Salinas Valley Memorial Healthcare System
A Public Healthcare District

March 18, 2022

TO: Members of the Board of Directors
Victor Rey, Jr. – President
Regina M. Gage – Vice President
Juan Cabrera – Secretary
Richard Turner – Treasurer
Joel Hernandez Laguna – Assistant Treasurer

Legal Counsel
Ottone Leach & Ray LLP

News Media
Salinas Californian
El Sol
Monterey County Herald
Monterey County Weekly
KION-TV
KSBW-TV/ABC Central Coast
KSMS/Entravision-TV

The Regular Meeting of the Board of Directors of the Salinas Valley Memorial Healthcare System will be held **THURSDAY, MARCH 24, 2022, AT 4:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR VIA TELECONFERENCE (Visit svmh.com/virtualboardmeeting for Access Information)**.

Pursuant to SVMHS Board Resolution No. 2022-02, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Pete Delgado
President/Chief Executive Officer

REGULAR MEETING OF THE BOARD OF DIRECTORS
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

THURSDAY MARCH 24, 2022
4:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
OR VIA TELECONFERENCE
(Visit svmh.com/virtualboardmeeting for Access Information)

Pursuant to SVMHS Board Resolution No. 2022-02, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

AGENDA

		Presented By
I.	**Call to Order/Roll Call**	Victor Rey, Jr.
II.	**Closed Session** (See Attached Closed Session Sheet Information)	Victor Rey, Jr.
III.	**Reconvene Open Session/Closed Session Report** (Estimated time 5:00 pm)	Victor Rey, Jr.
IV.	**Consider Resolution No. 2022-04 Recognizing Jorge David Alvarado for His Service to His Country, State, and Community** ➢ Report by District Legal Counsel ➢ Board Questions to District Legal Counsel/Staff ➢ Motion/Second ➢ Public Comment ➢ Board Discussion/Deliberation ➢ Action by Board/Roll Call Vote	Pete Delgado
V.	**Public Hearing Regarding Required Redistricting of Salinas Valley Memorial Healthcare System, a Local Health Care District** ➢ Report Regarding Redistricting Maps ➢ Board Questions Regarding Redistricting Maps ➢ Motion/Second ➢ Public Comment ➢ Board Discussion/Deliberation ➢ Action by Board/Roll Call Vote	Pete Delgado Adrienne Laurent
VI.	**Report from the President/Chief Executive Officer**	Pete Delgado
VII.	**Public Input** This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.	Victor Rey, Jr.
VIII.	**Board Member Comments**	Board Members

IX. **Consent Agenda—General Business** Victor Rey, Jr.
(A Board Member may pull an item from the Consent Agenda for discussion.)

A. Minutes of the Regular Meeting of the Board of Directors, February 24, 2022
B. Financial Report
C. Statistical Report
D. Policy
   1. Amniotomy Standardized Procedure

- Board President Report
- Board Questions to Board President/Staff
- Motion/Second
- Public Comment
- Board Discussion/Deliberation
- Action by Board/Roll Call Vote

X. **Reports on Standing and Special Committees**

A. **Quality and Efficient Practices Committee** Juan Cabrera
Minutes from the March 21, 2022 Quality and Efficient Practices Committee Meeting have been provided to the Board. Additional Report from Committee Chair, if any.

B. **Finance Committee** Richard Turner
Minutes from the March 21, 2022 Finance Committee Meeting have been provided to the Board. The following recommendations have been made to the Board.

1. Recommend Board Approval for the Two (2) Year Perfusion Services Agreement with Central Velley Perfusion, Inc.
   - Committee Chair Report
   - Board Questions to Committee Chair/Staff
   - Motion/Second
   - Public Comment
   - Board Discussion/Deliberation
   - Action by Board/Roll Call Vote
2. Recommend Board Approval of the Alliance Healthcare Services, Inc., MRI and PET/CT Contract.
   - Committee Chair Report
   - Board Questions to Committee Chair/Staff
   - Motion/Second
   - Public Comment
   - Board Discussion/Deliberation
   - Action by Board/Roll Call Vote
3. Recommend Board Approval of Resolution No. 2022-03 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness
   - Committee Chair Report
   - Board Questions to Committee Chair/Staff
   - Motion/Second
   - Public Comment

- Board Discussion/Deliberation
- Action by Board/Roll Call Vote

4. Recommend Board Approval of Board Approval of Limited Partnership Interest Sale and Purchase Agreement of Vantage Surgery Center, L.P. by and Between STM, LLC and Salinas Valley Memorial Healthcare System
   - Committee Chair Report
   - Board Questions to Committee Chair/Staff
   - Motion/Second
   - Public Comment
   - Board Discussion/Deliberation
   - Action by Board/Roll Call Vote

C. **Personnel, Pension and Investment Committee** — Regina M. Gage

Minutes from the March 22, 2022 Personnel, Pension and Investment Committee Meeting have been provided to the Board. The following recommendation has been made to the Board.

1. Recommend Board approval to make an additional to the Salinas Valley Memorial Healthcare District Employees' Pension Plan for Calendar Year 2022
   - Staff Report
   - Committee Questions to Staff
   - Motion/Second
   - Public Comment
   - Committee Discussion/Deliberation
   - Action by Committee/Roll Call Vote

D. **Community Advocacy Committee** — Regina M. Gage

Minutes from the March 22, 2022 Community Advocacy Committee Meeting have been provided to the Board. Additional Report from Committee Chair, if any.

E. **Corporate Compliance and Audit Committee** — Juan Cabrera

Minutes from the March 22, 2022 Corporate Compliance and Audit Committee Meeting have been provided to the Board. Additional Report from Committee Chair, if any.

XI. **Consider Board Resolution No. 2022-04 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor's State of Emergency Declaration March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period March 25, 2022 through April 30, 2022** — District Legal Counsel

- Report by District Legal Counsel
- Board Questions to District Legal Counsel/Staff
- Motion/Second
- Public Comment
- Board Discussion/Deliberation
- Action by Board/Roll Call Vote

XII. **Report on Behalf of the Medical Executive Committee (MEC) Meeting of March 10, 2022, and Recommendations for Board Approval of the following:** — Theodore Kaczmar, Jr., M.D.

A. From the Credentials Committee:
   1. Credentials Committee Report
B. Policies/Plans:
   1. Quality Assessment and Performance Improvement Plan 2022

- Chief of Staff Report
- Board Questions to Chief of Staff
- Motion/Second
- Public Comment
- Board Discussion/Deliberation
- Action by Board/Roll Call Vote

XIII. **Extended Closed Session** (if necessary) Victor Rey, Jr.

(See Attached Closed Session Sheet Information)

XIV. **Adjournment** – The next Regular Meeting of the Board of Directors is scheduled for **Thursday, April 28, 2022, at 4:00 p.m.**

The complete Board packet including subsequently distributed materials and presentations is available at the Board Meeting and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Board. Staff and Committee recommendations are subject to change by the Board.

Requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting should be made to the Executive Assistant during regular business hours at 831-755-0741. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM BOARD OF DIRECTORS
AGENDA FOR CLOSED SESSION

Pursuant to California Government Code Section 54954.2 and 54954.5, the board agenda may describe closed session agenda items as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items are described in substantial compliance with Section 54954.5 of the Government Code.

CLOSED SESSION AGENDA ITEMS

[ ] LICENSE/PERMIT DETERMINATION
(Government Code §54956.7)

Applicant(s): (Specify number of applicants)_____

[ ] CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code §54956.8)

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation): _____
Agency negotiator: (Specify names of negotiators attending the closed session): _____
Negotiating parties: (Specify name of party (not agent): _____

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both):

_____

[ ] CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION
(Government Code §54956.9(d)(1))

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers):
_____, or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations): _____

[ ] CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION
(Government Code §54956.9)

Significant exposure to litigation pursuant to Section 54956.9(d)(2) or (3) (Number of potential cases):

Additional information required pursuant to Section 54956.9(e): _____

Initiation of litigation pursuant to Section 54956.9(d)(4) (Number of potential cases): _____

[ ] LIABILITY CLAIMS
(Government Code §54956.95)

Claimant: (Specify name unless unspecified pursuant to Section 54961):_____
Agency claimed against: (Specify name):_____

[ ] THREAT TO PUBLIC SERVICES OR FACILITIES
(Government Code §54957)

Consultation with: (Specify name of law enforcement agency and title of officer):_____

[ ] PUBLIC EMPLOYEE APPOINTMENT
(Government Code §54957)

Title: (Specify description of position to be filled):_____

[ ] PUBLIC EMPLOYMENT
(Government Code §54957)

Title: (Specify description of position to be filled):_____

[ ] PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Government Code §54957)

Title: (Specify position title of employee being reviewed):_____

[ ] PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE
(Government Code §54957)

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

[X] CONFERENCE WITH LABOR NEGOTIATOR
(Government Code §54957.6)

Agency designated representative: (Specify name of designated representatives attending the closed session): Pete Delgado

Employee organization: (Specify name of organization representing employee or employees in question): National Union of Healthcare Workers, California Nurses Association, Local 39, ESC Local 20, or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations):_____

[ ] CASE REVIEW/PLANNING
(Government Code §54957.8)

(No additional information is required to consider case review or planning.)

[X] REPORT INVOLVING TRADE SECRET
(Government Code §37606 & Health and Safety Code § 32106)

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility): Trade Secret, Strategic Planning, Proposed New Programs and Services

Estimated date of public disclosure: (Specify month and year): Unknown

[X] HEARINGS/REPORTS
(Government Code §37624.3 & Health and Safety Code §§1461, 32155)

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee):

1. Report of the Medical Staff Quality and Safety Committee
2. Report of the Medical Staff Credentials Committee

[ ] CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW (Government Code §54956.86)

(No additional information is required to discuss a charge or complaint pursuant to Section 54956.86.)

ADJOURN TO OPEN SESSION

CALL TO ORDER/ROLL CALL

(VICTOR REY, JR.)

CLOSED SESSION

(Report on Items to be Discussed in Closed Session)

(VICTOR REY, JR.)

RECONVENE OPEN SESSION/
CLOSED SESSION REPORT
(ESTIMATED TIME: 5:00 P.M.)

(VICTOR REY, JR.)

RESOLUTION NO. 2022-04
OF THE BOARD OF DIRECTORS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

RECOGNIZING JORGE DAVID ALVARADO FOR HIS SERVICE TO HIS COUNTRY, STATE, AND COMMUNITY

WHEREAS, Salinas Valley Memorial Healthcare System and the broader Salinas Community lost a valued member of the Salinas Police Department on February 25, 2022 with the death of officer Jorge David Alvarado;

WHEREAS, Officer Alvarado, a five-year veteran of police services, was shot and killed in the line of duty on February 25, 2022 while conducted a traffic stop in Salinas;

WHEREAS, Officer Alvarado was born and raised in San Francisco, California and served with distinction with the 101st Airborne Division being deployed to Afghanistan during Operation Enduring Freedom where he received the Army Commendation medal and two citations of the Army Achievement medal for his actions in combat during Operation Enduring Freedom, Afghanistan;

WHEREAS, Officer Alvarado, after leaving the United States Army, enrolled at the Monterey Peninsula Police Academy, completed his police training, was recruited and hired by the Colma Police Department, and eventually transferred to the Salinas Police Department in August 2020 and assigned to the Patrol Division; and

WHEREAS, Officer Alvarado's dedication to protect and serve the members of the Salinas Community and his service to his Country and State is formally recognized and deeply appreciated by the Salinas Valley Memorial Healthcare System;

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

On behalf of the Salinas Valley Memorial Healthcare System, the members of the Board of Directors recognize with great admiration and appreciation the service and contributions of officer Jorge David Alvarado and extends its sincerest condolences to his family, friends, and members of the Salinas Valley Police Department.

The foregoing Resolution was passed by the following vote of the Board of Directors of Salinas Valley Memorial Healthcare System at its regular meeting on March 24, 2022.

AYES:

NOES:

ABSENT:

_____
Victor Rey, Jr., Board President
SVMHS Board of Directors

Board Paper: District Zone Boundaries

Agenda Item:	Public Hearing Regarding Required Redistricting of Salinas Valley Memorial Healthcare System, a Local Healthcare District
Executive Sponsor:	Adrienne Laurent
Date:	March 18, 2022

Executive Summary

As a local agency which has board representatives elected via district elections, we are required to perform a statistical and demographic analysis shortly after the completion of the US Census every ten years.

Background/Situation/Rationale

Redistricting by special districts is governed by Elections Code Section 22000 – 22001. The statute requires that the District, using the information from the Decennial Census as a basis, determine whether the zones formed for election of representatives are equal in population taking into considering topography, geography, cohesiveness, contiguity, integrity and compactness, and communities of interest.

Timeline/Review Process:

Section 22000 of the Election Code imposes a deadline to complete the process 180 days preceding the election of a director. The next election for directors is scheduled for early November 2022, and therefore the redistricting process will need to be completed by the end of April, 2022.

The District has engaged Matt Rexroad of Redistricting Insights to review the census data to determine whether there have been demographic shifts within the District's boundaries and within the boundaries of each of the five election zones. Mr. Rexroad's firm has also created maps with zones considering the factors listed above (cohesiveness, contiguity, communities of interest, etc.) in a manner such that the boundaries of the electoral zones meet constitutional requirements.

Map options prepared by Redistricting Insights can be found on our website, svmh.com/redistricting.

Summer 2021: SVMHS engages Redistricting Insights for statistical and demographic analysis of our election zones.
January 2022: Communication material prepared for public education of redistricting process, solicitation of public input.
January 27, 2022: SVMHS Board holds public hearing on redistricting
February 24, 2022: SVMHS Board holds second public hearing on redistricting

REPORT FROM THE PRESIDENT/ CHIEF EXECUTIVE OFFICER

(VERBAL)

(PETE DELGADO)

PUBLIC INPUT

BOARD MEMBER COMMENTS

(VERBAL)

REGULAR MEETING OF THE BOARD OF DIRECTORS
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

THURSDAY, FEBRUARY 24, 2022 – 4:00 P.M.
DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA AND BY TELECONFERENCE

Pursuant to SVMHS Board Resolution No. 2022-01, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

Present: In person: President Victor Rey, Jr., Directors Regina M. Gage, Juan Cabrera, Joel Hernandez Laguna.

Absent: Richard Turner

Also Present: In person: Pete Delgado, President/Chief Executive Officer, Theodore Kaczmar, Jr., MD, Chief of Staff, and Matthew Ottone, Esq., District Legal Counsel.

Call to Order/Roll Call

A quorum was present and the meeting was called to order by President Victor Rey, Jr., at 4:05 p.m.

Closed Session

President Victor Rey, Jr., announced that the closed session items to be discussed in Closed Session as listed on the posted Agenda are: (1) Conference with Labor Negotiator concerning the National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20; (2) Report Involving Trade Secret – Trade secrets, strategic planning, proposed new programs and services; (3) Hearings/Reports – Reports from the Medical Staff Quality and Safety Committee, Report of the

The meeting was recessed into Closed Session under the Closed Session Protocol at 4:06 p.m. The Board completed its business of the Closed Session at 4:59 p.m.

Reconvene Open Session/Report on Closed Session

The Board reconvened Open Session at 5:03 p.m. President Rey announced that in Closed Session the Board discussed: (1) Conference with Labor Negotiator concerning the National Union of Healthcare Workers, California Nurses Association, Local 39 and ESC Local 20; (2) Report Involving Trade Secret – Trade secrets strategic planning, proposed new programs and services; (3) Hearings/Reports – Reports from the Medical Staff Quality and Safety Committee, Report of the Medical Staff Credentials Committee and Interdisciplinary Practice Committee.

In Closed Session, the Board received and accepted the Medical Staff Quality and Safety Committee Report, Report of the Medical Staff Credentials Committee, and Report of the Interdisciplinary Practice Committee. No other action was taken by the Board.

President Rey announced that there will be no Extended Closed Session tonight.

Public Input: Veterans Day Parade Committee Presentation

Tony Virrueta was introduced. He was born and raised in Salinas, is a retired veteran and currently is the Veterans Day Parade Committee Chair. He thanked the Board of Directors and SVMHS for supporting veterans through the parade. The event attracts about 10,000 people each year. The parade committee presented a framed poster in appreciation.

Public Hearing Regarding Required Redistricting of Salinas Valley Memorial Healthcare System a Local Health Care District

Matt Rexroad, of Redistricting Insights, presented four (4) proposed redistricting maps with demographics. The current zone map was overlaid on each proposed map for comparison. There is a link to interactive Google maps available to the public on the SVMHS website. The public can leave comments and upload maps on the website. The maps have been published in the newspaper, on social media and through news releases to educate the public and solicit input. Although the law only requires one public hearing before the Board prior to the adoption of new electoral zone boundaries, the District has opted to conduct three public hearings, of which this is the second of the three. . The March Board meeting will constitute the third of three public hearings, and a decision at the next public Board of Directors meeting would provide enough time to work with the Election Department and legal counsel to complete the process by the deadline in late April.

Public Input: Mr. Howard Fosler, attending via teleconference, stated he is representing the League of Women Voters. The League is interested in the process to ensure fair representation. The League appreciates the process that has been taken by SVMHS to inform the public and allow input. The League is impressed with the equality of the proposed zones. Mr. Fosler was thanked for his input.

Discussion: Director Hernandez Laguna recommended posters be available at the next Board meeting in addition to the electronic presentation. All Board members present were in favor of maintaining boundaries as close to current zones as possible, avoiding any radical change, keeping North County together, keeping South County together and agendizing the vote for the next meeting. Mr. Rexroad clarified any boundary change effecting a Director allows them to finish their term. After discussion, the Board directed Mr. Rexroad to return with two maps for consideration at the March Board Meeting.

Education Program – Nutrition Services

Jason Giles, Director of Nutrition Services, reported Nutrition Services (NS) in not just a kitchen but a restaurant and the service goal is "*To provide healthy, nutritious food to our patients, staff and community while giving the best customer service possible*." During the pandemic adjustments were made in the cafeteria for social distance seating, more to-go offerings and increased sanitation practices. NS has successfully embraced room service for patients; the entire kitchen was remodeled. Belinda Ruiz Head Nutrition Services Aide, reported room service includes made-to-order food, expedited delivery (within 30 minutes), customer choice, menu diversity and attractive presentation coupled with the patient's dietary requirements and limitations. The NS Aides have been educated to redirect patient choice which in not in the patient's dietary limitation and the print-out in the kitchen indicates the patient's dietary limitations. SVMH is the only hospital offering patient choice. Press Ganey scores for meals overall, temperature of food and quality of food are in the 95-96th percentile. Michelle Salvador, Nutrition Services Production Manager, reported in 2020 NS embarked on a journey with the Blue Zones Project by adding creative plant-based menu options, fresh whole fruit, side salads and a water for a penny and water replaced soda and sugary beverages in the cafeteria. In June 2021 SVMH became one of the first Blue Zones approved restaurants. NS also helps with national appreciation weeks, pizza parties, milestone anniversary treats, ice cream socials and more. Mr. Giles emphasized this has been a

team effort with dedicated front-line staff involvement and NS makes a point to let the team know they are appreciated and to celebrate all milestones from 45 years to 1 year.

President Rey stated every person he has talked to who has been a patient always talks about how great the food is. Director Hernandez Laguna liked the penny offerings and that this encourages healthier eating. Director Gage stated NS is innovative and progressive.

No Public input.

Report from the President/Chief Executive Officer

Pete Delgado, President/CEO began his report with a Mission Moment featuring "Ian N. Oglesby, Mayor of Seaside and Blue Zones Project." A summary of key highlights, centered around the pillars that are the foundation of the Hospital's vision for the organization, is as follows:

- Service
  - Patient Experience Scores:
    - *"How Would You Rate"* - FY2002 to Date ranked in the 78th percentile which is above the national average.
    - *"Care Transitions: Described Purpose of Taking Medication"* – ranked 70th percentile which is above the national average. Successful outcomes are closely related to patients' understanding the importance of taking their medication.
    - "*Communication with Doctors*: MD Listens Carefully to You" – ranked 85th percentile, also above the national average.

- Finance
  - Review of industry news
  - Government Affairs: Federal Update
    - FDA delays COVID vaccine for young children (6 months – 5 years) waiting for ongoing trial data, expected in early April.
    - President extends COVID-19 national emergency declaration beyond March 1st with no end date.
  - Government Affairs: State Update
    - SB 1212 (Caballero) prevents price gouging of staffing services to hospitals during declared state of emergency; improves transparency to services.
    - State Budget:
      - Community benefits requirements: Hospitals required to dedicate 25% of community benefit funding to social determinants of health.
      - $2 billion in workforce training and support for health care providers, e.g. nursing schools.

- Quality
  - The American College of Cardiology recognized SVMH in the 2022 *US News & World Report* "Best Hospitals" for commitment to hospital care for heart patients.

- Growth
  - Clint Hoffman, CAO Business Development & Physician Integration/COO SVMC, was recognized as one of our key leaders. Clint has been with SVMH/SVMC for 13 years and was recognized as being instrumental in the growth of SVMHS and SVMC. He is hard working, humble, and has a sense of humor. Clint will be moving to the next phase of his career which is taking him to Alabama. He will be missed.

- People
  - Zero gravity relax massage chairs for staff have been placed on four units, the Emergency Department, Environmental Services and the physicians' lounge. Feedback has been excellent.
  - A new employee update platform is being launched to replace daily emails. This platform includes the ability to leave comments and tracks which links are being opened and what time of day. This data will help keep updates relevant and timely.
  - Wellness [at] Work health screenings ended March 1st. There is a $100 incentive for staff who participated. The aggregate data will drive future staff wellness classes.
  - The SVMH Foundation Partners in Excellence Grants Program has funded a Cardiac Diagnostic Outpatient Clinic staff-driven suggestion to place iPads on the stress-test treadmills to help keep the patients focused during their stress test. Monica Tovar, Foundation Board Chair, Clint Hoffman, Foundation Board Member, Claudia Pizarro-Villalobos, Foundation Board Member and Amanda DaGraca, Foundation Individual Giving Manager presented the grant to Diana Bokemeier, Procedural Nurse Manager.

- Community
  - Ask the Experts:
    - MitraClip™ presented in both English and Spanish
    - The Pandemic's Toll on Heart Health
  - Earned Media: Blue Zones, minimally invasive MitraClip™ and Health Matters. Also much COVID-19 news coverage including a Dr. Radner interview on KSBW Health Watch and thanks to essential healthcare workers.

No Public Input

President Rey asked for any public input regarding items not on this agenda. No Public input was provided.

Board Member Comments

Director Gage commented the redistricting presentation was very educational.

Director Cabrera thanked the Nutrition Services team.

Director Hernandez Laguna thanked the Nutrition Services team, thanked Clint for all his hard work especially with the Taylor Farms Family Health & Wellness Center (TFFHWC), and congratulated Victor Rey who has been selected Citizen of the Year by the Salinas Valley Chamber of commerce.

Director Rey thanked Clint Hoffman for the fruits of his labor; especially during the pandemic. Some of the highlights include TFFHWC, physician integration, our joint ventures and strategic planning. Mr. Rey participated in the Presidents Day Blue Zones park cleanup and was proud SVMH was awarded for most volunteers. He attended the celebration of life for Former Board Member Alfred Díaz-Infante which truly honored Mr. Díaz-Infante as a person and for all the great work he did for our community.

Consent Agenda – General Business

A. Minutes of the Regular Meeting of the Board of Directors, January 27, 2022
B. Financial Report
C. Statistical Report
D. Policies

1. Gift, Ticket and Honoraria Policy
2. NICU Transport: Care Practices for Transport
3. COVID Testing Swab Standardized Procedure
4. Water Management Program Plan: Minimizing Waterborne Pathogenic Organisms

President Rey presented the consent agenda items before the Board for action. This information was included in the Board packet.

No public comment

MOTION: The Board of Directors approves Consent Agenda – General Business, Items (A) through (D), as presented.

Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

Reports on Standing and Special Committees

Quality and Efficient Practices Committee

Juan Cabrera, Committee Chair, reported the minutes from the Quality and Efficient Practices Committee Meeting of February 23, 2022 were provided to the Board. The Committee received a Patient Care Services Update and Financial Statistical Review.

Finance Committee

Juan Cabrera, Committee Vice-Chair, reported the minutes from the Finance Committee Meeting of February 23, 2022, were provided to the Board. The Committee received a Balanced Scorecard – January 2022 update and the Financial Statistical Review update. Background information supporting the proposed recommendation made by the Committee was included in the Board packet and summarized by Director Cabrera. The following recommendation was made by the Committee:

Consider Recommendation for Board of Directors Approval and Award of Hazardous Waste Disposal Contract to Stericycle, Inc., A Delaware Corporation

No Public Comment.

Director Hernandez Laguna asked if other vendors were considered. It was clarified Stericycle purchased the vendor formerly contracted by SVMH for this service. Other vendors were considered and were not able to accept our volume or meet our timelines.

MOTION: The Board of Directors approves and awards the Hazardous Waste Disposal contract to Stericycle Inc. for management of disposal of hazardous and universal waste generated at Salinas Valley Memorial Hospital, 450 E. Romie Lane, Salinas in the total amount of $600,000.00.

Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

Personnel, Pension and Investment Committee

Regina M. Gage, Committee Chair, reported the minutes from the Personnel, Pension and Investment Committee Meeting of February 22, 2022, were provided to the Board. Background information supporting the proposed recommendations made by the Committee was included in the Board packet and summarized by Director Gage. The following recommendation was made by the Committee:

1. **Consider Recommendation for Board Approval of (i) the Contract Terms and Conditions for the Hospitalist Professional Services Agreement for Jose Ajoc, Jr., MD and (ii) the Contract Terms and Conditions for Dr. Ajoc's COVID-19 Physician Loan Agreement**

   No Public Comment.

   MOTION: The Personnel, Pension and Investment Committee recommends to the SVMHS Board of Directors approval of the following actions:

   (i) The Contract Terms and Conditions of the Hospitalist Professional Services Agreement for Dr. Ajoc as presented,

   (ii) The Contract Terms and Conditions of the COVID-19 Physician Loan Agreement for Dr. Ajoc as presented.

   Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

2. **Consider Recommendation For Board Approval Of (i) The Findings Supporting Recruitment of Kelsey Capron, Md, (ii) The Contract Terms for Dr. Capron's Recruitment Agreement and(iii) the Contract Terms for Dr. Capron's Family Medicine Professional Services Agreement**

   No Public Comment.

   MOTION: The Personnel, Pension and Investment Committee recommends to the SVMHS Board of Directors approval of the following actions:

   (i) The Findings Supporting Recruitment of Kelsey Capron, MD,

   - That the recruitment of a general surgeon to Salinas Valley Medical Clinic is in the best interest of the public health of the communities served by the District; and
   - That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;

   (ii) The Contract Terms of the Recruitment Agreement for Dr. Capron; and

   (iii) The Contract Terms of the Family Medicine Professional Services Agreement for Dr. Capron.

   Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

3. **Consider Recommendation For Board Approval Of (i) The Findings Supporting Recruitment of Guadalupe Arreola, MD, (ii) The Contract Terms for Dr. Capron's Recruitment Agreement and (iii) the Contract Terms for Dr. Arreola's Family Medicine Professional Services Agreement**

   No Public Comment.

   MOTION: The Personnel, Pension and Investment Committee recommends to the SVMHS Board of Directors approval of the following actions:

   (i) The Findings Supporting Recruitment of Guadalupe Arreola, MD,

- That the recruitment of a general surgeon to Salinas Valley Medical Clinic is in the best interest of the public health of the communities served by the District; and
- That the recruitment benefits and incentives the hospital proposes for this recruitment are necessary in order to attract and relocate an appropriately qualified physician to practice in the communities served by the District;

(ii) The Contract Terms of the Recruitment Agreement for Dr. Arreola; and

(iii) The Contract Terms of the Family Medicine Professional Services Agreement for Dr. Arreola.

Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

Consider Resolution No. 2022-02 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor's State of Emergency Declaration on March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period February 24, 2022 through March 25, 2022

Matthew Ottone, Esq., District Legal Counsel, reported that Resolution No. 2022-02 was included in the Board Packet, for the Board's consideration. The resolution is necessary to continue remote attendance by the District Board at Committee meetings and regular Board Meetings with waiver of certain requirements under The Brown Act.

No Public Comment.

MOTION: The Board of Directors adopts Resolution No. 2022-02 Proclaiming a Local Emergency, Ratifying the Proclamation of a State of Emergency by Governor's State of Emergency Declaration on March 4, 2020, and Authorizing Remote Teleconference Meetings for the Period February 24, 2022 through March 25, as presented.

Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

Report on Behalf of the Medical Executive Committee (MEC) Meeting of February 10, 2022, and Recommendations for Board Approval of the following:

The following recommendations from the Medical Executive Committee (MEC) Meeting of February 10, 2022, were reviewed by Theodore Kaczmar, Jr., MD, Chief of Staff, and recommended for Board approval.

Recommend Board Approval of the Following:

A. From the Credentials Committee:
   1. Credentials Committee Report
B. From the Interdisciplinary Practice Committee:
   1. Interdisciplinary Practice Committee Report
C. Policies/Procedures/Plans:
   1. Aerosol Transmitted Diseases Exposure Control Plan
   2. Amniotomy Nursing Standardized Procedure

Dr. Kaczmar announced five (5) new physicians applied for privileges, three (3) physicians requested leaves of absence, one (1) ER physician requested emeritus status, one (1) physician returned from leave of absence, and there were five (5) resignations. The Department of Medicine Gastroenterology Clinical Privileges Delineation was revised, the Amniotomy Standardized Procedure was approved, and the Department of Surgery New Advanced Practice Provider Clinical Privilege Delineation was approved.

No Public Comment.

> MOTION: The Board of Directors approves Recommendation (A) through (C) of the February 10, 2022, Medical Executive Committee Meeting, as presented.
>
> Moved/Seconded/Roll Call Vote: Ayes: Gage, Cabrera, Hernandez Laguna, Rey; Noes: None; Abstentions: None; Absent: Turner; Motion Carried.

Extended Closed Session

President Rey announced that there will be no Extended Closed Session.

Adjournment The next Regular Meeting of the Board of Directors is scheduled for **Thursday, March 24, 2022 at 4:00 p.m.** There being no further business, the meeting was adjourned at 6:51 p.m.

