



TAHOE FOREST HOSPITAL DISTRICT

# 2016-04-14 Special Meeting of the Board of Directors

Thursday, April 14, 2016 at 7:00 am

Eskridge Conference Room - Tahoe Forest Hospital

Truckee, CA 96161

# Meeting Book - 2016-04-14 Special Meeting of the Board of Directors

04/14/2016 Special BOD Meeting

## AGENDA

*2016-04-14 Special BOD Meeting\_FINAL Agenda.pdf* Page 3

ITEMS 1 - 4: See Agenda

## 5. ITEMS FOR BOARD DISCUSSION AND/OR ACTION

*5.1.1. Agility Health contract.pdf* Page 5

*5.1.2.a. Kaufman Hall Market Study Executive Summary.pdf* Page 40

*5.1.2.b. Kaufman Hall Market Study Proposal.pdf* Page 41

## 6. CLOSED SESSION

## 7. REPORT OUT FROM CLOSED SESSION

## 8. MEETING EFFECTIVENESS ASSESSMENT

*MeetingEvaluationForm.pdf* Page 50

## 9. ADJOURN



# SPECIAL MEETING OF THE BOARD OF DIRECTORS

## AGENDA

Thursday, April 14, 2016 at 7:00 a.m.  
Eskridge Conference Room – Tahoe Forest Hospital  
10121 Pine Avenue, Truckee, CA

Teleconference location also available at:  
Fairfield Inn - Lobby, 1910 Taylor Road, Roseville, CA 95661

- 1. **CALL TO ORDER**
- 2. **ROLL CALL**
- 3. **CLEAR THE AGENDA/ITEMS NOT ON THE POSTED AGENDA**

4. **INPUT AUDIENCE:**

This is an opportunity for members of the public to address the Board on items which are or are not on the agenda. Please state your name for the record. Comments are limited to three minutes. Written comments should be submitted to the Board Clerk 24 hours prior to the meeting to allow for distribution. Under Government Code Section 54954.2 – Brown Act, the Board cannot take action on any item not on the agenda. The Board may choose to acknowledge the comment or, where appropriate, briefly answer a question, refer the matter to staff, or set the item for discussion at a future meeting.

4.1. **INPUT AUDIENCE FROM TELECONFERENCE LOCATION**

This is an opportunity for members of the public at the teleconference location listed above to address the Board on items which are or are not on the agenda. Comments are limited to three minutes.

5. **ITEMS FOR BOARD DISCUSSION AND/OR ACTION**

5.1. **Contracts**

- 5.1.1. Agility Health ♦ ..... ATTACHMENT
- 5.1.2. KaufmanHall ♦ ..... ATTACHMENT

5.2. **Appoint Real Property Negotiator ♦**

Board will assign Rick McConn, Chief Facilities Officer, as Real Property Negotiator.

6. **CLOSED SESSION**

6.1. **Conference with Real Property Negotiator (Gov. Code § 54956.8)**

Property Addresses: 10956 Donner Pass Road # 130, Truckee, CA; 11015 Donner Pass Road, Truckee, CA; 10051 Lake Avenue, Truckee, CA

Agency Negotiator: Rick McConn for all properties

Negotiating Parties: Deborah Brown & Christopher Arth; Heather Crosse; Mountain Medical LLC

Under Negotiation: Price & Terms of Payment for all properties

7. **REPORT OUT FROM CLOSED SESSION**

8. **MEETING EFFECTIVENESS ASSESSMENT**..... ATTACHMENT

The Board will identify and discuss any occurrences during the meeting that impacted the effectiveness and value of the meeting.

Special Meeting of the Board of Directors of Tahoe Forest Hospital District  
**April 14, 2016 AGENDA– Continued**

---

**9. ADJOURN**

*The next regularly scheduled meeting of the Board of Directors of Tahoe Forest Hospital District is April 28, 2016, 11603 Donner Pass Rd., Truckee, CA. A copy of the Board meeting agenda is posted on the District's web site ([www.tfhd.com](http://www.tfhd.com)) at least 72 hours prior to the meeting or 24 hours prior to a Special Board Meeting.*

\*Denotes material (or a portion thereof) may be distributed later.

Note: It is the policy of Tahoe Forest Hospital District to not discriminate in admissions, provisions of services, hiring, training and employment practices on the basis of color, national origin, sex, religion, age or disability including AIDS and related conditions.

Equal Opportunity Employer. The meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the District's public meetings. If particular accommodations for the disabled are needed (i.e., disability-related aids or other services), please contact the Executive Assistant at 582-3481 at least 24 hours in advance of the meeting.



**HOSPITAL STAFFING AND MANAGEMENT SERVICES AGREEMENT BETWEEN**

**AGILITY HEALTH, LLC**

**And**

**TAHOE FOREST HOSPITAL DISTRICT**

THIS HOSPITAL STAFFING AND MANAGEMENT SERVICES AGREEMENT (“**Agreement**”), dated for reference purposes as of May 1, 2016 (“**Effective Date**”), is between Agility Health, LLC, a Delaware limited liability company with an address of 607 Dewey Ave. NW., Suite 300, Grand Rapids, Michigan 49504 (“**Agility Health**”), and Tahoe Forest Hospital District, a California Hospital District organized and operating under the California Health Care District Law with an address of 10121 Pine Avenue, Truckee, California 96161 (the “**District**”).

**RECITALS**

A. The District provides inpatient and outpatient physical therapy, occupational therapy and speech pathology services (the “**Rehabilitation Program**”) at the locations listed on Exhibit A (each, a “**Facility**” and collectively, the “**Facilities**”).

B. Agility Health provides its clients with staffing for clients to provide rehabilitation therapy services (“**Rehabilitation Services**”), as well as selected management services.

C. The District believes that having Agility Health provide duly licensed and qualified therapists, certified therapist assistants and/or therapist or therapist assistant students including, without limitation, physical therapists, occupational therapists and speech-language pathologists (collectively, the “**Therapists**”) will contribute to the standard of quality patient care by: (i) assuring the continued availability of qualified, experienced Therapists as necessary at the Facilities; (ii) promoting effective and proficient delivery of Rehabilitation Services and enhancing patient convenience; and (iii) establishing and maintaining patient care accountability and providing close supervision and control of the delivery of all Rehabilitation Services at the Facilities.

D. In the fulfillment of these goals, the District desires to engage Agility Health to: (1) provide Therapists to the District (“**Staffing Services**”), as more fully described on Exhibit B, so the District can provide Rehabilitation Services to patients at the Facilities (collectively, the “**Patients**”) and for the District to maintain and improve the quality, effectiveness and efficiency of Rehabilitation Services provided to the Patients, consistent with the best interests of the Patients and the vision of the District; and (2) provide the specific management services (“**Management Services**”) set forth on Exhibit C through non-clinical staff (“**Management Staff**”).

**AGREEMENT**

In consideration of the mutual promises herein, the parties hereby agree as follows:



1. Services. Pursuant to the terms of this Agreement, commencing on May 1, 2016, Agility Health will provide the Staffing Services and Management Services (collectively "Services"), as those services are more fully described on Exhibit B and Exhibit C, respectively. The District agrees that during the term of this Agreement, Agility Health shall be the exclusive provider of Staffing Services and Management Services at the Facilities or any other facilities that may be established by the District within the following geographical area: The counties of Nevada County, Placer County, Plumas County, El Dorado County and Sierra County in California, and Washoe County in Nevada.

2. Compliance

(a) District Policies. At all times during the Term of this Agreement, Agility Health shall cause the Therapists and Management Staff to comply in all material respects with applicable written compliance policies and procedures provided to Agility Health and which are maintained by the District (collectively, the "**Compliance Program**"); provided, however, that Agility Health shall not be required to abide by any policy or procedure in the Compliance Program that: (i) in the opinion of legal counsel for Agility Health, would create a substantial risk of non-compliance with any federal, state or local statute, rule or regulation; or (ii) would have the effect of materially increasing the scope of Agility Health's liabilities or obligations under this Agreement or would materially increase the cost to Agility Health of performing Rehabilitation Services or Management Services (with a circumstance described in clause (i) or clause (ii) being a "**Material Adverse Effect**"). For all Material Adverse Effects the parties shall negotiate in good faith regarding an amendment to this Agreement to reduce the risk of non-compliance or to compensate Agility Health for the additional liability, obligation and/or costs, as applicable. If the parties cannot reach agreement on such amendment within 90 days of the effective date of the policy or procedure, then either party may terminate this Agreement upon ninety 90 days' prior, written notice. In the event the District modifies or amends its Compliance Program (each a "**Program Amendment**"), the District shall provide written notice to Agility Health at least 30 days prior to the effective date of such Program Amendment. If Agility Health notifies the District in writing within 20 days of receipt of such notice that Agility Health reasonably believes the Program Amendment will result in a Material Adverse Effect, the negotiation and termination process described in this Section shall apply.

(b) Laws and Regulations. Each party covenants that it:

(i) Shall comply, with all applicable federal laws, including applicable provisions of 42 Code of Federal Regulations Parts 483 (Requirements for State and Long Term Care Facilities), and 485 (Conditions of Participation: Critical Access Hospital (CAH));

(ii) Shall comply with all state laws, rules and regulations regarding its operations, including provisions of Title 22 of the California Code of Regulations, the regulations of the California Department of Health Services, the California Business and Professional Code, the Nevada Administrative Code including NAC 449, and the regulations of the Nevada Board of Health and the Nevada Bureau of Licensure and Certification;



(iii) Shall comply with all local laws, including the ordinances, rules, and regulations of Nevada County, Placer County, Plumas County, El Dorado County and Sierra County in California, and Washoe County in Nevada;

(iv) Has, and will maintain at all times herein, all licenses, certifications and other governmental approvals, as well as all accreditations, necessary for its operations;

(v) Shall comply with any laws concerning provisions, requirements, policies, procedures, and standards of the Health Care Facilities Accreditation Program (HFAP), its successors or any accreditation agency at District's discretion, including, without limitation, provisions, requirements, and standards concerning health care and health care accreditation, the accreditation of health care facilities, programs, health care professionals, and Rehabilitation Services (collectively, the "**Requirements**"); and other laws relating to the subject matter, terms, conditions and provisions of this Agreement, including the use of facilities for, acquisition or authorization of and management and delivery of physical therapy, speech therapy, and occupational therapy services, including Rehabilitation Services;

(vi) Shall comply with any and all applicable laws, rules, guidelines and requirements of governmental, accrediting, reimbursement, payment and other agencies having jurisdiction over the services provided hereunder, including without limitation, compliance with all applicable laws and regulations of foreign, federal, state and local governments and all agencies thereof relating to Health Care Laws and Practices. For purposes of this Agreement, "**Health Care Laws and Practices**" includes, without limitation, all federal, state or local laws, rules, regulations or guidelines regarding (i) any government-sponsored health care program, including Medicare, Medi-Cal, Medicaid and other federally or state funded health care programs, and including those laws, rules, regulations and guidelines related to covered services, charging practices, billing, collection, marketing and advertising; (ii) kickbacks, fee-splitting, physician self-referral, and other referral practices, including, without limitation, the federal anti-kickback statute set forth at 42 U.S.C. Section 1320a-7b (the "Anti-Kickback Statute"), the federal physician self-referral prohibition law set forth at 42 U.S.C. Section 1395nn (the "**Stark Law**") California Business and Professions Code Section 650, California Welfare and Institutions Code Section 14107.2(a), California Business and Professions Code Sections 650.01 and 650.02, California Labor Code Sections 139.3, 139.31, and 139.32 and other related or similar laws and regulations; and (iii) the privacy, confidentiality, maintenance, or protection of patient records, including, without limitation, the Health Insurance Portability and Accountability Act of 1996 and all rules and regulations promulgated there under ("**HIPAA**"), the California Medical Information Act, contained in the California Civil Code Section 56 et seq. the California Patient Access To Medical Records Act, contained in the California Health and Safety Code, Section 123100 et seq., California Health and Safety Code Section 1280.15.18 and other California patient privacy laws; and

(vii) Is not excluded from participation in any federal or state health care program, as defined under 42 U.S.C. §1320a 7b (f), for the provision of items or services for which payment may be made under such federal health care program; (ii) neither party has arranged or contracted (by employment or otherwise) with any employee, contractor, or agent that such party knows or should know are excluded from participation in any federal or state health care program, to provide items or services hereunder; and (iii) no final adverse action, as



such term is defined under 42 U.S.C. §1320a 7e (g), has occurred or is pending or threatened against such party its knowledge against any employee, contractor or agent engaged to provide items or services under this Agreement.

(c) Change in Law. In the event that any federal or state legislation or regulations are enacted, promulgated, modified or interpreted, or a decision of a court or a governmental agency is rendered that, in the opinion of legal counsel for the District or Agility Health: (i) prohibits, restricts or in any way materially alters any material provision of this Agreement (or may prohibit, restrict or in any way materially alter any material provision of this Agreement); (ii) subjects any of the parties to a significant fine or penalty in connection with its performance of its obligations hereunder; (iii) subjects any of parties to a loss of Medicare or Medicaid certification because of the existence of this Agreement or the applicable party's performance of its obligations hereunder; or (iv) materially adversely affects the ability of the parties to perform their obligations hereunder, then, within 30 days following written notice from one party to the other, the parties shall negotiate in good faith an amendment to this Agreement or a substitute agreement which will carry out the original intention of the parties to the extent possible in light of such legislation, regulation or decisions. In the event that the parties cannot reach agreement as to the terms and provisions of the amendment or substitute agreement, then either party may terminate this Agreement upon 90 days' prior written notice.

