

RESOLUTION NO. 2013-17

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN GRAYS HARBOR COUNTY PUBLIC HOSPITAL DISTRICT NO. 1, A WASHINGTON MUNICIPAL CORPORATION, D.B.A. SUMMIT PACIFIC MEDICAL CENTER (SUMMIT PACIFIC) AND PUBLIC HOSPITAL DISTRICT NO.1 OF MASON COUNTY (MASON GENERAL HOSPITAL) TO WORK COLLABORATIVELY FOR THE PROVISION OF HUMAN RESOURCE SERVICES TO EACH AGENCY.

WHEREAS, the Board of Commissioners of Public Hospital District No. 1 of Mason County has before it an Interlocal Agreement for a contract for services pursuant to the Interlocal Cooperative Act Chapter 39.34 RCW which is attached hereto and incorporated by this reference; and

WHEREAS, the Board of Commissioners believes it to be in the best interests of the District to authorize the execution of said Interlocal Agreement; now therefore be it

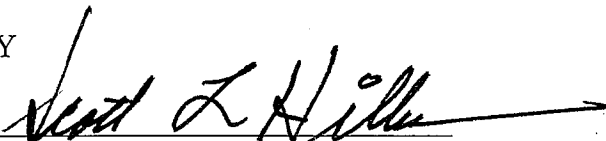
RESOLVED, that the CEO is hereby authorized and directed to execute the Agreement attached hereto and marked as Exhibit "A" and deliver an executed copy thereof to Summit Pacific; and be it further

RESOLVED, that the CEO is hereby authorized and directed to take such further action as may be appropriate in order to affect the purpose of this resolution and the Agreement authorized hereby.

Adopted at a regular meeting of the Board of Hospital Commissioners this 9 day of July, 2013.

PUBLIC HOSPITAL DISTRICT NO. 1 OF MASON COUNTY, WASHINGTON


BY



Scott Hilburn, President



Don Wilson, Commissioner



Nancy Trucksess, Commissioner

EXHIBIT "A"

CONTRACT FOR SERVICES

This Agreement is entered into by and between the Public Hospital District No. 1 of Mason County, a Washington municipal corporation, d.b.a. Mason General Hospital and Family of Clinics (Mason General) and Grays Harbor County Public Hospital District No. 1, a Washington municipal corporation, d.b.a. Summit Pacific Medical Center (Summit Pacific), hereinafter collectively referred to as the (Parties) pursuant to Chapter 39.34 RCW,

WHEREAS, RCW Chapter 39.34 authorizes municipal corporations, including public hospital districts, to enter into cooperative agreements and contracts with one another for the provision of services;

WHEREAS, Mason General and Summit Pacific each have a need for a human resources specialist to advise the districts on an ongoing basis in the HR field with Mason General requiring a sixty percent full time equivalent person (.60 FTE) and Summit Pacific requiring a forty percent full time equivalent person (.40 FTE);

WHEREAS, Mason General is in the process of hiring a human resources specialist (HR Specialist) and Mason General is willing to share this resource on a contract basis with Summit Pacific pursuant to the following terms and conditions; NOW, THEREFORE,

IN CONSIDERATION OF the mutual benefits and conditions set forth below, the parties hereto agree as follows:

1. **Administration.** Summit Pacific and Mason General hereby designate and appoint their respective superintendents to serve as the co-administrators (the "Administrators") of this Agreement. The Administrators or their authorized designees shall be responsible for carrying out this Agreement.
2. **HR Specialist.** Mason General and Summit Pacific shall jointly conduct a recruiting search to identify and hire a highly qualified human resource specialist. Both parties must agree on the individual selected or, if agreement cannot be reached, either party may elect to terminate this agreement.
3. **Employment.** Mason General shall be the sole employer of the HR Specialist and shall pay all salary, taxes, insurance and other benefits including annual leave as are afforded other non-represented employees of Mason General. Said salary and benefits may be adjusted from time to time during the term of this agreement by Mason General. Summit Pacific shall provide Mason General input regarding HR Specialists job performance and make recommendations to Mason General on adjustments to salary and benefits. If Mason General modifies HR Specialist salary or benefits contrary to the recommendations of Summit Pacific, Summit Pacific may elect to terminate this

agreement.

