



**AGENDA**

**REGULAR MEETING OF THE FINANCE COMMITTEE  
A COMMITTEE OF THE BOARD OF DIRECTORS**

**Tuesday, May 28, 2024  
9:00 AM**

**Administration Boardroom  
600 N. Highland Springs Avenue, Banning, CA 92220**

**In compliance with the Americans with Disabilities Act**, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2101. **Notification 48 hours prior to the meeting** will enable the Hospital to make reasonable arrangement to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order S. DiBiasi

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Finance Committee of the Hospital Board of Directors on any matter under the subject jurisdiction of the Committee. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Committee Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the San Gorgonio Memorial Hospital Board of Directors, we want you to know that the Board/Committee acknowledges the comments or concerns that you direct to this Committee. While the Board/Committee may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the CEO, or other Administrative Executive personnel, to do further research and report back to the Board/Committee prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board/Committee wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board/Committee’s part; a response will be forthcoming.

**OLD BUSINESS**

III. \* **Proposed Action – Approval of Minutes** S. DiBiasi  
• April 30, 2024, regular meeting

A



**TAB A**

REGULAR MEETING OF THE  
SAN GORGONIO MEMORIAL HOSPITAL  
BOARD OF DIRECTORS

FINANCE COMMITTEE  
April 30, 2024

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors Finance Committee was held on Tuesday, April 30, 2024, in the Administration Boardroom, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Susan DiBiasi (Chair), Steve Rutledge

Members Absent: Darrell Petersen, Ron Rader

Required Staff: Steve Barron (CEO), Daniel Heckathorne (CFO), John Peleuses (VP, Ancillary & Support Services), Ariel Whitley (Executive Assistant), Angela Brady (CNE)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Call To Order</b>	Steve Rutledge called the meeting to order at 9:01 am.	
<b>Public Comment</b>	No public present.	
<b>OLD BUSINESS</b>		
<b>Proposed Action - Approve Minutes</b>  March 26, 2024, regular meeting	Steve Rutledge asked for any changes or corrections to the minutes of the March 26, 2024, regular meeting. There were none.	<b>The minutes of the March 26, 2024, regular meeting will stand correct as presented.</b>
<b>NEW BUSINESS</b>		
<b>Proposed Action – Recommend Approval to Hospital Board of Directors - Monthly Financial Report (Unaudited) – March 2024</b>	Daniel Heckathorne, CFO, reviewed the Unaudited March 2024 finance report as informational.  As there was no quorum, no action was taken.	
<b>Non-profit Federal Tax Return (Form 990) Review – Informational</b>	Dan Heckathorne reported that the Form 990 will be presented to the board as an informational item. The Board will have a chance to review the Form 990 and suggest any changes by May 10.	
<b>Future Agenda Items</b>	<ul style="list-style-type: none"> <li>• Capital and Operating Budgets</li> <li>• Annual Insurance Renewals</li> </ul>	

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
<b>Next Meeting</b>	The next regular Finance Committee meeting will be held on May 28, 2024 @ 9:00 am.	
<b>Adjournment</b>	The meeting was adjourned at 10:11 am.	

In accordance with The Brown Act, *Section 54957.5*, all reports, and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Hospital Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

**TAB B**

**San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District**

To: Finance Committee, Board of Directors, and District Board

Agenda Items for May 28, 2024 and June 4, 2024 Meetings

**Subject:**

**Annual Liability Insurance Renewals with BETA; Professional & General, Directors and Officers, Employment Practices, and Auto, plus Worker's Compensation Insurance.**

Annual Insurance Renewals:

- 1) Professional and General Liability
- 2) Directors and Officers Liability
- 3) Employment Practices Liability
- 4) Auto Liability
- 5) Workers' Compensation

The District's broker for these coverages is Jim Sprague, Vice President of James+Gable Insurance Brokers. Jim and his team work on the District's behalf with the BETA Healthcare Group, a Risk Management Authority Public Agency. SGMHCD has been insured with BETA for many years, and has benefitted from competitive premiums, comprehensive coverages, and excellent customer service from a firm which specializes in District, Public Agency, and Non-Profit Healthcare providers.

BETA continues to have an extensive Quality Improvement and Performance program which is customized especially for Hospitals, and the favorable results of such programs have resulted in the overall competitive and comprehensive product. Their Workers' Compensation program is specifically designed for hospital workers and has an excellent overall track record in this arena.

The renewal premiums are provided in the Attachment. Per our Broker, Mr. Sprague, "we were very pleased with BETA's premium concessions of approximately \$100,000, as noted on the board summary document".

**Recommendations:** That the respective insurance coverages be renewed with BETA as presented for Board action in order to "bind" coverage prior to the renewal date of July 1<sup>st</sup>.



 **SAN GORONIMO**  
MEMORIAL HOSPITAL

**2024**  
**Insurance Renewal Proposals**

**JAMES + GABLE**  
INSURANCE BROKERS, INC.



# 2024 Insurance Renewals

## Executive Summary

Line of Coverage	Carrier	Policy Term	Limits	Deductible	2023-2024 Expiring	2024-2025 Renewals
Professional & General Liability	BETA	7/1/24 - 7/1/25	\$20M/\$30M	\$25,000	<b>\$1,184,309</b>	<b>\$1,219,520</b>
Directors & Officers Liability	BETA	7/1/24 - 7/1/25	\$10M	\$50,000	<b>\$172,492</b>	<b>\$181,116</b>
Employment Practices Liability	BETA	7/1/24 - 7/1/25	\$10M	\$100,000	<b>Incl. w/ D&amp;O</b>	<b>Incl. w/ D&amp;O</b>
Auto Liability	BETA	7/1/24 - 7/1/25	\$20M	\$500	<b>\$55,070</b>	<b>\$56,459</b>
Workers' Compensation	BETA	7/1/24 - 7/1/25	Statutory	\$0	<b>\$604,315</b>	<b>\$663,861</b>
<b>TOTAL GROSS PREMIUM</b>					<b>\$2,016,186</b>	<b>\$2,120,956</b>
Liability Dividend					-\$62,032	-\$47,477
<u>Workers' Comp Dividend</u>					<u>-\$78,041</u>	<u>-\$46,038</u>
<b>Total Dividends</b>					<b>-\$140,073</b>	<b>-\$93,515</b>
<b>TOTAL NET PREMIUM</b>					<b>\$1,876,113</b>	<b>\$2,027,441</b>
<b>Pending Risk Mgmt Credits</b>					<b>None</b>	<b>-\$55,035</b>
<b>TOTAL NET PREMIUM including Risk Mgmt Credits</b>					<b>\$1,876,113</b>	<b>\$1,972,406</b>

### Insured Entities

San Gorgonio Memorial Hospital  
 San Gorgonio Memorial Hospital Foundation  
 San Gorgonio Memorial Healthcare District