Juan Cabrera
Secretary, Board of Directors

/kmh

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
February 28, 2022

	Month of February,		Eight months ended February 28,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	$ 55,675,071	$ 46,109,720	$ 394,394,133	$ 387,872,641
Other operating revenue	1,006,532	832,158	7,824,763	9,984,146
Total operating revenue	56,681,603	46,941,878	402,218,896	397,856,787
Total operating expenses	44,570,183	39,520,624	335,593,202	330,401,319
Total non-operating income	(4,153,722)	(4,214,247)	(26,196,462)	(24,585,594)
Operating and non-operating income	$ 7,957,698	$ 3,207,006	$ 40,429,233	$ 42,869,874

SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
February 28, 2022

	Current year	Prior year
ASSETS:		
Current assets	$ 464,229,650	$ 407,222,979
Assets whose use is limited or restricted by board	148,309,895	139,025,487
Capital assets	239,380,394	257,682,446
Other assets	174,208,122	190,080,576
Deferred pension outflows	50,119,236	83,379,890
	$ 1,076,247,297	$ 1,077,391,378
LIABILITIES AND EQUITY:		
Current liabilities	127,321,871	147,593,440
Long term liabilities	14,556,513	14,780,831
	83,585,120	126,340,336
Net assets	850,783,793	788,676,771
	$ 1,076,247,297	$ 1,077,391,378

SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
February 28, 2022

	Month of February,		Eight months ended February 28,	
	current year	prior year	current year	prior year
Patient days:				
By payer:				
Medicare	2,035	1,504	13,913	13,603
Medi-Cal	810	949	7,849	8,566
Commercial insurance	703	799	6,053	6,388
Other patient	78	(3)	891	977
Total patient days	3,626	3,249	28,706	29,534
Gross revenue:				
Medicare	$ 101,094,058	$ 79,986,402	$ 730,415,327	$ 648,594,025
Medi-Cal	48,816,353	50,494,488	440,511,491	423,917,094
Commercial insurance	48,358,489	44,391,373	394,825,680	391,373,773
Other patient	7,383,891	4,875,532	64,831,607	65,355,046
Gross revenue	205,652,791	179,747,795	1,630,584,105	1,529,239,937
Deductions from revenue:				
Administrative adjustment	246,554	324,543	2,427,148	2,695,024
Charity care	957,714	611,769	7,177,219	7,128,155
Contractual adjustments:				
Medicare outpatient	25,679,183	21,655,997	212,807,156	188,481,658
Medicare inpatient	46,738,945	34,164,212	322,746,049	294,055,295
Medi-Cal traditional outpatient	3,169,817	2,288,082	22,157,150	16,015,049
Medi-Cal traditional inpatient	5,503,492	5,776,297	49,009,044	61,166,579
Medi-Cal managed care outpatient	18,219,292	17,849,948	170,839,396	141,591,247
Medi-Cal managed care inpatient	11,033,253	12,950,839	146,039,293	145,369,514
Commercial insurance outpatient	15,527,184	16,311,380	127,964,076	122,613,432
Commercial insurance inpatient	19,068,475	18,919,549	139,191,752	126,984,548
Uncollectible accounts expense	3,723,538	3,345,330	29,554,862	28,164,603
Other payors	110,273	(559,871)	6,276,827	7,102,192
Deductions from revenue	149,977,720	133,638,076	1,236,189,972	1,141,367,296
Net patient revenue	$ 55,675,071	$ 46,109,720	$ 394,394,133	$ 387,872,641
Gross billed charges by patient type:				
Inpatient	$ 115,462,036	$ 99,383,505	$ 881,568,289	$ 654,242,856
Outpatient	67,565,867	60,232,467	538,438,075	507,817,168
Emergency room	22,624,890	20,131,823	210,577,741	167,179,913
Total	$ 205,652,793	$ 179,747,795	$ 1,630,584,105	$ 1,529,239,937

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
February 28, 2022

	Month of February,		Eight months ended February 28,	
	current year	prior year	current year	prior year
Operating revenue:				
Net patient revenue	$ 55,675,071	$ 46,109,720	$ 394,394,133	$ 387,872,641
Other operating revenue	1,006,532	832,158	7,824,763	9,984,146
Total operating revenue	56,681,603	46,941,878	402,218,896	397,856,787
Operating expenses:				
Salaries and wages	15,477,882	14,191,483	123,260,711	127,457,148
Compensated absences	2,540,920	2,377,407	21,761,702	21,066,388
Employee benefits	8,271,888	6,774,423	55,442,809	58,750,416
Supplies, food, and linen	6,338,618	5,920,149	49,791,625	49,728,604
Purchased department functions	3,233,458	3,525,839	26,832,915	24,974,701
Medical fees	1,635,942	1,695,506	15,068,855	13,643,020
Other fees	3,890,787	2,064,591	17,799,854	11,143,976
Depreciation	1,863,850	1,813,887	14,685,245	14,301,790
All other expense	1,316,838	1,157,339	10,949,486	9,335,276
Total operating expenses	44,570,183	39,520,624	335,593,202	330,401,319
Income from operations	12,111,420	7,421,254	66,625,694	67,455,468
Non-operating income:				
Donations	166,987	166,667	1,355,653	1,833,333
Property taxes	333,333	333,333	2,666,667	2,666,667
Investment income	(1,653,243)	(1,339,005)	(7,905,483)	698,737
Taxes and licenses	0	0	0	0
Income from subsidiaries	(3,000,799)	(3,375,242)	(22,313,299)	(29,784,331)
Total non-operating income	(4,153,722)	(4,214,247)	(26,196,462)	(24,585,594)
Operating and non-operating income	7,957,698	3,207,006	40,429,233	42,869,874
Net assets to begin	842,826,095	785,469,764	810,354,560	745,806,898
Net assets to end	$ 850,783,793	$ 788,676,771	$ 850,783,793	$ 788,676,772
Net income excluding non-recurring items	$ 4,069,030	$ (2,544,585)	$ 34,136,857	$ 35,499,174
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	3,888,668	5,751,591	6,292,376	7,370,700
Operating and non-operating income	$ 7,957,698	$ 3,207,006	$ 40,429,233	$ 42,869,874

SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
February 28, 2022

	Month of February,		Eight months ended February 28,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	$ 135,145	$ 117,586	$ 1,111,474	$ 1,063,349
Discounts and scrap sale	244,768	293,854	1,047,953	516,508
Sale of products and services	5,946	8,317	563,406	169,566
Clinical trial fees	360	0	27,700	46,128
Stimulus Funds	0	0	0	0
Rental income	169,845	154,696	1,289,567	1,270,199
Other	450,468	257,705	3,784,663	6,918,396
Total	$ 1,006,532	$ 832,158	$ 7,824,763	$ 9,984,146
Detail of investment income:				
Bank and payor interest	$ 87,618	$ (57,868)	$ 704,308	$ 914,746
Income from investments	(1,750,986)	(1,280,498)	(8,297,049)	(244,002)
Gain or loss on property and equipment	10,125	(639)	(312,741)	27,994
Total	$ (1,653,243)	$ (1,339,005)	$ (7,905,483)	$ 698,737
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	$ (156,575)	$ (169,232)	$ (1,434,224)	$ (1,424,955)
Neurological Clinic	(38,399)	(89,966)	(429,812)	(658,171)
Palliative Care Clinic	(75,685)	(41,086)	(651,878)	(586,094)
Surgery Clinic	(171,175)	(204,322)	(1,014,559)	(1,373,609)
Infectious Disease Clinic	(32,282)	(2,318)	(221,483)	(214,095)
Endocrinology Clinic	(111,445)	(131,361)	(991,505)	(1,464,188)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(441,906)	(710,275)	(3,246,800)	(4,173,911)
OB/GYN Clinic	(205,631)	(397,565)	(2,528,767)	(2,939,223)
PrimeCare Medical Group	(722,569)	(754,435)	(3,807,057)	(7,437,080)
Oncology Clinic	705,314	(389,832)	(1,610,681)	(2,203,994)
Cardiac Surgery	(253,356)	(165,335)	(1,405,127)	(1,397,092)
Sleep Center	(33,398)	(55,288)	(246,368)	(535,623)
Rheumatology	(53,302)	50,962	(441,319)	(351,876)
Precision Ortho MDs	(434,069)	(364,547)	(2,213,189)	(3,207,215)
Precision Ortho-MRI	0	(152)	0	(1,515)
Precision Ortho-PT	(40,133)	(47,481)	(398,303)	(376,977)
Vaccine Clinic	136,952	0	(52,560)	0
Dermatology	(17,858)	(17,352)	(133,330)	(244,804)
Hospitalists	0	0	0	0
Behavioral Health	(62,794)	(73,690)	(537,909)	(578,334)
Pediatric Diabetes	(39,074)	(7,031)	(348,979)	(242,632)
Neurosurgery	(21,895)	377	(200,954)	(249,288)
Multi-Specialty-RR	(6,051)	21,551	69,826	19,673
Radiology	(207,556)	(187,923)	(1,907,690)	(1,651,045)
Salinas Family Practice	(125,672)	0	(753,320)	0
Urology	(9,436)	0	(9,436)	0
Total SVMC	(2,417,995)	(3,736,301)	(24,515,422)	(31,292,048)
Doctors on Duty	(208,356)	(26,617)	(47,435)	181,071
Assisted Living	0	(4,811)	0	(54,359)
Salinas Valley Imaging	0	0	0	(19,974)
Vantage Surgery Center	623	20,012	182,746	165,351
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	(327,194)	159,239	1,852,864	705,025
Aspire/CHI/Coastal	(60,496)	181,314	(256,344)	(125,158)
Apex	0	(2,482)	103,759	36,707
21st Century Oncology	(18,599)	44,623	62,160	(72,284)
Monterey Bay Endoscopy Center	31,219	(10,219)	304,374	691,337
Total	$ (3,000,799)	$ (3,375,242)	$ (22,313,299)	$ (29,784,331)

SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
February 28, 2022

	Current year	Prior year
ASSETS		
Current assets:		
Cash and cash equivalents	$ 354,092,711	$ 296,248,136
Patient accounts receivable, net of estimated uncollectibles of $25,594,365	93,031,575	94,723,928
Supplies inventory at cost	7,933,449	8,402,003
Other current assets	9,171,914	7,848,912
Total current assets	464,229,650	407,222,979
Assets whose use is limited or restricted by board	148,309,895	139,025,487
Capital assets:		
Land and construction in process	37,020,457	48,322,022
Other capital assets, net of depreciation	202,359,937	209,360,424
Total capital assets	239,380,394	257,682,446
Other assets:		
Investment in Securities	133,365,415	147,486,496
Investment in SVMC	12,101,846	13,591,358
Investment in Aspire/CHI/Coastal	1,731,023	4,474,433
Investment in other affiliates	21,390,919	22,088,847
Net pension asset	5,618,919	2,439,442
Total other assets	174,208,122	190,080,576
Deferred pension outflows	50,119,236	83,379,890
	$ 1,076,247,297	$ 1,077,391,378
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	$ 55,823,455	$ 55,187,756
Due to third party payers	53,188,290	74,273,203
Current portion of self-insurance liability	18,310,126	18,132,481
Total current liabilities	127,321,871	147,593,440
Long term portion of workers comp liability	14,556,513	14,780,831
Total liabilities	141,878,384	162,374,271
Pension liability	83,585,120	126,340,336
Net assets:		
Invested in capital assets, net of related debt	239,380,394	257,682,446
Unrestricted	611,403,399	530,994,325
Total net assets	850,783,793	788,676,771
	$ 1,076,247,297	$ 1,077,391,378

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
February 28, 2022

	Month of February,				Eight months ended February 28,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	$ 205,652,791	$ 180,231,867	25,420,924	14.10%	$ 1,630,584,105	$ 1,546,874,402	83,709,703	5.41%
Dedutions from revenue	149,977,720	137,685,836	12,091,884	8.77%	1,236,189,972	1,187,639,418	48,550,554	4.09%
Net patient revenue	55,675,071	42,346,031	13,329,040	31.48%	394,394,133	359,234,984	35,159,149	9.79%
Other operating revenue	1,006,532	944,363	62,169	6.58%	7,824,763	6,421,498	1,403,265	21.85%
Total operating revenue	**56,681,603**	**43,290,394**	**13,391,209**	**30.93%**	**402,218,896**	**365,656,482**	**36,562,414**	**10.00%**
Operating expenses:								
Salaries and wages	15,477,882	14,627,274	850,608	5.82%	123,260,711	122,795,216	465,495	0.38%
Compensated absences	2,540,920	2,097,322	443,598	21.15%	21,761,702	21,982,122	(220,420)	-1.00%
Employee benefits	8,271,888	6,673,819	1,598,069	23.95%	55,442,809	56,232,884	(790,075)	-1.41%
Supplies, food, and linen	6,338,618	5,470,842	867,776	15.86%	49,791,625	46,659,902	3,131,723	6.71%
Purchased department functions	3,233,458	3,151,036	82,422	2.62%	26,832,915	24,557,223	2,275,692	9.27%
Medical fees	1,635,942	1,823,779	(187,837)	-10.30%	15,068,855	14,615,397	453,458	3.10%
Other fees	3,890,787	900,331	2,990,456	332.15%	17,799,854	7,436,024	10,363,830	139.37%
Depreciation	1,863,850	1,798,643	65,207	3.63%	14,685,245	14,302,306	382,939	2.68%
All other expense	1,316,838	1,352,432	(35,594)	-2.63%	10,949,486	11,428,154	(478,668)	-4.19%
Total operating expenses	**44,570,183**	**37,895,479**	**6,674,704**	**17.61%**	**335,593,202**	**320,009,229**	**15,583,973**	**4.87%**
Income from operations	**12,111,420**	**5,394,916**	**6,716,504**	**124.50%**	**66,625,694**	**45,647,253**	**20,978,441**	**45.96%**
Non-operating income:								
Donations	166,987	166,667	320	0.19%	1,355,653	1,333,333	22,320	1.67%
Property taxes	333,333	333,333	(0)	0.00%	2,666,667	2,666,667	0	0.00%
Investment income	(1,653,243)	(63,302)	(1,589,942)	2511.69%	(7,905,483)	(506,412)	(7,399,070)	1461.08%
Income from subsidiaries	(3,000,799)	(3,893,007)	892,208	-22.92%	(22,313,299)	(32,812,369)	10,499,070	-32.00%
Total non-operating income	**(4,153,722)**	**(3,456,309)**	**(697,413)**	**20.18%**	**(26,196,462)**	**(29,318,781)**	**3,122,320**	**-10.65%**
Operating and non-operating income	**$ 7,957,698**	**$ 1,938,607**	**6,019,091**	**310.49%**	**$ 40,429,233**	**$ 16,328,472**	**24,100,761**	**147.60%**

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
NEWBORN STATISTICS					
Medi-Cal Admissions	36	35	350	332	(18)
Other Admissions	84	98	758	781	23
Total Admissions	120	133	1,108	1,113	5
Medi-Cal Patient Days	55	48	523	509	(14)
Other Patient Days	132	160	1,221	1,286	65
Total Patient Days of Care	187	208	1,744	1,795	51
Average Daily Census	6.7	7.4	7.2	7.4	0.2
Medi-Cal Average Days	1.5	1.4	1.6	1.6	0.0
Other Average Days	0.8	1.6	1.6	1.6	0.1
Total Average Days Stay	1.5	1.6	1.6	1.6	0.1
ADULTS & PEDIATRICS					
Medicare Admissions	254	349	2,516	2,702	186
Medi-Cal Admissions	244	207	1,879	1,906	27
Other Admissions	329	299	2,221	2,426	205
Total Admissions	827	855	6,616	7,034	418
Medicare Patient Days	1,268	1,665	11,863	11,869	6
Medi-Cal Patient Days	969	837	8,834	8,162	(672)
Other Patient Days	870	1,118	7,800	8,656	856
Total Patient Days of Care	3,107	3,620	28,497	28,687	190
Average Daily Census	111.0	129.3	117.3	118.1	0.8
Medicare Average Length of Stay	4.4	4.6	4.7	4.4	(0.3)
Medi-Cal AverageLength of Stay	3.7	3.4	3.9	3.5	(0.3)
Other Average Length of Stay	2.6	2.9	2.6	2.7	0.1
Total Average Length of Stay	3.5	3.6	3.7	3.5	(0.2)
Deaths	36	35	320	234	(86)
Total Patient Days	3,294	3,828	30,241	30,482	241
Medi-Cal Administrative Days	0	10	164	187	23
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	0	10	164	187	23
Percent Non-Acute	0.00%	0.26%	0.54%	0.61%	0.07%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
PATIENT DAYS BY LOCATION					
Level I	302	305	2,088	2,174	86
Heart Center	315	327	2,721	2,135	(586)
Monitored Beds	699	645	7,001	6,084	(917)
Single Room Maternity/Obstetrics	308	326	2,765	2,881	116
Med/Surg - Cardiovascular	627	754	5,879	5,664	(215)
Med/Surg - Oncology	32	247	1,367	2,220	853
Med/Surg - Rehab	389	455	3,454	3,490	36
Pediatrics	137	81	746	708	(38)
Nursery	187	208	1,744	1,795	51
Neonatal Intensive Care	150	110	1,039	878	(161)
PERCENTAGE OF OCCUPANCY					
Level I	82.97%	83.79%	66.10%	68.82%	
Heart Center	75.00%	77.86%	74.65%	58.57%	
Monitored Beds	92.46%	85.32%	106.71%	92.73%	
Single Room Maternity/Obstetrics	29.73%	31.47%	30.75%	32.04%	
Med/Surg - Cardiovascular	49.76%	59.84%	53.76%	51.80%	
Med/Surg - Oncology	8.79%	67.86%	43.27%	70.28%	
Med/Surg - Rehab	53.43%	62.50%	54.67%	55.24%	
Med/Surg - Observation Care Unit	0.00%	77.73%	0.00%	59.38%	
Pediatrics	27.18%	16.07%	17.06%	16.19%	
Nursery	40.48%	45.02%	21.75%	22.38%	
Neonatal Intensive Care	48.70%	35.71%	38.87%	32.85%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
DELIVERY ROOM					
Total deliveries	115	125	1,090	1,087	(3)
C-Section deliveries	37	33	329	351	22
Percent of C-section deliveries	32.17%	26.40%	30.18%	32.29%	2.11%
OPERATING ROOM					
In-Patient Operating Minutes	13,104	21,006	156,630	150,070	(6,560)
Out-Patient Operating Minutes	16,135	24,019	170,695	195,619	24,924
Total	29,239	45,025	327,325	345,689	18,364
Open Heart Surgeries	7	15	90	96	6
In-Patient Cases	108	156	1,100	1,085	(15)
Out-Patient Cases	174	262	1,876	1,968	92
EMERGENCY ROOM					
Immediate Life Saving	30	22	264	278	14
High Risk	404	425	4,054	3,656	(398)
More Than One Resource	1,987	2,369	16,859	20,352	3,493
One Resource	725	1,223	10,119	13,329	3,210
No Resources	26	61	304	693	389
Total	3,172	4,100	31,600	38,308	6,708

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
CENTRAL SUPPLY					
In-patient requisitions	16,315	15,295	102,118	105,727	3,609
Out-patient requisitions	6,250	6,730	67,967	63,426	-4,541
Emergency room requisitions	1,375	698	11,273	8,349	-2,924
Interdepartmental requisitions	7,849	7,115	49,644	44,398	-5,246
Total requisitions	31,789	29,838	231,002	221,900	-9,102
LABORATORY					
In-patient procedures	42,107	38,721	253,735	241,589	-12,146
Out-patient procedures	9,286	11,597	76,062	80,263	4,201
Emergency room procedures	9,433	11,145	60,934	76,430	15,496
Total patient procedures	60,826	61,463	390,731	398,282	7,551
BLOOD BANK					
Units processed	318	297	1,996	1,965	-31
ELECTROCARDIOLOGY					
In-patient procedures	1,041	1,068	6,566	6,885	319
Out-patient procedures	349	302	2,706	2,668	-38
Emergency room procedures	1,045	1,148	6,142	7,127	985
Total procedures	2,435	2,518	15,414	16,680	1,266
CATH LAB					
In-patient procedures	64	77	512	607	95
Out-patient procedures	51	71	571	625	54
Emergency room procedures	0	0	1	0	-1
Total procedures	115	148	1,084	1,232	148
ECHO-CARDIOLOGY					
In-patient studies	298	371	2,033	2,406	373
Out-patient studies	138	156	1,262	1,520	258
Emergency room studies	2	1	16	5	-11
Total studies	438	528	3,311	3,931	620
NEURODIAGNOSTIC					
In-patient procedures	140	165	1,109	1,090	-19
Out-patient procedures	24	27	169	164	-5
Emergency room procedures	0	0	0	0	0
Total procedures	164	192	1,278	1,254	-24

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
SLEEP CENTER					
In-patient procedures	0	0	1	0	-1
Out-patient procedures	183	167	1,315	1,153	-162
Emergency room procedures	0	0	0	0	0
Total procedures	183	167	1,316	1,153	-163
RADIOLOGY					
In-patient procedures	1,654	1,429	9,708	8,710	-998
Out-patient procedures	416	356	4,323	2,915	-1,408
Emergency room procedures	1,217	1,382	7,939	8,809	870
Total patient procedures	3,287	3,167	21,970	20,434	-1,536
MAGNETIC RESONANCE IMAGING					
In-patient procedures	105	141	860	890	30
Out-patient procedures	127	77	953	768	-185
Emergency room procedures	14	6	80	49	-31
Total procedures	246	224	1,893	1,707	-186
MAMMOGRAPHY CENTER					
In-patient procedures	2,718	3,550	20,910	24,711	3,801
Out-patient procedures	2,696	3,518	20,790	24,527	3,737
Emergency room procedures	3	0	3	8	5
Total procedures	5,417	7,068	41,703	49,246	7,543
NUCLEAR MEDICINE					
In-patient procedures	12	14	86	94	8
Out-patient procedures	61	78	506	541	35
Emergency room procedures	1	0	4	4	0
Total procedures	74	92	596	639	43
PHARMACY					
In-patient prescriptions	111,491	94,299	636,356	605,331	-31,025
Out-patient prescriptions	10,439	11,319	99,978	104,283	4,305
Emergency room prescriptions	5,342	7,197	36,983	48,996	12,013
Total prescriptions	127,272	112,815	773,317	758,610	-14,707
RESPIRATORY THERAPY					
In-patient treatments	29,606	21,738	156,457	131,478	-24,979
Out-patient treatments	143	981	3,391	7,896	4,505
Emergency room treatments	373	194	1,179	1,583	404
Total patient treatments	30,122	22,913	161,027	140,957	-20,070
PHYSICAL THERAPY					
In-patient treatments	2,256	2,396	16,109	16,284	175
Out-patient treatments	99	170	1,751	2,108	357
Emergency room treatments	0	0	0	0	0
Total treatments	2,355	2,566	17,860	18,392	532

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Feb and eight months to date

	Month of Feb		Eight months to date		
	2021	2022	2020-21	2021-22	Variance
OCCUPATIONAL THERAPY					
In-patient procedures	1,445	1,660	9,403	10,682	1,279
Out-patient procedures	74	99	797	1,086	289
Emergency room procedures	0	0	0	0	0
Total procedures	1,519	1,759	10,200	11,768	1,568
SPEECH THERAPY					
In-patient treatments	348	525	2,682	3,077	395
Out-patient treatments	23	28	171	200	29
Emergency room treatments	0	0	0	0	0
Total treatments	371	553	2,853	3,277	424
CARDIAC REHABILITATION					
In-patient treatments	0	0	0	0	0
Out-patient treatments	498	401	2,637	4,268	1,631
Emergency room treatments	0	0	1	0	-1
Total treatments	498	401	2,638	4,268	1,630
CRITICAL DECISION UNIT					
Observation hours	378	344	1,866	2,252	386
ENDOSCOPY					
In-patient procedures	85	78	626	636	10
Out-patient procedures	12	29	159	223	64
Emergency room procedures	0	0	0	0	0
Total procedures	97	107	785	859	74
C.T. SCAN					
In-patient procedures	537	596	3,803	4,027	224
Out-patient procedures	445	281	3,598	2,517	-1,081
Emergency room procedures	433	552	3,208	4,164	956
Total procedures	1,415	1,429	10,609	10,708	99
DIETARY					
Routine patient diets	17,554	21,351	113,154	130,102	16,948
Meals to personnel	19,345	21,421	144,216	152,161	7,945
Total diets and meals	36,899	42,772	257,370	282,263	24,893
LAUNDRY AND LINEN					
Total pounds laundered	99,573	100,531	710,088	689,921	-20,167

Salinas Valley Memorial Healthcare System

Memorandum

To: Board of Directors

From: Clement Miller

Date: March 24, 2022

Re: Policies Requiring Approval

As required under Title 22, CMS, and The Joint Commission (TJC), please find below a list of regulatory required policies with summary of changes that require your approval.

	Policy Title	Summary of Changes	Responsible VP
1.	Amniotomy Standardized Procedure	Changed Policy to Procedure format. Moved Policy Statement to III Protocol. Updated Section C.	Clement Miller
2.			

Salinas Valley Memorial Healthcare System

AMNIOTOMY STANDARDIZED PROCEDURE

Reference Number	373
Effective Date	Not Set-Date approved?
Applies To	L & D
Attachments/Forms	Attachment A

I. POLICY

N/A ~~Function (s)~~

- ~~To provide the registered nurse with guidance in determining the need to perform an urgent/emergent amniotomy and/or placement of internal fetal spiral electrode through intact membranes.~~

~~B. Circumstances~~

- ~~Setting~~

~~1. The registered nurse may apply a fetal scalp electrode~~ APPLICATION OF ~~FETAL SCALP ELECTRODE CLINICAL PROCEDURE through intact membranes for the purpose of obtaining additional assessment data and continuing treatment under certain circumstances. Amniotomy should only be performed in a labor and delivery area equipped to handle an emergency situation.~~

- ~~Supervision~~

~~1. Telephone contact with physician.~~

- ~~Patient Conditions~~

~~1. Amniotomy should not routinely be used to place fetal scalp electrodes when membranes are intact, simply for the convenience of other health care providers. Patient condition situations may typically include when fetal well-being is in question based on evaluation of the characteristics of the external fetal monitor tracing, or when fetal well-being is in question and the tracing is unreadable.~~

II. DEFINITIONS

- Amniotomy – artificial rupture of membranes.

III. PROTOCOL

A. Function (s)

- To provide the registered nurse with guidance in determining the need to perform an urgent/emergent amniotomy and/or placement of internal fetal spiral electrode through intact membranes.

approval

B. Circumstances

- Setting
  1. The registered nurse may apply a fetal scalp electrode APPLICATION OF FETAL SCALP ELECTRODE CLINICAL PROCEDURE through intact membranes for the purpose of obtaining additional assessment data and continuing treatment under certain circumstances. Amniotomy should only be performed in a labor and delivery area equipped to handle an emergency situation.
- Supervision
  1. Telephone contact with physician.
- Patient Conditions
  1. Amniotomy should not routinely be used to place fetal scalp electrodes when membranes are intact, simply for the convenience of other health care providers. Patient condition situations may typically include when fetal well-being is in question based on evaluation of the characteristics of the external fetal monitor tracing, or when fetal well-being is in question and the tracing is unreadable.

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~~A.~~C. Database

- Subjective
  1. Assessment and documentation of the fetal heart rate and characteristics; uterine activity; color, consistency, odor and amount of amniotic fluid.
- Objective
  1. Immediately prior to amniotomy, the nurse should assess the fetal heart rate and characteristics, and perform a vaginal exam to palpate for umbilical cord, determine fetal station and presentation.
  2. Document the indication for placement of fetal scalp electrode.
  3. Palpate for umbilical cord following completion of amniotomy via application of fetal scalp electrode~~.~~.

~~B.~~D. Diagnosis

- Questionable fetal well-being in patients with intact membranes without a physician present~~.~~

~~C.~~E. Plan

- Treatment

Approved

1. Application of fetal scalp electrode for improved ability to assess fetal well-being evaluation.

- Patient conditions requiring consultation/reportable conditions
  1. Notify physician of fetal scalp electrode placement and amniotomy as well as assessment of fetal heart rate, uterine activity and characteristics of amniotic fluid.
- Education-Patient/Family
  1. Provide education to patient as to procedure that will be performed.
- Follow-up
  1. Monitor for appropriate fetal response.
- Documentation of Patient Treatment
  1. Indication for placement of fetal scalp electrode through intact membranes.
  2. Patient response to procedure.
  3. Fetal heart rate characteristics.
  4. Uterine activity.
  5. Characteristics of amniotic fluid.
  6. Vaginal exam findings.
  7. Any conversations with the physician.

IV. REQUIREMENTS FOR THE REGISTERED NURSE

A. Education
- Provided in unit based orientation.

B. Training
- Indications for use of fetal scalp electrode and placement.

C. Experience
- Six months documented labor and delivery experience.

D. Evaluation
- Initial: at 3 months, 6 months, and 12 months by the nurse manager through feedback from colleagues, physicians, and chart review during performance period being evaluated. Three proctored placements of fetal scalp electrode with preceptor SEE ATTACHMENT A

- Routine: annually after the first year by the nurse manager through feedback from colleagues, physicians and chart review.

D. • Follow up: areas requiring increased proficiency as determined by the initial or routine evaluation will be re-evaluated by the nurse manager at appropriate intervals until acceptable skill level is achieved, e.g. direct supervision.

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~~E. Initial Evaluation~~

- ~~Three proctored placements of fetal scalp electrode with preceptor SEE ATTACHMENT A~~

~~F. Ongoing Evaluation as needed.~~

V. DEVELOPMENT AND APPROVAL OF THE STANDARDIZED PROCEDURE

A. Method

- Review and approval every three (3) years.
- Standardized procedure goes through the Family Practice Committee and OB/GYN Committee every three (3) years.
- Standardized Procedures goes through the interdepartmental policy committee (IDPC) upon creation of policy and when changes are made.
- Chief Nursing Officer upon creation of policy and with significant changes.

B. Review Schedule

- Every three years.

C. Signatures of Authorized Personnel Approving the Standardized Procedure and Dates

- Approval of the standardized procedure is outlined in the electronic policy and procedure system.
- Signatures of authorized personnel approving the standardized procedure and dates: Director of Women's/Children's Services, OB/GYN Committee Chair, Family Practice Committee ~~Chair, Interdisciplinary~~Chair, Interdisciplinary Practice Committee Chair, and Chief Nursing Officer.

VI. REGISTERED NURSES AUTHORIZED TO PERFORM PROCEDURE AND DATES

A. The list of qualified individuals who may perform this standardized procedure is available in the department and available upon request.

approval

VII. **REFERENCES**

~~A.~~ O'Brien-Abel, N. & Simpson, K. (2021). Fetal assessment during labor in Simpson,K., Creehan, P., O'Brien-Abel, B., Roth, C., & Rohan, A (Eds) *Perinatal Nursing* (5th ed. P. 420-422). Philadelphia:Wolters Kluwer. ~~AwAssociation of Women's Health, Obstetric, and Neonatal Nurses. (2009). Amniotomy and placement of internal fetal spiral electrode through intact membranes. *AWHONN position statement.*~~

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approval

ATTACHMENT A

Fetal Scalp Electrode Placement/ Amniotomy Standardized Procedure

RN Signature	
Manager	Date
CNS	Date

Signatures for three proctored fetal scalp electrode placements: proctor must be qualified RN (established competency with FSE) or MD:

Name	Date

approval

QUALITY AND EFFICIENT PRACTICES COMMITTEE

Minutes from the March 21, 2022 meeting of the Quality and Efficient Practices Committee will be distributed at the Board Meeting

(JUAN CABRERA)

FINANCE COMMITTEE

Minutes from the March 21, 2022 meeting of the Finance Committee will be distributed at the Board Meeting

Background information supporting the proposed recommendations from the Committee is included in the Board Packet

(RICHARD TURNER)

- *Committee Chair Report*
- *Board Questions to Committee Chair/Staff*
- *Motion/Second*
- *Public Comment*
- *Board Discussion/Deliberation*
- *Action by Board/Roll Call Vote*

Board Paper: Finance Committee

Agenda Item:	Consider Recommendation for Board Approval of the Perfusion Services Agreement between Salinas Valley Memorial Healthcare System and Central Valley Perfusion, Inc.
Executive Sponsor:	Clement Miller, Chief Operating Officer Carla Knight, Director of Perioperative Services
Date:	March 8, 2022

Executive Summary

The perioperative services department is seeking approval to renew the Perfusion Services Agreement between Salinas Valley Memorial Healthcare System (SVMHS) and Central Valley Perfusion, Inc. (CVP) for a two (2) year term through April 1, 2024. Approval of this contract will allow CVP to continue providing perfusion services for the SVMHS cardiac surgery and structural heart programs. CVP has been the sole provider for perfusion services at SVMHS since our prior provider gave notice of their inability to continue providing services in April of 2016. In addition CVP has gained the trust of our medical team which allows our staff and physicians to focus on the needs of the patients during extremely critical procedures.

