: _____

Date: _____

APPROVED AS TO CONTENT:
Kern Medical Center

APPROVED AS TO FORM ONLY:
DaVita Inc.

By: _____

By: _____

Name: **Toni Smith, RN**

Name: **Thor Paulson**

Title: **Chief Nursing Officer**

Title: **Group General Counsel**

Date: _____

APPROVED AS TO FORM ONLY:
Legal Services Department

By: _____

Name: **Shannon Hochstein**

Title: **Hospital Counsel**

EXHIBIT G-4

FEE SCHEDULE

NOTE: the fees listed in the schedule set forth below include services provided to admitted and non-admitted persons for whom such persons' treatments are being billed by KMC to any third party payors (or otherwise paid for by KMC).

Hemodialysis:

Hemodialysis: 1:1 patient to staff ratio, up to 4 hours	\$700.40 per treatment
Hemodialysis: 2:1 ¹ patient to staff ratio, up to 4 hours	\$494.40 per treatment ¹
Hemodialysis: additional charge per hour for treatments ordered longer than 4 hours	\$51.50 per hour

Peritoneal Dialysis (PD: CAPD, CCPD)

CAPD Visit	\$381.10 per visit
CCPD Visit	\$381.10 per visit

Continuous Renal Replacement Therapy (CRRT: SCUF, CVVH, CVVHD, CVVHDF)

CRRT Full Service: Visit	\$670 per visit
CRRT Full Service: Cartridge Change	\$261.00 per change
CRRT Full Service: Initial Cartridge	\$261.00 per cartridge
CRRT Full Service: Pre Set Up Cancellation (labor)	\$100.00 per cancellation
CRRT Full Service: Post Set Up Cancellation (labor and supplies, if costs incurred)	\$250.00 per cancellation

Apheresis

Therapeutic Plasma Exchange	\$ 1236.00 per treatment
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Miscellaneous

Waiting Time (after 15 minute grace period beginning on 16 th minute)	\$51.50 per ½ hour
RN Consultation ²	\$51.50 per ½ hour
Program Maintenance Fee*	\$4,120 per month

*Less than 25 treatments per month

EXHIBIT G-4

Fee Schedule Footnoted Descriptions and Definitions:

1. **Definition of 2:1:** A ratio of 2 patients to 1 nurse, where the treatment is performed in a designated dialysis suite and the longer of the 2 patient treatments must overlap the other treatment by at least 50%.

2. **Definition of RN Consultation:** Any nursing service outside of the scope of dialysis related services set forth in this Agreement. This includes, but is not limited to, the following: Initiation/Discontinuation of IV infusion via dialysis access (not in conjunction with a dialysis treatment); dressing changes; non-dialysis related medication delivery, etc.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Request to employ retired Kern County Hospital Authority employees Scott Cote, Rosa Martinez, Debbie Pershadsingh, and Dr. Wedad Rizkalla

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employees as shown in the table below, for the period ending June 30, 2019, or 960 hours, whichever occurs first, effective July 1, 2018.

Employee	Classification	Department
Cote, Scott	Extra Help Clinical Pharmacist	Pharmacy - Clinical
Martinez, Rosa	Extra Help Physician Assistant	Department of Family Medicine
Pershadsingh, Debbie	Extra Help Administrative Coordinator	Behavioral Services
Rizkalla, Wedad M.	Extra Help Associate-Pediatrics	Medical Staff - Pediatrics

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement employment requirements for all retirees receiving a pension benefit from a public retirement system who return to work for a public employer. The authority is a designated public employer for purposes of KCERA and the Kern County Hospital Authority Defined Contribution Plan for Physician Employees, as both conform to the PEPRA definition of “public retirement system.” Under PEPRA, a retiree may be reemployed up to a maximum of 960 hours per fiscal year, subject to approval by your Board.

The justification for employing these retired employees is attached.

Therefore, it is recommended that your Board approve the reemployment of the employees listed in the above table, effective July 1, 2018.

Cote, Scott

JUSTIFICATION: Dr. Cote retired effective December 8, 2017. Dr. Cote worked at Kern Medical for 26 years, most of that time as a clinical pharmacist in the Intensive Care Unit (ICU) and in ambulatory care clinics. Dr. Cote was reemployed in January 2018 after approval from your Board to waive the 180-day post-retirement waiting period, which PEPRRA allows to meet a critical need. Dr. Cote continues to have the requisite experience and skill set needed to perform the work for which he is being employed. Kern Medical has a critical need to employ Dr. Cote to ensure there is sufficient coverage for the ICU as well as in the ambulatory care clinics. Currently, Kern Medical has seven clinical pharmacists who cover a very busy service, which has been exacerbated by three vacancies and one leave of absence within the department. Clinical pharmacists are in short supply and Kern County remains a difficult region to recruit highly qualified clinical pharmacists, exponentially more so with specialty pharmacists such as critical care pharmacists like Dr. Cote. Recruitment for Dr. Cote's replacement has been underway, but unsuccessful to date. This continued recruitment effort is anticipated to take months, based on the current experience of another local hospital who has been recruiting nationally for an ICU pharmacist for the past 11 months. In the interim, the current staffing levels within the department of Clinical Pharmacy and the lack of critical care specialty training of the remaining clinical pharmacists within the department are inadequate to maintain patient safety without the interim employment of Dr. Cote. As such, Dr. Cote will be employed for a limited duration, while Kern Medical continues to recruit for another full time clinical pharmacist.

Martinez, Rosa

JUSTIFICATION:

Ms. Martinez has the requisite experience and skill set needed to perform the work for which she is being reemployed. She helps with training new mid-levels and students that are rotating in the Peds and Family Practice Clinic. Ms. Martinez will be employed for a limited duration to fill voids in staffing in the Department of Family Medicine.

Pershadsingh, Debbie

JUSTIFICATION: Ms. Pershadsingh will use her specialized skillset and knowledge base to assist with the medical staff's (Faculty) UCLA appointment and reappointment process. This is a very limited skill set within the organization. This is not a full-time position nor utilized in a full-time capacity.

Rizkalla, Wedad M.

JUSTIFICATION: Dr. Rizkalla retired effective September 3, 2017. Dr. Rizkalla is a participant in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), which is a governmental plan sponsored by the authority for its employed physicians. Dr. Rizkalla worked at Kern Medical for 30 years as a pediatrician and has the requisite experience and skill set needed to perform the work for which she is being employed. Kern Medical has a critical need to employ Dr. Rizkalla, to ensure there is sufficient pediatric coverage for the clinic, normal newborn nursery, inpatient unit, and call. Currently Kern Medical has five pediatricians who cover a very busy service. In the absence of a fifth pediatrician, there will be voids in staffing, which could compromise patient care. Dr. Rizkalla will be employed for a limited duration, while Kern Medical continues to recruit for another full-time pediatrician.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Agreement with Korchek Technologies, LLC, for the purchase of software and services to migrate data from the current electronic medical record into the new Electronic Health Record

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with Korchek Technologies, LLC for the purchase of software and services for the migration of data from Careview Open Vista into Cerner. Korchek Technologies is a data extraction and conversion company who provides such services for clients needing to migrate data from one electronic information system to another.

In this agreement, Korchek agrees to perform the following services:

- Extraction and Validation: Blood Bank Data
- Extraction and Validation: Multi-Drug Resistant Organisms (MDRO) Data
- Extraction and Validation: Master Person Index (MPI) Data
- Extraction and Validation: Continuity of Care Document (CCD) Data
- Extraction and Validation: Pediatric Vitals (PED's) Data
- Data Conversion Documentation for all of the above

Cost for these services are one-time only as follows:

• Blood Bank:	\$51,700
• MDRO:	\$21,000
• MPI:	\$35,000
• CCD:	\$57,750
• PED's:	\$45,500
• Data Conversion:	\$40,500
• Returning Customer Discount:	(\$4,700)
TOTAL:	\$246,750

The Agreement is effective on the start of the installation and training and will automatically renew for one-year terms unless terminated with thirty (30) days prior to the anniversary of the effective date.

The Agreement contains non-standard terms and cannot be approved as to form by Counsel due to no indemnification, no warranty except on third-party hardware and software as provided by third party, late fees, and auto-renewal of term.



MASTER LICENSE AND SUPPORT AGREEMENT

Between

Kern County Hospital Authority

And

KORCHEK TECHNOLOGIES

BY AND BETWEEN THE PARTIES HERETO

THIS KORCHEK SOFTWARE MASTER LICENSE AND SUPPORT AGREEMENT (the "Support Agreement") is entered into by and between **Korchek Technologies LLC**, at 115 Technology Drive, Trumbull, Connecticut 06611 ("Korchek"), and Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center, at 1700 Mount Vernon Avenue, Bakersfield, California 93306 ("Customer"), and is hereby incorporated by reference as the Master License and Support Agreement.

1. TERM.

This Support Agreement is effective for an initial term of one (1) year beginning on installation and training, the support effective date, and shall automatically renew for consecutive one (1) year terms, unless terminated 30 days prior to the anniversary of the effective date. If the Customer chooses to purchase additional one year terms by purchase order or by other means, such services shall be provided according to this Agreement. This Support Agreement only applies to the software, including modules and components, listed in Support Exhibit A attached hereto (the "Licensed Software").

2. CHARGES/PAYMENT.

Customer shall pay the support fees, as set forth in Support Exhibit A on the Support Effective Date of this Support Agreement and each anniversary thereafter during the term ("Maintenance Fees"). Korchek reserves the right to increase the Maintenance Fees provided for herein on an annual basis by delivery of written notice to Customer. Such increase may not exceed the lesser of (i) the increase over the prior twelve (12) month period in the Consumer Price Index (Health Care Products) or (ii) five percent (5%). Korchek may further increase Maintenance Fees for all Sublicensed Software or terminate support for Sublicensed Software at any time by giving thirty (30) days prior written notice. All amounts not paid by Customer in accordance with the provisions of this Support Agreement shall bear interest at the rate of fifteen percent (15%) per annum (or such lesser interest charges as permitted under applicable law). Korchek may choose, at its option, to suspend maintenance coverage and/or terminate this Support Agreement if Customer has outstanding unpaid invoices for any goods and services or is in breach of the License Agreement.

3. TAXES.



Customer is tax exempt and shall not pay taxes.

4. SERVICE REINSTATEMENT.

In the event this Support Agreement is allowed to lapse (other than for breach by Korchek) and is later renewed more than 60 days after Customer's receipt of a written notice of such lapse from Korchek, Customer shall be required to pay a reinstatement charge of Five Thousand Dollars (\$5,000), plus back charges for all months that the Support Agreement has been lapsed. Customer may be responsible for expenses incurred to inspect Hardware or reload Licensed Software to the current release version after any lapse in maintenance.

5. SERVICES PROVIDED.

Subject to the terms and conditions of this Support Agreement, Korchek shall provide standard maintenance services for supporting Customer's live productive use of the Licensed Software, including modules and components, listed in Exhibit A. For purposes of this Support Agreement, "standard maintenance services" shall include using reasonable commercial efforts to repair or provide a patch or work around for all Program Errors that Korchek is able to reproduce. Standard maintenance services shall also include using commercially reasonable efforts to provide Updates required to comply with applicable Federal laws and regulations; provided that, Korchek is not required to provide Updates that are based on changes to laws that require a substantial rewrite of the Licensed Software or are otherwise commercially impractical. However, should Korchek not choose to provide such Updates, Customer has the option to terminate the Agreement. So long as this Master License and Support Agreement remains current and Customer complies with the terms and conditions the Licensed Software shall operate in accordance with the documentation, in all material respects.

6. TELEPHONE SUPPORT.

6.1. Priority Levels. Customer may request, and Korchek shall provide, reasonable technical consultation by telephone 24 hours a day, 365 days of a year. Korchek shall maintain a log of technical consultation requests in a tracking system and a unique number shall be assigned to Customer's request. That unique number shall be provided to Customer for reference and communication. Korchek will assign to technical consultation requests one of three levels of priority:

6.1.1. Level 1 is the most severe Program Error and represents a situation where all features and functions of the Licensed Software are unavailable and no practical alternate mode of operation is available. Korchek will use commercially reasonable efforts to answer or return Level 1 calls within two (2) hours.

6.1.2. Level 2 indicates a problem in which certain features and functionality are not available and no practical alternate mode of operation is available. Priority 2 requests will be assigned to the next available representative. Korchek will use commercially reasonable efforts to answer or return Level 2 calls within (4) hours.

6.1.3. Level 3 is the normal next-in-line priority assignment. Priority 3 requests will be worked on in the order in which they are received. Korchek will use commercially reasonable efforts to answer or return Level 3 calls within (12) hours.

- 6.2. Problem Resolution. Korchek will provide technical consultation solutions to Level 1, Level 2 and Level 3 issues as quickly as reasonably possible, in light of the problem. If a Level 1 or Level 2 issue requires a change to the software, the change will be sent to Customer as soon as available. If a Level 3 issue requires a change to the software, the change will be provided in a regularly scheduled Update.
- 6.3. Service Location. Korchek shall provide technical consultation from its business premises, except that Korchek, at its own discretion, may dispatch a technical services representative to Customer's facility for all Program Errors that Korchek is unable to correct by providing technical consultation from Korchek's premises.
- 6.4. All warranties, firmware, operating systems, and databases are provided by the manufacturer or third party. Korchek will provide Customer reasonable assistance to resolve hardware problems with the manufacturer.

7. UPDATE.

During the Term of this Support Agreement, Korchek shall make Updates available to Customer. Korchek reserves the right to determine the content and availability of all software, including without limitation, Updates. For purposes of clarification, the Parties agree that Updates shall include bug fixes, error corrections, changes required by Federal law and regulations and new features that are not offered by Korchek as separate modules or software packages. Interface service provided under this Support Agreement is designed to keep the application in good working order and comply with interface specifications agreed to by Korchek and Customer. Any enhancements or additions made to an interface as requested by Customer are not part of this Support Agreement and may increase the monthly charge by an amount which reflects the extent of the change. Documentation updates shall generally be distributed to Customer with each Update. All Updates may be loaded only based upon instructions provided by Korchek's customer service personnel. Korchek must be notified, in writing, before the loading of operating system software updates, third party software updates or installing new hardware to the System. Korchek shall provide assistance by telephone during normal business hours.

8. CONSULTING SERVICES.

- 8.1. Korchek may make additional consulting services available to Customer at Korchek's then current consulting rates. The consulting services that Korchek provides currently includes: implementation, Update installation and assistance, configuration, data migration and data restoration. The consulting rate for the duration of this Agreement is \$175 per hour.