(d) District Compliance Program. The District understands that development and implementation of a corporate compliance program is the responsibility of the District. Since compliance program effectiveness depends upon the commitment of the District's management and staff, in the event Agility Health or its staff detects or is notified of errors, fraud or illegal acts that exist at any of the Facilities, Agility Health shall notify the Compliance Department of the District immediately. Notwithstanding the above, Agility Health agrees to conduct its operations with the District in a manner which is in compliance with federal and state laws, rules and regulations.

(e) Additional Compliance Agreements. Agility Health and its employees shall maintain and safeguard the confidentiality of all patient records, charts and other related patient information, generated in connection with the operation of the District's Rehabilitation Program, in accordance with all applicable federal and state statues and related governmental regulations and with all other legal or contractual requirements imposed on District, the District's Rehabilitation Program or Therapists in connection therewith, without limiting the generality or scope of the foregoing.

(f) Health Insurance Portability and Accountability Act. Each party agrees that it will comply in all material respects with all federal and state mandated regulations, rules or orders applicable to privacy, security and electronic transactions, including without limitation, regulations promulgated under Title II Subtitle F of the Health Insurance Portability and Accountability Act (Public Law 104-191) ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005. The parties previously executed a business associate agreement dated January 22, 2016.

### 3. Billing; Collections.



(a) The District shall establish fees for all of the Rehabilitation Services to be provided by the Therapists.

(b) The District shall have the sole right and responsibility to bill (including assigning CPT codes), collect and retain all professional fees and related fees arising from the Rehabilitation Services provided at the Facilities. The District covenants that all of its billing and collection services provided hereunder shall comply, in all material respects, with all applicable federal, state and local statutes, rules and regulations.

(c) Agility Health covenants that the treatment documentation and ICD coding provided by the Therapists to the District will be accurate and timely and comply with, in all material respects, all applicable laws, rules and regulations, including without limitation applicable Medicare and Medicaid regulations and requirements, and applicable written commercial payor policies and procedures provided to Agility Health. All such documentation and coding will be made available to the District within three (3) business days of the delivery of Rehabilitation Services by a Therapist to a patient.

(d) The District shall be entitled to and shall retain all revenues received from all billings for Rehabilitation Services, including without limitation, any applicable co-payment, deductible or co-insurance amount required to be paid by any Patient, and nothing in this Agreement shall alter or affect the District's right to retain all revenues received from such billings. Accordingly, any and all amounts paid directly to Agility Health or any Therapist employed or contracted by Agility Health for Rehabilitation Services hereunder, including any amounts received after this Agreement is terminated for Rehabilitation Services provided during the term of the Agreement, shall be promptly remitted to the District.

4. Therapy Space. During the term of this Agreement, the District shall furnish for Agility Health's use, adequate space designated by the District for the Rehabilitation Program and all supplies, equipment and services as are mutually agreed by the District and Agility Health to be necessary for the proper operation of the Rehabilitation Program. The subject premises, equipment and services to be provided hereunder by the District shall be used by Agility Health solely in accordance with the terms of this Agreement. No part of such premises, equipment or services shall be used at any time by Agility Health or any Agility Health employee or contractor for the private practice of physical therapy except as may be mutually agreed upon in writing by the parties hereto. Agility Health shall have no ownership interest in any equipment or supplies purchased by the District.

5. Equipment and Supplies.

(a) The District will, at its sole expense, provide all supplies and equipment necessary for Agility Health to provide Services under this Agreement, as mutually agreed upon by the parties, except that Agility Health will, at its sole expense, provide such software necessary for its Therapists to document their clinical services. The District shall also provide the following at each Facility: both wired and wireless network connectivity providing reasonable performance levels for Agility Health to access its data management systems, a printer or access to a means of secure printing capability and access to reasonably current versions of District-licensed Microsoft Office (Word and Excel).



(b) The District agrees that its technology infrastructure and systems shall meet the requirements set forth on Exhibit D. Further, the District acknowledges that Agility Health will purchase Chromebooks (or similar devices) for the Therapists to use in the delivery of Rehabilitation Services, and agrees to reimburse Agility Health for such costs (without mark-up) in six equal monthly installments. Upon payment in full, the District shall own all such Chromebooks (or similar devices). Contemporaneously with the execution of this Agreement, the parties shall execute the Software as a Services Agreement attached as Exhibit E.

6. Records.

(a) For Rehabilitation Services it provides hereunder, Agility Health shall create and maintain written documentation, including appropriate clinical coding, on individual charts of patient treatment, progress and evaluation in accordance with the District's written policies and procedures, and in accordance with requirements of federal and state governmental agencies and commercial third-party payors. Subject to applicable law and the confidentiality obligations herein, Agility Health will make such documentation available for inspection by the District as may be necessary to enable the District to bill governmental or third-party payors. This provision will survive termination of this Agreement.

(b) The District shall be solely responsible for maintaining all patient and medical records regarding the Rehabilitation Services provided to Patients (regardless of whether such services are provided by Agility Health). The District shall make available to Agility Health for review and inspection on a timely basis and upon request, individual patient treatment and any other records necessary for proper evaluation, screening treatment and provision of Rehabilitation Services. Agility Health may incorporate copies of such records into its own records, and the District shall, where required, obtain the proper consents required to permit such disclosure. Further, the District will make available for inspection by Agility Health such documentation that Agility Health may reasonably request in connection with any audit or external review of, or claims arising out of, the Services provided by Agility Health. This provision will survive termination of this Agreement.

(c) Until the expiration of ten (10) years after the furnishing of Services provided under this Agreement, Agility Health will make available to the Secretary, U.S. Department of Health and Human Services and the U.S. Comptroller General and their representatives, this Agreement and all related books, documents and records necessary to certify the nature and extent of the costs of Services. If Agility Health carries out its duties under this Agreement through a subcontract worth Ten Thousand (\$10,000) dollars or more over a twelve (12) month period with a related organization, contractor, or subcontractor, the subcontract will also contain this access to records clause to permit access by the Secretary, comptroller General and their representatives to the books and records of the related organization, contractor or subcontractor. This provision will survive termination of this Agreement.

7. Fees.

(a) For the Services provided hereunder, the District shall pay to Agility Health compensation calculated in accordance with Exhibit F.



(b) The District agrees to pay all amounts owed to Agility Health within the time period prescribed on Exhibit F, with such payment to be made via an ACH transfer of funds. Any invoice not paid within such period will accrue interest at the rate of 12% per annum until paid in full. In the event Agility Health incurs any costs or expenses in connection with collecting any amounts due under this Agreement, the District agrees to reimburse Agility Health for such costs and expenses (including attorney's fees) so incurred, regardless of whether litigation is initiated. This provision shall survive termination of this Agreement.

(c) Agility Health shall be solely responsible for any and all salary, benefits (including, but not limited to, health insurance), taxes and withholdings, retirement benefits, professional liability insurance, dues, continuing education and travel, and all other compensation for the Therapists and Management Staff employed or contracted by Agility Health to provide Services hereunder.

8. Term/Termination.

(a) Term. The term of this Agreement shall commence on the Effective Date and continue through May 31, 2017 ("**Initial Term**"). Thereafter, this Agreement will automatically renew for successive one (1)-year terms unless either party delivers written notice to the other party at least 90 days prior to the expiration of the then-current term electing not to have this Agreement renew.

(b) By The District – Immediate Termination. This Agreement may be terminated immediately by the District for cause upon the occurrence of any of the following events or circumstances and after written notice of such termination has been given to Agility Health as provided below:

(i) Agility Health is excluded for any reason, or any Therapist providing Rehabilitation Services hereunder is not immediately removed and replaced upon being excluded, from participating in any state or federal health care program or from participating in any commercial health care program, if the exclusion from the commercial health care program would likely have a material negative effect on the Facilities' financial health; or

(ii) Agility Health fails at any time to provide or maintain the insurance coverage required under this Agreement during the term of this Agreement, and such failure is not cured within five (5) days following written notice from the District.

(iii) The District reasonably believes in good faith that having Agility Health continue to provide Services would jeopardize the health and safety of the District's patients.

(iv) Agility Health's violation of law.

(c) By The District – 30 Day Termination. This Agreement may be terminated by the District for cause upon the occurrence of any of the following events or circumstances and after 30 days written notice to Agility Health as provided below:



(i) Agility Health fails or refuses to perform or otherwise comply with any provision of this Agreement; provided, however, that if termination is made under this subparagraph, it shall be effective 30 days following the delivery of written notice to Agility Health specifying the failure and/or refusal which constitutes grounds for such termination unless such failure or refusal is cured prior to that time; or

(ii) Agility Health applies for or consents to the appointment of a receiver, trustee, or liquidator of Agility Health, or of all or a substantial part of Agility Health's assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors to take advantage of any insolvency law, or if a final order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating Agility Health as bankrupt or insolvent or approving a petition seeking reorganization of Agility Health or appointing a receiver, trustee, or liquidator of Agility Health or of all or a substantial part of Agility Health's assets.

(d) By Agility Health. This Agreement may be terminated by Agility Health for cause upon the occurrence of any of the following events or circumstances and after 45 days written notice to the District as provided below:

(i) The District is excluded for any reason from participating in any state or federal health care program or from participating in any commercial health care program, if the exclusion from the commercial health care program would likely have a material negative effect on the Facilities' financial health;

(ii) The District fails or refuses to faithfully and diligently perform or otherwise comply with any provision of this Agreement; provided, however, that if termination is made under this subparagraph, it shall be effective 45 days following the delivery of notice to the District specifying the reason for such termination unless such failure or refusal is cured prior to that time; provided, however, if the District has diligently and in good faith commenced to cure such breach within such 45-day period and continues to proceed in a good faith, diligent manner thereafter, then the cure period shall be extended an additional 20 days or such additional time as may be agreed to by Agility Health in writing; or

(iii) The District applies for or consents to the appointment of a receiver, trustee, or liquidator of the District, or of all or a substantial part of the District's assets, files a voluntary petition in bankruptcy, makes a general assignment for the benefit of creditors, files a petition or an answer seeking reorganization or arrangement with creditors to take advantage of any insolvency law, or if a final order, judgment or decree shall be entered by a court of competent jurisdiction, on the application of a creditor, adjudicating the District as bankrupt or insolvent or approving a petition seeking reorganization of the District, or appointing a receiver, trustee, or liquidator of the District or of all or a substantial part of the District's assets.

(e) Effect of Termination or Expiration. Upon termination of this Agreement, the rights and obligation of the parties hereunder shall terminate except as otherwise provided



herein; provided, however, that such action shall not relieve any party of obligations or liabilities with respect to Services furnished prior to such termination or expiration.

(f) Post-Termination Obligation. In the event of termination of this Agreement for any reason, the District will arrange for, and Agility Health will reasonably cooperate with, the prompt and orderly transition of care of Patients then being treated by Therapists (with the period of time required for such transition being the “**Transfer Period**”). To the extent required by law, during the Transfer Period, Agility Health will continue to provide Therapists to treat Patients solely to the extent such Patients were being actively treated by Therapists at the time of termination. For Services provided during the Transfer Period, the District will compensate Agility Health for such Services in accordance with Agility Health’s applicable fee schedule in effect upon the date of termination.

9. Insurance.

(a) Agility Health Insurance. Agility Health will, at its sole expense, obtain and maintain in effect during the term of this Agreement professional and comprehensive general liability insurance covering Agility Health and its employees, including but not limited to Agility Health Therapists. The amount of the coverage will not be less than \$1,000,000 per occurrence and \$3,000,000 annual aggregate. Agility Health will also obtain and maintain, at its sole expense, worker’s compensation insurance with respect to Agility Health’s employees in such amounts as are required by applicable law. Agility Health shall provide the District with appropriate certificates evidencing such insurance coverage prior to the Effective Date of this Agreement, and as of each annual renewal of such insurance policies while this Agreement remains in effect. In addition, Agility Health will notify the District in writing 30 days before any modification, expiration, non-renewal, cancellation or termination of such insurance or any decrease in the dollar amount of coverage provided. To the extent Agility Health transmits PHI (as defined in HIPAA) electronically, it will, at its sole expense, obtain and maintain during the term of this Agreement cyber liability or similar insurance coverage covering data breaches and notification costs.

(b) District Insurance. The District will, at its sole expense, obtain and maintain in effect during the term of this Agreement, professional and comprehensive general liability insurance covering the District. The amount of the coverage shall not be less than \$1,000,000 per occurrence and \$3,000,000 annual aggregate. Upon request, the District will provide Agility Health with appropriate certificates evidencing such insurance coverage. In addition, the District will notify Agility Health in writing thirty 30 days before any modification, expiration, non-renewal, cancellation or termination of such insurance or any decrease in the dollar amount of coverage provided. To the extent the District transmits PHI (as defined in HIPAA) electronically, it will, at its sole expense, obtain and maintain during the term of this Agreement cyber liability or similar insurance coverage data breaches and notification costs.