### NOTES

- Professional Liability carriers are charging higher rates due to changes in the Medical Injury Compensation Reform Act (MICRA) as follows:
  - 2022 law limited claim recovery of non-economic damages to \$250,000
  - A 2022 bill increased that limit to \$350,000 for non-death cases and \$500,000 for wrongful death cases effective date January 1, 2023, followed by incremental increases over 10 years to \$750,000 for non-death cases and \$1,000,000 for wrongful death cases. Currently \$390,000 non-death and \$550,000 wrongful death.
  - Actuarial estimates on the increase in ultimate annual claims costs are between 4.7% and 17%
- BETA rate updates (minimum change for all members):
  - PL/GL: 3% increase, D&O/EPL: 5% increase, Auto: FLAT, WC: 3% decrease
  - BETA rates continue to be more than 15% to 20% lower than the standard market
  - BETA Council approved a 38% reduction in dividends due to claims experience in the pool and rising reinsurance costs

# 2024 Insurance Renewals

## Professional Liability & General Liability

### Census Data & OBEs

	7/1/22 to 7/1/23 Estimated		7/1/23 to 7/1/24 Estimated		7/1/23 to 7/1/24 REVISED Estimated		7/1/24 to 7/1/25 Estimated		7/1/24 to 7/1/25 REVISED Estimated	
	Census	OBEs	Census	OBEs	Census	OBEs	Census	OBEs	Census	OBEs
Acute Care Beds	12,323	33.8	8,440	23.1	8,226	22.5	8,372	22.9	8,372	22.9
Cribs & Bassinets	268	1.3	417	2.1	278	1.4	201	1.0	201	1.0
Emergency Visits	21,256	63.4	22,859	68.1	22,859	68.1	25,486	76.0	25,486	76.0
Non-Urgent ER Visits	17,703	12.0	19,314	13.1	19,314	13.1	16,868	11.4	16,868	11.4
Outpatient Visits	5,708	3.6	9,234	5.8	7,559	4.7	6,979	4.4	6,979	4.4
Reference Labs	621	0.1	888	0.1	888	0.1	10,459	1.5	10,459	1.5
Counseling	4,136	1.6	13,290	5.2	13,290	5.2	31,848	12.4	15,249	5.9
Outpatient Surgeries	1,300	6.7	1,113	5.8	1,113	5.8	945	4.9	945	4.9
Inpatient Surgeries	466	4.7	559	5.7	559	5.7	551	5.6	551	5.6
Vaginal Deliveries	95	4.5	168	8.0	96	4.6	87	4.1	87	4.1
C-Sections Deliveries	51	2.4	63	3.0	48	2.3	26	1.2	26	1.2
		<b>134.1</b>		<b>139.9</b>		<b>133.4</b>		<b>145.4</b>		<b>139.0</b>
								<b>9.0%</b>		<b>4.2%</b>

### NOTES

- Initial census was a 9% increase over last year; revised census with lower counseling visits is a 4.2% increase

## 2024 Insurance Renewals

### Professional Liability & General Liability

#### Claim Development

Policy Year	Total Incurred As of 4/30/23	Total Incurred As of 4/30/24	Total Claims	Open Claims
2002	\$2,411,379	\$2,411,379	3	0
2003	\$668,965	\$668,965	5	0
2004	\$0	\$0	1	0
2005	\$1,080	\$1,080	2	0
2006	\$579,405	\$579,405	4	0
2007	\$1,111,785	\$1,111,785	6	0
2008	\$539,729	\$539,729	8	0
2009	\$3,034,503	\$3,034,503	6	0
2010	\$6	\$6	6	0
2011	\$92,245	\$92,245	9	0
2012	\$65,983	\$65,983	4	0
2013	\$714,171	\$714,171	13	0
2014	\$138,797	\$138,797	4	0
2015	\$2,532,277	\$2,532,277	7	0
2016	\$307,722	\$306,722	6	0
2017	\$150,804	\$150,804	3	0
2018	\$65,000	\$65,000	2	0
2019	\$244,282	\$236,595	3	1
2020	\$11,819	\$11,819	2	0
2021	\$22,257	\$20,180	2	0
2022	\$41,000	\$110,000	5	2
2023		\$0	0	0
	<b>\$12,733,207</b>	<b>\$12,791,444</b>	<b>101</b>	<b>3</b>
		<b>\$58,237</b>		

#### NOTES

- SGMH has a 10-year loss ratio (2013-2022) of 51%

## 2024 Insurance Renewals

### Professional Liability & General Liability

	7/1/23 – 7/1/24 Expiring	7/1/24 – 7/1/25 Renewal (Initial)	7/1/24 – 7/1/25 Renewal (Final)
Carrier	BETA	BETA	BETA
Limits	\$20M/\$30M	\$20M/\$30M	\$20M/\$30M
Deductible	\$25,000	\$25,000	\$25,000
<b>Gross Premium</b>	\$1,184,309	\$1,320,426	\$1,219,520
<b>Performance Dividend</b>	-\$62,032	-\$38,459	-\$47,477
<b>Net Premium</b>	<b>\$1,122,277</b>	<b>\$1,281,967</b>	<b>\$1,172,043</b>
<b>Pending Risk Mgmt Credits</b>	<b>None</b>	<b>None</b>	<b>-\$55,035</b>
<b>Net Premium incl Risk Mgmt Credits</b>	<b>\$1,122,277</b>	<b>\$1,281,967</b>	<b>\$1,117,008</b>

#### NOTES

- BETA also quoted \$50K and \$100K deductible options – see following page for premiums and a loss stratification analysis
- Initial worst-case scenario was 3% rate increase plus 9% census increase, which equals \$1,320,426 gross premium
- Submitted revised census projections with a 4.2% overall increase
- Negotiated a waiver of the 4.2% census increase, a \$50K savings. Final renewal limited to BETA's 3% rate increase.
- SGMH qualifies for the Performance Dividend this year (requires loss ratio of 70% or less): \$47,477
- OB Risk Management Initiative Credit: 6% (\$68,451)  
ED Risk Management Initiative Credit: 2% (\$13,487) + additional 2% pending confirmation  
HEART Risk Management Initiative Credit: 2% (\$21,178) + additional 4% pending confirmation
- Risk Management Resource Funds remaining for 2023-2024 policy term (as of 4/30/24) = \$9,665  
Risk Management Resource Funds for 2024-2025 renewal policy term = \$10,377

# 2024 Insurance Renewals

## Professional Liability & General Liability

### Deductible Options & Loss Stratification

Deductible	Gross Premium	
\$25,000	\$1,219,520	Same as expiring
\$50,000	\$1,144,810	-\$74,710
\$100,000	\$1,055,916	-\$163,604