9. EXCLUSIONS.

The following items are not covered by this Support Agreement:

- 9.1. Custom programs developed by Korchek for Customer which are not included in general releases to the Licensed Software;
- 9.2. Custom programs developed by Customer using system tools or commercially available software programs;
- 9.3. Additional hardware that may be required to operate Licensed Software enhancements at an acceptable performance level; Korchek will use reasonable efforts to notify Customer in advance that additional hardware might be needed;
- 9.4. Malfunctions caused by user error or negligence;

- 9.5. State and/or local agency requirements, unless paid for by Customer on a time and materials basis at Korchek's then current rates;
- 9.6. Annual update fees, if any, for third party software licenses or Sublicensed Software not included in Support Exhibit A. The software publisher or equipment manufacturer may charge such fees to the Customer. All associated installation charges for updates to third party software or Sublicensed Software shall be the responsibility of Customer;
- 9.7. Travel and living expenses incurred by Korchek employees in conjunction with performing non-standard Korchek services, any travel expenses will be reimbursed pursuant to Customer's travel policy;
- 9.8. Software products not shown in Exhibit A;
- 9.9. Hardware or third party software;
- 9.10. Although Korchek may assist Customer from time to time by answering questions or providing information regarding information technology administration, preventative maintenance, and operating systems, such services are outside the scope of this Support Agreement except to the extent that they are for, interface with, or directly impact Korchek provided software or hardware.

10. OBLIGATIONS OF CUSTOMER and KORCHEK .

- 10.1. Korchek's obligations are conditioned on Customer fulfilling its obligations hereunder, including, without limitation:
- 10.2. Providing Korchek with all information and assistance necessary to detect, simulate or reproduce and correct any Program Errors.
- 10.3. Subject to the provisions outlined providing Korchek access to the System, including VPN clients, and its related operating environment, including without limitation, the Licensed Software, for the purpose of providing all Korchek services; providing a suitable physical environment including, but not limited to, heat, light, ventilation, air conditioning, proper electrical power and grounding for the Licensed Software to be maintained as specified in Korchek user documentation. To the extent Customer requires that Korchek use special tools to access the System, Customer is responsible for providing such tools.

Kern County Hospital Authority

Korchek Technologies, LLC.

Signed: _____



Printed Name: _____

Gregory Francis

Title: _____

President
Title:

Date: _____

05/29/2018
Date:



Exhibit A

KORCHEK SOFTWARE SUPPORT AGREEMENT

DESCRIPTION	TOTAL
Licensed Software Initial Annual Support Blood Bank Archive	\$4700
TOTAL	\$4700

Support charges for the above listed software will be **\$4700** for the twelve (12) months, commencing upon the Support Effective Date;

Support Fees for any additional Licensed Software licenses shall be equal to the then current rates of the License fee, unless otherwise specified in the License Agreement. Support Fees for any additional Sublicensed Software licenses shall be payable at the then current rate.



PRICE QUOTATION

May 29, 2018

PQ # 2821.4

Kern Medical
 1700 Mt Vernon Ave
 Bakersfield, CA 93306

JOB DESCRIPTION: Extract and convert OpenVista MDRO, MPI, CCD, and PEDs data. Extract and convert Horizon blood bank data. Validate the converted data.

Blood Bank Data Conversion:

Description	Hourly Rate	Estimated Hours	Price
Medical Device Consulting- Data Conversion: Extract Patient Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Extract Unit Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Convert Patient Data to specifications	\$175	80	\$14000
Medical Device Consulting- Data Conversion: Convert Unit Data to specifications	\$175	80	\$14000
Total Kern Medical		240	\$42,000
		SQL Archive	\$5000
		Archive Annual Support	\$4700
		Total	\$51,700
<i>Due to the limitations of all COS blood bank systems' import specifications, an archive database may be required to maintain regulatory compliance for data retention, perform lookbacks, and reduce the amount of legacy mapping. Unsupported Archives may not have functionality to satisfy regulatory compliance.</i>			

Blood Bank Conversion Description: Korchek will export patient and unit blood bank data from the current Horizon system and convert the data to Cerner Millennium import specifications supplied by Kern County Hospital Authority ("KCHA") and/or Cerner. Korchek will supply an aliasing spreadsheet to KCHA. KCHA will use the aliasing spreadsheet to map the appropriate Blood Bank data elements from the legacy system to the Cerner build. Korchek will supply a data file(s) to KCHA and/or Cerner to be imported into the Cerner Millennium system. Cerner will produce an error report which will be reviewed by Korchek in conjunction with KCHA to determine the appropriate course of action. Korchek will supply and install the Korchek Archive, a SQL database with a web front end that has the functionality to inquire by Name and MRN. KCHA is responsible for building the server to specification that will hold the Korchek Archive. KCHA is responsible for providing Korchek adequate security access, restoring any archived data to the legacy systems, the accuracy of the data, and the completeness of the data as it exists in the legacy system. Korchek will perform a "mock" data conversion that will be validated by Korchek, as specified in the data conversion documentation section. Final conversion will occur after successful validation of the "mock" conversion.

A fully licensed and supported Korchek Archive requires an Annual Support Agreement attached as Master License and Support Agreement Statement of Work 2.



PQ # 2821.4

Blood Bank Data Elements:

Patient Data Elements

Patient Name
 Medical Record Number
 ABO/Rh
 Date of Birth
 Gender
 Race
 Special Instructions/Antibodies
 Social Security Number
 ABO/Rh Testing (Including Cord Blood)
 DAT Testing
 Antigen Testing
 Transfusion Reaction
 Antibody Screens
 Crossmatches

Unit Data Elements

Unit Number
 Unit Product Code
 Original Unit Number
 Received Date
 Expiration Date
 Final Status (includes discards)
 Final Status date
 Unit ABO/Rh
 Pooled to Unit and Product (if pooled)
 Patient MRN (if transfused)
 Receiving Institution (if transferred)
 ABO confirmation testing
 Unit Antigen Testing
 Unit Crossmatches
 Comments
 Unit Histories (a complete history of the unit as best can be reconstructed from available data including issuing information)

Multi-Drug Resistant Organisms (MDRO) Data Conversion:

Description	Hourly Rate	Estimated Hours	Price
Medical Device Consulting- Data Conversion: Extract MDRO Data	\$175	60	\$10500
Medical Device Consulting- Data Conversion: Convert MDRO to Cerner as Discrete Problems	\$175	60	\$10500
Total Kern Medical		120	\$21,000
		SQL Archive**	\$0
		Archive Annual Support**	\$0
		Total	\$21,000

Due to the limitations of all COS laboratory information systems' import specifications, an archive database may be required to maintain regulatory compliance for data retention, perform lookbacks, and reduce the amount of legacy mapping. Unsupported Archives may not have functionality to satisfy regulatory compliance.

MDRO Conversion Description: Korchek will export Multi-Drug Resistant Organisms data from the current OpenVista system and convert the data to Cerner Millennium import specifications supplied by KCHA and/or Cerner. Korchek will supply an aliasing spreadsheet to KCHA. KCHA will use the aliasing spreadsheet to map the appropriate MDRO data elements from the legacy system to the Cerner build. Korchek will supply a data file(s) to KCHA and/or Cerner to be imported into the Cerner Millennium system. Cerner will produce an error report which will be reviewed by Korchek in conjunction with KCHA to determine the appropriate course of action. Korchek will supply and install the Korchek Archive, a SQL database with a web front end that has the functionality to inquire by Name and MRN. KCHA is responsible for providing Korchek adequate security access, restoring any archived data to the legacy systems, the accuracy of the data, and the completeness of the data as it exists in the legacy system. Korchek will perform a "mock" data conversion that will be validated by Korchek, as specified in the data conversion documentation section. Final conversion will occur after successful validation of the "mock" conversion.



PQ # 2821.4

**** Indicates an unlicensed and unsupported Korchek Archive that has reduced functionality. A fully licensed and supported Korchek Archive requires an Annual Support Agreement.**

MDRO Data Elements:

Patient Data Elements

Patient Name
 Medical Record Number
 Date of Birth
 Gender

MDRO Data Elements

MDRO Code/Description
 Date Onset
 MDRO Lifecycle metadata

Master Patient Index (MPI) Data Conversion:

Description	Hourly Rate	Estimated Hours	Price
Medical Device Consulting- Data Conversion: Extract Patient Demographic Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Patient Merge and MPI Cleanup	\$175	60	\$10500
Medical Device Consulting- Data Conversion: Convert Patient Demographic Data to Cerner	\$175	100	\$17500
Total		200	\$35,000
**SQL Archive			\$0
**Archive Annual Support			\$0
		Total	\$35,000

MPI Conversion Description: Korchek will export patient demographic data from the current OpenVista system. Visit history and Insurance data are not included in the scope of the MPI conversion. Korchek will perform an analysis of KCHA’s registered patients and produce a report of patients that qualify for merge/cleanup based on a minimum of Last Name, First Name, and Date of Birth. KCHA is responsible for approving the patient merge/cleanup criteria and methodology prior to Korchek applying it. Korchek will apply the approved merge/cleanup methodology to the extracted patient demographic data and convert the data to Cerner import specifications supplied by KCHA and/or Cerner. Korchek will supply an aliasing spreadsheet to KCHA. KCHA will use the aliasing spreadsheet to map the appropriate MPI data elements from the legacy system to the Cerner build. Korchek will supply a data file(s) to KCHA and/or Cerner to be imported into the Cerner system. Cerner will produce an error report which will be reviewed by Korchek in conjunction with KCHA to determine the appropriate course of action. KCHA is responsible for providing Korchek adequate security access, restoring any archived data to the legacy systems, the accuracy of the data, and the completeness of the data as it exists in the legacy system. Korchek will perform a “mock” data conversion that will be validated by Korchek, as specified in the data conversion documentation section. Final conversion will occur after successful validation of the “mock” conversion.

**** Indicates an unlicensed and unsupported Korchek Archive that has reduced functionality. A fully licensed and supported Korchek Archive requires an Annual Support Agreement.**

MPI Data Elements:

Patient Data Elements

Patient Name	Ethnicity
Medical Record Number(s)	Address
Date of Birth	Phone(s)
Date of Death	Email
Gender	Social Security Number
Primary Care Physician	

Continuity of Care Document (CCD) Data Conversion:

Description	Hourly Rate	Estimated Hours	Price
Medical Device Consulting- Data Conversion: Extract Patient Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Extract Allergy Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Extract Immunization Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Convert Patient Data to Cerner	\$175	70	\$12250
Medical Device Consulting- Data Conversion: Convert Allergy Data to Cerner	\$175	70	\$12250
Medical Device Consulting- Data Conversion: Convert Immunization Data to Cerner	\$175	70	\$12250
Total		330	\$57,750
**SQL Archive			\$0
**Archive Annual Support			\$0
Total			\$57,750

CCD Conversion Description: Korchek will export patient, allergy, and immunization data from the current OpenVista system and convert the data to Cerner import specifications supplied by KCHA and/or Cerner. Korchek will supply an aliasing spreadsheet to KCHA. KCHA will use the aliasing spreadsheet to map the appropriate CCD data elements from the legacy system to the Cerner build. Korchek will supply a data file(s) to KCHA and/or Cerner to be imported into the Cerner system. Cerner will produce an error report which will be reviewed by Korchek in conjunction with KCHA to determine the appropriate course of action. KCHA is responsible for providing Korchek adequate security access, restoring any archived data to the legacy systems, the accuracy of the data, and the completeness of the data as it exists in the legacy system. Korchek will perform a “mock” data conversion that will be validated by Korchek, as specified in the data conversion documentation section. Final conversion will occur after successful validation of the “mock” conversion.

**** Indicates an unlicensed and unsupported Korchek Archive that has reduced functionality. A fully licensed and supported Korchek Archive requires an Annual Support Agreement.**

CCD Data Elements:

Patient Information

Patient Name (First, Last, Middle)
 Patient Gender
 Patient DOB
 Patient MRN

Exam Information

Allergies
 Immunization

Pediatric Vitals (PEDs) Data Conversion:

Description	Hourly Rate	Estimated Hours	Price
Medical Device Consulting- Data Conversion: Extract Patient Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Extract Vitals Data	\$175	40	\$7000
Medical Device Consulting- Data Conversion: Convert Patient Data to Cerner	\$175	80	\$14000
Medical Device Consulting- Data Conversion: Convert Vitals Data to Cerner	\$175	80	\$14000
Medical Device Consulting- Data Conversion: Normalize Units of Measure to Metric	\$175	20	\$3500
Total		260	\$45,500
**SQL Archive			\$0
**Archive Annual Support			\$0
		Total	\$45,500

PEDs Conversion Description: Korchek will export pediatric vitals data from the OpenVista system for all patients under the age of 18 as of 7/1/2019 (subject to change based on Kern Go Live schedule). Korchek will normalize the units of measure on all vitals to metric format and convert the data to Cerner import specifications supplied by KCHA and/or Cerner. Korchek will supply an aliasing spreadsheet to KCHA. KCHA will use the aliasing spreadsheet to map the appropriate PEDs data elements from the legacy system to the Cerner build. Korchek will supply a data file(s) to KCHA and/or Cerner to be imported into the Cerner system. Cerner will produce an error report which will be reviewed by Korchek in conjunction with KCHA to determine the appropriate course of action. KCHA is responsible for providing Korchek adequate security access, restoring any archived data to the legacy systems, the accuracy of the data, and the completeness of the data as it exists in the legacy system. Korchek will perform a “mock” data conversion that will be validated by Korchek, specified in the data conversion documentation section. Final conversion will occur after successful validation of the “mock” conversion.

**** Indicates an unlicensed and unsupported Korchek Archive that has reduced functionality. A fully licensed and supported Korchek Archive requires an Annual Support Agreement.**

PEDs Data Elements:

Patient Information

Patient Name (First, Last, Middle)
 Patient Gender
 Patient DOB

Exam Information

Head Circumference
 Weight
 Height

Data Conversion Documentation:

Description	Price Test Scripts	Price Execution	Total
Medical Device Documentation – Medical Technology Software Conversion Plan	\$1500		\$1500
Medical Device Documentation – Blood Bank Software Blood Bank Data Validation	\$1000	\$8000	\$9000
Medical Device Documentation – MDRO Data Multi-Drug Resistant Organisms Data Validation	\$1000	\$7000	\$8000
Medical Device Documentation – MPI Data Master Patient Index Data Validation	\$1000	\$7000	\$8000
Medical Device Documentation – CCD Data Continuity of Care Document Data Validation	\$1000	\$7000	\$8000
Medical Device Documentation – PEDs Data Pediatric Vitals Data Validation	\$1000	\$5000	\$6000
Total	\$6,500	\$34,000	\$40,500

Data Conversion Documentation Description: Korchek Technologies will document and verify that the legacy Horizon and OpenVista data imported into Cerner Millennium adequately reflects the data that resides on the legacy system(s). Korchek will document this data using a test plan and printed screens. Korchek will provide KCHA with an encrypted electronic documentation package for each module listed above. The documentation package will include a summary of all identified issues, how they were resolved, and screen shots from both the legacy system and Cerner. KCHA is responsible for all system setup and providing Korchek adequate system access and vendor documentation.

