



AGENDA

LAST FRONTIER HEALTHCARE DISTRICT

BOARD OF DIRECTORS

Wednesday, August 9, 2023, 1:00 pm
New Hospital Education Conference Room; 1111 N. Nagle Street; Alturas, CA

Parties with a disability, as provided by the American Disabilities Act, who require special accommodations or aids in order to participate in this public meeting should make requests for accommodation to the Modoc Medical Center Administration at least 48 hours prior to the meeting. Board Agenda packets are available to the public online at www.modocmedicalcenter.org or at the MMC Administration offices.

1:00 pm - CALL TO ORDER – J. Cavasso, Vice Chair

1. PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA – J. Cavasso, Vice Chair

2. AGENDA APPROVAL - Additions/Deletions to the Agenda – J. Cavasso, Vice Chair

3. PUBLIC COMMENT - This is the time set aside for citizens to address the Board on matters not on the Agenda or Consent Agenda. Comments should be limited to matters within the jurisdiction of the Board. If your comment concerns an item shown on the Agenda, please address the Board after that item is open for public comment. **By law, the Board cannot act on matters that are not on the Agenda.** The Chairperson reserves the right to limit the duration of each speaker to **three minutes**. Speakers may not cede their time. Agenda items with times noted, will be considered at that time. All other items will be considered as listed on the Agenda, or as deemed necessary by the Chairperson.

4. DISCUSSION

A.) K. Kramer – Introduction of Board Member Applicants and Applicant Comments to Board

5. CONSIDERATION/ACTION

A.) K. Kramer and P. Fields – R1 Outsourced Business Office Contract Review/Approval

Attachment A

6. MOTION TO ADJOURN – J. Cavasso – Vice Chair

POSTED AT: MODOC COUNTY COURTHOUSE / ALTURAS CITY HALL ON 8/3/2023 AND ON MMC WEBSITE- (www.modocmedicalcenter.org) ON 8/7/2023.

ATTACHMENT A

R₁ OUTSOURCED BUSINESS OFFICE



Healing Hands Close To Home

R1 Business Office Partner Summary

As an organization we have experienced a number of billing issues over the past year or so, including a general increase in AR days, statement issues, posting issues, and other issues that have impacted our reputation in the community and our financial performance as an organization. With the delay of Cerner implementation until October 23, 2023, we feel we should transition away from HRG as our outsourced business partner to R1 as a replacement business office partner when we implement Cerner for the organization. R1 is very familiar with Cerner, the available work queues to manage revenue cycle, and billing out of Cerner and the clearinghouse (SSI) that we will be using when we implement Cerner. We have negotiated the attached contract language with R1 and have also talked to a number of references about them and the value they were able to bring to other organizations that are similar in size and structure to our organization.

In addition, Seneca Healthcare District in Chester implemented R1 with their transition to Cerner recently and have provided glowing reviews in terms of R1, the transition to Cerner, and the success they have realized with R1 managing their billing processes.

R1, will not do everything that HRG is doing for us. We will have to find an outsourced statement vendor and we will have to set up a process for self-pay collections and calls prior to sending patients to our collections vendor. We have left room in the pricing of this contract to engage vendors and the help we need to fill these two gaps in service between R1 and HRG. Patrick will work on securing vendors and the help we need to ensure these processes transition smoothly.

At this time we feel it is best for us to begin the transition to R1, which would go effective with the implementation of Cerner. We are seeking approval from the Board to execute these contracts and begin working with R1 to make the transition to them as our outsourced business office vendor, effective when we implement Cerner.

Submitted: 8/9/2023

Submitted By: Kevin Kramer

Terms of Service

These Terms of Service, together with all Service Orders and the BAA (each as defined below) (collectively, this "Agreement") governs the relationship between **R1 RCM Holdco Inc.** ("Company") and the below named client, including any of its Affiliates (as defined below) that may be listed on individual Service Orders (collectively, "Client"). In the event of any conflict between the terms of the various documents, such conflict will be resolved in the following descending order of priority: (1) the BAA; (2) the Terms of Service; and (3) the applicable Service Order. Company and Client are collectively referred to as the "Parties" and individually as a "Party."

COMPANY CONTACT INFORMATION	CLIENT CONTACT INFORMATION
R1 RCM Holdco Inc. Notices R1 RCM Holdco Inc. 433 West Ascension Way 2nd Floor Murray, UT 84123-2790 E: Legal@r1rcm.com	Notices Modoc Medical Center Attn: Administration 1111 N. Nagle Street Alturas, California 96101 E: k.kramer@modocmedicalcenter.org
	Notices Modoc Medical Center Attn: Accounting 1111 N. Nagle Street Alturas, CA 96101 E: p.fieds@modocmedicalcenter.org

1. SERVICES; COMPANY TECHNOLOGY.

1.1 Services. Company or one or more of its Affiliates will perform the services (the "Services") described in one (1) or more service orders (each, an "SO" or "Service Order") between the Parties. The Services may be augmented by Company's proprietary technology, including through the Platform (as defined below) and use of Robotic Process Automation ("RPA"), Application Programming Interface, Artificial Intelligence and other automation (such technology, collectively, "Company Technology"). Client hereby authorizes Company to use automation in the provision of the Services. Client acknowledges that, as between the Parties, Company Technology is the sole and exclusive property of Company.

1.2 Access to the Platform. Company will permit designated Client personnel access to Company Technology through certain features and functions of Company's proprietary technology platform (the "Platform"), as contemplated by any SO or as necessary to deliver reports or approve results of the Services (the "Reports"). Client will allow only Client personnel who have been assigned a unique user identification ("User ID") ("Client User") to access the Platform and will take reasonable measures to protect such User IDs and corresponding passwords, including by prohibiting and preventing any Client User or any other person or entity, from sharing such User IDs or passwords. Subject to providing Company with reasonable advanced written notice with respect to each third party, Client may grant third-party contractors or other agents of Client the right to use Company Technology (in which case they will be considered Client Users for all purposes of this Agreement); provided, however, that Company reserves the right at any time to require any such contractor or agent to execute a copy of Company's standard use agreement as a condition to such use. A unique User ID will be granted to each individual Client User. Client will promptly notify Company if any Client User leaves the employ or service to Client.