10. Indemnification/Limitations on Liability.

(a) Indemnification. It is the express intent of the parties that each be responsible for its own acts or failures to act, which result in damages of whatever kind or nature to another. Therefore, each Party (“**Indemnitor**”) agrees to indemnify and hold harmless the



other Party and its affiliates, and their respective shareholders, members, directors, managers, partners, officers, employees and agents (collectively, "**Indemnitees**") from and against any and all claims, damages, costs and expenses (including without limitation, attorneys' fees and expenses) (collectively "**Damages**") which arise out of or relate to Indemnitor's material breach of this Agreement, and/or Damages which arise out of or relate to Indemnitor's acts of willful misconduct or negligence in any manner related to the subject matter of this Agreement.

(b) Requirements for Obtaining Indemnification. To obtain indemnification, an Indemnitee must: (i) give written notice of any claim promptly to the Indemnitor; (ii) give Indemnitor, at its option, sole control of the defense and settlement of such claim, provided that Indemnitor may not, without the prior consent of Indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases the Indemnitee of all liability; (iii) provide to Indemnitor all available information and assistance at Indemnitor's reasonable expense; and (iv) not take any action that might compromise or settle such claim.

(c) Limitations on Liability. No party shall have any liability to the other party for any special, exemplary, speculative, remote, consequential, indirect, incidental or punitive damages except for attorneys' fees and court costs and for such damages as are awarded to a third-party in a third-party claim asserted against the party for which it is entitled to indemnification hereunder. This provision shall survive termination or expiration of this Agreement.

## 11. Confidential Information

(a) Non-Disclosure of Agreement Terms. The terms of this Agreement are not confidential. The District may disclose the terms of this Agreement to the public in order to obtain approval from applicable Board of Directors. Any disclosure to the public shall only be to the extent required by the California Public Records Act or such similar applicable disclosure laws, and after giving effect to any applicable exemption or limitations provided therein.

(b) Confidentiality Information. The parties acknowledge that, during the term of this Agreement, each party shall have access to certain confidential and/or proprietary information pertaining to the other party and its business ("**Confidential Information**"). Confidential Information shall include, but not be limited to manuals, forms and systems (including, but not limited to, policy and procedure manuals and treatment manuals); training and in-service materials; videotapes; financial and clinical data management systems and software, as well as any and all copies of any of the foregoing. Each party agrees not to use, copy, disclose or otherwise disseminate, either directly or indirectly, the other party's Confidential Information except for, and solely to the extent of the following ("**Permitted Purposes**") : (1) performing its obligations under this Agreement; and (2) responding to any lawful order of a court of competent jurisdiction ordering production of such Confidential Information. In the event a party receives a subpoena or court order directing disclosure of the other party's confidential information, such party shall promptly notify the other party in writing and reasonably cooperate with the other party in responding to such subpoena or court order. In all cases, any permitted use or disclosure of Confidential Information shall be limited to the minimum extent necessary to effect the Permitted Purposes. Confidential Information shall not, however, include any information which the recipient can establish: (i) was or has become



generally known or available or in the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient's prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.

(c) Effect of Termination of the Agreement. Upon termination of this Agreement for any reason whatsoever, or at any other time upon request, each party agrees to deliver promptly to the other party the Confidential Information of the other party, including any and all copies thereof. This Section 11 will survive expiration or termination of this Agreement.

12. Non-Solicitation

(a) Purpose. The parties acknowledge that Agility Health will expend and invest a significant amount of time, effort and expense recruiting and training Therapists and Management Staff to provide the Services at the Facilities. The parties further acknowledge that Agility Health would incur costs and expenses if the Therapists and Management Staff were hired from Agility Health without Agility Health's consent to provide Services at the Facilities.

(b) Restrictions. During the term of this Agreement and for a period of one year after termination of this Agreement, the District shall not directly or indirectly (e.g., by hiring or using another company that hires Agility Health's employees or contractors); (a) employ or contract with, or attempt to employ or contract, any Agility Health employee or consultant who provided Services at any Facility during the term of this Agreement; or (b) induce, or attempt to induce, any Agility Health employee or consultant to terminate or materially reduce his/her relationship with Agility Health (with each employee and consultant described in the preceding clauses (a) and (b) being an ("Affected AH Person")); provided, however that an Affected AH Person shall not include any Agility Health employee who was previously employed by either the District or Truckee North Tahoe Rehabilitation . The District acknowledges that the restrictions set forth herein are reasonable in scope and necessary to protect Agility Health's legitimate business interests (including that Agility Health is providing its personnel to work on-site at the Facilities), and that enforcement of this Section 12 shall not unreasonably restrict the District from providing Rehabilitation Services. The District further acknowledges that a breach of the covenants contained in this Section 12 shall have irreparable, material, and adverse effects on Agility Health, and that damages arising from any breach may be difficult to ascertain. The District agrees that Agility Health shall have the right to liquidated damages in an amount equal to \$25,000 per each Affected AH Person that is professionally licensed (such as, by of example only, physical therapists), it being an agreed-upon reasonable estimate of the damages Agility Health would suffer in the event of such a breach. In the event of a breach of this Section, and the payment by the District of the liquidated damages set forth herein, Agility Health shall have no right to an injunction enjoining the District's breach. This provision will survive expiration or termination of this Agreement.

13. Independent Contractors. This Agreement is a contract between independent parties and shall not be construed to create any relationship (such as a joint venture relationship)



other than that of independent contractors. In no event shall the District be deemed to be the employer of the Therapists or any Management Staff.

14. Compliance with Title VI of the Civil Rights Act of 1964. The parties will comply with Title VI of the Civil Rights Act of 1964 (PL 88-352) and all requirements imposed by applicable regulations of the U.S. Department of Health and Human Services regarding discrimination on the grounds of race, color, handicap or national origin or exclusion from participation, denial of benefits or other discrimination under any program or activity provided by either party.

15. Miscellaneous

(a) Amendment and Waiver. This Agreement may be amended, altered, waived or terminated only by a writing signed by the party/parties to be bound. Any delay, omission or failure by a party to exercise its rights, powers or remedies hereunder shall not be construed as a waiver of the same. Further, any such waiver by a party shall operate as such only in the specific instance and not in any other instance.

(b) Controlling Law. This Agreement is governed by the laws of California without regard to its conflict of laws. Each party consents to the exclusive jurisdiction in the courts sitting in the State of California with venue in Nevada County. This provision will survive expiration or termination of this Agreement.

(c) Severability. The provisions of this Agreement are severable and, to the extent that any provision may be unenforceable or may impair the enforcement of any other provision, a court of competent jurisdiction is authorized to modify or delete such provision to the extent necessary to give effect to the remainder of this Agreement. This provision will survive expiration or termination of this Agreement

(d) Assignment. This Agreement may not be assigned by either party without the written consent of the other party provided that any such consent may not be unreasonably withheld. Notwithstanding the foregoing, nothing herein shall limit the ability of a party to undergo a change of ownership, sell all or substantially all of its assets, merge or affiliate with another entity or entities, or otherwise undergo any other corporate reorganization or transaction (a "Transaction"); nor shall anything herein be interpreted to require the consent for any such Transaction or impose any financial liability for undergoing such Transaction.

(e) Entire Agreement. This Agreement and the exhibits hereto contain the entire understanding between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings, express or implied, oral or written.

(f) Binding Effect. This Agreement inures to the benefit of and shall be binding on the parties and their respective successors and permitted and assigns.

(g) Captions. All section captions and headings in this Agreement are provided for informational purposes only and do not affect the interpretation or construction of any provision of this Agreement.



(h) Cumulative Remedies. The various rights, options, elections, powers and remedies of the respective parties hereto contained in, granted or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative and no one of them is exclusive of any of the others or of any right or priority allowed by law. This provision will survive expiration or termination of this Agreement.

(i) No Inducement for Referrals. Nothing in this Agreement is to be construed as an offer or payment by one party to the other party (or its affiliates) of cash or other remuneration, either directly or indirectly, in exchange for patient referrals or for arrangement for or recommendation of orders for any item or service.

(j) Force Majeure. No default, delay, or failure to perform on the part of either party shall be considered a default, delay, or failure to perform otherwise chargeable hereunder, if such default, delay, or failure to perform is due to causes beyond the party's reasonable control including, but not limited to, strikes, lockouts or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, acts of God, or default of common carrier. In the event of such default, delay, or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of excused delay, default, or failure to perform.

(k) Authority. Each person signing on behalf of the parties to this Agreement represents and warrants that he has full authority to execute this Agreement on behalf of such party and that this Agreement will constitute a legal and binding obligation of such party.

(l) Use of Names and Marks. Except as provided in this Section, this Agreement does not grant either party a license or sublicense to use the names, trademarks, service marks, corporate names, trade names, domain names, or logos owned by or licensed to the other party ("**Marks**"). During the term of this Agreement each party may use the other party's name solely in connection with identifying the relationship as contemplated in this Agreement. Any use of a party's Marks is subject to the prior review and written approval of that party. Such written consent or denial shall be provided within 10 business days.

(m) Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which, when taken together, will constitute one instrument and any facsimile, pdf. or other electronic or digital version of any party's signature appearing on any such counterpart shall be deemed an original and shall fully bind such party.

(n) Notices. All notices, requests, demands and other communications required or permitted under this Agreement will be in writing and deemed to have been received when personally delivered, one business day following overnight delivery by a nationally recognized courier, or upon actual receipt of hand-delivery or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

**If to Agility Health:**  
Agility Health, LLC

Attn: Steven N. Davidson  
607 Dewey Ave. NW, Suite 300  
Grand Rapids, MI 49504


**If to the District:**  
Tahoe Forest Health District  
Attn: Chief Executive Officer  
10121 Pine Avenue  
P.O. Box 759  
Truckee, California 96161

Any party may change its address by giving notice in accordance with the provisions of this Section 15(n).

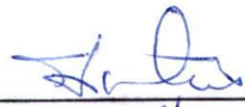
*Signatures on following page*

IN WITNESS WHEREOF, this Agreement shall be effective as of the Effective Date.

**AGILITY HEALTH:**

  
By: Steven N. Davidson  
Its: Manager and CEO  
Date: April 11, 2016

**DISTRICT:**

  
By: Harry Weiss  
Its: CEO  
Date: 4/11/16

**EXHIBIT A**

To

**Hospital Staffing and Management Services Agreement Between**

**AGILITY HEALTH, LLC**

And

**TAHOE FOREST HOSPITAL DISTRICT**

**FACILITIES**

Tahoe Forest Hospital

Incline Village Community Hospital

Skilled Nursing Facility

Tahoe Forest Physical Therapy – Tahoe Center for Health and Sports Performance

Tahoe Forest Physical Therapy- Tahoe City

Incline Village Community Hospital Physical Therapy and Medical Fitness (IVCH PT)



**EXHIBIT B**

**To  
Hospital Staffing and Management Services Agreement Between  
AGILITY HEALTH, LLC**

**and**

**TAHOE FOREST HOSPITAL DISTRICT**

**STAFFING SERVICES**

Agility Health shall provide the following Staffing Services:

1. Agility Health shall provide duly licensed and qualified Therapists in such numbers as to provide consistent staffing as necessary to meet the needs of the Facilities and Patients.

2. Subject to the ultimate authority and control of District, Agility Health shall have oversight and responsibility over the management of the operations of the Rehabilitation Program as set forth in this Agreement and the staffing of the Rehabilitation Program sufficient for the District to provide Rehabilitation Services to its patients at all customary times, all in accordance with the highest technical, professional and ethical standards of health care and business practice.

3. The Therapists provided by Agility Health shall provide Rehabilitation Services in accordance with the applicable plans of care and physician's orders, if required by applicable law, as well as in compliance with all applicable laws, written policies of the District, and applicable standards of care promulgated by the professional organizations that regulate Therapists.

4. Therapist shall conduct the evaluation and treatment of patients in accordance with this Agreement, the Requirements, all Laws and the written policies of the District provided to the Therapists.

5. Therapist shall conduct the evaluation and treatment of outpatients according to District's policy upon receiving a written notice of referral (also known as "referral order") from District (or otherwise as soon as possible dependent upon patient's schedule).

6. Therapist shall update the medical chart of each patient, including entry of any and all evaluations, identification of treatment, progress notes, and care plans, on and for each date of service.

7. Therapist shall complete written discharge summaries for each District inpatient and each District outpatient within seven (7) calendar days after discharge of such patient.

8. Therapist shall be available to consult with a patient's attending physician and shall adequately document individual patient charts within a reasonable and customary time of the day on which service is provided to comply with all applicable law, including California, Nevada, and Federal laws, regulations and guidelines, as may be applicable. Such documentation shall include, but shall not be limited to, adequate evaluation notes, treatment notes, progress notes and other documentation necessary to substantiate that the treatment or services are in accordance with commonly accepted professional standards of practice. Such patient charts shall remain the property of the District.

9. Agility Health shall provide Therapists that:

- a. Are duly licensed by, and in good standing with the applicable professional boards of, the state of Nevada or California, as applicable for the specific Facility, and deliver rehabilitative care within the scope of his or her practice;
- b. Exercise his or her independent judgment and that degree of care and skill which is commensurate with the generally recognized level of care and skill for such specialty in the local healthcare community;
- c. Have been subjected to a criminal background, Office of the Inspector General (OIG) excluded provider checks, and such other exclusion lists maintained by applicable state healthcare programs by Agility Health prior to deployment at a Facility; and
- d. Will not discriminate in the provision of or arrangement for Rehabilitation Services on any basis prohibited by law, including, but not limited to, an Patient's age, race, color, creed, religion, gender, weight, sexual preference, national origin, health status, benefits, income level, the filing by a Patient of a complaint or grievance, or eligibility for Medicare or Medicaid.