Background/Situation/Rationale

The current demand for perfusionists is exceedingly high, with staffing shortages in hospitals throughout the country. At most, there are 120-150 new perfusion graduates in a year in the United States.

Perfusionists are certified medical technicians responsible for extracorporeal oxygenation of the blood during open-heart surgery and for the operation and maintenance of the equipment (such as a heart-lung machine) controlling it. Perfusionists are vital members of the cardiovascular surgical team because they are responsible for operating the heart-lung (cardiopulmonary bypass) machine. The heart-lung machine diverts blood away from the heart and lungs, adds oxygen to the blood, then returns the blood to the body—all without the blood having to go through the heart. During surgery, perfusionists use the heart-lung machine to maintain blood flow to the body's tissues and regulate levels of oxygen and carbon dioxide in the blood. Perfusionists are also responsible for measuring selected laboratory values (such as blood cell count) and monitoring circulation.

The low rate of available perfusionists coupled with the increased demand for their services has dramatically increased the rate required to secure a team that can effectively support our cardiac surgery and structural heart programs 24 hours a day, 7 days a week. In addition to CVP, our team reached out to an additional two perfusion service providers to assess the availability and cost of potentially transitioning to a new provider. The outcome of the inquiry confirmed that maintaining a relationship with CVP is the best option for SVMHS, due to availability of services in our area and the overall cost of the contract.

Timeline/Review Process to Date:

[2/28/2022] Perfusion Services Agreement Expiration Date
[2/11/2022] Amendment for One (1) Month Perfusion Services Extension Signed

[2/11/2022] Received Updated Perfusion Services Agreement Proposal / Quote

Meeting our Mission, Vision, Goals

Strategic Plan Alignment:

Approval of this contract renewal will allow our organization to continue to provide high quality cardiac surgical services and maintain our growing structural heart program.

Pillar/Goal Alignment:

☑ Service ☑People ☑ Quality ☐ Finance ☐ Growth ☑Community

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: Central Valley Perfusion
1. Proposed effective date	April 2, 2022
2. Term of agreement	Two (2) year Term
3. Renewal terms	N/A
4. Termination provision(s)	60 Days with Written Notice
5. Payment Terms	Monthly Payments. Net Forty-Five (45) Days
6. Annual cost	$630,000 for the first Twelve (12) Month period. 1% – 3% percent annual increase.
7. Cost over life of agreement	Estimated $ 1,278,900
8. Budgeted (indicate y/n)	Perfusion services are included in the budget at the current cost of $504, 000 per year.

Recommendation

Consider Recommendation for Board Approval for the Two (2) year Perfusion Services Agreement with Central Valley Perfusion, Inc. for an estimated total cost of $1,278,900.

Attachments

(1) Perfusion Services Agreement Proposal

(2) RFP

PERFUSION SERVICES AGREEMENT

THIS PERFUSION SERVICES AGREEMENT ("Agreement") is made and entered into as of April 2, 2022 ("Effective Date"), by and between Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code ("Hospital") and CentralValley Perfusion, Inc, a California corporation ("Company").

RECITALS

A. Hospital owns and operates an acute care facility located at 450 East Romie Lane, Salinas, California ("Facility") and is in need of qualified perfusion services in order to assist in the performance of extracorporeal bypass cardiac surgery and autotransfusion at Hospital ("Services");

B. Company employs or otherwise contracts with clinical perfusionists (individually “Perfusionist", collectively "Perfusionists") who are duly certified and/or licensed in the State of California ("State"), and qualifiedto perform such Services;

In consideration of the recitals above and the mutual covenants and conditions contained herein, Hospital and Company agree as follows:

1. RESPONSIBILITIES AND OBLIGATIONS.

a. Services. While this Agreement is in effect, Company shall provide Perfusionists to perform thoseServices set forth at Exhibit A, attached hereto.

b. Applicable Standards. Company and each Perfusionist agree that all Services provided pursuant to this Agreement shall be performed in compliance with all applicable standards set forth by law or ordinance or established by the rules and regulations of any federal, state or local agency, department, commission, association or other pertinent governing, accrediting, or advisory body, including The Joint Commission, having authority to set standards for health care facilities. Also, each Perfusionist shall perform all Services in accordance with all applicable Hospital rules, regulations, procedures, policies and bylaws.

c. Compliance Program. Contractor shall comply with the Hospital's Corporate Compliance Program ("Program"), as applicable to the Services provided under this Agreement. Contractor agrees to comply with any Program policies and procedures duly adopted by the Hospital.

d. Records and Reports. Each Perfusionist shall promptly document all treatments and procedures performed pursuant to this Agreement. Each Perfusionist shall use the medical records and report forms, whether paper or electronic, as provided by Hospital Operating Room ("OR") to document treatments and procedures. Company and each Perfusionist agree that all records and reports required by this Subparagraph shall be the exclusive property of Hospital.

e. Professional Qualifications. Company shall ensure that each Perfusionist providing Services hereunder shall at all times:

(1) Possess certification, or is Board Eligible, as a Perfusionist in the State of California; and

(2) Register and remain fully current with Hospital's vendor credentialing and tracking mechanism and requirements ("Vendor Credentialing").

f. Representations and Warranties. Company represents and warrants to Hospital upon execution andwhile this Agreement is in effect, as follows:

(1) Neither Company nor any Perfusionist is bound by any agreement or arrangement which would preclude Company or any Perfusionist from entering into, or from fully performing the Services requiredunder, this Agreement;

(2) No Perfusionist's license /certification to practice in the State or in any other jurisdiction has ever been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary

action, or restricted in any way;

(3) No Perfusionist's privileges or permission to perform services at any health care facility haveever been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; and

(4) Each Perfusionist has, and shall maintain throughout this Agreement, an unrestrictedlicense/certification to practice as a Perfusionist in the State and current status with Vendor Credentialing as necessary to perform the Services.

(5) Company warrants that, to its knowledge, neither Company nor its employees/agents performing services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing services under this Agreement is excluded, Company will promptly replace that employee/agent. If Company is excluded, Hospital may terminate this agreement, without penalty, uponwritten notice to Company.

g. Use of Hospital Facilities. Any facilities, equipment, supplies, or personnel provided by Hospital shall be used by Company and each Perfusionist solely to provide Services under this Agreement and shall not be used for any other purpose whatsoever. This Agreement shall not be construed as a lease to Company or any Perfusionist of any portion of Hospital's facilities; insofar as each Perfusionist may use a portion of Hospital's facilities, each Perfusionist does so as a licensee only, and Hospital shall at all times have full and free access to thesame.

h. Quality Measures. Company will submit the following measures to Hospital on a quarterly basis:

(1.) Plan Rationale: Minimum SvO2 of 65% should be maintained during cardiopulmonary bypass
Reason for Monitoring: A minimum SvO2 value ensures adequate 02 delivery and helps assess 02 extraction
Explanation of Performance: Acceptable tolerance is 90%

(2.) Plan Rationale: All ACT's before and during Cardiopulmonary Bypass should be > 400 seconds.
Reason for Monitoring: To assure adequate anticoagulation before instituting CPB.
Explanation of Performance: Acceptable tolerance is 90%

(3.) Plan Rationale: To assure proper level of Potassium (K+) during CPB.
Reason for Monitoring: To assure proper level of potassium during CPB.
Explanation of Performance: Acceptable tolerance is 80%

2. RESPONSIBILITIES OF HOSPITAL.

a. Equipment, Facilities, Supplies, Utilities and Services. Hospital shall, at no cost to Company, provide all equipment, facilities, utilities, including in-house telephone service, and other services, including laundry, linen and janitorial services, as the Hospital shall, in its sole discretion, determine from time to time to benecessary for the performance of the Services. The parties expressly agree that all items supplied by Hospital pursuant to this Subparagraph shall remain the exclusive personal property of Hospital.

b. Personnel. Hospital shall employ such personnel, as Hospital deems necessary for the proper performance of the Services or any other Company obligation set forth in this Agreement. The parties hereby agreethat all such personnel shall be subject to the direction and control of Company or Perfusionists in its or their performance of professional services to patients.

3. COMPENSATION.

a. Monthly Payments. For the Services rendered by Company to include two Perfusionists, Hospital shall pay Company the amount of Fifty-Two Thousand Five Hundred Dollars ($52,500.00) per month for the first twelve-month period. Thereafter, fees will be increased annually to no less than one percent (1%) and no more than three- and one-half percent (3.5%) based on the US Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U). Should Hospital in its sole discretion elect to add additional Perfusionist(s) to provide/cover on-going Services at Hospital, Hospital shall increase the compensation to Company for the Services by Twenty-Six Thousand Dollars ($26,000.00) per month. Hospital agrees to provide sixty (60) days

prior notice when requesting the Services of an additional Perfusionist. The Monthly Payments will be NET Forty-five Days (45).

b. Other Fees. Hospital at its sole discretion may elect to have Company provide Service for Extra-Corporeal Membrane Oxygenation (ECMO). ECMO fees are both standard set-up and hourly rates. These are detailed in the Pricing List (Exhibit B) and are held to the term of Net forty-five (45) days. Standard Set Up Fee willbe Three Hundred Dollars ($300.00) and will include the first two (2) hours of Service. Hourly Fee will be One Hundred Twenty-Five Dollars ($125.00) per hour of coverage.

c. Vacation Relief. It is understood by Hospital that at various times during the contract period, that vacation will be taken by a Perfusionist. Vacation will be taken by only one (1) Perfusionist at a time and during this time the Hospital will have one (1) Perfusionist to cover all necessary work, call and caseload. Hospital, at its sole discretion, may ask for coverage during times of vacation from another member of Company. This discretionary additional member shall be compensated at a daily rate of Eleven Hundred Dollars ($1,100.00) per day.

d. Perfusion Disposable Fees. Company will attempt to help Hospital by purchasing products below current market price. Hospital will have the final decision on what products Company will provide. A pricing list (Exhibit B) will be given to Hospital by Company. Hospital agrees to pay for all products that it orders from Company. All amounts shall be due and payable to Company within forty-five (45) days of Hospital's receipt of anaccurate invoice itemizing the supplies ordered with purchase order number.

e. Billing and Collection. It is understood by the parties that the compensation specified herein shall be Company's sole and exclusive compensation for perfusion services performed pursuant to this Agreement, and that Company shall not bill, charge or otherwise attempt to collect any additional compensation for services provided to Hospital's patients pursuant to this Agreement.

4. TERM OF AGREEMENT.

a. Term. The term of this Agreement shall be two (2) years commencing on the Effective Date, unless terminated earlier as provided herein.

b. Termination.

(1) Termination Without Cause. Either party may terminate this Agreement at any time with orwithout stating cause or reason and without penalty, upon not less than sixty (60) days written notice to the other party.

(2) Termination for Breach. Either party may terminate this Agreement upon breach by the other party of any material provision of this Agreement, provided such breach continues for fifteen (15) days after receipt by the breaching party of written notice of such breach from the non-breaching party.

(3) Immediate Termination by Hospital. Hospital may terminate this Agreement immediatelyby written notice to Company upon the occurrence of any of the following events:

(a) the denial, suspension, revocation, termination, restriction, lapse, or voluntary relinquishment (under threat of disciplinary action) of any Perfusionist's Allied Health Professional privileges at aHospital Perfusionist's' s failure to maintain clearance with Vendor Credentialing, or Perfusionist's license/certification to provide the Services in the State;

(b) the failure of Company to make a timely disclosure required pursuant to Paragraph 10 hereof;

(c) conduct by any Perfusionist which, in the sole discretion of Hospital, could affectthe quality of professional care provided to Hospital's patients or the reasonable performance of duties required hereunder, or be prejudicial or adverse to the best interest and welfare of Hospital or its patients;

(d) breach by any Perfusionist of any of the confidentiality provisions hereto;

(e) Company's failure to maintain professional liability insurance as requiredin Paragraph 7 hereof; or

(f) any Perfusionist becomes involved in a pending criminal action or proposed debarment, exclusion, or other sanctioning action related to any Federal or State healthcare program

(4) Effect of Termination. As of the effective date of termination of this Agreement, neither party shall have any further rights orobligations hereunder except: (a) as otherwise provided herein; (b) for rights and obligations accruing prior to such effective date of termination; or (c) arising as a result of any breach of this Agreement.

5. WITHDRAWAL OF PERFUSIONISTS. All Perfusionist performing Services under this Agreement shallbe subject to initial and continuing approval of the cardiac surgeons and Hospital. At all times while this Agreementis in effect, either Hospital's President/Chief Executive Officer ("CEO") or Hospital's Chief Medical Officer ("CMO") shall have the right to request removal of any such Perfusionist if, in the CEO's or CMO's best judgment, such removal is in the best interests of Hospital. Company hereby agrees to remove any such Perfusionist upon receipt of the CEO's or CMO's request.

6. COMPANY'S STATUS. Company and each Perfusionist providing Services under this Agreement shall actat all times as independent contractors in relation to Hospital. The parties agree that Hospital shall not have and shall not exercise control or direction over the manner or method by which Company or Perfusionist provide the Services.However, Company and each Perfusionist shall perform at all times in accordance with currently approved methods and standards of practice for Services in the medical community. The provisions of this Paragraph shall survive expiration or other termination of this Agreement, regardless of the cause of such termination. Company agrees that it shall be solely responsible for payment of state, local and federal taxes, withholding payments, penalties, fees, fringe benefits, insurance premiums, contributions to insurance and pension or other deferred compensation plan, including but not limited to social security obligations and the filing of all necessary documents, forms and returns required for or pertinent to all of the foregoing. Company shall indemnify, reimburse and hold Hospital harmless against any and all claims for the payment or filing of any of the foregoing payments or documents, withholdings, contributions, taxes, documents and returns, including but not limited to, employee benefit programs, social security taxes and income withholding taxes.

7. **INSURANCE.** Company shall maintain at all times throughout this Agreement professional liability insurance for itself and each Perfusionist providing Services hereunder in the minimum amounts of $1,000,000 per occurrence/$3,000,000 annual aggregate from an insurance company acceptable to Hospital. If such insurance is on a "claims-made" basis, and such coverage is later terminated, or converted to an "occurrence" coverage (or vice versa), Company shall provide evidence to Hospital that it has in force or has procured "prior acts" or "tail" coverage (as applicable), in the above amounts, covering all periods that this Agreement is or has been in force. Company shall provide Hospital with written evidence of such insurance prior to the execution of this Agreement and after any change is made in any insurance policy that would alter the information on the certificate then on file.

8. ACCESS TO BOOKS AND RECORDS.

a. If the value or cost of Services rendered to Hospital pursuant to this Agreement is Ten Thousand Dollars ($10,000.00) or more over a twelve-month period, Company agrees as follows:

(1) Until the expiration of four (4) years after the furnishing of such Services, Company shall,upon written request, make available to the Secretary of the Department of Health and Human Services (the "Secretary"), the Secretary's duly-authorized representative, the Comptroller General, or the Comptroller General's duly-authorized representative, such books, documents, and records as may be necessary to certify the nature and extent of the cost of such Services; and

b. If any such Services are performed by way of subcontract with another organization and the value or cost of such subcontracted Services is Ten Thousand Dollars ($10,000.00) or more over a twelve-month

period, such subcontract shall contain, and Company shall enforce, a clause ID the same effect as Subparagraph 8.a.(l) immediately above. The availability of Company's books, documents, and records shall be subject at all times to all applicable legal requirements, including without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. The provisions of Subparagraphs 8.a. and 8.b. shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

9. CONFIDENTIALITY.

a. Hospital Information. Company recognizes and acknowledges that, by virtue of entering into this Agreement and providing services to Hospital hereunder, Company and each Perfusionist may have access to certain information of Hospital that is confidential and constitutes valuable, special and unique property of Hospital. Company agrees that neither it nor any Perfusionist will at any time, either during or subsequent to the term of this Agreement, disclose to others, use, copy or permit to be copied, without Hospital's express prior written consent, except pursuant to his duties hereunder, any confidential or proprietary information of Hospital, including, but notlimited to, information which concerns the costs or treatment methods developed by Hospital, and which is not otherwise available to the public.

b. Terms of this Agreement. Except for disclosure to Company's or any Perfusionist's legal counsel, accountant or financial advisors (none of whom shall be associated or affiliated in any way with Hospital or any of itsaffiliates), neither Company nor any Perfusionist shall disclose the terms of this Agreement to any person or entity, unless disclosure thereof is required by law or otherwise authorized by this Agreement or consented to by Hospital. Unauthorized disclosure of the terms of this Agreement shall be a material breach of this Agreement and shall provide Hospital with the option of pursuing remedies for breach or immediate termination of this Agreement in accordance with Subparagraph 4.b. hereof.

c. Patient Information. Neither Company nor any Perfusionist shall disclose to any third party, except where permitted or required by law or where such disclosure is expressly approved by Hospital in writing, any patient or medical record information regarding Hospital patients ("Patient Information"), and Company and each Perfusionist shall comply with all federal and state laws and regulations, and all rules, regulations, and policies of Hospital, regarding the confidentiality of such information, including, but not limited to, the Federal Health Insurance Portability and Accountability Act of l996, Public Law 104-191 ("HIPAA"), Subtitle D of the Federal HITECH Act ("HITECH Act,"42 U.S.C. § 17921 et seq.), and the regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations," 45 C.F.R. Part 160, t:I seq.), and the Confidentiality of Alcohol and Drug Abuse Patient Records regulations (42 C.F.R. Part2), as amended from time to time.

d. Remedy. Unauthorized disclosure of Patient Info1mation or Hospital Information shall be a material breach of this Agreement and in the event of such unauthorized disclosure; Hospital shall have the option of pursuing remedies for breach, or, notwithstanding any other provision of this Agreement, immediately terminating this Agreement upon written notice to Company. Notwithstanding any other remedy that may be available in law or equity, the parties stipulate and agree that the aggrieved party may obtain preliminary or permanent injunctive reliefto prevent disclosures of confidential information or further disclosures, along with such mandatory relief as may be appropriate to limit the effect of any prior disclosure, without the need of showing irreparable harm, as it may be difficult or impossible to establish an imminent threat of irreparable harm.

e. Survival. The provisions of this Paragraph 9 shall survive expiration or other termination of this Agreement, regardless of the cause of such termination

10. REQUIRED DISCLOSURES. Company shall notify Hospital in writing within three (3) days after any of thefollowing events occurs:

a. Any Perfusionist's license/certification to practice in the State or any other jurisdiction lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction;

b. Any Perfusionist's clear status with Vendor Credentialing or privileges at any health care facility

are denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action), or made subject to terms of probation or other restriction; or

c. Company or any Perfusionist becomes the subject of an investigatory, disciplinary, or other proceeding before any governmental, professional, licensing board, medical staff, or peer review body;

11. ARBITRATION. Any dispute or controversy arising under, out of or in connection with, or in relation to this Agreement, or any amendment hereof, or the breach hereof shall be determined and settled by arbitration in Monterey County, California, in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration and applying the laws of the State. Any award rendered by thearbitrator shall be final and binding upon each of the parties, and judgment thereon may be entered in any court having jurisdiction thereof. The costs shall be borne equally by both parties. During the pendency of any such arbitration and until final judgment thereon has been entered, this Agreement shall remain in full force and effect unless otherwise terminated as provided hereunder. The provisions of this Paragraph shall survive expiration or othertermination of this Agreement regardless of the cause of such termination.

12. ENTIRE AGREEMENT MODIFICATION. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all othercommunications between the parties relating to such subject matter. This Agreement may not be amended or modified except by mutual written agreement.

13. GOVERNING LAW. This Agreement shall be construed in accordance with the laws of the State ofCalifornia. The provisions of this Paragraph shall survive expiration or other termination of this Agreement regardless of the cause of such termination. Venue shall be in Monterey County.

14. COUNTERPARTS. This Agreement may be executed in one or more counterparts, all of which together shall constitute only one Agreement.

15. NOTICES. All notices hereunder shall be in writing, delivered personally, by certified or registered mail,return receipt requested, or by overnight courier, and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, postage prepaid, or deposited with the overnightcourier, addressed as follows:

If to Hospital:
Salinas Valley Memorial Healthcare System
Attn: President/CEO
450 E. Romie Lane Salinas, CA 93901

Copy to: Ottone Leach & Ray LLP 1418 South Main Street, Suite 203 Salinas, CA 93908

If to Company:
Central Valley Perfusion, Inc.
Attn: President/CEO
1500 Standiford Ave. Bldg.
CModesto, CA 95350

or to such other persons or places as either party may from time to time designate by notice pursuant to thisParagraph.

16. WAIVER. A waiver by either party of a breach or failure to perform hereunder shall not constitute a waiverof any subsequent breach or failure.

17. CAPTIONS. The captions contained herein are used solely for convenience and shall not be deemed todefine or limit the provisions of this Agreement.

18. ASSIGNMENT, BINDING EFFECT. Company shall not assign or transfer, in whole or in part, this Agreement orany of Company's rights, duties or obligations under this Agreement without the prior written consent of Hospital, and any assignment or transfer by Company without such consent shall be null and void. This Agreement shall inureto the benefit of and be binding upon the parties hereto and their respective heirs, representatives, successors and permitted assigns. This Agreement is assignable by Hospital without consent, provided that Hospital provides prompt written notice of the assignment.

19. FINANCIAL OBLIGATION. Neither Company nor any Perfusionist shall incur any financial obligation onbehalf of Hospital without the prior written approval of Hospital.

20. EXCLUSIVE AGREEMENT. The parties agree that during the term of this agreement, and any extension thereof, Company shall be the exclusive provider of perfusion/autotransfusion services to Hospital, and Hospital will not schedule itself to provide nor enter into any agreement with a third party to provide such services to Hospital. Other hospital employees such as nurses, physician assistants or technicians, will not perform services and duties.

21. NON-DISCRIMINATION. It is understood that neither Hospital nor Company nor any Perfusionist shall discriminate against any person on the basis of race, color, religion, age, sex, national origin, disability, sexualorientation or any other legally protected status.

22. <u>INDEMNIFICATION</u>. Company shall indemnify, defend and hold harmless Hospital, its officers, trustees,agents, and employees from and against the following:

a. All third-party claims and liabilities for compensation (together with related expenses, including but not limited to damages, costs and attorneys' fees) on account of Company's non-payment for any work, services, materials, or supplies furnished or supplied by such third parties to or for either the Company or Company's subcontractors in connection with the performance of this Agreement; and

b. Any and all claims, liabilities, and losses (together with any expenses related thereto, including butnot limited to damages, court costs, and attorneys' fees) occurring or resulting to any person, firm, or corporation fordamage, injury, or death, to the extent that such claims, liabilities, or losses arise out of, are alleged to arise out of, orare connected with the wrongful, willful or negligent act or omission of the Company, its officers, employees, agents, or subcontractors in the performance of this Agreement.

Signatures

The parties hereby execute this Agreement as of the Effective Date set forth above.

HOSPITAL

SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

By: _____ Date: _____
Pete Delgado, President/CEO

COMPANY

CENTRAL VALLEY PERFUSION

By: _____ Date:_____
Anderson Ward, CEO

EXHIBIT A

Duties and Responsibilities

I. Cardiac Perfusion Services: Complete blood gas analysis, hemoconcentration, cardioplegia delivery, administration of pharmacological agents as necessary, cardiac and vascular autotransfusion, perfusion standby, anticoagulation regulation, insertion of: IABP, LVAD, RVAD, or BIVADS.

2. Coverage Services. Company shall provide Perfusionists to perform such services of extracorporealperfusion and autotransfusion. Such coverage will include the following:

(a) Coverage of a Perfusionist for all elective cases requiring cardiopulmonary bypass; and

(b) Twenty-four (24) hours, seven (7) days per week, coverage for all services requiring a Perfusionist. Services include basic cardiopulmonary bypass, all minimally invasive cardiac procedures where a Perfusionist is needed either for standby or technical assistance or any other cardiac surgical procedure where the cardiac surgeon deems it necessary for a Perfusionist to be present, perfusion standby, cardiac and vascular autotransfusion. In this regard, Company shall have the responsibility of providing Hospital with an accurate and up-to-date schedule showing the whereabouts at all times of such Perfusionist. Company shall ensure the availability of one (1) Perfusionist ("On-Call Perfusionist") at all times during off hours and weekends. For purposes of this Agreement, On-Call Perfusionist shall be at all times within thirty (30) minutes from Hospital; and

(c) On elective cases, Company agrees to have a Perfusionist available in the operating room sixty (60) minutes prior to starting time and agrees to have such Perfusionist remain on the case until excused by thesurgeon in charge of the case.

3. Further Duties. Further duties shall include but not necessarily be limited to the following:

a. Responsibility for setting up heart-lung machine (HLM) on all cases, and for cleaning sothat HLM is ready for subsequent cases;

b. Responsibility for ordering, purchasing and maintaining perfusion disposable inventory asdesignated perfusion price list; All hospital mandated drawers to be locked when not in use.

c. Assistance and cooperation in connection with the development of any and all studiesundertaken by the cardiac surgeons;

d. Responsibility for a complete record of perfusion and/or autotransfusion: one copy to be placed in the patient's chart at the end of each case;

e. Responsibility for any other duties designated by the cardiac surgeons;

f. Responsibility for providing on-going Quality Controls and Assurances;

g. Responsibility for establishing and maintaining perfusion database for purposes of trackingand reporting volume and other statistics deemed necessary by Hospital;

h. Responsibility for maintaining and operating other related equipment associated with circulatory support (i.e., ventricular support devices, portable perfusion equipment (CPS) and autotransfusion equipment as directed by the cardiac surgeons);

i. Responsibility for submitting, at least annually, perfusion protocols to the Surgery andAnesthesia Departments for approval;

j. Responsibility for undergoing annual clinical competency assessments commensurate with designated duties and responsibilities

EXHIBIT B
Pricing List

ECMO Set-up (includes first two hours) $300.00
ECMO Hourly rate (per hour) $125.00

Vendor	Item Number	Description	Qty per case	Salinas Current Price
Medline	FEN600 (FWL4R2024	Fenwall 600 ML Transfer Bag With Male Luer	12	$227.00
Edwards	EZS21A	Cannula	10	$874.00
Edwards	OPTI18	Optisite Femoral Arterial		$468.25
Edwards	RC2012	Cannula Retrograde..12fr 18mm Textured	10	$1,366.20
Edwards	TF292902	3 stage venous cannula	10	$500.40
Edwards	TF293702	Canula Venous 3 stage 29x37x37fr	10	$500.14
Haemonetics	00260-00	Fast Pack 225ml, 150 Res	4	$463.68
Haemonetics	SQ40S	SQ40S	40	$590.48
LivaNova	20465101	3/8" x 3/32 Tubing	10	$472.00
LivaNova	20466101	1/2" x 3/32 Tubing	10	$472.00
LivaNova	29282000	Sidearm WYE 1/2" x 1/2" x 1/4"	24	$148.00
LivaNova	50604000	1/4 Conn W/LL	24	$121.38
LivaNova	627363001	Extra Vent Line	10	$300.00
LivaNova	020120801	DHF0.6 1/4 TBG 36, Connector	8	$600.00
LivaNova	200-100A	Venous femoral Cannula	5	$600.00
LivaNova	200-150A	Venous Femoral Cannula	5	$600.00
LivaNova	EC2105S	Connector 3/8" x 3/8" x 3/8'	20	$148.00
LivaNova	EC2130S	3/8 STR Connector	20	$148.00
LivaNova	EC2145S	3/8 x 1/2 Connector	20	$148.00
LivaNova	RV-40028	Venous Cannula Single Stage	10	$316.00
LivaNova	RV-40030	Venous Cannula Single Stage	10	$316.00
LivaNova	RV-40032	Venous Cannula Single Stage	10	$316.00
LivaNova	RV-40034	Venous Cannula Single Stage	10	$316.00
LivaNova	RV-41024	24 RA Venous Cannula	10	$370.00
LivaNova	RV-41028	Right Angle Venous Cannula	10	$370.00
LivaNova	RV-41030	Right Angle Venous Cannula	10	$370.00
LivaNova	RV-41032	Right Angle Venous Cannula	10	$370.00
LivaNova	RV-41034	Right Angle Venous Cannula	10	$370.00
LivaNova	RV-41036	Right Angle Venous Cannula	10	$370.00
LivaNova	SU-29602	Artial Sump Flexible	10	$200.00
Medtronic	5767	21 French SF Cannula	10	$690.00
Medtronic	5768	24 French SF Cannula	10	$690.00
Medtronic	10005	Adapter Y type 7.5"	20	$205.28
Medtronic	10014	Aortic Root Cannula	20	$355.00
Medtronic	14000	Set Multi perfusion adapter	10	$198.50
Medtronic	20014	DLP Root Cannula w/ vent	20	$418.00
Medtronic	71420	Cannula 71420 Art Flex Arch 20FR	20	$455.52
Medtronic	71422	Cannula Art Flex Arch 22FR	20	$455.52
Medtronic	77420	Cannula EOPA Blunt 20FR	10	$461.00

Medtronic	77422	Cannula EOPA Blunt 22FR	10	$518.08
Medtronic	785222	22 FR Cannula	10	$748.50
Medtronic	91263	MC2 Cannula	10	$330.50
Medtronic	94913L	13 FR retrograde		$850.40
Medtronic	96551	Next Gen Venus Insertion Kit	5	$455.40
Medtronic	96552	Next Gen Venus Arterial Kit	5	$455.40
Medtronic	94113T	Gundry 13 Cannula	10	$932.54
Medtronic	94115T	Gundry 15 Cannula	10	$932.54
Medtronic	96530-119	NG Femoral Arterial Cannula w/kit	1	$406.00
Medtronic	BT725	Suction Assembly	10	$123.25
Medtronic	CK0407R1	Comp Kit	1	$895.00
Pall	10	Aqina- IN-Line Tap Lop 31-Day US Version	12	$1,188.00
Quest	5001102	Cardio Microplegia Set..	10	$2,100.00
Quest	5001106	10 Ft Extension Line	10	$310.00
Spyder Medical	CP03004	Ostial Cannula	5	$448.00
Spyder Medical	CP04004	Ostial Cannula	5	$448.00
Terumo	1CXFX25E	Terumo CXFX25 oxygenator	4	$1,500.00
Terumo	6932	H/S Cuvette 1/2x1/2	10	$579.60
Terumo	74283	Oxygenator FX25		$325.00
Terumo	195240	Level Sensors	60	$400.00
Terumo	10433-001 now 112729-001	Nonin cerebral oximeter	20	$2,400.00
Terumo	4300S	Rigid Intracardiac Sucker	20	$696.00
Terumo	75936-02	Custom X-Coated perfusion pack		$546.25
Terumo	CDI506	CDI Calibration Gas A	1	$142.00
Terumo	CDI507	CDI Gas Calibration B		$142.00
Terumo	CDI510H	Shunt Sensors CDI500	20	$3,100.00
Terumo	S74281	Oxygenator FX15	1	$390.00
Vitalcor	315804	Str Cor Artery Perfusion Cannula	5	$500.00

Perfusion Services Comparison

Vendor: Specialty Care

Monthly Retainer Fee: $ 49, 926.00

Annual Retainer Fee: $ 599, 112.00

Estimated Annual Fee for TAVR and Mitral Clip Perfusion Support: $ 120, 000.00

Total Estimated Annual Cost: $ 719, 112.00

Key Terms: The monthly retainer fee covers up to 150 open heart surgeries per year. The price for each case over 150 is $ 1, 500. The monthly retainer fee does not cover support for TAVR or Mitral Clip surgeries. The price for each TAVR or Mitral Clip surgery is $ 1, 250. The estimated fee for TAVR and Mitral Clip perfusion support is based on a projection of 5 TAVR and 3 Mitral clip surgeries per month.

