

April 21, 2022

TO: Legal Counsel

News Media

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KION-TV

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The next regular meeting of the **FINANCE COMMITTEE – COMMITTEE OF THE WHOLE** of the Salinas Valley Memorial Healthcare System will be held **MONDAY, APRIL 25, 2022, AT 12:00 P.M., IN THE DOWNING RESOURCE CENTER, ROOMS A, B & C AT SALINAS VALLEY MEMORIAL HOSPITAL, 450 E. ROMIE LANE, SALINAS, CALIFORNIA, OR VIA TELECONFERENCE (Visit svmh.com/virtualboardmeeting for Access Information).**

Pursuant to SVMHS Board Resolution No. 2022-05, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.



Pete Delgado
President/Chief Executive Officer

Committee Members: Richard Turner, Chair; Juan Cabrera, Vice Chair; Pete Delgado, President/CEO; Augustine Lopez, CFO; Clement Miller, COO; Tarun Bajaj, MD, Medical Staff Member; Harry Wardwell, Community Member; Michael Wilson, Community Member

**FINANCE COMMITTEE MEETING – APRIL 2022
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, APRIL 25, 2022
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA
AND VIA TELECONFERENCE
(Visit svmh.com/virtualboardmeeting for Access Information)**

Pursuant to SVMHS Board Resolution No. 2022-05, Assembly Bill 361, and guidance from the Monterey County Health Department in response to concerns regarding COVID-19, Board Members of Salinas Valley Memorial Healthcare System, a local health care district, are permitted to participate in this duly noticed public meeting via teleconference and certain requirements of The Brown Act are suspended.

AGENDA

1. Approval of Minutes from the Finance Committee Meeting of March 21, 2022 (DELGADO)
 - Motion/Second
 - Action by Committee/Roll Call Vote
2. Consider Recommendation for Board Approval of Contract Amendment for HOK to Prepare Bridging Documents for SVMHS Master Plan’s Surgery Suite Addition/Relocation (MILLER/STROTMAN/SULLIVAN)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
3. Consider Recommendation for Board Approval of the purchase agreement for Pure Storage from CDW-G as a GPO Purchase (PARKS)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
4. Consider Recommendation for Board Approval of the contract with BrandActive for SVMHS Rebranding Implementation (LAURENT)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote

5. Consider Recommendation for Board Approval of the contract with Sharecare for the SVMHS Digital Employee Wellness Platform (CHILDS/LAURENT)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
6. Consider Recommendation for Board Approval of the Educational Services Agreement with Cope Health Solutions (LAURENT)
 - Staff Report
 - Committee Questions to Staff
 - Motion/Second
 - Public Comment
 - Committee Discussion/Deliberation
 - Action by Committee/Roll Call Vote
7. Review Balanced Scorecard – February 2022 (CLEVELAND)
8. Financial And Statistical Review (CLEVELAND)
9. No Closed Session
10. Public Input

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on issues or concerns within the jurisdiction of this District Board which are not otherwise covered under an item on this agenda.
11. Adjournment - The May 2022 Finance Committee Meeting is scheduled for **Monday, May 23, 2022 at 12:00 p.m.**

This Committee meeting may be attended by Board Members who do not sit on this Committee. In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

The Committee packet is available at the Committee Meeting, at www.svmh.com, and in the Human Resources Department of the District. All items appearing on the agenda are subject to action by the Committee.

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

**MINUTES OF THE MARCH 2022
FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**MONDAY, MARCH 21, 2022
12:00 P.M. – DOWNING RESOURCE CENTER, ROOMS A, B & C
SALINAS VALLEY MEMORIAL HOSPITAL
450 E. ROMIE LANE, SALINAS, CALIFORNIA OR VIA TELECONFERENCE**

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

Committee Members Present: Via teleconference: Richard Turner, Chair, Juan Cabrera, Vice Chair, Michael Wilson. In person: Pete Delgado, Clement Miller, Tarun Bajaj, MD, Harry Wardwell.

Committee Members Absent: Augustine Lopez

Other Board Members Present, Constituting Committee of the Whole: By teleconference: Regina Gage, Joel Hernandez Laguna.

A quorum was present and the meeting was called to order at 12:02 p.m. by Juan Cabrera, Committee Vice Chair.

Approval of Minutes from the Finance Committee Meeting of February 23, 2022

Pete Delgado, President/Chief Executive Officer, recommended the Finance Committee approve the minutes of the Finance Committee Meeting of February 23, 2022. This information was included in the Committee packet.

No Public Comment.

MOTION: The Finance Committee approves the minutes of the Finance Committee Meeting of February 23, 2022, as presented.

Moved/Seconded/Roll Call Vote: Ayes: Cabrera, Delgado, Miller, Wardwell, Wilson; Noes: None; Abstentions: None; Absent: Turner, Bajaj, Lopez; Motion Carried.

Richard Turner joined the meeting via teleconference at 12:04 p.m. Tarun Bajaj, MD, joined the meeting in person at 12:04 p.m.

Consider Recommendation for Board Approval for the Two (2) Year Perfusion Services Agreement with Central Valley Perfusion, Inc.

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

services is reflected in an increase in the cost of this service agreement. Two (2) other groups were asked to bid; one was unable to support our needs, the other vendor submitted a proposal was at a significantly higher cost.

The background/situation/rationale and financial implications of the Perfusion Services Agreement were included in the packet.

No Public Comment.

MOTION: The Finance Committee recommends Board of Directors approval for the Two (2) year Perfusion Services Agreement with Central Valley Perfusion, Inc., for an estimated total cost of \$1,278,900.

Moved/Seconded/Roll Call Vote: Ayes: Cabrera, Delgado, Bajaj, Miller, Wardwell, Wilson, Turner; Noes: None; Abstentions: None; Absent: Lopez; Motion Carried.

Consider Recommendation for Board Approval of the Alliance Healthcare Services, Inc., MRI and PET/CT Contract

Clement Miller, COO, and Gina Ramirez, Director Imaging Services, reported The Alliance Imaging Services contract which provides SVMHS with on campus MRI and PET/CT modalities, expires on March 31, 2022. These services are vital to the diagnosis and treatment of our patients. MRI is used to diagnose many conditions and it plays an integral role in diagnosing patients for our Stroke program. PET/CT enables us to pinpoint abnormal metabolic activity which is especially helpful in diagnosing and providing treatment planning for our oncology patients. Ms. Ramirez negotiated a better price while holding the company to performance expectations including upgraded equipment.

The background/situation/rationale and financial implications of the Alliance Imaging Services contract were included in the packet.

No Public Comment.

MOTION: The Finance Committee recommends Board of Directors approval for the Alliance Healthcare Services, Inc., MRI and PET/CT contract so we can continue to provide MRI and PET/CT services for our patients in the amount of \$6,890,413 over the course of the contract.

Moved/Seconded/Roll Call Vote: Ayes: Cabrera, Delgado, Bajaj, Miller, Wardwell, Wilson, Turner; Noes: None; Abstentions: None; Absent: Lopez; Motion Carried.

Consider Recommendation for Board Approval of Resolution No. 2022-03 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness

Scott Cleveland, Controller, reported that Resolution No. 2022-03 was included in the Finance Committee Packet for the Committee's consideration. The resolution declares intent to reimburse project expenditures from Proceeds of Indebtedness which authorized the District to reimburse itself from future bond issues.

MOTION: The Finance Committee recommends the Board adopts Resolution No. 2022-03 Declaring Its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness.

Moved/Seconded/Roll Call Vote: Ayes: Cabrera, Delgado, Bajaj, Miller, Wardwell, Wilson, Turner; Noes: None; Abstentions: None; Absent: Lopez; Motion Carried.

Review Balanced Scorecard – January 2022

Scott Cleveland, Controller, reviewed the Balanced Scorecard Summary for fiscal year 2022, year-to-date January 2022, which provided an overview of the metrics and performance of the SVMHS organizational goals for Service, People, Quality, Finance, Growth, and Community. This information was included in the Committee packet.

FINANCIAL AND STATISTICAL REVIEW

Scott Cleveland, Controller,, provided a financial and statistical performance review for the month ending February 2022. This information was included in the Committee packet

Key highlights of the financial summary for February 2022 were: (1) Income from operations was \$9.0M with an operating margin of 14%, (2) Net income was \$3.1M with a net operating margin of 8.5%; (3) Inpatient gross revenues were favorable to the budget; (4) Emergency Department gross revenues were favorable to the budget; outpatient gross revenues were favorable to the budget; (5) Payor mix was unfavorable to the budget; (6) Total net patient revenues were favorable to the budget; outpatient and inpatient surgeries were above budget; (7) Average daily census and total admissions were above budget; (8) Total acute average length of stay (ALOS) Medicare traditional ALOS CMI adjusted was favorable; (9) Labor productivity was unfavorable to the budget; (10) Operating revenues were above expenses; (11) Days cash on hand was 376; days of net accounts receivable is 52.

Richard Turner commented the team has done an excellent job managing the SVMHS finances. Mr. Delgado reported industry news that labor costs have affected hospitals across the nation; 50% of hospitals are either breaking even, in the negative or closing.

CLOSED SESSION

Richard Turner, Chair, announced that the item to be discussed in Closed Session is *Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*. The meeting was recessed into Closed Session under the Closed Session protocol at 12:34 p.m.

Reconvene Open Session/Report on Closed Session

The Committee reconvened Open Session at 12:36 p.m. Richard Turner reported that in Closed Session, the Committee discussed: *Trade Secret – Trade Secret, Strategic Planning, Proposed New Programs and Services*. No action was taken in the Closed Session.

Consider Recommendation for Board Approval of Limited Partnership Interest Sale and Purchase Agreement of Vantage Surgery Center, L.P. by and Between STM, LLC and Salinas Valley Memorial Healthcare System

The background/situation/rationale, financial implications of the Limited Partnership Interest Sale and Purchase Agreement of Vantage Surgery Center, L.P. by and Between STM, LLC and Salinas Valley Memorial Healthcare System were discussed.

No Public Comment.

MOTION: The Finance Committee recommends Board of Directors approval for the Limited Partnership Interest Sale and Purchase Agreement of Vantage Surgery Center, L.P. by and Between STM, LLC and Salinas Valley Memorial Healthcare System.

Moved/Seconded/Roll Call Vote: Ayes: Cabrera, Delgado, Bajaj, Miller, Wardwell, Wilson, Turner; Noes: None; Abstentions: None; Absent: Lopez; Motion Carried.

NO PUBLIC INPUT

ADJOURNMENT

There being no other business, the meeting was adjourned at 12:39 p.m. The April 2022 Finance Committee Meeting is scheduled for **Monday, April 25, 2022 at 12:00 p.m.**

Richard Turner
Chair, Finance Committee
/KmH

**RECOMMENDATIONS OF THE MARCH 2022
FINANCE COMMITTEE MEETING
COMMITTEE OF THE WHOLE
SALINAS VALLEY MEMORIAL HEALTHCARE SYSTEM**

**March Committee Meeting
of March 21, 2022
to the Board of Directors**

1. **RECOMMEND BOARD OF DIRECTORS APPROVAL FOR THE TWO (2) YEAR PERFUSION SERVICES AGREEMENT WITH CENTRAL VALLEY PERFUSION, INC.**

RECOMMENDATION: The Finance Committee recommends Board of Directors approval for the Two (2) year Perfusion Services Agreement with Central Valley Perfusion, Inc. for an estimated total cost of \$1,278,900.

2. **RECOMMEND BOARD OF DIRECTORS APPROVAL OF THE ALLIANCE HEALTHCARE SERVICES, INC., MRI AND PET/CT CONTRACT.**

RECOMMENDATION: The Finance Committee recommends Board of Directors approval of the Alliance Healthcare Services, Inc. MRI and PET/CT contract in the amount of \$6,890,413 over the course of the contract.

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

RECOMMENDATION: The Finance Committee recommends Board of Directors approval of the RESOLUTION NO. 2022-03 of the Board of Directors of Salinas Valley Memorial Healthcare System Declaring its Intent to Reimburse Project Expenditures from Proceeds of Indebtedness.

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

RECOMMENDATION: The Finance Committee recommends Board of Directors approval of Limited Partnership Interest Sale and Purchase Agreement of Vantage Surgery Center, L.P. by and between STM, LLC and Salinas Valley Memorial Healthcare System.

Board Paper

Agenda Item: **Consider Recommendation for Board Approval of Contract Amendment for HOK to Prepare Bridging Documents for SVMHS Master Plan's Surgery Suite Addition/Relocation**

Executive Sponsor: Clement Miller, Chief Operating Officer
Earl Strotman, Director Facilities Management & Construction
Dave Sullivan, Project Management

Date: March 23, 2022

Executive Summary

SVMHS is pursuing a Master Plan that accomplishes compliance with seismic safety regulations and leverages existing hospital campus buildings and parking infrastructure to optimize the hospital's property footprint. The Master Plan includes three major components: a parking infrastructure expansion currently slated for a July 2022 construction start; on-going seismic retrofitting of existing buildings to a new category (Seismic Performance Category-4d) that is moving forward as a separate project; and a project to replace and expand surgery and sterile processing areas. The next stage associated with the surgery addition project is preparation of bridging documents which will include Schematic Design and Design Development Phases to define project parameters for the expansion/addition as needed to facilitate the solicitation of proposals from qualified design-builders during the implementation phase. Facilities is recommending the pursuit of the Design/Build project delivery method instead of a Design/Bid/Build method for this project in an effort to complete the project in the shortest timeframe possible while at the same time maintaining the greatest transparency with, and strictest control over, project costs.

Background/Situation/Rationale

SVMHS retained HOK in 2016 to lead the design effort for the replacement of the facility and to bring the facility into compliance with the seismic safety regulations as well as address facility deficiencies, deferred maintenance of the infrastructure, and modernization of the facility. A report was issued on December 16, 2016 and included the option to replace building 1 & 2 with new construction and optimize the use of other existing buildings to keep the hospital compliant. Since the cost of this option exceeded available funding, HOK and its design partners continued to work with SVMHS facility and executive leadership to develop options to bring available funds and compliance in better alignment.

During 2017, HOK was able to study various legacy hospital buildings and determined that they are viable candidates for Seismic Performance Category (SPC) 4D modeling and could become compliant with minimal intervention & augmentation. Therefore, a minimal option was developed through early 2018 that reduced the size of the expansion and included the remodel and reuse of the existing buildings to achieve the projected beds and desired modernization to the diagnostic and treatment chassis for the institution. As planning efforts to analyze seismic upgrades for existing buildings proceeded, HOK concurrently undertook initial programming and concept planning for the surgery and sterile processing areas. This current request authorizes HOK to incorporate recently approved program elements into an architectural design sufficiently detailed to allow bidding on the project by pre-qualified design/build firms.

Timeline/Review Process:

April 2022 – Amend Agreement for Professional Services with HOK
May – August, 2022 – Prepare Schematic and Design Development documentation
August – December, 2022 – Procure Design-Builder

Financial/Quality/Safety/Regulatory Implications:

Key Contract Terms	Vendor: HOK
1. Proposed effective date	Issuance of Notice to Proceed June 2016
2. Term of agreement	Reference Service Amendment B
3. Renewal terms	Not Applicable
4. Termination provision(s)	Provided in Section 23 of the Agreement
5. Cost	Total all-inclusive sum not to exceed \$3,450,455, which includes reimbursable expenses per Section 17.2, and as detailed in the Fee Schedule (Attachment A)
6. Budgeted (indicate y/n)	Yes, the project is included in the capital budget.

Recommendation

Consider Recommendation for Board Approval of Contract Amendment for HOK to Prepare Bridging Documents For SVMHS Master Plan's Surgery Suite Addition/Relocation in the amount of \$3,450,455.

Attachments

- (1) SVMHS – Master Plan and Hospital Replacement, *Proposal for Surgery Addition & Infrastructure Delivery Option 2*, Amendment to Agreement for Professional Services prepared 1/25/2022



ADDITIONAL SERVICES - CLIENT

Project: SVMHS – Master Plan and Hospital Replacement
Client: Salinas Valley Memorial Healthcare System
Date Prepared: 01/25/2022
HOK Project No: 16-04011.33
Additional Service No.: 20
File:

Attention: SVMHS Executive Leadership
From: William Roger
Regarding: Proposal for Surgery Addition & Infrastructure Delivery Option 2
Copies To: Kalt Schwartzkopf, Karen Cagney

Client and HOK entered into an agreement dated May 18, 2016 (the "**Agreement**") for the provision of professional services in connection with SVMH Master Plan Plan and Hospital Replacement. Except as expressly modified in this document, each and every term of the Agreement shall remain unchanged and in full force and effect.

Description of Work:

DELIVERY OPTION 2 - Provide Bridging Documents (SD-DD) for the Addition/Relocation of the Surgery Department and SPD. The design services will be based on the approved Space Program & Validation Study.

- Provide Bridging Documents which will be the Schematic Design and Design Development Phases and assist in the documentation and publication for procurement of a Design Build Team to complete the documentation, permitting and construction of the Surgery & Sterile Processing Addition/Relocation. All deliverables we be as directed in the Base Contract except all design will be based on current code at time of document delivery to HCAI and the City of Salinas.

