

**INTERLOCAL AGREEMENT
BETWEEN
THREE RIVERS HOSPITAL
and MID-VALLEY HOSPITAL
FOR ORTHOPEDIC SURGICAL SERVICES**

THIS INTERLOCAL AGREEMENT (“Agreement”) is made and entered into the last date below, by and between Okanogan Public Hospital District No. 3, doing business as Mid-Valley Hospital (“MVH”), and Okanogan Douglas Public Hospital District No. 1, doing business as Three River Hospital (“TRH”). MVH and TRH are municipal corporations of the State of Washington (sometimes referred to individually as a “party” or together as the “parties”), as follows:

WHEREAS, RCW 70.44.003 authorizes Public Hospital District “to provide hospital services and other healthcare services for the residents of such districts and other persons.”

WHEREAS, TRH and MVH are “rural public hospital districts” as defined by RCW 70.44.460 as their geographic boundaries do not include a city with a population greater than 50,000.

WHEREAS, TRH and MVH provide healthcare services and facilities, including surgical services, to its residents and others.

WHEREAS, RCW 70.44.450 expressly authorizes rural public hospital districts to enter into cooperative agreements and contracts with one another under the Interlocal Cooperation Act (Chapter 39.34 RCW) to provide for the healthcare needs of the people they serve.

WHEREAS, these authorized cooperative agreements and contracts include contracts for healthcare service delivery and payment with public and private entities, and other cooperative agreements.

WHEREAS, pursuant to the authority granted by Chapter 39.34 RCW and Chapter 70.44 RCW, TRH and MVH wish to enter into and carry out a contract for healthcare services, and specifically orthopedic surgery and related orthopedic healthcare services, in order to better meet the healthcare needs of the residents of TRH, MVH and other people served by the parties.

NOW, THEREFORE, the TRH and MVH agree as follows:

1. Purpose.

TRH shall make available to MVH TRH's employee, Jonothan Miller, MD an orthopedic surgeon, ("Physician") that shall provide orthopedic surgery and related orthopedic healthcare services to MVH patients onsite at MVH's locations at 810 Jasmine Street Omak, WA (the hospital), and Three Rivers Orthopedic Services 507 Hospital Way, Brewster, WA (the clinic) (collectively referred as "Sites").

2. Administration.

2.1 No separate legal or administrative entity is created by this Agreement.

2.2 For purposes of RCW 39.34.030(4)(a), the administrator of this Agreement shall be the Chief Executive Officer of Three Rivers Hospital (TRH).

2.3 The following shall be the parties' authorized representatives and contact persons for administration of this Agreement:

Chief Executive Officer
Three Rivers Hospital
PO Box 507
507 Hospital Way
Brewster, WA 98812
509-645-3348

Chief Executive Officer
Mid-Valley Hospital
810 Jasmine Street
Omak, WA 98841
509-826-1760

3. Duration and Termination.

3.1 This Agreement shall become effective upon:

3.1.1 Full execution by the parties;

3.1.2 Physician being credentialed and obtaining unrestricted medical staff privileges at MVH in accordance with MVH's policies, procedures and approved by MVH's liability carrier.

3.2 This Agreement shall remain in effect until terminated as provided for herein.

3.3 TRH or MVH may terminate the Agreement by giving forty-five (45) days written notice thereof to the other party, signed by the authorized representative of the party as listed in Section 2.3 of this Agreement.

3.4 In the event the Physician Employment Agreement between TRH and Physician is terminated, either MVH or TRH may terminate this Agreement immediately by giving written notice thereof to the other party.

3.5 If Physician medical staff credentialing or privileges at MVH shall be restricted, suspended or revoked in accordance with MVH's policies and procedures, MVH may terminate this Agreement immediately by giving written notice to TRH.

3.6 Notice of intent to terminate this Agreement shall be served personally or by certified mail, return receipt requested, upon the parties' representative listed in Section 2.3 of this Agreement. Notice shall be effective starting on the date of the receipt. If service is done by certified mail, receipt shall be deemed to have occurred on the third business day after mailing.

4. Orthopedic Surgery Related Healthcare Services.

4.1 At least two weeks prior to the beginning of each month, Physician monthly schedule shall be coordinated and agreed by TRH and MVH.