Vendor: Central Valley Perfusion

Monthly Fee (Year 1): $ 52, 500.00

Annual Fee (Year 1): $ 630,000.00

Estimated Monthly Fee (Year 2): $ 54, 337.50

Estimated Annual Fee (Year 2): $ 652, 050.00

Key Terms: The monthly/annual service price covers support for TAVR and Mitral Clip surgeries. The estimated monthly / annual fee is based on a maximum 3.5% fee increase after the first 12 months of the term as noted in the Perfusion Services Agreement proposal.

Vendor: Golden Gate Perfusion

Per email communication from Golden Gate Perfusion – the vendor does not have the bandwidth to cover perfusionist services at Salinas Valley Memorial Healthcare System.

Board Paper: Finance Committee

Agenda Item:	Consider Recommendation for Board Approval of the Alliance Healthcare Services, Inc. MRI and PET/CT Service Contract
Executive Sponsor:	Clement Miller, Chief Operating Officer Gina Ramirez, Director of Imaging Services
Date:	March 8, 2022

Executive Summary

The Alliance Imaging Services contract which provides SVMHS with on campus MRI and PET/CT modalities, expires on March 31, 2022. These services are vital to the diagnosis and treatment of our patients. MRI is used to diagnose many conditions and it plays an integral role in diagnosing patients for our Stroke program. PET/CT enables us to pinpoint abnormal metabolic activity which is especially helpful in diagnosing and providing treatment planning for our oncology patients.

Background/Situation

SVMH does not currently own a PET/CT or MRI scanner on the hospital campus. In order to offer these services to our patients, we contract with an outside vendor. Alliance Imaging has historically provided these services for the hospital. In partnership with Alliance, in 2006, a modular building was installed in the Heart Center parking lot to house the Alliance Imaging MRI scanner, in addition to the MRI service SVMHS provides CT and Ultrasound within the same building. PET/CT services are provided by a mobile unit that comes in one day per week.

Through the negotiation process we were able to secure better pricing terms in addition to gaining agreement to upgrade our current PET/CT and MRI equipment with new state of the art scanners. This will provide our patients and physicians with improved image quality as well as faster scans.

Timeline/Review Process to Date:

March 2022: Submittal to Finance Committee

Strategic Plan Alignment:

MRI and PET/CT services are necessary tools to help our physicians diagnose and treat illness in our patient population.

Pillar/Goal Alignment:

☒ **Service** ☐ **People** ☐ **Quality** ☐ **Finance** ☐ **Growth** ☐ **Community**

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	**Vendor: Alliance Imaging**
1. Proposed effective date	April 1, 2022
2. Term of agreement	MRI – 72 months / PET – 60 months
3. Renewal terms	TBD at the end of the contract – no auto renewal
4. Termination provision(s)	Material Breach, Bankruptcy, Payment default, inability to cover costs.
5. Payment Terms	Monthly billing. Payment due within 15 days of receipt of invoice.
6. Annual cost	
7. Cost over life of agreement	MRI – approx. $5,705,545 PET – approx. $1,184,868
8. Budgeted (indicate y/n)	Y

	New contract same Equip	New contract new equip	2nd year 1% increase	3rd year 2% increase	4th year 2% increase	5th year 2% increase	6th year 2% increase
PET (60 months)	$204,000	$229,500	$231,795	$236,431	$241,160	$245,983	
MRI (72 months)	$810,000	$912,000	$921,120	$939,542	$958,333	$977,500	$997,050
Total	**$1,014,000**	**$1,141,500**	**$1,152,915**	**$1,175,973**	**$1,199,493**	**$1,223,483**	**$997,050**
PET Cost using New EQ.		$1,184,868					
MRI Cost using New EQ.		$5,705,545					
Total Cost of Contract		**$6,890,413**					

Recommendation

Consider Recommendations for Board approval of the Alliance Healthcare Services, Inc. MRI and PET/CT contract in the amount of $6,890,413 over the course of the contract.

Attachments:

(1) Master Services Agreement and Quote

(2) Sole Source Justification

MASTER SERVICES AGREEMENT

This Master Services Agreement (the "Agreement") is made effective as of the date fully executed below between Alliance HealthCare Services, Inc., d/b/a Alliance HealthCare Radiology, a Delaware corporation, located at 18201 Von Karman, Suite 600, Irvine, California 92612 ("Alliance") and Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, located at 450 East Romie Lane, Salinas, California 93901-4098 (the "Client").

1. **SERVICE LOCATION** (the "Service Location"). 450 East Romie Lane, Salinas, California 93901-4098.

2. **UNIT DESCRIPTION:** Alliance shall provide the following Units (each, a "Unit", collectively, "Units").

a) Magnetic Resonance Imaging ("MRI") system. The Unit shall be housed in a Client-approved modular building at the Service Location. The current MRI system shall be a GE 23X MRI system which shall be upgraded to a GE Voyager MRI system. Each Unit Profile is attached as Exhibit "A". The Wholesale Customer Acknowledgement for FDA Process Requirements – MRI Gadolinium Based Contrast Agents is attached as Exhibit "C".

b) Positron Emission Tomography/Computed Tomography ("PET/CT") mobile system (or a reasonably comparable system). The current PET/CT system shall be a GE Discovery PET/CT system which shall be upgraded to a United Imaging Digital PET/CT system. Each Unit Profile is attached as Exhibit "B".

i) **Right to Substitute.** Throughout the period of use, Alliance reserves the right, in its sole discretion and at its sole expense, to replace and / or substitute the PET/CT Unit with reasonably comparable equipment upon providing no less than thirty (30) days advance notice to Client. Alliance shall work with Client in good faith to schedule and conduct any such substitution at a mutually agreeable time.

c) The MRI and PET/CT Performance Indicators are attached as Exhibit "D".

3. **FEES**. Client agrees to pay Alliance the following fees:

For purposes of this Agreement, a "procedure" means a single billable area of interest procedure and is any one (1) distinct anatomical area of interest or distinct CPT code.

a) MRI Monthly Fees:

GE 23X MRI system Monthly Fee: $67,500
GE Voyager MRI system Monthly Fee: $76,000(*)
(*) The GE Voyager MRI monthly fee shall be increased on each anniversary of the Commencement Date as described below:
First anniversary date following the MRI Commencement Date: 1%.
Second anniversary date and each anniversary date thereafter following the Commencement Date: 2%.

Additional Fees for each MRI Unit:
i) Hourly overtime beyond eight (8) hours per day, per California law, will be charged at the Service Location: $325 per hour.
ii) The monthly fee excludes Alliance Imaging Network MRI procedures which Alliance shall bill for directly pursuant to General Terms and conditions Section 2.20.

b) PET/CT Daily Fees:

Notwithstanding anything to the contrary in this Agreement, all PET and PET/CT procedures performed under this Agreement shall be restricted to the use of any radiopharmaceuticals that are approved for clinical use by the Nuclear Regulatory Commission (NRC) or applicable State under agreement with the NRC.

GE Discovery PET/CT system ten (10) hour day of service (excluding FDG): $4,000
United Imaging Digital PET/CT system eight (8) hour day of service (excluding FDG): $4,500(*)
(*) The United Imaging Digital PET/CT daily fee shall be increased on each anniversary of the Commencement Date as described below:
First anniversary date following the PET/CT Commencement Date: 1%.
Second anniversary date and each anniversary date thereafter following the Commencement Date: 2%.

Additional Fees for each PET/CT Unit:
i) Hourly overtime beyond the scheduled hours that an Alliance technologist is present at the Service Location: $325 per hour.

3.1. **Utilization Review Fee for PET/CT Medicare Patients.** Client agrees to pay Alliance $21 for each PET/CT Medicare patient under this Agreement that receives utilization review ("Utilization Review") conducted by Alliance whether or not the PET/CT Medicare patient actually has insurance, and whether or not Client receives any Medicare insurance payment. Utilization Review may be defined as a review of the medical necessity of the service, in conjunction with the insurance carrier's medical policy, to determine whether it reasonable and necessary for the diagnosis or treatment of illness or injury.

[SIGNATURE PAGE FOLLOWS]

4. **SCHEDULING**. Alliance shall make the Unit available to the Client and any services that Alliance is obligated to provide under this Agreement, and Client agrees to accept the Unit and any such services as described below:

a) GE 23X MRI modular Unit: seven (7) days per week, eight (8) hours per day.
b) GE Voyager MRI modular Unit: seven (7) days per week, eight (8) hours per day.
c) GE Discovery PET/CT mobile Unit: one (1) day per week, ten (10) hours per day.
d) United Imaging Digital PET/CT mobile Unit: one (1) day per week, eight (8) hours per day.

Alliance shall determine the specific service schedule.

5. **TERM**.

a) **MRI Term**: The initial term of this Agreement as it pertains to MRI service shall commence as of the date this Agreement is fully executed below (the "Effective Date") and shall continue until delivery of the GE Voyager MRI system. Upon delivery of the GE Voyager MRI system (the "MRI Commencement Date") the term of this Agreement as it pertains to MRI service shall continue for seventy-two (72) months thereafter. This Agreement as it pertains to MRI service shall not automatically renew. **This Agreement as it pertains to MRI service is contingent upon Alliance purchasing a GE Voyager MRI system, as determined by Alliance's Capital Expenditure Committee ("CapEx Committee"). This Agreement as it pertains to MRI service shall automatically terminate if the GE Voyager MRI system is not approved by the CapEx Committee.**

b) **PET/CT Term**: The initial term of this Agreement as it pertains to PET/CT service shall commence as of the Effective Date and shall continue until delivery of the United Imaging Digital PET/CT system. Upon delivery of the United Imaging Digital PET/CT system (the "PET/CT Commencement Date") the term of this Agreement as it pertains to PET/CT service shall continue for sixty (60) months thereafter. This Agreement as it pertains to PET/CT service shall not automatically renew.

6. **INCORPORATION**. This Agreement shall consist of the following documents: (1) the cover page(s) to this Agreement; and (2) General Terms and Conditions, which are attached hereto and incorporated herein.

Upon the Effective Date of this Agreement, this Agreement shall supersede and replace the following agreements; provided, however, such replacement shall not release Client from payment obligations under such MRI Services Agreement or /CT Master Services Agreement for services rendered prior to the Effective Date of this Agreement.:

1) **that certain MRI Services Agreement between Alliance and Client fully executed on July 15, 2002, as amended, and**
2) **that certain PET/CT Master Services Agreement between Alliance and Client fully executed on December 30, 2010, as amended.**

Alliance and Client have duly executed this Agreement as of the last date written below.

ALLIANCE HEALTHCARE SERVICES, INC. **d/b/a ALLIANCE HEALTHCARE RADIOLOGY**	**SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**
Authorized Signature Brent M. Chaffee SVP, Associate General Counsel Date: 02/25/2022 Telephone No. (949) 242-5300 Federal Tax ID No. 33-0239910	Authorized Signature Printed Name: _____ Title: _____ Date_____ Telephone No. (831) 757-4333 Federal Tax ID No. 94-6004020 ***IF CLIENT IS TAX EXEMPT, THE CLIENT MUST PROVIDE ITS SALES TAX EXEMPTION FORM ALONG WITH A SIGNED AGREEMENT.***

FOR CONTRACTS USE ONLY:

Contract #: Customer #: 11268 (MRI) / 12648 (PET/CT Client Type: Hospital
Replaces: 002893 (MRI) / 006942 (PET/CT)
ADO: DMoses Requestor: HBrewin

A fully executed document must be received prior to service commencement.

To Mail a Signed Document: Alliance HealthCare Services, Inc., ATTN: Contracts Administration Department, 18201 Von Karman, Suite 600, Irvine, California 92612.

To Email a Signed Document: Contracts@allianceradiology-us.com

To Fax a Signed Document: 602-345-7637

GENERAL TERMS AND CONDITIONS

1. EQUIPMENT AND SERVICES.

1.1 **The Unit**. Alliance shall provide:

a) an MRI system described in the cover page(s) to this Agreement (the "Unit"). The Unit shall be housed in a Client-approved modular building at the Service Location, and

b) a PET/CT mobile system described in the cover page(s) to this Agreement (the "Unit"). If the PET/CT Unit described is deemed in Alliance's discretion to be unavailable, a reasonably comparable Unit may be substituted.

1.2 **Personnel**.

a) **Provision of Personnel**. Alliance shall provide the services of technical personnel to operate the Unit as appropriate for Client's procedure volume. Alliance shall ensure that all services provided by Alliance's personnel shall be within the scope of his/her respective duties. Nothing in this Agreement shall be construed to obligate Alliance to violate any applicable employment laws or regulations, and Alliance personnel shall be entitled to take all breaks as required under any applicable laws or regulations. If a missed lunch break or meal break is approved by Client in writing in advance of such occurrence, Client agrees to pay Alliance a premium payment plus 5% pass through rate for any Alliance non-exempt team member that requires premium payment for missed lunch or meal breaks as required by applicable California law or regulations.

b) **Non-Solicitation**. Both parties agree not to hire or contract with any of the other party's employees during the term of this Agreement, including renewals, and for a period of one (1) year after services cease (collectively, the "Non-Solicitation Period"), without the other party's prior written consent. Alliance and Client hereby agree that in the event of a breach of this provision damages shall be difficult to calculate and therefore agree the non-defaulting party shall be entitled to receive six (6) times the monthly average salary of such employee for the past twelve months (or such shorter period as the employee may have been employed by the non-defaulting party). Alliance and Client agree that the aforementioned amounts are reasonable and shall constitute liquidated damages and not a penalty. Nothing in this Section will restrict a party's right to recruit or solicit generally in the media or hire the other party's employee who answers any advertisement or who applies for hire without having been recruited or solicited personally by the hiring party.

c) **Disclosure of Personnel Information**. Notwithstanding anything to the contrary in this Agreement, Client agrees, for as long as Alliance remains a Joint Commission-accredited organization, that Client shall not need to independently verify, and shall not require any oral information or written documentation concerning the credentialing, education, training, evaluation, or competencies related to any of Alliance's technical personnel beyond the following**,** which documentation set composition may be modified from time-to-time by Alliance in its reasonable discretion and which Alliance will provide to Client in writing upon request: (a) a description of the competencies related to Alliance's technical personnel who provide services on the Unit; (b) copies of any licenses and certifications for such personnel; (c) evidence that all vaccination test(s) required by applicable State law or regulation have been taken by such personnel; (d) a job description for the technologist(s) providing services on the Unit; and (e) a letter from Alliance's Vice President of Human Resources or designee attesting that criminal investigation background checks have been performed for each of Alliance technical personnel who provide services on the Unit and that such personnel meet the requirements to be employed by Alliance. Alliance shall not be obligated to provide any background check report, drug test report or result, or job performance evaluation for any of Alliance's technical personnel. Further, notwithstanding anything to the contrary in this Agreement, in the event of a Joint Commission survey of Client, Alliance, upon request by the Joint Commission surveyor, shall have the personnel file of Alliance's technical personnel accessible to the surveyor only for review as may be required by the Joint Commission.

d) **Confidentiality of Personnel Information.** Client acknowledges that all verifications, documents, electronic data, and other materials concerning Alliance personnel that Alliance provides or makes accessible in connection with this Agreement (collectively, "Confidential Personnel Information") are valuable property of Alliance, and Client undertakes that, during the term of this Agreement and thereafter until such time that the Confidential Personnel Information otherwise becomes publicly available other than through breach of this Section, Client shall: (i) treat the Confidential Personnel Information as trade secret and confidential assets of Alliance's business; (ii) not disclose (directly or indirectly, in whole or in part) the Confidential Personnel Information to any third-party except with the prior written consent of Alliance or when and if properly disclosed in connection with the Centers for Medicare and Medicaid Services ("CMS"), The Joint Commission, or other applicable federal and state compliance surveys, audits, reviews and record requests or as required by law; (iii) not use (or in any way appropriate) the Confidential Personnel Information for any purpose other than compliance with CMS, The Joint Commission, or other applicable federal and state requirements and/or as required by law; (iv) limit the dissemination of and access to the Confidential Personnel Information to Client's officers, managers, employees, agents, attorneys, consultants, professional advisors or representatives on a need to know basis as may reasonably be required for the performance of Client's compliance obligations outlined above, provided Client ensures that such individuals and entities observe all the confidentiality obligations set forth in this Section; (v) be entitled to use the Confidential Personnel Information only in good faith for the legitimate conduct of its business activities, and shall not in any case use such Confidential Personnel Information to gain a competitive advantage or for purposes unrelated to compliance with CMS, The Joint Commission, or other applicable federal or state requirements; and (vi) return any and all Confidential Personnel Information to Alliance promptly upon the termination or expiration of this Agreement, including but not limited to all such materials, documents, information and electronic data, regardless of how stored or maintained, and including all originals and copies.

1.3 **Maintenance**. Alliance shall use reasonable efforts to cause the Unit to be maintained in good operating condition. Alliance may do so through the purchase of a maintenance contract from the Unit manufacturer or otherwise, in its discretion. Alliance shall provide cryogens for MRI service. Client shall be responsible for maintaining in good and safe working order any equipment, including but not limited to an MRI safe gurney or MRI safe wheelchair that Client provides to Alliance for Alliance's use under this Agreement.

1.4 **Patient Survey**. Alliance and Client agree to implement a patient satisfaction survey process in partnership with a third party vendor of Alliance's choice at the Service Location. Further, Alliance agrees to provide to Client the results of such survey as requested by Client.

1.5 Maintenance of Performance.

a) If the Unit is not able to perform MRI or PET/CT procedures because of downtime and patients are scheduled, Alliance shall reschedule those MRI or PET/CT procedures not completed due to Unit downtime to another service day. Notwithstanding the foregoing, such rescheduled service day may fall on a different day than the day in which Client normally received service from Alliance.

b) Alliance shall ensure uptime performance of any Service Location as follows: In the event uptime performance falls below 95% for a given calendar year quarter – a corrective action plan shall be developed and implemented within thirty (30) days.

c) Should uptime performance fall below 95% for two consecutive quarters, at the direction of the Client, Alliance shall make a reasonable effort to replace equipment with comparable equipment.

d) Client uptime performance metrics shall be reviewed on a quarterly basis with each Alliance region during a regularly scheduled business review.

e) Uptime shall be calculated as follows:

i) Base uptime hours are calculated using average operation of equipment at 5.5 days per week, 7am – 5pm. This results in a 55 hour per week base if uptime is 100%

ii) Uptime hours = (Base hours/week X 12.9 week in a quarter) – Equipment downtime hours at the specified Service Location in the applicable quarter

iii) Uptime Percentage= (Uptime Hours/ Base Uptime Hours)*100

f) Weather related delays or other acts of nature, Preventive Maintenance (PM) time, and any equipment owned or supplied by Client, including but not limited to data lines, phone lines, electricity, power outages, other utilities, PACs systems, and the docking site that contribute to Unit downtime will not be factored into Alliance's calculation of Unit uptime.

2. SCANNING ACTIVITIES.

2.1 **Unit**. Client shall prepare and maintain a safe and suitable site for the Unit which complies with the manufacturer's specifications (which shall be provided by Alliance) and all applicable laws and regulations. All site costs (for example, for MRI service, power site preparation, unit installation, tenant improvements, and telephone expenses and for PET/CT service the costs of tractor/trailer access and egress, power and telephone expenses) shall be Client's responsibility. The Service Location shall be as referenced in the cover page(s) to this Agreement. Client represents and warrants to Alliance that it currently owns or has authorization to site the Unit at the Service Location. Further, Client further warrants and agrees that, at all times during the term of this Agreement, Client shall maintain the authorization or ownership to site the Unit at the Service Location. Client shall indemnify and hold Alliance harmless from any damages or liability arising out of breach of the representations and warranties in this Section. Client may request in writing to Alliance that the Service Location for PET/CT service be moved, in which case any such move shall be subject to Alliance's prior approval; all of the obligations under this Section shall apply to the new Service Location.

2.2 **Power**.

a) **MRI Power/Plumbing/Telecom/Data**. Client shall be responsible to provide electrical power, plumbing, telecom, and data needs to the MRI Unit, including a dedicated power line with dedicated 400 amps and 480 / 277 volts of three-phase power service at Client's expense. Client shall provide the power service line and all connectivity, including plumbing directly to the modular unit, within five (5) feet of foundation.

b) **PET/CT Power**. Client shall provide electrical power to the PET/CT Unit, including a dedicated power line with 200 amps and 480 volts of three-phase power. Client shall provide the power line, a lockable disconnect box and receptacle within twenty-five (25) feet of the electrical receptacle on the PET/CT Unit.

Notwithstanding anything to the contrary in this Agreement, Client shall be responsible for the quality of power to the MRI Unit and the PET/CT Unit, and any damage to the MRI Unit and PET/CT Unit due to power that does not meet such specifications or any other problems with power (e.g., sags or surges). As such, Alliance recommends that Client install a line conditioner or surge protector to prevent any problems with power to the MRI Unit and PET/CT Unit. Client shall promptly report to Alliance any problems with power to the MRI Unit and PET/CT Unit.

2.3 **Phone and Connectivity**. Client shall provide the Unit with a voice telephone line, a dedicated fax compatible telephone line and a RJ-45 ethernet broadband line with an automatic IP address assignment using Dynamic Host Control Protocol ("DHCP") and a proxy-less connection to the internet.

2.4 **Operation**. The Unit shall be operated only by employees or subcontractors of Alliance. Notwithstanding anything to the contrary in this Agreement, Client shall not be entitled to use the Unit, directly or through a subcontractor, during any period of suspension of this Agreement, following termination of this Agreement, or following expiration of this Agreement.

2.5 **Medical Director**. Client shall appoint a qualified and licensed physician to act as Medical Director hereunder, along with another such physician to act in his absence (the "Medical Director"). Client shall ensure that all orders for diagnostic procedures under this Agreement are made only by a licensed physician or another licensed healthcare provider authorized by applicable federal and/or state law. Alliance shall ensure that all orders for Alliance Imaging Network MRI patients under this Agreement are made only by a licensed physician. Client shall be solely responsible for all activities which constitute the practice of medicine (for example, providing medical advice to patients in connection with MRI or PET/CT procedures and the supervision of the injection of radiopharmaceutical or contrast agents). Client shall obtain any written consents from patients that are required by the USFDA, state or local law or prudent medical practice. Alliance shall be entitled, but not obligated, to use its own patient consent and screening questionnaire forms to supplement patient forms provided by the Client. Client shall have full responsibility for all medical care, supervision services, and advice provided to patients, including Alliance Imaging Network MRI patients, in accordance with applicable laws, rules and regulations. All medical care shall be provided under the ultimate supervision of the Medical Director.

2.6 **Medical Supplies; Hazardous Waste Disposal; Emergency Care.** The Client shall provide the same supplies to Alliance as used within the Client organization, as detailed in this Section. Client shall provide patient care items such as appropriate cleaning and disinfecting supplies and medical supplies that may be required including, but not limited to disinfectant products, linens, gowns, medications, safety needles, injection supplies, MRI safe wheelchairs and gurneys, etc. The Client shall provide the Personal Protective Equipment (PPE) required by Infection Control policy including waterproof gown, gloves, procedure facemask and face shield. When required for isolation precautions, the Client shall provide an N-95 Respirator in addition to completing the annual fit testing. Alliance shall be responsible for the required respirator medical evaluation and record of compliance per OHSA standards. Client agree to dispose of all hazardous waste relating to the services under this Agreement that Alliance provides to Client. Client shall have the immediate availability at all times of equipment and personnel to treat patients who require emergency or other medical care (including a cardiac monitor, a fresh oxygen supply, and a defibrillator). Client shall be responsible to cause such medical supplies to be maintained in good and safe condition.

2.7 **Patient Handling**. Client shall be responsible for the prompt and orderly pick up and delivery of patients to and from their rooms or other designated areas.

2.8 **Patient Log**. Alliance shall maintain a log of all procedures performed on the Unit. Client shall be provided with copies of the log upon request.

2.9. **Modifications**. Client shall not in any way modify or alter the Unit or modular building without Alliance's prior written consent. Client shall not allow any portion of the Unit or modular building to become permanently attached to real property. The Unit and modular building are, and shall at all times remain, personal property regardless of the manner in which the Unit or modular building or any part thereof may now be, or hereafter become, affixed or attached to or upon real property or any building thereof. Client agrees that it does not have any ownership or security interest in the Unit and agrees to execute any documents necessary to that effect. The Unit and modular building are, and shall at all times, remain the sole and exclusive property of Alliance, and Client shall have no right, title or interest therein. Nothing in this Section, shall affect any ownership interest that Client has in its own property.

2.10 **Scheduling**. Client shall use all reasonable efforts to schedule its patients consecutively from the beginning of each service day to minimize unutilized scanning time and to prescreen patients for conditions unsuitable for an MRI procedure or a PET/CT procedure.

2.11 **Notification of Physicians**. Client shall notify its staff of physicians of the availability of the Unit and shall use reasonable efforts to educate the community about the Unit.

2.12 **Exclusivity**. Client agrees to use Alliance solely for all of its PET/CT and PET needs, except for an emergency where the use of Alliance's service is impractical, when the patient expresses a desire to receive PET or PET/CT services from a different provider, when the patient's insurance determines that the patient must receive PET or PET/CT services from a different provider, or when the referral is not in the best medical interest of the patient in the physician's judgment. Client, on behalf of itself, its parent, its subsidiaries, owners and/or corporate affiliates (including but not limited to any entity in which Client has an ownership interest) agrees during the term of this Agreement, not to own, permit, lease, manage, or invest in any PET/CT or PET system or engage any entity besides Alliance to provide Client with PET/CT or PET services. Notwithstanding anything to the contrary in this Agreement, this Section shall remain in effect during any period in which the Agreement is suspended. Further, in the event this Agreement terminates due to a Client default under this Agreement, this Section shall survive such termination and remain in effect for

the remainder of the then-current term of the Agreement had the Agreement not early terminated.

2.13 **Access to Records**. If the value or cost of services rendered pursuant to this Agreement is $10,000 or more over a 12-month period, in accordance with Section 1861(v)(1)(I) of the Social Security Act, Alliance agrees that until the expiration of four (4) years after the furnishing of services under this Agreement, Alliance shall make available, upon written request by the Secretary of the U.S. Department of Health and Human Services, or upon request by the Comptroller General of the United States, or any of their duly authorized representatives, such contracts, books, documents, and records of Alliance that are necessary to certify the nature and extent of such costs. If Alliance carries out any of the duties of this Agreement through a subcontract with another organization and the value or cost of such subcontracted services is $10,000 or more over a twelve (12) month period, such subcontract shall contain a clause to the same effect as this provision.

2.14 **Licenses**. Client shall obtain and maintain all required licenses and regulatory approvals necessary to operate the Unit at Client's Service Location. Alliance shall reasonably cooperate to assist Client to obtain such licenses and approvals. Alliance will possess all necessary State and federal radioactive materials licenses for PET/CT service. Alliance will adhere to all licensing requirements applicable to radioactive materials for PET/CT service and will be responsible for the safe and proper use of radioactive materials in compliance with applicable laws.

2.15 **Taxes**. All taxes, if any (for example, sales, use or similar taxes), on the services hereunder shall be the responsibility of Client (other than taxes on Alliance's net income from the services hereunder).

2.16 **Professional Interpretations**. Client shall need to engage a radiologist to provide interpretations of MRI procedures or PET/CT procedures for Client patients. Alliance shall not be responsible for providing any such interpretations.

2.17 **Patient Records**. Client shall maintain patient records for each patient who receives procedures performed under this Agreement. Alliance shall maintain patient records for patients under Alliance's contracted network who receives MRI procedures performed under this Agreement.

2.18 **Miscellaneous Activities**.

a) **Environment of Care and Emergency Management Drills.** In addition to annual Alliance required annual emergency drills for its team members, the Client shall include Alliance team members at the Service Location in Client's emergency drills. For Alliance team members working on mobile units, the Client shall provide notification of all emergencies occurring inside the Client facility.

b) **Human Resources**. For medical equipment supplied by the Client, such as I-Stats, glucometers, the Client must conduct the initial training and annual competencies and provide copies of such to the Alliance Manager of Operations. Client supplied medical equipment requiring high level disinfection ("HLD") such as endocavitary probes, require evidence of initial HLD training and annual competency conducted by the Client.

c) **Client supplied monitoring equipment and injectors**. The Client must conduct annual preventative maintenance and shall provide documentation of such preventative maintenance to Alliance upon request.

d) **Quality Control**. Regular quality control ("QC") is performed by Alliance in accordance with ACR, Joint Commission and/or the original equipment manufacturer as applicable and monitored by the technologist. Results of QC shall be provided to the Client upon request.

e) **Safety**. Client will abide by the Alliance policy for transporting patients to and from the customer site via wheelchair for all patients identified as a falls risk through use of the Alliance falls risk assessment or the Client's fall risk assessment to be determined prior to the start of business. All patients will be taken onto the mobile coach via patient lift unless extenuating circumstances present in which case only patients determined NOT to be a falls risk (per falls risk assessment) will be permitted to be accompanied onto the Unit stairs with a signed copy of the Alliance falls risk assessment.

2.19 **PET/CT Customer Support**. Alliance shall provide the following:

a) **Radiopharmaceuticals.** Assistance to Client in obtaining, licensing and handling procedures for radiopharmaceuticals.

b) **Billing.** Information regarding PET/CT billing codes, information and reimbursement data provided, however, that Client shall not be entitled to rely upon any such information by Alliance and shall confirm such information independently by contacting either the local Medicare carrier/intermediary, or seeking the advice of legal counsel or a reimbursement consultant. Client agrees to comply with relevant billing and documentation requirements.

2.20 **Alliance Imaging Network.**

a) **MRI Procedures**. Client agrees to allow Alliance to perform MRI scans on patients under Alliance's contracted network. Client agrees that Alliance shall exclusively bill and collect for MRI procedures performed on Alliance's patients. Alliance shall pay Client a fee of $100 for each such MRI patient to whom Client shall provide the services and supplies, including without limitation, reception, pad use, and power, that Client is obligated to provide to its own patients under the terms of this Agreement. Payment to Client shall be paid within thirty (30) days after the month in which the MRI procedures was performed on Alliance's patient. So long as Alliance is offered commercially reasonable terms, Alliance shall contract with the radiology group employed by Client, or, at the election of Alliance, other radiologists approved by Client (which approval shall not be unreasonably withheld), for professional reading of such MRI procedures. Notwithstanding anything to the contrary in this Agreement, the information contained in this Section, and throughout this Agreement, is highly confidential.