Approximate Schedule Option 2 Bridging Package (SD-CD): (see attachment C)

Anticipated Start Date: February 15, 2022

Anticipated Document Completion Date: August 15, 2022

Fee Summary: (see attachment A)

Issued by: _____

HOK

Printed Name: William Roger, Senior Principal

Date: 11/10/21

Client Approval: _____

SVMHS

Printed Name:

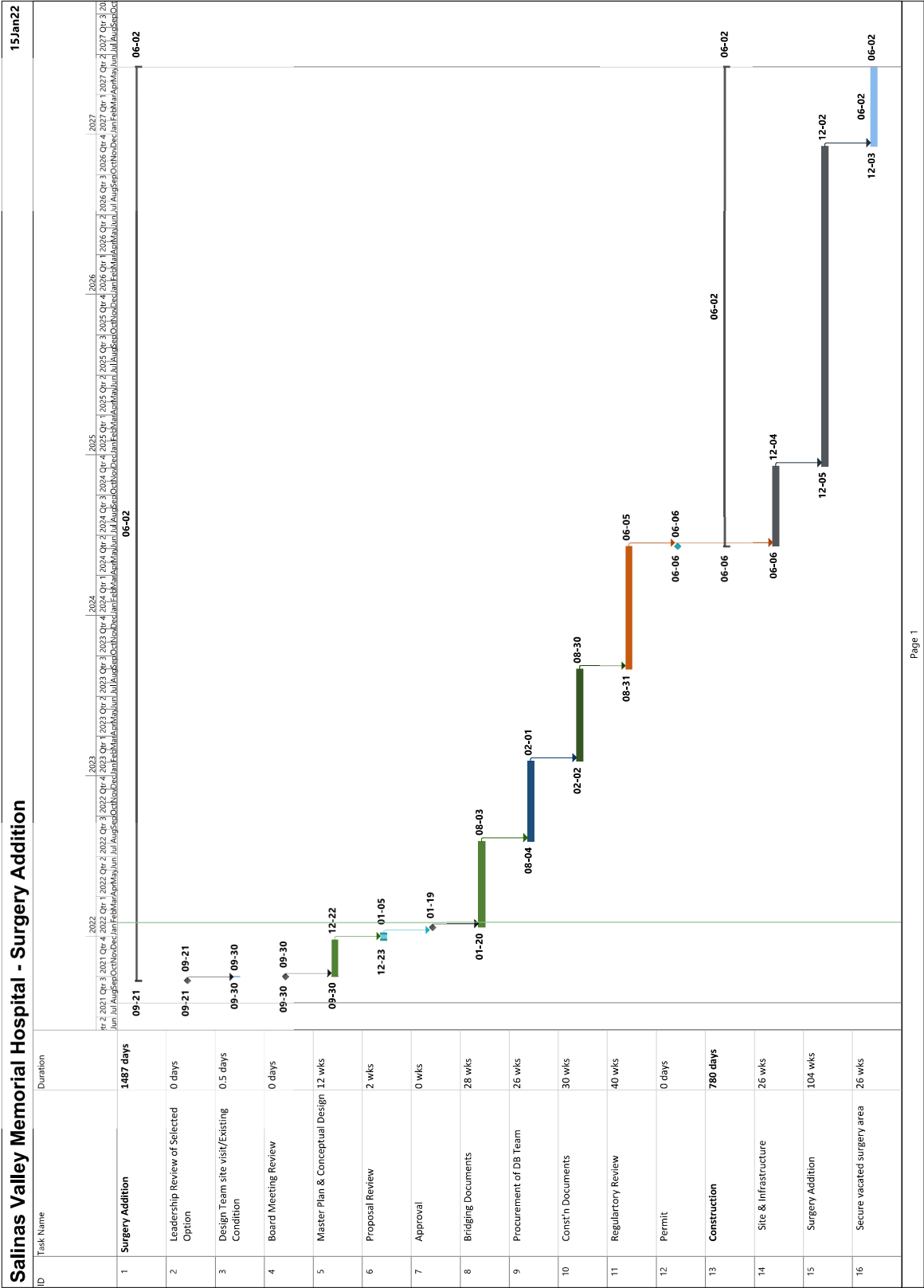
Date:

Attachment A

FEE SUMMARY - BRIDGING PACKAGE (SD-DD)

DISCIPLINE	FIRM	Subtotals	SD	DD
BASIC SERVICES				
Architecture	HOK	\$ 1,738,468	\$ 689,325	\$ 1,049,143
Civil Engineering	Kimley-Horn	\$ 135,500	\$ 135,500	
Structure	JAMA	\$ 214,400	\$ 80,400	\$ 134,000
MEP/fire spec	Mazzetti	\$ 251,445	\$ 71,789	\$ 179,656
Landscape	SSA	\$ 43,809	\$ 19,937	\$ 23,872
EXTRA SERVICES				
Interior Design	HOK	\$ 207,437	\$ 58,240	\$ 149,197
Entitlement				
CEQA	Kimley-Horn	\$ 224,650	\$ 224,650	
CUP& Entitlement	Kimley-Horn	\$ 193,500	\$ 193,500	
Support	HOK	\$ 99,670	\$ 99,670	
Cost	Cumming	\$ 129,580	\$ 56,810	\$ 72,770
Code	Fire Consultants	\$ 40,200	\$ 17,800	\$ 22,400
Medical Equipment	Mazzetti	\$ 76,216	\$ 24,953	\$ 51,263
Acoustics	Shen Milsom Wilke	\$ 18,000	\$ 8,000	\$ 10,000
Signage	Square Peg	\$ 25,000	\$ 12,000	\$ 13,000
Lighting	Silverman & Light	\$ 19,780	\$ 7,780	\$ 12,000
Material Management	Learch Bates	\$ 26,800	\$ 12,800	\$ 14,000
Door Hardware	Door & Hardware	\$ 6,000	\$ 2,100	\$ 3,900
TOTAL		\$ 3,450,455	\$ 1,715,254	\$ 1,735,201

Attachment B



Board Paper: Finance Committee

Request: Pure Storage: Long-Term Archive
Executive Sponsor: Audrey Parks, CIO
Date: March 31, 2022

Executive Summary

Salinas Valley Memorial Healthcare System has a mirrored pair of large, long-term archives for data. This data is comprised mostly of radiology and cardiology studies, scanned documents and patient charts. These archives will reach end life in the upcoming months and need to be replaced. The vendor is providing significant discounts if purchase made by the end of April.

The current archives are six (6) years old. This purchase replaces the first archive (with the second scheduled for next fiscal year). The rate that we consume archive storage has increased in recent years due to the following factors:

1. Increase in medical record retention requirements
2. Increase in utilization due to acquisition/creation of SVMC Imaging
3. Increase in utilization due to utilization of mammography 3D tomosynthesis studies

This storage capacity for the new array is 395 Terabytes in size with an additional 156 Terabytes for backups. This target capacity is to cover the existing data and growth over the next 36 months. The life of this array is expected to be 9+ years with incremental improvements every three (3) years.

Key Contract Terms	Vendor: CDW-G
1. Proposed effective date	4/25/2022
2. Term of agreement	Support agreement only - 3 years
3. Renewal terms	No automatic renewal
4. Termination provision(s)	Per GPO
5. Payment Terms	Net 30
6. Annual cost(s)	Not applicable
7. Cost over life of agreement	\$500,031.46
8. Budgeted (indicate y/n)	Yes, 2022-018: OPS: Replacement Archive
9. Contract	1001.2991

Recommendation

Request the Finance Committee to recommend to the Board of Directors for approval of the purchase agreement for Pure Storage from CDW-G as a GPO purchase for the amount of \$500,031.46.

Attachments:

- Quote: MRQJ346, 3/30/2022



QUOTE CONFIRMATION

DEAR AARON BURNSIDES,

Thank you for considering CDW•G LLC for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
MRQJ346	3/30/2022	PURE BUNDLE ONLY BY 4/29	0720970	\$500,031.46

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
Pure Storage FlashBlade 52TB Single Blade Mfg. Part#: FB-52TB SINGLE BLADE Contract: Vizient Tier 3 All other Products (IT0031)	1	5285941	\$31,538.39	\$31,538.39
PURE STORAGE 1 MONTH EVERGREEN SILVE Mfg. Part#: FB-52TB SINGLE BLADE,1MO,PRM,S Electronic distribution - NO MEDIA Contract: Vizient Tier 3 All other Products (IT0031)	19	5285944	\$511.96	\$9,727.24
Pure Professional Services - installation configuration Mfg. Part#: PS-FLASHBLADE-BLADE-ADD Electronic distribution - NO MEDIA Contract: Vizient Tier 3 All other Products (IT0031)	1	5657878	\$2,983.50	\$2,983.50
Pure Storage FlashBlade 52TB Single Blade Mfg. Part#: FB-52TB SINGLE BLADE Contract: Vizient Tier 3 All other Products (IT0031)	1	5285941	\$31,538.39	\$31,538.39
PURE STORAGE 1 MONTH EVERGREEN SILVE Mfg. Part#: FB-52TB SINGLE BLADE,1MO,PRM,S Electronic distribution - NO MEDIA Contract: Vizient Tier 3 All other Products (IT0031)	19	5285944	\$511.96	\$9,727.24
Pure Storage FlashBlade 52TB Single Blade Mfg. Part#: FB-52TB SINGLE BLADE Contract: Vizient Tier 3 All other Products (IT0031)	1	5285941	\$31,538.39	\$31,538.39
PURE STORAGE 1 MONTH EVERGREEN SILVE Mfg. Part#: FB-52TB SINGLE BLADE,1MO,PRM,S Electronic distribution - NO MEDIA Contract: Vizient Tier 3 All other Products (IT0031)	19	5285944	\$511.96	\$9,727.24
Pure Storage FlashArray C60 R3 - flash storage array Mfg. Part#: FA-C60R3-FC-395TB-247/148 Contract: Vizient Tier 3 All other Products (IT0031)	1	6899013	\$198,168.58	\$198,168.58
Pure Storage Evergreen Gold Subscription - extended service agreement - 1 m Mfg. Part#: FA-C60R3-395TB 1MO,PRM,GOLD Electronic distribution - NO MEDIA Contract: Vizient Tier 3 All other Products (IT0031)	36	6848646	\$4,000.00	\$144,000.00

QUOTE DETAILS (CONT.)

PURE STORAGE FLASH ARRAY INSTALL SVC	1	4811830	\$4,000.00	\$4,000.00
Mfg. Part#: PS-FLASHARRAY-INSTALL				
Electronic distribution - NO MEDIA				
Contract: Vizient Tier 3 All other Products (IT0031)				

PURCHASER BILLING INFO		SUBTOTAL	\$472,948.97
Billing Address: SALINAS VALLEY MEMORIAL HEALTHCARE ACCOUNTS PAYABLE PO BOX 3827 SALINAS, CA 93912-3827 Phone: (831) 757-4333 Payment Terms: Net 30 Days-Healthcare		SHIPPING	\$0.00
		SALES TAX	\$27,082.49
		GRAND TOTAL	\$500,031.46
		DELIVER TO	
Shipping Address: SVMH - IT DEPT 450 E ROMIE LN IT DEPT PO# SALINAS, CA 93901-4029 Phone: (831) 757-4333 Shipping Method:		CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	

Need Assistance? CDW•G LLC SALES CONTACT INFORMATION



Brian Sitter

(877) 510-1036

briasit@cdwg.com

LEASE OPTIONS

FMV TOTAL	FMV LEASE OPTION	BO TOTAL	BO LEASE OPTION
\$472,948.97	\$12,552.07/Month	\$472,948.97	\$14,533.72/Month

Monthly payment based on 36 month lease. Other terms and options are available. Contact your Account Manager for details. Payment quoted is subject to change.

Why finance?

- Lower Upfront Costs. Get the products you need without impacting cash flow. Preserve your working capital and existing credit line.
- Flexible Payment Terms. 100% financing with no money down, payment deferrals and payment schedules that match your company's business cycles.
- Predictable, Low Monthly Payments. Pay over time. Lease payments are fixed and can be tailored to your budget levels or revenue streams.
- Technology Refresh. Keep current technology with minimal financial impact or risk. Add-on or upgrade during the lease term and choose to return or purchase the equipment at end of lease.
- Bundle Costs. You can combine hardware, software, and services into a single transaction and pay for your software licenses over time! We know your challenges and understand the need for flexibility.

General Terms and Conditions:

This quote is not legally binding and is for discussion purposes only. The rates are estimate only and are based on a collection of industry data from numerous sources. All rates and financial quotes are subject to final review, approval, and documentation by our leasing partners. Payments above exclude all applicable taxes. Financing is subject to credit approval and review of final equipment and services configuration. Fair Market Value leases are structured with the assumption that the equipment has a residual value at the end of the lease term.

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdw.com/content/terms-conditions/product-sales.aspx>
 For more information, contact a CDW account manager

© 2022 CDW•G LLC 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239

Signature: *Scott Cleveland*

Email: scleveland@svmh.com

04/12/2022

Signature: *Pete Delgado*
Pete Delgado (Apr 14, 2022 13:44 CDT)

Email: pdelgado@svmh.com

04/14/2022

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Contract with BrandActive for SVMHS Rebranding Implementation

Executive Sponsors: Adrienne Laurent

Date: April 18, 2022

Executive Summary

The Salinas Valley Memorial Healthcare System most recent Strategic Plan prioritizes a strong, consumer-appealing brand to support the future direction of the organization. In 2019, the SVMHS Board of Directors approved proceeding with rebrand exploration and development. Due to the demands presented by the worldwide pandemic, the work of rebranding was delayed so that staff could attend to the crisis of COVID-19. Now, the work of rebranding has resumed, and we are finalizing the creative work of naming and logos, and are now planning the implementation strategy. BrandActive is our chosen vendor for optimizing brand implementation.

BrandActive’s singular focus as a company is rebrand implementation. Through their work we will establish the structure, processes, systems and vendor engagements that help manage our brand launch, conversion, and completion. When we first started the journey toward a new brand, BrandActive conducted brand audit. Based on the information collected and analyzed through this robust data-gathering exercise, BrandActive developed transition scenarios to successfully implement the new brand, with asset-specific transition strategies. This contract covers the implementation phase of this work.

Timeline/Review Process to Date

June 2019: Engaged BrandActive for a Rebrand Scope Assessment

November 2019: Assessment/initial strategies presentation

March 2022: Resumption of discussions for rebrand implementation

Strategic Plan Alignment:

Pillar/Goal Alignment:

X Service X People Quality X Finance X Growth X Community

Financial/Quality/Safety/Regulatory Implications: *[fill in table, add any additional pertinent information]*

Key Contract Terms	Vendor: BrandActive
1. Proposed effective date	5/9/22
2. Term of agreement	10.5 months
3. Renewal terms	None
4. Termination provision(s)	30-days written notice
5. Payment Terms	Payments due within 30 days of receipt of invoice
6. Annual cost	<ul style="list-style-type: none"> • \$540,915 • Additional costs expected to not exceed \$54,000
7. Cost over life of agreement	\$594,915
8. Budgeted (indicate y/n)	Yes

Recommendation

Consider recommendation for Board approval of the Contract with BrandActive for SVMHS Rebranding Implementation

Attachments

(1) Statement of Work

(2) Justification for Sole Source Form

Statement of Work

Rebrand implementation planning and management

Salinas Valley Memorial Healthcare System

25 April 2022

Background

Salinas Valley Memorial Healthcare System (SVMH) is preparing for a rebrand and looking to effectively and efficiently develop a plan and implement the new brand across all implications of change (marketing, signage, environments, IT, HR, documents and forms, workwear, badges, fleet vehicles, etc.). The organization understands that rebranding initiatives of this size are costly, time-consuming and complex and require specialized knowledge and experience.

As a result, the organization has looked to BrandActive to provide specialized rebrand implementation support to refine transition strategies and options, engage workgroup leaders to develop asset conversion plans, develop an integrated project schedule, establish project governance, and manage the rebrand on a month-to-month basis until the organization wishes to take the remainder of the implementation internally.

This Statement of Work (SOW) outlines BrandActive's specific objectives, deliverables, timing and costs of this engagement.

Plan and Prepare Phase

Leveraging information and insight gained during the initial Scope and Assess phase of work, the Plan and Prepare phase will focus on two key areas:

1. Establishing and leading rebrand-focused workstreams through our proven methodology to develop a comprehensive branded asset transition plan. BrandActive will incorporate key milestones and dependencies to optimize the plan for a seamless and efficient rebrand implementation.
2. Defining and establishing project brand governance, including roles and responsibilities, rebrand-specific processes for stakeholder engagement, time management, brand application, quality assurance, budget commitment tracking, status reporting, FAQs and Do's and Don'ts, and any other means of project governance required to support a smooth brand transition.

Objectives and activities

Define rebrand rules and processes

- Help to define the rules and guidance for scoping, prioritization, budget management and creating transition strategies (e.g., when to take a more centralized or decentralized approach).
- Recommend best practices for creating a central project budget, managing funding requests and tracking Purchase Order (PO) commitments and expenses.
- Establish online tools (e.g., status reports) to provide real-time tracking and reporting.
- Apply proven rebrand processes, templates and tools.