1.3 Limitations. Client shall not, and shall not permit any Client User or any other person or entity to, access or use Company Technology, except as expressly permitted by this Agreement. For purposes of clarity, Client shall not: (a) copy, modify or create derivative works or improvements of Company Technology or any part thereof; (b) sell, sublicense, assign, publish or otherwise make

available Company Technology to any third party; (c) reverse engineer, disassemble, decompile or otherwise attempt to derive any Company Technology source code; (d) input, upload, transmit or otherwise provide any unlawful or injurious information or materials, including any virus, worm, malware or other malicious computer code; (e) perform or disclose any benchmarking or performance testing data of Company Technology; or (f) use Company Technology for the purpose of developing a product or service competitive with Company Technology.

1.4 Suspension or Termination of Access. Company may suspend, terminate or otherwise deny Client or any Client User access to or use of all or any part of Company Technology, without any resulting obligation or liability: (a) if Company reasonably determines a suspension or termination is necessary to mitigate or otherwise prevent Client's or a Client User's ongoing violation of applicable law or an imminent security threat to Company Technology; (b) if Company reasonably determines that Client or Client User is in breach of [Section 1.3](#); or (c) (i) if Client is over sixty (60) days delinquent in the payment of any invoice that is not subject to a dispute under [Section 3.3](#), or (ii) if a dispute raised under [Section 3.3](#) has not been resolved within ninety (90) days of the date the invoice is due, both of the foregoing (i) and (ii) until the past due amounts have been paid in full. This [Section 1.4](#) does not limit any of Company's other rights or remedies, whether at law or in equity.

2. CLIENT OBLIGATIONS.

2.1 Client Systems. Client will maintain Client's information technology infrastructure ("Client Systems") that impact Company's ability to provide the Services to Client. Client will provide all personnel and subcontractors of Company with access to Client Systems and, if applicable, Client's premises and any third-party systems, as reasonably required for Company to perform the Services and without requiring Company to agree to terms that Company determines are unreasonable. Client acknowledges that Company's performance of the Services depends on Client's timely, accurate, and effective performance of all of its responsibilities under this Agreement. Client further acknowledges and agrees that its failure to satisfy any such responsibilities may prevent or delay Company's performance of

the Services which may result in modifications to an SO and an adjustment of the Fees.

2.2 Client Data. Client will provide Company access to Client Data (as defined below) reasonably required by Company to perform the Services. Client Data will be provided on at least a weekly automated data feed or as otherwise agreed to by the Parties, and in a format to be mutually agreed by the Parties. "Client Data" means all information, data and other content, in any form or medium, that is collected, downloaded or otherwise received by Company directly or indirectly from Client in connection with the provision of the Services. Client will obtain all consents or permissions as necessary or appropriate for Company system or portal access necessary to perform the Services contemplated by this Agreement. Company will assist Client with the completion of forms as needed for Company to obtain Medicare Direct Data Entry or other access upon the execution of any SO. Client agrees to provide dedicated RPA credentials where feasible and expressly permits developer-user password sharing for development, testing, production and reporting of automation used in the Services provided to Client. Client will (a) employ sufficient data privacy and security measures to detect any intrusion to Client Systems or potential corruption of Client Data and (b) maintain a data breach plan which includes immediate notification to Company of any incident which would compromise Company's systems or Company Confidential Information.

2.3 Data Use. Company uses de-identified or aggregated data to benchmark trends and ensure optimal analytics across all providers and payers. Results and metrics derived directly benefit clients yielding more exact payment integrity results and the ability to trend against industry performance. Client hereby authorizes Company to de-identify Client Data in accordance with HIPAA (as defined below) and use and disclose the results for lawful purposes. Client additionally authorizes Company to aggregate Client Data as permitted under HIPAA for analyses to Client.

2.4 Data Quality. Client acknowledges and agrees that optimal performance of the Services is dependent on the quality and accuracy of the Client Data. Company assumes no responsibility for the accuracy or completeness of the Client Data. Company makes no representation as to the appropriateness of its findings for any purpose other than as specifically set forth in the Service Orders.

2.5 Notification of Investigation. Subject to any direction or requirement imposed by the government agency or contractor that prohibits notification, Client will notify Company telephonically or in writing, within five (5) business days of becoming aware of an investigation by a government agency or contractor where the subject of the investigation involves any aspect of the Services.

2.6 Client Revenue Cycle Operations Policies. Client will have in place appropriate privacy, security and other policies and procedures for its revenue cycle operations. Company will notify Client of any known or suspected non-compliance with respect to Client's policies or procedures for purposes of ensuring that Company can carry out its obligations to Client consistent with all applicable laws. Client agrees to promptly review any such notice, taking into account any advice of Company in good faith, and take such actions as it deems reasonably necessary. Notwithstanding anything in this Agreement to the contrary, Company will have no responsibility or liability for any Service-related or Client-related non-compliance with any applicable law or this Agreement if such non-compliance existed prior to the effective date of this Agreement.

3. FEES.

3.1 Payment. The fees payable for the Services (the "Fees") will be set forth in the applicable SO. Unless a different time period is set forth in the applicable SO, subject to Section 3.3, Client will pay all amounts set forth on Company's invoice within thirty (30) days after Client's receipt of the invoice. Interest equal to 1% per month will accrue on undisputed amounts not paid within sixty (60) days of invoice and will be due and payable to Company only upon initiation of a collection action by Company in respect of such past due amounts. Subject to Section 3.3, all amounts payable to Company under this Agreement or a SO will be paid by Client to

Company in full without any setoff, recoupment, deduction or withholding of Fees or other payments for any reason.