Pricing Summary:

Description	Price
Blood Bank Data Conversion	\$ 51,700
MDRO Conversion	\$ 21,000
MPI Data Conversion	\$ 35,000
CCD Data Conversion	\$ 57,750
PEDs Data Conversion	\$ 45,500
Data Conversion Documentation	\$ 40,500
Total	\$251,450
Returning Customer Discount	(\$4700)
Kern County Hospital Authority Total	\$246,750

Fees and Services: Prices are based on consulting fees as indicated above and the estimated time to complete a typical project of this type. Excessive modifications to the system, excessive extracts, unexpected name spaces/archives, legacy system archives, or excessive mock conversions after the project begins may result in additional fees. Security questionnaires with more than 150 questions will incur a \$750 service charge. After normal business hours (ET), weekend, or holiday engagements may result in additional fees. Fees exceeding these estimates are subject to the approval of the customer. Estimated time is considered on-site, phone consultation and network time.

Estimated Expenses for Reimbursement: Expenses incurred will be billed and reimbursed by the customer. Korchek personnel will use the most economical means to complete the job. **Any and all travel expenses will be preapproved by Customer prior to travel and expenses will be reimbursed pursuant to Customer's travel guidelines.** It is estimated that site visits will not be necessary.

Terms: Prices are valid for 60 days from the date of this quote. Terms are net 30 days. Shipping terms are FOB destination, freight prepaid and added. We require the receipt of a signed price quote and purchase order before work can be scheduled. A late fee of 1.5% per month will be added to overdue balances after two written notices in attempt to collect. Fees will be invoiced 25% with receipt of purchase order, 50% 4 weeks after the project begins, and 25% when complete or 4 months from the start whichever comes first. All local sales and use taxes are the responsibility of the customer.



Gregory Francis
Korchek Technologies

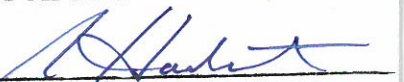
05/29/2018
Date:

Signed

Russell Bigler
Kern County Hospital Authority

Date:

**REVIEWED ONLY
NOT APPROVED AS TO FORM**

By 
Legal Services Department



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

SUBJECT: Proposed renewal and binding of insurances coverages from July 1, 2018 through June 30, 2019, in an amount not to exceed \$1,528,599

RECOMMENDED ACTION: Approve, authorize Chief Executive Officer to sign the Premium Finance Agreement with IPFS Corporation of California

Kern Medical requests your Board's approval to renew and bind the following insurance coverages for the period July 1, 2018 through June 30, 2019:

- Hospital Professional Liability, General Liability and Umbrella/Excess Liability
- Workers' Compensation and Employers Liability
- Automobile Liability
- Heliport & Non-Owned Aircraft Liability
- Directors & Officers Liability
- Employment Practices Liability
- Crime
- Privacy and Security (Cyber) Liability
- Premises Pollution Liability
- Underground Storage Tanks (UST) Liability
- Property: Building, Equipment, Business Interruption, Earthquake & Flood
- Employed Lawyers Liability
- Fiduciary Liability

Hospital Professional Liability, General Liability and Umbrella/Excess Liability *

Kern Medical recommends renewing coverage for the Hospital Professional Liability, General Liability and Umbrella/Excess Liability with Columbia Casualty Company (CNA).

- Insurance Carriers: Columbia Casualty Company (CNA) and National Fire & Marine Insurance Company (MedPro)
- Rating: Carriers have the following ratings with A.M. Best – CNA [A (Excellent) XV] and MedPro [A++ (Superior) XV]
- Term: July 1, 2018 through July 1, 2019
- Coverage: Hospital Professional Liability insurance protects physicians and other licensed health care professionals from liability associated with wrongful practices resulting in bodily injury, medical expenses, and the cost of defending lawsuits related to such claims. General Liability insures against losses from bodily injury, personal injury and property damage. Umbrella/Excess Liability provides additional limits in excess of Self-Insured Retentions and Underlying Coverages.

- Limit per Medical Incident or per Occurrence: \$25,000,000
- Self-insured Retention (SIR):
 - \$2,000,000 per Professional Liability Claim
 - \$1,000,000 per General Liability Occurrence
- Underlying Coverages: Automobile Liability, Employers Liability and Heliport Liability
- Combined Annual Premium: \$671,110

Workers' Compensation and Employers Liability *

Kern Medical recommends placing Workers' Compensation and Employers Liability coverage with Safety National Casualty Corporation.

- Insurance Carriers: Safety National Casualty Corporation
- Ratings: Carrier has an A+ (Superior) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy insures against losses from work-related bodily injury or disease and coverage against the common law liability of an employer for injuries sustained by employees.
- Limit per Occurrence:
 - Workers' Compensation – Statutory
 - Employers Liability - \$5,000,000
- SIR: \$1,000,000
- Annual Premium: \$130,463

Automobile Liability

Kern Medical recommends purchasing Automobile Liability coverage for 11 vehicles and five trailers, which the authority owns and operates. This includes four emergency trailers not previously insured. In addition, Physical Damage coverage is recommended for all vehicles and trailers with the exception of two nearly 20-year-old cargo vans of which coverage would reduce to liability with comprehensive; however, no collision coverage would be afforded. In addition, Medical Payments and Uninsured/Underinsured Motorist Coverages would be eliminated.

- Insurance Carrier: Philadelphia Indemnity Insurance Co.
- Rating: Carrier has an A++ (Superior) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy insures against losses from automobile accident related injuries and property damage, including Owned, Non-Owned and Hired Automobiles.
- Limit per Occurrence: \$1,000,000
- Deductible: \$1,000 for comprehensive and collision (where coverage applies); \$0 for liability
- Annual Premium: \$14,509
- Additional Option: Renew as Expiring, Vehicles as Described but no changes to coverage
 - Premium increases to \$17,229

Heliport Liability *

Kern Medical recommends renewing Heliport Liability coverage through ACE Property & Casualty Insurance Co. (Chubb).

- Insurance Carrier: ACE Property & Casualty Insurance Co. (Chubb)
- Rating: Carrier has an A++ (Superior) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy insures against losses for injury to a third party or their property arising from the operation and maintenance of the hospital's helipad (e.g., damage caused to a vehicle from debris). The policy also protects the hospital against losses associated with non-owned aircraft (e.g., patient transport by helicopter).
- Limit per Occurrence: \$10,000,000
- Deductible: \$0
- Annual Premium: \$6,019

Directors and Officers Liability *

Kern Medical recommends renewing coverage for Directors and Officers Liability coverage through AIG Specialty Insurance Company.

- Insurance Carrier: AIG Specialty Insurance Company
- Rating: Carrier has an A (Excellent) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy provides financial protection for managers against the consequences of actual or "wrongful acts" when acting within the scope of their managerial duties.
- Limit Each Wrongful Act Claim: \$5,000,000
- SIR: \$25,000
- Annual Premium: \$23,910

Employment Practices Liability *

Kern Medical recommends renewing Employment Practices Liability insurance through AIG Specialty Insurance Company.

- Insurance Carrier: AIG Specialty Insurance Company
- Rating: Carrier has an A (Excellent) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy insures against losses for wrongful acts, including wrongful termination, sexual harassment, discrimination, invasion of privacy, false imprisonment, breach of contract, and emotional distress.
- Limit Each Wrongful Act Claim: \$5,000,000
- SIR: \$500,000
- Annual Premium: \$83,855

Crime

Kern Medical recommends continued participation in the Crime insurance program offered by California State Association of Counties Excess Insurance Authority (CSAC-EIA).

- Insurance Carrier: National Union Fire Insurance of Pittsburgh, PA (AIG)
- Rating: Carrier has an A (Excellent) XV rating from A.M. Best
- Term: June 30, 2018 – June 30, 2019
- Coverage: This policy insures against employee theft, robbery, forgery, extortion, and computer fraud.
- Limit per Occurrence: \$15,000,000
- Deductible: \$25,000
- Annual Premium: \$12,003

Cyber Liability

Kern Medical recommends continued participation in the Cyber Liability program through California State Association of Counties Excess Insurance Authority (CSAC-EIA).

- Insurance Carrier: Primary program layer and breach notification Lloyd's of London – (Beazley Syndicate) and excess program layer Greenwich Insurance Company (XL)
- Rating: Carriers have the following ratings with A.M. Best – Lloyd's/Beazley [A (Excellent) XV] and Greenwich [A (Excellent) XV]
- Term: July 1, 2018 – July 1, 2019
- Coverage: This policy insures against website media content liability (including cyber extortion, first party data protection and first party network business interruption) and privacy notification costs from data breaches in which the hospital's patients and employees personal information, such as names, date of birth, Social Security and credit card information, is exposed and stolen.
- Limit – Incident and Aggregate: \$5,000,000
- SIR: \$50,000
- Annual Premium: \$20,282

Premises Pollution Liability *

Kern Medical recommends renewing Premises Pollution Liability insurance through Illinois Union Insurance Company (Chubb).

- Insurance Carrier: Illinois Union Insurance Company (Chubb)
- Rating: Carrier has an A++ (Superior) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: Coverage for first-party claims arising from a pollution condition from premises, including clean-up, emergency response and business interruption; coverage for third-party bodily injury and property damage; coverage for transport of hazardous materials and non-owned disposal sites.
- Limit per Pollution or Indoor Environmental Condition: \$1,000,000
- SIR: \$25,000
- Annual Premium: \$12,252

Underground Storage Tank Liability *

Kern Medical recommends renewing Underground Storage Tank Liability insurance through ACE American Insurance Company (Chubb) as it covers one underground storage tank containing 10,000 gallons of diesel fuel and one associated above-ground day tank.

- Insurance Carrier: ACE American Insurance Company (Chubb)
- Rating: Carrier has an A++ (Superior) XV rating from A.M. Best
- Term: July 1, 2018 – July 1, 2019
- Coverage: Bodily Injury or Property Damage caused by a storage tank incident, including Corrective Action Costs and Legal Defense Expense. Meets requirements for Financial Responsibility.
- Limit per Occurrence: \$1,000,000
- SIR/Deductible: \$25,000
- Annual Premium: \$579

Property

Kern Medical recommends continued participation in the Property insurance program through California State Association of Counties Excess Insurance Authority (CSAC-EIA).

- Insurance Carriers: CSAC-EIA with multiple layers of excess and reinsurance from various carriers.
- Rating: All Carriers must have at least an A- (Excellent) IX rating from A.M. Best
- Term: 3/31/2018 – 3/31/2019 (Billed from 07/01/2018 – 07/01/2019)
- Coverage: This policy provides All Risk coverage, including Real Property, Earthquake, Flood, Boiler & Machinery, Business Interruption, and more.
- Limit per Occurrence: \$800,000,000 All Risk and \$540,000,000 Annual Aggregate for Earthquake.
- Deductible: \$100,000 All Risk; 5% of Values for Earthquake (\$100,000 Minimum)
- Annual Premium: \$520,511

Employed Lawyers *

Kern Medical recommends renewing Employed Lawyers Professional Liability insurance through Federal Insurance Co (Chubb).

- Insurance Carrier: Federal Insurance Company (Chubb)
- Rating: Carrier has an A++ (Superior) XV rating from A.M. Best
- Term: 7/1/2018 – 7/1/2019
- Coverage: This policy provides professional liability coverage for employed lawyers and support staff from claims arising from their legal professional services.
- Limit per Occurrence/Aggregate: \$1,000,000
- SIR: \$0 Non-Indemnified Person & \$5,000 Organization
- Annual Premium: \$1,764

Fiduciary Liability *

Kern Medical recommends binding coverage for Fiduciary Liability insurance through Hudson Insurance Company.

- Insurance Carrier: Hudson Insurance Company
- Rating: Carrier has an A (Excellent) XV rating from A.M. Best
- Term: 7/1/2018 – 7/1/2019

- Coverage: This policy provides coverage for the Defined Contribution Plan Fiduciaries as they can be held personally liable for losses to a benefit plan incurred because of their alleged errors or omissions or breach of their fiduciary duties.
 - Limit per Occurrence/Aggregate: \$3,000,000
- SIR: \$0 Non-Indemnifiable Losses of Covered Penalties; \$50,000 All Other Losses
- Annual Premium: \$6,018
- Additional Options:
 - Option A: Decrease Limit to \$1,000,000 – Premium decreases to: \$3,846
 - Option B: Increase Limit to \$5,000,000 – Premium increases to: \$7,516

Total Annual Premiums (no financing): \$1,503,275 (as recommended)

Premium Financing

Kern Medical recommends financing the premiums as follows:

1. CSAC-EIA will provide in-house financing of Property, Crime, and Privacy and Security (Cyber) coverages for an additional fee of approximately \$4,196 with the cost of coverage and financing split between 12 equal payments; and
2. IPFS Corporation of California will finance coverages with an * symbol. Financing will require 15% cash down payment (\$140,000), plus finance charges currently at a rate of 5.75% (up to \$21,128), for total payments not to exceed \$817,098, as set forth below.

Total premium -	\$935,970
Cash down payment -	- <u>\$140,000</u>
Amount financed -	\$795,970
Finance charges (~5.75%) -	\$21,128
Total payments -	\$817,098

3. Financing through IPFS Corporation requires the signing of a separate Premium Finance Agreement and Certificate of Incumbency.

Therefore, it is recommended that your Board approve the renewal and binding of insurance coverages from July 1, 2018 through June 30, 2019, with the option to finance selected premiums through CSAC-EIA and IPFS Corporation of California in an amount not to exceed \$1,528,599, and authorize the Chief Executive Officer to sign the Premium Finance Agreement with IPFS Corporation and Certificate of Incumbency.

49 STEVENSON STREET
 SUITE 1275
 SAN FRANCISCO, CA 94105
 (877)687-9826 FAX: (415)796-6156
 CUSTOMER SERVICE: (800)774-8282

PREMIUM FINANCE AGREEMENT
License # 973 9750

IPFS CORPORATION

A	CASH PRICE (TOTAL PREMIUMS)	\$935,970.07
B	CASH DOWN PAYMENT	\$140,000.00
C	PRINCIPAL BALANCE (A MINUS B)	\$795,970.07

AGENT (Name & Place of business) ALLIANT INSURANCE SERVICES INC 100 PINE ST STE 1100 SAN FRANCISCO, CA 94111-5113 (415)403-1400 FAX: (415)403-0773	INSURED (Name & Residence or business) KERN COUNTY HOSPITAL AUTHORITY 1700 MOUNT VERNON AVE BAKERSFIELD, CA 93306-4018
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Commercial

Account #: _____

LOAN DISCLOSURE
 Additional Policies Scheduled on Page 3

Quote Number: 7504195

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate. 5.750%	FINANCE CHARGE The dollar amount the credit will cost you. \$21,127.53	AMOUNT FINANCED The amount of credit provided to you or on your behalf. \$795,970.07	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled \$817,097.60
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YOUR PAYMENT SCHEDULE WILL BE

Number Of Payments 10	Amount Of Payments \$81,709.76	When Payments Are Due Beginning: MONTHLY 08/01/2018
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ITEMIZATION OF THE AMOUNT FINANCED: THE AMOUNT FINANCED IS FOR APPLICATION TO THE PREMIUMS SET FORTH IN THE SCHEDULE OF POLICIES UNLESS OTHERWISE NOTED.