The District reserves the right to have a Therapist removed from a Facility if the District in good faith believes the Therapist is violating the standards described in this Exhibit B.



**EXHIBIT C**

To  
**Hospital Staffing and Management Services Agreement Between**

**AGILITY HEALTH, LLC**

**and**

**TAHOE FOREST HOSPITAL DISTRICT**

**MANAGEMENT SERVICES**

Agility Health shall provide the following Management Services:

1. An experienced full-time, on-site professional department manager to manage and oversee the Rehabilitation Services and the Management Services. The director will report to the District and Agility Health. The District will reasonably specify in writing, after consultation with Agility Health, the department manager's performance objectives, and the District and Agility Health shall jointly review and evaluate performance.

2. The District reserves the right to have any employee, agent, or contractor of Agility Health removed from his/her management position for any lawful reason if the District in good faith believes the employee, agent or contractor of Agility Health is violating the standards described in this Exhibit C.

3. From time to time as reasonably requested, meetings with a representative designated by the District in order to provide to the District information regarding the clinical operations of the Facilities.

4. Delivery of information to the District as reasonably requested for the District to determine what actions the District will take to collect on delinquent Patient accounts (which actions shall comply with the policies and procedures the District has in place for such accounts).

5. Agility Health shall appoint a representative who has authority to communicate, direct operational oversight and act on Agility Health's behalf. Agility Health shall identify for District and the Rehabilitation Program the Agility Health representative who is responsible during the absence of Agility Health's designated representative, and who is authorized to act on Agility Health's behalf with respect to Agility Health's performance of any term or provision of this Agreement, in advance of any change of authority.

6. Agility Health's representative shall report to the District's Chief Executive Officer or other District designee and shall participate in all District strategic planning and training as requested by the District. Sessions shall be charged to the District at the rates set forth in Exhibit F.

7. Agility Health shall be responsible for the measurement, assessment and identification of potential areas of improvement in the performance of the District's Rehabilitation Program.

8. Agility Health shall support the Therapists and Management Staff and encourage the staff to conduct their activities with a sense of ownership of their work processes, hold them accountable for their performance and work product, and motivate them to improve their performance continuously. Agility Health shall provide periodic educational sessions, as reasonably requested by the District, on appropriate techniques for the prevention of work-related injuries to District employees up to once a year in each department of District. Sessions shall be charged to the District at the rates set forth in Exhibit F.

9. Agility Health shall provide necessary orientation for all Therapists and Management Staff so that each, as applicable, is duly licensed and adequately trained to perform services in compliance with this Agreement.

10. Agility Health shall implement and maintain an evaluation process to ensure that the Therapists and Management Staff, as applicable, are competent to provide Rehabilitation Services and Management Services required by this Agreement.

11. Agility Health shall implement, participate in, and monitor a Quality Improvement/Assessment Program, acceptable to District, and ensure that the quality, safety and appropriateness of healthcare services are monitored and evaluated and that appropriate actions based on findings are taken to promote quality care.

12. Agility Health shall ensure a quality Improvement/Assessment Program will be integrated into the District-wide Quality Improvement/ Assessment Program. Information from customer satisfaction surveys shall be incorporated into the quality improvement/assessment process. Agility Health shall ensure that the objectives, scope, organization and effectiveness of the activities to assess and improve quality are evaluated at least annually and revised as necessary.

13. To the extent permitted by this Agreement, applicable law and the District's written rules and regulations, Agility Health shall provide Therapists for the District to provide Rehabilitation Services without a referral.

14. Agility Health shall provide Therapists for the District to be able to deliver Rehabilitation Services for inpatients, swing patients and skilled nursing patients seven (7) days per week (excluding Thanksgiving Day and Christmas Day), and at those times customary for the delivery by the District of Rehabilitation Services to outpatients. Hours of operation will be mutually agreed upon with the District.

15. Agility Health shall provide all of the following services for District's Occupational Health Program: preplacement screenings, fire department fitness screenings and assessments, physical job descriptions/job analyses, return-to-work evaluations and back classes and programs. Agility Health shall provide such services from the outpatient service locations or, upon reasonable request, at an employer's site of business within District's service area. Agility Health shall be given the right of first refusal to provide ergonomic consultation for District.



Agility Health shall meet as needed with the head of District's Post-Acute Services Department to address District operational and branding issues. The District shall compensate Agility Health at the rates set forth in Exhibit F.

16. Agility Health will participate and provide services as reasonably requested in connection with the District's Wellness Neighborhood Community Health Program (which provides services and education to low income members of the community) and the District's Cancer Center. The District shall compensate Agility Health at the rates set forth in Exhibit F.

17. From time to time as reasonably requested and mutually agreed upon, delivery to the District of information regarding what Agility Health reasonably believes are the key operating indicators of the Rehabilitation Program.

18. Development of work flow processes for Rehabilitation Services.

19. Ongoing monitoring of staffing levels and staffing mix.

20. Development of productivity procedures.

21. As requested, delivery of data reports to support facility planning and budget process.

22. Ongoing review, during audits, of patient ICD coding.

23. List of Patients requiring re-registration at the end of each month (however, in all cases it shall be the District's responsibility to re-register such Patients).

24. Agility Health shall assist and cooperate with the District in meeting its mission, vision, and values, including providing District's CEO or the District's CEO designee with information regarding budgetary and all other financial matters concerning the Rehabilitation Program, assisting in the development of administrative policies and procedures as they pertain to the Rehabilitation Program, and effectively and efficiently organizing, staffing, managing, supervising, and operating the Rehabilitation Program.

Management Services shall also include the provision of Management Staff, subject to the following:

The District agrees to provide one (1) full-time equivalent for front desk staffing at Tahoe Forest Physical Therapy – Tahoe Center for Health and Sports Performance

For the avoidance of doubt, Agility Health shall not provide Management or Staffing Services with respect to the District's non-therapy related programs and services within Tahoe Forest Physical Therapy – Tahoe Center for Health and Sports Performance.

Finally, with respect to the District's skilled nursing facility, the parties acknowledge that determination of RUG levels for a Patient are determined by an interdisciplinary team comprised of staff from Agility Health and the District.

**EXHIBIT D**

**To**  
**Hospital Staffing and Management Services Agreement Between**  
**AGILITY HEALTH, LLC**

**and**

**TAHOE FOREST HOSPITAL DISTRICT**

**TECHNOLOGY REQUIREMENTS**

**AgileRPM District Requirements**

**Supported Browsers**

Google Chrome, version 30 or newer  
Mozilla Firefox, version 25 or newer  
Microsoft Internet Explorer version 10, or greater

**Recommended Browser**

Google Chrome, version 30 or newer

**Minimum hardware requirement**

- Display resolution: 1170 x 768,
- Computer with a 1 gigahertz (GHz) 32-bit (x86) or 64-bit (x64) processor,
- 512MB of RAM,
- 300MB of Free hard drive space

**Recommended hardware requirement**

- Display resolution: 1366 x 768 or higher
- Computer with a 1 gigahertz (GHz) 32-bit (x86) or 64-bit (x64) processor,
- 1Gb of RAM,
- 500MB of Free hard drive space

**AgileRPM File Scanning Requirements**

**Scanner Requirements**

- Must support scanning to SMB and/or FTP storage
- Must support at least 150DPI resolution

**Scanning Storage Requirements**

- Must support SMB and/or FTP access
- Must support controlled access. (Username/Password, Active Directory, or FTP user rights,
- Must support or have a script that can be used to ensure files older than 7 days are removed from the storage device,



**EXHIBIT E**

To

**Hospital Staffing and Management Services Agreement Between**

**AGILITY HEALTH, LLC**

**and**

**TAHOE FOREST HOSPITAL DISTRICT**

**SOFTWARE AS A SERVICE AGREEMENT-FORM**

This Software as a Service Agreement (the "**Agreement**"), dated as of May 1, 2016 (the "**Effective Date**"), is between Agility Health, LLC, a Delaware limited liability company with an address of 607 Dewey Ave. NW., Suite 300, Grand Rapids, Michigan 49504 ("**Agility Health**"), and Tahoe Forest Health District, a California local health care district with an address of 10121 Pine Avenue, Truckee, California 96161 (the "**District**").

Recitals

A. Contemporaneously with the execution of this Agreement, Agility Health and the District have entered into a hospital staffing and management services agreement ("**Services Agreement**").

B. Pursuant to the Services Agreement, Agility Health anticipates deploying its cloud-based, proprietary software, AgileRPM in connection with the provision of services pursuant to the Services Agreement.

C. The parties desire to enter into this Agreement to set forth the terms of the District's use of the Software (defined below).

Agreement

The parties agree as follows:

1. **Definitions.**

1.1 "**Documentation**" means all generally available documentation relating to the Software, including all user manuals or materials, in any form or media, that describe the Software, or any other information provided to the District by Agility Health under this Agreement.

1.2 "**Intellectual Property Rights**" means any and all rights comprising or relating to: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) copyrights and copyrightable works



(including computer programs) and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

1.3 "Law" means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any court or tribunal of competent jurisdiction.

1.4 "Agility Health Materials" means all devices, documents, data, know-how, processes, software and other inventions, works, technologies and materials, including any and all Software, Documentation, computer hardware, programs, reports and specifications, third party software and deliverables provided or used by Agility Health in connection with this Agreement.

1.5 "Software" means the Agility Health software application commonly known as AgileRPM and all new updates, revisions, improvements and modifications of the foregoing, that Agility Health provides remote access to and use of.

1.6 "Users" means the employees and other members of the District's workforce performing services for the District that require access to the Software in connection with the Services Agreement and the performance of their obligations to the District.

## 2. **License Grant and Restrictions.**

2.1 **License Grant.** Agility Health hereby grants to the District, exercisable by and through its Users, a nonexclusive, royalty-free, limited, revocable, nontransferable right and license during the Term, to access and use the Software for the District's internal business purposes in connection with the Services Agreement; provided however that the District may assign this Agreement and the license hereunder to the extent it assigns its rights under the Services Agreement as permitted therein.

2.2 **License Restrictions.** The District shall not: (a) rent, lend, sell, sublicense, or otherwise make the Software and Agility Health Materials, available to any third party; or (b) use or authorize the use of the Software or Documentation in any manner or for any purpose that is unlawful under applicable Law.

## 3. **Term and Termination.**

3.1 **Term.** The term of this Agreement commences as of the Effective Date and will run concurrently with the term of the Services Agreement i.e. any expiration or termination of the Services Agreement shall constitute an expiration or termination of this Agreement (the "Term").

3.2 **Termination.** This Agreement may be terminated in accordance with the Services Agreement, it being agreed that any breach of this Agreement by a party shall be deemed a breach by such party of the Services Agreement.

3.3 **Effect of Termination; Data Retention.** Upon expiration or termination of this Agreement but in no event earlier than the expiration of the Transfer Period as defined in the Services Agreement:

(a) all licenses granted hereunder will immediately terminate and the District shall cease all use of the Software and Agility Health Materials; and

(b) Agility Health will, at Agility Health's then standard rates, keep a full data backup of the District's data (with view only/single user access) and shall, at the District's costs and at reasonable rates, transfer the District's data to the District.

4. **Fees.** The fee for the license described herein is included in the fees payable pursuant to the Services Agreement.

5. **Ownership.**

5.1 **Ownership of Agility Health Materials.** Agility Health is and will remain the sole and exclusive owner of all right, title and interest in and to the Software and Agility Health Materials, including all Intellectual Property Rights relating thereto.

5.2 **No Implied Rights.** Except for the limited license in Section 2.1, nothing contained in this Agreement shall be construed as granting the District or any third party any right, title, or interest in or to any Agility Health Materials, whether by implication, estoppel or otherwise.

5.3 **User IDS and Passwords.** Each User is responsible for maintaining the confidentiality of any password and username needed to access the Software, and for restricting access to the hardware used to access the Software, and are responsible for all activities and access that occurs under such User's password or username. If a User or the District suspects that any unauthorized party may be using a password or account of a User, or suspects any other breach of security, the District will immediately contact Agility Health. Usernames and passwords are the property of Agility Health, and Agility Health may change the username and password in its discretion. An employee, contractor, agent or any other person associated with the District, including Users, shall not use anyone else's username, password, or account at any time without the express permission of Agility Health. Agility Health cannot and will not be liable for any loss or damage arising from failure to comply with these obligations. If the District or User is in breach of this Section 5.3, Agility Health may in its sole discretion terminate or suspend access to such User, group of Users, and/or the District and all its Users, and/or terminate this Agreement.