4.2 MVH shall manage all aspects of the patient care, clinical support services, and administrative support services at MVH required under this Agreement.

5. Insurance.

TRH shall provide professional malpractice and liability insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the annual aggregate for the related professional orthopedic services provided at TRH location(s) by Physician under this Agreement. MVH shall provide professional malpractice and liability insurance with a minimum limit of One Million Dollars (\$1,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the annual aggregate for the professional orthopedic services and related hospital and clinical services provided at MVH location(s) by Physician under this Agreement. Proof of said insurance shall be provided by the party to the other party at the beginning of the Agreement, and thereafter upon request by either party.

6. Billing and Fees.

6.1 MVH shall develop a schedule listing the fees to be charged to MVH Patients for Physician services. The final decision regarding such fees lies with MVH.

6.2 MVH shall have sole responsibility for billing all patients of MVH for Physician services, and for collecting all amounts billed.

6.3 TRH hereby assigns and transfers all fees, charges, reimbursement and

other income generated by Physician for orthopedic surgery and related healthcare services performed at MVH pursuant to this Agreement to MVH and such fees, charges, reimbursement, and other income shall be the property of MVH.

6.4 At no time, shall TRH independently bill any MVH patients for any orthopedic surgery and related healthcare services provided at MVH pursuant to this Agreement.

6.5 At no time, shall MVH independently bill any TRH patients for any orthopedic surgery and related healthcare services provided at TRH pursuant to this Agreement.

6.6 The parties shall comply with the billing requirements and regulations set forth by all third-party payors including but not limited to Medicare, Medicaid and other public or private insurance plans.

7. Financing, Budget and Expenses.

7.1 No separate budget or financing method is created by this Agreement.

7.2 On or before the fifteenth (15th) day of each month, TRH will invoice MVH for services provided for the previous month. Charges for services will be invoiced to MVH according to Schedule A.

7.3 Any payment made to TRH under this Agreement shall be made to:

Three Rivers Hospital
Attention: Finance Department
P.O. Box 577
Brewster, WA 98812

8. Property.

8.1 The parties do not anticipate acquiring jointly-owned personal or real property under this Agreement.

8.2 MVH is responsible for providing any medical practice related supplies,

furnishings, and equipment for any healthcare services provided by Physician at MVH pursuant to this Agreement.

8.3 Any personal property of TRH or MVH used in the performance of this Agreement in the possession of the other party shall be returned to the owner promptly upon completion of each requested task that utilized the property, except that TRH and MVH may agree in writing to bailment of any personal property for the convenience of either or both of the parties.

9. Maintenance and Audit of Records.

9.1 Each party shall maintain books, records, documents and other materials relevant to its performance under this Agreement.

9.2 These records shall be subjected to inspection, review and audit by either party, the Washington State Auditor's Office, or any other entity as required by law.

9.3 Each party shall retain all such books, records, documents and other materials for the longest applicable retention period under federal and Washington law.

10. Legal Relations.

10.1 The parties agree that TRH's and Physician's relation to MVH shall be at all times under this Agreement as an independent contractor.

10.2 TRH shall have no right to direct or control the personnel, employees, or agents of MVH. Such entities or individuals shall be employed or retained by MVH in its sole discretion and is subject only to MVH's supervision and control. TRH shall have no responsibility or liability to or for such entities or individuals of MVH.

10.3 Other than for Physician while providing healthcare services at MVH, MVH shall have no right to direct or control the personnel, employees, or agents of TRH. Such entities or individuals shall be employed and/or retained by TRH in its sole discretion and is subject only to TRH supervision and control.

10.4 While Physician is providing orthopedic surgery related healthcare services at MVH pursuant to this Agreement, MVH shall have the right to require Physician to comply with its procedures and policies, and to comply with all applicable federal laws (including Health Insurance Portability & Accountability Act of 1996 and related privacy and security regulations) and state laws (including the Uniform Health Care Information Act) governing the use and disclosure of protected healthcare information.