#### Total Cost of Risk: \$25,000 Deductible

Policy	Premium	Claims Filed	Total Incurred	Deductible Cost	Total Cost of Risk
2014-2015	\$1,219,520	4	\$138,797	\$75,000	\$1,294,520
2015-2016	\$1,219,520	7	\$2,532,277	\$108,795	\$1,328,315
2016-2017	\$1,219,520	6	\$306,722	\$26,929	\$1,246,449
2017-2018	\$1,219,520	3	\$150,804	\$50,000	\$1,269,520
2018-2019	\$1,219,520	2	\$65,000	\$25,000	\$1,244,520
2019-2020	\$1,219,520	3	\$236,595	\$50,722	\$1,270,242
2020-2021	\$1,219,520	2	\$11,819	\$11,819	\$1,231,339
2021-2022	\$1,219,520	2	\$20,180	\$20,180	\$1,239,700
2022-2023	\$1,219,520	5	\$110,000	\$50,000	\$1,269,520
2023-2024	\$1,219,520	0	\$0	\$0	\$1,219,520
	<b>\$12,195,200</b>	<b>34</b>	<b>\$3,572,195</b>	<b>\$418,444</b>	<b>\$12,613,644</b>

#### Total Cost of Risk: \$50,000 Deductible

Policy	Premium	Claims	Total Incurred	Deductible Exposure	Total Cost of Risk	Savings vs. \$25K Deductible
2014-2015	\$1,144,810	4	\$138,797	\$110,084	\$1,254,894	\$39,626
2015-2016	\$1,144,810	7	\$2,532,277	\$183,795	\$1,328,605	(\$290)
2016-2017	\$1,144,810	6	\$306,722	\$51,929	\$1,196,739	\$49,710
2017-2018	\$1,144,810	3	\$150,804	\$100,000	\$1,244,810	\$24,710
2018-2019	\$1,144,810	2	\$65,000	\$50,000	\$1,194,810	\$49,710
2019-2020	\$1,144,810	3	\$236,595	\$100,722	\$1,245,532	\$24,710
2020-2021	\$1,144,810	2	\$11,819	\$11,819	\$1,156,629	\$74,710
2021-2022	\$1,144,810	2	\$20,180	\$20,180	\$1,164,990	\$74,710
2022-2023	\$1,144,810	5	\$110,000	\$100,000	\$1,244,810	\$24,710
2023-2024	\$1,144,810	0	\$0	\$0	\$1,144,810	\$74,710
	<b>\$11,448,100</b>	<b>34</b>	<b>\$3,572,195</b>	<b>\$728,529</b>	<b>\$12,176,629</b>	<b>\$437,016</b>

#### Total Cost of Risk: \$100,000 Deductible

Policy	Premium	Claims	Total Incurred	Deductible Exposure	Total Cost of Risk	Savings vs. \$25K Deductible
2014-2015	\$1,055,916	4	\$138,797	\$138,797	\$1,194,713	\$99,807
2015-2016	\$1,055,916	7	\$2,532,277	\$333,795	\$1,389,711	(\$61,396)
2016-2017	\$1,055,916	6	\$306,722	\$101,929	\$1,157,845	\$88,604
2017-2018	\$1,055,916	3	\$150,804	\$150,804	\$1,206,720	\$62,800
2018-2019	\$1,055,916	2	\$65,000	\$65,000	\$1,120,916	\$123,604
2019-2020	\$1,055,916	3	\$236,595	\$163,035	\$1,218,951	\$51,290
2020-2021	\$1,055,916	2	\$11,819	\$11,819	\$1,067,735	\$163,604
2021-2022	\$1,055,916	2	\$20,180	\$20,180	\$1,076,096	\$163,604
2022-2023	\$1,055,916	5	\$110,000	\$110,000	\$1,165,916	\$103,604
2023-2024	\$1,055,916	0	\$0	\$0	\$1,055,916	\$163,604
	<b>\$10,559,160</b>	<b>34</b>	<b>\$3,572,195</b>	<b>\$1,095,359</b>	<b>\$11,654,519</b>	<b>\$959,125</b>

## 2024 Insurance Renewals

### Directors & Officers Liability / Employment Practices Liability

	7/1/23 – 7/1/24 Expiring	7/1/24 – 7/1/25 Renewal
Carrier	BETA	BETA
Limits	\$10M	\$10M
D&O Deductible	\$50,000	\$50,000
EPL Deductible	\$100,000	\$100,000
<b>Premium</b>	<b>\$172,492</b>	<b>\$181,116</b>

### Premium & Claim History

Policy Year	Paid Premium	Total Incurred As of 4/30/23	Total Incurred As of 4/30/24	Total Claims	Open Claims
2013	\$39,979	\$584,582	\$584,582	1	0
2014	\$50,939	\$0	\$0	0	0
2015	\$50,939	\$4,220	\$4,220	1	0
2016	\$60,412	\$0	\$0	0	0
2017	\$69,479	\$169,512	\$169,512	4	0
2018	\$83,833	\$2,318	\$2,318	5	0
2019	\$113,175	\$2,655	\$2,655	5	0
2020	\$126,759	\$431,540	\$323,183	5	0
2021	\$136,898	\$20,000	\$20,000	1	1
2022	\$143,743	\$0	\$0	0	0
2023	\$172,492	-	\$0	3	2
	<b>\$1,048,648</b>	<b>\$1,214,827</b>	<b>\$1,106,470</b>	<b>25</b>	<b>3</b>

*Increased limit from \$5M to \$10M in 2014*

### NOTES

- Due to increasing claim severity, healthcare D&O/EPL rates are increasing across the entire industry, ranging from 10% to 20%, and EPL retentions are also increasing
- Premium increase is due to a 5% base rate increase being applied to all BETA members this year
- SGMH has a 106% D&O/EPL loss ratio with BETA going back 10 years

## 2024 Insurance Renewals

### Automobile Liability

	7/1/23 – 7/1/24 Expiring	7/1/24 – 7/1/25 Renewal
Carrier	BETA	BETA
Limits	\$20M	\$20M
Comprehensive Deductible Collision Deductible	\$250 \$500	\$250 \$500
<b>Premium</b>	<b>\$55,070</b>	<b>\$56,459</b>

### Schedule of Covered Vehicles

No.	VIN	Year/Make/Model	Type
1	1FBAX2CM0JKA35125	2018 Ford Transit T350	PT
2	1FBAX2CM9HKA89498	2017 Ford Transit T350	PT
3	1FMNE11W09DA21495	2009 Ford Econoline Wagon	PT
4	1FMZK1YM0FKA38349	2015 Ford Transit 8-Passenger Van	PT
5	1FMZK1YM3FKA71801	2015 Ford Transit Van	PT
6	1FMZK1YM4GKA25802	2016 Ford Transit Van – 7 Passenger	PT
7	1GBDV13L56D173758	2006 El Dorado Chevy Van	PP
8	1GCEC14T9YE117288	2000 Chevrolet SSLVE Reg Cab	PP
9	1GNDM19X94B102183	2004 Chevrolet Astrovan	PP

### NOTES

- Rate increase of 2.5% specific to BETA's excess insurance
- No changes to vehicle schedule