4. **Relationship between the Parties.** Nothing in this Agreement shall be considered to create the relationship of employer and employee, agency or joint venture between Mason General and Summit Pacific. The HR Specialist shall not be entitled to any benefits accorded Summit Pacific's employees by virtue of the services provided under this Agreement. Mason General shall be solely responsible for paying, withholding, or otherwise deducting any customary state or federal payroll deductions, including but not limited to FICA, FUTA, state industrial insurance, state workers compensation, or otherwise assuming the duties of an employer with respect to the HR Specialist. Summit Pacific shall not direct or control business decision made by Mason General regarding performance of services contemplated herein. Mason General will be solely and entirely responsible for its acts and for the acts of its HR Specialist during the performance of this Agreement. HR Specialist may elect to contribute to the Summit Pacific Foundation through automatic payroll deductions which Mason General agrees to coordinate.

5. **Services to be Provided.** The HR Specialist shall provide human resources services (Services) on a .40 FTE basis to Summit Pacific which may include, at Summit Pacific's request, any of the following services:
 - Developing organization strategies by identifying and researching human resources issues; contributing information, analysis, and recommendations to organization strategic thinking and direction; establishing human resources objectives in line with organizational objectives.

 - Implementing human resources strategies by establishing department accountabilities, including talent acquisition, staffing, employment processing, compensation, health and welfare benefits, training and development, records management, safety and health, succession planning, employee relations and retention, EEO compliance, and labor relations.

 - Managing human resources operations by recruiting, selecting, orienting, training, coaching, counseling, and disciplining staff; planning, monitoring, appraising, and reviewing staff job contributions; maintaining compensation; determining production, productivity, quality, and customer-service strategies; designing systems; accumulating resources; resolving problems; implementing change.

 - Developing human resources operations financial strategies by estimating, forecasting, and anticipating requirements, trends, and variances; aligning monetary resources; developing action plans; measuring and analyzing results; initiating corrective actions; minimizing the impact of variances.

 - Accomplishing special project results by identifying and clarifying issues and priorities; communicating and coordinating requirements; expediting fulfillment; evaluating

milestone accomplishments; evaluating optional courses of action; changing assumptions and direction.

- Supporting management by providing human resources advice, counsel, and decisions; analyzing information and applications.

- Guiding management and employee actions by researching, developing, writing, and updating policies, procedures, methods, and guidelines; communicating and enforcing organization values.

- Compliance with federal, state, and local legal requirements by studying existing and new legislation; anticipating legislation; enforcing adherence to requirements; advising management on needed actions.

- Updating HR Specialist knowledge of the profession by participating in conferences and educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.

- Enhancing department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.

- Analyzing, evaluating and recommending options for employee benefits, medical plans and/or pension plans to including monitoring benefit plan performance .

6. **Compensation and Method of Payment.** Mason General shall bill Summit Pacific on a monthly basis on for forty percent (40%) of the HR Specialist's total compensation, benefits and tax expenses incurred by Mason General. Summit Pacific shall pay Mason General within thirty days of the billing date.

7. **Duration of Agreement.** This Agreement shall be in full force and effect for a period commencing on the date of contract execution and ending July 9, 2016, unless sooner terminated under the provisions hereinafter specified.

8. **Ownership and Use of Documents.** All documents and other materials produced by the HR Specialist in connection with the Services rendered to Summit Pacific under this Agreement shall be the property of Summit Pacific.