Security: Refer to paragraph 1 below for a description of the collateral assigned to Lender to secure this loan.

Late Charges: A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5.00% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute or as otherwise allowed by law. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.00. See the terms below and on the next page for additional information about nonpayment, default and penalties.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	07/01/2018	COLUMBIA CASUALTY CO	EXCESS PROFESSIONAL LIABILITY	25.00%	12	564,000.00 Tax: 18,048.00
Broker Fee:						\$0.00
TOTAL:						\$935,970.07

The undersigned insured directs IPFS Corporation of California d/b/a/ IPFS Corporation (herein, "Lender") to pay the premiums on the policies described on the Schedule of Policies. In consideration of such premium payments, subject to the provisions set forth herein, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, in each case as shown in the above Loan Disclosure. The named insured(s), on a joint and several basis if more than one, hereby agree to the following provisions set forth on pages 1 and 2 of this Agreement: **1. SECURITY:** To secure payment of all amounts due under this Agreement, insured assigns Lender a security interest in all right, title and interest to the scheduled policies, including (but only to the extent permitted by applicable law): (a) all money that is or may be due insured because of a loss under any such policy that reduces the unearned premiums (subject to the interest of any applicable mortgagee or loss payee), (b) any unearned premium under each such policy, (c) dividends which may become due insured in connection with any such policy and (d) interests arising under a state guarantee fund. **2. POWER OF ATTORNEY:** Insured irrevocably appoints Lender attorney-in-fact with full power of substitution and full authority upon default to cancel all policies above identified, receive all sums assigned to its Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this Agreement. **3. POLICY EFFECTIVE DATES:** The finance charge begins to accrue as of the earliest policy effective date.

NOTICE: A. Do not sign this agreement before you read it or if it contains any blank space. B. You are entitled to a completely filled in copy of this agreement. C. Under the law, you have the right to pay in advance the full amount due and under certain conditions to obtain a partial refund of the finance charge. D. Keep your copy of this agreement to protect your legal rights.

**FOR INFORMATION CONTACT THE
 DEPARTMENT OF FINANCIAL INSTITUTIONS,
 STATE OF CALIFORNIA**

The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

 Signature of Insured or Authorized Agent

 DATE

 Signature of Agent

 DATE

Insured and Lender further agree that: **4. AGREEMENT EFFECTIVE DATE:** This Agreement shall be effective when written acceptance is mailed to the insured by Lender. **5. DEFAULT AND DELINQUENT PAYMENTS:** If any of the following happens insured will be in default: (a) a payment is not made when it is due, (b) a proceeding in bankruptcy, receivership, insolvency or similar proceeding is instituted by or against insured, or (c) insured fails to keep any promise the insured makes in this Agreement; provided, however, that, to the extent required by applicable law, insured may be held to be in default only upon the occurrence of an event described in clause (a) above. The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder or under applicable law in the event of any subsequent late payment. **6. CANCELLATION:** Lender may cancel the scheduled policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement or transfers any of the scheduled policies to a third party and the unpaid balance due to Lender shall be immediately due and payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender. **7. CANCELLATION CHARGES:** If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured shall pay Lender a cancellation charge equal to \$15.00 or the maximum amount permitted by law. If cancellation occurs, the insured agrees to pay a finance charge on the outstanding indebtedness at the maximum rate authorized by applicable state law in effect on the date of cancellation until the outstanding indebtedness is paid in full or until such other date as required by law. **8. INSUFFICIENT FUNDS (NSF) CHARGES:** If insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee of \$15.00 or the maximum amount permitted by law. **9. MONEY RECEIVED AFTER CANCELLATION:** Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of any policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled to the money. In the event that Lender does request a reinstatement of the policy(ies) on behalf of the insured, such a request does not guarantee that coverage under the policy(ies) will be reinstated or continued. Only the insurance company has authority to reinstate the policy(ies). The insured agrees that Lender has no liability to the insured if the policy(ies) is not reinstated and Lender may charge a reinstatement fee where permitted up to the maximum amount allowed by law. **10. ASSIGNMENT:** The insured agrees not to assign this Agreement or any policy listed hereon or any interest therein (except for the interest of mortgagees or loss payees), without the written consent of Lender, and that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall inure to the benefit of Lender's successors and assigns (and any assignees thereof). **11. INSURANCE AGENT OR BROKER:** The insured agrees that the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law). As and where permissible by law, Lender may compensate your insurance agent/broker for assisting in arranging the financing of your insurance premiums. If you have any questions about this compensation you should contact your agent/broker. **12. FINANCING NOT A CONDITION:** The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance. **13. COLLECTION COSTS:** Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law if this Agreement is referred to an attorney or collection agency who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. **14. LIMITATION OF LIABILITY:** The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligence or willful misconduct. Insured recognizes and agrees that Lender is a lender only and not an insurance company and that in no event does Lender assume any liability as an insurer hereunder or otherwise. **15. CLASSIFICATION AND FORMATION OF AGREEMENT:** This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy. **16. REPRESENTATIONS AND WARRANTIES:** The insured represents that (a) the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), (b) if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, (c) all parties responsible for payment of the premium are named and have signed this Agreement, and (d) there is no term or provision in any of the scheduled policies that would require Lender to notify or get the consent of any third party to effect cancellation of any such policy. **17. ADDITIONAL PREMIUM FINANCING:** Insured authorizes Lender to make additional advances under this premium finance agreement at the request of either the Insured or the Insured's agent with the Insured's express authorization, and subject to the approval of Lender, for any additional premium on any policy listed in the Schedule of Policies due to changes in the insurable risk. If Lender consents to the request for an additional advance, Lender will send Insured a revised payment amount ("Revised Payment Amount"). Insured agrees to pay the Revised Payment Amount, which may include additional finance charges on the newly advanced amount, and acknowledges that Lender will maintain its security interest in the Policy with full authority to cancel all policies and receive all unearned premium if Insured fails to pay the Revised Payment Amount. **18. PRIVACY:** Our privacy policy may be found at <https://www.ipfs.com/Privacy.aspx>. **19. ENTIRE DOCUMENT / GOVERNING LAW:** This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. In the event that any provision of this Agreement is found to be illegal or unenforceable, it shall be deemed severed from the remaining provisions, which shall remain in full force and effect. The laws of the State of California will govern this Agreement. **20. AUTHORIZATION:** The insurance company(ies) and their agents, any intermediaries and the agent / broker named in this Agreement and their successors and assigns are hereby authorized and directed by insured to provide Lender with full and complete information regarding all financed insurance policy(ies), including without limitation the status and calculation of unearned premiums, and Lender is authorized and directed to provide such parties with full and complete information and documentation regarding the financing of such insurance policy(ies), including a copy of this Agreement and any related notices. **21. WAIVER OF SOVEREIGN IMMUNITY:** The insured expressly waives any sovereign immunity available to the insured, and agrees to be subject to the laws as set forth in this Agreement (and the jurisdiction of federal and/or state courts) for all matters relating to the collection and enforcement of amounts owed under this Agreement and the security interest in the scheduled policies granted hereby.

AGENT/BROKER REPRESENTATIONS

The agent/broker executing this, and any future, agreements represents, warrants and agrees: (1) installment payments totaling \$0.00 and all applicable down payment(s) have been received from the insured in immediately available funds, (2) the insured has received a copy of this Agreement; if the agent/broker has signed this Agreement on the insured's behalf, the insured has expressly authorized the agent/broker to sign this Agreement on its behalf or, if the insured has signed, to the best of the undersigned's knowledge and belief such signature is genuine, (3) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (4) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (5) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (6) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (7) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent/broker in preparing this Agreement, (8) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable), (9) to hold in trust for Lender or its assigns any payments made or credited to the insured through or to agent/broker directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender or its assigns upon demand to satisfy the outstanding indebtedness of the insured, (10) all material information concerning the insured and the financed policies necessary for Lender to cancel such policies and receive the unearned premium has been disclosed to Lender, (11) no term or provision of any financed policy requires Lender to notify or get the consent of any third party to effect cancellation of such policy, and (12) to promptly notify Lender in writing if any information on this Agreement becomes inaccurate.

AGENT
 (Name & Place of business)
 ALLIANT INSURANCE SERVICES INC
 100 PINE ST STE 1100
 SAN FRANCISCO, CA 94111-5113
 (415)403-1400 FAX: (415)403-0773

INSURED
 (Name & Residence or business)
 KERN COUNTY HOSPITAL AUTHORITY
 1700 MOUNT VERNON AVE
 BAKERSFIELD, CA 93306-4018

Account #: _____

**SCHEDULE OF POLICIES
 (continued)**

Quote Number: 7504195

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	MINIMUM EARNED PERCENT	POL TERM	PREMIUM
PENDING	07/01/2018	NATIONAL FIRE & MARINE INS CO MED PRO	EXCESS PROFESSIONAL LIABILITY	25.00%	12	86,300.00 Tax: 2,761.60
PENDING	07/01/2018	ACE PROPERTY & CASUALTY INSURANCE C	LIABILITY	0.000%	12	6,019.00
PENDING	07/01/2018	AIG SPECIALTY INSURANCE COMPANY	DIRECTORS & OFFICERS	0.000%	12	104,424.00 Tax: 3,341.57
PENDING	07/01/2018	ILLINOIS UNION INSURANCE CO	POLLUTION	100.0%	12	11,872.00 Tax: 379.90
PENDING	07/01/2018	ACE AMERICAN INSURANCE CO	LIABILITY	0.000%	12	579.00
PENDING	07/01/2018	SAFETY NATIONAL CASUALTY CORPORATIO	WORKMENS COMP	0.000%	12	130,463.00
PENDING	07/01/2018	FEDERAL INSURANCE CO	LAWYERS PROF LIABILITY	0.000%	12	1,764.00
PENDING	07/01/2018	HUDSON INSURANCE CO	FIDUCIARY	0.000%	12	6,018.00

TOTAL: \$935,970.07

CERTIFICATE OF INCUMBENCY

I, MONA A. ALLEN, do hereby certify that I am the duly elected or appointed and acting Secretary or Clerk of the Kern County Hospital Authority (Insured), that I have custody of the records of such entity, and that each individual named below is, and was as of the date each individual affixed his or her signature to the Premium Finance Agreement, between the Insured and IPFS Corporation of California (IPFS) (the Agreement), a duly elected or appointed officer of such entity holding the title or office set forth opposite his or her name below. I further certify that: (i) the signature set opposite each individual's name is a true and authentic signature of that individual and (ii) each such individual has (and had on the date each such individual affixed his or her signature to the Agreement) the authority on behalf of the Insured to enter into the Agreement.

Signature

Russell V. Judd
Chief Executive Officer
Kern County Hospital Authority

IN WITNESS WHEREOF, I have duly executed this Incumbency Certificate and affixed Insured's seal hereto this ____ day of _____, 2018.

Mona A. Allen, Authority Board Coordinator



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed Amendment No. 1 to Agreement 2016-042 with Trans-West Security Services, Inc.

Recommended Action: Approve; Authorize Chairman to Sign

Summary:

Kern Medical requests your Board approve the proposed amendment with Trans-West Security Services, Inc., for management of Security Services and provision of security officers to cover the campuses at Kern Medical and 1111 Columbus St. This amendment extends the term by 2 years, through June 30, 2020, and increases the not-to-exceed amount by \$3,200,000. The increased not-to-exceed amount is due to increased security manager costs and increased rates to be paid to security officers in relation to State of California minimum wage increases.

**AMENDMENT NO. 1 TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Trans-West Security Services, Inc.)**

This Amendment No. 1 to the Agreement for Professional Services Independent Contractor (“Amendment No. 1”) is entered into this 20th day of June, 2018, by and between Kern County Hospital Authority, a local unit of government, (“KCHA”) which owns and operates Kern Medical Center (“Kern Medical”), and Trans-West Security Services, Inc., a California corporation (“Contractor”), with its principle place of business located at 8503 Crippen Street, Bakersfield, CA 93311.

RECITALS

A. KCHA and Contractor have entered into an Agreement for Professional Services (KCHA Agt. #HA2016-042, dated June 22, 2016) for the period of July 1, 2016 through June 30, 2018, to provide security services for Kern Medical, (“Agreement”).

B. The Agreement expires June 30, 2018; and

C. KCHA continues to require the services of Contractor and Contractor has agreed to continue to provide such services; and

D. The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

F. The Agreement is amended effective July 1, 2018;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follow:

1. Section 1, **Term** shall be deleted in its entirety and superseded by the following:

“1. **Term**. The term of this Agreement shall commence on July 1, 2016 (the “Effective Date”), and shall end June 30, 2020, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 2.1, **Specified Services**, shall be deleted in its entirety and superseded by the following:

“2.1 **Specified Services**. Contractor shall perform the services set forth in Exhibits “A” and “A-1” attached hereto and incorporated herein by this reference. Such

services may be changed from time to time by agreement of the parties in accordance with the provisions of this Agreement”

3. Section 4., **Payment for Services** shall be deleted in its entirety and superseded by the following:

“4.1 **Fees and Charges.** As consideration for the services provided by Contractor hereunder, KCHA will pay Contractor in accordance with the fee schedule set forth in Exhibit “B”, attached hereto and incorporated herein by this reference for the period of July 1, 2016 to June 30, 2018 and in accordance with the fee schedule set for their Exhibit “B-1”, attached hereto and incorporated herein by this reference for the period of July 1, 2018 to June 30, 2020. All services are payable in arrears.

4.2 **Invoices.** Invoices for payment shall be submitted in a form approved by KCHA and list each service performed. Invoices and receipts shall be sent to KCHA for review and processing within 60 days of the date of service or payment will not be made. Payment shall be made to Contractor within 30 days of receipt and approval of each invoice by Kern Medical.

4.3 **Maximum Payable.** The maximum payable under this Agreement will not exceed \$5,612,833.28.”

4.4 **Taxpayer Identification.** To ensure compensation is reported as paid to the proper party, Contractor will complete and execute IRS Form W-9 (Exhibit “C”, attached hereto and incorporated herein by this reference), which identifies the taxpayer identification number for Contractor.”

4. Except as otherwise defined herein, all capitalized terms used in this Amendment No. 1 have the meaning set forth in the Agreement.