## 2024 Insurance Renewals

### Workers' Compensation

	7/1/23 – 7/1/24		7/1/24 – 7/1/25
	Expiring	Projected at Audit	Renewal
Experience Modification Factor	0.77	0.77	<b>0.90</b>
Annual Payroll	\$43,172,000	\$41,480,396	<b>\$43,231,044</b>
Net Rate	\$1.40	\$1.40	<b>\$1.54</b>
Assessments/Taxes/Fees	N/A	N/A	N/A
<b>Total Premium</b>	\$604,315	\$580,636	<b>\$663,861</b>
<b>Performance Dividend</b>	-\$78,041	-\$78,041	<b>-\$46,038</b>
<b>Net Premium</b>	<b>\$526,274</b>	<b>\$502,595</b>	<b>\$617,823</b>

#### NOTES

- SMGH's historical loss ratio remains below 70% qualifying for BETA's performance dividend
- BETA's initial quote applied the full impact of the ExMod change, which would be a rate of \$1.64 and premium of \$708,989, or \$45,128 higher.
- ExMod increasing by 17%; rate increasing by 10% compared to expiring and -6% compared to adjusted ExMod rate
- 2023-2024 Audit Projections:
  - Based on most recent 941s (Q3 2023, Q4 2023, & Q1 2024)
  - Projected Payroll at Audit in August: \$41,480,396
  - Projected Return Premium in August: \$23,679
- CARE Funds remaining in current policy period (as of 5/13/24): \$7,800  
CARE Funds for 2024-2025 renewal policy period: approx. \$8,600
- Healthcare retention bonuses will be excluded from the 2023-2024 payroll audit



# 2024 Insurance Renewals

## Workers' Compensation

### Experience Modification Factor Calculation

	Policy Term	Payroll	ExMod	Total Incurred As of 4/30/23	Total Incurred As of 4/30/24	No. of Claims	Open Claims
	7/1/15 - 7/1/16	\$31,434,653	0.88	\$985,936	\$993,338	40	3
	7/1/16 - 7/1/17	\$34,636,445	0.82	\$205,546	\$205,546	27	0
	7/1/17 - 7/1/18	\$33,638,906	1.29	\$72,312	\$72,312	18	0
	7/1/18 - 7/1/19	\$33,047,449	1.34	\$94,997	\$136,297	15	1
	7/1/19 - 7/1/20	\$33,125,198	1.18	\$68,021	\$68,021	15	0
<b>ExMod Experience Period</b>	<b>7/1/20 - 7/1/21</b>	<b>\$36,293,950</b>	<b>0.78</b>	<b>\$407,192</b>	<b>\$547,916</b>	<b>22</b>	<b>3</b>
	<b>7/1/21 - 7/1/22</b>	<b>\$37,897,673</b>	<b>0.67</b>	<b>\$183,068</b>	<b>\$176,584</b>	<b>18</b>	<b>2</b>
	<b>7/1/22 - 7/1/23</b>	<b>\$40,451,928</b>	<b>0.71</b>	<b>\$130,106</b>	<b>\$307,688</b>	<b>13</b>	<b>4</b>
	7/1/23 - 7/1/24	\$43,172,000	0.77	-	\$516,797	21	10
				<b>\$2,147,178</b>	<b>\$3,024,498</b>	<b>189</b>	<b>23</b>

### NOTES

- ExMod increasing from 0.77 to 0.90 this year due to development in the 2020-2021 claims and the addition of the 2022-2023 into the experience period, which also developed since last year
- Conduct quarterly claims reviews with the goal of claims resolutions

**TAB C**

## **Interoperability AUR Contract**

**To:** Finance Committee and SGMH/SGMHCD Board Meetings

Agenda Item May 28, 2024 and June 4, 2024 Meetings

**Subject:**

Approval of Interoperability Antimicrobial use and Resistance (AUR) Contract

CMS has put out a new federal (unfunded mandated) requirement for Hospitals (and others) to install a system that provides for the bidirectional electronic exchange of Antimicrobial use and Resistance (AUR) for interoperability.

This allows for the automatic electronic discrete sending and receiving of patient test results. There is a one-time fee of \$114,750.00. We need to have the project started by July 1<sup>st</sup> of 2024 to be compliant with the 180-day reporting requirement.

Please see attached exhibit for price details.

Recommendation: That the Board approve the AUR contract for a one-time fee in the amount of \$114,750.00.



**Client Order# 508634 - 1**

**Address:**  
2429 Military Rd Ste 300  
Niagara Falls NY 14304

**Opportunity ID: 0065G0000zMnGU**  
**Sales Executive: Greer, Julie M**  
Email: julie.greer@alterahealth.com  
Phone#:  
Fax:

**Currency Code: USD**

Valid Until: 31-MAY-2024  
**Proposal Date: 27-MAR-2024**

<b>Client Name:</b> San Gorgonio Memorial Hospital	<b>Client Address:</b> 600 N Highland Springs Ave	<b>Delivery:</b> San Gorgonio Memorial Hospital
<b>Client No:</b> 10158996	Banning, CA 92220 US	600 N Highland Springs Ave
<b>Client Contact:</b> Steve Barron	<b>Client Phone#:</b> 951-8451121	Banning, CA 92220-3046 United States
<b>Client Email:</b> sbarron@sgmh.org		

**Solution Investment Summary:**

**Investment Total.** Below is a summary of your investment in the items covered by this Client Order. Investment totals cover the initial Term only; recurring fees are payable annually (unless otherwise stated in this Client Order); and to the extent applicable the stated amounts do not include the Inflation or annual adjustments.

Category	Investment Total
Professional Services (Initial Term)	\$114,750.00
Managed Services (Initial Term)	\$0.00
Hosting Services (Initial Term)	\$0.00
<b>Solutions Total</b>	<b>\$114,750.00</b>
<b>Estimated Taxes</b>	<b>\$0.00</b>

Client agrees to pay for all applicable taxes with respect to this Order, excluding those based on Our net income. If Client claims exemption from any sales, use, or other jurisdictional taxes, Client must provide to Us proper evidence of exemption status at the time of Order. In the event the Client does not provide sufficient evidence of the exemption status prior to invoice generation, Client invoices will include all applicable taxes and Client shall be responsible for the taxes or any associated penalties.

**Summary Payment Schedule:** Non-recurring fees (i.e., those not payable Yearly or on a Monthly or other time basis) are payable per the following table:

Event	Fees
Payable Upon Order Date.	\$55,125.00
Payable Upon The First Anniversary Of The Order Date.	\$1,500.00
Payable Upon The Second Anniversary Of The Order Date.	\$1,500.00
Payable Upon The Third Anniversary Of The Order Date.	\$1,500.00
Payable Upon The Fourth Anniversary Of The Order Date.	\$1,500.00
Payable Upon The Earlier Of Go-Live Or 12 Months After The Order Date.	\$53,625.00

**Facilities.** The Facilities for which the ordered Solutions are licensed are as follows or as listed in the List of Facilities attached hereto and incorporated for reference. Certain Solutions may be licensed for use only for a sub-set of the Facilities if "All" is not specified in the "Facility" column(s) of the Purchase Table(s) below; in such case(s), such column will specify the in-scope Facilities for each corresponding item per the numbering below.