Program-level engagement with the core brand team

- Work with SVMH and Revive, if applicable, to further refine the overarching rebrand strategy and cost estimates defined in the Scope and Assess phase report.
- Outline considerations for prioritization of branded assets and locations.
- Define the branded asset scope for the project launch period.
- Define the requirements and strategies for the rollout of branded assets following the initial launch period through to rebrand project completion.
- Integrate brand development, launch and workstream plans into a milestone-based schedule.
- Establish financial governance best practices and produce an overarching project budget by refining initial cost estimates from the Scope and Assess analysis completed in August 2019.
- Establish the project organization structure, by defining all roles, from the top-level governing body (such as the project steering committee or brand council) to the site-level coordination required for implementation.
- Identify resource gaps and determine the associated solutions (e.g., identify when a vendor is required to supplement internal resources).

Workstream engagement

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- Establish the workstreams that own and manage branded assets.
- Liaise between the core brand team and workstreams to provide tools, direction and rebrand expertise required to maximize project efficiency.
- Help workstreams to gather any outstanding data not revealed during the Scope and Assess phase.
- Support workstreams in the optimization of asset transition strategies.
- Integrate quality control measures within workstream implementation (e.g., ensuring the steps for an adequate brand application review are included within plans).
- Work with SVMH's legal team (and outside counsel, if necessary) to understand the requirements and implications of any legal changes on workstream asset implementation.

Roll Out and Manage Phase

BrandActive will continue to support SVMH and provide project leadership, rebrand subject matter expertise and hands-on support to the in-scope workstreams including signage and branded environments, fleet, Marketing, IT, Web, and digital assets, ID badges, workwear, business cards, forms/papers, legal and finance, HR and all other implications of change included as in-scope within the plan where support is needed.

Objectives

Manage workstreams

- Support workstreams with implementation plan management, including assistance to mitigate risks associated with the transition.
- Identify and manage dependencies between branded asset categories; facilitate alignment among related workstreams.
- Provide risk mitigation for budget, schedule and brand standard compliance across all workstreams; escalate to Brand Management Team where required.
- Facilitate constructive dialogue among teams to develop strategic resolutions for unique project challenges.

Manage the integrated schedule

- Track key milestones within the integrated schedule and obtain project status updates through regular checkpoint meetings with internal and external teams. Communicate project status updates to workstreams and leadership.
- Identify potential opportunities to shorten project timelines, where appropriate.

Manage the rebrand budget

- Evaluate any additional requests for funding and determine if the cost against the rebrand budget is an appropriate investment.
- Recommend allocation of contingency funds as the initial cost estimates are refined.

Manage quality and compliance of brand application

- Share best practices and provide supporting tools to manage quality and compliance of brand application, including mitigating issues and escalating to the Brand Management Team, when required.
- Review select asset samples or drafts from vendors and SVMH's internal teams to support compliance with brand and asset-specific standards, technical specifications or application guidelines.
- Reinforce that manufacturing and installation practices adhere to established standards.

Optimization and standardization of branded assets

- Identify opportunities to rationalize and/or standardize branded assets to achieve time savings, cost efficiencies and/or quality improvements.
- Share any opportunities to further streamline brand governance with the Brand Management Team (BrandActive can perform a brand governance assessment to recommend additional measures for improvement outside the scope of this Change Order).

Manage vendors and procurement

- Recommend strategies or approaches to segment the procurement process for cost-effectiveness.

- Manage ongoing vendor activities in order to support compliance with brand standards and established schedules.
- Reinforce that vendors adhere to documented safety policies and procedures throughout the duration of any work performed on-site.

Provide help desk support

- Develop a custom Smartsheet help desk solution to address issues unique to the rebrand.
- Educate the identified SVMH subject matter experts on use of the online Smartsheet help desk tool.
- Manage intake of help desk inquiries and establish standard response times.
- Respond directly to help desk inquiries; escalate to SVMH subject matter experts, when required.
- Track inquiries and alert affected teams when response times exceed the prescribed response period.
- Provide help desk summary reports.
- Leverage data and intelligence collected from help desk inquiries to provide feedback and/or revisions to brand implementation FAQs.

Reporting

- Generate task-level status reports using the detailed input and data in the integrated project schedule.
- Provide ad hoc reports tailored for executive audiences to assist and facilitate decision-making on rebrand strategy, scope, timeline and cost.

Deliverables

The deliverables of the Plan and Prepare phase are:

1. Schedule that integrates brand development, launch and in-scope workstream transition plans
2. Project organization structure with documented roles and responsibilities for all identified workstreams and workstream members
3. Refined central project budget
4. Recommendations for tracking Purchase Order (PO) commitments and expenses
5. Workflows for processes (funding requests, brand reviews and issue and risk escalation)
6. Procurement and RFP-related documents (where required), for the procurement of physical assets such as signage
7. Supporting documents and tools (such as asset inventories, workstream kickoff materials, branded template assessments, implementation guidelines, etc.)
8. Real-time dashboard reporting capabilities

The deliverables of the Roll Out and Manage phase are:

1. Updated record of decisions, issues, risks and mitigation strategies learned throughout the engagement
2. Continuous elaboration/refinement of the project budget based on actual quotes and financial commitments being made (assuming we are provided transparency into this throughout the project)
3. Ad hoc analyses and reports to iterate rebrand plans by changing the project assumptions around investment, timeframe, resource requirements and/or any significant issue impacting the project
4. Rebrand tools and templates
5. Maintenance of the master project schedule and regular status update reports.
6. Photographic audit of branded assets
7. Summary of help desk inquiries and updated FAQ
8. List of identified opportunities for standardization of processes or assets

Project team

BrandActive brings a senior and experienced team to all projects. An engagement lead will be the senior advisor on this project and will be joined by a manager and project support resources that include a financial analyst, database analyst and branded asset subject matter experts at various times throughout the project as required.

Timing and fees

This will be a ten and a half month engagement. The Plan and Prepare phase will be two and a half months and will begin the week of 09 May 2022. The Roll Out and Manage phase will begin following the completion of the Plan and Prepare phase and continue on a month-to-month basis through 23 March 2023.

The total professional services fee for this engagement will be \$540,915 and invoiced according to the following schedule. All payments are listed in USD and are due within 30 days of receipt of invoice. If required, BrandActive can extend rebrand activities past 23 March 2023 through a Change Order. SVMH may cancel or suspend BrandActive services with a 30-day written notice. In the event that the scope of work included in this SOW is required to continue beyond the stated end date, due to any reason for which BrandActive is not responsible, additional fees may be incurred.

Activity	Fee	Invoice date	Invoice amount
Plan and Prepare phase	\$148,550	09 May 2022	\$34,380
		01 June 2022	\$57,085
		01 July 2022	\$57,085
Roll Out and Manage phase (Month-to-month – cancel with 30-day notice)	\$392,365	01 August 2022	\$57,845
		01 September 2022	\$57,845
		01 October 2022	\$57,845
		01 November 2022	\$57,845
		01 December 2022	\$57,845
		01 January 2023	\$34,380
		01 February 2023	\$34,380
		01 March 2023	\$34,380
Total fee (all activities excluding OOP fees)			\$540,915

Additional costs

Other costs which SVMH will be responsible for include:

- Applicable taxes
- Reasonable travel and accommodation expenses
- BrandActive has a standard policy to bill a Sixty-Five and 00/100 Dollars (\$65.00) per diem maximum charge for each BrandActive team member to cover meals and incidental expenses while traveling on client business within the U.S.; a per diem of Seventy-Five and 00/100 Dollars (\$75.00) will be charged for international travel
- Costs associated with "out-of-scope" changes as approved in advance by SVMH
- Disbursements – phone expenses, applicable teleconferencing expenses, audit materials, photographic supplies and production, graphic materials and supplies, mock-ups, couriers and delivery, reproductions, and any other costs reasonably and properly incurred in conjunction with the project
- 5% administration charge included on all expenses
- Although it is only an estimate, we would not expect out-of-pocket (OOP) expenses for travel and other items related to this Statement of Work to exceed 10% of the fees

All expenses will be billed monthly as incurred, or upon project completion. We will do everything that we can to minimize these costs.

Assumptions

- BrandActive uses virtual tools (primarily the Smartsheet application) to work collaboratively online. If standard tools cannot be used on this project due to restrictions in SVMH's IT policy, additional fees may be incurred based on the level of rework required to the standard project setup and for additional effort involved to manage the project.

- BrandActive uses Microsoft Teams and Zoom to provide web conferencing services. Should SVMH require the use of an alternate paid service for web conferencing, any costs incurred will be billed to SVMH.
- Workstream members will participate in a kickoff/training session to align expectations for the phase of work and to be educated on project tools and platforms. If required, BrandActive will record an abbreviated tutorial for self-directed learning (in lieu of individual training sessions) to support any future additions to the teams.
- For this project we will consider all SVMH entities to be in-scope.
- No significant changes to project scope, cost or timeline occur after the completion of the Plan and Prepare phase that require an adjustment to the project plans established for the Roll Out and Manage phase.
- All brand standards, including guidance for asset-specific application and variability, must be completed within the timelines defined in the Plan and Prepare phase.
- Workstream members and project leadership team have dedicated time available within the established project timeline to complete required tasks and provide approvals when required.
- BrandActive has included costs for signage designs guidelines and standards, site surveys, recommendation books and prototypes within the signage line item in the Phase 1 deliverable. We can perform these tasks, but have left these out of scope for now as there are many approaches to take here.
- Vendor fees and costs to deliver rebranded assets and associated services are assumed to be exclusive transactions between the vendor and SVMH.
- A contract management fee of 15-20% will apply to all situations in which SVMH requests that BrandActive retains third-party services on behalf of SVMH.
- SVMH is responsible for providing all associated workwear order information (brand, style, size and personalization details).
- SVMH is responsible for providing standards/guidelines/templates to facilitate vendor adherence to specifications (We can help in the creation of these through a Change Order if needed. Costs have been included in the signage line item of our Scope and Assess report).
- SVMH is responsible for approving final orders before production.
- SVMH is responsible for approving samples before production.
- SVMH is responsible for engaging with vendor after three (3) rejected samples.
- SVMH is responsible for communicating to its internal stakeholders items such as: rebrand scope, required workwear to be rebranded, and quantity of uniforms replaced and funded by the rebrand.

Terms and Conditions

Approval

For additional work, or work which is not included in the scope of this project, an additional estimate will be presented as a scope change notification for your approval. By signing this agreement, SVMH agrees to operate under BrandActive's standard Terms and Conditions which have been submitted with this Statement of Work.

Approved and agreed to by:

**BrandActive (USA) Inc.
o/a (operating as) "BrandActive"**

Salinas Valley Memorial Healthcare System (SVMH)

Signature

Signature

Vladimir Kačar

Name

Name

Executive Vice President

Title

Title

25 April 2022

Date

Date

Justification for Sole Source Form

To: Contract Review Committee

From: Adrienne Laurent, Administration

Type of Purchase: (Check One)

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

Total Cost \$:	\$540,915 (plus out of pocket expenses)
Vendor Name:	BrandActive
Agenda Item:	Consider Recommendation for Board Approval of the Contract with BrandActive for SVMHS Rebranding Implementation

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

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

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

Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe.**

Uniqueness of the service. **Describe.**

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

When SVMHS launched its rebranding effort prior to the pandemic, we engaged BrandActive to conduct a brand audit. Based on the information collected and analyzed through this robust data-gathering exercise, BrandActive developed transition scenarios to successfully implement the new brand, with asset-specific transition strategies. This contract covers the implementation phase of this work.

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

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

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

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

Submitter Signature _____ Date: _____


BOARD Packet Submission Checklist Digital Employee Wellness Platform

The original of this completed/fully signed checklist and all required supporting documents are to be hand-delivered to reviewer listed below:

- BOARD or CEO PAPER** – required for all submissions; see attached instructions/sample
- KEY CONTRACT TERMS** – required for all submissions – see table in Board/CEO Paper
- CONTRACT** – negotiated final contract with vendor signature
- PROCUREMENT PROCESS DOCUMENTATION** – required for all submissions requiring Board/CEO review/approval per Procurement Management Policy (see policy for details; indicate which sub-category is applicable):
 - If for **data processing/telecommunications goods/services** of \$25,000 or more, check applicable option and include documentation: **CIO must review.**
 - RFP documentation *unless sole source or GPO applies.*
 - If Sole source – provide detailed justification
 - If GPO, submit qualifying verification from Materials Management
 - If for **professional/other services or medical/surgical equipment and supplies** \$350,000 or more, check applicable option and include documentation:
 - RFP documentation *unless sole source or GPO applies.*
 - If Sole source – provide detailed justification
 - If GPO, submit qualifying verification from Materials Management
 - If for **non-medical materials/supplies/Public Works** \$25,000 or more, check applicable option and include documentation:
 - RFP/Invitation for bids documentation
 - If Sole source – provide detailed justification
 - If GPO, submit qualifying verification from Materials Management

Legal counsel/Contract Administrator reviewed: No ___ or Yes By Whom: Natalie James

SUBMITTED BY DEPARTMENT DIRECTOR OR DEPARTMENT ADMINISTRATOR:

	Chief Human Resources Officer, Administration	4/18/22
Adrienne Laurent	Chief Strategic Communications Officer, Administration	4/18/22
Signature	Title/Dept.	Date

REVIEWED BY: (In the following order) – If Capital; Axiom approval in lieu of signature.

CIO: (if applicable) _____ Date: _____

Director of Audit/Compliance: _____ Date: _____

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Contract with Sharecare for the SVMHS Digital Employee Wellness Platform
Executive Sponsors: Michelle Childs and Adrienne Laurent
Date: April 18, 2022

Executive Summary

Salinas Valley Memorial Healthcare System prioritizes employee wellness. The worldwide pandemic has impacted our employees in a significant way, and we are working to equip them with solutions that will build resiliency and overall wellbeing.

Sharecare is an established vendor with SVMHS, our partner in implementing Blue Zones Project, Monterey County. The Sharecare Digital Platform will serve as our employees' health hub – an application where they can keep their wellness profiles, programs, and benefits together in one secure profile. As an organization we will be able to conduct health challenges, targeted health marketing campaigns, links to various employee benefits, incentive programs and activities. This mobile and web-based application provides information, tools and programs designed to support and improve the health and wellbeing of our staff; report insights and analytics; promote engagement; and enhance access to available benefits, resources, and programs.

Timeline/Review Process to Date

6/3/21 – 3/25/22 Discussions and presentations regarding the Sharecare Employee Wellness Platform
4/15/22: Contract finalization

Strategic Plan Alignment:

Pillar/Goal Alignment:

Service People Quality Finance Growth Community

Financial/Quality/Safety/Regulatory Implications: *[fill in table, add any additional pertinent information]*

Key Contract Terms	Vendor: Sharecare Operating Company
1. Proposed effective date	5/1/22
2. Term of agreement	3 years
3. Renewal terms	Auto renewal for successive periods of one year or terminate with 90 days notice.
4. Termination provision(s)	90 days notice after 18-month post Go-Live
5. Payment Terms	Payments due within 45 days of receipt of invoice, 1.0% interest on outstanding balance
6. Annual cost	<ul style="list-style-type: none">\$119,700/year with 3% annual increase (covers the digital platform and the additional component All Together Better)Option to add features at additional cost
7. Cost over life of agreement	\$367,690
8. Budgeted (indicate y/n)	Not for two months of contract, yes for remainder

Recommendation

Page 28 of 156

Consider recommendation for Board approval of the Contract with Sharecare for the SVMHS Digital Employee Wellness Platform

Attachments

- (1) Master Agreement
- (2) Appendix A: Scope of Services
- (3) Digital Platform Order
- (4) Point Solutions Addendum to Order
- (5) Justification for Sole Source Form
- (6) Business Associate Agreement

Master Agreement

These Master Agreement Terms, together with the applicable Order(s) as defined herein and Exhibit(s) attached hereto (collectively, the "Agreement"), are entered into by and between Sharecare Operating Company, Inc. ("Sharecare") and Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code, ("Enterprise Customer") (each of which may be referred to hereinafter individually as a "Party" and collectively as the "Parties") effective as of _____, 2022. The Parties mutually agree as follows:

1. **Services.** Sharecare will provide Services to Enterprise Customer as described in each statement of work, order, or other transaction document, entered in to by both Parties from time to time (each an "Order") (the "Sharecare Services" or the "Service(s)").
2. **Authorized Use.**
 - a. Use of Sharecare Services shall be subject to the then-current Sharecare Privacy Policy and Terms applicable to the Sharecare Services as published at <https://www.sharecare.com/static/terms> or otherwise accepted by users as part of the Sharecare Services ("Sharecare Service Terms").
 - b. Each employee, agent, assign, representative, independent contractor or other person or entity authorized by Enterprise Customer to access or use the Sharecare Services shall be required to establish an account on the Sharecare digital platform (the "Sharecare Platform") and accept the Sharecare Service Terms and shall thereafter be deemed a "User."
 - c. In the event of a conflict between the terms of this Agreement and the Sharecare Service Terms, the terms of this Agreement shall prevail.
 - d. Notwithstanding anything herein or in a statement of work or Order to the contrary, Sharecare may make commercially reasonable changes to the Sharecare Service Terms from time to time. If Sharecare makes a material change to the Sharecare Service Terms, Sharecare will inform Enterprise Customer within ninety (90) days in writing, which may include sending an email or other electronic notification to each affected User on the Sharecare Service, and to the email address of Enterprise Customer specified in the applicable Order(s) for notices. If the change is likely to have a materially adverse impact on Enterprise Customer and Enterprise Customer does not agree to the change, Enterprise Customer must notify Sharecare via the notice methods provided in this Agreement within thirty (30) days after receiving notice of the change. If Enterprise Customer notifies Sharecare as so required, then Enterprise Customer will remain governed by the Terms in effect immediately prior to the change until the end of any relevant Order's then-current Service Term for the affected Order for a Sharecare Service. If the Service Term of the affected Order is renewed, it will be renewed under Sharecare's then-current Sharecare Service Terms.
3. **Acceptance.** All Deliverables under each Order must be performed in accordance with the Order. Final acceptance by Enterprise Customer of the Deliverables under each Order (including Deliverables which may have been previously approved) shall be made only by a written notice of acceptance signed by the Enterprise Customer, which shall not be unreasonably withheld, conditioned, or delayed.
3. **Termination.** Each Party shall have the right to terminate the Agreement or any Orders as follows:

- a. Either Party shall have the right to terminate the Agreement or any Orders upon a material breach by the other Party which has not been cured within thirty (30) days, such cure period to commence upon the breaching Party's receipt of written notice from the non-breaching Party setting forth an alleged event of material breach.
- b. Either party may terminate this Agreement or any Orders at any time without stating a cause or reason and without cost or penalty **upon ninety (90) days' prior written notice to the other party following 18 months post Go-Live.**
- c. Termination is not the sole remedy under this Agreement and all other remedies will remain available.
- d. Wind Down/Transition Services. Upon expiration and non-renewal or termination of this Agreement or any Order, Sharecare shall:
 - i. where Enterprise Customer has terminated this Agreement or an Order in accordance with the terms set forth herein due to Sharecare's material breach, (i) cooperate with Enterprise Customer as commercially reasonable to wind down all work and Services under this Agreement, (ii) continue to make the Services available to Enterprise Customer and otherwise allow access to, and use of, the Services for a duration determined by Enterprise Customer but not to exceed three (3) months absent the express written agreement of Sharecare, and (iii) provide other commercially reasonable services and cooperation appropriate for an orderly transition of the Services and the Enterprise Customer materials to Enterprise Customer or Enterprise Customer's designee at no additional cost to Enterprise Customer; or
 - ii. where Enterprise Customer has terminated this Agreement or an Order in accordance with the terms set forth herein for non-renewal, (i) cooperate with Enterprise Customer as commercially reasonable to wind down all work and Services under this Agreement, (ii) continue to make the Services available to Enterprise Customer and otherwise allow access to, and use of, the Services for a duration determined by Enterprise Customer but not to exceed three (3) months absent the express written agreement of Sharecare, and (iii) provide other commercially reasonable services and cooperation appropriate for an orderly transition of the Services and the Enterprise Customer materials to Enterprise Customer or Enterprise Customer's designee for a cost agreed to by the parties; and
 - iii. deliver to Enterprise Customer the output of all Services and any remaining requested reports in a medium agreed to by both parties; and
 - iv. promptly return all Enterprise Customer materials and copies thereof in the medium originally provided by Enterprise Customer, or, in the event that the original medium is no longer available, in a medium agreed to by both parties; and
 - v. remove all copies of the applicable Enterprise Customer materials from servers within its control.

4. Fees, Expenses and Payment.

- a. Enterprise Customer shall pay Sharecare the fees in the amount and manner set forth in each Order ("Fees").
- b. Enterprise Customer shall not be liable to Sharecare for any expenses paid or incurred by Sharecare unless otherwise agreed to and approved in advance in writing by Enterprise Customer (the "Expenses"). Any such Expenses shall be incurred only in connection with the project specified in an applicable Order and must fully conform to Enterprise Customer's then-current expense policies, as communicated from time to time.
- c. Unless otherwise specified in an applicable Order, Enterprise Customer shall make all payments within forty-five (45) days of receipt of an invoice from Sharecare. The invoice shall include supporting documentation for any Expenses. In the event Enterprise Customer disputes any charges invoiced by Sharecare, Enterprise Customer shall pay all undisputed amounts in the manner set forth in this Section 4(c), and concurrently provide written notice to Sharecare, including the appropriate documentation supporting Enterprise Customer's claim for disputed charges, by the invoice due date. Each Party agrees that it will meet and negotiate in good faith to resolve any dispute that may arise between them with respect to this Agreement and any related Order, if applicable. Each Party will provide to the other all reasonably requested information as is relevant to the resolution of the dispute.
- d. If payment for any invoiced amount is not received by Sharecare by the invoice due date, then without limiting Sharecare's other available rights or remedies, those invoiced charges may accrue interest at the rate of 1.0% of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower.
- e. If any charge owing by Enterprise Customer is thirty (30) days or more overdue, Sharecare may, without limiting its other rights and remedies, suspend the Services for which such charges are owing until such amounts are paid in full, provided that Sharecare has given Enterprise Customer at least ten (10) days' prior written notice that its account is overdue in accordance with the "Notices" section below.
- f. Sharecare will not exercise its rights under Section 4(d) or 4(e) if Enterprise Customer is disputing the applicable charges reasonably and in good faith in the manner set forth in Section 4(c) and is actively cooperating to resolve the dispute.

5. **Performance.** Sharecare shall perform its obligations hereunder in a workmanlike and professional manner.

6. Sharecare Responsibilities.

- a. In addition to all other obligations set forth in this Agreement, Sharecare shall: (i) provide the Services in accordance with this Agreement; (ii) perform all support obligations and abide by the service levels as set forth in the applicable Order; (iii) comply with the Sharecare's security policy and additional security requirements as set forth in this Agreement or an applicable Order(s); (iv) abide by the Business Continuity/Disaster Recovery Plan as set forth in an applicable Order(s); and (v) provide the Services in compliance with all applicable laws and government regulations.

- b. Sharecare shall be responsible for the acts and omissions of its employees, agents, contractors, and subcontractors in the same manner and to the same extent as if performed by Sharecare.

7. Enterprise Customer Responsibilities.

- a. In addition to all other obligations set forth in this Agreement, Enterprise Customer shall: (i) be responsible for Users' compliance with this Agreement, Sharecare Service Terms and Orders; (ii) use commercially reasonable efforts to prevent unauthorized access to or use of the Services, and notify Sharecare promptly of any such unauthorized access or use; (iii) use the Services only in accordance with applicable laws and government regulations; and (iv) be responsible for the accuracy, quality and legality of its data and the means by which Enterprise Customer acquired its data.
- b. Enterprise Customer shall not intentionally and knowingly: (i) make the Services available to, or use any Service for the benefit of, anyone other than Enterprise Customer or Users; (ii) use the Services to store or transmit infringing, libelous, or otherwise unlawful or tortious material; (iii) use the Services to store or transmit material in violation of third party privacy rights; (iv) use the Services to store or transmit malicious software; (v) interfere with or disrupt the integrity or performance of the Services or third-party data contained therein; or (vi) attempt to gain unauthorized access to the Services or their related systems or networks; (vii) sell, resell, license, sublicense, distribute, make available, rent or lease any Service, or include any Service in a service bureau or outsourcing offering.
- c. Enterprise Customer's or a User's intentional violation of the foregoing, or any use of the Services in breach of this Agreement or an Order, by Enterprise Customer or Users that in Sharecare's judgment imminently threatens the security, integrity or availability of Sharecare's Services, may result in Sharecare's immediate suspension of the Services. Sharecare will use commercially reasonable efforts under the circumstances to provide Enterprise Customer with an opportunity to remedy such violation or threat prior to any such suspension.

8. Ownership of Materials.

- a. As between Enterprise Customer and Sharecare, Sharecare shall own all right, title and interest in and to the Sharecare Platform and other Sharecare software and Services, including, without limitation, all associated intellectual property rights throughout the world.
- b. No ownership rights in Enterprise Customer materials that predate the Agreement are transferred to Sharecare. Sharecare is granted a limited license to use materials provided by Enterprise Customer solely in the performance of this Agreement and not for Sharecare's or any third party's benefit.
- c. As between Enterprise Customer and Sharecare, Enterprise Customer retains all ownership rights in information that Enterprise Customer provides or transmits to Sharecare under this Agreement. Nothing in this Agreement limits that ability of Sharecare to obtain authorizations from end users of the Services, including, without limitation, the Users, with respect to data of such users.

- d. The Sharecare Platform may: (i) receive data feeds, including eligibility data, provided by Enterprise Customer or Enterprise Customer's vendor(s); and (ii) ingest this data, together with information provided by other parties and individuals ("User Data"), into a personal profile (the "Personal Health Profile") relating to a User.
- e. All User Data and data related to use of the Service by Users shall be governed by the applicable Sharecare Service Terms. Notwithstanding anything in the Agreement to the contrary, the Parties acknowledge and agree that Sharecare shall own all rights to and in the Sharecare Services, the Sharecare Platform and the Personal Health Profile, subject to any rights of Users to own and control personal information under applicable law.
- f. With regard to User Data, Sharecare shall have the right to: (i) retain transactional and derivative data associated with the User's account; (ii) share User Data with third parties in accordance with the applicable Sharecare Service Terms and applicable law; and (iii) remove/delete User Data upon termination by the User of a Sharecare Service in compliance with regulatory requirements and terms for the applicable Sharecare Service.
- g. Enterprise Customer shall take no actions during or following the Agreement to limit or restrict a User, anyone who has been a User, or any other user from remaining a Sharecare customer or utilizing a Personal Health Profile.
- h. Notwithstanding the foregoing, certain information may be incorporated into a User's Personal Health Profile that is received from a health plan or other third party (the "Plan Restricted Data"). Nothing in this Agreement shall limit the rights of a User or Sharecare from accessing, disclosing, or using such Plan Restricted Data, which shall be subject to any agreement between Sharecare and such third party and applicable law.
- i. Subject to subsection 8(k) below, Enterprise Customer shall not request, and Sharecare shall not provide to Enterprise Customer, Plan Restricted Data that can be used to identify an individual, provided that Sharecare may provide Plan Restricted Data or other data to: Enterprise Customer's benefit plan(s) solely for purposes of operations such as rate-setting or as otherwise permitted by law; or to certain employees of a Plan administrator or third party providers of healthcare services as set forth in subsection 8(k) below. Enterprise Customer shall not attempt to re-identify or otherwise access identifiable User Data (including Plan Restricted Data), a Personal Health Profile, or Sharecare materials, or attempt to use data received from Sharecare, for employment purposes such as hiring, firing, commencement of an adverse action or other use utilizing data that identifies an individual or is not permitted by law.
- j. The Parties agree and acknowledge that User Data provided to Sharecare and integrated into a User's Personal Health Profile shall be available for access by such User and shall be subject to the applicable Sharecare Service Terms and the rights and control of Sharecare. The Parties agree and acknowledge that for purposes of this Section, Sharecare is not and will not be acting on behalf of a Plan, provider, or any "covered entity" as that term is defined in HIPAA.
- k. In addition to the provision of de-identified, aggregated data to Enterprise Customer as otherwise permitted by this Agreement, upon receipt of an authorization of an User, or as otherwise permitted by applicable law, User Data received from a User by Sharecare may be provided to (A) licensed providers of healthcare services for treatment purposes, and (B) individuals employed by a Plan, Sharecare, or a third party, whose function is to assist beneficiaries in the coordination of care

and/or encourage the health and wellness of such beneficiaries (each such person listed under this Section hereafter is referred to as a "Health Coach"). Each such Health Coach shall use and disclose such User Data solely for purposes of providing care coordination and wellness services to the relevant User whose User Data is received and in compliance with the relevant authorization and applicable law. Enterprise Customer shall not request that C or any Health Coach, provider or other individual or entity receiving User Data pursuant to this Subsection provide such User Data to Enterprise Customer for any purpose other than to a Health Coach for care coordination or wellness services.

- I. **Data Privacy Laws.** Sharecare acknowledges that in providing the Sharecare Service pursuant to an Order, it may have access to and use of certain personal health information provided by ENTERPRISE CUSTOMER and/or third party payors or plan administrators (third party payors and third party plan administrators are each herein referred to as a "Plan") and other personally identifiable information concerning Plan members for Plan services ("Enterprise Customer Protected Data") which information may be subject to applicable federal, state and local data privacy and security laws and regulations. In the event that Sharecare obtains "protected health information" from a "covered entity" (as such terms are defined in the Health Insurance Portability and Accountability Act administrative simplification provisions and related regulations ("HIPAA")), Sharecare and either Enterprise Customer (if a covered entity) or a covered entity providing PHI to Sharecare shall enter into a business associate agreement to the extent required by HIPAA, which business associate agreement shall apply to all Orders between the parties unless specifically provided otherwise therein.

9. Confidential Information. During the course of this relationship, it may be necessary or convenient for a Party to divulge Confidential Information (as herein defined) to the other Party. The following shall apply:

- a. The term "Confidential Information" means all non-public information that: (i) either Party designates as being confidential information in connection with the disclosure of such information; or (ii) is of a sensitive or proprietary nature, including, without limitation, negotiations in progress, terms of agreements, financial data, customer lists, advertising, marketing and promotional plans, and business partner lists, including, but not limited to, trade secrets.
- b. Confidential Information shall not include any information that (i) is at the time of disclosure or subsequently becomes publicly available without a Party's breach of any obligations owed to the other Party; (ii) becomes known to a Party prior to disclosure of such information to a Party; (iii) becomes or became known to a Party without a breach of an obligation of confidentiality owed to the other Party; or (iv) is independently developed by a Party.
- c. The receiving Party shall retain in strict confidence all of the disclosing Party's Confidential Information during the term of this Agreement and for five (5) years thereafter. Notwithstanding the foregoing, the receiving Party shall maintain the confidentiality of any trade secrets for so long as page 34 of 156 such Confidential Information is deemed a trade secret under applicable law.
- d. Notwithstanding the foregoing restrictions, the receiving Party may use and disclose any Confidential Information to the extent required by an order of any court or other governmental authority, but in each case only after the disclosing Party has been so notified and has had the opportunity, if possible, to seek and obtain reasonable protection for such information in connection with such disclosure.

- e. All Confidential Information shall remain the exclusive property of the disclosing Party and no license or similar rights of any kind shall be or be deemed to have been created or implied by the Agreement, except as otherwise expressly set forth herein.
- f. The provisions of this Section shall survive and be enforceable beyond the termination or completion of the Agreement for the period set forth in this Section.

10. Warranties. During an applicable subscription term: (a) Sharecare will not materially decrease the overall security of the Services, (b) the Services will perform materially in accordance with the applicable documentation, and (c) Sharecare will not materially decrease the overall functionality of the Services.

11. Disclaimer of Warranties.

- a. Sharecare does not warrant that any website or any Service will meet Enterprise Customer's requirements or that the operation of the websites by Sharecare (or any of its subcontractors or agents) will be uninterrupted or error-free. Except as expressly set forth herein and/or in any applicable Order, Sharecare provides the Services on an "as is" and "as available" basis without warranties of any kind.
- b. OTHER THAN AS EXPRESSLY SET FORTH IN THE AGREEMENT, SHARECARE DOES NOT MAKE ANY EXPRESS OR IMPLIED WARRANTIES, CONDITIONS, OR REPRESENTATIONS, OR IMPLIED INDEMNITIES, TO ENTERPRISE CUSTOMER, ANY OF ITS AFFILIATES OR ANY OTHER PARTY WITH RESPECT TO THE SCOPE OF WORK AND/OR SERVICES PROVIDED UNDER THE AGREEMENT, WHETHER ORAL OR WRITTEN, EXPRESS, IMPLIED OR STATUTORY. WITHOUT LIMITING THE FOREGOING, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, NON-INFRINGEMENT, OR FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED AND DISCLAIMED. SHARECARE DOES NOT WARRANT OR GUARANTEE A MEDICAL COST SAVINGS OR A RETURN ON INVESTMENT OF SERVICES PROVIDED UNDER THIS AGREEMENT.
- c. Re-performance. Except as otherwise specifically set forth herein, Sharecare's sole obligation and Enterprise Customer's sole remedy, in the event Sharecare's technology, such as websites, applications, or web portals, is unavailable or is not functioning properly, shall be re-performance of the affected Services.