5. This Amendment No. 1 shall be governed by and construed in accordance with the laws of the state of California.

6. This Amendment No. 1 may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

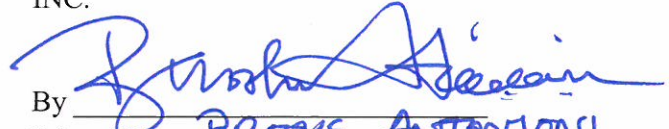
[Signatures follow on next page]

IN WITNESS TO THE FOREGOING, the Parties have executed this Amendment No. as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

TRANS-WEST SECURITY SERVICES
INC.

By _____
Russell Bigler
Chairman, Board of Governors

By 
Printed Name: Brooke Antonioni
Title/Position: PRESIDENT/CEO

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Jared Leavitt
Chief Operating Officer

APPROVED AS TO FORM:
Legal Services Department

By _____
Hospital Counsel

EXHIBIT “A-1”
Description of Services
Kern Medical Security Requirements

Facilities: Kern Medical – Main Campus
1700 Mt. Vernon Street
Bakersfield, CA 93306

Kern Medical Outpatient Clinics - Sagebrush
1111 Columbus Street
Bakersfield, CA 93305

Kern Medical is a facility that operates 24 hours per day, 7 days per week including all holidays. Kern Medical has approximately 32 security officers on staff: 1 post supervisor and 1 site manager. Kern Medical requires 9 officers to cover day shift, 9 officers to cover swing shift, 6 officers to cover graveyard shift and a Trans-West transporter from 6:00 p.m. to 2:00 a.m. to cover Kern Medical 24 hours per day/7 days per week. The 7 posts are: shift leader; psychiatric unit; patrol; triage; emergency department; pediatrics unit; main lobby (D-Wing Lobby); and Kern Medical Outpatient Clinic (2 security officers)*.

*Kern Medical Outpatient Clinic officers are assigned two different shifts: 6:00 a.m. to 2:00 p.m. and 2:00 p.m. to 10:00 p.m. (Monday through Saturday).

To meet the requirements of Kern Medical, the Contractor must provide the following:

- Documentation that substantiates a minimum of two (2) year’s experience in the Healthcare industry
- Officers are to be professionally dressed in uniforms and issued equipment glove pouch, handcuff case, handcuffs, radio holder, duty belt, and keepers.
 - Special requirements
 - Only long sleeve shirts may be worn while on duty at Kern Medical.
 - Card validating proper handcuff training by a P.O.S.T. (Police Officer Standards of Training) qualified trainer.
 - Officers shall be required to have a “guard card.”
 - Officers shall be a minimum of 21 years of age.
 - Officers shall have no felonies to include theft or drug related convictions of any type.
 - Officers shall have no visible tattoos, facial or faddish piercings.
- Use of an automated Daily Activity Reporting (DAR) System.
 - Provide real-time electronic software reporting system for purposes of documentation, reporting and managing data and statistics.
 - Must provide categorical summary reports.

- Drug and Alcohol Program to include Safety Sensitive Compliance
 - Include copy of the overall program
 - Employee acknowledgement requirements
 - Pre-employment testing
 - Post accident/ incident testing
 - For cause testing
 - Random Testing (to be administered by a 3rd party)
 - Kern Medical non-expanded panel criteria for drug screening shall be used.
- Provide On Site Project Manager and Post Supervisor

Security Manager Requirements

- Must demonstrate competence in security.
- Must conduct business with high-level of professionalism.
- Must possess excellent public speaking and presentation skills.
- Must be able to track, analyze and report statistical data as needed.
- Must be fluent in MS Office Suite, especially Word, Excel and PowerPoint.
- Must have experience creating Emergency Action Plans.
- Minimum of 5 years of experience in Corporate Security, Law Enforcement or Military.
- Minimum of 5 years of supervisory experience with 15 to 20 employees.
- Security Manager Certifications (to be provided by or paid for by vendor and completed within 8 months of hire date)
 - IAHSS- Certified Healthcare Protection Administrator (CHPA) certification
 - Certified Protection Professional (CPP) through ASIS International
 - Professional Assault Crisis Training (ProACT)
 - CPR/First Aid Trained
 - Healthcare Defensive Tactics System (HDTS)
 - Participate in annual professional development opportunities

Security Manager Job Description

- Oversee and direct all security staff.
- Foster a professional, customer service driven culture with all security staff.
- Design, recommend, and draft appropriate safety and security policies and procedures.
- Actively participate on the Safety and Environment of Care (EOC) Committee in the review, development and maintenance of the security plan.
- Actively participate on the Emergency Preparedness Committee in the review, development and maintenance of the Emergency Maintenance Operation plan.
- Ensure training compliance of security staff on adopted Kern Medical safety and security policies and procedures.
- Assist Kern Medical management staff in the identification and resolution of safety and security issues. Attend and report to the hospitals safety committee monthly.
- Assist Kern Medical management staff in meeting regulatory requirements for the

- environment.
- Perform Hazard Surveillance Rounds as required by the Kern Medical safety plan.
 - Assist in the management and maintenance of the badge and lock access system for the hospital.
 - Track and monitor activities associated with Key Performance Indicators (KPI's) as outlined in the contract to ensure compliance.
 - Provide Trans-West leadership with regular status updates.
 - In the event a KPI is trending towards non-compliance, notify Trans-West leadership immediately and establish a mitigation plan to avoid non-compliance.
 - Ensure security staff is adhering to shift change processes.
 - All security personnel shift change at assigned post (established April 2018)
 - Oncoming Security Officers will conduct a briefing with Kern Medical staff at assigned post.
 - Implement and maintain Communication Plan consisting of:
 - Open channel of communication at all times with Kern Medical COO.
 - Weekly security updates delivered to Kern Medical Department Leads.
 - As agreed upon with Department Leads, attend and participate in Department Meetings.
 - Facilitate Monthly Business Review Meetings with Trans-West and Kern Medical Leadership.
 - Facilitate Quarterly Business Review Meetings with Trans-West and Kern Medical Leadership.
 - Create and Maintain Action Item Log for both meetings. Distribute to Trans-West and Kern Medical Leadership on monthly basis.
 - Attendance at monthly planned meetings.
 - Participate in all Hospital audits, evaluations, drills and other requested activities per Kern Medical Leadership.
 - Initiate and Facilitate Bi-Annual Security Risk Assessments as required by contract.
 - Coordinate contracted security firm for assessments.
 - Review and present findings accordingly.
 - Initiate and Facilitate Bi-Annual Security Action Plan reviews as required by contract.
 - Propose changes to policies and procedures using data analysis.
 - Participate in any identification of opportunities and improvements of process and procedures.
 - Oversee ongoing training and meeting of security employees.

Post Supervisor Requirements

- Completion of all Security Officer training.
Minimum of 3 years Healthcare Security experience with progressive supervisory experience in the following areas
 - Supervisor Training
 - HR Training, including but not limited to documentation, discipline and, counseling
 - Proficient Computer Skills

- Security Post Supervisor Certifications (to be provided by or paid for by Contractor):
 - IAHSS- Certified Supervisor Training
 - Physical Security Professional (PSP) certification through ASIS International
 - Professional Assault Crisis Training (ProACT)
 - CPR/First Aid Trained
 - Personal Safety Training
 - Healthcare Defensive Tactics System (HDTS)
 - AVADE (workplace violence prevention training program)

Security Officers

KERN MEDICAL/ Security Levels- Progression Plan

Kern Medical Level 1	Kern Medical Level 2	Kern Medical Level 3	Kern Medical - Level 4	Requirements
Kern Medical Orientation	Kern Medical Orientation	Kern Medical Orientation	Kern Medical Orientation	Required prior to assignment
Guard Card	Guard Card	Guard Card	Guard Card	Required prior to assignment
21 Years or Older	21 Years or Older	21 Years or Older	21 Years or Older	Required prior to assignment
Annual TB testing	Annual TB testing	Annual TB testing	Annual TB testing	Required prior to assignment
	PRO-ACT <u>and</u> HDTS training completed	PRO-ACT <u>and</u> HDTS training completed	PRO-ACT <u>and</u> HDTS training completed	Once achieved, certification must be maintained.
Participation in Kern Medical Site training to include: Infant and child abduction, heliport training, communication and report writing, forensic/ safety officer training, emergency/ triage training	All Kern Medical Site training completed e.g., Infant and child abduction, heliport training, communication and report writing, forensic/ safety officer training, emergency/ triage training	All Kern Medical Site training completed e.g., Infant and child abduction, heliport training, communication and report writing, forensic/ safety officer training, emergency/ triage training	All Kern Medical Site training completed e.g., Infant and child abduction, heliport training, communication and report writing, forensic/ safety officer training, emergency/ triage training	Once achieved, certification must be maintained.
	CPR training Completed	CPR training certification maintained	CPR training certification maintained	Once achieved, certification must be maintained.
		IAHSS Certification achieved (Certified Healthcare Security Officer)	IAHSS Certification achieved (Certified Healthcare Security Officer)	Once achieved, certification must be maintained.
Officer is a candidate for Level 2 once training activities are completed; and a successful three month Employee Performance review.	Officer is a candidate for Level 3 once training and certification is achieved; and a successful Annual Employee Performance review.	Officer is a candidate for Level 4 once training and certification is achieved; candidate has a minimum of one year hospital experience; and a successful Annual Employee Performance review.	Officer may achieve level 4 once training and certification is achieved; and maintains successful performance.	Successful employee performance rating must be maintained.

New security officer candidates may be considered for accelerated advancement through the levels of the progression plan immediately dependent upon experience and/or background and at the discretion of Kern Medical Administration.

Cost of the above training shall be incurred by Contractor

Note: ALL of the above training must fall within the JCAHO Guidelines and all regulatory agencies that govern our health care practices.

Security Officers Duties

- Maintain a professional customer service oriented presence at all times.
- Patrol appropriate premises at directed intervals.
- Patrol of parking areas on a regular basis and as determined by Kern Medical Administration.
- Provide escort services for night shift employees to the parking lot.
- Respond to calls for assistance and administer the appropriate assistance to other related control problems
- Door checks with the prompt reporting to the Kern Medical Department Manager.
- Ensure best efforts to prevent acts of vandalism, theft, assault, and similar acts against personnel and property.
- Assist in the management of employee and vendor badges and the access control system.
- Assist in the enforcement of campus parking and smoking
- Apprehension and disposition of persons engaged in any unlawful act on the premises when such apprehension and disposition is properly within jurisdiction and purview of the Security Officer.
- Assist staff on a routine basis, in the completion of specific life safety requirements, i.e. fire extinguishers, lights or signage.
- After hour visitor registration and access control.
- Employee badge and access control.
- Cross train to work all posts associated with Kern Medical and Kern Medical Out Patient Clinics.
- All available officers must respond to "STAT CALLS".
- Conduct morning money runs to appropriate sites.
- Assist with security and deliver of patient valuables.

Security Officer Basic Training and Certification

Kern Medical Security Officers are required to have annual TB Test. Security Officers must provide primary source verification (website) of valid guard card to Kern Medical HR prior to first day of assignment at Kern Medical. Additionally must provide valid primary source

verification (Proof of guard card maintenance) prior to expiration date. Security Officers shall participate in applicable hospital-wide continuing education.

Trans-West will maintain team members that are certified to train in the following non-exclusive training systems:

- Healthcare Defensive Tactics System (HDTS)
- Professional Assault Crisis Training (ProACT)
- International Association of Healthcare Security training (IAHSS)
- SMITH Defensive Driver Training (Defensive Driving, Fatigued Driving and Foul Weather Driving)
- CPR First Aid
- AVADE
- Handcuff Training

Staffing Guarantee:

Trans-West agrees to maintain staffing levels at those shown in Exhibit A a minimum of 97% of the time. Kern Medical will not be charged OT rates associated with this requirement.

Key Performance Indicators:

Commitments	Implementation Deadline
Ensure Security Manager In Place	July 1, 2018
Bi-Annual Risk Assessment	Bi-annually
Bi-Annual Security Plan Review	To be conducted by Security Manager on years no risk assessment is completed
Compliance with all Training	June 30, 2018
Schedule and Hold Monthly Business Review with COO	To be conducted and agreed to by both parties
Schedule and Hold Quarterly Business Review with COO & CEO	To be conducted and agreed to by both parties
Action Item Log	Current / On-Going

Actively Track KPI's

Completed / On-Going

KPI's	Frequency	Occurrence Consequence
Kern Medical Fire Drill	Monthly/Once per shift per quarter	\$25,000
Sage Brush Fire Drill		\$25,000
Kern Medical Fire Extinguisher Check	Monthly	\$1,000
Sage Brush Fire Extinguisher Check	Monthly	\$1,000
Change All Access Codes	6-months	\$1,000
Security Risk Assessment	Bi-Annually	\$25,000
Security Assessment Review	Bi-Annually (alternately to Assessment)	\$5,000
Replace Security Manager	July 1, 2018, as needed when vacant	\$2,500
TW management to meet with clinic and in-patient managers (Estimated 12 Managers)	Per quarter	\$500 per missed occurrence

KPI Explanation:

Trans-West is responsible for the following:

- Fire Drills: Performed according to regulatory requirements
 - Kern Medical: Fire Drills performed quarterly (1 per shift per month), or as required to maintain regulatory compliance
 - Sage Brush: Fire Drills performed quarterly (1 per shift per month), or as required to maintain regulatory compliance
- Fire Extinguisher Checks: penalty applies per month out of compliance: Estimated 300 extinguishers

- The list will be mutually agreed upon and updated annually or as needed
- TransWest and Kern Medical will mutually agree upon the process for communication when new assets are added or removed
- Kern Medical: Fire Extinguisher Checks performed monthly
- Sage Brush: Fire Extinguisher Checks performed monthly
- Panic Button Function Tests
 - Kern Medical: Panic Buttons tested quarterly
 - Sage Brush: Panic Buttons tested quarterly
- Access Code Changes:
 - The list will be mutually agreed upon and updated annually or as needed
 - TransWest and Kern Medical will mutually agree upon the process for communication when new doors are to be added or removed
 - Codes will be changed every six months to maintain door security
 - Trans-West Security Manager is responsible for distributing the code to the appropriate parties
- Security Risk Assessment
 - To be conducted every other year (bi-annually); First assessment to be completed by October 31, 2018. Every other year thereafter by June 30
 - Scope of assessment to be determined and agreed upon between Kern Medical Leadership and Trans-West prior to assessment
 - Security Plan to be updated concurrently with any accepted corrective actions
 - TransWest will assist in developing a prioritized action plan with Kern Medical aimed at minimizing the hospital's vulnerabilities
- Security Assessment Review
 - To be conducted by Site Security Manager every other year, alternately to Security Risk Assessment (on off years of the assessment)
 - Purpose of plan review is to:
 - Assess ongoing/new/unique hospital security risks
 - Maintain compliance with ever-changing regulatory landscape
 - Update assessment in accordance with any facility changes
 - Track progress of prioritized action plan
- Replace Security Manager: TransWest agrees to provide immediate interim support in the event the hospital has no security manager (it is anticipated the current manager will be leave June 15, 2018). TransWest will incur a \$2,500 penalty for every month during the contract that no security manager is employed by TransWest to exclusively act as the hospital site manager