Facility #	Facility Name	Address	Account #	Email	Telephone
1	[Primary] San Gorgonio Memorial Hospital	600 N Highland Springs Ave Banning CA US 92220-3046	10158996	MKammer@sgmh.org	9518451121

**Purchase Tables:** The tables below lists your ordered Solutions and Services (with purchased quantities), the associated fees (for initial term only), the fee payment schedule, and the associated license/service duration. Recurring fees are stated as annual fees during the corresponding Term, unless otherwise provided. Unless otherwise stated, if any "Support/Subscription" column for any ordered item states "Support declined" or the like or does not have a specified fee (zero is not a specified fee), then We will not be obligated to deliver support services for that item as it is being declined by the Client or is unavailable.

Other Items	Facility	Qty	Fees	Payment Schedule*	Term In Months* (unless otherwise stated; unless renewed)
<b>Fixed Fee Professional Services:</b> Our standard implementation per attached Scope.					
Sunrise Antimicrobial Use and Resistance (AUR) (PSASFF04420)		1	\$31,750.00	Fixed fees payable upon 50P Go Live	12
Sunrise Acute Care (PSASFF01290)		1	\$66,000.00	Fixed fees payable upon 50P Go Live	12
ALAB EHI Export Implementation Services (PSEISFF05570)		1	\$4,500.00	Fixed fees payable upon 50P Go Live	12
Alab Discrete Micro Interface Services (PSEISFF05560)		1	\$5,000.00	Fixed fees payable upon 50P Go Live	12
ALAB EHI Export (PSLAB01191)		1	\$7,500.00	Fixed fees payable upon Prof Svcs Subscr 5Yr	60
<b>TOTAL</b>			<b>\$114,750.00</b>		

**Estimated Taxes Detail:**

Item	License/Fees Selling Price	License/Fees Tax	Recurring Fees (Total Contract Value)	Recurring Fees Tax	Term in Months
Sunrise Antimicrobial Use and Resistance (AUR) (PSASFF04420)	\$31,750.00	\$0.00			12
Sunrise Acute Care (PSASFF01290)	\$66,000.00	\$0.00			12
ALAB EHI Export Implementation Services (PSEISFF05570)	\$4,500.00	\$0.00			12
Alab Discrete Micro Interface Services (PSEISFF05560)	\$5,000.00	\$0.00			12
ALAB EHI Export (PSLAB01191)	\$7,500.00	\$0.00			60
<b>TOTAL</b>		<b>\$0.00</b>		<b>\$0.00</b>	

As used in the Payment Schedule column(s) of the above tables, "Yearly", "Quarterly", "Half-Yearly", or "Monthly" means the corresponding fees are payable on a contract, not calendar, basis.

"Service Completion" means the date on which We have completed its portion of the corresponding in-scope work effort (as Client permitted)

"Prof Svcs Subscr 5Yr" means one-fifth (20%) of the professional services total due upon the Order Date, and each additional one-fifth (20%) due upon first through fourth anniversaries of the Order Date

"50P Go Live" means 50% upon the Order Date and 50% upon the earlier of Go-Live or 12 months after the Order Date

**Payment Table.** For those items with a designated Installment payment schedule, the corresponding fees are payable per the following table:

Product	Payment Category	Payment Description	Amount
Alab Discrete Micro Interface Services (PSEISFF05560)	50P Go Live	50% Payable Upon Order Date.	\$2,500.00
		50% Payable Upon The Earlier Of Go-Live Or 12 Months After The Order Date.	\$2,500.00
		<b>Subtotal</b>	<b>\$5,000.00</b>
ALAB EHI Export (PSLAB01191)	Prof Svcs Subscr 5Yr	20% Payable Upon Order Date.	\$1,500.00
		20% Payable Upon The First Anniversary Of The Order Date.	\$1,500.00
		20% Payable Upon The Second Anniversary Of The Order Date.	\$1,500.00
		20% Payable Upon The Third Anniversary Of The Order Date.	\$1,500.00
		20% Payable Upon The Fourth Anniversary Of The Order Date.	\$1,500.00
<b>Subtotal</b>			<b>\$7,500.00</b>
ALAB EHI Export Implementation Services (PSEISFF05570)	50P Go Live	50% Payable Upon Order Date.	\$2,250.00
		50% Payable Upon The Earlier Of Go-Live Or 12 Months After The Order Date.	\$2,250.00
		<b>Subtotal</b>	<b>\$4,500.00</b>
Sunrise Acute Care (PSASFF01290)	50P Go Live	50% Payable Upon Order Date.	\$33,000.00
		50% Payable Upon The Earlier Of Go-Live Or 12 Months After The Order Date.	\$33,000.00
		<b>Subtotal</b>	<b>\$66,000.00</b>
Sunrise Antimicrobial Use and Resistance (AUR) (PSASFF04420)	50P Go Live	50% Payable Upon Order Date.	\$15,875.00
		50% Payable Upon The Earlier Of Go-Live Or 12 Months After The Order Date.	\$15,875.00
		<b>Subtotal</b>	<b>\$31,750.00</b>

**Delivery.** Ordered items will be shipped to the following contact:

Name: San Gorgonio Memorial Hospital  
 Address: 600 N Highland Springs Ave Banning, CA 92220-3046 United States

**Communication.** Client acknowledges and expressly consents to Our use of an automatic telephone dialing system ("ATDS") to initiate calls, faxes or text messages to Client for any business purpose, including without limitation, confirming or updating information in this application, collections of accounts receivable, marketing of Our products and services, confirming information related to patient care, status of product delivery and delivery address confirmation. Customer's agreement to this communication provision is not a condition of purchasing any of Our goods or services.

**ALAB EHI Export:** Client acknowledges and agrees that the Professional Services fee for ALAB EHI Export (item code PSLAB01191) is for Altera's costs to develop ALAB EHI Export, which is required for regulatory purposes and, for the avoidance of doubt, Altera owns all right, title and interest in ALAB EHI Export.

**Annual Adjustment.** Notwithstanding anything contrary in the Agreement, each year on the anniversary of the Order Date, Altera may increase all fees in this Client Order by an amount equal to CPI + 5% from the prior year (the "**Annual Adjustment**"). "**CPI**" is defined as the percentage increase in the U.S. DOL, Bureau of Labor Statistics Consumer Price Index, for the most recently completed 12-month measurement period.

**Shipping Preference.**

- Overnight AM
- Second Day
- Standard Ground (estimated 7 to 10 days)



## ORDER PROVISIONS

This Client Order ("Order") between Alterra Digital Health Inc., as successor in interest to Allscripts Healthcare, LLC ("Altera", "Us", "We, or "Our") and the above-referenced client ("Client"), as of its effective date ("Order Date"), is hereby made a part of and amends the agreement and if applicable Product Schedule 1, entered into between Alterra and Client ("Agreement"). Capitalized terms used and not otherwise defined herein shall have the meanings set forth in the Agreement. For purposes of this Order, "Order" has the same meaning as "Order Form" or "Contract Supplement" under the Agreement, and "Client" has the same meaning as "Customer" under the Agreement.