12. Indemnification by Sharecare. Sharecare will defend Enterprise Customer, including its officers, directors, employees and agents (collectively, the "Enterprise Customer Indemnified Parties"), against any claim, demand, suit or proceeding made or brought against Enterprise Customer Indemnified Parties by a third party (i) alleging that any Service infringes or misappropriates such third party's intellectual property rights or (ii) based on Sharecare's gross negligence or willful misconduct (a "Claim Against Enterprise Customer"), and will indemnify Enterprise Customer Indemnified Parties from any damages, attorney fees and costs finally awarded against Enterprise Customer Indemnified Parties as a result of, or for amounts paid by Enterprise Customer Indemnified Parties under a settlement approved by Sharecare in writing of, a Claim Against Enterprise Customer, provided that Enterprise Customer: (a) promptly gives Sharecare written notice of the Claim Against Enterprise Customer, (b) gives Sharecare sole control of the defense and settlement of the Claim Against Enterprise Customer (except that Sharecare may not settle any Claim Against Enterprise Customer unless it unconditionally releases Enterprise Customer Indemnified Parties of all liability), and (c) gives Sharecare all reasonable

assistance, at Sharecare's expense. The failure to comply with clause (a) of the immediately preceding sentence shall not affect Sharecare's obligation to provide indemnification pursuant to this Section except to the extent such failure has materially adversely affected its ability to defend such Claim Against Enterprise Customer, and notwithstanding clause (b) of the immediately preceding sentence, Enterprise Customer shall have the right, at its own expense, to employ separate counsel in any such action, to observe the proceedings and, at Enterprise Customer's request, Sharecare will keep such counsel reasonably informed of such proceedings. If Sharecare receives information about an infringement or misappropriation claim related to a Service, Sharecare may, in its discretion and at no cost to Enterprise Customer, (i) modify the Services so that they are no longer claimed to infringe or misappropriate, without breaching Sharecare's warranties under "Sharecare Warranties" above, (ii) obtain a license for Enterprise Customer's continued use of that Service in accordance with this Agreement, or (iii) terminate Enterprise Customer's subscriptions for that Service upon 30 days' written notice, to the extent that Sharecare is terminating such subscriptions of its similarly-situated customers generally, and refund Enterprise Customer any prepaid fees covering the remainder of the term of the terminated subscriptions.

13. Indemnification by Enterprise Customer. Enterprise Customer will defend Sharecare, including its officers, directors, employees and agents (collectively "Sharecare Indemnified Parties"), against any claim, demand, suit or proceeding made or brought against Sharecare Indemnified Parties by a third party (i) alleging that any Enterprise Customer Data infringes or misappropriates such third party's intellectual property rights, or (ii) arising from Enterprise Customer's use of the Services or Content in breach of the Agreement, the Documentation, Order Form or applicable law (each a "Claim Against Sharecare"), and will indemnify Sharecare Indemnified Parties from any damages, attorney fees and costs finally awarded against Sharecare Indemnified Parties as a result of, or for any amounts paid by Sharecare Indemnified Parties under a settlement approved by Enterprise Customer in writing of, a Claim Against Sharecare, provided that Sharecare: (a) promptly gives Enterprise Customer written notice of the Claim Against Sharecare, (b) gives Enterprise Customer sole control of the defense and settlement of the Claim Against Sharecare (except that Enterprise Customer may not settle any Claim Against Sharecare unless it unconditionally releases Sharecare Indemnified Parties of all liability), and (c) gives Enterprise Customer all reasonable assistance, at Enterprise Customer's expense. The failure to comply with clause (a) of the immediately preceding sentence shall not affect Enterprise Customer's obligation to provide indemnification pursuant to this Section except to the extent such failure has materially adversely affected its ability to defend such Claim Against Sharecare, and notwithstanding clause (b) of the immediately preceding sentence, Sharecare shall have the right, at its own expense, to employ separate counsel in any such action, to observe the proceedings and, at Sharecare's request, Enterprise Customer will keep such counsel reasonably informed of such proceedings. The above defense and indemnification obligations do not apply to the extent a Claim Against Sharecare arises from Sharecare's Indemnified Parties' breach of this Agreement, the Documentation or applicable Order Forms.

14. Limitations of Liability.

a. EXCLUSION OF DAMAGES. EXCEPT AS SPECIFIED IN AN ORDER, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INDIRECT, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.

b. LIMIT OF DAMAGE AMOUNTS. EXCEPT AS SPECIFIED IN AN ORDER, IN NO EVENT WHATSOEVER SHALL EITHER PARTY'S TOTAL LIABILITY TO THE OTHER, FOR ANY OTHER

DAMAGES WHATSOEVER, EXCEED THREE (3) TIMES THE SUM OF THE AMOUNTS PAID BY ENTERPRISE CUSTOMER FOR THE SERVICES PROVIDED IN THE TWELVE (12) MONTHS PRECEDING THE INCIDENT GIVING RISE TO THE CLAIM. THE FOREGOING LIMITATION WILL NOT LIMIT ENTERPRISE CUSTOMER PAYMENT OBLIGATIONS FOR AMOUNTS DUE UNDER AN ORDER.

c. EXCEPTIONS TO LIMITATIONS OF LIABILITY. EXCEPT AS SPECIFIED IN AN ORDER, THE LIMITATIONS OF LIABILITY IN SECTION 14(b), SHALL NOT APPLY TO LIABILITY ARISING FROM THIRD-PARTY INTELLECTUAL PROPERTY CLAIMS, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR VIOLATIONS OF LAW.

15. Relationship of the Parties.

- a. It is mutually understood and agreed that the relationship between the Parties shall be that of independent entities contracting with each other at arm's length. This Agreement does not, and shall not be construed to, create the relationship of agent, employee, partnership, joint venture or association between the Parties.
- b. This Section shall survive the termination or expiration of the Agreement.

16. Assignment. Upon advance written notice to the other, either Party may assign the Agreement to a parent, subsidiary or successor to the business related to the Agreement. This Agreement may not be otherwise assigned or transferred by either Party without the express written consent of the other Party, which shall not be unreasonably withheld.

17. Subcontractors. Sharecare may subcontract to third parties certain duties or obligations under this Agreement and shall remain fully responsible to Enterprise Customer for all such duties or obligations.

18. Publicity. Each of the Parties hereto agrees that it will not, without the written consent of the other Party in each instance, (i) use in advertising or for other publicity purposes (including, without limitation, on the Internet) the other Party's name, domain name, any trademark, trade name, symbol or any abbreviation or contraction thereof owned by or referring to that Party; or (ii) represent, directly or indirectly, that any product or service offered by the Party has been approved or endorsed by the other Party.

19. Non-Solicitation. Each Party agrees that, during the term of the Agreement and for twelve (12) months after the termination or expiration of the Agreement, neither Party shall:

- a. Solicit for employment and then employ any employee of the other Party or any of its affiliates or subsidiaries; or
- b. Induce, attempt to induce, or knowingly encourage any customer of the other Party or any of its affiliates or subsidiaries to divert any business or income from that Party or its affiliates or subsidiaries or to stop or alter the manner in which they are then doing business with that Party or any of its affiliates or subsidiaries.

For the avoidance of doubt, this Section does not prevent any Party from publishing any recruitment advertisement in any publication or on any website, or from negotiating with any person who replies to any such advertisement or who initiates any contact with the recruiting Party.

20. Omitted.

21. Approval Signatures. Signature by authorized representatives of the respective Parties listed below constitutes acceptance of and notice to proceed with the performance and provision of the Services. No additional work relating to any other project or engagement, or any other part or phase of the project than that described in the Agreement, shall be authorized without the express written agreement of both Parties hereto.

22. Notices. All notices required by either Party under the Agreement shall be made in writing, and shall be deemed to have been given on the date such notice is presented personally, or transmitted by facsimile (receipt confirmed), two (2) business days after delivery by a nationally recognized courier service, or three (3) days after mailed registered or certified, return receipt requested, to the other Party at the addresses set forth in the signature block of the Agreement, Attn: Legal, or to such other address as a Party may designate by written notice to the other Party provided in accordance with this Section.

23. Non-Waiver. The failure of either Party to this Agreement to exercise any of its rights under this Agreement at any time does not constitute a breach of this Agreement and shall not be deemed to be a waiver of such rights or a waiver of any subsequent breach.

24. Force Majeure. A Party shall be excused from the performance of its obligations hereunder, and such Party's nonperformance shall not be a default or grounds for termination of this Agreement, to the extent that such Party is prevented from performing its obligations as a result any other cause beyond the affected Party's reasonable control.

25. No Third-Party Beneficiaries. No person or entity, other than Enterprise Customer and Sharecare, is intended to be, or is in fact, a beneficiary of this Agreement, and the existence of the Agreement shall not in any respect whatsoever increase the right of any member or other third party, or create any right on behalf of any member or other third party vis-à-vis any of the Parties with respect to the subject matter hereof.

26. Compliance With Laws. Each Party represents that it has complied and will continue to comply with all relevant federal, state and local laws and regulations.

27. Severability. If any part of this Agreement is held to be unenforceable, the rest of this Agreement shall nevertheless remain in full force and effect.

28. Survival. All provisions which contemplate performance or observance subsequent to any termination or expiration of the Agreement or which must survive in order to give effect to its meaning, shall survive the expiration or termination of the Agreement.

29. Electronic Agreement. The Parties agree to contract electronically. Any requirement of a writing or written agreement can be satisfied by electronic means.

Page 38 of 156

30. Equal Opportunity and Compliance with Employment Laws. Sharecare warrants that in providing the goods and/or Services specified herein, it will comply with the following laws, executive order, and the regulations promulgated thereunder, as the same may be amended, when applicable: (A) the Vietnam Era Veterans Readjustment Assistance Act of 1974, (B) Executive Order 11246, and (C) the Rehabilitation Act of 1973. Any clause required to be set forth in a document of this type by such laws, administrative regulations or executive orders shall be deemed to be incorporated herein by this

reference. Sharecare shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, disability, or protected veteran status. If applicable to the Services hereunder, Sharecare and any permitted subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans. If applicable, Sharecare and any permitted subcontractor shall also abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

- 31. **Not Excluded.** Sharecare warrants that, to its knowledge, neither Sharecare nor its employees or agents performing Services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing Services under this Agreement is excluded, Sharecare will replace that employee/agent within a reasonable time. If Sharecare is excluded, Enterprise Customer may terminate this Agreement, without penalty and with applicable refund, upon written notice to Sharecare.
- 32. **Insurance.** Sharecare shall maintain in effect throughout the term of this Agreement general liability insurance in the amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate.
- 33. **Access to Records.** In accordance with Section 952 of the Omnibus Reconciliation Act of 1980, Sharecare agrees that the books and records of Sharecare related to this Agreement will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the Services to be performed under this Agreement are performed by any subcontractor of Sharecare at a value or cost of \$10,000 or more over a twelve (12) month period, Sharecare shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. This Section shall be of no force and effect if it is not required by law.
- 34. **Entire Agreement.** These terms and conditions herein, including any Exhibits attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof; all prior agreements, representations, statements, negotiations and undertakings, whether written or oral, are superseded hereby. This Agreement may be supplemented, amended or revised only by a writing that is signed by each of the Parties.

ENTERPRISE CUSTOMER:

By: _____
(Signature)

Name: Pete Delgado

Title: President/CEO

Email: _____

Address: Salinas Valley Memorial Healthcare System

Attn: Office of the President/CEO
450 E. Romie Lane
Salinas, CA 93901

SHARECARE:

By: _____
(Signature)

Name: _____

Title: _____

Email: _____

Address: 255 E Paces Ferry Rd. NE
Suite 700
Atlanta, GA 30305-2233

EXHIBIT A

Sharecare Background Check Requirements

1. **Background Checks.** To the extent permitted under applicable law, Sharecare will complete the background checks required in this Exhibit A prior to Personnel performing Services.
2. **Personnel Security.** Sharecare will maintain Personnel policies and practices restricting Access to Protected Information, including having written confidentiality agreements with, and performing background checks in accordance with applicable laws on, all Personnel who Access Protected Information or who maintain, implement, or administer Sharecare's information security program and Safeguards.
 - a. **Prohibited Parties/Terrorist Watch List.** Sharecare will perform Prohibited Parties/Terrorist Watch List checks on all Personnel performing Services.
 - b. **Criminal Court / Social Security Number.** If the Services involve unescorted access to Enterprise Customer's facilities, remote access to Enterprise Customer's internal systems, or access to an individual's personal property or Personal Information, Sharecare will additionally perform the following checks on Personnel performing such Services: (A) criminal court checks for all counties of residence and work for the prior seven (7) years (or such period permitted by law); and (B) Social Security Number traces.
 - c. **Driving History.** If the Services involve driving, Sharecare will additionally perform Department of Motor Vehicles driving history checks on Personnel performing such Services.
 - d. **Credit.** If the Services involve access to Enterprise Customer's or its users' financial information, Sharecare will additionally perform credit checks on Personnel performing such Services.
 - e. **Fingerprint.** If the Services involve access to children, Sharecare will additionally perform fingerprint checks on Personnel performing such Services.
3. **Proper Notices; Consents.** Sharecare will provide all required background check notices to, and obtain signed consent from, Personnel.
4. **Personnel Eligibility Guidelines.**
 - a. **Ineligible to Perform Services.** Personnel may not perform any Services if a background check reveals the Personnel's name appears on the Prohibited Parties/Terrorist Watch list and the Personnel is not able to prove error.
 - b. **May be Eligible to Perform Services but Requires Additional Review.**

- i. **Issues Requiring Additional Review.** Sharecare must perform additional review to determine if Personnel is eligible to perform Services if a background check reveals any of the following:
 - 1. **Criminal Conviction.** Personnel has any felony or misdemeanor criminal conviction within the last seven (7) years (or such period permitted by law).
 - 2. **Misrepresentation.** Personnel misrepresents: (a) identification numbers (e.g., Social Security Number); or (b) any educational or technical qualifications even if not required to perform the Services, including: (i) an educational degree not earned; (ii) an educational degree for which there is no record of it being earned; or (iii) a different major of study than recorded.
 - 3. **Driving History Issues.** For driving history checks: (a) Personnel's driver license is currently suspended or revoked; or (b) Personnel has: (i) two or more driving violations in a three (3) year period; or (ii) two (2) or more convictions in the last five (5) years for driving while under the influence or driving while intoxicated.
 - 4. **Credit Report Issues.** For credit checks, Personnel's credit report shows: (a) one (1) or more items in collections, public records or negative accounts; (b) unpaid collections balance greater than or equal to US\$1,000; or (c) any pending bankruptcy or fraud case.
- ii. **Sharecare to Perform Additional Review.** Sharecare is responsible for performing any additional review to decide whether Personnel is eligible to perform the Services.

5. Verification of Background Checks. Upon request, Sharecare will provide to Enterprise Customer or its third-party vendor verification that it conducted background checks.

6. Definitions.

“Access” means to create, collect, acquire, receive, record, consult, use, process, alter, store, maintain, retrieve, disclose, or dispose of.

“Personal Information” means (i) any information about an identified or identifiable individual; or (ii) information that is not specifically about an identifiable individual but, when combined with other information, may identify an individual. Personal Information includes names, email addresses, postal addresses, telephone numbers, government identification numbers, financial account numbers, payment card information, credit report information, biometric information, IP addresses, network and hardware identifiers, and geolocation information.

“Personnel” means all employees and agents of Sharecare and its subcontractors and their agents.

“Protected Information” means Personal Information and Enterprise Customer Confidential Information that Sharecare or a Third-Party Provider may Access in performing Services. Protected Information does not include the parties’ business contact information (specifically, business addresses, phone numbers, and

email addresses, including a party's contact persons' names used solely to facilitate the parties' communications for administration of the Agreement).

"Safeguards" means that at all times that Sharecare has Access to Protected Information, Sharecare will maintain reasonable administrative, technical, and physical controls designed to ensure the privacy, security, and confidentiality of the Protected Information ("Safeguards") that comply with this Exhibit, applicable standards, and applicable laws.

"Services" means the services that Sharecare provides to Enterprise Customer under the Agreement.

"Personal Information" means (i) any information about an identified or identifiable individual; or (ii) information that is not specifically about an identifiable individual but, when combined with other information, may identify an individual. Personal Information includes names, email addresses, postal addresses, telephone numbers, government identification numbers, financial account numbers, payment card information, credit report information, biometric information, IP addresses, network and hardware identifiers, and geolocation information.

"Prohibited Parties/Terrorist Watch List" means Sharecare will perform Prohibited Parties/Terrorist Watch List checks on all Personnel performing Services.

"Third-Party Provider" means any parent Sharecare, subsidiary, agent, contractor, sub-contractor, sub-processor, or other third party that Sharecare authorizes to act on Sharecare's behalf in connection with performing Services.

Appendix A

SCOPE OF SERVICES

1. **Order Term.** The initial term of this Order shall commence on the “Order Effective Date” set forth on the cover page and continue for the “Term” set forth on the cover page, unless earlier terminated in accordance with the Agreement. This Order shall automatically renew for successive periods of one (1)-year unless either party elects not to renew the Order at least ninety (90) days prior to the then-applicable expiration date.
2. **License Grant.** Subject to the terms and conditions of this Order and the Agreement, Sharecare hereby grants to CLIENT, and CLIENT accepts from Sharecare a worldwide, revocable, non-exclusive, non-transferable license during the Term to use the “Licensed Products and Services” as described herein. Sharecare shall own all right, title and interest in the Licensed Products and Services except for this grant of license.
3. **General Description.** The Sharecare Digital Platform (“Sharecare Digital Platform” or “Platform”) provides mobile- and web-based information, tools, and programs designed to: support and improve the health and wellbeing of Users as defined below; report insights and analytics; promote engagement; enhance access to available benefits, resources, and programs; and provide all of one’s health information in one place. CLIENT co-branding is broadly available within the Platform per Sharecare’s co-branding design specifications.

“Users” are defined as Eligible Members who are registered with the CLIENT-sponsored platform. “Eligible Members” are individuals associated with CLIENT through an employment and/or customer relationship who are deemed eligible for a specific service as defined by mutually agreed criteria and applicable eligibility data provided by CLIENT. For reference:

- A. In an employer client context, Eligible Members typically consist of employees (“Employees”) and benefit-enrolled spouses, domestic partners and adult dependents.
- B. In a health plan client context, Eligible Members typically consist of subscribers, spouses, domestic partners, and all dependents associated with CLIENT’s employer group plans (“Client Groups”), individual plans, and other specified lines of business. Though minor dependents generally will not engage in services, they are usually considered Eligible Members for applicable billing purposes.
- C. In a health system client context, Eligible Members typically consist of patients (“Patients”).