EXHIBIT "B-1"
FEE SCHEDULE

Kern Medical Estimated Budgets
Staffing

Kern Medical Center # of LEVEL Officers		2018 Proposed Rates (July 1 - December 31)				2019 Proposed Rates (January 1 - December 31)				2020 Proposed Rates (January 1 - June 30)			
		Bill Rate	Bi-Weekly	Monthly	Annual	Bill Rate	Bi-Weekly	Monthly	Annual	Bill Rate	Bi-Weekly	Monthly	Annual
1	14	\$ 19.48	\$ 21,817.60	\$ 23,635.73	\$ 283,628.80	\$ 21.87	\$ 24,494.40	\$ 53,071.20	\$ 636,854.40	\$ 23.49	\$ 26,308.80	\$ 28,501.20	\$ 342,014.40
2	6.25	\$ 19.96	\$ 9,980.00	\$ 10,811.67	\$ 129,740.00	\$ 22.28	\$ 11,140.00	\$ 24,136.67	\$ 289,640.00	\$ 23.90	\$ 11,950.00	\$ 12,945.83	\$ 155,350.00
3	3	\$ 20.44	\$ 4,905.60	\$ 5,314.40	\$ 63,772.80	\$ 22.68	\$ 5,443.20	\$ 11,793.60	\$ 141,523.20	\$ 24.30	\$ 5,832.00	\$ 6,318.00	\$ 75,816.00
4	4	\$ 20.91	\$ 6,691.20	\$ 7,248.80	\$ 86,985.60	\$ 23.09	\$ 7,388.80	\$ 16,009.07	\$ 192,108.80	\$ 24.71	\$ 7,907.20	\$ 8,566.13	\$ 102,793.60
Post Sup Site	1	\$ 23.92	\$ 1,913.60	\$ 2,073.07	\$ 24,876.80	\$ 23.90	\$ 1,912.00	\$ 4,142.67	\$ 49,712.00	\$ 25.52	\$ 2,041.60	\$ 2,211.73	\$ 26,540.80
Manager	1	\$ 78.92	\$ 6,313.60	\$ 6,839.73	\$ 82,076.80	\$ 78.92	\$ 6,313.60	\$ 13,679.47	\$ 164,153.60	\$ 78.92	\$ 6,313.60	\$ 6,839.73	\$ 82,076.80
Totals	1170		\$ 51,621.60	\$ 111,846.80	\$ 671,080.80		\$ 56,692.00	\$ 122,832.67	\$ 1,473,992.00		\$ 60,353.20	\$ 130,765.27	\$ 784,591.60
Kern Medical Center 3B													
# of		2018 Proposed Rates (July 1 - December 31)				2019 Proposed Rates (January 1 - December 31)				2020 Proposed Rates (January 1 - June 30)			
LEVEL	Officers	Bill Rate	Bi-Weekly	Monthly	Annual	Bill Rate	Bi-Weekly	Monthly	Annual	Bill Rate	Bi-Weekly	Monthly	Annual
1	2	\$ 19.48	\$ 3,116.80	\$ 3,376.53	\$ 40,518.40	\$ 21.87	\$ 852.06	\$ 1,846.12	\$ 22,153.44	\$ 23.49	\$ 1,027.45	\$ 1,113.07	\$ 13,356.88
2	0.75	\$ 19.96	\$ 2,554.88	\$ 2,767.79	\$ 33,213.44	\$ 22.28	\$ 889.42	\$ 1,927.07	\$ 23,124.86	\$ 23.90	\$ 1,064.98	\$ 1,153.73	\$ 13,844.79
Totals	144		\$ 5,671.68	\$ 12,288.64	\$ 73,731.84		\$ 1,741.47	\$ 3,773.19	\$ 45,278.29		\$ 2,092.44	\$ 4,533.61	\$ 27,201.68
Grand Total			\$ 57,293.28	\$ 124,135.44	\$ 744,812.64		\$ 58,433.47	\$ 126,605.86	\$ 1,519,270.29		\$ 62,445.64	\$ 135,298.88	\$ 811,793.28

Projected Contract Cost **\$3,117,996.21**

Money Run Costs

Year	Rate	Hours	Days	Weekly	Monthly	Annual
2018	\$ 27.00	3	5	\$ 405.00	\$ 1,755.00	\$ 10,530.00
2019	\$ 27.00	3	5	\$ 405.00	\$ 1,755.00	\$ 21,060.00
2020	\$ 27.00	3	5	\$ 405.00	\$ 1,755.00	\$ 10,530.00



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Proposed approval of Medical Staff policy and procedure regarding E/M Service Documentation Provided by Students

Recommended Action: Approve

Summary:

The Centers for Medicare & Medicaid Services (CMS) revised the Medicare Claims Processing Manual, Chapter 12, Section 100.1.1, effective January 1, 2018, to update the policy on Evaluation and Management (E/M) documentation to allow the teaching physician to verify in the medical record any student documentation of components of E/M services, rather than re-documenting the work. CMS implemented the change on March 5, 2018.

The Medical Executive Committee approved the policy on June 5, 2018, and recommends that your Board approve the policy to reflect these changes, as required by the Medical Staff Bylaws.

**KERN MEDICAL CENTER
MEDICAL STAFF
Policy and Procedure
E/M Service Documentation Provided by Students**

Approvals:

Medical Executive Committee:	June 5, 2018
Board of Governors:	June 20, 2018
Effective Date:	July 1, 2018
Review Date:	

I. PURPOSE:

To comply with the Medicare Claims Processing Manual (Chapter 12, Section 100.1.1) regarding Evaluation and Management (E/M) documentation to allow the teaching physician to verify in the medical record any student documentation of components of E/M services, rather than re-documenting the work.

II. POLICY STATEMENT:

Clear and concise medical record documentation is critical to providing patients with quality care and is required for Kern Medical Center to receive accurate and timely payment for furnished services.

III. PROCEDURE:

Any contribution and participation of a student to the performance of a billable service (other than the review of systems and/or past family/social history which are not separately billable but are taken as part of an E/M service) must be performed in the physical presence of a teaching physician or physical presence of a resident in a service meeting the requirements set forth in this section for teaching physician billing.

Students may document services in the medical record. However, the teaching physician must verify in the medical record all student documentation or findings, including history, physical exam and/or medical decision-making. The teaching physician must personally perform (or re-perform) the physical exam and medical decision making activities of the E/M service being billed, but may verify any student documentation of them in the medical record, rather than re-documenting this work.

IV: REFERENCE:

Medicare Claims Processing Manual, Chapter 12, Section 100.1.1
(Rev. 3971, Issued: 02-02-18, Effective: 01-01-18, Implementation: 03-05-18)



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Request to employ retired Kern County Hospital Authority employee Rose Bauer, PharmD

Recommended Action: Approve

Summary:

Kern Medical is requesting approval to employ retired Kern County Hospital Authority employee Rose Bauer, as Extra Help Clinical Pharmacist, for the period ending June 30, 2019, or 960 hours, whichever occurs first, effective July 1, 2018.

The Public Employee Pension Reform Act (PEPRA) sets forth post-retirement service and employment requirements for all KCERA retirees returning to work for a KCERA employer. The authority is a designated KCERA employer. Under PEPRA service requirements, a retiree may be reemployed up to a maximum of 960 hours per fiscal year, subject to approval by your Board.

In addition to the service requirements, Dr. Bauer is also subject to the employment requirements under PEPRA, which provide that a retired public employee is not eligible for post-retirement employment for a period of 180 days following the date of retirement unless the appointment is necessary to fill a critically needed position before 180 days have passed and the appointment has been approved by your Board. The appointment may not be placed on the consent agenda.

Dr. Bauer retired effective January 19, 2018. Dr. Bauer has worked at Kern Medical for over 23 years, most of that time as a home health pharmacist, but also over 7 years as a staff pharmacist in the inpatient pharmacy. In addition to the regular staffing roles and responsibilities, Dr. Bauer has special quality assignments and has the requisite experience and skill set needed to perform the work for which she is being reemployed. Kern Medical has a critical need to reemploy Dr. Bauer immediately, to ensure there is sufficient coverage of the quality tasks required for reporting by The Joint Commission, California Department of Public Health, Centers for Medicare & Medicaid Services, and the Board of Pharmacy. Currently Kern Medical has eight full-time staff pharmacists who cover a very busy service, which has been exacerbated by one vacancy and two leave of absences within the department. Two employees are still in training, which Dr. Bauer assists. Several employees are being allocated to the new electronic health record implementation, which has made the need to retain trained personnel critical in ensuring continued excellent patient care. Experienced pharmacists are in short supply in Kern County, and Kern County remains a difficult region to recruit highly qualified pharmacists. The current staffing levels within the department will be strained to maintain patient safety without the interim reemployment of Dr. Bauer. As such, Dr. Bauer will be reemployed for a limited duration to fill voids in staffing, while Kern Medical continues to train the new-hires, and recruit for another full time pharmacist.

Therefore, it is recommended that your Board approve the reemployment of Rose Bauer, as Extra Help Staff Pharmacist, effective July 1, 2018.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Comments Regarding Budget Variances for Operating Expenses – April 2018

Recommended Action: Receive and File

Summary:

The following items have budget variances for the month of April 2018:

Indigent Funding:

Each month, Kern Medical only recognizes ninety-five percent of the total accrued amount receivable from indigent funding. This is a conservative approach that reserves five percent of the total receivable indigent funding to account for the possibility that some funding could be taken back by the funding sources later due to changes in calculations or in the method that funds are allocated among California's public hospitals. For the month of April 2018, a true-up entry was made to recognize \$1,156,440 of Global Payment Program (GPP) revenue that pertained to the prior years.

Other Revenue:

Other revenue has an unfavorable budget variance for April due to an adjustment for over accrued Medical Education Tuition in prior months.

Registry Nurses:

Registry nurses expense has an unfavorable budget variance on both a month to date and a year to date basis. Kern Medical continues to rely on contracted nurse staffing to supplement the nursing departments while aggressively trying to recruit full time employed nurses.

Medical Fees:

Medical fees have an unfavorable budget variance for the month of April in part because of the opening of Kern Medical's new orthopedic hand center and the corresponding fees paid to the orthopedic surgeons Dr. Bowen and Dr. Malerich. There were also increased Locum Tenens fees for trauma coverage.

Other Professional Fees:

Other professional fees have a favorable budget variance for the month of April. The creation of a Kern Medical legal department has substantially decreased legal fees from outside law firms and there are no longer legal fees billed to Kern Medical from the County Counsel. Kern Medical also no longer accrues for AMF marketing expenses and no longer accrues for Mercer human resources consulting. Both of these vendors were budgeted in the FY 2018 budget.

Supplies Expense:

Supplies expense has an unfavorable budget variance for the month of April due in part to a large order of new Dell computers that was under accrued for in prior month. Surgical and medical care supplies expenses were also higher than average for the month. Pharmaceutical expenses continue to run higher than budget, but at the year-to-date trend.

Purchased Services:

Purchased services have an unfavorable budget variance for April because of being under-accrued for Health Advocates expenses in prior months while contract terms with the vendor were being negotiated. Health Advocates are engaged to assist the Admitting staff with checking Medi-Cal eligibility of patients and helping patients qualify for Medi-Cal. They have been very successful and their efforts have resulted in a large increase of Kern Medical patients qualifying for Medi-Cal. There is also an increase in purchased services expenses due to the implementation of the Cerner software.

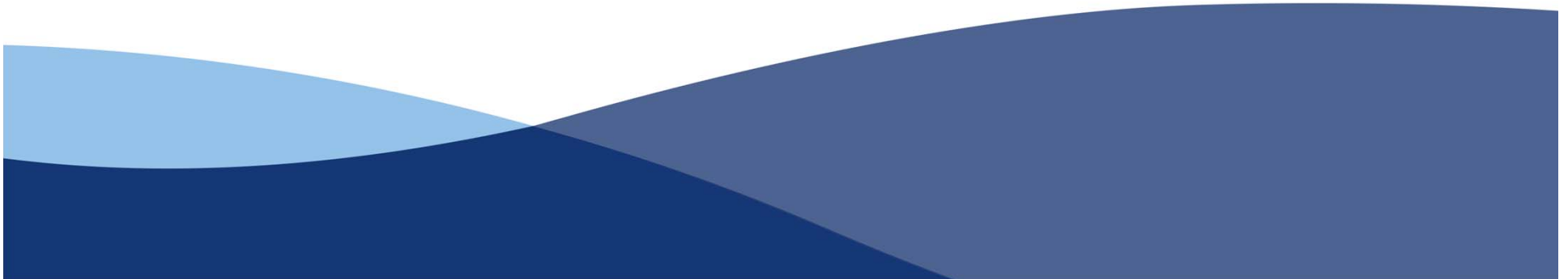
Other Expenses:

Other expenses are over budget for the month of April due to an increase in office rent for several new medical office building leases that were not included in the FY 2018 budget.