9. **Confidentiality.** During the term of this Agreement, the HR Specialist will be exposed to or generate information that is confidential and proprietary to Summit Pacific. The HR Specialist shall not, either during the term of this Agreement or at any time thereafter, use or disclose to any person, firm, corporation, or entity, any Proprietary Information, as defined below, secret, private, or confidential information, or other proprietary

knowledge concerning the business affairs of Summit Pacific, which the HR Specialist may have acquired or generated in the course of, or incident to, services provided to Summit Pacific (whether relating to past, present, or prospective patients, associates, employees, or otherwise), except as required by law, subpoena, or court order, or as expressly permitted by this Agreement, or as necessary to perform services under this Agreement. For purposes of this Agreement, "Proprietary Information" shall mean any materials, information, or ideas relating to any aspect of the business of Summit Pacific that the HR Specialist has learned, will learn, or generates while performing services for Summit Pacific, including, but not limited to, trade secrets, information pertaining to strategic planning, financial performance, financial records, financial projections, budgets, market studies, information about key personnel, contracts, employee compensation, patient records and charts, patient and vendor lists, price lists, fee schedules, modes of operation for managed care, method of charges or reimbursement of the District, internal publications and memoranda, marketing and pricing information, and any other information, whether financial, strategic, business, or other nature provided by the Summit Pacific to HR Manager in connection with the services performed under this agreement.

10. Compliance with Medicare and Medicaid Requirements.

- a. **Laws and Regulations.** The Parties shall comply with all applicable provisions of law, and other valid rules and regulations of all governmental agencies having jurisdiction over: (i) the operations of Hospitals; (ii) the licensing of healthcare practitioners; and (iii) the delivery of healthcare services to patients of governmentally regulated third-party payors whose members/beneficiaries receive healthcare services from Summit Pacific or Mason General or their respective physicians.
- b. **Application of Requirements.** The Parties specifically recognize that one intent for entering into this Agreement is to provide Services to patients who may be covered by Title XVIII of the Social Security Act (the "Medicare Program"), and that each has an obligation to comply with the requirements of the Medicare Program for payment of Services. Each party hereby agrees to cooperate with the other in order to assure that these requirements are met, although the parties may in their own judgment and discretion opt out of the Medicare Program as to services not covered by this Agreement.
- c. **Compliance with Medicare Anti-Kickback and Self-Referral and Anti-Rebate Laws.** Neither party shall engage in any activity prohibited by 42 U.S.C. § 1395nn (42 Code of Federal Regulations, Part 411, (411.1 to 411.361)), 42 U.S.C. § 1320a-7a and 42 U.S.C. § 1320a-7b (42 Code of Federal Regulations, Part 1001 (1001.952(a) to 1001.1001)) or any other federal, state, or local law or regulation relating to the referral of patients, including, without limitation, anti-rebating and self-referral prohibitions and limitations, as those regulations now exist or as

not limited to, soliciting or receiving, directly or indirectly, any compensation, in cash or in kind or offering to pay any compensation to a third person in exchange for referring an individual to a person for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or any other state or federally funded health care program.

- d. No Referral Obligation. Nothing in this Agreement shall be construed to require Summit Pacific or Mason General to refer patients to each other. The Parties shall be entitled to use absolute discretion in referring their patients to appropriate health care service providers.
- e. Exclusions; No Sanctions. Each Party hereto represents and warrants that neither it, nor, to the best of its knowledge, any of its officers, directors, commissioners, employees or agents (a) is currently excluded, suspended or debarred from participation in any federal health care program or from participating in any government procurement or non-procurement contract, or has ever been convicted of a criminal offense under 42 U.S.C. § 1320a-7b or subject to a civil penalty under 42 U.S.C. § 1320a-7a; or (b) is currently excluded by such federal health care program or a governmental agency. Each of the parties will promptly provide written notice to the other of any such exclusion, debarment, sanction or conviction. Such notice shall provide grounds for the immediate termination of this Agreement by any party.
- f. Automatic Amendments. To the extent that any provisions of this Agreement are in conflict with the provisions of the Medicare statutes or regulations, this Agreement shall automatically, without any action by the Parties, be deemed to have been amended, in order to bring it into conformity with the Medicare statutes or regulations. If the Medicare statutes or regulations are amended, and such amended statutes or regulations are in conflict with the provisions contained in this Agreement, this Agreement shall be automatically amended to conform to the new Medicare statutes or regulations. Each party shall notify the other in writing of all amendments to this Agreement that result from operation of this paragraph to the extent they are known. To the extent the operation of this paragraph materially and adversely affects the respective rights of either party under this Agreement, the Parties agree they shall make a reasonably good faith effort to negotiate a written amendment to this Agreement ameliorating any such adverse effects.
- g. HIPAA. The Parties acknowledge that medical and other records (“Protected Health Information” or “PHI”) are protected by and subject to numerous laws, rules and regulation regarding privacy, security, confidentiality, consent, access and disclosure. The Parties agree to comply with all privacy, security, confidentiality, consent, access and disclosure requirements, including all documentation and access requirements, of applicable federal and state laws, rules