6. **Confidential Information**



6.1 Confidentiality Information. The parties acknowledge that, during the term of this Agreement, each party shall have access to certain confidential and/or proprietary information pertaining to the other party and its business (“**Confidential Information**”). Confidential Information shall include, but not be limited to manuals, forms and systems (including, but not limited to, policy and procedure manuals and treatment manuals); training and in-service materials; videotapes; financial and clinical data management systems and software, as well as any and all copies of any of the foregoing. For the avoidance of doubt, all Agility Health Materials are Confidential Information of Agility Health. Each party agrees not to use, copy, disclose or otherwise disseminate, either directly or indirectly, the other party’s Confidential Information except for, and solely to the extent of the following (“**Permitted Purposes**”): (1) performing its obligations under this Agreement and the Services Agreement; and (2) responding to any lawful order of a court of competent jurisdiction ordering production of such Confidential Information. In the event a party receives a subpoena or court order directing disclosure of the other party’s confidential information, such party shall promptly notify the other party in writing and reasonably cooperate with the other party in responding to such subpoena or court order. In all cases, any permitted use or disclosure of Confidential Information shall be limited to the minimum extent necessary to effect the Permitted Purposes. Confidential Information shall not, however, include any information which the recipient can establish: (i) was or has become generally known or available or in the public domain without direct or indirect fault, action, or omission of the recipient; (ii) was known by the recipient prior to the time of disclosure, according to the recipient’s prior written documentation; (iii) was received by the recipient from a source other than the discloser, rightfully having possession of and the right to disclose such information; or (iv) was independently developed by the recipient, where such independent development has been documented by the recipient.

6.2 Effect of Termination of the Agreement. Upon termination of this Agreement for any reason whatsoever, or at any other time upon request, each party agrees to deliver promptly to the other party the Confidential Information of the other party, including any and all copies thereof. This Section 11 will survive expiration or termination of this Agreement.

7. Indemnification.

7.1 By Agility Health. Agility Health will indemnify and hold the District and its affiliates harmless from and against all third-party claims, demands, costs, expense, liabilities and losses, including reasonable attorneys’ fees, arising out of Agility Health’s, or any of Agility Health’s employees or agents, gross negligence, willful misconduct or breach of Agility Health’s obligations under this Agreement, including without limitation any infringement by Agility Health of any third party intellectual property rights.

7.2 By The District. The District will indemnify and hold Agility Health and its affiliates harmless from and against all third-party claims, demands, costs, expense, liabilities and losses, including reasonable attorneys’ fees, arising out of the District’s, or any of the District’s employees or agents, gross negligence, willful misconduct or breach of the District’s obligations under this Agreement.

7.3 Requirements for Obtaining Indemnification. To obtain indemnification, the party seeking indemnification (“**Indemnitee**”) must: (i) give written notice of any claim promptly to



the other party (“**Indemnitor**”); (ii) give Indemnitor, at its option, sole control of the defense and settlement of such claim, provided that Indemnitor may not, without the prior consent of Indemnitee (not to be unreasonably withheld), settle any claim unless it unconditionally releases the Indemnitee of all liability; (iii) provide to Indemnitor all available information and assistance at Indemnitor’s reasonable expense; and (iv) not take any action that might compromise or settle such claim.

7.4 Survival. This Section 7 will survive expiration or termination of this Agreement.

8. General Provisions.

8.1 Relationship of the Parties. The parties will act as independent contractors, and this Agreement does not constitute either party as the agent or partner of the other party.

8.2 Amendment and Waiver. This Agreement may be amended, altered, waived or terminated only by a writing signed by the party/parties to be bound. Any delay, omission or failure by a party to exercise its rights, powers or remedies hereunder shall not be construed as a waiver of the same. Further, any such waiver by a party shall operate as such only in the specific instance and not in any other instance.

8.3 Controlling Law. This Agreement is governed by the laws of California without regard to its conflict of laws principles. Each party consents to the exclusive jurisdiction in the courts sitting in the State of California with venue in Nevada County. This provision will survive expiration or termination of this Agreement.

8.4 Severability. The provisions of this Agreement are severable and, to the extent that any provision may be unenforceable or may impair the enforcement of any other provision, a court of competent jurisdiction is authorized to modify or delete such provision to the extent necessary to give effect to the remainder of this Agreement. This provision will survive expiration or termination of this Agreement

8.5 Assignment. This Agreement may not be assigned by either party without the written consent of the other party provided that any such consent may not be unreasonably withheld. Notwithstanding the foregoing, nothing herein shall limit the ability of a party to undergo a change of ownership, sell all or substantially all of its assets, merge or affiliate with another entity or entities, or otherwise undergo any other corporate reorganization or transaction (a “**Transaction**”); nor shall anything herein be interpreted to require the consent for any such Transaction or impose any financial liability for undergoing such Transaction.

8.6 Entire Agreement. This Agreement, the Services Agreement and the exhibits hereto and thereto contain the entire understanding between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous agreements and understandings, express or implied, oral or written.

8.7 Binding Effect. This Agreement inures to the benefit of and shall be binding on the parties and their respective successors and permitted assigns.

8.8 Captions. All section captions and headings in this Agreement are provided for informational purposes only and do not affect the interpretation or construction of any provision of this Agreement.

8.9 Cumulative Remedies. The various rights, options, elections, powers and remedies of the respective parties hereto contained in, granted or reserved by this Agreement, are in addition to any others that said parties may be entitled to by law, shall be construed as cumulative and no one of them is exclusive of any of the others or of any right or priority allowed by law. This provision will survive expiration or termination of this Agreement.

8.10 No Inducement for Referrals. Nothing in this Agreement is to be construed as an offer or payment by one party to the other party (or its affiliates) of cash or other remuneration, either directly or indirectly, in exchange for patient referrals or for arrangement for or recommendation of orders for any item or service.

8.11 Force Majeure. No default, delay, or failure to perform on the part of either party shall be considered a default, delay, or failure to perform otherwise chargeable hereunder, if such default, delay, or failure to perform is due to causes beyond the party's reasonable control including, but not limited to, strikes, lockouts or inactions of governmental authorities, epidemics, war, embargoes, fire, earthquake, acts of God, or default of common carrier. In the event of such default, delay, or failure to perform, any date or times by which either party is otherwise scheduled to perform shall be extended automatically for a period of time equal in duration to the time lost by reason of excused delay, default, or failure to perform.

8.12 Authority. Each person signing on behalf of the parties to this Agreement represents and warrants that he has full authority to execute this Agreement on behalf of such party and that this Agreement will constitute a legal and binding obligation of such party.

8.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which, when taken together, will constitute one instrument and any facsimile, pdf. or other electronic or digital version of any party's signature appearing on any such counterpart shall be deemed an original and shall fully bind such party.

8.14 Notices. All notices, requests, demands and other communications required or permitted under this Agreement will be in writing and deemed to have been received when personally delivered, one business day following overnight delivery by a nationally recognized courier, or upon actual receipt of hand-delivery or registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

**If to Agility Health:**  
Agility Health, LLC  
Attn: Steven N. Davidson  
607 Dewey Ave. NW, Suite 300  
Grand Rapids, MI 49504

**If to the District:**  
Tahoe Forest Health District



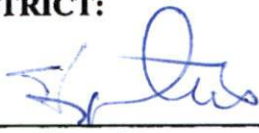
Attn: Chief Executive Officer  
10121 Pine Avenue  
P.O. Box 759  
Truckee, California 96161

IN WITNESS WHEREOF, this Agreement shall be effective as of the Effective Date.

**AGILITY HEALTH:**

By: Steven N. Davidson  
Its: Manager and CEO  
Date: \_\_\_\_\_

**DISTRICT:**

  
By: Harry Weis  
Its: CEO  
Date: 4/11/16

**EXHIBIT F**

To  
**Hospital Staffing and Management Services Agreement Between**

**AGILITY HEALTH, LLC**

**and**

**TAHOE FOREST HOSPITAL DISTRICT**

**COMPENSATION**

For Staffing and Management Services.

A. Fee Rates:

i. For Therapists providing non-clinical support (such as, by way of example, community education, training, assistance with claim appeals and additional development requests from Medicare, wellness program involvement, quality assurance monitoring), the District shall pay Agility Health at the rate of \$75 per hour per Therapist.

ii. For all other Staffing Services and Management Services, the District shall pay Agility Health at the rates set forth in the fee schedule attached hereto as Schedule 1.

B. Payment of Staffing and Management Fees. The District shall pay fees to Agility Health as follows: (i) Commencing on May 15, 2016 and on the 15<sup>th</sup> day of each month thereafter, One Hundred Sixty Thousand (\$160,000.00) ("**Fixed Amount**"); plus (ii) commencing on June 30, 2016, and on the 30th day of each month thereafter, an amount equal to the remaining amount due for the immediately preceding month which shall be calculated by subtracting the Fixed Amount with respect to such month from the aggregate amount of fees due for such month calculated at the rates set forth in Section A above.

**SCHEDULE 1 OF EXHIBIT F**

To

**Hospital Staffing and Management Services Agreement Between**

**AGILITY HEALTH, LLC**

and

**TAHOE FOREST HEALTH DISTRICT**

DEPT	charge	DESCRIPTION	REV	SUM	CPT	price	price dt	Fee Schedule/Unit
076	7600001	PT EVAL & REPORT	424	83	97001GP	171	20140801	58.25
076	7600002	PT BRIEF EVAL	424	83	97001GP	110	20140801	28.13
076	7600003	PT RE EVAL & REPORT	424	83	97002GP	110	20140801	28.13
076	7600004	PT PERFORMANCE TEST WRPT	420	85	97750GP	66	20140801	27.78
076	7600005	PT MANUAL THERAPY IND EA 15	420	85	97140GP	78	20140801	28.00
076	7600006	PT THERAPEUTIC EXERCISE EA 15 MIN	420	85	97110GP	82	20140801	28.00
076	7600007	PT THERAPEUTIC ACTIVITIES EA 15 MIN	420	85	97530GP	88	20140801	28.00
076	7600008	PT GAIT TRAINING EA 15 MIN	420	85	97116GP	74	20140801	28.00
076	7600009	PT NEURO MUSC RE ED EA15	420	85	97112GP	85	20140801	28.00
076	7600010	PT SELF CARE ACL EA 15	420	85	97535GP	88	20140801	28.00
	7600011							28.13
076	7600012	PT THER MASSAGE EA 15	420	85	97124GP	66	20140801	28.00
076	7600013	PT JOBST MEASURMT EA 15	420	85	97760GP	96	20140801	28.13
076	7600014	PT TRACTION MANUAL EA 15	420	85	97140GP	78	20140801	28.00
076	7600015	PT ORTHOTIC FIT EA 15	420	85	97760GP	96	20140801	28.00
076	7600016	PT BIOFEEDBACK EA 15	420	85	90801GP	85	20140801	28.00
076	7600017	PT THER PROC GRP>2PPL 15	420	85	97150GP	54	20140801	14.08
076	7600018	PT ELEC STIM UNATTENDED	420	85	97014GP	36	20140801	28.00
076	7600019	PT ULTRASOUND EACH 15	420	85	97036GP	38	20140801	28.00
076	7600020	PT IONTOPHORESIS	420	85	97033GP	76	20140801	28.00
076	7600021	PT VASOPNEUMATIC COMPRESSN EA 15	420	85	97016GP	47	20140801	28.00
076	7600022	PT TRACTION MECHANICAL	420	85	97012GP	42	20140801	28.00
076	7600023	PT PARAFFIN BATH	420	85	97018GP	50	20140801	27.89
076	7600024	PT TENS APPL	420	85	64550GP	51	20140801	28.00
076	7600025	PT MCAL EVAL & RPT INT 30 MIN	424	83	X3820	144	20140801	42.53
076	7600026	PT MCAL EVAL & RPT ADD 15 MIN	424	83	X3822	57	20140801	21.28
076	7600027	PT MCAL MULTI MDDS INT 30 MIN	420	85	X3808	154	20140801	42.30
076	7600028	PT MCAL MULTI MDDS ADDL 15 MIN	420	85	X3910	78	20140801	21.16
	7600029							42.30
	7600030							21.16
076	7600031	PT ACTIVE WOUND CARE 1ST 20CM	420	85	97597GP	221	20140801	84.60
076	7600032	PT ACTIVE WOUND CARE EA ADDL 20CM	420	85	97598GP	105	20140801	42.30
076	7600033	PT DEBRIDEMT NON SELECTIVE	420	85	97602GP	195	20140801	27.89
076	7600034	PT WOUND CARE, NEGATIVE PRESSURE <50CM	420	85	97605GP	170	20140801	84.60
	7600035							112.62
	7600036							84.60
	7600037							28.24
	7600038							58.02
	7600039							58.02
	7600040							58.02
	7600041							58.02
	7600042							58.02
	7600043							28.00
	7600044							28.00
	7600045							28.00
	7600046							58.02
	7600047							55.19
	7600048							27.60
076	7600049	PT GROUP THERAPEUTIC PROCEDURES	420	85	97150GP	54	20140801	58.02
076	7600050	RTL PT CONSULTING INT 30	9300	TR		0	20140801	55.19
076	7600051	RTL PT CONSULTING EA 15 MIN	9300	TR		0	20140801	27.60
076	7600052	PT EXERAFTR CARE PRG 15	420	85	97110GP	82	20140801	28.13



Hospital Staffing and Management Services Agreement between  
Tahoe Forest Hospital District  
and Agility Health, LLC

