

**2020 INTERLOCAL AGREEMENT
FOR PHYSICIAN SERVICES**

THIS 2020 INTERLOCAL AGREEMENT FOR PHYSICIAN SERVICES (the "Agreement") is made by and between SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 1, SKAGIT COUNTY, WASHINGTON d/b/a SKAGIT REGIONAL HEALTH ("Skagit Regional Health") and SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2, SKAGIT COUNTY, WASHINGTON d/b/a Island Hospital ("Island Hospital") (hereinafter referred to individually each as a "Party" and collectively as the "Parties"), and is effective as of July 27, 2020 ("Effective Date").

RECITALS

WHEREAS, the Parties are mutually committed to serving the health care needs of residents across Skagit County;

WHEREAS, Dr. Kevin Harris, an ENT-Otolaryngologist ("Dr. Harris") formerly was in independent private practice in Anacortes, Washington within Island Hospital's official hospital district boundaries (the "District Area");

WHEREAS, Skagit Regional Health has now employed Dr. Harris and desires to maintain Dr. Harris' practice in Anacortes, Washington and the Service Area;

WHEREAS, Island Hospital agrees to allow Skagit Regional Health to continue to operate Dr. Harris's practice in the District Area subject to the terms and conditions set forth in this Agreement;

WHEREAS, RCW 70.44.240 expressly authorizes public hospital districts to contract or join with other public hospital districts to provide health care services to be used by individuals, districts, hospitals or others;

WHEREAS, RCW 39.34.010 and RCW 39.34.030 authorize public entities, including public hospital districts, to cooperate with other public entities to provide services;

WHEREAS, the Island Hospital Board of Commissioners has authorized a cooperative relationship with Skagit Regional Health to allow Skagit Regional Health to operate a practice for Dr. Harris to provide physician services within the District Area;

WHEREAS, the Skagit Regional Health Board of Commissioners has authorized a cooperative relationship with Island Hospital to enable Dr. Harris to provide physician services within the District Area;

WHEREAS, no funds or other items of value of any kind will be exchanged between the Parties or between a Party and Dr. Harris in connection with this Agreement; and

WHEREAS, neither Party shall exercise undue influence over or otherwise interfere with the medical decision-making of Dr. Harris.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, the Parties agree as follows:

Section 1. Purpose. The purpose of this Agreement is to document the Parties' mutual intent for Dr. Harris to continue providing physician services in Anacortes, Washington, and to set forth terms and conditions related to his provision of services.

Section 2. Term and Termination. This Agreement shall commence on the Effective Date and continue in effect for so long as Dr. Harris is affiliated with Skagit Regional Health and simultaneously maintains a practice within the Island Hospital Service Area. This Agreement may be terminated by either Party, at any time with or without cause, upon ninety (90) days written notice to the other Party.

Section 3. Administration; No Separate Entity Created. Pursuant to RCW 39.34.030, the Parties hereby appoint a Contract Administrator who will be responsible for administering this Agreement. At the direction of the Parties, the Contract Administrator shall take such action as is necessary to ensure that this Agreement is implemented in accordance with its terms. The parties hereby designate Charles Hall, or his designee, as the Contract Administrator for this Agreement. No separate legal entity is formed by this Agreement.

Section 4. Physician Services. Island Hospital hereby grants approval for Skagit Regional Health to operate in the District Area for the sole purpose of Dr. Harris continuing his practice in Anacortes subject to the following terms and conditions:

a. All of Dr. Harris' patients who reside in the District Area, La Conner, Island County or San Juan County ("Collectively, the Island Hospital Service Area") shall be presented with the option to receive surgical and ancillary care at Island Hospital, if such care is needed by a patient in the professional judgment of Dr. Harris;

b. Dr. Harris shall participate as an active member of the Island Hospital Medical Staff, and abide by all Medical Staff bylaws, rules and regulations, and applicable policies, and will participate in ER call coverage of 10 days per month;

c. Subject to patient consent, all complex surgical cases for which Dr. Harris requires assistance from a second ENT physician will have consideration to perform surgical care at Island Hospital, so long as the hospital has the necessary equipment and resource availability. While Dr. Harris will have privileges at Skagit Regional Health facilities, he shall not have an individual organized block time at such facilities;

d. All exterior clinic signage for Skagit Regional Health's clinic in Anacortes for Dr. Harris shall be reviewed and approved by Island Hospital leadership; and

e. Dr. Harris, in collaboration with Skagit Regional Health leadership, shall send monthly reports to Island Hospital leadership that document information about surgical and ancillary cases that occur at Skagit Regional Health and involve residents of the Island Hospital Service Area, including the number of such cases and the type of services provided by Dr. Harris. These reports will not contain protected health information ("PHI") as that term is defined by the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. § 1320d, as modified by the Health Information Technology for Economic and Clinical Health ("HITECH") Act and any implementing administrative simplification regulations codified at 45 C.F.R. Parts 160 and 164 et seq. ("HIPAA"). The reports shall be provided by encrypted email, notwithstanding the requirements of O.

Section 5. Additional Services. The Parties may in the future agree to expand the scope of services permitted under this Agreement. Any such changes to the Agreement will be effective only upon written approval by both Parties.