While this Scope of Services outlines Sharecare’s general suite of products of services, Licensed Products and Services purchased by CLIENT will be more specifically set forth in Fee Table 1. “Point Solutions” are optional services that may be selected by CLIENT on a case-by-case basis; unless otherwise specified herein, Point Solutions require additional terms and fees to be agreed upon by the Parties via a Point Solutions Addendum. Pricing for Point Solutions and other optional items, if purchased by Point Solutions Addendum or other writing (email sufficing), may be set forth in the Point Solutions Addendum or the additional fee tables (the “Rate Cards”) attached hereto.

4. **Standard Sharecare Digital Platform Features.** All versions of the Sharecare Digital Platform include the features described below (with some variation, if noted).
 - A. **RealAge Test and RealAge Program.** The RealAge Test is a core element of the Sharecare Digital Platform and a central part of User onboarding and registration flow. The RealAge Test provides the User’s RealAge, a single metric for health and information on behavior modification. The RealAge Test will be delivered to Users digitally through the Sharecare Digital Platform.

The RealAge Program is Sharecare’s digital, self-managed, self-service healthy behavior program targeting the four highest lifestyle risks — stress, sleep, nutrition, and activity — that integrates with all native features of the Sharecare platform, drives sustained engagement with all Users across the spectrum of health and lifestyle risk, and promotes behavior change that can positively impact mortality as measured by RealAge. Upon completion of the RealAge Test, the RealAge Program is promoted to the User with

recommended areas of focus. Users set goals, are delivered personalized programming and tips to make healthy changes to their lifestyle, and are encouraged to track their progress.

B. **Health Profile.** The “Health Profile” is a personalized and secure place for Users to view their historical and current health information in multiple categories. All data and derived insights presented in the Health Profile are dependent upon the data mapped/provisioned into the Sharecare Digital Platform via standard data ingestion processes and sources which may include, as applicable, CLIENT-provided data feeds (e.g., medical and pharmacy claims, lab data, etc.), self-reported User data (e.g., RealAge Test, Green Day Trackers, etc.), and data from certain Sharecare-provided services (e.g., biometric screenings). Information presented in the Health Profile may include:

- RealAge score
- Biometrics data
- Medical conditions
- Medications
- Medical procedures
- Demographics
- Immunizations
- Lab tests.

C. **Health Content.** The Sharecare Digital Platform delivers information from vetted health experts in a way that is practical, approachable, and personally relevant to each User. Sharecare shall provide access to its medically reviewed content library containing searchable items, including videos, articles, topics, and assessments. Sharecare’s Advisory Board of clinical experts meets weekly to review content before it is published, and all published pieces are reviewed at minimum every two years and updated or corrected if necessary. Sharecare is accredited by the National Committee for Quality Assurance (NCQA) with respect to all content available to Users. This content library, in tandem with personalized insights, creates a unique and tailored experience for Users based on their comprehensive Health Profiles and helps them find answers, advice and resources that are right for them. Ongoing access to new and refreshed content will be made available to Users as developed and applicable. Users will have the ability to subscribe to content channels based on RealAge Test recommendations and/or personal preferences; the RealAge Test Risk Programs are content series personalized based on RealAge Test answers.

D. **Green Day Trackers.** The Sharecare Digital Platform includes built-in frictionless and self-reported trackers to monitor various key health indicators, including stress, activity (i.e. steps), sleep, relationships, weight, blood pressure, blood glucose, cholesterol, smoking, drinking, diet, fitness, and medications (“Green Day Trackers”). Completion of these trackers within targeted ranges contribute to the earning of Sharecare’s proprietary Green Days, which relate to improvements in Users’ RealAge. Green Day Trackers are integrated with Apple Health, Google Fit, Samsung, and FitBit applications, allowing many devices and apps to link to Sharecare. Future integrations offered by Sharecare using new tracking devices and/or technologies will be made available as developed. Third-party tracking features are subject to the limitations of the third-party product offering, and such third parties are not affiliated with this Order.

E. **Find-a-Doctor.** The Find-a-Doctor tool allows Users to search, filter and contact providers nationwide for their specific healthcare needs. Users can search on specialty, location and physician name and filter based on gender, years of experience, hospital affiliation and insurance. Standard physician profiles are maintained and curated by Sharecare’s Provider Data Team. Upon CLIENT’s request, Sharecare can suppress the Find-a-Doctor tool.

F. **AskMD Symptom Checker.** AskMD provides an evidence-based symptom checker tool that prepares the User for a provider visit.

- G. **Discover Experience and Community Well-Being Index.** The Discover Experience, which includes the Community Well-Being Index (“CWBI”), provides a highly personalized experience for Users to explore a connection between their health and their community health and discover healthy places nearby to take a healthy action (e.g. parks, healthcare, healthy restaurants). If enabled by CLIENT, Users may take a “Health Selfie” to enable estimates of measures such as height, weight, and BMI. The “Your Health” module within the Discover Experience is based on RealAge Test answers and allows Users to compare health metrics with selected cohorts from the User’s community and other locations. The CWBI is an interactive map that uniquely measures well-being across people and places based on 10 individual and social health factors; the “Your Community” module of the Discover Experience provides results of the CWBI that are applicable to the User’s community.
- H. **Benefits Card Wallet.** Users can store up to four cards such as a digital rewards card and/or health, dental, and vision insurance cards.
- I. **Financial Wellness Assessment.** Sharecare’s proprietary questionnaire assessing financial health.
- J. **Marketing and Communications.**
 - i. **Communication Plan.** Sharecare will provide a best-practices communication plan and access to a digital library of materials for CLIENT self-service configuration.
 - ii. **Feature Messaging.** Automated, user-specific messaging promoting enrollment, participation, and re-engagement with platform features such as the RealAge Test, challenges (if applicable), rewards (if applicable), and more. Feature messaging is an integrated element of the Platform that is not customizable by CLIENT, except for limited CLIENT-branded feature messaging related to Challenges as described in the “Challenges” section. Feature messaging may be deployed through in-app messaging, push notifications, and/or SMS messaging. If client opts out of SMS messaging for the Platform configuration, then feature messaging will not be deployed via SMS messaging. This opt-out must be wholesale and cannot be made on a campaign-by-campaign basis.
- K. **Registration and Authentication.** Sharecare will create a co-branded web landing page with a call to action for the Eligible Members to create a Sharecare account. Registration will minimally include data elements such as name, date of birth, zip code, email, gender, password and a CLIENT-specified identifier that is hard to guess and will typically only be known to the User, such as the last four digits of a SSN or a Member Unique Identifier, as well as opt-ins for the Sharecare platform Terms of Use, Privacy Policy, and HIPAA and GINA authorizations as approved by CLIENT, if applicable. Eligible Members will be able to register for the Sharecare Digital Platform through either a co-branded landing page or through a co-branded mobile-responsive web landing page on their smartphone and successfully authenticate.
- L. **Browser Availability.** The Sharecare Digital Platform is optimized for the following browsers as of the Effective Date: Chrome, Mozilla Firefox, Microsoft Edge, and Safari. Additionally, Sharecare provides native applications for iOS and Android as well as a comparable mobile responsive web experience accessible from all major smartphone browsers (as of the Effective Date, Chrome, Mozilla Firefox and Safari). Sharecare continues to evaluate full browser optimization expansion to other platforms.
- M. **Language Support.** The default language of the Sharecare Digital Platform is US English. The Platform is also translated into several additional languages (“Foreign Language(s)”), which may be selected by CLIENT during the implementation process, and by Users from among the CLIENT-selected language options during registration or at any time via User Settings. Any Foreign Language support beyond the provisions specified in this section are considered custom, subject to Sharecare approval, and may entail additional fees (see Fee Table 1 and/or Rate Card as applicable).
 - i. **Foreign Languages Supported.** Sharecare currently supports the following Foreign Languages: English (UK), Spanish (US, Latin American, European), Chinese (Mandarin), Dutch, French

(European and Canadian), German, Hindi, Italian, Japanese, Korean, Malay, Portuguese (Brazilian) and Russian. Additional languages may become available over time at Sharecare’s discretion.

- ii. **Features Supported in Foreign Languages.** Many Platform features are supported for domestic and international Users both in US English and Foreign Languages, including but not limited to registration/onboarding, the RealAge Test, RealAge Program, Feature Messaging, and Green Day Trackers (except medication trackers), and communications and challenges from Sharecare’s “best of” libraries. Some features, including but not limited to the Health Profile, custom marketing campaigns and challenges, and some Health Content, are limited or not available in Foreign Languages, or are available in Foreign Languages for additional fees (see Rate Cards as applicable).

5. **Premium and Variable Services.** To the extent included in Fee Table 1, the Sharecare Digital Platform provided to CLIENT will include the features described below:

A. **Challenges.** Sharecare will configure the number of challenges specified in Fee Table 1. The Parties will mutually agree on the configuration for such challenges, which cannot be edited once the enrollment period for a given challenge has begun. Configuration aspects include:

- The CLIENT’s and applicable Client Groups’ logo-branding on the timeline cards announcing the challenges and on feature messaging regarding the challenges.
- Cohort segmentation (e.g. office locations, spouses v. employee, union v. management). The targeted cohort will be determined by data from the Eligibility File.
- Details such as type of challenge (e.g., individual, team, etc.), start and end date of challenge, target group for challenge.
- Tracking activity such as steps, sleep, weight, stress or relationship. Additional (self-reported) tracking options may include smoking, alcohol consumption, blood glucose/A1c. As part of the “Challenge Series” feature, a single challenge may contain multiple activities.
- Whether participation is incentivized according to the guidelines and compliance of the incentive plan.

All other configurations will be selected from Sharecare’s “Best Of” challenges library. An associated messaging campaign (see “Feature Messaging”) is included to promote each challenge. Challenge leaderboards and social features (e.g. nudges, reactions) may be configured on or off by CLIENT.

B. **Incentive Administration.** The Sharecare Digital Platform can track and reward each User based on completion of select Platform and/or external activities, which may be configured to allow for a lookback period prior to a specified date as necessary. Some activities are dependent upon the availability of certain data (e.g., biometrics, claims, external, etc.), and upon any configuration parameters defined in the fee tables. Potential activities may include, but are not limited to, completion of:

- the RealAge Test
- a biometric screening, if using Sharecare’s biometrics vendor
- a preventive screening
- a challenge
- a self-attestation activity from the Sharecare library
- an external activity such as coaching call, onsite service, or education webinar.

During CLIENT’s initial implementation as more fully set forth in the Implementation Plan, the parties will mutually agree on objectives and key results (“OKRs” or “Objectives and Key Results”) and solution design requirements (“SDRs” or “Solution Design Requirements”), as well as the data files needed and the ingest

process to track status. Configurations are determined based on the OKR process and development of a Solution Design Requirement document between the Parties, revisited annually.

Sharecare's incentive administration includes, as applicable, CLIENT incentives consultation and standard incentive program setup; management of the defined program rules, dates, and criteria to earn incentives in consultation with and deference to CLIENT; tracking of activities and performance for each member; display of program details and member incentive points/status on the platform; connectivity with reward redemption options and information; and access to incentive data. Incentive program configurations and reward options may be limited and subject to fees as set forth in Fee Table 1 and/or the Rate Cards.

C. **Rewards.** Sharecare offers several rewards and fulfillment options to meet your program needs.

- i. **Client-Administered Rewards.** Sharecare supports CLIENT-administered rewards such as premium reductions, HSA contributions, and Paid Time Off (PTO) by providing CLIENT or its third-party vendor(s) with incentive files delivered via secure FTP in Sharecare's standard format. This approach may also be applied to support reward fulfillment through CLIENT's third-party vendor as applicable.
- ii. **Sharecare-Fulfilled Rewards.** In coordination with its reward fulfillment vendor, Sharecare offers several reward options that may be fulfilled automatically upon User achievement of defined incentive requirements. Available options such as prepaid digital Visa reward cards (note Visa is not affiliated with Sharecare) are specified in the Rate Cards and subject to certain restrictions, such as availability in standard denominations of \$10, \$25, \$50, and \$100.

- a. **Incentive/Rewards Funding** (applicable if CLIENT elects to use Sharecare's rewards fulfillment vendor; prefunding for alternate vendors is subject to the mutual agreement of the Parties).

- a. CLIENT shall pay Sharecare for its incentives in advance of reward redemptions by setting up a pre-funding account with and sending funds directly to Sharecare's third-party subcontractor, who shall only deliver incentives services according to the terms of its agreement with Sharecare. Reward funds will be drawn from the pre-funding account as User rewards are redeemed. Reward funding invoices will be issued monthly based on their Users' redemptions from the previous month, and CLIENT's payment of these invoices shall be used to replenish the pre-funding account. When the pre-funding account balance is empty, rewards will be held until it is replenished by CLIENT. Payment to the pre-funding account shall be made via direct deposit (ACH), wire, or check.
- b. For each incentive program or collection thereof as applicable, Sharecare will recommend an "Initial Funding Deposit" amount to cover the first month's estimated redemptions based on analysis of program activities, enrollment, start/end/activity dates, and rewards configuration. The Initial Funding Deposit must be provided by the mutually agreed funding deadline for Sharecare to launch the rewards component of the incentive program.
- c. Sharecare will monitor redemption amounts and trends in order to help CLIENT manage any issues that may arise. Actual redemption trends and changes to the program structure may necessitate funding changes to avoid redemption delays.

Page 48 of 156

- b. **Rewards-related Fees.** All rewards-related fees such as redemption fees for fulfillment of reward cards or applicable setup fees are as set forth in the Rate Cards.
- c. **Rewards Marketplace.** The Rewards Marketplace ("Marketplace") is a website administered by Sharecare's third-party subcontractor in which Users may select from available reward options in accordance with standard configurations selected by CLIENT. Multiple client incentive programs may be associated with the same Marketplace, which may be in effect over multiple years. Any changes to the configuration will constitute a

new setup subject to fees as detailed in the Rate Cards. See the Rate Cards for availability and applicable fees.

D. **Benefits Hub.** Sharecare will provide CLIENT Users access to a configurable benefits hub. The benefits hub provides a permanent home within the Digital Platform for applicable Sharecare and CLIENT third-party vendor programs (including but not limited to Point Solutions) for convenient User connectivity to available benefits. Sharecare will provide the number of external links set forth in Fee Table 1.

E. **Client Marketing Campaigns.** The Sharecare Digital Platform will include CLIENT-specific messaging campaigns in addition to standard automated messaging. Such campaigns will trigger communication cards to Users' timelines based on rules established and confirmed with the CLIENT for specified cohorts; select rules are automated and not configurable by CLIENT. As applicable, these cohorts can be identified based on medical claims, prescription claims and biometrics data for some health conditions like diabetes and asthma, risk profiles for certain conditions like high blood pressure and cholesterol, and certain diagnosis and procedure codes such as preventive visits and mammograms. If purchased by CLIENT, cohorts can also be defined based on data in eligibility files such as age, gender, zip and city, or on CLIENT-provided attribute files to promote preventive care, risk management, site-of-service and care gaps. The Sharecare Digital Platform supports multiple modalities to communicate to members including in-app messaging, push notifications and emails.

Sharecare shall deliver a defined number of messaging campaigns annually as set forth in Fee Table 1, after mutual discussion and approval by CLIENT. Campaigns shall include an average of four (4) event cards. Campaign cadences include weekly (four cards per campaign, one per week), bi-weekly (four cards per campaign, one card every other week), or monthly (four cards per campaign, one card per month). Feature Messaging as defined above does not count toward CLIENT's campaign limit.

F. **Tailored Communication Plan; Sweepstakes Administration.** Sharecare will provide CLIENT with a marketing specialist who will meet with CLIENT initially to understand its unique circumstances, needs, and challenges, and will develop a plan designed to meet those specific communication goals. Apart from such marketing and communications consulting, Sharecare offers sweepstakes/promotion administration services, including presenting a first draft of promotion rules for CLIENT's review, receiving alternate (e.g. mail-in) entries, drawing winners, and providing winner acceptance documentation. Sweepstakes/promotion administration fees are billed separately, per the Rate Cards. CLIENT will be listed as the sponsor of sweepstakes / promotions administered on its behalf by Sharecare.

G. **Single Sign-On.** Sharecare will provide inbound web-based single sign on (SSO) capabilities from a CLIENT website for registration and login only. Deep-linking is supported, i.e. straight to certain parts of the Digital Platform such as the health profile, challenges, rewards programs and AskMD. Inbound SSOs must provide identifiers that can be validated against a CLIENT-provided eligibility file. Additionally, the Sharecare Digital Platform supports outbound web-based SSO capabilities to a CLIENT or third-party partner website. Deep-linking can be configured if the CLIENT or third party partner supports the capability. Outbound SSOs can only provide identifiers that can be obtained from a CLIENT-provided eligibility file. The CLIENT or third-party partner website must be mobile-responsive.