2.21 **Utilization Review for Medicare Patients.** Alliance shall be responsible for Utilization Review for Client's Medicare PET/CT patients under this Agreement, except to the extent prohibited by applicable laws or regulations. Client agrees that no such Medicare Utilization Review shall be considered a guarantee of any reimbursement to Client of any PET/CT procedure, and Client shall be solely responsible for whether or not it receives Medicare reimbursement of PET/CT procedures, and Client shall hold Alliance harmless from and against any claims, actions, or damages arising from Client's receipt or lack thereof of Medicare reimbursement of PET/CT procedures. Alliance will work with the Client to provide any appropriate documentation in the event Client needs to appeal a payment decision made by Medicare. Client shall fax per operational instructions, the Medicare patient information and a front and back copy of the patient's Medicare insurance card. The Medicare patient information shall include the patient's full name, date of birth, social security number, ordering physician, and the type of exam ordered with its CPT code. Alliance will use reasonable efforts to complete the Medicare Utilization Review for such Medicare patient. If the Medicare patient's insurance (i) is terminated or (ii) shall not authorize a PET/CT procedure by 1:00pm (Eastern Time) the day prior to the scheduled PET/CT procedure, Alliance shall remove the Medicare patient from the PET/CT schedule.

2.22 **Performance Improvement Metrics.** Client shall monitor the services provided under this Agreement on the principles of risk reduction, safety, staff competence and performance improvement that are applicable to this Agreement. The monitoring strategy chosen by Client shall be based on the patient population and the care, treatment, and services being provided. Client may use any combination of the following performance criteria to evaluate the safety and quality of services for consideration of contract renewal:

a) Review of the information regarding Alliance's Joint Commission accreditation or certification status;

b) An audit of documentation to ensure compliance with relevant Joint Commission standards for care, treatment, and services with a focus on medical record documentation;

c) Review of incident reports, near misses, or medication errors and risk management activities and corrective actions taken;

d) Review of compliance with infection control policies, procedures, and practices;

e) Review of input from Client staff and patients regarding services provided by Alliance;

f) Review of patient satisfaction surveys;

g) Direct observation of care provided;

h) Consultation with appropriate professional organizations for guidelines with respect to expectations for competence;

i) Timeliness of service and responsiveness to Client/patient needs; and/or

j) Review of performance reports based on indicators which are applicable to this Agreement and which are listed in Exhibit D of this Agreement.

3. FEES AND BILLING. Client shall pay Alliance fees that are set forth in the cover page(s) to this Agreement. All fees for a billing period shall be due and payable within fifteen (15) days of the last day of such period. Alliance shall invoice Client once each month. Client shall pay a late fee of one and one-quarter percent (1 ¼ %) or the maximum legal rate, whichever is less, on all balances outstanding more than fifteen (15) days beyond the due date compounded and assessed for each month that such balances are past due. Client shall be responsible for all billings to Client patients and/or third party payors for MRI procedures or PET/CT procedures performed on the Unit. Client's obligation to pay Alliance compensation in accordance with the provisions of this Agreement shall not be dependent upon Client's billing and collection of patient and/or third party payor accounts receivable. Alliance shall not bill, and Alliance shall not cause bills to be submitted to, any patient or third party payor for MRI procedures or PET/CT procedures performed on the Unit. All billings for Client patients shall be in the name of Client, and Client shall not subcontract any of the services under this Agreement or the Unit to any third party. Client shall be responsible for all billings to Client patients and/or third party payors for diagnostic procedures performed on the Unit other than to Alliance Imaging Network MRI patients; Alliance shall be solely responsible for billing and collecting monies for MRI procedures rendered to Alliance Imaging Network patients. Both parties agree that Alliance is providing its services set forth on this Agreement "under arrangement" with Client, such that upon Client's receipt of payment from the Medicare program for MRI procedures or PET/CT procedures performed in the Unit, the liability of the beneficiary or any other person to pay for such services shall be fully discharged.

4. TERM. The term shall be as specified in the cover page(s) to this Agreement. The term of the Agreement shall also be extended coterminously with any period(s) services are suspended. In the event this Agreement terminates or expires and Client continues to accept services, the terms and conditions of this Agreement shall apply to the provision of services and Client shall be bound to accept such services until and unless Client shall terminate such extension upon further written notice to Alliance of not less than ninety (90) days. During any such term extension, the fees paid to Alliance may be increased 10%**.**

5. SCHEDULING. Alliance shall make the Unit available to Client according to the schedule specified on the cover page(s) to this Agreement. Alliance personnel will not be available during the following holidays observed by Alliance: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. The day of service begins upon initiation of the setup procedures for the Unit and ends upon completion of the shutdown procedures for the Unit.

6. INSURANCE, INDEMNIFICATION.

6.1 **Insurance**.

a) **Alliance**. Alliance shall maintain insurance covering all risks of physical loss or damage to the Unit and modular building, comprehensive general liability and professional liability covering the conduct of its employees, all in amounts and subject to deductibles that are customary in the industry.

b) **Client**. Client shall maintain comprehensive general and professional liability insurance covering the Client, its employees, staff and physicians and shall require the Medical Director and other physicians who interpret or report on procedures performed on the Unit to maintain professional liability insurance. All such insurance shall be in amounts and with deductibles that are customary in the industry. Client shall bear the risk of loss or damage to the Unit and modular building from Client's negligent actions or omissions.

6.2 **Indemnification**. Each party hereto shall indemnify and hold the other party harmless from and against any and all liability, loss, damage, cause of action, cost or expense (including reasonable attorney's fees) arising out of, or in any way connected with, any negligent or intentional act or failure to act, any breach of any representation or warranty under this Agreement, or any other wrongful conduct by the respective party, its members, agents, employees or subcontractors in the performance of its duties under this Agreement. The parties agree that upon receipt of a claim or demand for which a party is entitled to indemnification, the indemnified party shall: (i) provide the indemnifying party with prompt written notice of any indemnifiable claim; (ii) permit the indemnifying party to assume sole control of the defense with counsel selected by the indemnifying party; (iii) furnish the indemnifying party with all documents and information within the possession, custody, or control of the indemnified party relating to such claim; (iv) reasonably cooperate with the indemnifying party and its counsel; and (v) not enter into any oral or written negotiation, settlement, or compromise of any indemnifiable claim without the indemnifying party's prior written consent. The indemnifying party shall not enter into any oral or written settlement or compromise of any indemnifiable claim without the indemnified party's prior written consent. In the event the indemnifying party defends the indemnifiable claim, it may do so under a reservation of its rights to cease the defense of the claim at a later date (upon reasonable prior written notice to the indemnified party) in the event it is determined that the indemnifying party has no obligation to defend or indemnify the claim.

7. GENERAL.

7.1 **Independence**. Alliance is an independent contractor of Client, and this Agreement is a contract for services, not a lease. No agency, employment, partnership or joint venture is intended to be created by this Agreement. Neither Alliance nor Client shall take any action or position which is inconsistent with those descriptions of the relationship.

7.2 **Remedies**. Neither party shall be responsible for failure to provide services as a result of conditions caused by the other party. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NEITHER PARTY SHALL BE RESPONSIBLE FOR INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, OR OTHER SPECIAL DAMAGES THAT THE OTHER PARTY MAY INCUR OR EXPERIENCE IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PROVIDED BY A PARTY, HOWEVER CAUSED AND UNDER WHATEVER THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7.3 **Waiver**. No waiver of any provisions of this Agreement or a breach thereof shall be valid or enforceable unless in writing and signed by both parties. The waiver by either party of any breach of any term, covenant, warranty, or condition contained in this Agreement shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained in this Agreement.

7.4 **Notices**. All notices required or permitted under this Agreement must be in writing and delivered either by reputable national or international overnight delivery service or by registered or certified U.S. mail (postage prepaid with return receipt requested). The initial addresses of the parties to which notice must be sent are listed on the cover page(s) to this Agreement. Notices to Alliance shall be sent to the attention of Legal Department. If notice is delivered by reputable national or international overnight delivery service, then notice shall be effective one (1) business day after deposit with the carrier. If notice is delivered by registered or certified U.S. mail (postage prepaid with return receipt requested), then notice shall be effective five (5) business days after deposit with the carrier. Either party may change its address for notice by notifying the other by a permitted method of giving notice.

7.5 **Governing Law**. This Agreement shall be governed by the law of the state where services are performed.

7.6 **Entire Agreement; Amendment**. This Agreement is the parties' entire understanding and supersedes all prior agreements, oral and written, with respect to the subject matter of this Agreement, and no party will be bound by any representation, covenant, term, or condition other than as expressly stated in this Agreement. No statements, promise, or representations have been made by any of the Parties to any other, and no consideration has been offered, promised, expected or held out other than as is expressly provided herein. This Agreement may not be amended except by written agreement signed by both parties to this

Agreement. No handwritten changes to this Agreement shall be enforceable unless such changes are initialed by both parties to this Agreement. This Agreement is binding upon and will inure to the benefit of the parties and their respective heirs, personal representatives, successors, and assigns.

7.7 **Successors and Assigns**. Neither party may assign this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. Client agrees that this Agreement may be performed, in whole or part, by a parent, subsidiary, or affiliate of Alliance and further consent shall not be required. Alliance may also assign the proceeds of this Agreement. Client shall require any successor or assign (whether direct or indirect, by purchase, merger, reorganization, consolidation, sale of property or stock, liquidation, or otherwise) to all or a substantial portion of its assets, by agreement in form and substance reasonably satisfactory to Alliance, to expressly assume and agree to perform Client's obligations under this Agreement.

7.8 **Third Parties**. Nothing in this Agreement creates, or will be deemed to create, any third party beneficiaries of or under this Agreement.

7.9 **Attorney Fees**. In any dispute arising out of this Agreement (whether litigation is involved or not) or in the event that either party must take action to collect fees or enforce rights, the prevailing party shall be entitled to reimbursement of its expenses, including court expenses and lawyers' fees.

7.10 **Certain Events**. Neither party will be responsible for any failure or delay in its performance under this Agreement (other than financial obligations including payment of amounts due) if such failure or delay is the result of any: labor dispute; act of God; inability to obtain labor or materials; accident; future law, regulation, ordinance or requirement of any government or regulatory agency; or any other event which is beyond its reasonable control.

7.11 **Confidentiality**. Alliance and Client acknowledge and agree that this Agreement is highly confidential and proprietary and agree that neither they, nor any of their employees, contractors, or physicians, shall disclose in any manner the terms, provisions, pricing or any other information contained in this Agreement (or any related proposal) to any third party except as required by law. Further, Client shall ensure that neither it nor any of its employees, contractors, or physicians disclose any of Alliance's policies, procedures, or other confidential information that Client or its employees, contractors, physicians receives, except to the extent required by an accreditation organization to which Client is subject or a governmental entity.

7.12 **Accreditation**. Alliance and Client agree to set standards of care and quality that comply with The Joint Commission and the American College of Radiology (ACR). Alliance and Client mutually shall cooperate in all phases of applying, scheduling, preparing and executing surveys or inspections by The Joint Commission and ACR, as needed. Both parties agree to work cooperatively to implement changes, correct deficiencies or establish policies required and/or recommended by the inspecting agencies as applicable. Alliance shall provide Client with a copy of Alliance's Joint Commission accreditation certificate and most current patient satisfaction survey results, as requested by Client.

7.13 **Severability**. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement shall continue in full force and effect and the application of such provision to other persons or circumstances shall be interpreted so as reasonably to effect the intent of the parties hereto. The parties hereto further agree to use their commercially reasonable efforts to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

7.14 **Credit Checks**. By signing the cover page(s) to this Agreement, Client hereby authorizes Alliance, as determined necessary by Alliance in Alliance's discretion upon such signature and from time-to-time during the term of the Agreement, to (i) obtain a standard factual credit data report concerning Client through a credit reporting agency or any other similar agency (a "Credit Reporting Agency") chosen by Alliance, and (ii) release to such Credit Reporting Agency any credit applications, financial information, or any other information of Client. Further, Client hereby agrees to provide Alliance with all appropriate credit applications and paperwork necessary to effectuate the above.

7.15 **Construction**. Every term and provision of this Agreement is to be construed simply according to its fair meaning and not strictly for or against any party. No provision of this Agreement is to be interpreted as a penalty upon, or a forfeiture by, any party to this Agreement. The parties acknowledge their right to separate legal counsel, and agree to obtain any appropriate advice or opinions about this transaction from their respective counsel. The parties acknowledge that they and their respective legal counsel have had the opportunity to participate equally in the drafting of this Agreement and that in the event of a dispute, no party shall be treated, for any purpose, as the author of this Agreement nor have any ambiguity resolved against it on account thereof.

7.16 **Execution**. By their signatures on the cover page(s) of this Agreement, each of the signatories to this Agreement represent that they have the authority to execute this Agreement and to bind the party on whose behalf their execution is made. This Agreement constitutes the legal, valid and binding obligation of the parties enforceable in accordance with its terms.

7.17 **Counterparts**. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of an executed counterpart of this Agreement may be made by facsimile or other electronic transmission. Any such counterpart or signature pages sent by facsimile or other electronic transmission shall be deemed to be written and signed originals for all purposes, and copies of this Agreement containing one or more signature pages that have been delivered by facsimile or other electronic transmission shall constitute enforceable original documents. As used in this Agreement, the term "electronic transmission" means and refers to any form of communication not directly involving the physical transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient of the communication, and that may be directly reproduced in paper form by such a recipient through an automated process.

7.18 **Industry Standards.** Alliance represents that it will perform the services purchased under this Agreement in a good and workmanlike manner consistent with industry standards.

8. TERMINATION.

8.1 **Termination.**

a) **Material Breach**. Alliance or Client may terminate this Agreement if the other party breaches any material covenant, term or provision of this Agreement and the material breach is not cured within sixty (60) days following provision of notice to the breaching party specifying the alleged material breach.

b) **Bankruptcy**. Alliance or Client may terminate this Agreement if the other party commits or suffers (voluntarily or involuntarily) an act of bankruptcy, receivership, liquidation or similar event.

8.2 **Termination, Alliance**. Alliance may terminate this Agreement or suspend service if:

a) **Payment Default**. Client fails to make any payment to Alliance when due and such failure continues for ten (10) days following notice to Client. In the case of any payment default, Alliance may, without notice, cease providing services hereunder after three (3) days following a payment due date should it feel insecure with respect to Client's ability or willingness to make payment.

b) **Inability to Cover Costs**. Alliance is unable to cover its costs on the services provided hereunder, provided that the parties have negotiated in good faith to modify the terms of this Agreement to eliminate such inability and a period of sixty (60) days has elapsed since Alliance originally notified Client of such condition. In lieu of termination, Alliance may reduce the number of days of service provided.

8.3 **Default**. In the event that this Agreement terminates due to a default by Client under Section 8.1(a), Section 8.1(b), Section 8.2(a), or Section 9.4 of this Agreement, Alliance may take any action at law or in equity, including, but not limited to, collecting from Client payments then due and to become due under the remaining term of the Agreement had the Agreement not early terminated. Alliance and Client hereby agree that, in the event of Client's default of this Agreement and Alliance's subsequent termination of this Agreement, damages shall be calculated by using the greater of: (i) the average monthly procedure volumes by Client over the twelve-month period (or such lesser period if Alliance did not provide at least twelve (12) months of service to Client prior to

termination) immediately prior to termination of this Agreement; or (ii) the procedure volume benchmarks set forth in the cover page(s) to this Agreement. The foregoing remedies are in addition to any provided by law. Neither party shall have an obligation to exercise any remedy and the exercise of the remedy shall not release the parties for any obligation hereunder. All remedies shall be cumulative, and action on one shall not constitute an election or waiver of any other right to which either party may be entitled.

The termination of this Agreement shall not discharge Client from any liability associated with services rendered prior to the termination of this Agreement. Client agrees that at the time of termination, all balances owed Alliance must be paid in full.

9. COMPLIANCE WITH LAWS.

9.1 **Compliance with Current Laws**. The parties agree that it is their understanding and intent that this Agreement, including any exhibits and other attachments, complies as of the effective date hereof with all applicable federal and state laws and regulations, including, but not limited to, self-referral and anti-kickback laws. Further, the parties agree that they shall comply with all such laws and regulations, as may be amended from time to time. Client represents and warrants that it has not relied on any billing or reimbursement advice that it may have directly or indirectly received from Alliance, and that Client has and shall consult with Client's own billing and reimbursement experts and attorneys with respect to billing under this Agreement. Further, Client warrants and agrees that, throughout the term of this Agreement, Client shall comply with all applicable billing laws, regulations and rules, as may be amended from time to time.

9.2 **No Inducement**. This Agreement has been negotiated in good faith through arms' length negotiations. Nothing contained in this Agreement, including any compensation paid or payable, is intended or shall be construed: (i) to require, influence or otherwise induce or solicit either party regarding referrals of business, or recommending the ordering of any items or services, of any kind whatsoever to the other party or any of its affiliates, or to any other person, or otherwise generate business between the parties, or (ii) to interfere with a patient's right to choose his or her own health care provider, or with a physician's medical judgment regarding the ordering of any items or services.

9.3 **Change in Law**. If any change in any applicable federal, state or local government laws, rules or regulations (each, a "Law" and, collectively, "Laws") would render unlawful the conduct under this Agreement of either party hereto, then the parties shall negotiate in good faith to restructure the business arrangement between the parties to conform with the then existing Laws. If the parties have not reached an agreement regarding the material terms of the restructured business arrangement within forty-five (45) days of the change in such Law or by the effective date of such Law, whichever is sooner, then this Agreement may be cancelled by either party upon thirty (30) days' written notice to the other party or upon such effective date, whichever is sooner**.**

9.4 **No Federal Health Care Program Exclusion**. Each party represents and warrants to the other party that: (i) neither the representing party nor any of its officers, directors, or employees or contractors providing services under this Agreement are currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. Section 1320a-7b(f) (the "Federal health care programs"); (ii) neither the representing party nor any of its officers, directors, or employees or contractors providing services under this Agreement have ever been convicted of a criminal offense related to health care; and (iii) the representing party is not aware of any circumstances which may result in the representing party or any of its officers, directors, or employees or contractors providing services under this Agreement being excluded from participation in the Federal health care programs. This shall be an ongoing representation and warranty during the term of this Agreement, and each party shall immediately notify the other party of any change in status of the representation and warranty set forth in this Section. In the event a party or any of its officers, directors, or employees or contractors providing services under this Agreement become excluded, debarred, or otherwise ineligible to participate in the Federal health care programs, that party shall be considered in default of this Agreement, and the other party may immediately terminate this Agreement for cause; provided, however, a party can prevent such termination if that party is not excluded, debarred, or otherwise ineligible to participate in the Federal health care programs and immediately terminates its relationship with any of its officers, directors, or employees or contractors providing services under this Agreement who become excluded, debarred, or otherwise ineligible to participate in the Federal health care programs.

9.5 **Compliance with Policies.** Alliance shall provide services in strict accordance with all applicable Client rules, regulations, policies and procedures, without limitation. Client shall provide such rules, regulations, policies and procedures to Alliance prior to the commencement of services under this Agreement. Alliance shall comply with the Client Corporate Compliance Program ("Program" and any Program policies and procedures as applicable to services provided under this Agreement. Alliance acknowledges that, in accordance with regulatory and accreditation requirements, the quality of services provided will be evaluated by Client in accordance with established indicators/metrics, and may include data reporting requirements by Alliance.

[END OF GENERAL TERMS AND CONDITIONS]

EXHIBIT “A”
Magnetic Resonance Imaging (“MRI”) system

Unit Name: Signa 212

Description: 16 CH

Manufacturer: GE

Model: 1.5T Signa HDxt

Software Version: 23.0

Software Features: 16 Channel System, ARC, Asset, TRICKS, IP Protection, BRAVO, COSMIC3D, Cine, DW EPI, E3DTOF, Fastcine, Fiesta 2D, 2D Fat Sat Fiesta, Fiesta3D, 3D FRFSE, iDrive, iDRIVE Pro, Lava, LAVA-DE, LAVA-XV, 2D MERGE, 3DMERGE, QuickSTEP, Smart Prep, SPECIAL, SSFSE, SSFSE MRCP, Three Plane Localizer, gtof, sgd, flairepi, hisris, fsexl, Bloodsupp, tagging, sgdperf, sprep99, probe99, pps, perfusion, rtet, rtca, ushorttr, t2bhold,acgdplus, ftmra, ssfsexl, DynR1, delenhmt, probep, navigator, tensor, asset91, fiestac, propdwi, delenhmt3d, fiesta3dfs, epli, fastgrass, fse2, pcvi, spectro, propt2, propbody, propnpw, inlneviz, mfgre2d, fctlfusn, de3d, realcard, tracto, MPhVar, blflwmaps, tmcourse, inhanc3dpc, inhanifir, inhan2dtof, propt2flr, propt1flr, prop, inh3dflow, edwi, , fctlmrstd, fctlser, resappHDx, T1BHold, ushorterTR

Table weight limit: 350lbs

Bore size: 60 cm

Coils: Wrist, Head, Quad Extremity Knee, Body Array, Cardiac, Knee, CTL Array, DuoFlex, HNS Head and Spine, Shoulder, NV Array

Injector: MedRad Spectris

GE Catalog Item Details

Line	Qty.	Catalog	
	1.00	Y0000LC	**Pricing Non-Disclosure Language**

This offer is being extended in relation to a national show-site agreement, research partnership, or other non-standard transaction. If required for publishing, GE will happily provide a list price quote.

Line	Qty.	Catalog	
	1.00	S7529VD	**SIGNA™ VOYAGER 1.5T 33 CHANNEL 29.1 MOBILE MR SYSTEM with Fixed Table**

The SIGNA™ Voyager 1.5T 70cm wide-bore magnetic resonance system was designed to enable you to deliver both clinical excellence and operational efficiency while addressing the cost of ownership for 1.5T wide-bore technology. With SIGNA™ Voyager simplify and accelerate the scanning process from set-up to acquisition to post-processing for your technical staff, with access to an extensive range of clinical imaging and advanced visualization capability for your clinicians.

This configuration of SIGNA™ Voyager is designed for installation in the mobile environment. The system catalog comprises the magnet, RF-architecture electronics, core RF coil suite, gradient electronics, computing platform, patient table and MR29.1 operating/imaging software. In addition, the necessary system cabinets, site collectors, installation collectors and calibration phantoms required for installation are part of this system catalog:

• 1.5T high-homogeneity magnet for the mobile environment
• TDI RF-Receive Technology and RF Coil Suite
• UHE with IGC Gradient and Quiet Acoustic Reduction Technology
• Computing Platform and DICOM Conformance
• SIGNA™Works AIR™ IQ Edition Workflow SIGNA™Works with Comfort Plus Patient Table
• SIGNA™Works AIR™ IQ Edition Acceleration, Motion Correct and Tissue Suppression Technology
• SIGNA™ Works AIR™ IQ Edition Clinical Applications Toolkits
• SIGNA™ Works AIR™ IQ Edition READYView Advanced Visualization

TECHNOLOGY FOUNDATION

The magnet, RF-architecture, gradient and computing technology infrastructure on SIGNA™ Voyager is designed to deliver the signal- to-noise, dynamic range, spatial resolution, temporal resolution and computational power needed to enable demanding clinical applications.

High-Homogeneity Magnet

The magnet is the foundation of the system, and the high-homogeneity SIGNA™ Voyager magnet is designed to provide large field-of-view imaging with uniform image quality. As a result, large anatomy can be imaged with a FOV of up to 50 cm, and off-center anatomy, such as the upper extremity, can be imaged without the need to position the anatomy at the magnet center. In addition, the SIGNA™ Voyager magnet delivers the robust fat suppression capability needed for musculoskeletal and body imaging as well as the performance needed for demanding applications such as diffusion imaging and spectroscopy. To address siting and operating costs, the SIGNA™ Voyager magnet utilizes active-shielding technology to enable flexible siting, including siting in the mobile environment, and zero-boil technology to address the need for helium refills.

• Patient bore: 70 cm x 70 cm
• Patient aperture: 74 cm
• 2-way in-bore intercom system
• Adjustable in-bore lighting
• Adjustable in-bore ventilation
• Shielding: active
• Shimming: active and passive

Total Digital Imaging (TDI) and RF Coil Suite

SIGNA™ Voyager features the Total Digital Imaging RF-architecture with a 33-channel configuration. The TDI RF-architecture uses a Direct Digital Interface (DDI) to convert the signal from each coil element to a digitized signal (there is no mixing of signal from multiple elements to the same digitizer) to deliver high signal, low noise with extended dynamic range or gray-scale capability.

The SIGNA™ Voyager coil suite is designed to enhance patient comfort and image quality while simplifying workflow. The suite includes:

• (1) Integrated T/R Body Coil
• (1) TDI Posterior Array
• (1) TDI Head-Neck Unit

The TDI Posterior Array is designed to simplify workflow and enhance efficiency for the technologist. The PA coil is embedded in the patient table and can be used in conjunction with the HNU (included) and the Anterior Array (sold separately). Whole-body imaging and parallel imaging in 3 directions are supported. In addition, the system will automatically select the appropriate subset of coil elements based

on the prescribed FOV and is invisible to additional surface coils when they are placed directly on top of the surface.

• Elements: 32
• Length: 120.5 cm; Width: 46.6 cm
• S/I coverage: 113 cm
• Parallel imaging in all three scan planes

The TDI Head and Neck Unit comprises the baseplate and the anatomically optimized Neuro-vascular array and the Open-face array. The superior end of the HNU can be elevated to enhance patient comfort and access. The HNU is designed to be used in conjunction with the TDI Posterior Array and the Anterior Array (sold separately). Parallel imaging in 3 directions is supported.

• Elements: up to 21 combined with PA
• Length: 53 cm; Width: 35 cm
• Height with NV Array: 35 cm
• Height with Open Array: 25.7 cm
• S/I coverage: up to 32 cm with the NV
• Parallel imaging in all three scan planes

UHE with IGC Gradient Technology and Quiet Technology

SIGNA™ Voyager introduces the Ultra High Efficiency (UHE) gradient system with Intelligent Gradient Control technology (IGC). IGC gradient driver employs a digital control system that utilizes predictive models of the electrical and thermal characteristics of the gradient coil to maximize performance. As a result, SIGNA™ Voyager delivers exceptional minimum TR and TE capability while reducing power consumption. The gradient coil and the RF body coil are integrated into a single module which is water and air-cooled for optimum duty-cycle performance and patient comfort. In addition, the gradients are non-resonant and actively shielded to minimize eddy currents to deliver high fidelity, accuracy and reproducibility over a large FOV.

• Peak amplitude per axis: 36 mT/m
• Up to 150 T/m/s instantaneous peak slew rate per axis
• Maximum FOV: 50 cm x 50 cm x 50 cm
• Duty Cycle: 100%

Designed to deliver an enhanced patient experience, SIGNA™ Voyager features Quiet Acoustic Reduction Technology (ART) that significantly addresses both vibrational noise and airborne sound. Quiet acoustic reduction uses 5 levels of isolation, dampening and gradient optimization technology to mitigate vibration and mute sound.

• Gradient & RF coil isolation – isolates the resonance module from the magnet
• Vibro-acoustic isolation –isolates the magnet from the building
• Mass-damped acoustic barriers – further mutes sound
• Gradient waveform optimization – user selectable

Computing Platform and DICOM Conformance – Host PC Platform – Intel Xeon W-2123 CPU

SIGNA™ Voyager utilizes a parallel, multi-processor design to enable simultaneous scanning, reconstruction, filming, post-processing, archiving and networking. Both the host computer and reconstruction systems use the Scientific Linux operating system. The host computer PC utilizes a single tower configuration and includes an LDC monitor and keyboard assembly with an integrated intercom speaker, microphone, volume controls, and emergency stop switch. Start scan, pause scan, stop scan and table advanced to center “hot” keys are also included.

• Memory: 64 GB
• Hard Disk Storage: 1024 GB
• Media Drives: CD/DVD

Reconstruction Engine – Gen7 Dual Intel Xeon Gold 5118

SIGNA™ Voyager enhances data reconstruction with access to the Orchestra platform and Smart AIR™ Recon. The Orchestra computing toolbox enables the integration of advanced reconstruction elements to support demanding, data intense, applications as well as access to the reconstruction algorithms. AIR™ Recon uses a smart reconstruction algorithm that reduces background noise and artifacts enhancing image quality without the need for longer scan times. Smart AIR™ Recon is available on several key applications.

• Memory: >= 128 GB
• Hard Disk Storage: 960 GB
• 2D FFT/second (256 x 256 Full FOV): 63,000 2DFFT/second

SIGNA™ Voyager generates MR Image, Secondary Capture, Structured Report, and Gray Scale Softcopy Presentation State DICOM objects. The DICOM networking supports both send and query retrieve as well as send with storage commit to integrate with PACS archive. Please refer to the DICOM Compliance Statement for details.

SIGNA™WORKS AIR™ IQ EDITION WORKFLOW WITH COMFORT PLUS TABLE

The SIGNA™Works AIR™ IQ Edition workflow tools comprise the Comfort Plus patient table, modality worklist, protocol libraries, workflow manager, auto-functions, inline viewing and inline processing. Together these tools are designed to change the way you work by simplifying and accelerating the scanning process from set-up to acquisition to post-processing. With SIGNA™Works, workflow can begin before the patient enters the magnet room and exams can be completed with a few mouse clicks delivering quality and consistency for all patients and from all technologists. At the same time, SIGNA™Works AIR™ workflow maintains the flexibility needed to rapidly adapt and optimize exams for specific patient situations including the ability to pause and resume a scan without the need to start over.

The SIGNA™ Voyager offers a fully integrated Comfort Plus patient table that includes the embedded TDI Posterior Array (previously described) to address exam efficiency as well as patient comfort. The Comfort Plus patient table can be lowered to a very low height to facilitate transfer of wheelchair patients. The cradle width has also been increased by ~30% from previous generations to enhance the ability to accommodate a broad range of patients.

• Maximum patient weight for scanning: 550 LBS
• Maximum patient weight for lift: 550 LBS
• Automated vertical and longitudinal power drive
• Fast longitudinal speed: 25 cm/sec
• Slow longitudinal speed: 1.9 cm/sec
• IntelliTouch & laser land-marking
• Laser alignment land-marking

The SIGNA™Works AIR™ IQ Edition workflow tools comprise the modality worklist, protocol libraries, workflow manager, auto-functions, inline viewing and inline processing. Together these tools are designed to change the way you work by simplifying and accelerating the scanning process from set-up to acquisition to post-processing. With SIGNA™Works, workflow can begin before the patient enters the magnet room and exams can be completed with a few mouse clicks delivering quality and consistency for all patients and from all technologists. At the same time, SIGNA™Works AIR™ workflow maintains the flexibility needed to rapidly adapt and optimize exams for specific patient situations.

With AIR™ Workflow, scan set-up starts with Modality Worklist, an automated method to obtain patient, exam and protocol information from a DICOM work-list server. For sites with full DICOM connectivity, once a patient has been selected from the Modality Worklist, the In-Room Operator Console will automatically highlight the relevant exam details. The Modality Worklist enables complete control of the MR protocol prescription, but also reduces work by allowing the MR protocol to be selected and linked to the patient record in advance of the patient's arrival.