	7600053							28.13
	7600054							58.25
	7600055							58.25
	7600056							28.13
076	7600057	RIL PT FIT TO LIVE SCREEN	9300	TR		0	20140801	27.78
076	7600058	RIL PT WELLNESS AT WORK SCREENING	9300	TR		0	20140801	28.00
	7600059							335.31
076	7600060	PT W/C RETURN TO WORK EVAL	424	83	97001	71	20140801	55.58
076	7600061	RIL PT EMPLOYEE ED CLASS 1-HR	9300	TR		0	20140801	110.88
	7600062							27.78
076	7600063	RIL PT RETURN TO WORK EVAL	9300	TR		0	20140801	55.58
076	7600064	RIL PT WORK SITE EVAL EA 15 MIN	9300	TR		0	20140801	27.78
076	7600065	RIL PT PRE PLACEMENT JOB DES	9300	TR		0	20140801	55.58
076	7600066	RIL PT PRE PLACEMENT FIRE	9300	TR		0	20140801	110.65
076	7600067	RIL PT PRE PLACEMENT BASELINE	9300	TR		0	20140801	35.71
076	7600068	PT MISC PT SUPPLY ITEM	270	43		0	20140801	
076	7600071	PT CERMICAL ICE PACK	270	43		34	20140801	
076	7600074	PT GYM BALL	270	43		46	20140801	
076	7600075	PT FOAM ROLLER	270	43		34	20140801	
076	7600076	PT HEEL LIFT	270	43		17	20140801	
076	7600077	PT POWER PUTTY	270	43		17	20140801	
076	7600080	=>PT ORDER=<=	420	85		0	20140801	
076	7600091	=>CANCEL /CHANGE PT ORDER=<=	420	85		0	20140801	
076	7600092	RIL PT CONDITIONING CLASS	9300	TR		54	20140801	27.37
076	7600093	RIL PT GYM BALL	9300	TR		0	20140801	
076	7600094	RIL PT FOAM ROLLER	9300	TR		0	20140801	
076	7600095	RIL PT POWER PUTTY	9300	TR		0	20140801	
076	7600100	PT WOUND ASSESSMENT*	420	85		0	20140804	
076	7600101	PT CPM 0-30 INC AS TALL*	420	85		0	20141027	
076	7600102	PT APPLY RIDIG LEG CAST	420	85	29445GP	350	20150220	
077	7700011	PT AQUA THERAPY EA 15	420	85	97113GP	75	20140801	
077	7700029	PT MCAL AQUA THER INT 30 MIN	420	85	X3916	139	20140801	
077	7700030	PT MCAL AQUA THER ADDL 15 MIN	420	85	X3918	75	20140801	
077	7700037	PT WHIRLPOOL	420	85	97022GP	65	20140801	
078	7800001	PTTC EVALUATION & REPORT	424	83	97001GP	171	20140801	
078	7800002	PTTC BRIEF EVALUATION	424	83	97001GP	110	20140801	
078	7800003	PTTC RE EVAL & REPORT	424	83	97002GP	110	20140801	
078	7800004	PTTC PERFORMANCE TEST WRPT	420	85	97750GP	65	20140801	
078	7800005	PTTC MANUAL THERAPY IND EA 15	420	85	97140GP	78	20140801	
078	7800006	PTTC THERAPEUTIC EXERCISE EA 15 MIN	420	85	97110GP	78	20140801	
078	7800007	PTTC THERAPEUTIC ACTIVITIES EA 15 MIN	420	85	97530GP	88	20140801	
078	7800008	PTTC GAIT TRAINING EA 15	420	85	97116GP	74	20140801	
078	7800009	PTTC NEURO MUSC RE ED EA 15	420	85	97112GP	85	20140801	
078	7800010	PTTC SELF CARE ACL EA 15	420	85	97535GP	88	20140801	
078	7800012	PTTC THER MASSAGE EA 15	420	85	97124GP	63	20140801	
078	7800013	PTTC JOBST MEASURMT EA 15	420	85	97760GP	96	20140801	
078	7800014	PTTC TRACTION MANUAL EA 15	420	85	97140GP	78	20140801	
078	7800015	PTTC ORTHOTIC FIT EA 15	420	85	97760GP	96	20140801	
078	7800016	PTTC BIOFEEDBACK EA 15	420	85	90901GP	132	20140801	
078	7800017	PTTC THER PROC GRP >2PPL EA 15	420	85	97150GP	54	20140801	
078	7800018	PTTC ELEC STIM UNATTENDED	420	85	97014GP	36	20140801	
078	7800019	PTTC ULTRASOUND EACH 15	420	85	97035GP	38	20140804	
078	7800020	PTTC IONTOPHORESIS	420	85	97033GP	76	20140801	
078	7800021	PTTC VASOPNEUMATIC COMPRESSN EA	420	85	97016GP	47	20140801	
078	7800022	PTTC TRACTION MECHANICAL	420	85	97012GP	42	20140801	
078	7800023	PTTC PARAFFIN BATH	420	85	97018GP	50	20140801	
078	7800024	PTTC TENS APPL	420	85	64550GP	48	20140801	
078	7800025	PTTC MCAL EVAL & RPT INT 30 MIN	424	83	X3920	144	20140801	
078	7800026	PTTC MCAL EVAL & RPT ADDL 15 MIN	424	83	X3922	57	20140801	
078	7800027	PTTC MCAL MULTI MODS INT 30 MIN	420	85	X3908	154	20140801	
078	7800028	PTTC MCAL MULTI MODS ADDL 15 MIN	420	85	X3910	78	20140801	
078	7800033	PTTC DEBRIDEMENT NON SELECTIVE	420	85	97602GP	186	20140801	
078	7800034	PTTC WOUND CARE NEG PRESS <50CM	420	85	97605GP	162	20140801	
078	7800037	PTTC WHIRLPOOL	420	85	97022GP	63	20140801	

Hospital Staffing and Management Services Agreement between  
Tahoe Forest Hospital District  
and Agility Health, LLC

078	7800050	RTEL PTTC CONSULTING INT 30	9300	TR		0	20140801	
078	7800051	RTEL PTTC CONSULTING EA ADD 15	9300	TR		0	20140801	
078	7800052	PTTC EXER AFTR CARE FRG 15	420	85	97110GP	82	20140801	
078	7800057	RTEL PTTC FIT TO LIVE SCREEN	9300	TR		0	20140801	
078	7800058	RTEL PTTC WELLNESS AT WORK SCREEN	9300	TR		0	20140801	
076	7800061	RTEL PTTC EMPLOYEE ED CLASS 1HR	9300	TR		0	20140801	
076	7800063	RTEL PTTC RETURN TO WORK EVAL	9300	TR		0	20140801	
076	7800064	RTEL PTTC WORK SITE EVAL EA 15 MIN	9300	TR		0	20140801	
076	7800065	RTEL PTTC PRE PLACEMENT JOB DES	9300	TR		0	20140801	
076	7800066	RTEL PTTC PRE PLACEMENT FIRE	9300	TR		0	20140801	
076	7800067	RTEL PTTC PRE PLACEMENT BASELINE	9300	TR		0	20140801	
076	7800068	PTTC MISC PT SUPPLY ITEM	270	43		0	20140801	
076	7800069	RTEL PTTC CONDITIONING CLASS	9300	TR		0	20140801	
076	7800083	RTEL PTTC GYM BALL	9300	TR		0	20140801	
076	7800084	RTEL PTTC FOAM ROLLER	9300	TR		0	20140801	
076	7800085	RTEL PTTC POWER PUTTY	9300	TR		0	20140801	
	7900001							155.89
079	7900002	ST CLINICAL EVAL OF SWALLOW	444	88	92610GN	386	20140801	155.89
079	7900003	ST RADIOPAQUE SWALLOW STUDY	444	88	92611GN	419	20140801	155.89
079	7900004	ST SPEECH THER TREATMENT	440	6U	92507GN	227	20140801	155.89
079	7900005	ST SWALLOW TREATMENT	440	6U	92526GN	276	20140801	155.89
079	7900006	ST COGNITION DEV EA 15	440	6U	97532GN	71	20140801	39.22
079	7900007	ST THERAPEUTIC EXERCISE EA 15 MIN	440	6U	97110GN	82	20140801	39.22
079	7900008	ST MCAL SPEECH EVAL	444	88	X4301	343	20140801	155.89
079	7900009	ST MCAL LANGUAGE EVAL	444	88	X4300	343	20140801	155.89
079	7900010	ST MCAL SP LANGUAGE THER PER HR	440	6U	X4303	227	20140801	155.89
079	7900011	<ST ORDER>	0	CR		0	20140801	
079	7900012	ST MCAL COGNITION DEVEL EA 15 MIN	440	6U	X4303	71	20140801	
079	7900013	ST MCAL SPEECH EVAL SNF	444	88	X4308	343	20140801	
079	7900014	ST MCAL SWALLOW DYSF TX ONE HR	440	6U	X4303	343	20140801	
079	7900015	ST MCAL THERAPEUTIC EXERCISE EA 15 MIN	440	6U	X4303	82	20140801	
079	7900021	ST EVAL SPEECH FLUENCY	440	6U	92521GN	361	20140801	155.89
079	7900022	ST EVAL SPEECH PRODUCTION	440	6U	92522GN	361	20140801	155.89
079	7900023	ST EVAL SPEECH SOUND PROD W/LANG COMP	440	6U	92523GN	361	20140801	155.89
079	7900024	ST EVAL QUALITY VOICE AND RESONANCE	440	6U	92524GN	361	20140801	155.89
079	7900025	ST ASSESSMENT OF APHASIA	444	88	96105GN	341	20140801	
079	7900026	ST COGNITIVE STD PERF TEST	444	88	96125GN	368	20140801	155.89
079	7900100	ST BEDSIDE SWALLOW ASSESSMENT*	444	88		0	20140904	
079	7900101	ST COGNITIVE LANG SPEECH ASSESSMENT*	444	88		0	20140904	
079	7900102	ST MODIFIED BARIUM SWALLOW ASSESSMENT*	444	88		0	20140904	
080	8000001	OT EVALUATION	434	87	97003GO	188	20140801	79.58
080	8000002	OT RE EVALUATION	434	87	97004GO	129	20140801	79.58
080	8000003	OT PERFORMANCE TEST, EA 15 MIN, W/REPORT	430	6P	97750GO	66	20140801	40.60
080	8000004	OT SELF CARE MGMT TRAIN EA 15 MIN	430	6P	97535GO	88	20140801	39.68
080	8000005	OT MANUAL THERAPY EA 15	430	6P	97140GO	78	20140801	39.68
080	8000006	OT THERAPEUTIC ACTIVITIES EA 15 MIN	430	6P	97530GO	88	20140801	39.68
080	8000007	OT WHEELCHAIR MGMT EA 15	430	6P	97542GO	81	20140801	39.68
080	8000008	OT NEUROMUSCULAR RE ED	430	6P	97112GO	85	20140801	39.68
080	8000009	OT THERAPEUTIC EXERCISE EA 15 MIN	430	6P	97110GO	82	20140801	39.68
080	8000010	OT COMM WORK REINT EA 15	430	6P	97537GO	100	20140801	39.68
080	8000011	OT COGNITION DEVEL EA 15	430	6P	97532GO	71	20140801	39.68
080	8000012	OT IONTOPHORESIS EA 15	430	6P	97033GO	76	20140801	39.68
080	8000013	OT ULTRASOUND EA 15	430	6P	97035GO	38	20140801	39.68
080	8000014	OT ELECTRICAL STIM UNATTENDED	430	6P	97014GO	36	20140801	39.44
080	8000015	OT PARAFFIN BATH	430	6P	97018GO	50	20140801	39.68
080	8000016	OT ORTHO FIT SPLINT EA 15	430	6P	97760GO	96	20140801	39.68
080	8000017	OT ORTHOTIC CHECK	430	6P	97762GO	104	20140801	39.68
080	8000018	OT SPLINT COMPLEX	274	3D	A4570	36	20140801	
080	8000019	OT SPLINT EXTENSIVE	274	3R	A4570	74	20140801	



Hospital Staffing and Management Services Agreement between  
Tahoe Forest Hospital District  
and Agility Health, LLC