3.2 Changes in Fees. Notwithstanding anything herein to the contrary, in the event that during the term of this Agreement, Company's costs of providing the Services under any SO increases as a result of any newly enacted or newly implemented rules, regulations or operating procedures of any federal, state or local agency or regulatory authority, the Parties agree to negotiate in good faith regarding an increase in compensation to Company for such affected Services to offset the increased costs.

3.3 Disputed Invoices. Within thirty (30) days of receiving an invoice, Client may, reasonably and in good faith, dispute such invoice by providing Company written notice of the dispute along with payment of any undisputed and unpaid portions and sufficient details of the disputed portion to allow Company to respond (including copies of backup records if Company does not have access to Client's system). Company will respond to Client with any backup or other information which supports the accuracy of the disputed portion within fifteen (15) business days of the notice of dispute. The Parties will use their best efforts to resolve disputes to a mutually agreeable resolution. If Client fails to notify Company in writing of an invoice dispute within such thirty (30) day period, then the entirety of such invoice will be conclusively deemed accepted and no dispute with respect to such invoice may be raised by Client at a later time. For so long as amounts due to Company under any SO or any invoice remains in dispute, Client will provide Company with either access to Client Systems or copies of records sufficient for Company to verify Client revenues upon which invoices are based. Potential overpayments identified by Client after payment of invoices may be brought to Company with supporting detail under the same submission and response process. Confirmed overpayments will be offset against Client's future invoices.

3.4 Taxes. Client will pay all applicable federal, state, local, sales, use and other taxes, including any interest and penalties in connection therewith (collectively, "Taxes") imposed with respect to the Services, but not including taxes on Company's revenues or income, unless Client can demonstrate that it is exempt from the imposition of Taxes.

4. INTELLECTUAL PROPERTY RIGHTS.

4.1 Client Data. Client retains all right, title and interest in and to the Client Data, and hereby grants to Company and its Affiliates a fully paid up non-exclusive, sublicensable, transferable (as permitted in Section 10.3) right and license to access, use, reproduce, distribute, and create derivative works of the Client Data as needed to provide the Services or as otherwise set forth in this Agreement.

4.2 Company Technology. Company retains all right, title and interest in and to Company Technology, and all know-how, tools, techniques, programming, software, inventions or other intellectual property created by Company or any of its Affiliates at any time, including, without limitation, the templates and Reports. Client may, solely for its internal business purposes, use, copy, modify and distribute the Reports; provided, however, that Client shall not distribute or share the Reports with any third-party vendor of revenue management services or technology, without Company's prior written consent.

5. CONFIDENTIAL INFORMATION.

5.1 Definition. "Confidential Information" means any non-public information that either Party (as the disclosing Party) treats as confidential or proprietary, including, without limitation, any personally identifiable information, information, documents and data relating to a Party or its Affiliates or its and their respective businesses, operations, technical or financial information, including, without limitation, customer lists, marketing information, finances, pricing and any other information or materials not available to the general public. Client Data is Confidential Information of Client; and Company Technology, the Services, and the terms of this Agreement are Confidential Information of Company. Confidential Information does not include: (a) "protected health information" or "PHI" (as that term is defined under HIPAA); (b) information that is or becomes publicly known through no

wrongful act of the receiving Party; (c) information that is received by the receiving Party on a non-confidential basis from a third party, who is not under any obligation to maintain its confidentiality; or (d) information that is independently developed by the receiving Party without the use of, or reliance on, the disclosing Party's Confidential Information. For purposes herein, "HIPAA" means: (i) the Health Insurance Portability and Accountability Act of 1996; and (ii) the Health Information Technology for Economic and Clinical Health Act (Title XIII of the American Recovery and Reinvestment Act of 2009), and any and all rules or regulations promulgated thereunder from time to time.

5.2 Protection of Confidential Information. During the term of this Agreement and for a period of five (5) years after completion or termination of each SO, the receiving Party agrees to safeguard the disclosing Party's Confidential Information from unauthorized use, access or disclosure using at least the degree of care that such Party uses to protect its similarly sensitive information and in no event less than a reasonable degree of care. Company will safeguard any protected health information pursuant to, and in accordance with, the Parties' business associate agreement, dated of even date herewith (the "BAA"). Client shall not disclose any Confidential Information of Company or any of its Affiliates to any vendor of revenue management services or technologies or any entity that Client knows or should reasonably know to be a competitor of Company or any of its Affiliates, except with the prior written consent of Company.

5.3 Permitted Disclosures. The receiving Party may disclose Confidential Information of the disclosing Party only to its personnel, directors, agents, advisors and subcontractors (collectively, "Representatives") who have a need to know in connection with the Services and who are bound by confidentiality obligations no less restrictive than those described in this Section 5. Each Party will be responsible and liable for any breach of confidentiality obligations by their Representatives.

5.4 Required Disclosures. Should the receiving Party be required to disclose Confidential Information of the disclosing Party by order of a government agency, bureau, a court of law or equity, the receiving Party may make such disclosure, provided that the receiving Party will first provide the disclosing Party with prompt written notice of such required disclosure (unless legally prohibited) and will take commercially reasonable steps to allow the disclosing Party to seek a protective order with respect to the Confidential Information required to be disclosed.

6. REPRESENTATIONS AND WARRANTIES; DISCLAIMER.

6.1 Representations and Warranties. Each Party hereby represents and warrants that: (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; (b) it has full corporate or other entity power and authority to execute and deliver this Agreement and to perform its obligations hereunder; (c) this Agreement constitutes a valid and binding agreement enforceable against such Party in accordance with its terms; and (d) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby do not and shall not: (i) conflict with or result in a breach of any provision of such Party's organizational documents; (ii) result in a breach of any agreement to which such Party is party; or (iii) violate any law applicable to such Party's business. Each Party further represents and warrants that neither it, nor any of its employees or contractors providing services hereunder, are (x) listed by a federal or state agency as excluded, disqualified, suspended or otherwise ineligible to participate in Federal or state health care programs (including Medicare or Medicaid) or (y) identified on the General Services Administration List of Parties Excluded from the Federal Procurement and Non-Procurement Programs.