Protocol Tools enable exam automation while also giving the user complete control of protocols for prescription, saving, searching, and sharing. Protocols are organized into two libraries: GE Optimized (preloaded protocols) and Site Authored (customized and saved). Protocols can be saved based on patient demographics, anatomy, scan type, or identification number for rapid search and selection, and commonly used protocols can be flagged as favorites for quick selection from the Modality Worklist. When AIR™ Recon DL (sold separately) and HyperWorks (sold separately) are purchased, associated protocols are unlocked for use.

In addition to pre-programmed protocols, ProtoCopy enables a complete exam protocol to be shared with the click of a mouse. GE protocols provided with the system include Protocol Notes designed to guide the user through the procedure. For special applications, Protocol Notes also include video guides with step-by-step video-based demonstration and instruction. Protocol Notes can be edited by the user to reflect protocol modifications to aid communication among users.

In the scan room, the AIR Touch™ user interface simplifies coil activation to one touch and one click. AIR Touch™ automatically determines coil element locations based on the IntelliTouch landmark and intelligently generates the coil configuration with elements activated to optimize image quality for coverage, uniformity and parallel imaging acceleration factor.

At the console, WorkFlow Manager implements the selected protocol. The Workflow Manager controls location prescription, acquisition, processing, visualization and networking, and can fully automate these steps, if requested by the user. Once the target anatomy has been prescribed, the Linking feature can be used to translate appropriate parameters to all subsequent series that have been linked, eliminating the need for further action by the user.

Auto Functions when selected can automatically initiate the localizer, coil selection, series-to-series scanning, multi-station scanning, prescription of scan plans for brain exams, as well as delivered instructions to the patient. Pause and Resume allows the user to pause a scan in progress (even in automated mode), to respond to a patient need, and then resume mid-scan (without starting the scan over) helping to address rescans. For breath-hold scanning, Auto Protocol Optimization provides alternative choices for spatial resolution and breath-hold time based on the original protocol.
For multi-station exams, such as brain and spine, chest and body or lower leg run-offs, AIR™ Workflow streamlines localization and scanning. Whole Body Localizer automates the acquisition and pasting of multi-station scans for planning, and Whole-Body automated multi-station scanning can be performed with FSE-IR, 3D SPGR and DWI diffusion. Once scanning and processing are complete, Split Exam provides the capability to extract a subset of series from the exam and create/assign a separate exam number for accession numbers in billing and PACS systems.

Inline Processing automatically completes post-processing steps for the user after the images have been reconstructed and saved into the database. For certain tasks, such as vascular segmentation, the user must accept the results, or complete additional steps prior to saving the images to the database. These automated processing steps can be saved to the (scan) protocol to ensure consistent output and workflow:

• Diffusion weighted series: automatic compute and save
• Diffusion tensor series: automatic compute and save
• eDWI: automatic compute and save
• Image filtering: automatic compute and save
• Maximum/Minimum Intensity Projection: automatic compute and save
• Pasting: automatic compute and save
• Reformat to orthogonal plane: automatic compute and save
• T2 map for cartilage: automatic compute and save
• 3D Volume Viewer: automatic load
• Image Fusion: automatic load
• Interactive Vascular Imaging: automatic load
• FiberTrak: automatic load
• Spectroscopy: automatic load

SIGNA™WORKS AIR™ IQ EDITION CLINICAL APPLICATIONS TOOLKITS

SIGNA™Works AIR IQ Edition is designed to change the way you work by simplifying and accelerating the scanning process from set- up to acquisition to post-processing while delivering access to a broad range of clinical imaging capability. The AIR™ IQ Edition of SIGNA™Works comprises the operating software, pulse sequence families, clinical applications and visualization toolkits as well as acceleration, motion correction and tissue suppression technology.

The technology tools in the SIGNA™Works AIR™ IQ Edition are designed to address overall workflow, rescans and scan time as well as the impact of challenging patients, challenging anatomy and challenging physiology.

Acceleration Technology

Reduce scan set-up and acquisition time with a suite of techniques highlighted by AIR™ Workflow, parallel imaging and partial k-space techniques. Many techniques can be used in combination for additive effects.

• AIR Touch™ intelligent activation reduces set-up time by reducing coil selection and optimization to one finger touch and one mouse click. AIR™ Touch then activates coil elements based on the anatomy, FOV and ARC parallel imaging factor.
• AIR™ Recon is a smart reconstruction algorithm that reduces background noise and artifacts enabling enhanced image quality without the need for longer scan times. AIR™ Recon is compatible with a broad range of imaging sequences: the FSE fast spin echo, 3D Cube fast spin echo, SPGR/FSPGR, GRE/FGRE, PROPELLER MB, eDWI, FOCUS DWI, FIESTA, Black Blood, Time Course, MDE, SSMDE and StarMap.
• ARC parallel imaging reduces scan time using an auto-calibrating (data-driven) technique. ARC selectively acquires data using an adaptive algorithm. As a result, ARC enables smaller FOV prescription with less sensitivity to motion and prevents coil calibration artifacts.
• ASSET parallel imaging reduces scan time using an array spatial sensitivity (image driven) technique. ASSET takes advantage of the data produced by the multiple coil elements to reduce the total data needed.
• Flexible No Phase Wrap reduces scan time by reducing the number of increments acquired based on a flexible user-selectable factor.
• Fraction NEX reduces scan time by reducing the number of data averages.

Motion Correction Technology

Enable free-breathing body exams and address the effects of motion with patient-adaptive technologies that proactively detect and correct for motion without hardware dependencies or the need for user intervention.

• Auto Body Navigators deliver real-time, respiratory motion compensated imaging for a broad range of sequences, including T1w dynamic contrast-enhanced imaging. Auto Body Navigators use a software-based tracking pulse that is automatically placed for the user and allows on-the-fly adjustment to adapt to challenging patient circumstances, again without the need for hardware.
• PROPELLER MB combines radial acquisition and motion correction post-processing to mitigate the effects of motion without the need to position the patient over a sensor. PROPELLER MB can be used to generate T1, T2, PD, T1 FLAIR, and T2 FLAIR contrasts and is compatible with FatSat, ASPIR, STIR T1 and Auto Body Navigators to enable usage for a broad range of exams.

Tissue Suppression Technology

Modify the contribution of fat or water signal with multiple tissue suppression techniques.

• FatSat uses a frequency selective pulse to target and suppress the signal from fat.
• STIR uses an inversion pulse to null either the signal from fat or water based on the timing of the pulse.
• SPECIAL essentially combines FatSat and STIR by using a frequency selective inversion pulse that targets and suppresses the signal from fat.
• ASPIR enhances fat suppression by using a using a spectrally selective (instead of a single frequency) inversion pulse to null the signal from fat.
• IDEAL is a 3-point Dixon technique that separates the signal from fat and water based on phase shift and enables the generation of water-only, fat-only, in-phase and out-of-phase images.
• Flex is 2-point Dixon techniques that separates the signal from fat and water based on phase shift and enables the generation of water-only, fat-only, in-phase and out-of-phase images. Clinical Toolkits

The SIGNA™Works AIR™ IQ Edition clinical imaging tools are organized and optimized to address six clinical work areas: NeuroWorks, OrthoWorks, BodyWorks, OncoWorks, CVWorks and PaedWorks.

NeuroWorks comprises pre-programmed protocols, clinical applications and visualization tools designed for the challenges of brain and brachial plexus imaging. Resulting capability starts with simplified prescription and protocol set-up. Imaging capability extends to sensor-free motion correction, advanced volumetric imaging, enhanced diffusion, susceptibility assessment and selective tissue suppression techniques. Post-processing capability augments the portfolio with 3D multi-planar reformat, volume segmentation/rendering, diffusion and fibertrak assessment and dynamic contrast-enhanced assessment.

• READYBrain auto-align for automated brain exam prescription
• PROPELLER MB motion robust radial-FSE with T1, PD, T2, T2 FLAIR, T1 FLAIR with STIR and ASPIR
• PROPELLER DW Duo FSE-based diffusion with susceptibility reduction
• Flex 2-point Dixon fat-water separation for 2D FSE and 3D Cube
• 3D Cube 2.0 FSE-based imaging with T1, T2, T1 FLAIR, T2 FLAIR and STIR
• 3D Cube Dual Inversion Recovery for gray or while matter nulling
• 3D COSMIC modified steady state imaging
• 2D/3D MERGE T2* multi-echo fast gradient echo imaging
• 3D BRAVO IR prepared fast SPGR imaging with concentric k-space filling
• 3D MP-RAGE IR prepared fast SPGR imaging with sequential k-space filling
• 3D FIESTA and 3D FIESTA-C fast steady state imaging
• eDWI enhanced diffusion with Multi-B value and SmartNEX
• DTI diffusion tensor imaging
• FiberTrak post-processing for diffusion tensor
• Inhance 3D velocity phase-sensitive non-contrast MRA
• Inhance 2D in-flow non-contrast MRA
• 3D SWAN 2.0 GRE-based multi-echo susceptibility imaging
• PROBE PRESS single voxel spectroscopy
• BrainStat GVF and AIF parametric maps
• READYView and BrainView post-processing

OrthoWorks delivers pre-programmed protocols, clinical applications and visualization tools designed for the challenges of joint, long bone and spine imaging. Resulting capability starts with fast-spin echo techniques as the foundation for articular cartilage, ligaments, menisci and sub-chondral bone imaging. Imaging capability also extends to sensor-free motion correction, advanced volumetric imaging, selective tissue suppression, cartilage assessment and spectral imaging for MR-Conditional implants. Post-processing capability augments the portfolio with 3D multi-planar reformat, volume segmentation/rendering and T2 cartilage mapping.

• FSE and frFSE fast spin echo imaging suites with dynamic phase correction
• FatSat, STIR, SPECIAL, ASPIR, Spectral Spatial fat-suppression tools
• MARS High Bandwidth distortion reduction for FSE
• MAVRIC SL FSE-based volumetric spectral imaging for MR-Conditional implants with T1, PD, T2 and STIR
• PROPELLER MB motion robust radial FSE with T1, PD, T2 and Fat Suppression (STIR and ASPIR)
• 3D Cube 2.0 FSE-based imaging with T1, T2, and STIR
• Flex 2-point Dixon fat-water separation for 2D FSE and 3D Cube
• 3D COSMIC modified steady state imaging
• 2D/3D MERGE T2* multi-echo fast gradient echo imaging
• CartiGram T2 cartilage mapping
• READYView post-processing

BodyWorks delivers pre-programmed protocols, clinical applications and visualization tools designed for the challenges of imaging the upper abdomen, liver, male pelvis and female pelvis. Resulting capability starts with sensor-free motion correction and navigators that enable the ability to conduct free-breathing exams with a broad range of contrast weighting capability. Imaging capability further extends to snap-shot imaging, volumetric MRCP imaging, dynamic volumetric imaging, enhanced diffusion, iron deposition and selective tissue suppression techniques. Post-processing capability augments the portfolio with 3D multi-planar reformat and high-definition maximum/minimum intensity pixel projection.

• Auto Navigators diaphragm tracker for free-breathing scanning
• PROPELLER MB motion robust radial FSE with T1 and Fat Suppression (STIR and ASPIR)
• 3D Cube FSE-based imaging with T1, T2, and STIR
• eDWI enhanced diffusion with Multi-B value and SmartNEX
• 3D Dual Echo gradient echo in/out phase imaging
• 3D LAVA and Turbo LAVA with Turbo ARC and SPECIAL for dynamic or single-phase imaging
• 3D LAVA Flex GRE 2-point Dixon fat-water separation for dynamic or single-phase imaging
• IDEAL FSE 3-point Dixon fat-water separation
• Flex GRE 2-point Dixon fat-water separation
• 3D MRCP frFSE imaging
• 2D Fat Sat FIESTA fast steady state imaging
• Enhanced SSFSE Snapshot multi-slice imaging with SmartR
• Whole-Body multi-station localizer and pasting
• Whole-Body multi-station FSE-IR, 3D SPGR and DWI imaging

• Inhance 2D in-flow with IR non-contrast MRA
• StarMap iron assessment for liver and heart (acquisition)
• Multiphase DynaPlan
• SmartPrep automated bolus detection
• Fluoro Trigger real-time bolus monitoring
• READYView and BodyView post-processing

OncoWorks delivers pre-programmed protocols, multi-station, contrast-timing, clinical applications and visualization tools designed for the challenges of imaging throughout the brain, spine and body. Resulting capability starts with tools that simplify and streamline the steps associated with multi-station acquisition and the timing of contrast delivery. Imaging capability includes sensor-free motion correction and navigators that enable the ability to conduct free-breathing exams with a broad range of contrast weighting capability. Capability further extends to snap-shot imaging, dynamic volumetric imaging, enhanced diffusion and selective tissue suppression techniques. Post-processing capability augments the portfolio with 3D multi-planar reformat, volume segmentation/rendering, diffusion assessment and auto-contour.

• Auto Navigators diaphragm tracker for free-breathing scanning
• PROPELLER MB motion robust radial-FSE with T1, PD, T2, T2 FLAIR, T1 FLAIR with STIR and ASPIR
• PROPELLER DW Duo FSE-based diffusion imaging with susceptibility reduction
• Flex 2-point Dixon fat-water separation for 2D FSE and Cube
•3D Cube 2.0 FSE-based imaging with T1, T2, T1 FLAIR, T2 FLAIR and STIR
•3D Cube Dual Inversion Recovery for gray or while matter nulling
•3D BRAVO IR prepared fast SPGR imaging with concentric k-space filling
• 3D MP-RAGE IR prepared fast SPGR imaging with sequential k-space filling
• Enhanced SSFSE Snapshot multi-slice imaging with SmartR
• Whole-Body multi-station localizer and pasting
• Whole-Body multi-station FSE-IR, 3D SPGR and DWI imaging
• eDWI enhanced diffusion with Multi-B value and SmartNEX
• 3D LAVA and TurboLAVA with Turbo ARC and SPECIAL
• Multiphase DynaPlan
• SmartPrep automated bolus detection
• Fluoro Trigger real-time bolus monitoring
• READYView, BrainView and BodyView post-processing

CVWorks delivers pre-programmed protocols, multi-station, contrast-timing, clinical applications and visualization tools designed for the challenges of imaging vascular structures and the heart. Resulting capability starts with tools that simplify and streamline the steps associated with multi-station acquisition and the timing of contrast delivery. Imaging capability includes sensor-free navigators that enable the ability to conduct free-breathing exams. For MRA, imaging capability includes 2D and 3D time-of-flight and phase contrast MRA, non-contrast MRA and dynamic MRA techniques. For the heart, imaging capability includes techniques for morphology, function, tissue characterization and iron deposition. Post-processing capability augments the portfolio with interactive vascular imaging for MRA and high-definition maximum/minimum pixel projection.

• Auto Navigators diaphragm tracker for free-breathing scanning
• iDrive for free breathing cardiac planning
• 2D FIESTA Cine gated steady-state, multi-phase imaging
• 3D FS FIESTA steady-state imaging with Fat Sat
• 2D/3D IR Prep gated fast gradient echo imaging
• Black Blood SSFSE single-shot FSE-based imaging
• Cine IR fast-gradient echo cardiac cine imaging with IR-prep pulse
• 2D/PS MDE phase sensitive tissue characterization
• StarMap iron assessment for liver and heart (acquisition)
• 2D/3D Time-Of-Flight & 2D Gated Time-of-Flight
• 2D/3D Phase Contrast & Phase Contrast Cine
• TRICKS dynamic contrast enhanced 3D MRA
• Inhance 3D DeltaFlow non-contrast MRA
• Inhance 2D in-flow non-contrast MRA
• SmartPrep automated bolus detection
• Fluoro Trigger real-time bolus monitoring
• 3D QuickStep automated multi-station imaging
• READYView post-processing

PaedWorks delivers pre-programmed protocols, clinical applications and visualization tools designed for the challenges of imaging pediatric patients. Resulting capability starts with sensor-free motion correction and navigators that enable the ability to conduct free- breathing exams with a broad range of contrast weighting. Imaging capability further extends to advanced volumetric imaging, dynamic volumetric imaging, enhanced diffusion, susceptibility assessment, selective tissue suppression techniques and spectral imaging for MR- Conditional implants. Post-processing capability augments the portfolio with 3D multi-planar reformat, volume segmentation/rendering and diffusion assessment.

• PROPELLER MB motion robust radial-FSE with T1, PD, T2, T2 FLAIR, T1 FLAIR with STIR and ASPIR
• 3D Cube 2.0 FSE-based imaging with T1, T2, T1 FLAIR, T2 FLAIR and STIR

• 3D Cube Dual Inversion Recovery for gray or while matter nulling
• 3D COSMIC modified steady state imaging
• 2D/3D MERGE T2* multi-echo fast gradient echo imaging
• 3D BRAVO IR prepared fast SPGR imaging with concentric k-space filling
• 3D MP-RAGE IR prepared fast SPGR imaging with sequential k-space filling
• 3D FIESTA and 3D FIESTA-C fast steady state imaging
• eDWI enhanced diffusion with Multi-B value and SmartNEX
• DTI diffusion tensor imaging
• FiberTrak post-processing for diffusion tensor
• SWAN 2.0 3D GRE-based multi-echo susceptibility imaging
• PROBE PRESS single voxel spectroscopy
• MAVRIC SL FSE-based spectral imaging for MR-Conditional implants
• Auto Navigators diaphragm tracker free-breathing scanning
• 3D LAVA and Turbo LAVA with Turbo ARC and SPECIAL for dynamic or single-phase imaging
• 3D LAVA Flex GRE 2-point Dixon fat-water separation for dynamic or single-phase imaging
• Enhanced SSFSE Snapshot multi-slice imaging with SmartR
• Black Blood SSFSE single-shot FSE-based imaging
• Cine IR fast-gradient echo cardiac cine imaging with IR-prep pulse
• 2D PS/MDE phase sensitive tissue characterization
• StarMap iron assessment for liver and heart (acquisition)
• BrainStat GVF and AIF parametric maps
• READYView and BrainView post-processing

Advanced Visualization and Post-Processing

READYView is a SIGNA™ Works AIR™ IQ Edition advanced visualization tool designed to simplify the quantitative analyses of multiple data sets. READYView automatically selects the most relevant post-processing protocol for the user and provides guided workflow and general assistance for the processing algorithms. In addition, the user can customize workflows with adjustable layouts, personalized parameter settings and custom review steps. Key capabilities of READYView include the ability to analyze, export and save:

• Time series
• Diffusion weighted series
• Diffusion tensor series
• Variable echo series
• Blood oxygen level dependent (BOLD) series fMRI processing
• Spectroscopy data (single voxel and 2D or 3D CSI)
• MR Touch (MR elastography) series

Line	Qty.	Catalog	
	1.00	M70012TS	**Voyager Scan Room Collector - Long**

The Long Scan Room Collector contains a collection of cables such as gradient cables and other materials necessary for system interconnections. The long configuration is designed for room configurations that require a long length based on distance between system components.

Line	Qty.	Catalog	
	1.00	M70012RP	**English Language Kit**

English Language Kit

Line	Qty.	Catalog	
	1.00	R33012AC	**Standard Service License**

The Standard Service License provides access to service tools used to perform basic level service on the Equipment and is included at no charge for the warranty period.

Line	Qty.	Catalog	
	1.00	M7001NB	**1.5T Anterior Array**

The 1.5T Anterior Array (AA) is a standard component of the TDI Coil Suite that facilitates chest, abdomen, pelvis, and cardiac imaging. The AA is lightweight, flexible, thin, and pre formed to conform to the patient's size and shape. With 54 cm of S/I overage, the coil permits upper abdominal and pelvic imaging without repositioning the patient or the coil.

Anterior Array Specifications:

• Length: 55.6 cm (22.1 in).
• Width: 67.4 cm (27.5 in).
• Height: 3.3 cm (1.7 in).
• Weight: 2.8 kg (6.16 lb) resting on patient.

• Weight: 3.9 kg (8.6 lb) with cable.
• S/I Coverage: 54 cm.
• Head or feet-first imaging.
• Elements: up to 28 elements in the field of view when used with the Posterior Array.

The AA may also be used with the TDI Head Neck Array and Peripheral Vascular Array for additional anatomical coverage.

Line	Qty.	Catalog	
	1.00	M7001NE	**1.5T 3-Channel Shoulder Array**

The 1.5T 3-channel Shoulder Array offers the increased signal-to-noise characteristic of phased-array technology, along with a unique sleeve design that delivers exceptional joint-imaging capabilities. The coil provides clear definition of the shoulder joint, specifically the head of the humerus, clavicle, acromion, supraspinatus muscle and ligaments. Patient comfort pads and restraining straps are included.

Line	Qty.	Catalog	
	1.00	M7006CE	**1.5T 16-Channel T/R Hand-Wrist Coil**

The 1.5T 16-Ch T/R Hand Wrist Coil is a transmit and receive MRI RF coil intended for obtaining diagnostic images of patient hand and wrist anatomies. The coil consists of two saddle coils driven in quadrature capable of both transmitting and receiving, along with an array of sixteen surface receive elements. The transmit coil consists of two orthogonal saddles, which is a volume transmit coil for transmitting RF magnetic field into human tissue during transmit phase, and can function as a receive coil for receiving MRI signal from human tissue during receive phase. The device includes two rigid, plastic bases which the coil can be attached to and removed as desired. One positions the coil for horizontal wrist imaging, and one positions the coil for vertical wrist imaging. In the horizontal position, position of the coil can be adjusted along the base to accommodate imaging of either the left or right hand. Foam pads are also provided as accessories to aid in patient immobilization, anatomy positioning, and to enhance patient comfort.

Compatible only with MR systems that have 32-channels or more. Not compatible with 16-channel systems. Requires software 26.0 R02 or higher for DV products and 26.2 or higher for Voyager.

Line	Qty.	Catalog	
	1.00	M7005BE	**Flex Array Positioner**

The Flex Array Positioner is a multipurpose support for a broad range of exams including foot, ankle, forefoot, knee, and head. A dedicated forefoot attachment allows the flex array elements to be wrapped tightly around the foot, yielding improved image quality. A repositionable support pad in the foot and ankle attachment allows for selection of a 90 degree position, or a relaxed position of the ankle. The pads and straps included with the stabilizer facilitate rapid setup and allow for flexibility in how the anatomy is secured.

Optional Items
Please initial the Catalogs you wish to purchase

Catalog Number	Qty.	Description	Net Price	Initial
M7000SC	**1.00**	**1.5T Flex Suite, Standard (MD, LG)**		

The 1.5T Standard Flex Suite is a versatile set of high density 16- channel receive coils designed to give high quality images in a wide range of applications. The high degree of flexibility is particularly advantageous when imaging patients that do not fit the constraints of rigid coils, improving the patient and technologist experience. The size and shape of the elements in each flex coil have been optimized for high SNR and parallel imaging for the volume embraced by the coil.

This Standard set provides the Medium and Large flex coils, and a knee stabilization fixture. With these two coils and the included accessories, this suite covers a broad range of musculoskeletal applications, including hand, wrist, elbow, shoulder, hip
(unilateral and bilateral), knee, ankle, and foot. In addition, the coils' versatility has been shown in a range of general purpose applications that include head, neck, and spine exams.

Includes:
• 1.5T Flex Coils - Medium and Large Arrays.
• 1.5T Flex Interface Module 16-channel Fixed, P-Connector.
• Flex Knee Stabilization fixture for flat table.
• Flex GP Strap and Interface Module Cover.
• Flex Cable Take-up Pad and General Purpose Stabilization Pad.

Catalog Number	Qty.	Description	Net Price	Initial

W0301MR **1.00** **TIP MR 1.5T Training Program**

This training program is designed for customers purchasing a GEHC 1.5T MR system. GEHC will work with the designated County contact to agree upon a reasonable training schedule for a pre-defined group of core technologists that will leverage blended content delivery and may include a combination of onsite days and virtual offerings, to include TiP Virtual Assist, the GEHC Answerline and available on-demand courses ("Virtual Inclusions"). This blended curriculum with multiple delivery platforms promotes learner retention and allows for an efficient and effective skill development.

This program may contain:
• Onsite training (generally 12 days)
• Virtual Inclusions may include:
• Remote instructor-led training: Instructor leads a remote training session one-on-one or in a group, typically for 1 hour
• Answerline Support-Access to GEHC experts for clinical, non- emergency applications assistance via phone or by using the iLinq
button on the imaging console
• Tip Virtual Assist-Direct interactive access to a GEHC expert for enhanced support.
• On Demand courses-On healthcare learning system. Self-paced
courses and webinars (CE and non-CE).

Training will be delivered at a mutually agreed upon time between the customer and GE Healthcare (excluding GE Healthcare holidays and weekends), are subject to availability and generally will not exceed 15 days. This training program has a term of six (6) months commencing on Acceptance, where all onsite training must be scheduled and completed within six (6) months of
Acceptance and all Virtual Inclusions also expire at the end of such six (6) month period. Additional onsite days may be available for purchase separately.
All GEHC "Training" terms and conditions apply. Given the unique nature of this program, if this program is purchased as part of a purchase under a Governing Agreement, including any Master Purchase Agreement, Group Purchasing Organization Agreement, or Strategic Alliance Agreement, this program shall take precedence over any conflicting training deliverables set
forth therein.

EXHIBIT “B”
Positron Emission Tomography/Computed Tomography (“PET/CT”) mobile system

Unit Name: PETCT 66

Description: 4 Slice

Manufacturer: GE

Model: Discovery ST 4

Software Version: dm09_hl2sp1.23.HP_P_G4_G_HPT:6x6_bgo

Software Features: Power 440, Smart Speed, 90 kVA, Direct-3D, Smart Prep, ACQC, WideView, AutomA, 3000 Image Series, Data Export, CopyComposer, PET 2D, PET Base, PET Cardiac Review, PET Diagnostic CT, PET Dynamic Review, VolumeViewer, Thin Twin Helical

Table weight limit: 400 lbs.

Bore size: 70 cm

Components: RTP pallet

Trailer Manufacturer: Oshkosh Specialty Vehicles Trailer

VIN: 1S9FS482861183045

QUOTATION

Date: 8/23/2021 8:39 AM Expiration Date: 9/22/2021
Quote #: Q-00638-2

UIH Solutions LLC
9370 Kirby Drive
Houston, Texas 77054
Tel: (858)-837-9176
Email: jarrod.buchanan@united-imaging.com

TO:
Company: Alliance HNI Address:
525 S Gould St
Owosso, Michigan 48867
United States

QTY	DESCRIPTION	PART NUMBER
Main System Bundle		
1	**uMI® 550 Mobile Digital PET/CT 24 cm Coverage Oncology Configuration**	**USMI550-B0005**
PET/CT System Configuration		
	– 24 cm axial field of view (FOV) PET – National Electrical Manufacturers Association (NEMA) spatial resolution: 2.9 mm – NEMA sensitivity: 11 counts per second per kilobecquerel (cps/kBq) – Silicon photomultipliers (SiPM) digital detector – Constant-temperature cooling system – Patient registration and administration system – Picture Archiving and Communication System (PACS)/Hospital Information Systems (HIS)/ Radiological Information System (RIS) connection management with Modality Performed Procedure Step (MPPS) support – uExceed Operating System	Included
Mobile Digital PET/CT System		
	– Mobile-specific workflow – Customizable, location-specific software configuration – Secure mobile transport – Universal power supply – Shielded phantom container	Included
PET Software Configuration		

– Filtered back projection (FBP) method and ordered subsets expectation maximization (OSEM) PET reconstruction algorithms – HYPER Iterative (ROSEM) – Point spread function (HYPER UVP) – Time of flight (TOF) (HYPER UVT) – uAI® HYPER DLR (Deep Learning-Based PET Reconstruction) – uAI® HYPER DPR (Deep Progressive Reconstruction) – HYPER FOCUS (Respiratory Motion Management) – Dynamic PET – Head motion correction – Digital deviceless self-respiratory gating – 70 cm FOV reconstruction – PET 600 x 600 high-density reconstruction matrix	Included
Quality Assurance tools	
– PET/CT alignment phantom – PET uniform phantom – PET rod phantom – NEMA image quality phantom – NEMA tool – NEMA tool fixture	Included
CT System Configuration	
– 80 slice CT – 22 mm coverage per rotation – Z-Detector – ultra low-level electronic noise – digital and integrated – Isotropic spatial resolution: 0.25 mm – Minimum slice thickness: 0.55 mm – 0.5 s / 360° maximum rotation speed – 70 cm bore – 5.3 Mega Heat Unit (MHU) tube – 50 Kilowatt (kW) generator – 70, 80, 100, 120 and 140 kVp capability – Maximum patient table load: 250 kg / 550 lbs – Maximum scan range: 2 meters – NEMA XR-29 compliant	Included
CT Software Configuration	
– View 3D head and neck bone removal – uDose CT dose modulation – KARL 3D CT iterative denoising package – 1024 x 1024 high-resolution reconstruction matrix – Easy-Logic Intelligent Prediction Platform with Auto Planbox – Metal Artifact Correction (MAC) – Bolus tracking – 2D and 3D image viewer – 2D and 3D image toolbox – Multi-Planar Reconstruction (MPR), Maximum Intensity Projection (MIP), Minimum Intensity Projection (MinIP), Curved MPR (CPR), Volume Rendering (VR), Volume Rendering Template (VRT), Shaded Surface Display (SSD), image subtraction, regional growth, automatic bone removal, virtual endoscopy	Included
uWS MI Workstation	

– Oncology – PERCIST and RECIST evaluation software – PET/CT fusion – PET/CT dynamic analysis – PET/CT advanced fusion – View 3D head and neck bone removal – CT vessel analysis – Lung nodule assessment – Dental analysis – Colon assessment – Inner view – Image filming and archiving tool – Workstation computer with 24-inch Liquid Crystal Display (LCD) monitor – Workstation manuals	Included
Software Upgrades for Life	
– Inclusion of new software upgrades throughout the product life cycle delivers both performance enhancements and new functionality, always keeping your investment current.	Included
Accessories & Additional Items	
– Flat tabletop – Table cushion – CT Slicker – Head support set – Head cushion – External plate and external plate cushion (for extending the table range) – Patient table accessory set (patient straps, knee cushion, head/arm support) – Clinical accessories (IV tray, tray holder) – Console computer with two (2) designated GPUs and 24-inch LCD monitor – Control box – Filming and archiving tools including an external DVD drive – Power supply cabinet – English user interface – System operation and technical user manual	Included
Install, Training & Warranty	
Installation: Per project management plan	Included
Applications TrainingTwo (2) weeks of initial onsite training will be provided upon completion of installation, as well as two weeks of follow-up training per system quoted. In addition, up to two weeks of training annually will be provided per system as needed under an active full-service agreement.	Included
Warranty12-months standard warranty (reference warranty Terms and Conditions)	Included

EXHIBIT "C"
The Wholesale Customer Acknowledgement for FDA Process Requirements – MRI Gadolinium Based Contrast Agents

Wholesale Customer Acknowledgement
FDA Process Requirements – MRI Gadolinium Based Contrast Agents

Customer Number: _____

Customer Name: _____

Alliance HealthCare Radiology has reviewed with me the new FDA requirement for patient education in the form of a medication guide specific to the brand of gadolinium contrast agent(s) being used. The guides are required to be handed to each and every patient with the potential of receiving a contrast injection during their MRI examination. Further, I understand that Alliance HealthCare Radiology has developed a seamless process to satisfy this requirement but a site specific process can be implemented as an option. The site specific option would require all elements of the FDA requirement to be met.

☐ The site indicated above will allow implementation of the Alliance HealthCare Radiology process which meets or exceeds the FDA requirement of delivering medication guides to all MRI patients with the potential of receiving an injection of a gadolinium based contrast agent.