**BOARD OF GOVERNORS' FINANCIAL REPORT
KERN MEDICAL – APRIL 2018**

JUNE 2018



3-Month Trend Analysis: Revenue & Expense

April 30, 2018

	FEBRUARY	MARCH	APRIL	BUDGET APRIL	VARIANCE POS (NEG)	PY APRIL
Gross Patient Revenue	\$ 66,665,924	\$ 71,374,336	\$ 66,725,939	\$ 69,811,263	(4%)	\$ 64,408,958
Contractual Deductions	(47,450,661)	(52,568,656)	(48,966,685)	(52,144,921)	(6%)	(44,965,492)
Net Revenue	19,215,263	18,805,681	17,759,254	17,666,342	1%	19,443,466
Indigent Funding	8,099,626	8,967,443	9,834,611	9,339,464	5%	12,802,171
Correctional Medicine	1,976,127	1,976,127	2,157,165	1,937,469	11%	1,976,045
County Contribution	285,211	285,211	285,211	287,671	(1%)	285,211
Incentive Funding	0	0	0	0	0%	0
Net Patient Revenue	29,576,227	30,034,462	30,036,241	29,230,946	3%	34,506,893
Other Operating Revenue	678,646	682,047	604,784	1,032,521	(41%)	876,810
Other Non-Operating Revenue	76,352	105,302	(92,828)	33,346	(378%)	48,811
Total Operating Revenue	30,331,226	30,821,811	30,548,197	30,296,813	1%	35,432,515
Expenses						
Salaries	11,419,506	12,746,803	11,702,564	12,588,000	(7%)	11,000,039
Employee Benefits	5,673,757	5,776,504	5,423,574	6,085,779	(11%)	12,340,002
Contract Labor	1,214,313	1,357,755	1,242,843	878,748	41%	931,525
Medical Fees	1,649,990	1,694,457	1,800,805	1,378,027	31%	1,530,462
Other Professional Fees	1,576,529	(94,873)	1,439,190	1,721,448	(16%)	1,948,606
Supplies	4,225,180	5,036,748	4,700,388	4,083,584	15%	4,203,946
Purchased Services	2,445,408	1,941,242	2,179,477	1,519,141	43%	1,662,380
Other Expenses	1,185,564	1,426,456	1,129,901	1,262,043	(10%)	1,251,603
Operating Expenses	29,390,248	29,885,093	29,618,742	29,516,769	0%	34,868,563
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	940,978	936,719	929,455	780,044	19%	563,952
EBIDA Margin	3%	3%	3%	3%	18%	2%
Interest	52,869	33,539	61,358	41,741	47%	26,642
Depreciation	459,696	513,869	535,424	467,141	15%	474,958
Amortization	39,450	49,343	54,015	24,510	120%	17,548
Total Expenses	29,942,263	30,481,843	30,269,540	30,050,161	1%	35,387,711
Operating Gain (Loss)	388,963	339,968	278,658	246,652	13%	44,804
Operating Margin	1.3%	1.1%	0.9%	0.8%	12%	0%

Year-to-Date: Revenue & Expense						
April 30, 2018						
	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE	
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)	
Gross Patient Revenue	\$ 707,667,727	\$ 711,634,926	(0.6%)	\$ 663,856,142	7%	
Contractual Deductions	(522,000,882)	(535,992,487)	(3%)	(496,650,823)	5%	
Net Revenue	185,666,845	175,642,439	6%	167,205,319		
Indigent Funding	90,922,739	94,639,900	(4%)	101,283,158	(10%)	
Correctional Medicine	19,580,022	19,633,017	(0%)	19,749,508	(1%)	
County Contribution	2,852,110	2,915,068	(2%)	2,863,049	(0.4%)	
Incentive Funding	0	0	0%	1,698,630	(100%)	
Net Patient Revenue	299,021,716	292,830,424	2%	292,799,664	2%	
Other Operating Revenue	9,487,574	10,462,682	(9%)	9,718,858	(2%)	
Other Non-Operating Revenue	361,798	337,910	7%	426,693	(15%)	
Total Operating Revenue	308,871,088	303,631,015	2%	302,945,215	2%	
Expenses						
Salaries	122,466,945	124,015,768	(1%)	111,181,505	10%	
Employee Benefits	54,606,624	60,851,820	(10%)	61,569,824	(11%)	
Contract Labor	12,126,836	8,958,049	35%	8,751,412	39%	
Medical Fees	14,389,175	14,048,148	2%	14,130,730	1.8%	
Other Professional Fees	12,700,231	17,444,006	(27%)	17,204,856	(26%)	
Supplies	44,745,746	41,592,397	8%	41,265,414	8%	
Purchased Services	20,115,605	15,393,965	31%	14,959,228	34%	
Other Expenses	13,882,292	12,785,288	9%	12,841,325	8%	
Operating Expenses	295,033,454	295,089,440	(0%)	281,904,294	5%	
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	13,837,634	8,541,575	62%	21,040,921	(34%)	
EBIDA Margin	4%	3%	59%	7%	-35%	
Interest	258,830	422,972	(39%)	230,087	12%	
Depreciation	5,195,842	4,733,696	10%	4,727,907	10%	
Amortization	355,845	248,368	43%	219,571	62%	
Total Expenses	300,843,971	300,494,476	0%	287,081,859	5%	
Operating Gain (Loss)	8,027,117	3,136,539	156%	15,863,356	(49%)	
Operating Margin	2.6%	1.0%	152%	5%	(50%)	

3-Month Trend Analysis: Cash Indicators

April 30, 2018

		FEBRUARY	MARCH	APRIL	GOALS	PY
		28	31	30	APRIL	APRIL
					30	30
Cash						
Total Cash		44,899,756	32,236,003	25,006,125	34,257,577	62,351,794
Days Cash On Hand		43	30	24	32	50
Days In A/R - Gross		91.08	82.49	83.10	76.00	90.6
Patient Cash Collections		\$ 15,579,288	\$ 20,517,781	\$ 16,138,640	\$ 19,931,471	\$ 17,319,639
Indigent Funding Liabilities Due to the State						
FY 2007 Waiver Payable (County Responsibility)		\$ (745,824)	\$ (745,824)	\$ (745,824)	N/A	\$ (745,824)
FY 2008 Waiver Payable (County Responsibility)		\$ (6,169,000)	\$ (6,169,000)	\$ (6,169,000)	N/A	\$ (6,169,000)
FY 2009 Waiver Payable (County Responsibility)		\$ (2,384,000)	\$ (2,384,000)	\$ (2,384,000)	N/A	\$ (2,384,000)
FY 2011 Waiver Payable (County Responsibility)		\$ (10,493,878)	\$ (10,493,878)	\$ (10,493,878)	N/A	\$ (10,493,878)
	Total County Responsibility	\$ (19,792,702)	\$ (19,792,702)	\$ (19,792,702)		\$ (19,792,702)
FY 2015 Waiver Payable (Kern Medical Responsibility)		\$ (11,223,792)	\$ (11,223,792)	\$ (11,223,792)	N/A	\$ (23,770,144)
FY 2016 Waiver Payable (Kern Medical Responsibility)		\$ (2,819,361)	\$ (2,819,361)	\$ (2,819,361)	N/A	\$ (2,819,361)
Managed Care SPD IGT (Kern Medical Responsibility)		\$ (1,438,996)	\$ (1,438,996)	\$ (1,438,996)	N/A	0
FY 2014 DSH Payable (Kern Medical Responsibility)		\$ (24,746,355)	\$ (24,746,355)	\$ (24,746,355)	N/A	\$ (24,746,355)
	Total Kern Medical Responsibility	\$ (40,228,504)	\$ (40,228,504)	\$ (40,228,504)		\$ (51,335,860)
	Total Indigent Funding Liabilities Due to the State	\$ (60,021,206)	\$ (60,021,206)	\$ (60,021,206)	N/A	
Indigent Funding Payable (Reserves on Third-Party Revenue Streams)		\$ (16,596,504)	\$ (16,596,504)	\$ (14,706,787)	N/A	\$ (5,243,954)

3-Month Trend Analysis: Operating Metrics

April 30, 2018

					BUDGET	VARIANCE	PY
		FEBRUARY	MARCH	APRIL	APRIL	POS (NEG)	APRIL
Operating Metrics							
Total Expense per Adjusted Admission		21,044	20,672	19,408	19,793	(2%)	24,565
Total Expense per Adjusted Patient Day		4,034	3,924	4,128	3,920	5%	4,764
Supply Expense per Adjusted Admission		2,969	3,416	3,014	2,690	12%	2,918
Supply Expense per Surgery		1,359	2,207	1,697	1,677	1%	1,743
Supplies as % of Net Patient Revenue		14%	17%	16%	14%	12%	12%
Pharmaceutical Cost per Adjusted Admission		1,436	1,469	1,175	1,098	7%	1,006
Net Revenue Per Adjusted Admission		\$ 13,505	\$ 12,754	\$ 11,387	\$ 11,636	-2%	\$ 13,497

Year-to-Date: Operating Metrics

April 30, 2018

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Operating Metrics					
Total Expense per Adjusted Admission	19,588	19,411	1%	19,264	2%
Total Expense per Adjusted Patient Day	3,943	3,845	3%	3,822	3%
Supply Expense per Adjusted Admission	2,913	2,687	8%	2,769	5%
Supply Expense per Surgery	1,560	1,726	(10%)	1,736	(10%)
Supplies as % of Net Patient Revenue	15%	14%	5%	14%	6.2%
Pharmaceutical Cost per Adjusted Admission	1,244	1,097	13%	1,076	16%
Net Revenue Per Adjusted Admission	\$ 12,089	\$ 11,346	7%	\$ 11,220	8%

INDIGENT PATIENT CARE FUNDING - MTD & YTD

FOR THE MONTH APRIL 30 , 2018

MTD ACTUAL	MTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %	DESCRIPTION	YTD ACTUAL	YTD BUDGET	VAR \$ FAV/(UNFAV)	VAR %
117,123	123,288	(6,164)	-5.0%	MEDI-CAL HOSPITAL QUALITY ASSURANCE FEE	1,186,849	1,249,315	(62,466)	-5.0%
2,017,258	2,123,429	(106,171)	-5.0%	MEDI-CAL EXPANSION REVENUE FROM HMO	20,441,548	21,517,419	(1,075,871)	-5.0%
0	189,926	(189,926)	-100.0%	COUNTY REALIGNMENT FUNDS	0	1,924,588	(1,924,588)	-100.0%
1,154,188	1,214,935	(60,747)	-5.0%	MEDI-CAL SUPPLEMENTAL FUNDING	11,695,770	12,311,337	(615,567)	-5.0%
2,108,219	2,219,178	(110,959)	-5.0%	PRIME - NEW WAIVER	21,363,288	22,487,671	(1,124,384)	-5.0%
3,209,221	2,160,822	1,048,399	48.5%	GPP - NEW WAIVER	21,957,953	21,896,329	61,624	0.3%
1,228,602	1,293,265	(64,663)	-5.0%	WHOLE PERSON CARE	12,449,832	13,105,086	(655,254)	-5.0%
0	14,621	(14,621)	-100.0%	MEANINGFUL USE	1,827,500	148,156	1,679,344	1133.5%
9,834,611	9,339,464	495,148	5.3%	SUB-TOTAL - GOVERNMENTAL REVENUE	90,922,739	94,639,900	(3,717,161)	-3.9%
2,157,165	1,937,469	219,696	11.3%	CORRECTIONAL MEDICINE	19,580,022	19,633,017	(52,995)	-0.3%
285,211	287,671	(2,460)	-0.9%	COUNTY CONTRIBUTION	2,852,110	2,915,068	(62,958)	-2.2%
12,276,987	11,564,604	712,383	6.2%	TOTAL INDIGENT CARE & COUNTY FUNDING	113,354,871	117,187,985	(3,833,114)	-3.3%

OTHER REVENUE

FOR THE MONTH APRIL 30, 2018

OTHER OPERATING REVENUE

	MTD ACTUAL	MTD BUDGET	VARIANCE	YTD ACTUAL	YTD BUDGET	VARIANCE
52400000-MEDICAL POSTGRAD EDUC TUITION	110,794	357,607	(246,813)	2,437,495	3,623,747	(1,186,252)
52700000-STAFF DEVELOPMENT EDUC FEES	405	701	(296)	9,752	7,104	2,647
52701000-TRAUMA EDUCATION REG FEES	0	88	(88)	350	892	(542)
53200000-CAFETERIA REVENUE	77,083	85,547	(8,464)	760,576	866,878	(106,301)
55200000-FINANCE CHARGES-PATIENT AR	4,499	20,593	(16,094)	203,995	208,480	(4,485)
56700000-SALE OF SCRAP AND WASTE	0	100	(100)	(23)	1,018	(1,041)
56800000-REBATES AND REFUNDS	55,897	75,852	(19,955)	770,595	768,637	1,957
56801000-DRUG CO. CASH BACK	1,172	0	1,172	19,058	0	19,058
57001000-PHOTOCOPY FEES	1,935	1,741	194	19,130	17,641	1,489
57002000-JURY WITNESS FEES	0	315	(315)	456	3,196	(2,740)
57003000-MEDICAL RECORDS FEES	2,237	2,888	(651)	39,759	29,266	10,493
57790000-PHYSICIAN PRO FEE-ER LOCKBOX	11,039	45,370	(34,331)	175,327	459,748	(284,421)
57800000-OTHER REVENUE	1,088	31,776	(30,688)	105,176	321,994	(216,819)
57802000-CANCELLED OUTLAWED WARRANTS	3,138	(60)	3,198	46,370	(610)	46,981
57803000-GRANTS - KHS	101,724	123,288	(21,564)	2,119,806	1,249,315	870,491
57804000-GRANT-SONG BROWN	0	80	(80)	0	806	(806)
57805000-MADDY FUNDS-EMERG MEDICAL SVCS	0	44,561	(44,561)	296,719	451,552	(154,832)
57806000-PRIMARY CARE INCENTIVE PAYMENT	220	0	220	16,449	0	16,449
57807000-VETERANS ADMIN REVENUE	5,114	7,646	(2,533)	28,369	77,483	(49,113)
57809000-MENTAL HEALTH MOU	203,163	181,558	21,605	1,950,297	1,839,790	110,507
57811000-PATERNITY DECLARATION REV	0	1,173	(1,173)	8,490	11,883	(3,393)
57813000-PEDIATRIC FORENSIC EXAMS	0	9,930	(9,930)	65,000	100,627	(35,627)
57814000-FOUNDATION CONTRIBUTIONS	1,981	0	1,981	29,726	0	29,726
57814100-DONATED EQUIPMENT	0	0	0	71,519	0	71,519
57816000-PAY FOR PERFORMANCE	570	0	570	85,807	0	85,807
57820000-WORKERS COMPENSATION REFUNDS	0	13,209	(13,209)	111	133,846	(133,736)
TOTAL OTHER OPERATING REVENUE	604,784	1,032,521	(427,737)	9,487,574	10,462,682	(975,108)
OTHER NON-OPERATING REVENUE						
OTHER MISCELLANEOUS REVENUE	(303)	871	(1,174)	1,743	8,828	(7,085)
INTEREST ON FUND BALANCE	(92,525)	32,475	(125,000)	360,055	329,081	30,974
TOTAL OTHER NON-OPER REVENUE	(92,828)	33,346	(126,174)	361,798	337,910	23,889