6.2 Disclaimer. Except as specifically provided, neither Client nor Company makes any other representations or warranties with respect to the Services, Company Technology, data or systems to be provided to one another pursuant to this Agreement, or any results of the use thereof, and each explicitly disclaims all other representations and warranties, express or implied, including the implied warranties of merchantability, fitness for a particular purpose, title or noninfringement. Neither Party warrants that the

Services, any materials or the operation of any systems, technology, hardware or software will be uninterrupted or error-free. Client understands and agrees that, as part of the Services, Company makes recommendations as to appropriate billing and documentation only and does not provide any medical or clinical advice or consultation as to clinical care. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, IN THE EVENT OF AN ERROR OR OMISSION IN THE PERFORMANCE OF THE SERVICES, CLIENT'S SOLE REMEDY IS REPERFORMANCE OF THE SERVICES BY COMPANY AT NO ADDITIONAL COST.

7. INDEMNIFICATION; LIMITATION OF LIABILITY.

7.1 Company Indemnification. Company will defend and indemnify Client, and its officers, directors, managers, and employees from any and all liabilities, costs and expenses incurred by them in connection with any third-party claim, action, or proceeding (each, a "Claim"): (a) arising from Company's or its employees', agents' or contractors' gross negligence or willful misconduct in the performance of the Services; or (b) alleging that the Services, the Platform or the Reports, as delivered by Company and excluding any Client Data contained therein, or any use of the foregoing in accordance with this Agreement infringes or misappropriates any patent, copyright, trademark, trade secret, other intellectual property right of any third party with exceptions for unapproved modification and combination of Company Technology and failure to implement available modifications or replacements.

7.2 Client Indemnification. Client will defend and indemnify Company, its Affiliates, and each of its and their officers, directors, managers and employees from any and all liabilities, costs and expenses incurred by them in connection with any Claims: (a) arising from Client's or its employees', agents' or contractors' gross negligence or willful misconduct in connection with this Agreement; or (b) alleging that Client Data infringes or misappropriates any patent, copyright, trademark, trade secret, other intellectual property right of any third party.

7.3 Indemnification Procedure. The indemnified Party agrees to: (a) promptly notify indemnifying Party of any Claim for which the indemnified Party seeks indemnification hereunder; and (b) provide indemnifying Party with reasonable cooperation in the defense of any such Claim.

7.4 Limitation of Liability. The Parties agree that the total cumulative liability of each Party to the other Party (including incidental, indirect, special, consequential and punitive damages) shall not exceed the total amount of all Fees paid to Company by Client under the applicable SO giving rise to the liability during the twelve (12) months immediately preceding the event giving rise to such liability. The foregoing cap shall not apply to: (a) Claims arising out of a Party's, or such Party's employees', agents' or contractors' fraud, willful or intentional misconduct; (b) a Party's misappropriation or infringement of the other Party's intellectual property; or (c) Client's payment obligations under this Agreement or any SO.

8. TERM AND TERMINATION.

8.1 Term. This Agreement will define the relationship between the Parties for so long as any active SO exists for performance of the Services. Unless specifically set forth in any SO, the initial term of each SO will be for five (5) years ("Initial Term") beginning upon execution of such SO. After the Initial Term, each SO will automatically renew for successive one (1) year terms unless terminated in accordance with Section 8.2 or Section 8.3.

8.2 Termination for Cause. Either Party may terminate an SO at any time: (a) if the other Party materially breaches any provision of this Agreement that affects the applicable SO and that has not been cured within ninety (90) days after such Party's receipt of written notice of such breach; (b) if the other Party becomes insolvent, makes an assignment for the benefit of creditors or becomes subject to a bankruptcy or receivership; or (c) upon the occurrence of any Force Majeure Event (as defined below) that lasts longer than sixty (60) consecutive days.

8.3 Termination for Convenience. Following the Initial Term, either Party may terminate a SO without cause, upon one hundred

twenty (120) days prior written notice to the other Party, unless otherwise set forth in the applicable SO.

8.4 Effect of Termination.

(a) **Survival.** The rights and obligations of the Parties in this Agreement that, by their nature, should survive the expiration or termination of this Agreement will survive the expiration or termination of this Agreement. For clarity, Section 3, Section 4, Section 5, Section 6, Section 7, Section 8.4, Section 9, Section 10 and Client's obligation to pay Company for all Services provided survives any expiration or termination of this Agreement or any SO.

(b) **Wind Down.** Client acknowledges that when Company is paid on a contingency basis, its compensation is contingent upon its ability to work accounts referred to Company by Client to conclusion (the "**Referred Accounts**"). Upon any termination of this Agreement (other than by Client pursuant to Section 8.2) with respect to Services for which Fees are calculated based on recoveries or collections, Company reserves the right (but not the obligation) to continue to pursue all revenue opportunities in connection with Referred Accounts for a period of one hundred eighty (180) days following the effective date of the termination. Client will continue to provide requisite data and system access with respect to such Referred Accounts during the wind-down period and until all invoices for such work are paid in full. Client will compensate Company for Fees and Taxes incurred prior to the effective date of termination and through the work-down of all work in process at termination.

(c) **Return of Property.** Subject to Section 8.4(b), upon the effective date of a termination of an SO, save for any remaining work in process, each Party will promptly: (i) return or destroy all copies of the other Party's Confidential Information, except as otherwise required by applicable law; and (ii) upon such other Party's request, certify in writing compliance with this Section 8.4(c).

