

**INTERLOCAL AGREEMENT
BETWEEN
THREE RIVERS HOSPITAL
and NORTH VALLEY HOSPITAL
FOR ANCILLARY AND THERAPY STAFFING**

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into the last date below, by and between Okanogan Public Hospital District NO. 4, doing business as North Valley Hospital ("NVH"), and Okanogan Douglas Public Hospital District No. 1, doing business as Three Rivers Hospital ("TRH"). NVH 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 NVH 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 NVH provide healthcare services and facilities, including ancillary and therapy 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 NVH wish to enter into and carry out a contract for healthcare services, and specifically ancillary and therapy services, in order to better meet the healthcare needs of the residents of TRH, NVH and other people served by the parties.

Therefore, the parties agree as follows:

- I. **ARRANGEMENT OF SERVICES:** Both TRH and NVH provide ancillary and therapy services to their respective communities. Each party is prepared and willing to provide ancillary and therapy staff to the other party in order to provide staffing coverage for afore mentioned services should the need arise at either location. Staffing coverage is subject to the staffing and scheduling needs of the providing party. Both parties shall submit coverage requests to the providing party as far in advance as possible. Neither party guarantees the ability to furnish requested coverage for all times requested. Services may be provided on-site at either location or via telephone consultation. NVH's locations at 203 S. Western Avenue Tonasket, WA, and Three Rivers Hospital 507 Hospital Way, Brewster, WA (collectively referred as "parties"). Coverage requests shall be submitted to the providing party at:

Three Rivers Hospital
Attn: COO
507 Hospital Way
Brewster, WA
mneddo@trhospital.net

North Valley Hospital
Attn: CEO
203 S. Western Avenue
Tonasket, WA
johnmcreynolds@nvhospital.org

- II. **QUALIFICATIONS**: Both parties shall require staff who furnish coverage under this Agreement to be properly licensed to practice in their respective specialty in the State of Washington. The providing party will provide the requesting party with assistance and necessary paperwork required for human resource credentialing and approval.
- III. **PAYMENT**: In consideration for the services furnished to either party, each agrees to pay the providing party at the rates provided in Schedule A, attached hereto and incorporated herein by reference, for all staff time providing Services under this agreement, including but not limited to patient visits; travel time; assessments and documentation time; time needed for discharge and summary preparation. Schedule A shall be reviewed on an annual basis and up-dated as necessary.
- Each party shall submit an itemized billing statement for services provided on the last day of each month for the work performed during that month. Each party shall pay fees within 30 days after receipt of the invoice. Late balances shall accrue an interest penalty of 1/2% per month or 6% per annum.
- IV. **EXPENSES**: Each party providing services to the other under this agreement shall be responsible for all expenses incurred while performing services under this Agreement except for those specifically provided for in "Schedule A". Expenses include license fees, memberships, and dues; insurance premiums; and all salary expense and other compensation paid to employed staff.
- V. **INDEPENDENT CONTRACTOR**: The relationship between the parties and the relationship between staff and the requesting party is that of an independent contractor providing services. Staff supplied by the providing party shall not be considered employees of the requesting party for any purpose and shall not participate in or be entitled to receive any compensation or fringe benefits from the requesting party.
- VI. **ASSIGNMENT OF BILLING RIGHTS, CHART DOCUMENTATION**: All income generated by supplied staff providing services under this Agreement belongs to the requesting party where services are rendered. Both parties agree to direct staff to timely and accurately document all services and take all steps reasonably requested to enable proper billing of the patient and/or appropriate payers and collection for services.
- VII. **WORK ENVIRONMENT, EQUIPMENT & SUPPLIES**: Each party shall be responsible to provide staff providing services under this agreement with reasonably maintained and usual and customary equipment and supplies, and adequate and appropriate workspace, in compliance with acceptable ethical, medical and legal standards.
- VIII. **PRACTICE STANDARDS**: Each party shall direct staff providing services under this agreement to comply with requesting party's policies and procedures and with all applicable professional standards, laws, rules, and regulations. Each party shall comply with all applicable federal, state, local and other professional standards, laws, rules and regulations relating to patient care and work environment.