080	8000021	OT MCAL EVAL ADCL 15 MIN	434	87	X4102	95	20140801	20.17
080	8000022	OT MCAL EVAL INITIAL 30 MIN	434	87	X4100	188	20140801	40.60
080	8000023	OT MCAL TREATMENT INITIAL 30 MIN	430	6P	X4110	164	20140801	40.60
080	8000024	OT MCAL TREATMENT ADCL 15 MIN	430	6P	X4112	82	20140801	20.17
	8000025							39.68
	8000026							79.58
	8000027							39.68
	8000028							39.68
	8000029							39.68
	8000030							39.68
	8000031							39.68
	8000032							39.68
	8000033							39.68
	8000034							79.58
	8000035							39.68
	8000036							39.68
	8000037							39.68
	8000038							39.68
080	8000040	OT SENSORY INTEGRATION EA 15 MIN	430	6P	97533GO	78	20141001	
080	8000041	OT APPLICATION OF SHORTARM SPLINT	430	6P	29125GO	75	20141101	
080	8000050	=>OT ORDER<=	430	6P		0	20140801	
080	8000053	OT DEBRIDMENT, NON-SELECTIVE	430	6P	97602GO	195	20140801	79.58
081	8100001	OTTC EVALUATION	434	87	97003GO	188	20140801	
081	8100002	OTTC RE EVALUATION	434	87	97004GO	129	20140801	
081	8100003	OTTC PERFORMANCE TEST EA 15 MIN	430	6P	97750GO	66	20140801	
080	8100004	OTTC SELF CARE MGMT TRN EA 15	430	6P	97535GO	88	20140801	
080	8100005	OTTC MANUAL THERAPY EA 15	430	6P	97140GO	78	20140801	
080	8100006	OTTC THERAPEUTIC ACTIVITIES EA 15 MIN	430	6P	97530GO	88	20140801	
080	8100007	OTTC WHEELCHAIR MGMT EA 15	430	6P	97542GO	81	20140801	
080	8100008	OTTC NEUROMUSCULAR RE ED	430	6P	97112GO	85	20140801	
080	8100009	OTTC THERAPEUTIC EXERCISE EA 15 MIN	430	6P	97110GO	82	20140801	
080	8100010	OTTC COMM WORK REINT EA 15	430	6P	97537GO	100	20140801	
080	8100011	OTTC COGNITION DEVEL EA 15	430	6P	97532GO	71	20140801	
080	8100012	OTTC IONTOPHORESIS EA 15	430	6P	97033GO	76	20140801	
081	8100013	OTTC ULTRASOUND EA 15	430	6P	97035GO	38	20140801	
081	8100014	OTTC ELECTRICAL STIM UNATTENDED	430	6P	97014GO	36	20140801	
080	8100015	OTTC PARAFFIN BATH	430	6P	97018GO	50	20140801	
080	8100016	OTTC ORTHO FIT SPLINT EA 15	430	6P	97760GO	96	20140801	
080	8100017	OTTC ORTHOTIC CHECK	430	6P	97762GO	104	20140801	
080	8100018	OTTC SPLINT COMPLEX	274	3R	A4570	36	20140801	
080	8100019	OTTC SPLINT EXTENSIVE	274	3R	A4570	74	20140801	
080	8100021	OTTC MCAL EVAL ADCL 15	434	87	X4102	95	20140801	
080	8100022	OTTC MCAL EVAL INITIAL 30	434	87	X4100	188	20140801	
080	8100023	OTTC MCAL TREATMENT INITIAL 30	430	6P	X4110	164	20140801	
080	8100024	OTTC MCAL TREATMENT ADCL 15	430	6P	X4112	82	20140801	
080	8100040	OTTC SENSORY INTEGRATION EA 15 MIN	430	6P	97533GO	78	20141001	
081	8100041	OTTC APPLICATION OF SHORTARM SPLINT	430	6P	29125GO	75	20141101	
080	8100051	OTTC MCAL TREATMENT ADCL 15	430	6P	X4112	75	20140801	
080	8100052	OTTC MCAL TREATMENT IN 30	430	6P	X4110	75	20140801	
080	8100053	OTTC DEBRIDMENT, NON-SELECTIVE	430	6P	97602GO	195	20140801	



## Board Executive Summary

**By: Crystal Betts**  
Chief Financial Officer

**DATE:** April 14, 2016

---

### **ISSUE:**

The District would like to update the market share analysis for inpatient services, and gather as much market share data as is available for outpatient services. The goal is to look at trends of outmigration, what areas significant outmigration is occurring, why it might be occurring, and how to begin to address the outmigration as part of the District's overall strategic plan.

---

### **ACTION REQUESTED:**

The CEO and CFO would like to engage the services of Kaufman Hall to update the market share analysis for inpatient utilizing both California OSHPD data and Nevada CHIA data. We would like them to provide trending analysis, as well as identify significant areas of change, both positive and negative, and also possible reasons for why changes are occurring.

In addition, we would like Kaufman Hall to utilize as much internal and external data available to them to provide information on outpatient outmigration and utilization patterns.

We request your approval of the proposal from Kaufman Hall to conduct the above mentioned work for the sum of \$60,000. The work is to be conducted over the next 60 days.



# KaufmanHall

April 7, 2016

Ms. Crystal Betts  
Chief Financial Officer  
Tahoe Forest Hospital District  
10121 Pine Avenue  
Truckee, California 96161

Dear Crystal:

Kaufman, Hall & Associates, LLC (“Kaufman Hall”) is pleased to present this proposal to support Tahoe Forest Hospital District (“Tahoe Forest”) in its Integrated Strategic and Financial Planning efforts by developing a comprehensive assessment of its current market position (the “Client Project”).

## BACKGROUND

At the Board of Trustees meeting on January 28, the Directors approved proceeding with formal business planning related to the orthopedics initiative, and requested that the analysis be developed in the context of an overall organizational plan. Specific questions posed by the directors included:

- What is the overall market position of Tahoe Forest Health System (or “TFHS”) in the regional market?
- What opportunities/risks are present as a result of the current position?
- How much capital capacity does TFHS have available to deploy against its strategic plan?

In light of recent organizational changes at both the Management and Board level, Kaufman Hall believes that consensus among Management and the Board around the following additional questions will also be critical:

- What is the future of healthcare delivery in the regional market?
- What role can (should) TFHS play in the overall regional healthcare system?
- What gaps exist (organizational, service, financial, etc.) at TFHS?
- How will TFHS solidify its position, or reposition itself, for the future?

To that end, Kaufman Hall recommends that TFHS embark on the comprehensive development of an Integrated Strategic and Financial Plan (“ISFP”), beginning with a comprehensive market position assessment, as described as Phase I below.

## SCOPE OF SERVICES

### Phase I: Comprehensive Market Position Assessment

- A. **Project Initiation**. This step is designed to organize the process, engage key stakeholders, and ensure that the subsequent activities of the engagement are oriented toward the relevant issues and desired outcomes. During this step, Kaufman Hall will:
1. Prepare and coordinate distribution of an information request to be fulfilled by Tahoe Forest. Kaufman Hall plans to work closely with Tahoe Forest to leverage existing studies and analyses (both internal and external), and avoid unnecessary duplication of efforts.
  2. Facilitate a kick-off meeting with Tahoe Forest to review project scope, clarify objectives, assign specific project responsibilities, and establish or confirm key meeting dates, deadlines, and other touch points.
- B. **Market Position Assessment**. Kaufman Hall will help establish the Tahoe Forest market fact base that will quantify key market trends and dynamics, and will lend important insights into the future market growth and development opportunities related to the overall strategic plan. Key components of this market assessment include, but are not limited to:
1. **Population and Demographic Analysis Growth**. Develop an understanding of the historical and projected population changes as well as an analysis of the market composition with respect to age, income, and other indicators as available through state, national, and third-party sources.
  2. **Patient Population Utilization Analysis**. Analyze inpatient and outpatient (as available) utilization rates and historical trends across key population segments, payor classes, and sub-markets of Tahoe Forest.
  3. **Market Position Assessment**. Summarize current and historical inpatient and ambulatory (as available) trends for market size and share by service type, geography, and key competitors.
  4. **Outmigration/Referral Analyses**. Assess current and historical levels of outmigration across sub-markets, acuity levels (e.g., tertiary/quaternary), and specific service lines. As applicable, this analysis will also utilize CMS Medicare data to evaluate physician network referral patterns in the local market. The combination of these analyses will provide perspective to the implications of outmigration and the potential future-state impact given the market evolution.
- Other analyses to help support the development of the market fact base may include: evaluation of key economic trends impacting providers locally, health plan and insurance product market trends, impact of product enrollment and pricing strategies, etc.
- C. **Summary Presentation**. Kaufman Hall will summarize the process and analytics of the market position assessment, discuss key findings with senior leadership, and present the findings to the Board of Trustees of the Tahoe Forest Health District, as desired by Tahoe Forest.



## POTENTIAL FUTURE PHASES

Phase I above provides the foundational context for Tahoe Forest to understand, plan for, and execute in light of the impacts of an evolving marketplace. Specifically, this work can serve as a launching pad for formulating/affirming Tahoe Forest's core strategy(s), codified in a comprehensive Integrated Strategic and Financial Plan ("ISFP"). Key elements of the ISFP will include:

1. *New Era Readiness Assessment*. Evaluate the positioning of Tahoe Forest to succeed in the context of reform and industry trends toward outcomes-based reimbursement. This analysis is critical to contextualize Tahoe Forest's current market situation and understand the implications on Tahoe Forest's integrated strategic and financial planning efforts.
2. *Financial Position Assessment*. Quantify the current financial position of Tahoe Forest including historic credit analysis, net capital capacity and implications for future strategic capital available.
3. *Point of View*. Facilitate of common perspective between the Board and senior management regarding the future of the healthcare environment in which Tahoe Forest will operate.
4. *Vision, Goals, and Objectives*. Establish Tahoe Forest's role in the future healthcare environment, and necessary steps to succeed.
5. *Strategic Initiatives*. Leverage existing planning efforts, evaluate and quantify operating and capital requirements of the identified strategies, and prioritize a roadmap from implementation across the following initiatives:
  - a. Care coordination/patient navigation
  - b. Physician alignment
  - c. IT clinical/business
  - d. Master facility planning
  - e. Service line growth and development
  - f. Marketing and brand development
6. *Strategic Financial Projections*. Consolidated strategic financial projections, incorporating the impacts, both operating and capital, of the "approved" portfolio of strategic initiatives and evaluation of the sensitivity and risk profile of the recommended plan.

## STAFFING

Dan Majka, Managing Director, will have overall responsibility for the successful completion of the engagement. Jody Hill-Mischel and Walter Morrissey, M.D., Managing Directors, will serve as project advisors. Anand Krishnaswamy, Vice President, will serve as the day-to-day project manager. Additional Kaufman Hall consultants will be assigned as needed to complete the analytic work and/or provide necessary technical expertise.

# KaufmanHall

Ms. Crystal Betts  
Tahoe Forest Hospital District  
April 7, 2016  
Page 4

## TIMING AND FEES

We anticipate the scope of services described as Phase I above will be completed over a 60-day period of time, assuming the timely availability of Tahoe Forest internal, State agency, and third-party data. Kaufman Hall's professional fees for the scope of services described as Phase I above will be \$60,000 and will be billed in two installments of \$30,000 each in April and May of 2016. Professional fees are fixed, assuming that neither the scope of services changes materially, nor the schedule extends beyond May 2016, for reasons beyond the control of Kaufman Hall. Should that situation arise, Kaufman Hall may be entitled to additional fees subject to the mutual agreement of the parties.

In addition to professional fees, Kaufman Hall charges for reimbursable travel and office expenses; travel expenses are billed as incurred and are not subject to markup. Office expenses of \$1,050 per month include report preparation, communication expenses, and express shipments, among other overhead costs. Invoices are sent at the end of each month and are due upon receipt.

## AUTHORIZATION

Kaufman Hall appreciates the opportunity support Tahoe Forest Hospital District in this most important effort, and we are prepared to begin work on this assignment immediately upon our receipt of your signature below. If you are in agreement with this proposal and the terms and conditions attached hereto and incorporated herein by reference, please sign below and fax back to us at (847) 441-4555.

Sincerely,  
KAUFMAN, HALL & ASSOCIATES, LLC

This proposal for Phase I is accepted.  
TAHOE FOREST HOSPITAL DISTRICT



Daniel Majka  
Managing Director

\_\_\_\_\_  
Authorizing Signature / Date

DM:sd  
Attachment

\_\_\_\_\_  
Printed Name / Title

cc: Ken Kaufman  
Therese Wareham



## TERMS AND CONDITIONS FOR CONSULTING SERVICES

The following are the terms and conditions by which Kaufman, Hall & Associates, LLC (“Consultant”) will provide services to Tahoe Forest Hospital District (“Tahoe Forest”) pursuant to the engagement letter (the “Engagement Letter”) (the “Services”) to which these Standard Terms and Conditions relate. To the extent there is any conflict or discrepancy between the terms of the Engagement Letter and these Standard Terms and Conditions, these Standard Terms and Conditions shall control.

- Compensation.** Tahoe Forest shall pay Consultant the compensation for Services and reimbursement for expenses incurred in the performance of Services. Consultant will issue invoices for fees and expenses monthly. Invoices shall be due and payable upon receipt thereof. In the event Tahoe Forest in good faith disputes an invoiced charge, payment of such disputed charge shall be due within fifteen (15) days after resolution of such dispute. All fees are exclusive of taxes. Tahoe Forest agrees to pay any and all applicable taxes, including, without limitation, sales, use, and excise taxes, except to the extent payment of taxes is excused due to Tahoe Forest’s tax exempt status. If applicable, Tahoe Forest shall submit a copy of its tax exempt certificate to Consultant along with the signed Engagement Letter.
- Warranties.** Consultant warrants to Tahoe Forest that (i) Consultant will perform the Services in good faith with qualified personnel in a competent and professional manner in accordance with the Engagement Letter and subject to these Standard Terms and Conditions and (ii) Consultant is not excluded from participation in any federal or state healthcare program for the provision of items or services for which payment may be made under such federal or state healthcare program, and has not arranged or contracted with any employee, contractor, or agent that is excluded from participation in any federal or state healthcare program, to provide items or services hereunder.
- Ownership and Use of Materials.** In the course of rendering the Services, Consultant may create and provide to Tahoe Forest documents which include (i) Tahoe Forest internal data, analyses, recommendations, and similar items (collectively, “Client Content”), and (ii) data and/or recommendations that have been created by Consultant for the benefit of Tahoe Forest as part of the Services (collectively, “Consulting Data”). In the development of Consulting Data, Consultant may use algorithms, software systems, plans, processes, tracking tools, contract assessment/modeling tools, formulas, or data from 3rd party vendors, and other intellectual property owned by Consultant or which Consultant has the right to use as of or after the date hereof (including, without limitation, the format of Consultant’s reports and any improvements or knowledge Consultant develops, whether alone or with others, in the performance of the Services) (collectively, “Consultant Tools”). Tahoe Forest shall own, solely and exclusively, the Client Content delivered under the Engagement Letter and any and all of Tahoe Forest’s Confidential Information (as defined below). Tahoe Forest agrees that Consultant shall own, solely and exclusively, all Consultant Tools and all intellectual property rights therein whether or not registerable (including without limitation patents and inventions, trademarks, service marks, logos and domain names and all associated goodwill, copyrights and copyrightable works and rights in data and databases, and trade secrets, know-how and other confidential information). With respect to any Consulting Data that is contained in any documents delivered by Consultant to Client, Consultant grants Tahoe Forest a royalty free, paid up, non-exclusive, perpetual license to use the Consulting Data solely in connection with Tahoe Forest’s internal use of the documents and for no other purpose. Tahoe Forest acknowledges and agrees that all Consulting Data (including any advice, recommendations, information, or work product incorporated into the Consulting Data) provided to Tahoe Forest by Consultant in connection with the engagement is for the sole internal use of Tahoe Forest, including all subsidiaries of Tahoe Forest, and may not be used or relied upon by any third party; provided that Tahoe Forest may incorporate into documents that Tahoe Forest intends to disclose externally Consultant summaries, calculations or tables based on Tahoe Forest information contained in Client Content, but not Consultant’s recommendations or findings.