9. DISPUTE RESOLUTION.

9.1 Exclusive Remedies. Each Party agrees that the sole and exclusive remedy for (a) any dispute between the Parties arising under this Agreement or any SO, (b) any breach of this Agreement or any SO by the other Party or (c) any claim for indemnification arising under this Agreement will be, subject to the limitations set forth therein, the processes and rights of the Parties set forth in Section 7, Section 8 and this Section 9.

9.2 Arbitration. The Parties will attempt to settle any disputes through good faith negotiations between their respective senior executives for a period of thirty (30) days. In the event a dispute has not been resolved, it will be finally settled by final and binding arbitration, conducted on a confidential basis, under the federal arbitration act, if applicable, and the then-current dispute resolution procedures ("**Rules**") of the American Arbitration Association strictly in accordance with the terms of this Agreement and the laws of the state of Utah, excluding its principles of conflicts of laws. To the extent permitted by the Rules, all Parties will direct that any arbitration be held on an expedited basis. All arbitration hearings will be held in Salt Lake City, Utah or such other location as the Parties mutually agree upon.

9.3 Arbitration Awards. Any award will be paid within thirty (30) days of the issuance of the arbitrator(s)' decision. If any award is not paid within thirty (30) days, any Party may seek entry of a judgment in the amount of the award in any state or federal courts having jurisdiction thereof.

9.4 No Limitation on Provisional Remedies. Neither Party will be excluded from seeking provisional remedies in the courts of competent jurisdiction, including, but not limited to, temporary restraining orders and preliminary injunctions, but such remedies shall not be sought as a means to avoid or stay arbitration.

9.5 WAIVER OF JURY TRIAL; THIRD PARTIES. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY. THE REQUIREMENT OF ARBITRATION SET FORTH IN THIS SECTION 9 SHALL NOT APPLY IN THE EVENT THAT THERE IS THIRD-PARTY JOINDER BY EITHER PARTY OR A THIRD PARTY INSTITUTES AN ACTION AGAINST ANY PARTY TO THIS AGREEMENT, AND SUCH THIRD PARTY IS NOT AMENABLE TO JOINDER IN THE ARBITRATION

PROCEEDINGS CONTEMPLATED BY THIS SECTION 9.

10. MISCELLANEOUS.

10.1 Entire Agreement. This Agreement sets forth the entire agreement of the Parties with respect to the Services and, except as specifically provided, supersedes and merges all prior oral and written agreements between the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified except in a writing executed by authorized representatives of both Parties.

10.2 Notices. All notices required by or relating to this Agreement (other than routine operational communications or as otherwise set forth in this Agreement) will be in writing and signed by an authorized representative of the Party providing such notice and will be sent by means of email with a copy by certified mail, postage prepaid to the receiving Party at its address set forth in this Agreement or the relevant SO.

10.3 Successors; Assigns; Delegation. Neither Party may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior, written consent of the other Party; provided, however, that a Party may, upon written notice to the other Party and without consent, assign or otherwise transfer this Agreement (a) to any of its Affiliates or (b) in connection with a change of control transaction (whether by merger, consolidation, sale of equity interests, sale of all or substantially all assets, or otherwise) but, in the case of (b), only to the extent the assignee agrees in writing to assume all liabilities under this Agreement, including any liabilities accruing prior to the effectiveness of such assignment. Any assignment or other transfer in violation of this Section 10.3 will be null and void. Subject to the foregoing, this Agreement will be binding upon and inure to the benefit of the Parties hereto and their permitted successors and assigns. For purposes herein, "**Affiliate**" means, with respect to a particular Party, any person or entity that controls, is controlled by or is under common control with such Party; and "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of another person or entity, whether through the ownership of voting securities or equity interests, by contract or otherwise. Notwithstanding anything to the contrary herein, Company or its Affiliates may augment staffing for performance of the Services through subcontracting, and Company may delegate any of its obligations hereunder to any of its Affiliates, including using Affiliate resources located outside of the United States. Company will require all subcontractors and delegates to comply with the requirements of Company set forth in these Terms of Service, the SOs and BAA between the Parties. Any reference in this Agreement to "Company" that imposes any obligation or grants any rights, relating to the provision of the Services, will be deemed to also be a reference to Company's Affiliates who perform the Services under this Agreement and their subcontractors, provided, however, that under no circumstances will Client have any rights to make any claims against any such Affiliates or subcontractors and Client can only make claims against the Company.

10.4 Waiver; Severability. No term of this Agreement will be deemed waived, and no breach of this Agreement excused, unless the waiver or consent is in writing and signed by the Party granting such waiver or consent. The waiver by any Party of a breach of any provision shall not operate or be construed as a further or continuing waiver or as a waiver of any other or subsequent breach. Should any one or more of the provisions be determined to be invalid, illegal or unenforceable in any respect, such provision will be construed to be adjusted to the minimum extent necessary to cure such invalidity or unenforceability, and the remaining provisions shall not in any way be adversely affected thereby.

10.5 Force Majeure. Except with respect to payment obligations hereunder, if a Party is prevented or delayed in performance of its obligations hereunder as a result of circumstances beyond such Party's reasonable control, including, but not limited to, war, riot, fires, floods, elements of nature or acts of God, epidemics, pandemics, failure of public utilities or public transportation systems (each, a "**Force Majeure Event**"), such failure or delay will be excused and shall not be deemed to constitute a breach of this

Agreement.

10.6 Governing Law. This Agreement will be governed by and interpreted in accordance with the laws of the State of Utah, without regard to conflicts of law principles thereof.

10.7 Compliance with Laws. The Parties agree to comply with all applicable laws, regulations and standards applicable to the performance of this Agreement, including but not limited to, the

requirements of the Anti-Kickback Statute, 42 U.S.C. 1320a-7b, the federal False Claims Act and the regulations promulgated thereunder. Upon eligibility for any discount or credit, Company will provide information regarding the value of the credit or discount provided to Client. Client will determine any reporting obligations and report the amount to the government, as applicable.