Section 6. Property; Assumption of Clinic Lease. No joint property ownership is contemplated under the terms of this Agreement. If this Agreement is terminated, Island Hospital shall, effective as of the of the termination date of this Agreement, assume from Skagit Regional Health all of Skagit Regional Health's obligations under the clinic lease for the property located at 1019 24th Street, Suite B, Anacortes, WA 98221-2586.

Section 7. Indemnification. Each Party to this Agreement shall be responsible for its own negligent and/or wrongful acts or omissions, and those of its own agents, employees, representatives or subcontractors, to the fullest extent required by the laws of the State of Washington. Each Party agrees to protect, indemnify and hold the other Party harmless from and against any and all such liability for injury or damage to the other Party or the other Party's property, and also from and against all claims, demands, and causes of action of every kind and character arising directly or indirectly, or in any way incident to, in connection with, or arising from the terms hereof, caused by a Party's own fault or that of its agents, employees, representatives or subcontractors, regardless of the form of action, whether in contract, tort or otherwise.

Section 8. Insurance. Each Party shall maintain appropriate liability insurance or self-insured coverage to cover potential liabilities arising from this Agreement.

Section 9. Compliance with Medical Records Laws. The Parties acknowledge that medical and other records containing PHI are protected by and subject to numerous laws, rules and regulations regarding privacy, security, confidentiality, consent, access and disclosure. The Parties agree to comply with all privacy, security, confidentiality, research, consent, access and disclosure requirements, including all documentation and access requirements, of applicable federal and state laws, rules and regulations, including, without limitation, the Washington State Uniform Health Care Information Act (RCW 70.02), the Family Education Rights and Privacy Act (FERPA), and HIPAA, as defined above, as such laws, rules and regulations now exist or are hereafter amended. Each Party shall be responsible

for its own compliance obligations under the foregoing laws, rules and regulations. As of the Effective Date, the Parties acknowledge and agree that neither Party is a "business associate" (as that term is defined in HIPAA) of the other Party in connection with the cooperative relationship contemplated by this Agreement or any activities undertaken pursuant to the Agreement. If the Parties later determine that either Party is a "business associate" of the other Party as that term is defined by HIPAA, the Parties will enter into a mutually agreeable business associate agreement.

Section 10. Compliance with Other Laws. Each Party shall carry out its respective activities and obligations under this agreement in conformance with applicable federal, state and local laws and regulations. Each Party agrees to comply with the licensure laws and pertinent regulations of the state of Washington and any other requirements of any other regulatory entity having legal authority as to their respective operations. The Parties intend this Agreement to comply with all laws, regulations and requirements applicable to physicians, hospitals, Medicare and Medicaid participants, and healthcare professionals in general. This Agreement shall be construed in a manner consistent with compliance with such statutes and regulations. If at any time either Party has reasonable grounds to believe this Agreement may not conform to evolving requirements or interpretations relevant to such matters, the Parties shall immediately reopen negotiations in good faith to bring it into compliance.

Section 11. Notices. Any and all notices or communications required or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been given upon receipt when personally delivered or sent by overnight courier or when such delivery is refused or upon receipt if sent by facsimile with hard copy in two (2) days or two (2) days after deposit in the United States mail if sent by first class, certified or registered mail, return receipt requested. All notices shall be addressed to the Parties at the addresses set forth below or at such other address specified by notice to the other Party.

If to Island Hospital: 1211 - 24th Street
Anacortes, WA 98221-2590
Attn: Superintendent & Chief Executive Officer

If to Skagit Regional Health: 1415 E. Kincaid
Mount Vernon, WA 98273
Attention: President & Chief Executive Officer

Section 12. Entire Agreement/Modification. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be supplemented by additional agreements executed by the Parties or may be amended or modified by written instrument signed by the Parties hereto. Such amendments may be for the purposes of, among other things, adding or deleting Parties to this Agreement or expanding the purposes for which the Parties are collaborating.

Section 13. Assignment. No Party to this Agreement may assign its rights or obligations hereunder.

Section 14. Counterparts. This Agreement may be executed in counterparts, including by ink, email, or electronic signature, and each counterpart shall be an original and all counterparts taken together shall constitute one and the same instrument.

Section 15. Filing Requirements. Upon execution of this Agreement, the Parties shall file a true and complete copy thereof in compliance with the provisions of RCW 39.34.040.

Section 16. Authorization. Each Party does hereby represent and warrant to the others that it is duly authorized to enter into and to carry out the terms of this Agreement.

Section 17. Independent Review. This Agreement has been reviewed and revised by legal counsel for all Parties and no presumption or rule that ambiguity shall be construed against the Party who drafted the Agreement shall apply to the interpretation or enforcement of this Agreement.

Section 18. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Washington. Any action arising out of this Agreement shall be brought in Skagit County Superior Court

Section 19. Severability. In case any term of this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term nor the validity of the remaining terms of this Agreement shall in any way be affected thereby.

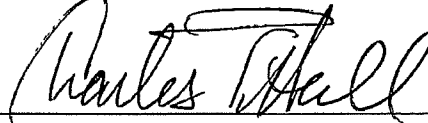
IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first set forth above.

**PUBLIC HOSPITAL DISTRICT NO. 1, SKAGIT COUNTY,
WASHINGTON**



By: Brian Ivie
Its: President & Chief Executive Officer

SKAGIT COUNTY PUBLIC HOSPITAL DISTRICT NO. 2



By: Charles Hall
Its: Superintendent & Chief Executive Officer