☐ The site indicated above has/will develop a site specific process that meets or exceeds the FDA requirement of delivering medication guides to all MRI patients with the potential of receiving an injection of a gadolinium based contrast agent.

Site Specific Process Date of Implementation: _____

_____
Radiology Operations Leader Signature

_____
Radiology Operations Leader Title

_____
Supervising Physician Signature

Submit this signed document to the Quality Team: qteam@allianceradiology-us.com or 602-773-3509

Patient Satisfaction: Our sensitivity to your needs	80.9%
Patient Satisfaction: Opportunity to ask questions	80.3%
Equipment performs dependably for each exam	98%
Alliance staff is available for all exams as agreed upon	99%

VICES

Performance Indicators

Contract: Alliance MRI Service	
Service Description: provides technologists and equipment to provide MRI scans for SVMH patients	
Measure	**Target**
Scans meet image quality expectations	99%
Patient Satisfaction: Response to concerns/complaints made during your visit	81.3%
Patient Satisfaction: Staff's concern for your questions and worries	83.1%
Equipment performs dependably for each exam	98%
Alliance staff is available for all exams as agreed upon	99%

Contract: Alliance PET/CT Service	
Service Description: provides technologists and equipment to provide PET/CT scans for SVMH patients	
Measure	**Target**
Scans meet image quality expectations	99%
Patient Satisfaction: Our sensitivity to your needs	80.9%
Patient Satisfaction: Opportunity to ask questions	80.3%
Equipment performs dependably for each exam	98%
Alliance staff is available for all exams as agreed upon	99%

Justification for Sole Source Form

To: Contract Review Committee

From: Gina Ramirez, Diagnostic Imaging

Type of Purchase: (Check One)

☐Non-Medical, Non-Surgical Equipment/Supplies >= $25,000
☐Data Processing/Telecommunication Goods >= $25,000
☐Medical/Surgical – Supplies/Equipment >= $25,000
✓Purchased Services >= $350,000

Total Cost $:	$6,890,413.
Vendor Name:	Alliance Imaging
Agenda Item:	Renewal of Alliance Imaging contract for MRI and PET/CT services

Statement of Need: My department's recommendation for sole source is based upon an objective review of the product/service required and appears to be in the best interest of SVMHS. The procurements proposed for acquisition through sole source are the only ones that can meet the district's need. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when there are other known suppliers to exist.

Describe how this selection results in the best value to SVMHS. See typical examples below.

☐Licensed or patented product or service. No other vendor provides this. Warranty or defect correction service obligations of the consultant. **Describe.**

✓Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. The Outpatient Imaging Center building in the Heart Center parking lot is jointly owned by Alliance Imaging and SVMH. The building houses the Alliance Imaging MRI unit. We are currently using Alliance equipment and the building the MRI is housed in. We were able to secure better pricing terms with better equipment in the new contract.

☐Uniqueness of the service. **Describe.**

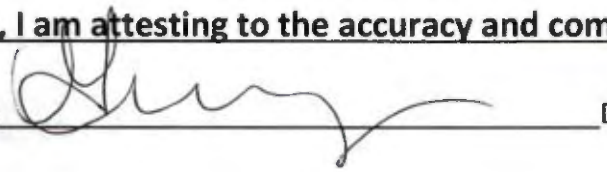
☐SVMHS has established a standard for this manufacturer, supplier or provider and there is only one vendor. **Describe.**

☐Factory-authorized warranty service available from only this single dealer. Sole availability at the location required. **Describe.**

☐Used item with bargain price (describe what a new item would cost). **Describe.**

☐Other -The above reasons are the most common and established causes for an eligible sole source. If you have a different reason, please **describe**:

By signing below, I am attesting to the accuracy and completeness of this form.

Submitter Signature  Date: 3/7/22

RECOMMEND BOARD APPROVAL OF RESOLUTION NO. 2022-03 DECLARING ITS INTENT TO REIMBURSE PROJECT EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

(VERBAL)

(LOPEZ)

RESOLUTION NO. 2022-03
OF THE BOARD OF DIRECTORS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

DECLARING ITS INTENT TO REIMBURSE PROJECT EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS

WHEREAS, Salinas Valley Memorial Healthcare System ("District") is a public health care district organized and operated under Division 23 of the California Health and Safety Code;

WHEREAS, the District is authorized under the California Health and Safety Code ("Local Health Care District Law") to enter into agreements to finance construction and the purchase of equipment to be used for any District purpose;

WHEREAS, the District intends to finance the acquisition, construction, improvement, renovation and equipping of its main hospital and related facilities, including but not limited to a parking garage, a surgery center and certain seismic improvements and related expenditures;

WHEREAS, the District expects to pay for certain expenditures ("Reimbursement Expenditures") in connection with the projects described above (hereinafter collectively referred to as the "Project") prior to obtaining debt financing for the purpose of financing costs associated with the Project on a long term basis;

WHEREAS, the District reasonably expects that debt obligations in an amount not expected to exceed $400 million will be used to reimburse the Reimbursement Expenditures;

WHEREAS, proceeds of such debt obligations will be allocated to Reimbursement Expenditures no later than 18 months after the later of (i) the date the cost is paid, or (ii) the date the Project (or each component thereof) is placed in service or abandoned (but in no event more than three years after the cost is paid);

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the District to declare its official intent to reimburse prior expenditures for the project with proceeds of a subsequent borrowing; and

WHEREAS, it appears to the Board that the declaration of the District's intent to reimburse its prior payments of costs of the Project is desirable and in the best interests of the District;

NOW, THEREFORE, BE IT RESOLVED, ORDERED AND DIRECTED AS FOLLOWS:

1. Recitals. This Board finds and determines that all of the above recitals are true and correct.

2. Official Intent. The District hereby declares that the District reasonably expects to reimburse its expenditures on costs of the Project with proceeds of debt to be incurred by the District. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2. This declaration of official intent does not bind the District to make any expenditure for Project costs or to incur any debt for Project costs or to proceed with the Project. This declaration of official intent supplements the declarations of official

intent adopted by the Board on February 28, 2013, June 24, 2015, November 29, 2018 and February 25, 2021.

3. This resolution shall take effect from and after its adoption.

This Resolution was adopted at a Regular Meeting of the Board of Directors of the District on _____, 2022, by the following vote.

AYES:
NOES:
ABSTENTIONS:
ABSENT:

_____
Board Member
Salinas Valley Memorial Healthcare System

RECOMMEND BOARD APPROVAL OF LIMITED PARTNERSHIP INTEREST SALE AND PURCHASE AGREEMENT OF VANTAGE SURGERY CENTER, L.P. BY AND BETWEEN STM, LLC AND SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

(VERBAL)

(RADNER/RAY)

LIMITED PARTNERSHIP INTEREST SALE AND PURCHASE AGREEMENT

VANTAGE SURGERY CENTER, L.P.

This Limited Partnership Interest Sale and Purchase Agreement ("Agreement") is effective **April 1, 2022** ("Effective Date"), by and between **STM, LLC**, a California limited liability company ("STM"), and **Salinas Valley Memorial Healthcare System**, a California local health care district ("SVMHS"), for the sale and purchase of a Limited Partnership Interest in **Vantage Surgery Center, L.P.**, a California limited partnership ("Vantage").

Recitals

A. As of the Effective Date of this Agreement, STM owns an eighty percent (80%) Limited Partnership Interest in Vantage, and SVMHS owns a ten percent (10%) Limited Partnership Interest in Vantage. STM also owns a ten percent (10%) interest in Vantage as the general partner of Vantage (in such capacity, "General Partner").

B. SVMHS desires to sell to STM, and STM desires to purchase from SVMHS, upon and subject to the terms and conditions contained in this Agreement, SVMHS's remaining ten percent (10%) Limited Partnership Interest in Vantage ("Purchase and Sale"), resulting in SVMHS no longer owning any Limited Partnership Interest in Vantage, and STM owning a ninety percent (90%) Limited Partnership Interest and a ten percent (10%) interest in Vantage as the general partner of Vantage.

C. The General Partner has given its prior written consent to the Purchase and Sale and, in so doing, expressly acknowledged that the Purchase and Sale may result in the termination of Vantage within the meaning of §708(b) of the Code as defined in the Vantage Limited Partnership Agreement, as amended ("LPA").

The parties agree as follows:

1. PURCHASE AND SALE OF VANTAGE LIMITED PARTNERSHIP INTEREST

1.1 Purchase and Sale of Vantage Limited Partnership Interest. Subject to the terms and conditions of this Agreement, at the Closing, SVMHS shall sell and convey to STM and STM shall purchase and acquire from SVMHS, SVMHS's equity interest in Vantage, which is a **ten percent (10%) Limited Partnership Interest** in Vantage ("Vantage Limited Partnership Interest"). The Vantage Limited Partnership Interest shall be transferred to STM free and clear of any and all liens, security interests, claims, encumbrances, and/or any other rights of third parties, except for restrictions on transfer under federal and state securities laws, and as otherwise set forth in the LPA.

1.2 Purchase Price. In consideration for the Vantage Limited Partnership Interest, STM shall pay to SVMHS on or before the Closing Date of April 30, 2022, the purchase price for the Vantage Limited Partnership Interest in the amount of **Two Million Four Hundred Eighty-One Thousand Five Hundred Eighty Dollars ($2,481,580.00)** ("Purchase Price") in immediately available U.S. Dollar funds.

1.3 Closing. The closing of the purchase, sale, and transfer of the Vantage Limited Partnership Interest ("Closing") shall take place on **April 30, 2022**, or a date that is as soon as practicable after the conditions set forth in Section 4 of this Agreement have been satisfied or waived ("Closing Date"). The Closing shall be effective at 12:00 p.m. Pacific Time on the Closing Date ("Effective Time").

1.4 Final Partnership Distribution from Vantage. Based on the final financial statements for Vantage at the close of the month of **April**, STM and SVMHS agree that any amount of cash greater than the amount of one hundred fifty thousand dollars ($150,000.00), shall be distributed to STM and SVMHS in proportion to each party's ownership interest in Vantage prior to the Closing within thirty (30) days after the Closing Date.

2. REPRESENTATIONS AND WARRANTIES BY SELLER

2.1 SVMHS. SVMHS represents and warrants to STM that SVMHS is a California local health care district duly organized, validly existing and in good standing under the laws of the State of California. SVMHS has all requisite power and authority to: (i) execute and deliver this Agreement, (ii) sell and transfer the Vantage Limited Partnership Interest to STM, and (iii) consummate the transactions contemplated by this Agreement.

2.2 No Claims. SVMHS represents and warrants to STM that there is no claim or litigation against SVMHS's Limited Partnership Interest in Vantage, filed or initiated or, to the best of SVMHS's knowledge, threatened at law or in equity. SVMHS has good and valid rights, title, and interests to the Vantage Limited Partnership Interest.

2.3 Authorization. SVMHS has full power and authority to enter into this Agreement and perform its obligations under this Agreement and carry out the transactions contemplated by this Agreement. The performance by SVMHS of this Agreement and the consummation of the transactions contemplated hereby are contingent upon authorization and approval by the Board of Directors of SVMHS, which is a condition of closing.

3. REPRESENTATIONS AND WARRANTIES OF PURCHASER.

3.1 STM. STM represents and warrants to SVMHS that STM is a California limited liability company duly formed and validly existing and in good standing under the laws of the State of California. STM has full power and authority to conduct its business as now conducted. STM has all requisite power and authority to: (i) execute and deliver this Agreement; (ii) purchase the Vantage Limited Partnership Interest from SVMHS; and (iii) consummate the transaction contemplated by this Agreement.

3.2 Authorization. STM has full power and authority to enter into this Agreement and perform its obligations under this Agreement and carry out the transactions contemplated by this Agreement. The execution, delivery, and performance by SVMHS of this Agreement and the consummation of the transactions contemplated hereby have been approved by STM.

4. CONDITIONS

4.1 Mutual Conditions. The obligations of each party to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions (unless waived in writing).

4.1.1 Litigation. No temporary restraining order, preliminary or permanent injunction or other order issued by any court or other government agency of competent jurisdiction preventing, making illegal, or imposing material limitations or conditions on the completion of the transactions described in this Agreement shall be threatened or in effect.

4.1.2 Consents. All consents, approvals, and/or authorizations required for consummation of the transaction described in this Agreement shall have been obtained by the parties.

4.2 Conditions to Closing. In order to complete this transaction, the following shall occur prior to or at Closing (unless waived in writing): (i) the SVMHS Board of Directors shall have approved this transaction and this Agreement; (ii) SVMHS shall have received from STM payment for the full amount of the Purchase Price; and (iii) such other documents shall have been executed as SVMHS and STM, or their legal counsel may reasonably request.

4.3 Restrictions Extinguished. Upon the closing, restrictions on SVMHS regarding construction, operation, and/or ownership of a facility or business in direct or indirect competition with Vantage, if any, are fully extinguished and of no force or effect as of the Closing Date.

5. TERMINATION

5.1 Termination of Agreement. This Agreement may be terminated prior to or at the Closing as follows:

5.1.1 By mutual written consent of Seller and SVMHS;

5.1.2 By SVMHS if there shall have been a material breach of any provision of this Agreement has been committed by STM and such material breach is incapable of being cured or, if capable of being cured, shall not have been cured within five (5) days following receipt of notice of such breach; or

5.1.3 By STM if there shall have been a material breach of any provision of this Agreement has been committed by SVMHS and is incapable of being cured or, if capable of being cured, shall not have been cured within five (5) days following receipt by SVMHS of notice of such breach.

5.2 Effect of Termination. In the event that this Agreement is validly terminated, this Agreement shall become void and of no effect and each of the parties shall be relieved of their duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to the parties.

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6. GENERAL PROVISIONS

6.1 Responsibility for Own Acts. Each party shall be responsible for its own acts and omissions and not for any acts or omissions of the other party.

6.2 Expenses. All fees and expenses incurred by STM related to this Agreement, including legal fees and expenses, shall be the responsibility of STM, and all fees and expenses incurred by SVMHS related to this Agreement, including legal fees and expenses, shall be the responsibility of SVMHS.

6.3 Assignment/Parties in Interest. Neither party may assign, transfer, or otherwise dispose of any of its respective rights under this Agreement without the prior written consent of the other party. All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective heirs, successors, assigns and legal or personal representatives of the parties to this Agreement.

6.4 Referrals. Nothing in this Agreement shall be interpreted or construed to induce the referral of patients by or between SVMHS and STM, or the use of any services provided by any of the parties to this Agreement.

6.5 Severability. The invalidity of any term or terms of this Agreement shall not affect any other term of this Agreement, which shall remain in full force and effect.

6.6 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or mailed (registered or certified mail, postage prepaid, return receipt requested, by overnight courier service or by facsimile or electronic mail) as follows:

SVMHS: Salinas Valley Memorial Healthcare System
Attention: Office of the President/CEO
450 East Romie Lane
Salinas, CA 93901

STM: STM, LLC
Attention: Asit S. Pruthi, M.D.
622 Abbott Street
Salinas, CA 93901

6.7 Construction. The parties acknowledge that they have independently negotiated this Agreement and have relied upon their own counsel as to matters of law and application. The parties expressly agree that there shall be no presumption as a result of either party having prepared in whole or in part any provisions of this Agreement.

6.8 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws rules. Venue shall be in Monterey County, California.

6.9 Attorneys' Fees. The prevailing party in any arbitration or litigation concerning this Agreement is entitled to reimbursement of its court costs and attorneys' fees by the non-prevailing party, including such costs and fees as may be incurred in arbitration.

6.10 Arbitration. All disputes arising under or in connection with this Agreement shall be submitted to arbitration. There shall be one (1) arbitrator who shall be experienced in mediation and arbitration and knowledgeable regarding health care integrated delivery systems and the applicable legal and regulatory standards. The arbitrator shall be chosen by the mutual consent of the parties. If the parties are unable to agree on an arbitrator within thirty (30) calendar days after a determination to arbitrate is made, they shall request that an arbitrator be selected by the American Health Lawyers Association Dispute Resolution Panel.

6.11 Entire Agreement/Amendments/Waiver. This Agreement contains the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, warranties, or covenants with respect to the subject matter hereof other than those set forth in this Agreement and the LPA. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended only by a written instrument duly executed by all parties hereto. Any condition to a party's obligations under this Agreement may be waived but only by a written instrument signed by the party entitled to the benefits thereof. The failure or delay of any party at any time or times to require performance of any provision or to exercise its rights with respect to any provision hereof, shall in no manner operate as a waiver of or affect such party's right at a later time to enforce the same.

SIGNATURES ON FOLLOWING PAGE

The parties have duly executed this Limited Partnership Interest Sale and Purchase Agreement as of the Effective Date first set forth above.

STM
STM, LLC
A California Limited Liability Company

By:_____
Asit S. Pruthi, M.D., President

Date:_____

SVMHS
Salinas Valley Memorial Healthcare System
A Local Health Care District

By:_____
Pete Delgado, President/CEO

Date:_____

PERSONNEL, PENSION AND INVESTMENT COMMITTEE

Minutes from the March 22, 2022 meeting of the Personnel, Pension and Investment Committee will be distributed at the Board Meeting

Background information supporting the proposed recommendation from the Committee is included in the Board Packet

(REGINA M. GAGE)

- *Committee Chair Report*
- *Board Questions to Committee Chair/Staff*
- *Motion/Second*
- *Public Comment*
- *Board Discussion/Deliberation*
- *Action by Board/Roll Call Vote*

Memorandum

Date: March 14, 2022

To: Personnel, Pension & Investment Committee

From: Augustine Lopez, CFO / Scott Cleveland, Controller

Re: **Request for Additional Contribution to the Defined Benefit Pension Plan for CY 2022**

The Hospital's consulting actuaries calculated the Net Pension Liability at 12/31/2020 to be $42,237,804. Overall, SVMHS continues its trend to be in a strong financial position while improving its revenue cycle processes and building its days cash on hand as of February 2022 to be 376 days. SVMHS's financial performance continues to be strong despite having made the necessary investments in operations to support the organization, its patients and community for over two years now during the Covid-19 Pandemic.

SVMHS is now in a financial position to optimize its investment returns by contributing additional funds to its diversified investment portfolio of the Defined Benefit Pension Plan. This investment compares favorably to that of the hospital's general investments. At this time, management is recommending to the Personnel, Pension and Investment Committee consideration to **recommend Board approval to make an additional contribution of $45,000,000 (Forty-Five Million Dollars) to the Salinas Valley Memorial Healthcare District Employees' Pension Plan for Calendar Year 2022** (which is in addition to the actuarially determined required minimum contribution). The plan would be to make this contribution on or before the end of Calendar Year 2022.

While SVMHS's financial position and future challenges is always under review, the goal at this time is to become fully funded under GASB, maximize its investment returns, reduce its pension expense, and continue to improve the organization's overall financial position.

Thank you for your consideration.

COMMUNITY ADVOCACY COMMITTEE

Minutes from the March 22, 2022 meeting of the Community Advocacy Committee will be distributed at the Board Meeting

(REGINA M. GAGE)

CORPORATE COMPLIANCE AND AUDIT COMMITTEE

Minutes from the March 22, 2022 meeting of the Corporate Compliance and Audit Committee will be distributed at the Board Meeting

(JUAN CABRERA)

RESOLUTION NO. 2022-04
OF THE BOARD OF DIRECTORS OF
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM

PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR'S STATE OF EMERGENCY DECLARATION ON MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS FOR THE PERIOD MARCH 25, 2022 THROUGH APRIL 30, 2022

WHEREAS, Salinas Valley Memorial Healthcare System ("District") is a public entity and local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code;

WHEREAS, the District Board of Directors is committed to preserving and nurturing public access and participation in its meetings;

WHEREAS, all meetings of the District's governing body are open and public, as required by The Ralph M. Brown Act, so that members of the public may attend, participate, and observe the District's public meetings;

WHEREAS, The Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions;

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558;

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the boundaries of the District, caused by natural, technological, or human-caused disasters;

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees;

WHEREAS, such conditions now exist within the District Boundaries of Salinas Valley Memorial Healthcare System;

WHEREAS, the District Board of Directors does hereby acknowledge the current state of emergency and is following the September 22, 2021 recommendation by the Monterey County Health Department that public agencies continue to utilize remote meetings for the purpose of preventing the transmission of COVID-19;

WHEREAS, as a consequence of the local emergency, the District Board of Directors may conduct meetings without compliance with Government Code Section 54953(b)(3), as authorized by Section 54953(e), and that the District shall comply with the requirements to provide the public with access to the meetings pursuant to Section 54953(e) (2);

WHEREAS, meetings of the District Board of Directors will be available to the public via zoom link listed on the agenda;

NOW THEREFORE IT IS HEREBY ORDERED AND DIRECTED THAT:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

2. Proclamation of Local Emergency. The District hereby proclaims that a local emergency continues to exist throughout Monterey County, and as of September 22, 2021, the Monterey County Health Department continues to recommend that physical and social distancing strategies be practiced in Monterey County, which includes remote meetings of legislative bodies, to the extent possible.

3. Ratification of Governor's Proclamation of a State of Emergency. The District hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

4. Remote Teleconference Meetings. The District Board of Directors is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of The Brown Act.

5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) April 30, 2022, or (ii) such time the District adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the District may continue to meet via teleconference meeting all the requirements of Section (3)(b).

This Resolution was adopted at a duly noticed Regular Meeting of the Board of Directors of the District on March 24, 2022, by the following vote.

AYES:
NOES:
ABSTENTIONS:
ABSENT:

_____
Board Member
Salinas Valley Memorial Healthcare System

Medical Executive Committee Summary –March 10, 2022

Items for Board Approval:

Credentials Committee

Initial Appointments:

APPLICANT	SPECIALTY	DEPT	PRIVILEGES
Chen, Kevin, MD	Ophthalmology	Surgery	Ophthalmology
Cooper-Vaughn, Margaret, MD	Ob/Gyn	Ob/Gyn	Obstetrics
Hashisho, Mazen, MD	Vascular & Thoracic Surgery	Surgery	Vascular Surgery Peripheral Endovascular Procedures Thoracic Surgery

Reappointments:

APPLICANT	SPECIALTY	DEPT	PRIVILEGES
Bhat, Arvind, MD	Internal Medicine	Medicine	Adult Hospitalist
Bottari, Brendan, MD	Interventional Radiology	Diagnostic Imaging	Diagnostic Imaging Vascular and Interventional Radiology Peripheral Endovascular Procedures Center for Advanced Diagnostic Imaging at Ryan Ranch
Castro, Robert, MD	Neonatology	Pediatrics	Neonatal
Dacus, James, MD	Internal Medicine	Medicine	Cardiac Diagnostic Outpatient Center (CDOC)
Giedt, W. Reid, MD	Pediatrics	Pediatrics	Pediatrics
Gonzalez, Jaime, MD	Family Medicine	Medicine	Adult Hospitalist
Greene, Douglas, MD	Anesthesiology	Anesthesiology	Anesthesiology
Kanter, Gregory, MD	Urogynecology	Ob/Gyn	Urogynecology
Lilja, James, MD	Gynecologic Oncology	Ob/Gyn	Gynecologic Oncology
Locke, Erica, MD	Emergency Medicine	Emergency Medicine	Emergency Medicine
Meisner, Nicole, MD	Ob/Gyn	Ob/Gyn	Obstetrics and Gynecology
Nowak, Kenneth, MD	Otolaryngology	Surgery	Otolaryngology
Regwan, Steven, DO	Cardiology	Cardiology	Cardiology Cardiac Diagnostic Outpatient Center (CDOC Center for Advanced Diagnostic Imaging (CADI) Taylor Farms Family Health and Wellness Center
Rodnick, Jeffrey, MD	Radiation Oncology	Medicine	Radiation Oncology
Ruiz, James, MD	Ob Hospitalist	Ob/Gyn	Ob Hospitalist Obstetrics Ob Hospitalist Gynecology
Scott, Mary, DO	Family Medicine	Medicine	Adult Hospitalist
Sugar, Robert, MD	Anesthesiology	Anesthesiology	Anesthesiology
Von Berg, Marc, MD	Anesthesiology	Anesthesiology	Anesthesiology
Wilson, Alison, DO	Family Medicine	Medicine	Adult Hospitalist

Staff Status Modifications:

NAME	SPECIALTY	RECOMMENDATION
Carlson, John, MD	Gastroenterology	Requesting Emeritus status effective 3/01/2022.
Cuevas, Max, MD	Ob/Gyn	Resignation effective 3/31/2022.
Khieu, William, MD	Ob/Gyn	Requesting a Leave of Absence effective 2/21/2022.
Knobles, Micah, MD	Tele-Psychiatry	Resignation effective 2/14/2022.
Sawhney, Victor, MD	Tele-Psychiatry	Resignation effective 3/01/2022.
Sugar, Richard, MD	Anesthesiology	Requesting Emeritus status effective 3/31/2022.

Other Items: ***(Attached)***

General Surgery Clinical Privileges Delineation – Addition of Laparoscopic Sleeve Gastrectomy Special Procedure	The Committee recommended approval as presented.

Policies/Plans: ***(Attached)***

Quality Assessment and Performance Improvement Plan 2022

Informational Items:

I. Committee Reports:

a. Quality and Safety Committee Reports:
   i. Patient Experience
   ii. Diagnostic Imaging
   iii. Case Management/Social Work
   iv. Health Information Management
   v. Environmental Services
   vi. Patient Financial Services
   vii. Clinical Research Department

II. Other Reports:

a. Financial Update/Daily Dashboard Review – January 2022
b. Executive Update
c. Summary of Executive Operations Committee Meetings
d. Summary of Medical Staff Department/Committee Meetings
e. Medical Staff Treasury 03/04/2022
f. Medical Staff Statistics
g. HCAHPS Update 03/02/2022

III. Order Sets/Treatment Plans Approved:

Treatment Plan Renewals
CISplatin 25-30mg/m2 + Gemcitabine 1000mg/m2, Q21D (HEP10)
Triptorelin (Trelstar) 3.75 mg, Q28D (PRO16)
PACLitaxel 175 mg/m2 + CARBOplatin AUC 6, Q21D (UTE3)
RECLAST (Zoledronic acid) 5mg, Every 2 Years
Durvalumab 10mg/kg, Q14D (NSC80)
Liposomal DOXOrubicin 40-50mg/m2, Q28D (BRS22, OVA15, SOT12,UTE5)
EriBULin 1.4 mg/m2, Q21D (BRS76, SOT7, & UTS16)
CapeOX- Cape 1000mg/m2+OXALI 130mg/m2, Q21D (COL17,GAS84,REC19,SBA7)
New Treatment Plans
Daratumumab and hyaluronidase-fihj 1800 mg SQ
Lanreotide 120 mg SQ
Order Set Reviews
Blood Products-Transfusion
Cardiac Surgery Transfer PO
DKA HHS (Adult)
Insulin Pump
Insulin Subcutaneous
Labor Induction – Augmentation
Nephrology ICU Admission
OB ER Triage
PCA-Adult
PCA Pediatric

Clinical Privileges Delineation
General Surgery

Applicant Name: _____

Qualifications:

To be eligible to apply for core privileges in general surgery, the applicant must meet the following qualifications:

Board certification/eligibility requirements are applicable to new privilege requests after the Board of Directors approval of these revisions on September 28, 2017.

Board Certification:
Current Board certification or Board Eligible status (as defined by the corresponding specialty Board) in general surgery by the American Board of Surgery or the American Osteopathic Board of Surgery. For Board Eligible applicants, Board Certification as defined above must occur within 5 years of completion of residency/fellowship or within the eligibility specified by the corresponding specialty Board.

Ongoing Board Certification:
Once certified by a recognized Board, the Medical Staff Member must remain certified as a condition for Medical Staff privileges. If the Medical Staff member's board certification lapses for any reason, they shall have a grace period of two (2) years from the expiration date to regain board certification. Failure to regain board certification within the specified time period shall result in automatic suspension of Medical Staff privileges.

Applicants more than two years out of Residency training must provide documentation of the performance of at least 100 general surgical procedures during the past 12 months.

Physicians involved in the evaluation and management of cancer patients must be either Board Certified, in the process of becoming board certified; or demonstrate ongoing cancer-related education by documenting 12 CME hours annually

New applicants will be required to provide documentation of the number and types of hospital cases during the past 24 months. Applicants have the burden of producing information deemed adequate by the Hospital for a proper evaluation of current competence, and other qualifications and for resolving any doubts.

General Surgery core privileges

Admit, evaluate, diagnose, consult, and provide pre-, intra-, and post-operative care, and perform surgical procedures, to patients of all ages, except where specifically excluded from practice, to correct or treat various conditions, diseases, disorders, and injuries of the alimentary tract, abdomen and its contents, extremities, breast, skin and soft tissue, head and neck, vascular and endocrine systems. Management of trauma and complete care of critically ill patients with underlying surgical conditions in the emergency department, intensive care unit and trauma/burn units. The core privileges in this specialty include the procedures on the attached list and such other procedures that are extensions of the same techniques and skills.

Core Proctoring Requirements:

Core proctoring requirements include direct observation or concurrent and/or retrospective review as per proctoring policy contained in the Medical Staff General Rules and Regulations.

Reappointment Criteria for Core Privileges:

Applicant must provide reasonable evidence of current ability to perform requested privileges; those physicians who have fewer than 5 patient contacts per year in the hospital, and cannot provide documentation of current competence from another facility, will have all of their in-house patient contacts reviewed by the department wherein they are granted privileges until such time as current competence is affirmed.

Special Requirements:

Physicians involved in the evaluation and management of cancer patients must be either Board Certified, in the process of becoming Board certified; or demonstrated ongoing cancer-related education by documenting earning 12 CME hours annually.

Special Procedures/Privileges

Qualifications: To be eligible to apply for a special procedure privilege listed below, the applicant must demonstrate successful completion of an approved and recognized course or acceptable supervised training in residency, fellowship, or other acceptable experience; and provide documentation of competence in performing that procedure consistent with the criteria set forth below.

Proctoring of Special Procedure Privileges: These special procedure-proctoring requirements must be met in addition to the core proctoring requirements described on page one of this privilege form.

Applicant: Place a check mark in the (R) column for each privilege requested. New applicants must provide documentation of the number and types of hospital cases during the past 24 months.

(R)=Requested **(A)**=Recommended as Requested **(C)**=Recommended w/Conditions **(N)**=Not Recommended
Note: If recommendations for clinical privileges include a condition, modification or are not recommended, the specific condition and reason for same must be stated on the last page of this form.
Applicant: Check box marked "R" to request privileges

R	A	C	N	Procedure	Initial Appointment	Proctoring	Reappointment
				Moderate Sedation	**Current ACLS Certification AND** Signed attestation of reading SVMH Sedation Protocol and learning module, **AND** Completion of written moderate sedation exam with minimum of 75% correct.	1	**Current ACLS Certification AND** Completion of written moderate sedation exam with minimum 75% correct **AND** Performance of at least 2 Cases
				Insertion and management of pulmonary artery catheters	Successful completion of an accredited residency or fellowship in internal medicine, general surgery, cardiology, anesthesiology, pulmonary medicine, critical care, or family medicine; and performance of at least 10 PACs during this formal training, as primary operator **Required Previous Experience:** Active hospital practice in the chosen respective field; and performance (as the primary operator) of at least 10 PACs during the past 24 months.	1	Performance of at least 4 PACs during the past 24 months.