The Services rendered under all Service Orders between the Parties are subject to this Agreement. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute the same agreement. The Parties have caused their duly authorized representatives to execute this Agreement as of the dates indicated below.

Modoc Medical Center

R1 RCM Holdco Inc.

Signature

Date

Print or Type Name and Title

Signature

Date

Print or Type Name and Title

Service Order for Business Office Solutions

This Service Order ("SO"), effective on the last signature date set forth below, is entered into under and in accordance with that certain Terms of Service ("TOS"), dated as of [____], between **Modoc Medical Center, a non-profit corporation**, on behalf of itself and its subsidiaries (collectively, "Client") and R1 RCM HOLDCO Inc. ("R1"), a Delaware corporation, on behalf of itself and its subsidiaries. Client and R1 are sometimes referred to herein as a "Party" and collectively as the "Parties." Capitalized terms used, but not otherwise defined in this SO, shall have the meanings ascribed to such terms in the TOS. If there are any conflicts, ambiguities or inconsistencies between the provisions of the TOS, this SO (excluding any exhibits) and any exhibit or other document incorporated herein, such conflict, ambiguity or inconsistency will be resolved by giving precedent in the following order of priority: (a) first, the terms in Exhibit 1; (b) second, the provisions in the body of this SO and any exhibits incorporated herein other than Exhibit 1; (c) third, the terms in the body of the TOS.

1. **Description of Services.** R1 shall perform the Services set forth in this Section 1 (collectively, the "Services") for the purposes of optimizing Client's revenue cycle operations process in an attempt to maximize compliant collections from the amounts billable as a result of operations of Client. In performance and receipt of the Services, each Party will have the responsibilities specified for such Party in Exhibit 1: Revenue Cycle Roles and Responsibilities Matrix. None of the Services described below are being undertaken to manage medical decisions or business operations of Client, nor are any of the Services intended to increase the volume of operations of Client.

1.1 Billing (patient and payor) - Send all required information to the billing editor application or system so that a claim proceeds to the applicable payor. Resolve all discrepancies in a timely manner for resubmission of the bill to the applicable payor. Once the insurance balance is resolved, use the applicable patient billing system to send a bill for the residual patient responsibility. Recommend billing edits and bridge routines to improve the number of claims sent to the payor without intervention and/or to reduce denials. Generate and mail paper claims.

1.2 Secondary and Tertiary Billing - Identify secondary and tertiary payors, as applicable. Where appropriate, send a secondary (or tertiary) payor bill for the balance of such bill to gain reimbursement from a secondary (or tertiary) insurance payor.

1.3 Accounts receivable (A/R) follow-up and management - Perform account follow-up services for insurance accounts ("AR Accounts"). R1 will review and research all rejections and denials and resubmit denied and rejected claims where appropriate. R1 will conduct first level and second level appeals on AR Accounts. Adjust any balances that are deemed uncollectible due to aging in accordance with Client's policies.

1.4 Denial management - Attempt to resolve all issues (e.g., registration, coding, billing, preauthorization, etc.) which have caused a partial or full denial. Resubmit the applicable bill to the payor as necessary and make/recommend systemic improvements to reduce or eliminate re-occurrence. Implement/recommend process improvements to reduce future denials based on root cause analysis of current denials.

1.5 Submission of Appeals - Perform denial and appeal service on third party claims including review of Remittance Advice and/or Explanation of Benefits and determine payment accuracy. Subject to the Parties' agreement on forms of appeal letters and in accordance with Client's policies, prepare and send appeal letters for accounts that have been denied by the insurance payor, provided that appeals that require substantiation by clinically certified staff for clinically related denials shall route to Client to provide the needed documentation for R1 to appeal (e.g. medical necessity, level of care, etc.). As necessary, perform Denial Management services described in Section 1.4. This service includes all non-zero balances.

1.6 Remit and Cash Posting – Electronically and manually post cash from both payors' and patients' accounts and reconcile outstanding accounts receivable in a timely and accurate manner. Reconcile daily cash at patient account level to the extent reasonably feasible (except Client will be responsible for general ledger and patient accounting reconciliation). Follow Client's cash control policies and procedures. Post payments not processed electronically (e.g., over-the-counter deposits, payroll deductions, returned lockbox items, bank credit/debit adjustments, credit card chargebacks) on the day such items are received or in a longer timeframe determined by Client to be proper, not to exceed fifteen (15) business days. Identify and reconcile unidentified cash receipts and daily lockbox deposits to payment posting in hospital's patient accounting system on a daily basis.

1.7 Patient Responsibility Management – Monitor statement transaction files, monitor patient balances for exhaustive balance adjustment opportunities. Research patients with a credit balance and reasons for credit balances to determine if a refund is appropriate. Send refund documentation to Client for approval. Prepare appropriate account adjustments where no refund is due.

1.8 Bad Debt Management – Review patient bad debt with Client for final disposition. If necessary, send data to Client's third party collection vendors and maintain documentation to support bad debt logging. Post collection agency receipt recoveries.

1.9 Reporting – R1 will produce and distribute to Client its standard reporting documentation, including for accounts receivable dispositions. On a monthly basis, R1 will deliver reporting on performance metrics related to accounts receivable for AR Accounts for the reporting month and provide a Key Performance Indicator (KPI) report that contains recommendations to improve efficiency of the following metrics:

- Total gross charges and total net receipts;
- Net collection rates;
- Gross days in A/R;
- Percentage of A/R over 90 days; and
- Clean claims rates.

R1 will perform benchmarking, conduct analytical reporting and use statistical analyses as R1 reasonably determines is needed in performance of the Services.

2. **Certain Client Responsibilities.** Client shall be responsible for performing the obligations set forth below where applicable, unless otherwise agreed by the Parties in writing.