The general terms and conditions set forth in the Agreement will apply to this Order, except where expressly identified herein and in addition to any specific terms and conditions set forth in any Attachment(s) to this Order. In the event of a conflict between the terms and conditions of this Order and any Attachment (s) hereto, the terms and conditions of such Attachment(s) shall control. In the event of any conflict between the terms and conditions of this Order and the Agreement, the terms and conditions of this Order shall control.

**Term:** If the total dollar value of this Order, including any estimated T&M Services, is greater than \$100,000, this Order is effective upon signature by both parties. If the total dollar value of this Order, including any estimated T&M Services, is less than \$100,000, this Order is effective upon signature by the Client and submission of this Order to Our Commercial Operations prior to the Expiration Date. "Expiration Date" is 30 days from the Valid Until Date stated on this Order. We may, in its discretion, reject this Order if the last date of signature is after the Expiration Date and the Order shall be deemed null and void even if mutually signed. Any unauthorized modifications and/or handwritten revisions are null and void unless initiated by Our Commercial Operations. Each ordered Service or license begins on the Client Order specified "Start Date" (or Order Date if none stated) and lasts for the specified duration ("Term" as defined in Order above). Unless otherwise stated, for each ordered subscription, or support for a perpetual license the Term will automatically renew for additional 1 year periods, unless either party provides the other a written notice of non-renewal at least one (1) year prior to the expiration of the then-current term. All terms (including professional services which do not renew) will automatically come to an end if the Order is duly terminated.

\*If Client or Alterra terminate Client's ALAB term, or if such term expires without renewal or extension, prior to the expiration of the ALAB EHI Export Term identified herein, the ALAB EHI Export Term under item code PSLAB01191 will also terminate upon the ALAB termination date, and Alterra will relieve Client of its payment obligations for any fees remaining related to ALAB EHI Export under item code PSLAB01191 after such termination date. For clarity, Client will continue to be responsible for payment of any ALAB EHI Export fees invoiced under item code PSLAB01191 prior to the ALAB termination date.

**Fees and Expenses.** If professional services are a part of this Order, and unless otherwise agreed to in the Agreement, and if applicable, out-of-pocket expenses actually incurred by or on behalf of Us in performing ordered services are payable by Client hereunder in accordance with the T&E Policy (i.e. meals, lodging, airfare as outlined and located at <https://www.alterradigitalhealth.com/legal/>). The Professional Services are based on a fixed scope. For services performed outside the fixed scope of this Order, a separate statement will be required and mutually agreed to by the parties. Changes in tasks, deliverables, resource requirements and/or assumptions could result in project delays, additional fees or require additional services to be performed under a separate statement.

**Payment:** Except as otherwise stated, T&M Services fees will be billed periodically and in arrears and Client shall pay such invoiced amounts due under this Order within the applicable time period specified in the Agreement, as amended by this Order, or within 30 days of invoice date if no such period is specified. Fees for other ordered items are due and payable upon the occurrence of the event(s) set forth in the corresponding Payment Schedule column(s) of this Order.

**General Terms:** Client will comply with the Anti-Kickback statute (42 C.F.R. 1001.952(h)), including accurately reporting any discounted or no-cost items to the Federal government. The Agreement (as amended) comprises the full understanding of the parties related to its subject matter. Client acknowledges that it has not relied on the availability of any future version of any ordered item or any other future product or service in executing this Order. If any Professional Services were performed under this Order, We will, from time to time, conduct client phone or email surveys for the purpose of accessing client satisfaction associated with work effort by services resources performed (delivered) under this Order. This Order may be executed in counterparts and electronically scanned or facsimile signatures shall be deemed originals. Any supplemental or modified provisions contained in any Client (or third party) proposed purchase order(s) are not included in this Order and shall not be binding on the parties. The "Notes" section of this Order is for informational purposes only and does not contain any provisions that are binding on either party. For clarification, the materials and information disclosed by Us hereunder are Our confidential information and this Order is confidential information of both parties, all pursuant to the confidentiality provisions set forth elsewhere in the Agreement. All sales are final, non-cancelable and non-refundable.

## ADDITIONAL TERMS AND CONDITIONS

**Definitions:** For purposes of this Order, the following terms, as such terms are used herein or in the Agreement shall have the following meanings:

- a. **Clinical Content.** "Clinical Content" means medical, clinical, or billing and coding information such as terminology, vocabularies, decision support rules, alerts, drug interaction knowledge, care pathway knowledge, standard ranges of normal or expected result values, and any other clinical content or rules provided to Client under a Client Order, together with any related Documentation and Upgrades. Depending on the intended usage, Clinical Content may be provided in either paper or electronic formats. Examples of Clinical Content include Clinical Evidence Summaries, Ventus Intelligent Coding – ED FC, Ventus Intelligent Coding – ED PC, and Medical Necessity Content. Clinical Content may be either (a) owned by Alterra or (b) Third Party Clinical Content.
- b. **Enhancements.** "Enhancements" means enhancements or new releases of the Software, Documentation, Clinical Content, or Services providing new or different functionality that are separately priced and marketed by Us.
- c. **Equipment Maintenance Services.** "Equipment Maintenance Services" means repair or replacement of any defective Equipment. We will provide Equipment Maintenance Services through Us or through Our agents or Third Party Vendors (e.g. Hewlett Packard). Equipment Maintenance Services do not include updates or upgrades to any firmware.
- d. **Fixed Fee.** "Fixed Fee" means any predetermined Prevaling Rate(s) charged by Us for the provision of services set forth herein.
- e. **Generally Available.** "Generally Available" means available as a non-development product, licensed by Us in the general commercial marketplace.



- f. **Maintenance Services.** "Maintenance Services" means Software Maintenance Services and Equipment Maintenance Services. Maintenance Services do not include services required as a result of (a) improper use, abuse, accident or neglect, including Client's failure to maintain appropriate environmental conditions for the Products or (b) modifications or additions to the Products.
- g. **Medical Necessity Content.** "Medical Necessity Content" means rules, including diagnosis and procedure code pairs developed by the Centers for Medicare and Medicaid Services and Medicare Administrative Contractors, related to Medicare payment eligibility for medical services, treatment procedures, and medical technologies, including medical necessity determination.
- h. **Prevailing Rate.** "Prevailing Rate" means Our standard fee(s) in effect for the applicable Service on the date that the Service is to be provided.
- i. **Products.** "Products" means Software, Equipment, Clinical Content, and any other products that We provide to Client pursuant to this Order.
- j. **Services.** "Services" means Implementation Services, Maintenance Services, Professional Services, Subscription Services, Technology Services, Remote Hosting Services, and any other services that We provide to Client under this Order.
- k. **Software.** "Software" means and shall include software in object code form only (and related Documentation) identified in a Client Order or otherwise provided by Us to Client, including any upgrades that We provide to Client.
- l. **Subscription Services.** "Subscription Services" means the internet-based or subscription-based Services provided to Client by Us that are identified in this Order.
- m. **Technology Services.** "Technology Services" means the Infrastructure Management Services, the CareBridge™ Services, Project Management & Engineering Services and any other services provided by Altera's Technology Services Group.
- n. **Upgrades.** "Upgrades" means corrections, modifications, improvements, updates, or releases of the Software, Documentation, Clinical Content, or Services designated by Us as "Upgrades," which are Generally Available and generally provided to clients as part of Software Maintenance Services. Upgrades do not include Enhancements.

