

RESOLUTION NO. 2013-14

A RESOLUTION APPROVING AN INTERLOCAL AGREEMENT BETWEEN KING COUNTY PUBLIC HOSPITAL DISTRICT No. 4 (SNOQUALMIE VALLEY HOSPITAL) AND PUBLIC HOSPITAL DISTRICT NO.1 OF MASON COUNTY (MASON GENERAL HOSPITAL) TO WORK COLLABORATIVELY TO PROVIDE CERTAIN HEALTHCARE SERVICES.

WHEREAS, the Board of Commissioners of Public Hospital District No. 1 of Mason County has before it an Interlocal Agreement for 2013-2-14 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

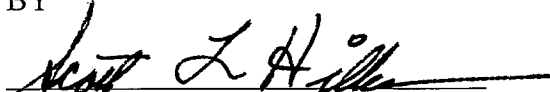
RESOLVED, that the CEO is hereby authorized and directed to execute the Agreement attached hereto and marked as Exhibit "A" and deliver an executed copy thereof to King County Public Hospital No. 4; and be it further

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

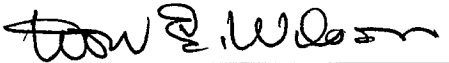
Adopted at a regular meeting of the Board of Hospital Commissioners this 28 day of May, 2013.

PUBLIC HOSPITAL DISTRICT NO. 1 OF MASON COUNTY, WASHINGTON

BY



Scott Hilburn, President



Don Wilson, Commissioner



Nancy Trucksess, Commissioner

**INTERLOCAL AGREEMENT
BETWEEN KING COUNTY PUBLIC HOSPITAL DISTRICT NO. 4
AND MASON COUNTY PUBLIC HOSPITAL NO. 1**

THIS AGREEMENT is made and entered into as of this 22nd day of September, 2011, by and between King County Public Hospital District No. 4 d/b/a Snoqualmie Valley Hospital, a municipal corporation ("Snoqualmie Valley"), and Public Hospital District No. 1 of Mason County, a municipal corporation ("Mason General"), collectively referred to herein as the "Parties."

RECITALS

A. RCW Chapter 70.44 authorizes public hospital districts to provide "hospital services and other health care services for the residents of such districts and other persons."

B. RCW Chapter 70.44 defines "other health care services" to include "nursing home, extended care, long term care, outpatient, rehabilitative, health maintenance and ambulance services and such other services as are appropriate to the health needs of the population served."

C. 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, including healthcare services.

D. The Parties desire to enter into this Agreement to establish a framework in which Snoqualmie Valley and Mason General may work collaboratively to provide certain healthcare services ("Services") to their communities pursuant to the terms of this Agreement and as specified in the exhibits hereto.

AGREEMENT

NOW, THEREFORE, in furtherance of the foregoing recitals and for valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows, to wit:

1. **Administration.** Snoqualmie Valley 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. **Healthcare Services.** Effective as of the dates provided in the exhibits attached to this Agreement and incorporated herein as though fully set forth, Snoqualmie Valley and Mason General shall work collaboratively together to provide the Services according to the terms and conditions set forth herein and in said exhibits.

3. **Term and Termination.** This Agreement shall commence on the date identified above and shall continue unless and until a Party provides written notice to the other Party of its

intent to withdraw from this Agreement not less than 90 (ninety) days prior to the termination date stated in such written notice.

4. Compliance with Medicare and Medicaid Requirements.

4.1 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 Snoqualmie Valley or Mason General or their respective physicians.

4.2 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.

4.3 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 subsequently amended, renumbered or revised, nor shall either party associate or engage in similar activities with respect to any third party payors, including, but 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.

4.4 No Referral Obligation. Nothing in this Agreement shall be construed to require Snoqualmie Valley 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.

4.5 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.

4.6 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 4.6 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.

4.7 HIPAA. The Parties acknowledge that medical and other records ("Protected Health Information" or "PIH") are protected by and subject to numerous laws, rules and regulations 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 and regulations, including, without limitation, the Washington State Uniform Health Care Information Act (RCW 70.02) and the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d, and the implementing administrative simplification regulations codified at 45 C.F.R. Subtitle A, Subchapter C, Part 160 et. seq. ("HIPAA"). The Parties agree to enter into a standard form Business Associate Agreement regarding compliance with the HIPAA privacy regulations.

5. General Provisions

5.1 Cooperation. Snoqualmie Valley and Mason General will, for the Services provided, participate in such meetings and otherwise cooperate and coordinate as necessary and appropriate in order to achieve quality care and outcomes for their patients.

5.2 Insurance. During the term of this Agreement, both parties shall maintain in force and effect, through self-insurance or otherwise, comprehensive general liability and professional liability insurance each with levels of coverage of no less than five million dollars (\$5,000,000) per occurrence.