2.1 Scheduling, Registration and Check-In - As part of the initial patient registration and subsequent patient registration confirmations, Client will capture and/or confirm that all patient demographic and insurance information is accurate. Client will scan the front and back of patient's driver's license or state issued identification and insurance card into the practice management solution if the solution permits. Client will collect co-payment and outstanding patient balance amounts at the time of service.

2.2 Billing - Client is responsible for client billing, provider credentialing and completing and securing payor approval of all EDI agreements, where Client deems that EDI agreements are operationally prudent.

2.3 Coding and Charge Entry - Client will ensure that charges are entered into the practice management solution for all encounter/visit types. Client will verify that the charge process is accurate and complete.

2.4 A/R Follow-up and management - Client will provide R1 with accurate and complete information regarding the AR Accounts and other patient information required for R1 to perform the Services. Client will assist R1 to correct denied and rejected claims. Client will approve write-off of any balances to collection agencies in accordance

with Client's policy.

2.5 Payment Posting - Payments received will be handled in a timely manner. To streamline the payment posting approval and posting process, Client will accept payments remitted and transferred electronically from all payors offering electronic remittance advice (ERA) and electronic funds transfer (EFT), where client deems that ERAs and EFTs are operationally prudent. Client will provide necessary information to ensure all payments are posted accurately and timely.

2.6 Payor and Patient Correspondence - On a daily basis, Client will electronically transmit to R1 any paper documents (e.g., payor checks, EOBs, patient payments). Client may use secure file transfer protocol (SFTP) or provide R1 with view only access to Client's lockbox and any other payment mechanisms to aid in the posting of payments to patient accounts. Client is responsible for all related lockbox/banking fees.

2.7 Access to Client Systems - Prior to the "go live" date, Client will provide authorization and sign-in approvals for R1 employees to access applicable Client systems for training purposes. During the SO Term, Client will supply R1 personnel with access to Client systems and revenue cycle management solutions ("RCM Solution"), including, as applicable, patient accounting systems, document imaging systems, electronic medical records, billing editor(s), and payor websites, as reasonably required by R1 to perform the Services. R1 shall complete any necessary administrative forms and submit all reasonably required information as directed by Client for R1 personnel to access applicable Client systems. Client agrees to obtain all patient authorizations and other consents required to provide R1 with such information and access required to provide the Services. In the event that Client systems are updated during the SO Term, Client agrees to provide training to R1 employees with respect to such updates to the same extent that any such training is provided to Client employees.

2.8 Cardholder Data - Client will comply with the requirements of Payment Card Industry Data Security Standards (PCI DSS) when processing, storing, or transmitting cardholder data.

2.9 Client shall submit complete, accurate and timely information, documentation and records to R1. If Client becomes aware that any such submission is false or inaccurate, Client shall take immediate action to correct such information, documentation or records in accordance with Applicable Law and payor requirements.

3. SO Term.

3.1 The term of this SO will be five (5) years commencing on (the "SO Effective Date") and ending on the fifth (5th) anniversary of the SO Effective Date (the "Initial Term"). Thereafter, the SO Term will automatically renew for successive one (1) year terms (each, a "Renewal Term" and together with the Initial Term, the "SO Term"). All termination provisions for this SO will be in accordance with the TOS.

3.2 Upon termination or expiration of the SO Term, no new AR Accounts will be transferred to R1; provided that R1 will continue to provide the Services with respect to those AR Accounts transferred to R1 prior to the termination or expiration date until the earlier of (i) each such AR Account has been paid, exhausted or resolved in accordance with Client's policies and (ii) one hundred and twenty (120) days after such AR Account was transferred to R1 for Services.

4. Pricing.

4.1 As consideration for the Services, Client shall pay to R1 a monthly amount equal to: Two and eighty hundredths (2.80%) of Client's Total Net Receipts, less any patient or insurance refunds (the "Monthly Service Fee"). "Total Net Receipts" include, but are not limited to: insurance payments, patient responsibility and self-pay payments such as co-payments, co-insurance payments, and after insurance patient balance payments; payments related to capitated plans within R1's scope of Services. Total Net Receipts shall exclude incentive payments related to CMS, cost report settlements, supplemental reimbursement payments, payments related to capitated plans outside of R1's

scope of Services or other governmental agency programs, and collection agency recoveries.

4.2 R1 will invoice Client for the Monthly Service Fees on a monthly basis in arrears on or about the fifteenth (15th) day of each month for the Services performed based on payments received in the prior month. All such invoices will be due and payable by Client within thirty (30) days of the invoice date.

5. **Covered Client Facilities.** R1 will provide the Services at the facilities owned, operated or controlled by Client or its affiliates and listed on Exhibit 2 ("Client Facilities"). Should Client wish to amend the Client Facilities, the Parties shall amend SO Exhibit 2 as appropriate.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the Parties have executed this SO as of the date first set forth above.

Modoc Medical Center

R1 RCM HOLDCO INC.

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Exhibit 1

Revenue Cycle Roles and Responsibilities Matrix

Additional Scope Notes	R1	Client	Scope
Acute and ambulatory billing & accounts receivable(s) follow-up (Effective on Cerner patient accounting go Live dates of service forward, does not include any legacy system AR).	X		All insurance financial classes,& self-pay financial class
Payment posting and credit balances – insurance and self-pay payments (Effective on Cerner patient accounting go live dates of service forward, does not include any legacy system AR).	X		All insurance payments & self pay payments; excludes Client Billing payments
Government Payer – medicaid facilities	X		Acute and Ambulatory
Commercial (CL) payers facilities	X		Acute and Ambulatory
Self- pay AR management (customer service call center is excluded)	X		Acute and Ambulatory