Applicant: Check box marked "R" to request privileges

R	A	C	N	Procedure	Initial Appointment	Proctoring	Reappointment
				Sentinel Node Biopsy for Cancer	Documented proficiency in the standard diagnosis and surgical management of breast cancer and/or melanoma AND Successful completion of an approved course leading to the ability to evaluate the patient for and perform the sentinel node mapping procedures.	3 Retrospective Chart Reviews 1 observation	Performance of at least 4 cases during the past 24 months.
				*Intermediate Laparoscopic Surgery	Must possess unrestricted privileges for open procedures AND Meet criteria for credentialing in basic laparoscopic general surgery AND Document completion of an accredited, hands-on course in laparoscopic general surgery for any one of the procedures herein defined as intermediate, or same in residency AND Document successful completion of at least 4 procedures in the past 24 months	1 by proctor with at minimum Intermediate Laparoscopic Surgery Privileges	Performance of at least 4 cases during the past 24 months
				Percutaneous Endoscopic Gastrostomy (PEG).	Formal fellowship training in gastroenterology or a residency in general surgery And Performance of at least 5 cases during the past 24 months	1 Observation and 3 chart reviews	Performance of at least 5 cases during the past 24 months
				Laparoscopic Sleeve Gastrectomy	Unrestricted privileges to perform advanced laparoscopic surgery (*restrictions do not include initial appointment proctoring*)	5 cases observed by a surgeon with unrestricted privileges for the procedure	Performance of at least 20 cases during the past 24 months. (10 in the past 12 months is on the Methodist Healthcare privilege out of Memphis, TN)

Applicant: Check box marked "R" to request privileges

R	A	C	N	Procedure	Initial Appointment	Proctoring	Reappointment
				*Advanced Laparoscopic Surgery	Fulfillment of criteria initially for Basic Laparoscopic privileges AND Document evidence of completing an accredited, hands-on course in advanced laparoscopic general surgery in the procedure requested or in three of the other advanced laparoscopic procedures, OR document having completed training and experience for such residency AND Document successful completion of at least 4 procedures in the past 24 months *General Surgeons who qualify for advanced laparoscopic privileges also qualify for intermediate laparoscopic privileges.	**1** by proctor with at minimum Intermediate Laparoscopic Surgery Privileges	Performance of at least 4 cases during the past 24 moths
				EGD	Documentation of successful completion of 50 cases in the past 24 months	**1**	Performance of at least 25 cases during the past 24 months
				Esophageal resection and reconstruction, or esophagogastrectomy, or Transhiatal Esophagectomy	Documentation of successful completion of 4 cases in the past 24 months	**1**	Performance of at least 2 cases during the past 24 months
				Pancreatico-duodenectomy	Documentation of successful completion of 4 cases in the past 24 months	**1**	Performance of at least 2 cases during the 24 months
				Colonoscopy	Documentation of successful completion of 50 cases in the past 24 months	**1**	Performance of at least 25 cases during the past 24 months
				Hysterectomy as part of general surgical procedures	Documentation of successful completion of 8 cases in the past 24 months	**1**	Performance of at least 4 cases during the past 24 months
				Peritoneal venous shunts, shunt procedure for portal hypertension	Documentation of successful completion of 4 cases in the past 24 months	**1**	Performance of at least 2 cases during the past 24 months

Applicant: Check box marked "R" to request privileges

R	A	C	N	Procedure	Initial Appointment	Proctoring	Reappointment
				Percutaneous/Open Radiofrequency Ablation of Tumors	Successful completion of an ACGME/AOA accredited residency in general surgery, urology or otolaryngology OR fellowship training in vascular surgery or interventional radiology AND Documentation of successful completion of 2 procedures in the past 24 months	**1**	Performance of at least 2 cases during the past 24 months AND Documentation of CME directly related to radiofrequency ablation within the past 24 months
				Use of radiofrequency for interruption of veins	Successful completion of the equipment manufacturer's training course AND Current unrestricted privileges in non-radiofrequency assisted deep vein interruption procedures	**1**	Performance of at least 2 cases during the past 24 months
				Radical regional lymph node dissections, including retroperitoneal, pelvic and inguinal	Documentation of successful completion of 4 cases in the past 24 months	**1**	Performance of at least 2 cases during the past 24 months
				Salpingooopherectomy	Documentation of successful completion of 8 cases in the past 24 months	**1**	Performance of at least 4 cases during the past 24 months
				FAST Scan	Completion of an accredited Surgery Residency and documentation of a minimum of 12 hours of didactic training including physics of ultrasound, sonographic instrumentation, basic interpretation (including common pitfalls) and supervised use of instrumentation in normal patients **OR** documentation of training and experience during residency.	Seven (7) FAST Scan cases must be performed and the hard copy reviewed by a radiologist. At least three (3) scans must demonstrate free fluid or blood. Initial FAST Scans will be followed by surgery or CT Scan which will provide "Gold Standard" documentation of free fluid status.	N/A
				Use of Fluoroscopy	Current California State X-Ray S&O Fluoroscopy Certification	None	Current California Stat X-Ray S&O Fluoroscopy Certification

***Core Procedure List*:** The following procedures are considered to be included in the core privileges for this specialty. When there is ambiguity as to whether a procedure is included in core, it should be clarified with the Department Chair, Chief Medical Officer and/or the Chief of Staff

General Surgery

1. Amputations, above the knee, below knee, toe, transmetatarsal
2. Appendectomy
3. Biliary enteric anastomosis
4. Biliary tract resection/reconstruction
5. Breast: complete mastectomy with or without axillary lymph node dissection; excision of breast lesion, breast biopsy, incision and drainage of abscess. modified radical mastectomy, operation for gynecomastia, partial mastectomy with or without lymph node dissection, radical mastectomy, subcutaneous mastectomy including diagnosis and management of breast disorders
6. Colectomy, colotomy, colostomy
7. Proctectomy, including abdominoperineal approach
8. Correction of intestinal obstruction
9. Emergency thoracostomy
10. Enteric fistulae, management
11. Enterostomy (feeding or decompression)
12. Anal fistula and fissure procedures
13. Hemorrhoidectomy
14. Excision of thyroglossal duct cyst
15. Gastric operations for cancer (partial. or total gastrectomy)
16. Gastroduodenal surgery
17. Gastrostomy (feeding or decompression)
18. Hepatic lobectomy and insertion of infusion catheters, pumps
19. Incision and drainage of abscesses and cysts of the soft tissue
20. Biopsy of superficial lymph nodes, cutaneous and soft tissue lesions
21. Incision, excision, resection, and enterostomy of small intestine
22. Incision/drainage of perirectal abscess
23. Incision/excision of pilonidal cyst
24. Intraoral surgery, local excision
25. Laparotomy for diagnostic or exploratory purposes or for management of intra-abdominal sepsis
26. Liver biopsy (intra-operative)
27. Management of burns
28. Management of intra-abdominal trauma, including injury, observation, paracentesis, lavage
29. Management of multiple trauma
30. Management of soft tissue tumors, inflammations, and infections and necrosis
31. Open operations on gallbladder, biliary tract, bile ducts, hepatic ducts, excluding biliary tract reconstruction
32. Pancreatic pseudoscyst drainage
33. Debridement of infected pancreatic tissue
34. Nephrectomy with Urology present
35. Debridement of decubitus and stasis ulcers of the skin
36. Removal of ganglion (palm or wrist; flexor sheath)
37. Removal of Peritoneal Dialysis Catheter
38. Repair of perforated viscus (gastric, small intestine, large intestine)
39. Vagotomy
40. Skin grafts (partial thickness, full thickness, split thickness)
41. Splenectomy (trauma, staging, therapeutic)
42. Surgery of the abdominal wall, including management of all forms of hernias, including diaphragmatic hernias, inguinal hernias, and orchiectomy in association with hernia repair

43. Thoracentesis
44. Thyroid and parathyroid surgery
45. Tracheostomy
46. Varicose vein injection, sclerotherapy, excision & ligation, interruption of deep perforator veins of the lower extremities
47. Insertion of central venous catheters: non-tunneled, tunneled, with or without subcutaneous ports
48. Arterial line placement and monitoring
49. Basic Laparoscopy – diagnostic, appendectomy, cholecystectomy, lysis of adhesions, Peritoneal Dialysis , feeding tubes and catheter positioning and Liver Biopsy
50. Q-Pump Pain Relief System

*** DEFINITIONS**

Intermediate laparoscopic general surgery

- Jejunostomy
- Gastrostomy
- Vagotomy
- Lymph node biopsy
- Closure perforated ulcer
- Oopherectomy and/or drainage of ovarian cyst in consultation with OB/GYN
- Hernia repair to include hiatal, umbilical, incisional and inguinal with or without graft

Advanced laparoscopic general surgery

- Bowel surgery to include resection, anastomosis, stoma, colectomy, hemicolectomy, and sigmoidectomy
- Common bile duct exploration
- Splenectomy
- Lymph node dissection
- Nephrectomy with Urologist present
- Adrenalectomy
- Gastrectomy

Applicant: Complete this section only if you do not wish to apply for any of the specific core procedures listed above: Please indicate any privilege on this list you would like to ***delete or change*** by writing them in the space provided below. Requests for deletions or changes will be reviewed and considered by the Department Chair, Credentials Committee and Medical Executive Committee. Deletion of any specific core procedure does not preclude mandatory requirement for Emergency Room call.

_____ _____

_____ _____

Signature: Date:

Acknowledgment of practitioner
I have requested only those privileges for which by education, training, current experience, and demonstrated performance I am qualified to perform, and that I wish to exercise at Salinas Valley Memorial Healthcare System. I further submit that I have no health problems that could affect my ability to perform the privileges I am request. I also understand that:

(a) In exercising any clinical privileges granted, I am constrained by hospital and medical staff Bylaws, Rules and Regulations, and policies applicable generally and any applicable to the particular situation,

(b) Any restriction on the clinical privileges granted to me is waived in an emergency situation and in such a situation my actions are governed by the applicable section of the medical staff bylaws or related documents.

Applicant Signature _____ Date _____

*****Department Chair's Recommendation*****

I have reviewed the requested clinical privileges and supporting documentation for the above-named applicant and make the following recommendation(s):

□ Recommend all requested privileges
□ Recommend all requested privileges with the following conditions/modifications:
□ Do not recommend the following requested privileges:

Privilege	Condition/Modification/Explanation
1.	
2.	
3.	
4.	
Notes:	

Department Chair Signature _____ Date _____

QUALITY ASSESSMENT AND PERFORMANCE IMPROVEMENT PLAN

2022

TABLE OF CONTENTS

I. SCOPE

A. The purpose of the Organizational Quality Assessment and Performance Improvement (QAPI) Program Plan at Salinas Valley Memorial Hospital (SVMH), under the Salinas Valley Memorial Healthcare System (SVMHS) is to ensure that the Governing Body, medical staff and professional service staff demonstrate a consistent endeavor to deliver safe, effective, optimal patient care and services in an environment of minimal risk. Furthermore, the QAPI Plan is used as a mechanism to develop, implement, and maintain an effective, ongoing, organization-wide, data-driven quality assessment and performance improvement program through a planned, systematic, and interdisciplinary approach to improving the care, treatment and services provided. This is an organization-wide plan. It applies to all inpatient, outpatient departments and ambulatory outpatient services, licensed under SVMH including those services furnished under contract or arrangement.

B. The QAPI Program is designed to promote an environment where patient care and services are continually improved, where professional performance and employee competence are maximized, and in which operational systems are efficient. Through an interdisciplinary and integrated process, patient care and the processes that affect patient care are measured and assessed to provide optimal outcomes. The Board of Directors, Medical Staff, organizational leaders and all personnel assume appropriate accountability for the quality of care and services provided at SVMH. The QAPI Program is designed to align with and support the organizational MISSION, VISION, AND GOALS STATEMENT.

C. In concert with the organizational QAPI Program, professional nursing practice care at Salinas Valley Memorial Hospital is guided by a Professional Practice Model, developed by the nursing staff. The nursing mission is to heal, protect, empower and teach. The nursing vision is to be an innovative leader in nursing excellence - a place where patients choose to come and nurses want to practice. Other components of the Professional Practice Model include shared governance, respectful, collaborative professional relationships, recognition and reward for professional nursing development and a care delivery model which embraces a relationship-based, collaborative approach emphasizing partnerships with our colleagues, patients, families and the community. Clinical Nurses, ancillary staff, support staff and medical staff participate in quality committees to make interprofessional decisions at the organizational level to improve processes and quality of care. These decision making committees include committees in Administrative Quality; Safety and Reliability; Shared Governance and ad hoc subcommittees where nursing sensitive measures and nursing practice initiatives are incorporated into the overall organizational performance improvement.

II. OBJECTIVES/GOALS

A. Objectives

1. The organizational QAPI program includes an overall assessment of the efficacy of performance improvement activities with a focus on continually improving care provided and on patient safety practices conducted throughout the organization. The program encompasses elements of the mission, vision, goals and organizational strategic objectives and consists of performance improvement, patient safety and quality control activities. Indicators are objective, measurable, based on current knowledge and experience, and are structured to produce statistically valid, data driven measures of care provided. This mechanism also provides for evaluation of improvements and the stability of the improvement over time when appropriate.

2. The QAPI Plan includes data collection, data aggregation and analysis, analysis of undesirable patterns or trends, identifying and managing sentinel events, improving performance, patient safety and reducing risk of adverse / sentinel events, and conducting proactive risk reduction activities, including processes that involve the Medical Staff as well as clinical and support services. The QAPI program is implemented in conjunction with the organizational PATIENT SAFETY PROGRAM PLAN and the RISK MANAGEMENT PLAN

B. Goals

1. The goals for the QAPI Program are developed from information gathered during routine and special risk assessment activities, annual evaluation of the previous year's program activities, performance monitoring and environmental monitoring.

2. Annually the organization defines at least one improvement priority. In collaboration with organizational strategic objectives, the following priorities have been established for 2022:

    - Annual Quality and Safety Pillar Strategic Initiatives
    - Patient Perception of Care, Services and Treatment
    - Patient Flow Initiatives
    - Regulatory Reporting Requirements, including Value Based Purchasing
    - Adherence to National Patient Safety Goals
    - Maintenance of Disease Specific Care Certification Designations Pain Management and Opioid reduction
    - Safety and Reliability
    - Magnet Recognition/ Nurse Sensitive Indicators

III. DEFINITIONS

A. CMS – Centers for Medicare and Medicaid Services
B. MEC – Medical Executive Committee
C. PIT – Process Improvement team
D. QAPI – Quality Assessment and Performance Improvement
E. QSC – Quality and Safety Committee

IV. PLAN MANAGEMENT

A. **Plan Elements**

1. Measuring Performance
    a. Data Collection

The Board of Directors, in collaboration with medical staff and hospital administrative leaders, establish priorities for data collection as well as the frequency for collection. Data collected for high priority processes are used to monitor the stability of existing processes, identify opportunities for improvement, and identify changes that lead to improvement, or sustain improvement. The Program is expected to show improvement in measures for which there is evidence that patient outcomes will be improved and medical errors will be reduced. Data are collected and analyzed for the following but not comprehensive list:

- Performance improvement priorities identified by leaders
- Operative or other procedures that place patients at risk of disability or death
- All significant discrepancies between preoperative and postoperative diagnoses, including pathologic diagnoses
- Adverse patient events
- Adverse events related to using moderate or deep sedation or anesthesia
- Blood management
- The results of resuscitation / Effectiveness of its response to change or deterioration in a patient's condition
- Medication errors
- Adverse drug reactions
- Patient perception of the safety and the quality of care, treatment or services
- Processes that improve patient outcomes such as fall reduction activities including assessment, interventions and education
- National Patient Safety Goals

- Processes as defined in the organizations Infection Control Program, Environment of Care Program, and Patient Safety Program
- Organ Procurement Organization processes
- Staff opinions and needs, staff perceptions of risk to individuals, staff suggestions for improving patient safety, and willingness to report adverse events
- Core measure data and other required Centers for Medicare and Medicaid Services (CMS)
- Patient flow processes
- Contracted services
- Emergency Management
- Other areas as outlined in the Quality Oversight structure

Measurement of the above areas may be organization-wide in scope, targeted to specific areas, departments and services, or focused on selected populations. A reporting calendar has been defined for department and operational reporting. This is a dynamic document and may change throughout the year based on priorities and/or compliance to metrics.

Relevant information developed from the following activities is integrated into performance improvement initiatives as required:

- Patient safety
- Clinical outcomes
- Key financial/utilization indicators including length of stay
- Risk management
- Quality control
- Infection control surveillance and reporting
- Research when applicable
- Autopsies
- Other relevant data as required or identified

2. Assessing Performance
    a. Data Compilation and Analysis

        Data aggregation and analysis transforms data into information. Data are systematically aggregated and analyzed in order to monitor the effectiveness and safety of services and quality of care, and assess performance levels, patterns, or trends.

        i. Data aggregation is performed at the frequency appropriate to the activity or process.
        ii. Statistical tools and techniques are used to display and analyze data whenever possible.

iii. Data are analyzed and compared internally over time and externally with other sources of information when available.
iv. When available, comparative data are used to determine if there is excessive variability or unacceptable levels of performance.
v. Results of data analysis are used to identify improvement opportunities.

3. Improving Performance
    a. Information from data analysis is used to make changes that improve performance and safety. The Board of Directors, in collaboration with medical staff and hospital leaders, establish priorities for improvement opportunities and requests action be taken on those priorities.
        - Information from data analysis including data from new or modified services is used to identify and implement changes that will improve performance and patient safety.
        - Improvement strategies are evaluated to confirm that they have resulted in improvement, and are tracked to ensure that improvements are sustained.
        - Additional actions are taken when the improvements do not achieve or sustain the desired outcomes.
        - Changes that will reduce the risk of sentinel events are identified and implemented.

4. Identifying and Managing Adverse or Unexpected Occurrences
    a. Processes for identifying and managing sentinel events are defined in the organization wide ADVERSE EVENTS - REPORTABLE.

5. Proactive Risk Reduction Program
    a. Salinas Valley Memorial Hospital has dedicated a consistent effort to reduce potential harm to patients and prevent unanticipated adverse events by remaining proactive in approaches to performance improvement. Periodically, a systematic proactive evaluation method is completed on a process to evaluate and identify how it might fail and determine the relative impact a failure might have. This process assists to identify the key parts in a process that require change.

6. Priority Patient Population
    a. The priority patient populations are based on high-risk, high volume, high risk/low volume and/or problem prone areas with consideration of the incidence, prevalence and severity of problems in those areas which may affect patient outcomes, safety and quality of care.

7. Analysis of Staffing
    a. When undesirable patterns, trends or variations in performance related to the safety or quality of care are identified from data analysis or a single undesirable event, the adequacy of staffing (number, skill mix, competency), including nurse staffing is analyzed for possible cause. Additionally, processes related to work flow, competency assessment, credentialing, supervision of staff, orientation, training and education may also be analyzed.
    b. When analysis reveals a problem with the adequacy of staffing, the QSC is informed of the results of the analysis and actions taken to resolve the identified problem(s).

B. **Plan Management**

1. Performance/Process Improvement Model
    a. Salinas Valley Memorial Hospital utilizes a wide range of systematic and structured problem-solving approaches to plan, design, measure, assess and improve organizational performance/processes. Methodologies include Lean for Healthcare, F O C U S – P D C A and Rapid Cycle Improvement.

- F O C U S – P D C A.
  F – Find a process to improve.
  O – Organize a team that understands the process.
  C – Clarify how the current process works.
  U – Understand the causes of process variation, the "root cause".
  S – Select changes that will improve the process.

  P – Plan how the changes will be implemented.
  D – Do/implement the plan.
  C – Check the results of the improvement plan by collecting post-implementation data.
  A – Act on the findings of post-implementation data by standardizing the process or testing another change.
- Systems Redesign
  Utilizes concepts such as eliminating waste, process mapping, one piece flow; just in time, standardization, and workload leveling.
- Rapid Cycle Improvement / Kaizen
  When appropriate, the *rapid cycle improvement* process may be utilized. The advantages of the rapid cycle improvement process include:
    - Using a small sample to test a proposed change idea quickly.
    - Testing ideas side by side with existing processes.
    - Testing many ideas quickly.
    - Providing opportunities for failures without impacting performance.

- Minimizing resistance to successful change.

2. Performance/Process Improvement Teams
    a. A performance/process improvement team is defined as a group of knowledgeable people, who are close to the process, that cooperate to achieve a common goal. Teams are composed of individuals with expertise in the process(es) that require(s) improvement.

3. Performance/Process Improvement Team Request
    a. A request for approval for a formal performance/process improvement team (PIT) may be presented to the Quality Interdisciplinary or Safety and Reliability Committee for consideration of a performance improvement team. PITs will be considered when interdisciplinary and/or interdepartmental processes require improvement that cannot be accomplished by an individual or by the individual department(s) or discipline(s). In order to prioritize and coordinate organizational improvement processes and resources, interdisciplinary / interdepartmental teams may be approved by the Quality and Safety Committee. NOTE: Individual departments may charter teams for the purpose of improving processes specific to their departments.

C. **Plan Responsibility**

1. Performance / Process Improvement Structure
    a. The Quality Oversite Structure outlines the quality and performance improvement structure and processes. A calendar for reporting is defined annually and changes made ongoing as the needs of the organization changes. The Quality Management Department, in collaboration with facility leaders, staff and medical staff, facilitates the implementation of the QAPI Program.
    b. Governing Board
        i. Responsibility for performance improvement rests with every employee of Salinas Valley Memorial Hospital. Overall responsibility rests with the Board of Directors. The Board of Directors requires review and evaluation of patient care activities to measure and improve the quality and efficiency of patient care and services in the organization. While maintaining overall responsibility, the Board delegates operational authority to the Medical Staff and Hospital Leadership. The MEC authorizes the establishment of an interdisciplinary Quality and Safety Committee to implement the QAPI Program.
        ii. In exercising its supervising responsibility, the Board:
            1) Reviews and approves the QAPI, Risk Management and Patient Safety Program Plans.

2) Reviews periodic reports on findings, actions, and results of program activities, including input from the populations served via results of patient experience data.
3) Reviews reports on the following: all system or process failures; the number and type of sentinel events; whether the patients and the families were informed of the event; results of analyses related to adequacy of staffing; all actions taken to improve safety, both proactively and in response to actual occurrences.
4) Assesses the QAPI, Risk Management and Patient Safety Programs' effectiveness and efficiency and required modification, as necessary.
5) Provides resources and support for performance improvement, change management, patient safety and risk management functions related to the quality and safety of patient care, including sufficient staff, access to information and training throughout the hospital.

c. Medical Executive Committee
   i. The Medical Executive Committee (MEC) is accountable to the Board of Directors for the oversight of performance improvement activities to ensure that one level of care is rendered to all patients.
   ii. The Medical Staff participates in developing measures to evaluate care systematically. Their participation may be in individual departments, medical staff committees, or on interdepartmental or interdisciplinary process/performance improvement teams.
   iii. The medical staff departments review and evaluate the results of ongoing measures that include the medical staff review functions as well as risk management, patient safety, infection control, case management, and organizational planning.

d. Organizational Leaders
   i. Set expectations for performance/process improvement.
   ii. Develop plans for performance/process improvement.
   iii. Manage processes to improve hospital performance.
   iv. Review results from key financial indicators in order to ensure overall financial stability.
   v. Monitor contracted services by establishing expectations for the performance of the contracted services.
   vi. Participate in performance/process improvement activities when appropriate.
   vii. Ensure participation from appropriate individuals in organization wide performance/process improvement activities.

viii. Ensure that new or modified processes or services incorporate the following:
- Needs and/or expectations of patients, staff and others.
- Results of performance improvement activities, when available.
- Information about potential risk to patients, when available.
- Current knowledge, when available and relevant.
- Information about sentinel events, when available and relevant.
- Testing and analysis to determine whether the proposed design or redesign is an improvement.
- Collaboration with staff and appropriate stakeholders to design services.

ix. Ensure that an integrated patient safety program is implemented throughout the organization.

x. Establish and maintain operational linkages between risk management activities related to patient care and safety, and performance improvement activities.

xi. Ensure compliance with state and federal laws, and the Joint Commission regulations/standards.

e. Support Service Departments/Department Directors

i. The Department leaders are accountable to the Organizational Leaders, QSC and the Board of Directors for the quality of care/services and performance of their staff and departments. Departments participate in the systematic measurement and assessment of the quality of care/services they provide. The Department Directors:

ii. Promote the development of standards of care and measures to assess the quality of care/services rendered in their departments.

iii. Monitor the processes in their areas, which affect patient safety, care, outcomes and the patient's perception of care received.

iv. Promote the integration of their department's performance improvement activities with those of other support services and the Medical Staff through participation in performance improvement teams.

v. Report the results of applicable performance improvement activities in accordance with the established Quality Oversight Structure

D. **Performance Measurement**

1. The performance measurement process is one part of the evaluation of the effectiveness of the QAPI Program Plan. Performance measures have been established to measure important aspects of care. Leaders are responsible to

determine what measures will be evaluated at least every 2 year. These measures are updated / revised ongoing as compliance is sustained.

2. To ensure that the appropriate approach to planning processes of improvement; setting priorities for improvement; assessing performance systematically; implementing improvement activities on the basis of assessment; and maintaining achieved improvements, the organizational QAPI program is evaluated for effectiveness at least annually and revised as necessary.

3. Confidentiality
    a. All information related to performance improvement and patient safety activities performed by the Medical Staff or hospital personnel in accordance with this plan are confidential and protected under the Patient Safety Work Product and California Evidence Code 1157.
    b. Some information may be disseminated on a "need to know basis" as required by agencies such as federal review agencies, regulatory bodies, the National Practitioners Data Bank, or any individual or agency that proves a "need to know" as approved by the Medical Executive Committee, Organizational Leaders, and/or the Governing Body.
    c. HIPAA regulations will be followed.

E. **Orientation and Education**

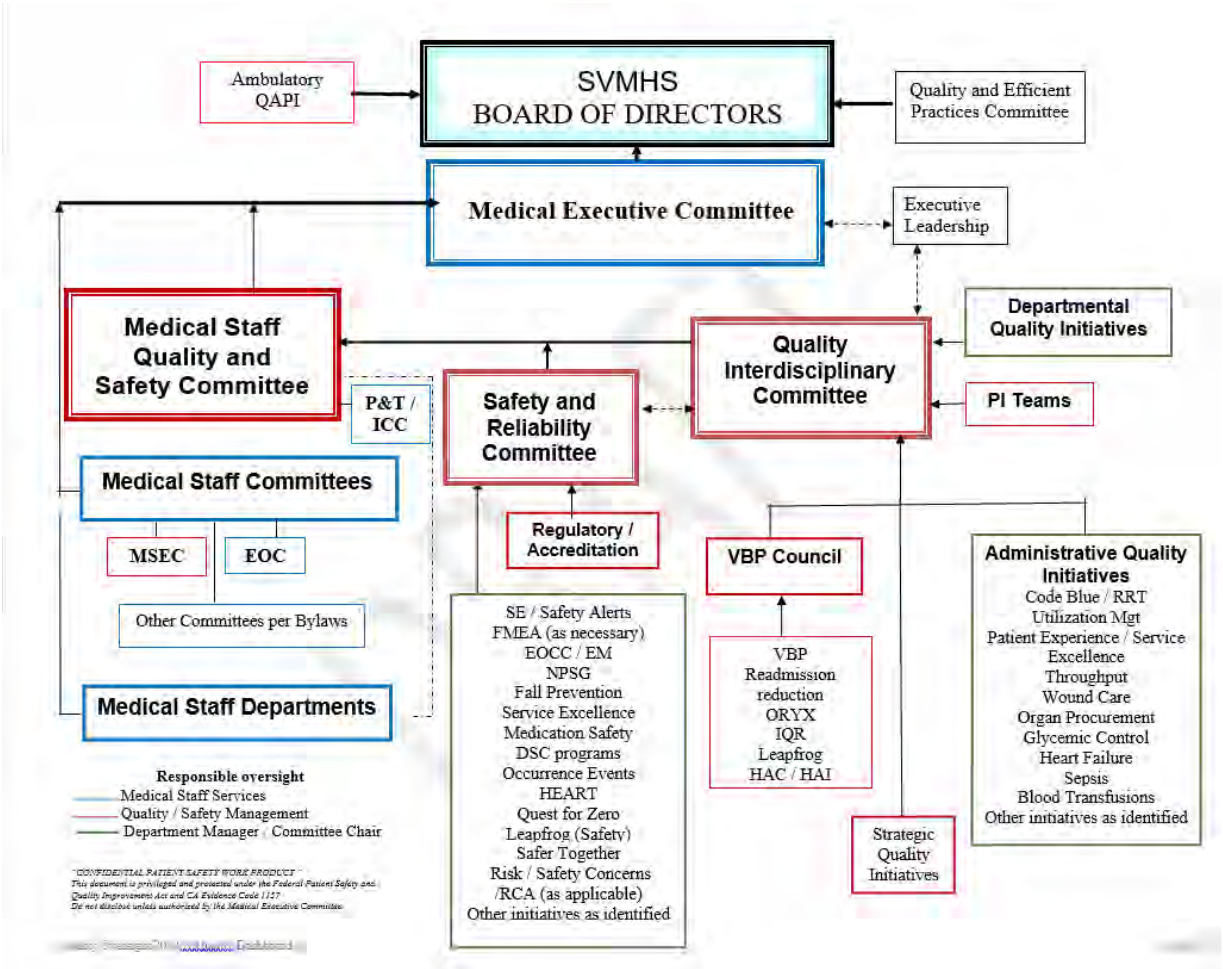
1. Orientation, education and/or training is provided on an as needed basis.

V. REFERENCES

A. The Joint Commission

B. Title 22 (CDPH)

C. CMS


Ambulatory QAPI
SVMHS BOARD OF DIRECTORS
Quality and Efficient Practices Committee
Medical Executive Committee
Executive Leadership
Medical Staff Quality and Safety Committee
P&T / ICC
Safety and Reliability Committee
Quality Interdisciplinary Committee
Departmental Quality Initiatives
PI Teams
Medical Staff Committees
MSEC
EOC
Other Committees per Bylaws
Medical Staff Departments
Regulatory / Accreditation
VBP Council
Administrative Quality Initiatives
Code Blue / RRT
Utilization Mgt
Patient Experience / Service Excellence
Throughput
Wound Care
Organ Procurement
Glycemic Control
Heart Failure
Sepsis
Blood Transfusions
Other initiatives as identified
SE / Safety Alerts
FMEA (as necessary)
EOCC / EM
NPSG
Fall Prevention
Service Excellence
Medication Safety
DSC programs
Occurrence Events
HEART
Quest for Zero
Leapfrog (Safety)
Safer Together
Risk / Safety Concerns /RCA (as applicable)
Other initiatives as identified
VBP
Readmission reduction
ORYX
IQR
Leapfrog
HAC / HAI
Strategic Quality Initiatives
Responsible oversight
Medical Staff Services
Quality / Safety Management
Department Manager / Committee Chair
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Do not disclose unless authorized by the Medical Executive Committee

EXTENDED CLOSED SESSION
(if necessary)

(VICTOR REY, JR.)

ADJOURNMENT – THE NEXT REGULAR MEETING OF THE BOARD OF DIRECTORS IS SCHEDULED FOR THURSDAY, APRIL 28, 2022, AT 4:00 P.M.