5.3 Indemnification. Each party agrees to indemnify, defend and hold harmless the other and its respective agents and employees from and against any and all loss, damage, injury, cause of action, claim, or liability of an kind whatsoever, including reasonable defense costs and legal fees, arising out of or resulting from the acts or omissions of the indemnifying party, its agents and employees related to this Agreement.

5.4 Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been given upon receipt when personally delivered to the Party or delivered by courier or

deposited in the United States mail, postage prepaid, return receipt requested, properly addressed to a party at the address set forth below, or at such other address as such Party shall have specified by notice given in accordance herewith:

To Snoqualmie Valley: King County Public Hospital District No. 4
9575 Ethan Wade Way SE
Snoqualmie Valley, WA 98065
Attn: Jay Rodne, General Counsel

To Mason General: Mason County Public Hospital District No. 1
Attn: Mr. Robert Appel, CEO
901 Mountain View Drive
P.O. Box 1668
Shelton, WA 98584-5001

With a copy to:

5.5 Entire Agreement/Modification. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be amended or modified by written instrument signed by the parties hereto. Such amendments may be for the purposes of, among other things, adding or deleting Services to this Agreement or expanding the purposes for which the Parties entered into this Agreement.

5.6 Assignment. No party to this Agreement may assign its rights or obligations hereunder without the express written permission of the other party.

5.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original but all of which taken together shall constitute but one and the same instrument.

5.8 Independent Operation. Nothing in this Agreement shall in any way affect the independent operation of either party, nor create an employer/employee, principal/agent, or joint venture/partnership relationship.

5.9. 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.

5.10 Governing Law and Jurisdiction. This Agreement shall be governed and construed in accordance with the laws of the State of Washington, and any suit related thereto shall be filed in King County, Washington.

5.11 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.

5.12 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.

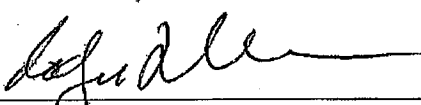
5.13 Filing Requirements. Upon execution of this Agreement, the parties shall file a true and complete copy thereof in compliance with the provisions of Chapter 39.34.040 RCW.

5.14 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.

5.15 Dispute Resolution. The Parties agree to work cooperatively to accomplish all of the terms and intent of this Agreement. If any disputes arise or if clarification is necessary to interpret provisions of this Agreement, Snoqualmie Valley and Mason General shall attempt to resolve the matter through discussions. If unsuccessful, the Parties agree to refer the matter to non-binding mediation. Either Party may request that a mediator be selected to assist in resolving any conflict or dispute. The mediator shall be jointly selected and shall be approved by both Snoqualmie Valley and Mason General. The cost of a mediator shall be borne equally by the Parties.

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

KCPHD No. 4 d/b/a Snoqualmie Valley Hospital

By: 
Rodger McCollum, CEO
Date signed: September 30, 2011

MCPHD No. 1 d/b/a Mason General Hospital & Family of Clinics

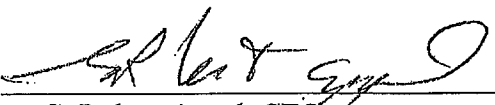
By: 
G. Robert Appel, CEO
Date signed: September 30, 2011

EXHIBIT A

SERVICES AS OF SEPTEMBER 2011

1. Quality Consultant Services

Mason General may utilize the services of Snoqualmie Valley's Quality Director in the role of Quality Consultant to assist Mason General in developing its Quality Program and in planning, coordinating and implementing various Quality initiatives.

The parties anticipate that Snoqualmie Valley's Quality Consultant will devote one week per month during the initial start-up phase of the program and then transition to _____ hours per week at Mason General to assist in the development of Mason General's Quality Program. This is only a guide. The parties may agree to increase or decrease the amount of time depending on their respective needs.

Mason General agrees to reimburse Snoqualmie Valley Fifty One Dollars (\$51.00) per hour, including mileage, for the services of Snoqualmie Valley's Quality Consultant.

Snoqualmie Valley will submit an invoice to Mason General on the first of each month indicating the dates and number of hours for the previous month and mileage incurred. Mason General agrees to pay each invoice within ten (10) days of receipt.

**EXHIBIT A
TO INTERLOCAL AGREEMENT**

THIS EXHIBIT A (hereinafter "Exhibit A"), is made by and between King County Public Hospital District No. 4, a municipal corporation ("Snoqualmie Valley") and Mason County Public Hospital District No. 1 ("Mason General").

RECITALS:

A. Whereas Snoqualmie Valley and Mason General entered into an Interlocal Agreement with an effective date of 5/28/13, to provide framework in which Snoqualmie Valley and Mason General agreed to work collaboratively to provide certain healthcare services ("Services") to their communities pursuant to the terms of the Interlocal Agreement and as specified in the exhibits hereto; and

B. Whereas Snoqualmie Valley and Mason General have identified a specific area in which to share resources and provide cost savings to both parties in the context of patient safety and HIPAA compliance through the mutual use and sharing of Snoqualmie Valley's "Safety Zone" web-based quality improvement and patient safety reporting and monitoring tool; and

C. Whereas Snoqualmie Valley and Mason General desire and intend to include this Exhibit A as an Exhibit to that Interlocal Agreement between them to clarify their mutual expectations and responsibilities regarding the parties' shared use of the "Safety Zone" portal.

