

INTERLOCAL AGREEMENT
BETWEEN
MID VALLEY HOSPITAL and
NORTH VALLEY HOSPITAL
FOR GENERAL SURGERY SERVICES

THIS INTERLOCAL AGREEMENT ("Agreement") is made and entered into the last date below, by and between Okanogan Public Hospital District No. 3, doing business as Mid-Valley Hospital ("MVH"), and Okanogan Public Hospital District No. 4, doing business as North Valley Hospital ("NVH"). MVH and NVH are municipal corporations of the State of Washington (sometimes referred to individually as a "party" or together as the "parties"), as follows:

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

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

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

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

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

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

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

1. Purpose.

MVH shall make available to NVH MVH's employee, a qualified general surgeon, licensed in the State of Washington, ("Physician") that shall provide GENERAL SURGERY and related GENERAL SURGERY healthcare services to NVH patients onsite at NVH's locations at 203 S. Western Avenue, Tonasket, WA (the hospital), and Mid Valley Hospital's GENERAL SURGERY Services 529 Jasmine Street, Omak, WA (the clinic) (collectively referred as "Sites").

2. Administration.

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

2.2 For purposes of RCW 39.34.030(4)(a), the administrator of this Agreement shall be the Chief Executive Officer of Mid Valley Hospital (MVH).

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

Chief Executive Officer
North Valley Hospital
203 S. Western Avenue
Tonasket, WA 98855
509-486-2151

Chief Executive Officer
Mid-Valley Hospital
810 Jasmine Street
PO Box 793
Omak, WA 98841
509-826-1760

3. Duration and Termination.

3.1 This Agreement shall become effective upon:

3.1.1 Full execution by the parties;

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

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

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

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

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

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

4. GENERAL SURGERY Related Healthcare Services.

4.1 At least two weeks prior to the beginning of each month, Physician

monthly schedule shall be coordinated and agreed by NVH and MVH. Physicians will be

initially scheduled one day per week at NVH and the number of days scheduled will be evaluated periodically.

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

5. Insurance.

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

6. Billing and Fees.

6.1 MVH shall develop a schedule listing the fees to be charged to NVH for Physician services. The final decision regarding such fees will be mutually agreed upon by the parties.

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

6.3 MVH and Physician hereby assigns and transfers all fees, charges, reimbursement and

other income generated by Physician for GENERAL SURGERY and related healthcare services performed at NVH pursuant to this Agreement to NVH and such fees, charges, reimbursement,

and other income shall be the property of NVH.

6.4 At no time, shall MVH independently bill any NVH patients for any GENERAL SURGERY and related healthcare services provided at NVH pursuant to this Agreement.

6.5 At no time, shall NVH independently bill any MVH patients for any GENERAL SURGERY and related healthcare services provided at MVH pursuant to this Agreement.

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

7. Financing, Budget and Expenses.

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

7.2 On or before the fifteenth (15th) day of each month, MVH will invoice NVH for Physician services provided for the previous month as well as mileage to and from NVH at the current IRS rate per mile. Charges for services will be invoiced to NVH according to Schedule A.

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

Mid Valley Hospital
Attention: Finance Department
P.O. Box 793
Omak, WA 98841

8. Property.

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

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

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

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

9. Maintenance and Audit of Records.

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

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

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

10. Legal Relations.

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

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

10.3 Other than for Physician while providing healthcare services at NVH,

NVH shall have no right to direct or control the personnel, employees, or agents of MVH. Such entities or individuals shall be employed and/or retained by MVH in its sole discretion and are subject only to MVH supervision and control.

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

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

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

11. Enforcement.

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

11.2 If any legal action, arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or

misrepresentation in connection with any of the provisions of this Agreement, NVH and MVH shall each pay its own attorney's fees incurred in that action, arbitration or other proceeding.

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

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

12. Applicable Laws.

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

13. Interpretation.

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

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

14. Waiver of Breach.

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

15. Recitals.

The recitals in the preamble to this Agreement are incorporated by this reference and are a part
Page | 8 INTERLOCAL AGREEMENT

of this Agreement.

16. Severability.

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

17. Filing With the Auditor.

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

18. Entire Agreement.

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

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

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

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

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

19. Nondiscrimination in Employment.

NVH and MVH hereby mutually agree that during the performance of this Agreement that no person shall, on the grounds of race, creed, color, national origin, sex, marital status, sexual
Page | 9 INTERLOCAL AGREEMENT

orientation, age, religion, or on the presence of any sensory, mental or physical handicap, be excluded from any healthcare services. Neither NVH nor MVH shall discriminate against any employee or applicant for employment for the above reasons; provided, the prohibition against discrimination in employment because of handicap shall not apply if the particular disability prevents the proper performance of the work involved, and cannot be reasonably accommodated.

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

MID VALLEY HOSPITAL

BY 

ALAN J. FISHER, FACHE
Chief Executive Officer

DATE 10/2/2018

NORTH VALLEY HOSPITAL

BY 

J. SCOTT GRAHAM
Chief Executive Officer

DATE 9-27-2018

SCHEDULE A
October 1, 2018

Qualified General Surgeon – Service Rates


Per Diem Rate

**\$1,544 per day (8 hours or more) or
\$193 per hour for less than 8 hours**

Mileage per trip

50 Miles x the current IRS rate

MID VALLEY HOSPITAL

BY 
ALAN J. FISHER, FACHE
Chief Executive Officer

DATE 10/2/2018

NORTH VALLEY HOSPITAL

BY 
J. SCOTT GRAHAM
Chief Executive Officer

DATE 9-27-2018