**Disclaimers:**

a. **Professional Responsibility and Clinical Content.** CLIENT ACKNOWLEDGES AND AGREES THAT ANY CLINICAL CONTENT FURNISHED BY US HEREUNDER (WHETHER SEPARATELY OR INCLUDED WITHIN A PRODUCT) IS AN INFORMATION MANAGEMENT AND DIAGNOSTIC TOOL ONLY AND THAT ITS USE CONTEMPLATES AND REQUIRES THE INVOLVEMENT OF TRAINED INDIVIDUALS. CLIENT FURTHER ACKNOWLEDGES AND AGREES THAT WE HAVE NOT REPRESENTED OUR PRODUCTS AS HAVING THE ABILITY TO DIAGNOSE DISEASE, PRESCRIBE TREATMENT, OR PERFORM ANY OTHER TASKS THAT CONSTITUTE THE PRACTICE OF MEDICINE. THE PARTIES AGREE THAT, AS BETWEEN CLIENT AND ALTERA, CLIENT IS RESPONSIBLE FOR THE ACCURACY AND QUALITY OF CLIENT DATA AS INPUT INTO THE PRODUCTS. CLIENT ACKNOWLEDGES THAT WE HAVE: (A) NO CONTROL OF OR RESPONSIBILITY FOR CLIENTS USE OF THE CLINICAL CONTENT, AND (B) NO KNOWLEDGE OF THE SPECIFIC OR UNIQUE CIRCUMSTANCES UNDER WHICH THE CLINICAL CONTENT PROVIDED MAY BE USED BY CLIENT. THE PARTIES AGREE THAT WE DO NOT PROVIDE MEDICAL SERVICES TO PATIENTS AND ARE NOT ENGAGED IN THE PRACTICE OF MEDICINE, AND THAT CLIENTS USE OF THE PRODUCTS DOES NOT ABSOLVE CLIENT OF ITS OBLIGATION TO EXERCISE INDEPENDENT MEDICAL JUDGMENT IN RENDERING HEALTHCARE SERVICES TO PATIENTS. CLIENT ACKNOWLEDGES THAT THE PROFESSIONAL DUTY TO THE PATIENT IN PROVIDING HEALTHCARE SERVICES LIES SOLELY WITH THE HEALTHCARE PROFESSIONAL PROVIDING THE SERVICES. WE MAKE NO WARRANTY AS TO THE NATURE OR QUALITY OF THE CONTENT OF RESULTS, MESSAGES OR INFORMATION SENT BY CLIENT, OR ANY THIRD PARTY USERS OF THE SUBSCRIPTION SERVICES.

b. **Internet.** CERTAIN PRODUCTS AND SERVICES PROVIDED BY US UTILIZE THE INTERNET. WE DO NOT WARRANT THAT SUCH SERVICES WILL BE UNINTERRUPTED, ERROR-FREE OR COMPLETELY SECURE. WE DO NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM OUR OR CLIENTS NETWORK AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN LARGE PART ON THE INTERNET SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CLIENTS CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). ACCORDINGLY, WE DISCLAIM ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO THE ABOVE EVENTS.

[Signature Page to Follow]

**Altera Digital Health, Inc. ("Altera", "Us", "We, "Our")**

**SAN GORGNIO MEMORIAL HOSPITAL**

By: \_\_\_\_\_  
 Authorized Signature

By: \_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Name Printed, Title

\_\_\_\_\_  
 Name Printed, Title

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date



Sunrise Antimicrobial Use and Resistance Reporting ("AUR"), Discrete Microbiology Interface Services,  
Altera Lab Interface Services and Altera Lab EHI Export Services  
Statement of Work

for

San Gorgonio Memorial Hospital

3/25/2024

Client#: 10158996

Quote#: 508634

**Altera Digital Health Inc.**  
2429 Military Road, Ste 300  
Niagara Falls, NY 14304



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## I Overview

This Statement of Work (“SOW”) establishes the assumptions upon which Altera solutions shall be implemented.

This SOW defines the parties’ respective obligations, assumptions, and boundaries for this implementation. As such, it is the professional responsibility of all parties to thoroughly understand this SOW, and to meet the commitments outlined herein.

## II Solutions Included in this Add-On.

Sunrise Antimicrobial Use and Resistance Reporting (“AUR”)

Discrete Microbiology

Altera Lab EHI Export Services

Altera Lab Interface Services

## III Solution-Specific Assumptions

### Sunrise Antimicrobial Use and Resistance Reporting (“AUR”)

1. This SOW is for the Antimicrobial reporting for one (1) Sunrise database.
2. This SOW assumes the Client has discrete, coded microbiology results interfaced into Sunrise. This is considered a pre-requisite for implementation for AUR. Should the Client not have the necessary requirements as defined, an additional SOW and Fees will be needed for this implementation and SOW.
3. Client will be solely responsible for registration with National Healthcare Safety Network (“NHSN”) is executed based on the allowed timeline from the Centers for Disease Control and Prevention (“CDC”) for the reporting period.
4. Altera shall complete the following tasks:
  - a. Configure standard dictionary (antibiotics and organisms)
  - b. Add “CXD…” Class Type to all antibiotic orders.
  - c. Configure ancillary codes for results to be included in antimicrobial resistance reports.
  - d. Add SYS-SusceptibilityTestMethod Class Type values to all sensitivity test result components and related dictionary configuration.
  - e. Configure location function group.
  - f. ITT/Mapping for:
    - i. Location function group categories
    - ii. Administration route codes
    - iii. The findings section in antimicrobial use and resistance reports
  - g. Reports Configuration
    - i. Four (4) clinical exchange documents that are used for reporting.
    - h. Eligible Provider (“EP”) Settings
      - i. Approximately ten (10) EP settings
    - i. Initial set up one (1) Security Right requirement to generate reports; provided, however, that such setup:
      - i. Requires full and complete involvement from Client Security Rights Analyst who can identify Security group(s) that need to have this right added; and
      - ii. Under no circumstances is Altera responsible for security or providing any advice or guidance regarding anything, including, but not limited to security.
    - j. Load sample Medical Logic Modules (“MLM”) and modify.



- i. Note: the CDA HAI AUR Antimicrobial Resistance Option Report is generated by an MLM
5. Altera shall provide information and training on configuration, testing, and validation during the Implementation phase:
  - a. Altera shall assist with Go-Live preparation.
  6. Client will be responsible for:
    2. Client is solely responsible for registration with NHSN which is executed based on the allowed timeline from the CDC for the reporting period. The Client has sixty (60) days to ensure registration is completed within the reporting period. The National Healthcare Safety Network (NHSN) is a surveillance system developed by the Centers for Disease Control and Prevention (CDC) in the United States. It is a web-based system designed to facilitate healthcare facilities in tracking and monitoring healthcare-associated infections.
    - b. Client is solely responsible for testing, validation and reporting for achieving the desired outcomes for the regulatory measure.
    - c. Client is solely responsible to move the content to the Production environment, revalidate and test prior to productive use.