H. **International Features.** While the Sharecare Digital Platform is widely available outside the U.S., Sharecare will work with CLIENT to more specifically identify and address CLIENT's specific international needs. Most standard features are available to international Users; however, certain exceptions apply, including but not limited to the Your Community module, Find-a-Doctor, AskMD, and the Health Profile.

I. **Care Console.** Sharecare offers a self-service administrative console with the following modules, some or all of which may be available to CLIENT per the number of licenses set forth in Fee Table 1.

- i. **Member Management Module.** Sharecare will provide CLIENT with access to the Sharecare Member Management module to enable CLIENT customer support representatives and coaches to view User-level utilization data, including but not limiting to participation information regarding challenges, rewards/incentives, RealAge Test and more, as applicable. The extent of CLIENT's self-service functions via the Member Management platform will be subject to CLIENT's preferences and will be mutually agreed upon between the Parties. Sharecare will provide to CLIENT the number of licenses for the Member Management module set forth in Fee Table 1. CLIENT personnel shall act at all times in compliance with applicable law in operating the Member Management tool and all self-service tools in this section; Sharecare will not be responsible for acts or omissions of CLIENT in connection with the self-service tools to the extent they are outside of Sharecare's control.
- ii. **Communications Module.** Sharecare will provide CLIENT with access to the Sharecare Communications Module that will allow CLIENT to create, publish and deliver CLIENT-hosted content, messages, notifications, calls-to-action and promotional marketing campaigns to targeted cohorts of Users / Eligible Members defined by certain criteria in eligibility files as well as certain characteristics, e.g. some medical conditions or certain data in medical and prescription claims or defined in CLIENT-provided member attribute files. CLIENT will define cadence and frequency of messaging, based on CLIENT objectives and standard messaging already within the platform, and taking best practices and other guidance provided by Sharecare account and implementation teams. Sharecare will provide to CLIENT the number of licenses for Communications Module set forth in Fee Table 1.
- iii. **Challenges Management Module.** Sharecare will provide CLIENT with access to the Sharecare Challenges Management module allowing the CLIENT to issue challenges to Users. The Parties will mutually agree on a resource plan to support configuration of challenges. The tool allows the CLIENT to administer:
 - The CLIENT's and applicable Client Groups' logo-branding on the timeline cards announcing the challenges.
 - Challenges configured by group segment (e.g., employer or targeted segment). The targeted group will be determined through eligibility of the User with a group ID.
 - Challenge details such as type of challenge, name of challenge, description of challenge, duration of challenge, target group for challenge, leaderboard, and social features.
 - Tracking activity such as steps, sleep, weight, stress or relationship. Additional (self-reported) tracking options may include smoking, alcohol consumption, blood glucose/A1c.

Sharecare shall provide to CLIENT the number of licenses for the Challenges Management module set forth in Fee Table 1. Challenges cannot be edited once the enrollment period for that challenge has begun. Challenges cannot be added to an incentive plan program once its participation period has been started but can be independently run. Challenges as an incentive activity may not be available for all clients.

- iv. **Rewards & Fulfillment Module.** The Sharecare Rewards & Fulfillment module will allow CLIENT to configure its own rewards/incentive program and expand the incentive offering to the CLIENT's Users, Client Groups and market segments. The Rewards & Fulfillment tool allows CLIENT to view incentive activity information (activity type, start/end date, etc.) and act on pre-defined User groups and pre-configured activities and packages. Sharecare works with a third-party provider for administering redemptions and fulfillment. Should CLIENT elect to use a different third-party vendor for fulfillment, Sharecare's Rewards & Fulfillment tool will still allow CLIENT to configure and manage incentives; Sharecare's incentive reporting will be leveraged to give CLIENT and its vendor a comparable degree of self-service as is offered through the Incentive Plan Manager tool. Sharecare will provide

completion data for incentive events to CLIENT for fulfillment with CLIENT's vendor. Sharecare will provide to CLIENT the number of licenses for the Incentive Plan Manager tool set forth in Fee Table 1.

- v. **Reporting & Insights Module.** Sharecare shall provide CLIENT with cloud-based direct access reporting dashboard screens that may be exported into PDF format and .csv format, and filtered by attributes for report customization. CLIENT shall have access to dashboards that provide actionable reporting analytics that include aggregate and segmented engagement trends and outcomes relevant to the User population. Dashboards can be segmented by health condition, geography, demographics, and other segmentations specific to CLIENT. The standard reports available to CLIENT include core indicators tied to progress towards overarching outcomes like RealAge Test completions, RealAge delta (RealAge versus actual age), Sharecare Digital Platform usage, and Green Day Tracker progress (activity, steps, stress, and relationships). Sharecare shall provide CLIENT with a variety of reporting subject areas via the Reporting & Insights Module, and contents will be dependent on the CLIENT offering across standard services and point solutions. Examples of such subject areas include:

- Member Onboarding
- Rewards & Fulfillment
- Challenges
- Digital Engagement
- Health Insights
- Programs
- Coaching
- Outcomes.

6. **Data Management.** The Sharecare Digital Platform will include the following data management components, which are standard unless otherwise noted.

- A. **Data Governance and User Status Transition.** Sharecare shall provide the Licensed Product and Services to CLIENT as its business associate with respect to its Eligible Members' use and participation in the services, and all data operations regarding Protected Health Information shall be in accordance with HIPAA, unless CLIENT is not a Covered Entity as defined by HIPAA. The Parties acknowledge that the efficacy of the Licensed Products and Services relies on a direct-to-consumer approach by which the individual may manage his or her health on the Sharecare Digital Platform, whether as an Eligible Member associated with CLIENT or not. As such, Sharecare shall provide the following services as an Eligible Member transitions to and from a non-CLIENT-associated user (hereinafter a "Consumer User") to a User and vice versa:

- i. **Initial Notification of Eligible Members.** Sharecare will provide CLIENT support for notification to each Eligible Member that he or she is eligible to receive the CLIENT-specific Sharecare Digital Platform services, and a link to the CLIENT enrollment page. If any such Eligible Member has been Consumer User prior to joining the CLIENT enterprise program, information entered as a Consumer User will be transferred to his/her User account so long as the individual consents to such transfer via the HIPAA Authorization.
- ii. **Onboarding of Users.** Upon arrival at the CLIENT enrollment page, Sharecare will provide the Eligible Member with the option to create a new account or link to an existing account and prompt the Eligible Member to include his or her CLIENT registration information. In the event Sharecare is able to link such registration information provided by the Eligible Member to the CLIENT eligibility file, then Sharecare will present such Eligible Member with (i) Terms of Use, (ii) Privacy Policy and (iii) a HIPAA Authorization to obtain such User's consent and approval. Such items (i)-(iii) shall be shared by Sharecare with CLIENT prior to launch of the Sharecare Digital Platform with respect to CLIENT Eligible Members. Upon Sharecare's confirmation that the Eligible Member is within the eligibility file and obtaining approval to mandatory items (i)

and (ii) noted above, Sharecare will provide such individual with access to the Licensed Product and Services.

- iii. **Notification Upon User Termination.** In the event a User ceases to be eligible to access the Licensed Products and Services as provided on behalf of CLIENT, Sharecare may invite such individual to transition to become a Consumer User (i.e., with access to those features generally made available to members of the public).
 - iv. **Off-Boarding of Users.** Within a reasonable time period both before and after such individual ceases to be an Eligible Member, Sharecare may notify the individual that he or she may continue to access certain Sharecare services and resupply to such individual, to the extent required, Sharecare's Terms of Use, Privacy Policy, and HIPAA Authorization to obtain such individual's consent to Sharecare's continued collection and retention of the individual's Protected Health Information.
- B. **Data Ingest.** Sharecare will support inbound data transmissions from CLIENT via Secure FTP in order to update Users' Health Profiles and drive healthy behaviors or enable other Licensed Products and Services. As part of the implementation process, the exact file formats and file types will be mutually agreed upon between Sharecare and CLIENT to ensure compliance with Sharecare data model specifications, as applicable.
- C. **Data Ingest Limitations and Response File.** CLIENT may transmit data no more than once daily. Initial data feed setup requires receipt of a production-ready file up to 90 days ahead of the Program Start Date as agreed upon by the parties ("Program Start Date"), beginning after specifications and a production-ready file are approved by Sharecare and CLIENT. Final production data to support the launch (i.e. the full eligibility file for Users who will be on-boarded as of the Program Start Date) must be provided 30 days prior to such Program Start Date. Subsequently, and for Client Groups added to the eligibility file after the Program Start Date, Sharecare will complete the processing of such information, provided that the data structure of the file has not been changed, within 48 hours of receipt of such updated file.

Sharecare will make available output from the ingest process through a response file process. This will be made available for eligibility and external event file types only. Sharecare will acknowledge file receipt and notification of any errors, exceptions, and rejections, and logging of file processing the same day that the file was received. Sharecare will provide a secure file exchange via SFTP for data exchange with CLIENT.

7. **Reporting and Analytics.** In addition to the **Reporting & Insights Care Console** module identified above, Sharecare will provide the following reporting and analytics.

i. **Quarterly Business Review**

- a. The Quarterly Business Review (QBR) (minimum 50 RealAge Test completers) provides CLIENT with statistics and insights about how the User population is onboarding onto the Sharecare Digital Platform, engaging with specific platform features, participating in targeted intervention programs, and demonstrating behavior change to impact key health risks and conditions identified in the population. The QBR is provided on a quarterly basis in presentation format.

Page 52 of 156

ii. **User-Level Data Extracts**

- a. **Overview:** In addition to the aggregate reporting described above, Sharecare provides User-level data extracts. Sharecare shall provide standard measures that can be extracted on a regular cadence to support User-level datasets for incentives fulfillment, reporting, segmentation and stratification, and

integration into care coordination ecosystems. Fees for data extracts may apply if set forth in Fee Table 1 or Rate Card or change order.

b. **Extract Components:** Sharecare standard extract is delivered monthly and includes data elements across User states, User behaviors, and User attributes. Sharecare will provide a data dictionary of extracts to CLIENT and provide updates as extract definitions change. Components may include the following, as applicable, but are subject to change:

- RealAge: includes whether an individual has started, completed, and updated the RealAge test as well as responses to questions and derived scores such as User RealAge and well-being index scores (as applicable).
- Membership: Information about an individual participant that enables grouping of services and reports.
- Incentives: User-based activity and achievement incentive plan with a configurable Marketplace for rewards based on levels of achievement.
- Coaching (if applicable): Multi-channel, hyper-relevant, and personalized content based on platform and coach interactions. Coach/nurse driven content pushed to User for intercession support, education, reminders, tracking, and encouragement.
- Health Profile: User-based health information: biometrics and lab results.

iii. **Sharecare Rewards Reporting**

A. **Rewards Fulfillment Reports (as applicable)**, available through Sharecare’s vendor, are as follows. All except the employer-administered, invoice, and tax reports are available via the self-service admin tool; others are provided by FTP weekly or monthly.

- *Point Balance*: Overall points balance and points earned per User by program
- *Enrollment*: Number of Users enrolled, by date, by program
- *Transaction*: Details of all transactions of spent points by program
- *Employer-Administered*: Enables employers to fulfill reward
- *Invoice Report*: Supports invoicing
- *Tax Report*: Enables employers to manage taxes associated with rewards
- *Redemption*: All redemptions per User per program
- *Participant Summary*: Shows how many people are participating in program
- *Sweepstakes*: A list of entries and winners
- *Adjustment Credit Report*

8. Sharecare Professional Services. The Licensed Products and Services shall also include the following:

A. **Implementation.** Sharecare will perform the implementation services and the Parties will comply with their respective obligations as set forth in the implementation plan to be mutually agreed upon in writing by the Parties (“Implementation Plan”).

B. **Customer Support Services.**

i. **Digital Platform Uptime.** The Sharecare Digital Platform has a targeted uptime of 99 percent, excluding maintenance time. Sharecare measures digital platform uptime through a third-party monitoring service that pings key servers every 60 seconds over the course of the measurement period. Every minute of uptime divided by the total number of minutes measured equals the uptime percentage. The composite uptime percentage for the digital platform is based on the average performance for each server associated with the key areas of log-in authentication, the homepage, Green Days trackers, incentives, and challenges. Planned maintenance windows are excluded from monitoring. Performance is measured independently for each program year quarter. Downtime due to issues beyond our control are excluded, e.g., AWS or power outages, DDoS attacks, etc.

ii. **Average Speed to Answer.** With respect to the customer service call center for the Sharecare Digital Platform (not including Point Solutions, which may have independent customer support services), Sharecare has a targeted average speed of answering inbound calls of 30 seconds. Based on CLIENT-specific customer service call data, the total duration of call response times divided by the total number of answered calls results in the average speed to answer. Response time is measured from entry of the call queue to the time the call is answered. Performance is measured independently for each program year month. In collaboration with the CLIENT, Sharecare will periodically forecast CLIENT call volumes based on available historical data and other information in order to plan staffing and maintain service levels—especially during incentive deadline periods. In addition, CLIENT will collaborate with Sharecare on the timing of emails and mailers to enable the customer service team to manage incoming call volumes.

iii. **Call Abandonment Rate.** With respect to the customer service call center for the Sharecare Digital Platform (not including Point Solutions, which may have independent customer support services), Sharecare has a targeted call abandonment rate of less than five (5) percent of inbound calls. Based on CLIENT-specific customer service call data, the number of abandoned calls divided by the total number of calls received into the queue results in the call abandonment rate. Abandoned calls are defined as inbound calls in the queue for 30 seconds or longer that disconnect before they can be answered. Performance is measured independently for each program year quarter and is contingent on a minimum of 125 calls during the quarter. In collaboration with CLIENT, Sharecare will periodically forecast CLIENT call volumes based on available historical data and other information in order to plan staffing and maintain service levels—especially during incentive deadline periods. Any one- or seven-day periods with call volumes exceeding 20 percent of forecast will be excluded from the calculation.

iv. Additional customer support provisions may be set forth in Fee Table 1.

Page 54 of 156

9. Pricing and Fees. The fees shall be as set forth in **Fee Table 1** or, to the extent such services are purchased separately by CLIENT, in the Rate Cards or a Point Solutions Addendum.



ORDER

This ORDER (the “Order” or “SOW”) sets forth the products and services to be offered by Sharecare Operating Company, Inc. (“Sharecare”) to Salinas Valley Memorial Healthcare System (“Client”) and includes the scope of services attached hereto as Appendix A (the “Scope of Services”). This Order is made pursuant to that certain Master Agreement between Sharecare and Client dated as of _____, 2022 (the “Agreement”).

Note: Capitalized terms used in this cover page have the meanings assigned to them in the Scope of Services and/or the Agreement.

Order Effective Date: _____

Program Start Date: _____

Term: Minimum of 36 months (3 years); annual auto-renewal thereafter

FEE TABLE 1: DIGITAL PLATFORM AND SUPPORT

Services and Components	Rates ¹
DIGITAL PLATFORM²	
<i>A comprehensive population health management platform that promotes well-being improvement to healthcare navigation in a personalized way</i>	\$3.75 PEPM
All standard features, challenges (6), client marketing campaigns (8), Benefits Hub external listings (8), communications, eligibility intake (1), other file imports (1), file exports (5), reporting licenses (2), population segmentation (3), incentive programs/activities (3/7)	Included
Reward fulfillment (optional): prepaid digital Visa reward cards	Face Value + \$2 Each
Implementation , fee waiver contingent on standard timing and provisions	\$25,000 <i>Waived</i>
¹ – PEPM = Per Employee Per Month. Rates apply for the first year from the Program Start Date and will increase by 3% annually thereafter.	
² – If the employee population declines by 10% or more for any two (2) consecutive months relative to the assumed population of 2,100 eligible employees (plus associated spouses), the Parties shall initiate good faith negotiations to determine appropriate price and/or service adjustments.	

Amendments to Scope of Services

-

[Signature page follows]



IN WITNESS WHEREOF, Sharecare and CLIENT execute this Order to be effective as of the Order Effective Date.

SHARECARE:

CLIENT:

By: _____

By: _____

Name: _____

Name: **Pete Delgado**

Title: _____

Title: **President/CEO**

Date: _____

Date: _____

POINT SOLUTIONS ADDENDUM TO ORDER

This Point Solutions Addendum (the “**Addendum**”) is entered into by and between Sharecare Operating Company, Inc. (“**Sharecare**” or “**Company**”) and Salinas Valley Memorial Healthcare System (“**CLIENT**”) as of _____, 2022 (the “**Addendum Effective Date**”), and is made pursuant to that certain Master Agreement between Sharecare and CLIENT dated as of _____, 2022 (the “**Master Agreement**”) and that certain Order between Sharecare and CLIENT dated as of _____, 2022 (the “**Order**,” or, together with the Master Agreement, the “**Agreement**”). Capitalized terms not defined herein shall have the meanings corresponding to them as set forth in the Agreement. If there is any conflict between any term of this Addendum and any term of the Agreement, the terms of the Agreement will apply. Sharecare and CLIENT each may be referred to in this Addendum as a “**Party**” and collectively, the “**Parties**.” This Addendum is hereby attached and made part of the Agreement and incorporated by reference into the Order as if fully set forth therein.

1. Purpose and Intent; Term. This Addendum will set forth additional Licensed Products and Services, as defined in the Order, to be provided by Sharecare to CLIENT. The term of this Addendum shall begin on the Addendum Effective Date and continue so long as the Order remains in effect unless earlier terminated in whole or in part in accordance with the Agreement (the “**Term**”).