## 4. Confidentiality

### 4.1 **Tahoe Forest Confidential Information.**

- a. Any and all documentation, data, opinions, information, and communications made or furnished by Tahoe Forest to Consultant in connection with the Services shall remain proprietary to Tahoe Forest and shall be held by Consultant and any Consultant subcontractor in strict confidence and shall not be released, copied, or disclosed by Consultant or any Consultant subcontractor without the prior written consent of Tahoe Forest (“Tahoe Forest Confidential Information”).
- b. Notwithstanding the foregoing or anything to the contrary herein, Tahoe Forest’s Confidential Information shall not include any information that:
  - i. At the time of disclosure is or thereafter becomes available to the general public (other than as a result of a disclosure by Consultant in violation of this agreement);
  - ii. Is received by Consultant on a non-confidential basis from a third-party without a known duty of confidentiality to Tahoe Forest; or
  - iii. Is independently developed by Consultant without reliance on Tahoe Forest’s confidential information.
- c. Upon completion of the Services, upon Tahoe Forest’s written request, Consultant will return to Tahoe Forest (or destroy) all tangible copies of Tahoe Forest’s Confidential Information in Consultant’s possession as a result of the Services.
- d. Notwithstanding the foregoing, Consultant shall be permitted to retain a copy of the Client Content and work papers created by Consultant in the provision of the Services for archival purposes. Consultant agrees to be bound by the confidentiality provisions herein for so long as Tahoe Forest’s Confidential Information remains in Consultant’s possession.

**4.2 Consultant Confidential Information.** The Consulting Tools and the Engagement Letter, including the terms therein (including, without limitation, pricing) and these Standard Terms and Conditions, shall remain proprietary to Consultant and shall be held by Tahoe Forest in strict confidence and shall not be released, copied, or disclosed by Tahoe Forest without the prior written consent of Consultant (“Consultant Confidential Information”).

**4.3 Restrictions on Use.** The parties agree to use the same degree of care in the handling of the other party’s Confidential Information that each party employs to protect its own confidential information, but no less than a reasonable degree of care.

**4.4 Compelled Disclosures.** In the event a party is compelled to disclose the Confidential Information of the other party to comply with any applicable law, order, regulation, or ruling, the compelled party shall (if not prohibited by applicable law, order, regulation, or ruling) provide prompt notice of the same to the disclosing party in order to allow such party to take necessary action to protect its confidential information, including to seek a protective order, as appropriate, and will cooperate with the disclosing party, at disclosing party’s expense, in protecting the confidentiality of the confidential information in a lawful manner. Notwithstanding the foregoing, nothing in these Standard Terms and Conditions shall prevent either party from complying with all such compelled legal disclosures.

5. **Audit.** Until the expiration of four (4) years after the furnishing of the Services, Consultant shall make available upon request of the Secretary of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, the Engagement Letter, these Standard Terms and Conditions, books, documents, and records of Consultant that are necessary to certify the nature of the cost claimed to Medicare with respect to the Services.



6. **Responsibilities, Liabilities, and Indemnification.** Tahoe Forest recognizes that this engagement is not intended to shift to Consultant risks that are normally borne by Tahoe Forest. It is therefore understood and agreed that:
- a. The Services may include advice and recommendations, but all decisions to implement or not implement any such advice and recommendations shall be the sole responsibility of, and made solely by, Tahoe Forest. Tahoe Forest shall make all management decisions on its own behalf and shall designate individual(s) who possess suitable skill, knowledge, and experience to oversee the engagement and evaluate Client Content on Tahoe Forest's own behalf. Tahoe Forest will cooperate with Consultant in the performance of the Services and will provide or arrange to provide timely access to and use of Tahoe Forest personnel, facilities, equipment, data, and information to the extent necessary for Consultant to perform the Services. Tahoe Forest acknowledges that Consultant will base its conclusions and recommendations on the material, data, and information furnished by Tahoe Forest and third parties, and Consultant has no responsibility to independently validate such material, data, and other information, and may rely upon the accuracy and completeness of such data, material, and other information, and Consultant does not warrant that any particular result will occur.
  - b. Tahoe Forest further understands that certain statements and recommendations made by the Consultant will be based on or may contain projections and forward-looking statements, including, without limitation, statements as to trends, Tahoe Forest management's or the Consultant's beliefs and expectations regarding future circumstances and events, and opinions (based upon a number of assumptions and recommendations) that ultimately may prove to be inaccurate. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on current beliefs, expectations and events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Tahoe Forest's actual results may differ materially from those indicated in the forward-looking statements. Consultant undertakes no obligation to update any forward-looking statement.
  - c. Except to the extent otherwise provided in Paragraph 6(d) below, in no event shall Consultant's liability to Tahoe Forest under or with respect to this agreement exceed the amount of payments actually received by Consultant from Tahoe Forest for the Services. Tahoe Forest agrees that this limitation applies: (i) regardless of the nature of the claim, whether alleged as a breach of contract, tort, negligence, strict liability, or any other legal theory; (ii) whether or not Tahoe Forest has been advised of the possibility of such damages; and (iii) notwithstanding any failure of essential purpose of any limited remedy provided. In no event shall Consultant be liable to Tahoe Forest for any lost profits, or for any indirect, special, consequential, reliance, incidental, or punitive damages whatsoever.
  - d. Consultant will indemnify, hold harmless, and defend (by employment of competent legal counsel selected by Consultant reasonably acceptable to Tahoe Forest), Tahoe Forest and its employees, officers, directors, and agents, from and against any and all claims, demands or actions brought by third parties, and any resulting losses, liabilities, costs, and expenses of any kind or nature whatsoever (including, without limitation, reasonable attorney's fees and expenses) (hereinafter individually and collectively referred to as "Claims") that arise out of bodily injury or damage to tangible personal property suffered by a third party directly and proximately caused by the acts or omissions of Consultant or any employee or agent of Consultant while physically present on the premises of Tahoe Forest. Obligations arising out of this section 6(d) shall apply only in proportion to the extent of the act or omission of the employee or agent.

- e. Tahoe Forest will indemnify, hold harmless, and defend (by employment of competent legal counsel selected by Tahoe Forest reasonably acceptable to Consultant) Consultant and its employees, officers, directors, and agents, from and against any and all Claims that arise out of, or are directly or indirectly related to the Client Project.
  - f. Tahoe Forest agrees to pay all costs and expenses that are incurred by Consultant (including expenses of Consultant's counsel) to deal with or otherwise respond to any regulatory inquiries, legal investigations, or other legal process of any kind (a "Proceeding") that is connected with, arises out of, or relates to the Client Project, unless Consultant is the subject of any such Proceeding.
  - g. An indemnifying party hereunder may not agree to settle or dispose of any claims against an indemnified party if such settlement or disposal imposes an affirmative obligation on the indemnified party, except with indemnified party's express written consent.
7. **Marketing and Advertising.** After completion of the Services or upon public announcement, Tahoe Forest acknowledges that Consultant may use Tahoe Forest's name and description of Consultant's Services in its marketing materials, or place an announcement in such newspapers, periodicals, and electronic media, including, but not limited to, website postings and other media as it may choose, stating that Consultant has acted as the advisor to Tahoe Forest in connection with the Services contemplated herein. Tahoe Forest shall have the right to approve the first use of any such advertisement; however, Tahoe Forest agrees that such consent will not be required for Consultant to merely identify Tahoe Forest as a client or as a client in connection with the Services.
8. **Governing Law.** The Engagement Letter and these Standard Terms and Conditions shall be governed in accordance with the laws of the State of Illinois, without regard to conflicts of law provisions.
9. **Non-Solicitation.** The parties agree not to solicit or cause to be solicited the employment of any personnel of the other without first obtaining the written authorization of the other, during the term of this agreement and continuing for a period of twelve (12) months thereafter. Solicitations via any media of general availability, such as newspapers or trade publication advertisements, internet listing or similar solicitations not targeted at specific employees, and to which individuals choose to respond, shall not constitute a violation of this provision.
10. **Independent Contractor.** It is understood and agreed that Consultant is an independent contractor and not an agent, employee, or representative of Tahoe Forest. Any conduct in which Consultant engages in connection with or in the performance of the engagement shall be solely in its capacity as an independent contractor, and nothing in the Engagement Letter or these Standard Terms and Conditions shall be construed to the contrary.
11. **Assignment.** Neither party may assign the Engagement Letter without the written consent of the other party, which consent will not be unreasonably withheld; provided, however, that Consultant may assign or transfer its rights, or delegate its duties, under this agreement, in whole or in part, to an affiliate of Consultant or to any successor to, or purchaser of Consultant's assets or pursuant to a change in control.
12. **Severability.** In the event that any term or provision of the Engagement Letter or these Standard Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder of the Engagement Letter and these Standard Terms and Conditions shall not be affected. Upon such determination that any term or provision is invalid, void, or unenforceable, the parties shall negotiate in good faith to modify the affected term or provision to effect the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated thereby and hereby may be consummated as originally contemplated to the greatest extent possible.



13. **Amendment; Waiver**. The Engagement Letter and these Standard Terms and Conditions may only be amended, modified, or supplemented by an agreement in writing signed by the duly authorized representative of the parties. No waiver of breach of any provision of the Engagement Letter or these Standard Terms and Conditions by either Tahoe Forest or Consultant shall constitute a waiver of any subsequent breach of the same or any other provision, and no waiver shall be effective unless made in writing and signed by an officer of the other party.
14. **Entire Agreement**. It is understood and agreed that the Engagement Letter together with all exhibits and schedules, and these Standard Terms and Conditions, constitute the entire agreement between Tahoe Forest and Consultant regarding the Services and supersede all other prior or contemporaneous oral and written representations, understandings, or agreements related thereto, including any confidentiality agreements previously entered into, none of which prior or contemporaneous matters shall be binding.
15. **Form of Signature**. The parties agree that the Engagement Letter and these Standard Terms and Conditions shall be deemed fully executed by affixing a duly authorized Tahoe Forest representative and a duly authorized Consultant representative signature to the Engagement Letter attached hereto, whether by original, electronic, or facsimile signature.
16. **Data Submissions**. Consultant may from time to time, in support of the Services, require data files from Tahoe Forest. Consultant and Tahoe Forest agree to the following:
  - a. Consultant will not accept any file that contains a person's Social Security Number ("SSN") or patient name;
  - b. Consultant will only accept Protected Health Information ("PHI" as defined by the HIPAA/HITECH rules 45 C.F.R. Parts 160 and 164) if such PHI is required to provide the Services;
  - c. Files received by Consultant containing SSN, patient name, or unnecessary PHI will be deleted from all locations in the Consultant's email, network, website, and computers and Tahoe Forest will receive email notification of the steps taken;
  - d. If Consultant has been or is granted access to PHI, Consultant and Tahoe Forest shall enter into a mutually agreeable, HIPAA/HITECH compliant Business Associate Agreement prior to Consultant receiving any data that includes PHI; and
  - e. Consultant will only accept files containing PHI via Consultant's FTP site or Tahoe Forest's FTP site and:
    - i. These files must require a password to open which needs to be sent to the Consultant representative via a separate email; and
    - ii. These files must contain only the minimum necessary data for Consultant to provide the Services.

Failure by either party to comply with the provisions of this Section 16 may result in a Security Incident as such is defined in the HIPAA/HITECH rules.

# Tahoe Forest Hospital District

## Board of Directors Meeting Evaluation Form

Date: \_\_\_\_\_

		Exceed Expectations		Meets Expectations		Below Expectations
1	Overall, the meeting agenda is clear and includes appropriate topics for Board consideration	5	4	3	2	1
2	The consent agenda includes appropriate topics and worked well	5	4	3	2	1
3	The Board packet & handout materials were sufficiently clear and at a 'governance level'	5	4	3	2	1
4	Discussions were on target	5	4	3	2	1
5	Board members were prepared and involved	5	4	3	2	1
6	The education was relevant and helpful	5	4	3	2	1
7	Board focused on issues of strategy and policy	5	4	3	2	1
8	Objectives for meeting were accomplished	5	4	3	2	1
9	Meeting ran on time	5	4	3	2	1

Please provide further feedback here:

---



---



---



---



---



---



---



---



---



---