- IX. TERM AND TERMINATION:** This Agreement commences on the date stated in the introductory paragraph and continues for one year. Unless and until terminated in accordance with this provision, this Agreement will be automatically renewed for additional one year periods thereafter. Either party may terminate this Agreement any time by giving 30 days written notice to the other party of the intent to terminate. Notwithstanding the termination of this Agreement, the parties' obligation to pay the fees and reimburse for the expenses payable under this Agreement shall survive the termination of this Agreement.
- X. PROFESSIONAL LIABILITY INSURANCE:** Each party shall maintain professional liability insurance coverage for staff providing services under this Agreement and shall make available to the other party upon request a copy of the current policy.
- XI. RISK MANAGEMENT:** Should either party become aware of an incident or claim which may give rise to a claim under the providing party's professional liability policy of insurance, each party agrees to promptly notify the other in writing of the nature of the claim and report all necessary information related to the claim.
- XII. ACCESS TO BOOKS, DOCUMENTS AND RECORDS BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES.** The following clause is included because of the possible application of § 1861(v)(1)(I) of the Social Security Act to this Agreement; but not if that section should be found inapplicable to this Agreement, then this clause shall be deemed not to be a part of this Agreement and shall be null and void. Until the expiration of four years after the furnishing of services under this Agreement, the parties shall make available, upon written request, to the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representative, this Agreement, and books, documents and records of the parties as are necessary to certify the nature and extent of the costs hereunder.
- XIII. ASSIGNMENT.** Neither party may assign this Agreement in whole or in part without the prior written approval of the other party.
- XIV. GOVERNING LAW.** The laws of the State of Washington govern all matters arising out of or related to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.
- XV. DESIGNATION OF FORUM.** Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement may bring the legal action or proceeding in any court of the State of Washington sitting in Okanogan County.
- XVI. AMENDMENT/WAIVER.** The parties may amend this Agreement only by a written agreement. No provision in this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- XVII. SEVERABILITY.** If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the

essential terms and conditions of this Agreement for each party remain, valid, binding and enforceable.

XVIII. NOTICE. Each party giving or making any notice, request, demand or other communication (each, a "Notice") pursuant to this Agreement shall give the Notice in writing and use one of the following methods of delivery: personal delivery, Registered or Certified Mail (in each case, return receipt requested and postage prepaid), or facsimile. Any party giving a Notice shall address the Notice to the appropriate person at the receiving party at the address listed on the signature page of this Agreement.

XIX. ENTIRE AGREEMENT. This Agreement constitutes the final agreement between the parties. It is the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by this agreement. In entering into this Agreement, neither party has relied upon any statement, representation, warranty or agreement of the other party except for those expressly contained in this Agreement. There are no conditions precedent to the effectiveness of this Agreement other than those expressly stated in this Agreement.

XX. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original.

XXI. CAPTIONS. The descriptive headings of the sections of this Agreement are for convenience only and do not constitute a part of this Agreement.

XXII. SETTLEMENT OF DISPUTES. If a dispute arises under this Agreement, the parties agree to first try to resolve the dispute with the help of a mutually agreed upon mediator. Any costs and fees other than attorney fees associated with the mediation shall be shared equally by the parties. If it proves impossible to arrive at a mutually satisfactory solution through mediation, the parties agree to submit the dispute to a mutually agreed-upon arbitrator. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction to do so. Costs of arbitration, including attorney fees, will be allocated by the arbitrator.

Each party is signing this Agreement on the date stated in the introductory paragraph.