10.5 TRH agrees to defend, indemnify, and hold harmless MVH and its agents from and against claims, damages, losses, and expenses, including, but not limited to, attorney's fees, costs and expenses, arising out of or resulting from performance of any healthcare related services performed by Physician at TRH.

10.6 MVH agrees to defend, indemnify, and hold harmless TRH and its agents from and against claims, damages, losses, and expenses, including, but not limited to, attorney's fees and costs and expenses, arising out of or resulting from performance of any healthcare related services of Physician performed at MVH pursuant to this Agreement.

11. Enforcement.

11.1 In the event a dispute arises regarding any matter addressed in or related to this Agreement, TRH and MVH agree that before taking any court action or seeking any other legal remedy, the parties' authorized contact persons in Section 2.3, or their authorized designees, will participate in a good faith in-person negotiation to resolve any such dispute.

11.2 If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, TRH and MVH shall each pay its own attorney's fees incurred in that action, arbitration or other proceeding.

11.3 The Okanogan County Superior Court shall be the sole and proper venue for any and all court actions brought to enforce or interpret the provisions of this Agreement.

11.4 This Agreement shall be governed exclusively by the laws of the State of Washington.

12. Applicable Laws.

The parties, in performance of the work under this Agreement, shall abide by all applicable local, state and federal laws, regulations, and requirements.

13. Interpretation.

13.1 This Agreement has been submitted to the scrutiny of the parties and their legal counsel, if desired, and it shall be given a fair and reasonable interpretation in accordance its words, without consideration or weight given to its being drafted by any party or its legal counsel.

13.2 Nothing contained in this Agreement shall be interpreted or construed to permit the assignment by either TRH or MVH of any rights or obligations in this Agreement and such assignment is expressly prohibited without the prior written consent of TRH or MVH (the other party).

14. Waiver of Breach.

The waiver by either TRH or MVH of the breach of any provision of this Agreement by the other party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other party.

15. Recitals.

The recitals in the preamble to this Agreement are incorporated by this reference and are a part of this Agreement.

16. Severability.

In the event any term, provision, or condition of this Agreement or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other terms, provisions, conditions or applications of this Agreement which shall be given effect without the invalid term, provision, condition, or application. To this end, the terms, provisions and conditions of this Agreement are declared severable.

17. Filing With the Auditor.

This Agreement shall be filed with the Okanogan County Auditor prior to its becoming effective.

18. Entire Agreement.

18.1 This Agreement contains all the terms and conditions agreed upon by and between TRH and MVH.

18.2 This Agreement may be executed simultaneously or in counterparts each of which shall be deemed an original, but all of which shall be identical and constitute one and the same agreement.

18.3 No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind either TRH or MVH, the parties.

18.4 Any modification of this Agreement must be in writing and executed by both parties.

18.5 This Agreement shall be binding upon the parties, their successors and assigns.

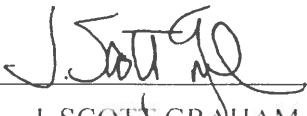
19. Nondiscrimination in Employment.

TRH and MVH hereby mutually agree that during the performance of this Agreement that no person shall, on the grounds of race, creed, color, national origin, sex, marital status, sexual orientation, age, religion, or on the presence of any sensory, mental or physical handicap, be excluded from any healthcare services. Neither TRH nor MVH shall discriminate against any employee or applicant for employment for the above reasons; provided, the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the work involved, and cannot be reasonably accommodated.

IN WITNESS, WHEREOF, TRH and MVH hereby have executed this Agreement on the dates below.

THREE RIVERS HOSPITAL

MID-VALLEY HOSPITAL

By 

J. SCOTT GRAHAM
Chief Executive Officer

By 

ALAN FISHER
Chief Executive Officer

Date: 10-20-2017

Date: 10/20/17

SCHEDULE A
October 19, 2017

Jonathan Miller, M.D. – Service Rates

Per Diem Rate includes travel

\$2,800 per day (8 hours or more) or
\$350 per hour for less than 8 hours

MID-VALLEY HOSPITAL

THREE RIVERS HOSPITAL:

By: 

ALAN FISHER

Its: CEO

By: 

Its: CEO

507 Hospital Way
Brewster, WA 98812

Date: 10/20/17

Date: 10-20-2017