### Discrete Microbiology

1. Altera shall install eLink translator code to accommodate discrete microbiology results inbound to Sunrise Clinical Manager.
2. Altera shall build discrete Microbiology Catalog Items and update the Order and Results Browse functionality. **Any additional configuration changes within Sunrise will be the responsibility of the Client and is not part of this SOW.**
3. Altera shall assist with testing and validation of all code implemented in one (1) non-Production environment. Once testing has been signed off by the Client, the code shall be migrated to Production.
4. Altera shall provide remote on-call activation support, during business hours Monday through Friday, over a four (4)-week period as Microbiology Results begin to be returned. Activation Support shall not exceed forty (40) hours during the four (4)-week period.

### *Client Responsibilities*

5. Client will provide a list of their existing microbiology order items, result components, sensitivities, and ancillary codes.
6. Client will provide test plans and participate in, validate, and sign off on testing.
7. Client will be responsible for managing the vendor relationship and contracts with Reference Laboratories if microbiology orders are sent out for testing. If additional interfaces from the Reference Laboratory are required, the Client is responsible for any additional fees incurred.
8. If additional interfaces from the Reference Laboratory are required, the Client is responsible for any additional fees incurred and it shall necessitate an additional SOW with estimates for effort defined at that time.

### Altera Lab EHI Export Services

1. The Client must be on Altera Lab version 23.2 or higher.
2. Altera shall set up the file location to send the export files and complete configurations.
3. Altera Implementation Consultant shall provide the super users with the following training:
  - a. How to configure application security for EHI Export within the Application for appropriate users.
  - b. How to use the EHI Export application to export a single patient or all patients.
  - c. How to select a full database export with filters.

- d. How to access the file location data.
4. The Client will be solely responsible for staff education.
5. The Client will be solely responsible for communications with patient, any third parties, and requestor(s).
6. All Services shall be provided Remote.

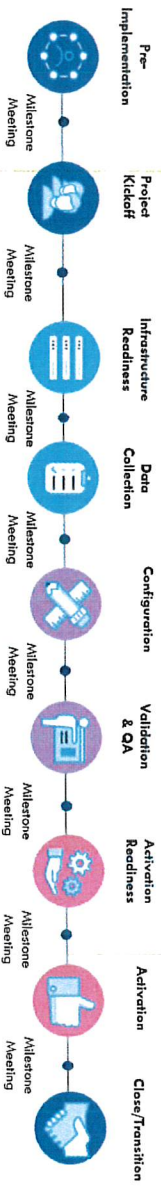
### Altera Lab Interface Services

1. Interfaces shall be implemented according to current Altera Lab interface specifications.
2. Altera shall provide testing and activation support.
3. Altera shall be responsible for any data mapping, filtering, or other message manipulation.
4. Altera Lab Interface Analyst services shall be provided for one (1) Go Live.
5. All services will be provided remotely.

<i>Altera Lab Interface Scope</i>	<i>Direction</i>
ALAB Microbiology Discrete Results (ALAB to Paragon)	Outbound

## IV Altera Methodology and Approach

This approach is based on Altera’s pre-configured data and content, prescriptive workflows, and best practices methodology.



### Deliverables

Deliverables for this fixed-fee/fixed-scope SOW shall be defined by the project scope set forth herein. “Fixed Fee” means that the Implementation / Services will be delivered by Altera at a set price determined by Altera for the defined project scope and includes the time and resources necessary to complete the defined project scope. The detailed tasks needed to accomplish each Deliverable are outlined in the project plan(s), including the delineation of work effort between Altera and Client, including whether resources are Remote or Onsite. “Remote” delivery means project time is spent working on Client activities while not on-site at Client’s Facility and “Onsite” delivery means project time is spent working on Client activities at the specified Client Facility.

Altera reserves the right, in its discretion, to perform any Services within this SOW Remotely (including Client meetings) or to modify existing Service processes for any reason, including, but not limited, to mitigate risks to Altera and/or its personnel performing the Services.





## Events and Milestone Signoffs

Each scoped event in the project plan has defined prerequisites to be completed before the next event commences. A milestone meeting can be conducted after each event which requires Altera and Client sign-off. The milestone sign-off meeting ensures that all required work has been completed before the next event begins.

## V Governance and Project Staffing

1. Client will provide a governance structure at the commencement of the project which supports the following requirements:
  - a. Committees for making clinical, financial, and operational decisions based on project timelines.
  - b. A committee for processing all change requests including but not limited to scope, budget, and configuration.
  - c. A committee for advising project on operational and organizational changes required by the project, including but not limited to workflows and policies and procedures.
  - d. A committee for addressing and managing escalated issues and risks.
2. The Client has staffed the Project Team with a sufficient number of properly skilled resources to carry out the effort defined in the project plan(s). All Client resources defined in the project plan(s) shall be available for the allotted amount of time from the onset of the project through completion. The Client resources will complete all Client tasks outlined in the project plan(s). Altera reserves the right to halt implementation activities if Client resources become insufficient or not available.
3. Client and Altera shall reasonably collaborate, agree to, and finalize, in writing, one (1) or more project plans which reflect the quoted scope here within, prior to the kickoff of the project and only after resources assignments are made. Altera shall use commercially reasonable efforts to assign technically proficient staff, suitable to perform the Professional Services, within sixty (60) days of the date Client executes this contract. A detailed implementation work plan shall be mutually developed by the parties, with Altera drafting such work plan, forty-five (45) days after the resources are assigned based on the preliminary scope of Services specified here within (the "Project Plan"). The development of the project plan is included in the fees and service hours thereunder. The parties shall diligently perform their obligations in the mutual agreed project scope and project will be considered complete once Altera has completed its portion of the corresponding in-scope work effort (as Client permitted). The Client is solely responsible for and shall timely pay all travel and other out-of-pocket expenses actually incurred by or on behalf of Altera, if any, related to these Services here within, as defined in Client's Agreement.
4. The effort associated with implementing these Services will vary by the individual features and such Features for the product release are outlined on the Client Portal found at the following link <https://allscripts.service-now.com/community> are hereby incorporated and becomes a part of this SOW. No other features will be provided as part of the service that are not listed on the Client Portal for the corresponding solution or not outlined within this SOW.

## VI Assumptions

The Altera specific assumptions to the Services contracted for are available under the Altera Service Assumptions section at <https://www.alterahealth.com/legal>. Any additional Assumptions needed will be detailed and mutually agreed upon in each project plan.

- a. General Assumptions – required conditions for implementation.
- b. Altera Assumptions – clarifications to the SOW that Altera shall perform.

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c. Items not listed within this SOW are out of scope.

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