Project Start-up	R1	Client	Frequency
Authorize R1 associates to access all necessary systems to perform the Services, including but not limited to Client's practice management solution, third party clearinghouse and claim scrubbing solutions, payor and government websites used for claim processing, lockbox, bank account (read only), and any other relevant system		X	Initially
Define process for requesting necessary information to correct and resubmit claims	X	X	Initially
Define process to transfer a balance to patient responsibility, write off balances, determine bad debt, set up payment plans, self-pay discounts, minimum statement balance and refund amounts, and any other relevant processes	X	X	Initially
Define process to respond to patient calls regarding hardship, bankruptcy, collections, or to inform of a deceased patient		X	Initially
Provide physician and facility identifiers to R1 and notify R1 if changes occur (NPI, Tax IDs, PTAN, etc.)		X	Initially and ongoing

Assign an account manager serving as point-of-contact for billing services, monitoring key performance indicators (KPI), analyzing, preparing and delivering productivity and financial reports, recommending process improvements, and hosting regular calls with the Client to review results	X		Initially
Communicate and manage configuration changes		X	Initially and ongoing

Registration and Scheduling	R1	Client	Frequency
Schedule patient appointments		X	Every encounter
Register new patients and update existing patient registration information into the RCM Solution		X	Every encounter
Scan driver's license or state issued photo ID, and insurance card(s)		X	Every patient
Verify and update patient insurance eligibility and notify R1 of changes		X	Every encounter
Obtain referral authorizations, prior authorizations, pre-certifications, and enter into the appropriate RCM Solution		X	Every encounter, as necessary

Coding, Charge Entry, and Claim Submission	R1	Client	Frequency
Complete clinical documentation in EMR and coding in RCM Solution		X	Every Encounter Within 48 hours
Enter and reconcile charge batches		X	All batches - Daily
Scrub and process claims (primary, secondary, and tertiary)	X		Daily
Generate and mail paper claims	X		As necessary

Payment Posting	R1	Client	Frequency
Notify R1 of all payments received via electronic funds transfer (EFT)		X	Daily
Post and reconcile EOBs/ERAs/payments. Identify accounts that require follow-up	X		Daily
Reconcile and balance payments posted by Client's employees		X	Daily
Deposit point-of-service and lockbox payments into bank account		X	Daily
Post and reconcile payments received in Client's lockbox (once payment has been deposited by Client into Client's bank account)	X		Daily
Post payments to specified patient accounts from patient statements	X		Daily
Collect and post patient co-payment and other patient payments at the point-of-service		X	Daily

Transmit to R1 all insurance payments, EOB's and other correspondence received at Client's facility by secure file transfer protocol		X	Daily
Provide electronic access to EOB and ERA data		X	Ongoing
Enter notes in the RCM Solution	X	X	As appropriate
Audit third party payor contracts for contract discrepancies		X	Ongoing

A/R Management	R1	Client	Frequency
Review and research all rejections and denials with dates of service prior to the Services go live date	X		As necessary
Approve decisions to appeal claims denied for lack of medical necessity		X	Within 48 hours
Edit and resubmit denied and rejected claims	X		Daily
Initiate and follow-up on claim appeals	X		As necessary
Respond in a timely manner to R1 regarding insurance requests for information necessary to adjudicate claims, including coding edits, medical necessity reviews, and any other missing information		X	Within 48 hours
Approve non-contractual adjustments outside the pre-approved scenarios established in project startup	X	X	Within 48 hours
Post approved unapplied contractual and non-contractual adjustments	X		As necessary
Research all insurance credit balances to determine if there has been an overpayment and if so notify the payor as appropriate	X		Ongoing
Work existing A/R for dates of service prior to the Services go live date unless otherwise specified in this SO		X	As necessary

Patient Responsibility Management	R1	Client	Frequency
Monitor statement transaction files, monitor patient balances for exhaustive balance adjustment opportunities	X		Ongoing
Operate a patient call center for inbound calls and provide patients with a toll-free number		X	Ongoing
Review delinquent patients with Client for final disposition and, if necessary, send data to Client-designated collection agency	X	X	As needed
Approve bad debt write-offs		X	As needed
Post approved bad debt adjustments	X		Ongoing

Maintain collection agency relationship for collecting delinquent accounts		X	Ongoing
Post all collection agency receipt recoveries	X		Ongoing
Research all patients with a credit balance to determine if a refund is appropriate. Send to Client for approval	X		Ongoing
Process overpayments and refunds and escheat unclaimed property per state law		X	As needed
Enter notes as appropriate into the practice management solution	X	X	Ongoing
Develop a document retention process for all paper EOB's and correspondence from patients, payors and third parties	X	X	Daily
Archive supporting documents for electronic payment files transmitted from the lockbox to the practice management solution		X	As needed

Practice Management Administration	R1	Client	Frequency
Ensure providers are appropriately credentialed with payors and licensed with the applicable state(s)		X	Ongoing
Establish and monitor all third-party contracts and notify R1 of relevant changes within 10 business days		X	Ongoing
Provide R1 with all payor contracts and subsequent amendments within 10 business days		X	Ongoing
Provide R1 with access to hospital and external systems for retrieval of demographic and clinical data as needed to process claims		X	Ongoing
Archive supporting documents for electronic payment files transmitted from the lockbox to the RCM Solution		X	As needed

Reporting	R1	Client	Frequency
Provide 12-month baseline of charges, payments, adjustments by cost center, payor, and payment/adjustment reason/type		X	Initially
Generate and print desired standard reports	X	X	As necessary
Deliver Key Performance Indicator (KPI) report	X		Monthly
Complete government and regional reporting (cost report, credit balances, state specific, etc.)		X	As necessary
Participate in project status calls	X	X	As necessary

Exhibit 2

Client Facilities

Modoc Medical Center

1111 N. Nagle Street
Alturas, CA 96101

MMC Family Practice Clinic

1111 N. Nagle Street
Alturas, CA 96101

Canby Clinic & Dental

670 Co Rd 83
Canby, CA 96015

Warnerview Skilled Nursing

225 W. McDowell Avenue
Alturas, CA 96101

Physical Therapy Department

120 S. Main Street
Alturas, CA 96101