purposes of, among other things, adding or deleting Services to this Agreement or expanding the purposes for which the Parties entered into this Agreement.

15. **Assignment.** No party to this Agreement may assign its rights or obligations hereunder without the express written permission of the other party.
16. **Nonexclusivity.** Each party understands and confirms that this Agreement is nonexclusive, and each party reserves the right to enter into similar agreements with other institutions, agencies, and/or parties.
17. **Waiver.** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the parties. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other terms and conditions.
18. **Severability.** The provisions of this Agreement shall be deemed severable and if any portion shall be held invalid, illegal, or unenforceable for any reason, the remainder of this Agreement shall be effective and binding upon the parties.
19. **Public Notice Requirements.** Upon execution of this Agreement, the parties shall file a true and complete copy thereof in compliance with the provisions of Chapter 39.34.040 RCW.
20. **Authorization.** Each Party does hereby represent and warrant to the others that it is duly authorized to enter into and to carry out the terms of this Agreement.
21. **Dispute Resolution.** In the event a dispute shall arise between the parties to this Agreement, the parties agree to participate in at least four hours of mediation in accordance with the mediation procedures of the Washington Arbitration & Mediation Service (WAMS). The Parties shall share the costs of the mediation. The mediation shall be held in WAMS Tacoma offices. Any controversy or claim arising out of or relating to this Agreement, or its breach, not settled by mediation, shall be settled by binding arbitration in accordance with Chapter 7.06 RCW and the Rules of Mandatory Arbitration for the Superior Court of the State of Washington. The Parties specifically agree that the arbitrator shall have injunctive powers and that the arbitrator's decision shall be final. In the event the Parties cannot agree on an arbitrator, the Mason County Superior Court shall appoint an arbitrator. The Parties hereby waive the right to request trial de novo.
22. **Record Keeping and Reporting.**
 - A. Mason General shall maintain accounts and records, including personnel, property, financial, and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature expended and services performed pursuant to this Agreement.

B. These records shall be maintained for a period of seven (7) years after termination hereof unless permission to destroy them is granted by the Office of the Archivist in accordance with RCW Chapter 40.14 and by the Group.

23. **Audits and Inspections.** The records and documents with respect to all matters covered by this Agreement shall be subject at all times to inspection, review, or audit as allowed by law during the performance of this Agreement. Summit Pacific shall have the right to conduct an audit of the Mason General's financial statement and condition and to a copy of the results of any such audit or other examination performed by or on behalf of the Consultant.


24. **Termination.** This Agreement may at any time be terminated for any reason by the either Party upon six months written notice of the other Party if it's intention to terminate the same. Mason General will be paid for satisfactory work performed through the date of termination.

25. **Applicable Law; Venue; Attorneys' Fees.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. In the event any suit, arbitration, or other proceeding is instituted to enforce any term of this Agreement, the parties specifically understand and agree that venue shall be exclusively in Mason County, Washington. The prevailing party in any such action shall be entitled to its attorneys' fees and costs of suit.

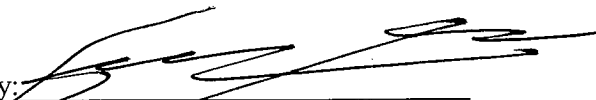
26. **Counterparts.** This agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereby execute this Agreement effective as of the day and year first set forth above.

Grays Harbor Public Hospital District No. 1

By: 
Date signed: 7/2/2013

Public Hospital District No. 1 of Mason County

By: 
Date signed: 7/9/13