KERN MEDICAL BALANCE SHEET		
	April 2018	April 2017
CURRENT ASSETS:		
CASH	\$25,006,125	\$62,351,794
CURRENT ACCOUNTS RECEIVABLE (incl. CLINIC CHARGES RECEIVABLE)	191,187,313	203,212,460
ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES - CURRENT	(146,673,874)	(162,085,987)
-NET OF CONT ALLOWANCES	44,513,439	41,126,473
CORRECTIONAL MEDICINE RECEIVABLE	0	1,976,045
MD SPA	5,736,524	3,807,543
HOSPITAL FEE RECEIVABLE	26,991	3,904,183
CPE - O/P DSH RECEIVABLE	5,633,989	3,959,059
BEHAVIORAL HEALTH MOU	439,130	545,273
MANAGED CARE IGT (RATE RANGE)	25,186,084	13,986,382
RECEIVABLE FROM LIHP	(6,547,536)	(5,722,111)
OTHER RECEIVABLES	2,485,984	1,478,647
PRIME RECEIVABLE	20,108,052	24,503,157
AB85/75% DEFAULT PCP RECEIVABLE	11,835,832	1,978,570
GPP (Global Payment Program)	(558,788)	1,900,059
WPC (Whole Person Care)	12,487,175	(5,244,833)
INTEREST ON FUND BALANCE RECEIVABLE	23,122	47,875
MANAGED CARE IGT (SPD)	2,982,712	68,546
OTHER NON PATIENT RECEIVABLE	0	2,169,344
WAIVER RECEIVABLE FY07	(745,824)	(745,824)
WAIVER RECEIVABLE FY08	(6,169,000)	(6,169,000)
WAIVER RECEIVABLE FY09	(2,384,000)	(2,384,000)
WAIVER RECEIVABLE FY10	579,696	579,696
WAIVER RECEIVABLE FY11	(10,493,878)	(10,493,878)
WAIVER RECEIVABLE FY12	679,308	679,308
WAIVER RECEIVABLE FY15	(11,223,792)	(23,770,144)
WAIVER RECEIVABLE FY16	(2,819,361)	(2,819,361)
PREPAID EXPENSES	3,723,209	3,349,732
PREPAID MORRISON DEPOSIT	813,320	794,256
INVENTORY AT COST	4,342,793	3,492,542
TOTAL CURRENT ASSETS	125,661,308	115,349,333
PROPERTY, PLANT & EQUIPMENT:		
LAND	170,401	170,615
EQUIPMENT	50,517,423	45,909,227
BUILDINGS	82,462,625	82,462,622
CONSTRUCTION IN PROGRESS	14,928,742	3,598,775
LESS: ACCUMULATED DEPRECIATION	(88,807,781)	(82,772,850)
NET PROPERTY, PLANT & EQUIPMENT	59,271,411	49,368,389
NET INTANGIBLE ASSETS		
INTANGIBLE ASSETS	13,973,190	12,072,643
ACCUMULATED AMORTIZATION INTANGIBLES	(10,906,214)	(10,448,328)
NET INTANGIBLE ASSETS	3,066,976	1,624,315
LONG-TERM ASSETS:		
LONG-TERM PATIENT ACCOUNTS RECEIVABLE		
DEFERRED OUTFLOWS - PENSIONS	71,752,645	49,355,076
INVESTMENT IN SURGERY CENTER	250,000	0
CASH HELD BY COP IV TRUSTEE	912,973	906,469
TOTAL LONG-TERM ASSETS	72,915,618	50,261,545
TOTAL ASSETS	\$260,915,312	\$216,603,581

KERN MEDICAL BALANCE SHEET		
	April 2018	April 2017
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	\$25,632,174	\$18,785,688
ACCRUED SALARIES & EMPLOYEE BENEFITS	23,281,059	11,829,034
INTEREST PAYABLE	(673,748)	72,043
OTHER ACCRUALS	5,000,727	5,280,329
ACCRUED CWCAP LIABILITY	0	124,654
CURRENT PORTION - CAPITALIZED LEASES	1,412,008	67,093
CURR LIAB - COP 2011 PAYABLE	1,085,718	1,032,670
CURR LIAB - P.O.B.	445,805	784,269
MEDICARE COST REPORT LIAB PAYABLE	699,619	3,403,691
MEDI-CAL COST REPORT LIABILITY	922,325	738,571
INDIGENT FUNDING PAYABLE	14,706,787	6,786,380
DSH PAYABLE FY14	24,746,355	24,746,355
CREDIT BALANCES PAYABLES	6,430,412	3,766,966
DEFERRED REVENUE - COUNTY CONTRIBUTION	5,436,157	2,090,345
TOTAL CURRENT LIABILITIES	109,125,399	79,508,088
LONG-TERM LIABILITIES:		
LONG-TERM LIABILITY-COP 2011	1,131,693	2,217,410
NET UNAMORTIZED DISCOUNT COP	59,978	79,971
LONG-TERM LIABILITY - CAPITAL LEASES	6,202,970	1,924,541
NET OPEB (OTHER POST EMPLOYMENT BENEFITS)	4,201,203	5,354,890
NET PENSION LIABILITY	329,935,445	345,262,534
L.T. LIAB. - P.O.B. INTEREST PAYABLE 08	14,722,232	17,201,707
L.T. LIAB. - P.O.B. INTEREST PAYABLE 03	3,917,723	3,528,303
L.T. P.O.B. PAYABLE 03	16,695,541	18,326,891
L.T. P.O.B. PAYABLE 08	5,392,893	5,392,893
ACCRUED PROFESSIONAL LIABILITY	3,474,640	3,149,059
ACCRUED WORKERS' COMPENSATION PAYABLE	6,773,000	0
DEFERRED INFLOWS - PENSIONS	22,238,926	15,299,688
PENSION OBLIGATION BOND PAYABLE	3,678,145	4,721,626
ACCRUED COMPENSATED ABSENCES	3,830,085	14,891,557
TOTAL LONG-TERM LIABILITIES	422,254,473	437,351,070
NET POSITION		
RETAINED EARNINGS - CURRENT YEAR	39,814,215	15,863,359
RETAINED EARNINGS - PRIOR YEAR	(310,278,775)	(316,118,936)
TOTAL NET POSITION	(270,464,560)	(300,255,577)
TOTAL LIABILITIES & NET POSITION	\$260,915,312	\$216,603,581



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

June 20, 2018

Subject: Kern County Hospital Authority, Chief Executive Officer Report

Recommended Action: Receive and File

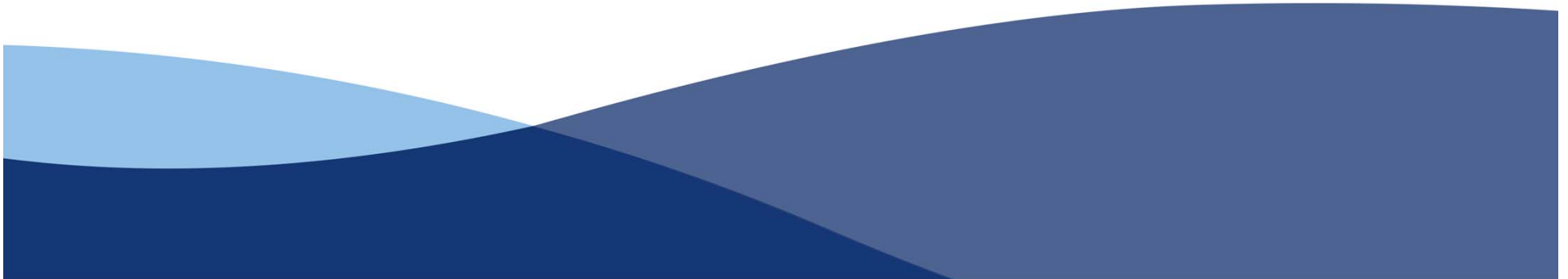
Summary:

The Chief Executive Officer has provided the attached 3-month trend Analysis: Volume and Strategic Indicators for Kern Medical



**BOARD OF GOVERNORS' VOLUMES REPORT
KERN MEDICAL – APRIL 2018**

JUNE 2018



3-Month Trend Analysis: Volume and Strategic Indicators

April 30, 2018

		FEBRUARY	MARCH	APRIL	BUDGET APRIL	VARIANCE POS (NEG)	PY APRIL
VOLUME							
	Adjusted Admissions (AA)	1,423	1,475	1,560	1,518	3%	1,441
	Adjusted Patient Days	7,423	7,768	7,332	7,666	(4%)	7,428
	Admissions	761	757	783	791	(1%)	774
	Average Daily Census	142	129	123	133	(8%)	133
	Patient Days	3,970	3,988	3,681	3,993	(8%)	3,991
	Available Occupancy %	66.3%	60.1%	57.3%	62.2%	(8%)	62.2%
	Average LOS	5.2	5.3	4.7	5.0	(7%)	5.2
	Surgeries						
	Inpatient Surgeries (Main Campus)	220	243	218	260	(16%)	257
	Outpatient Surgeries (Main Campus)	218	252	275	248	11%	246
	Total Surgeries	438	495	493	508	(3%)	503
	Births	188	163	185	223	(17%)	213
	ER Visits						
	Admissions	395	417	431	415	4%	425
	Treated & Released	3,447	3,670	3,611	3,721	(3%)	3,206
	Total ER Visits	3,842	4,087	4,042	4,136	(2%)	3,631
	Trauma Activations	198	254	244	N/A	N/A	217
	Outpatient Clinic Visits						
	Total Clinic Visits	11,079	12,754	12,754	10,777	18%	10,733
	Total Unique Patient Clinic Visits	8,847	9,333	9,519	N/A	N/A	8,556
	New Unique Patient Clinic Visits	1,723	1,781	2,054	N/A	N/A	N/A

Year-to-Date: Volume and Strategic Indicators

April 30, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
VOLUME						
	Adjusted Admissions (AA)	15,358	15,480	(0.79%)	14,903	3%
	Adjusted Patient Days	76,300	78,162	(2.4%)	75,112	2%
	Admissions	8,193	8,062	2%	7,978	3%
	Average Daily Census	134	134	(0%)	132	1%
	Patient Days	40,703	40,708	(0%)	40,253	1%
	Available Occupancy %	62.6%	62.6%	(0%)	61.9%	1%
	Average LOS	5.0	5.0	(1.6%)	5.0	(2%)
	Surgeries					
	Inpatient Surgeries (Main Campus)	2,332	2,430	(4.0%)	2,406	(3%)
	Outpatient Surgeries (Main Campus)	2,440	2,604	(6%)	2,578	(5%)
	Total Surgeries	4,772	5,034	(5.2%)	4,984	(4%)
	Births	2,086	2,270	(8%)	2,192	(5%)
	ER Visits					
	Admissions	4,287	4,232	1%	4,086	5%
	Treated & Released	37,003	37,940	(2%)	32,988	12%
	Total ER Visits	41,290	42,172	(2%)	37,074	11%
	Trauma Activations	2,455	N/A	N/A	2,184	N/A
	Outpatient Clinic Visits					
	Total Clinic Visits	118,088	109,881	7%	106,468	11%
	Total Unique Patient Clinic Visits	34,076	N/A	N/A	N/A	N/A
	New Unique Patient Clinic Visits	N/A	N/A	N/A	N/A	N/A

3-Month Trend Analysis: Payor Mix

April 30, 2018

	FEBRUARY	MARCH	APRIL	BUDGET APRIL	VARIANCE POS (NEG)	PY APRIL
PAYOR MIX - Charges						
Commercial FFS	3.5%	3.3%	1.0%	4.0%	(75%)	4.5%
Commercial HMO/PPO	5.8%	7.8%	8.8%	5.1%	71%	6.8%
Medi-Cal	30.4%	30.7%	30.2%	31.2%	(3%)	22.2%
Medi-Cal HMO - Kern Health Systems	31.2%	31.5%	31.0%	32.0%	(3%)	31.7%
Medi-Cal HMO - Health Net	9.2%	9.2%	9.1%	9.4%	(3%)	9.3%
Medi-Cal HMO - Other	1.1%	1.1%	1.1%	1.1%	(3%)	1.0%
Medicare	10.8%	9.6%	11.1%	9.9%	13%	9.8%
Medicare - HMO	2.7%	1.7%	1.2%	1.5%	(23%)	1.4%
County Programs	0.4%	1.5%	0.3%	0.3%	22%	2.4%
Workers' Compensation	0.3%	0.02%	0.30%	0.6%	(48%)	0.6%
Self Pay	4.7%	3.5%	5.9%	4.9%	20%	10.3%
Total	100.0%	100.0%	100.0%	100.0%		100.0%

Year-to-Date: Payor Mix

April 30, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
PAYOR MIX - Charges						
	Commercial FFS	4.5%	4.3%	5%	4.3%	5%
	Commercial HMO/PPO	6.3%	6.0%	5%	6.0%	5%
	Medi-Cal	30.0%	26.8%	12%	26.8%	12%
	Medi-Cal HMO - Kern Health Systems	30.8%	29.7%	4%	29.7%	4%
	Medi-Cal HMO - Health Net	9.0%	10.5%	(14%)	10.5%	(14%)
	Medi-Cal HMO - Other	1.1%	1.1%	(6%)	1.1%	(6%)
	Medicare	10.2%	8.8%	16%	8.8%	16%
	Medicare - HMO	2.0%	1.9%	5%	1.9%	5%
	County Programs	0.5%	2.4%	(77%)	2.4%	(77%)
	Workers' Compensation	0.8%	0.6%	27%	0.6%	27%
	Self Pay	4.8%	7.9%	(40%)	7.9%	(40%)
	Total	100.0%	100.0%		100.0%	

3-Month Trend Analysis: Labor and Productivity Metrics

April 30, 2018

					BUDGET	VARIANCE	PY
		FEBRUARY	MARCH	APRIL	APRIL	POS (NEG)	APRIL
Labor Metrics							
Productive FTEs		1,394.82	1,395.58	1,402.76	1,377.59	2%	1,288.02
Non-Productive FTEs		202.61	201.57	197.29	210.51	(6%)	176.97
Contract Labor FTEs		89.22	89.34	88.32	64.24	37%	74.36
Total FTEs		1,597.43	1,597.15	1,600.05	1,588.10	1%	1,464.99
FTE's Per AOB Paid		6.03	6.37	6.55	6.21	5%	5.92
FTE's Per AOB Worked		5.26	5.57	5.74	5.39	6%	5.20
Labor Cost/FTE (Annualized)		123,585.03	134,317.13	123,684.35	130,197.56	(5%)	178,737.91
Benefits Expense as a % of Benefitted Labor Expense		68%	60%	58%	66%	(13%)	66%
Salaries & Benefits as % of Net Patient Revenue		62%	66%	61%	67%	(9%)	70%

Year-to-Date: Labor and Productivity Metrics

April 30, 2018

		ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
		FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Labor Metrics						
	Productive FTEs	1,367.80	1,354.24	1%	1,243.00	10%
	Non-Productive FTEs	212.07	207.31	2%	216.71	(2%)
	Contract Labor FTEs	87.30	64.61	35%	65.81	33%
	Total FTEs	1,579.87	1,561.55	1%	1,459.71	8%
	FTE's Per AOB Paid	6.22	6.07	2%	5.87	6%
	FTE's Per AOB Worked	5.39	5.27	2%	5.00	8%
	Labor Cost/FTE (Annualized)	128,755.93	131,461.43	(2%)	133,111.25	(3.3%)
	Benefits Expense as a % of Benefitted Labor Expense	59%	66%	(10%)	50%	17%
	Salaries & Benefits as % of Net Patient Revenue	63%	66%	(4%)	62%	2.1%

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(j)(2)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 20, 2018, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

 X Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 20, 2018, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

 X Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on June 20, 2018, to consider:

- X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Russell V. Judd, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6)

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on June 20, 2018, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Arthur Gray v. County of Kern, et al., United States District Court Case No. 1:14-cv-00204-LJO-JLT –