Therefore, in consideration of the foregoing and of the mutual promises set forth below, and intending to be legally bound, Snoqualmie Valley and Mason General agree as follows:

1. **RELATIONSHIP OF PARTIES.** The parties agree that in performing the Services hereunder, Snoqualmie Valley and Mason General shall be acting as independent contractors. Nothing contained in this Agreement shall constitute Snoqualmie Valley or Mason General or their respective employees as agents, servants or employees of the other party.

2. **TERM.** This term of this Exhibit A shall begin on the last date signed below (the "Effective Date") and shall continue for one year until 5/27, 2014 (the "Initial Term"). After the Initial Term, this Exhibit A shall automatically extend for additional terms of one year unless a Party provides written notice to the other Party of its intent to withdraw from this Exhibit A no later than 90 (ninety) days prior to the expiration date. The initial term and each subsequent term are subject to earlier termination by either Party upon 90 (ninety) days written notice to the other Party.

3. **SHARED PORTAL FEATURES.** The following elements of the Safety Zone portal are to be shared by the Parties and cannot be changed or altered without the consent and permission of both Parties:

-The Homepage:

*All event types and sub event types;

*The library;

*The architecture of the portal in the reporting, reviewing and management areas of the portal;

4. **APPOINTMENT OF PORTAL ADMINISTRATORS.** Snoqualmie Valley and Mason General each agree to appoint a portal administrator who will discuss and agree on portal enhancements or other proposed changes to the portal prior to their implementation. The Portal Administrators shall document any and all changes and proposed changes via email between the Parties. If any proposed change requires Clarity Group to perform a function, then such email exchange shall include Snoqualmie Valley, Mason General and Clarity Group. All emails shall be retained as a record of shared documentation.

5. **PORTAL FEATURES THAT ARE NOT SHARED.** The following Safety Zone portal features are not shared between the parties:

-*Locations:* There are two locations: Snoqualmie Valley Hospital and Mason General Hospital;

-*Sub Locations:* "Sub locations" are high-level locations for each of the hospitals and include "Hospital," "Clinics," "Other (with a text box)." The "sub locations" are unique to each hospital.

-*Sub sub locations:* "Sub sub locations" are unique to each hospital and are determined by each organization and include departments or committee accountabilities or by the physical layouts of the facilities.

6. **STRUCTURE OF THE SHARED HOMEPAGE.** There are four quadrants on the homepage that surround the "Submit Event" button. The parties agree that the top two buttons will be used by each hospital to identify that this is their event management system. One of the two remaining quadrants on the lower half of the home page will be used to display the Washington Revised Code statutory reference that provides for protection and confidentiality of information contained in the Safety Zone event management system. The other remaining quadrant will be used for brief instructions as to how to submit a Safety Zone event.

7. **EVENT REPORTER PAGE.** The names of each of the two hospitals shall appear on the "Location" area on the "Reporter Page" with a checkbox next to each hospital name. To report an event, individuals must select the appropriate hospital. This feature will not allow an employee of one hospital to access the Safety Zone system for the other hospital. It is a queue to the database that the information that follows is for one or the other hospital. It relates to the "Sub location" or "sub sub location" designations appropriate to each hospital.

8. **PROPRIETARY RIGHTS.** Mason General understands that the Safety Zone portal constitutes proprietary information that is owned by Clarity Group. Mason General acknowledges that it will respect all intellectual property rights of the Clarity Group in its use of the Safety Zone portal.


9. **HIPAA.** The Parties acknowledge that medical and other records ("protected health information") are protected by and subject to numerous laws, rules and regulations 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 and regulations, including, without limitation, the Washington State Uniform Health Care Information Act (RCW 70.02) and the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d, and the implementing administrative simplification regulations codified at 45 C.F.R. Subtitle A, Subchapter C, Part 160 et. seq. ("HIPAA").

10. **INDEMNIFICATION.** Snoqualmie Valley and Mason General shall each indemnify, defend and hold the other Party, its commissioners and employees harmless from and against any causes of action, claims, losses, expenses (including reasonable attorneys fees) and damages (collectively "Liabilities") arising out of, in connection with or incident to the Party's use of the Safety Zone event management system and its performance of the duties described in this Exhibit A unless such Liabilities are the direct result of a Party's gross negligence or willful misconduct.

MASON GENERAL:

SNOQUALMIE VALLEY HOSPITAL


Name: Eric C. Moll
Title: CEO
Date Signed: 5/30/13

Name: _____
Title: _____
Date Signed: _____