OKANOGAN/DOUGLAS COUNTY PUBLIC
HOSPITAL DISTRICT #1 d/b/a
THREE RIVERS HOSPITAL:

By: Melanie Nelson

Its: CEO

Date: 5.11.18

OKANOGAN COUNTY PUBLIC
HOSPITAL DISTRICT #4 d/b/a
NORTH VALLEY HOSPITAL:

By: [Signature]

Its: CEO

Date: 4/25/18

507 Hospital Way
Brewster, WA 98812

203 South Western Avenue
Tonasket, WA 98855

ANCILLARY AND THERAPY STAFFING RATES

SCHEDULE A

April 20, 2018

Physical Therapist	\$55 per hour
Occupational Therapist	\$55 per hour
Speech Therapist	\$55 per hour
Occupational Therapy Assistant	\$35 per hour
Physical Therapy Assistant	\$35 per hour
Radiology Technician	\$40 per hour
Laboratory Technician	\$35 per hour
Registered Dietician	\$45 per hour

This schedule is effective as of April 20, 2018

OKANOGAN/DOUGLAS COUNTY PUBLIC
HOSPITAL DISTRICT #1 d/b/a
THREE RIVERS HOSPITAL:

OKANOGAN COUNTY PUBLIC
HOSPITAL DISTRICT #4 d/b/a
NORTH VALLEY HOSPITAL:

By: Melanie Melillo

Its: COO

Date: 5.11.18

By: [Signature]

Its: I/CEO

Date: 4/25/18

Amendment #1
Provision of Other Administrative Services

WHEREAS, Okanogan/Douglas county Public Hospital District #1 d/b/a Three Rivers Hospital ("TRH") and Okanogan County Public Hospital district #4 d/b/a North Valley Hospital ("NVH") signed an Interlocal Agreement ("Agreement") effective May 11, 2018; and,

WHEREAS, the Agreement defined terms for sharing healthcare services between the two rural public hospital districts, and, specifically, ancillary and therapy services as detailed in Schedule A in the Agreement; and,

WHEREAS, TRH and NVH leaders have identified additional services to be shared between the two rural public hospital districts; and,

WHEREAS, TRH and NVH began sharing these additional services in July 2019; and,

WHEREAS, the two rural public hospital districts want to amend the May 11, 2018 Interlocal Agreement to include these additional services.

Therefore, Three Rivers Hospital and North Valley Hospital agree to the following Amendment to the May 11, 2018 Interlocal Agreement:

1. This Amendment is retro-active to July 1, 2019 when NVH began providing services to NVH.
2. This Amendment adds the Surgery and Medical Records (Health Information Management or "HIM") Departments to the listing of Ancillary and Therapy Staffing detailed in Schedule A. Specifically, the Manager of NVH's Surgery Department and employees of NVH's Medical Records (Health Information Management or "HIM") Department will provide services to TRH.
3. NVH will submit invoices to TRH for the services rendered by its employees as recorded on NVH's time-keeping system. Billable hours will include the round-trip travel time from Tonasket to Brewster. NVH will invoice TRH at the following hourly rates:
 - a. \$65.00 (Sixty five dollars) for hours worked by the Director of HIM
 - b. \$45.00 (Forth five dollars) for hours worked by coding and administrative employees of the HIM Department
 - c. \$83.00 (Eighty three dollars) for the Director of Surgical Services
4. Paragraph VIII in the May 11, 2018 Agreement details practice standards. This Amendment #1 specifies that TRH will establish its requirements for NVH's employees who provide services to TRH. TRH will confirm that NVH's services meet its institution's needs. If TRH informs NVH that the employees providing services under this Amendment #1 do not meet its needs, TRH can request changes to the employees providing services or can cancel the services by giving thirty (30) days notice as detailed in Paragraph IX of the Agreement.

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Signed by authorized officer of each rural public hospital district.

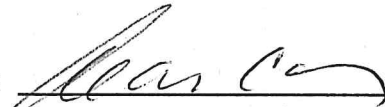
Okanogan/Douglas County Public
Hospital No 1
d/b/a Three Rivers Hospital

By: 

Its: CEO

Date: 12-29-2019

Okanogan County Public Hospital
District No 4
d/b/a North Valley Hospital

By: 

Its: Chief Financial Officer

Date: 12/24/2019