2. Services. Sharecare shall provide the following services for CLIENT during the Term:

a. All Together Better (package).

i. Craving to Quit. Sharecare’s tobacco cessation program is designed to help Users who are ready to quit to permanently break their addiction to tobacco. Participants may select either a digital support approach that provides mobile and online tools, resources and messaging features with trained experts, or a one-on-one telephonic support approach with a designated tobacco cessation counselor. Nicotine Replacement Therapy (NRT) products (see Exhibit A) are recommended for improved results.

1. Enrollment. Enrollment in the tobacco cessation program is initiated by Eligible Members who are ready to quit smoking, triggering an enrollment fee upon explicit digital or telephonic consent to enroll.

2. Telephonic Service. The telephonic service option includes up to five (5) proactive interventions with a tobacco cessation counselor and unlimited inbound support. Pricing is subject to change for client incentives expected to drive utilization above natural utilization volumes.

3. *Digital Service*. The digital service option provides up to twelve (12) months of unlimited support for participants.

ii. Unwinding from Sharecare. Unwinding from Sharecare is an evidence-based digital program based on mindfulness. It helps participants deal with stressful events, build resilience, and develop a more focused, aware and mindful approach to life and work. Developed by psychiatrist and neuroscientist Jud Brewer, MD, PhD, Unwinding from Sharecare offers on-demand, in-the-moment tools to ease stress throughout the day. Users will have access to guided meditations, breathing exercises, videos, award-winning visual relaxation content, sleep tools, and live events to help them build resilience at home and in the workplace to manage stress when it strikes. Key features include:

- Video Lessons: Short, effective stress management course on how our minds work and how to use mindfulness to reduce stress
- Exercises: Guided breathing exercises to help users de-stress quickly
- Tools: Evidence-based mindfulness tools, including guided meditations that build resilience and decrease chronic stress
- Sleep Support: Including meditations and white noise tracks to help users get to sleep and stay asleep
- Visual Relaxation: Award-winning content from Sharecare Windows
- Expert Support: Live virtual events with experts such as Dr. Jud Brewer.

iii. Eat Right Now. Eat Right Now is an evidence-based program that combines neuroscience, mindfulness, and proprietary tools to help participants identify their emotional triggers, recognize cravings, stop negative habits, and develop positive eating habits and the emotional resilience to stick with them over time. All Users are eligible for unlimited access to this program. This program is delivered through a proprietary mobile application and includes daily exercises to overcome emotional eating, a daily activity tracker and success journal to stay motivated and focused on goals, weekly group video meetings with craving experts to help with specific challenges, expert-moderated community support, and tools to measure progress. This solution is integrated with and dependent upon the Sharecare Digital Platform. Page 58 of 156

iv. Unwinding Anxiety. Unwinding Anxiety is an evidence-based digital therapeutic that combines neuroscience, mindfulness, and proprietary tools to help participants identify their anxiety triggers, endure and manage stressful episodes, and completely change and improve their relationship

with stress. The progressive program is a 30-day mindfulness plan consisting of 31 individual modules with short daily exercises to help users learn how their minds work so habits can change. Users will learn how to switch gears the moment anxiety and other unwanted sensations arise, and ultimately changing the “habit-loop” that leads to anxiety. Key features include:

- Community support: Experts and others living with anxiety provide support in a safe place
- Exercises: Mindfulness techniques teach participants how to stop anxiety and calm their mind
- Journaling: Allows participants to identify anxiety triggers and track progress
- Weekly expert calls: Experts address specific user challenges
- Video lessons: Learn why the brain becomes anxious
- Check-ins: Routine check-ins teach participants to break the cycle of worry.

b. Lifestyle Management. Lifestyle Management is a coaching program that delivers behavior change intervention, including nutrition, physical activity, stress, weight and tobacco cessation via one-to-one coaching, to Eligible Users who have been identified at risk and as having a combination of mitigable risk factors. Sharecare provides Eligible Users with access to trained health coaches via a two-way interaction through secure messaging or telephone. Coaches intervene with Eligible Users on actionable and lifestyle related health risks, as noted above.

i. *Selection of Coaching Participants*. The Lifestyle Management program is designed to identify and initiate proactive intervention with those individuals who have the highest combination of mitigatable risk factors shown to be predictors of cost and negative health outcomes. Multiple data sources are used to identify individuals who are at risk based on lifestyle behaviors, biometric/lab values, and health condition diagnoses. Data sources may include:

- RealAge Test, which provides a snapshot of individual’s well-being for health and risks by assessing eating, exercise, and sleep habits, along with family health history, social relationships, financials, behaviors, and existing health conditions;
- Self-Reported Biometric Screening or Lab data entered on the platform; and/or
- Biometric Screening data file feed (if applicable).

Upon receipt of the above-noted data, risk assessment analytics are performed using Sharecare's standard and proprietary Coaching Identification Algorithm to identify Eligible Users for coaching. Based on established and proprietary identification rules, Eligible Users are identified for enrollment outreach.

The Coaching Identification Algorithm is designed to identify individuals with health risks based on specific biometric values, lifestyle factors as well as emerging standards developed by Sharecare to identify health risks and their related interventions. The algorithm also identifies individuals for coaching interventions based on escalating cardiovascular and metabolic risk.

The algorithm checks for the presence of 18 different proprietary risk indicators and takes into account risk severity, as well as demographic information, such as gender. Individuals are recommended for coaching based on the presence of multiple risk indicators.

- ii. *Lifestyle Management Program Enrollment.* An Eligible User becomes a Lifestyle Management participant ("Coaching Participant") when there is a two-way interaction via email or via telephone through which the participant indicates his/her intent to enroll. Sharecare provides Lifestyle Management on a program year basis. A "program year" is the twelve-month period commencing on the date of Lifestyle Management enrollment for the individual. Regardless of the date of enrollment, Coaching Participants enrolled in each program year will receive Services for the full applicable program period ("the Program Period"). This Program Period lasts until the Coaching Participant completes the full length of programming, is placed into a self-directed level by a health coach per Sharecare's standard protocol or elects to discontinue participation in Lifestyle Management. As used herein, the "full length of a program" is twelve months, unless the participant elects to discontinue. An Eligible User may retrigger for coaching in future program years if he/she meets qualifying criteria.
- iii. *Lifestyle Management Coaching Interactions.* Per Sharecare's standard protocol, health coaches communicate with Coaching Participants via telephonic, digital, and/or other modalities and engage to guide Coaching Participants in tailored advising interactions. The number of interactions varies by the risks identified and the needs of the Coaching Participant.
 1. Standard outreach varies, beginning with an intense phase of coaching sessions occurring approximately every two weeks. This

phase is followed by a high and moderate phase with coaching sessions occurring approximately every four to six weeks. Our ‘failed attempt process’ is a series of calls and digital outreach delivered at varying days/times to attempt reaching the Eligible User at the most successful time.

2. Participant progress is tracked via the coach and via online engagement and data collection. Upon completion of the Program Period, the coach will offer re-enrollment as appropriate or enrollment in a different program that is more appropriate. While the Eligible User is engaged in a program, if there is a more appropriate program the Eligible User is eligible for (see alternate programs in this Addendum) and such program is available to the Eligible User, the coach will discuss the new opportunity and make the appropriate referral.
3. The coach will also appropriately transition the member to the RealAge Program as described above to maintain/continue progress with healthy changes upon program completion.

iv. *Coach Background and Hours of Operation.* At a minimum, Lifestyle Management coaches have a bachelor’s degree in a health-related field (nutrition, health promotion, exercise physiology, or behavioral counseling), and at least three years of related experience. All health coaches participate in three weeks of Sharecare’s experiential on-boarding learning experience, designed in collaboration with master coaches who have deep experience in positive psychology and strength-based coaching. On top of initial core training, which introduces colleagues to the work of coaching, care support, and introduction to our mission, values, and culture, coaches receive mentoring, ongoing training, and continuing education. Before they enter the live environment, coaches must have at least 40 hours of one-on-one mentoring and nesting, which will deepen their expertise and refine their abilities to ensure a safe, supportive experience for our client populations.

- Lifestyle Management hours are Monday through Friday 8:00 am-9:30 pm Central Standard Time (CST) and Saturday 8:00 am-6:30 pm CST.

Page 61 of 156

c. Disease Management. Sharecare’s Disease Management program is designed to reduce clinical events, short-term medical costs, and gaps in care by targeting support for Eligible Users among those identified with a “Core 5” condition, i.e., diabetes, heart failure, CAD, COPD, and asthma. Participants will receive

outbound support from a clinician for up twelve (12) months from enrollment depending on progress in managing their condition. Participants who remain eligible in subsequent program years will be targeted for renewed support.

- i. *Eligible User Identification Methodology.* Sharecare shall provide its standard Disease Management services to Eligible Users who qualify for the above Disease Management programs ("Disease Management Participants"). Eligibility for the Disease Management programs shall be based upon the criteria, algorithms, diagnosis, procedures and/or ICD-9, ICD-10, and NDC codes contained in the Disease Identification Methodology maintained by Sharecare for this Agreement, as modified and updated from time to time by Sharecare. Successful clients implement this product with 24 months of claims history for the Eligible Users.
 - ii. *Communication & Behavior Modification Protocol for Disease Management Participants.* Sharecare will apply its optimized model for Disease Management Participant communication, as applicable for each Disease Management program, either through inbound calls and/or outbound telephone calls with Sharecare staff, through web services and/or by mail in accordance with the outreach protocols in the Business Requirements Specifications. The parties acknowledge and agree that Sharecare's model for Disease Management Participant communication and intervention is designed for application generally to the population of Disease Management Participants, and that such communications and interventions will not ensure communications with all Disease Management Participants, and that communication is dependent upon Sharecare having a valid address and phone number for the Disease Management Participant.
- d. Diabetes Self-Management Education and Support ("DSMES"). DSMES is a comprehensive digital, evidenced-based and self-directed program designed to deliver diabetes self-management education and support services. The services are designed to help individuals with diabetes improve their health status, their quality of life and reduce their risks for developing diabetes-related complications.
- i. *Eligible User Identification.* Eligible Users are identified through the use of Sharecare's proprietary identification methodology and uses Eligible User data including but not limited to the RealAge Test, biometric information, and claims data.
 - ii. *Enrollment.* Eligible Users who choose to enroll in the self-paced DSMES program will be delivered a series of diabetes education modules via the Sharecare Digital Platform. The number and selection of specific modules will depend on the condition and preferences of the Eligible User. The

curriculum can be delivered in conjunction with any high-touch program offering (i.e. Disease Management, Insulin Management, Lifestyle Management, as applicable).

- iii. *Curriculum.* The DSMES curriculum incorporates the following content into the delivery model: basic diabetes pathophysiology and treatment options; healthy eating; physical activity; taking medications; monitoring; preventing, detecting and treating acute and chronic complications; healthy coping; and problem solving.
- e. Diabetes Prevention Program (“DPP”). DPP is designed to prevent or delay the onset of diabetes for individuals identified as being at risk for diabetes. DPP is a one-year program that presents curriculum approved by the Center for Disease Control through Sharecare’s proprietary mobile and web-based platform and delivered via telehealth or phone group coaching sessions. The program enables participants to photograph food intake, track activity, see progress and receive productive, positive feedback from a coach.
- i. *Eligible User Identification.* Eligible Users are identified as high risk for developing diabetes via the Center for Disease Control and Prevention (CDC) Diabetes Prevention Recognition Program standards. Due to the emphasis of weight loss content on risks and considerations associated with pre-diabetes, this program is appropriate only for non-diabetics.
 - ii. *Enrollment.* Participants complete enrollment online and are encouraged to begin messaging with a coach and uploading pictures of their meals prior their first coaching session. Participants are encouraged to download the third-party DPP application, but can also participate in the program via the Sharecare web-based platform with the limitation of being unable to upload photos of their meals. Participants are limited from enrolling in Lifestyle Management while enrolled in DPP.
 - iii. *Curriculum.* The DPP curriculum includes up to twenty-six (26) one-hour classes facilitated by a trained lifestyle coach through video conferencing or by telephone. Participants join the weekly/bi-weekly classes in groups of five to twenty (5-20) participants to support engagement. The third-party digital platform includes functionality in which Eligible Users are able to upload pictures of their meals for review and feedback by a registered dietician. Participants work towards a goal of a five-percent (5%) weight loss in the twelve (12)-month program using integration with wearable devices, digital scales, and the tracking of weight and steps data through the digital application. Upon completion of certain milestones, such devices are provided by Sharecare at no cost to the participant and no cost to CLIENT.

Participants will progress toward four stage achievements throughout the 12-month program.

1. Stage One is enrollment and triggers fulfillment of an included digital scale. The scale includes wireless connectivity features for automatic upload of weight data.
 2. Stage Two is completion of a minimum of two classes and submission of weight within seven days of class completion. Participants have the option to receive a free activity tracker upon completion of this stage.
 3. Stage Three is completion of four or more total classes, as well as recording weight within seven days of each class completion.
 4. Stage Four is reaching a goal of 5% or greater weight loss within a 12-month period.
- f. Virtual Diabetes Clinic (“VDC”). Sharecare’s VDC uses a third-party partner, Onduo, to deploy the personalization of diabetes management and therapy in the outpatient setting. The program supports providers and patients with efficient patient care, glycemic surveillance, and personalized medication appropriateness/titration.
- i. *Eligible User Identification*. Eligible Users are identified through the use of Sharecare’s proprietary identification methodology and uses Eligible User data including, but not limited to, clinician referral, Client referral, RealAge Test, biometric information, and medical claims data. Members with Type 2 Diabetes, on one or more medications and with an A1c 8.0 or greater are also eligible.
 - ii. *Enrollment*. Eligible Users are offered enrollment into the 12-month program, which auto-renews unless the member loses coverage or self-terminates the program (after year one). Upon enrollment, the participant will be sent a kit which includes a BGM device, A1c test and the supplies needed to frequently monitor their progress and treatment effectiveness. Up to 4 times per year, the member may receive a CGM device. This provides more real time data on the relationship to nutrition, medication adherence and lifestyle to the members optimal metrics. This is a tool intended to educate and drive understanding and behavior change. Oversight by an Onduo-coordinated physician and support by coaches and CDE’s (as required) will be provided, and any treatment changes will be communicated to the member and their Eligible User’s primary care

physician. Participants are not limited from enrolling in other high touch programs (i.e., Disease Management (if applicable), DSMES, Lifestyle Management). Enrollment in the VDC is subject to confirmation of eligibility status, physician discretion, and acceptance of applicable terms and consents.

iii. The integrated solution, platform, and program is initiated with qualified enrollment. The VDC program makes available a device, at no additional charge, to measure the blood glucose of patients, triggering ongoing communication and support from clinicians and coaches during the onboarding, engagement, and medication adherence processes.

g. Maternity and Family Benefits. Sharecare offers a suite of comprehensive, evidenced-based women’s health digital programs that are designed to deliver coaching, support, education, clinical programs, and behavioral incentives to women and families navigating their parenthood journey. Sharecare offers targeted Fertility, Pregnancy, and Parenting solutions through a market-leading partner. Services from each of the three programs are designed to close gaps in women’s healthcare to help women understand their fertility and improve their chances of becoming pregnant without intervention, develop and maintain healthy habits to promote healthy pregnancies and deliveries, and help new parents establish positive routines with their new families and successfully return to work. Sharecare’s Women’s Health programs will be offered and implemented as a bundle to support the entire parenting journey.

i. *Eligible User Identification Methodology*. Eligibility for each Women’s Health program is defined by CLIENT, and must be provided for each Women’s Health program separately in the “Buy_Up_Indicator” field of the Eligibility file.

ii. *Target User Identification*. “Target Users” are a subset of Eligible Users defined for each Women’s Health program separately and identified via user data that may include the RealAge Test, health assessment data, or ingested claims data. Target Users will receive messaging to drive awareness of the program. Target Users that express interest in the program are validated for qualification prior to initiation of the program. Qualification is validated via a brief health assessment specific to each of the three Women’s Health programs.

iii. *Enrollment*. Target Users who successfully qualify for the program will enroll via Sharecare’s partner, seamlessly leveraging their Sharecare credentials to establish their account in the partner ecosystem. New users complete a health assessment specific to each of the three Women’s Health

programs. Once this enrollment assessment is completed, the user has completed enrollment.

- iv. *Curriculum.* Each Women’s Health program – Fertility, Pregnancy, and Parenting – includes a clinical curriculum developed with nationally regarded experts in the field:

Fertility	Pregnancy	Parenting
General Health	General Health	Moms at work
Reproductive Health	Prenatal nutrition	Child programs
Endometriosis educ.	C-section	Preventive care
Endometriosis mgmt.	Midwifery	Sleep
PCOS education	Hypertension	Pediatric
PCOS management	Preeclampsia	Nutrition
Uterine fibroid educ.	Gestational diabetes	Breastfeeding
Uterine fibroid mgmt.	prevention and mgmt	Formula-feeding
Birth control tracking	Progesterone tracking,	Behavior
Birth control education	daily and weekly	Allergy education
Mental Health	Healthy weight gain	Allergy management
Difficulty conceiving	Preterm history	Parent programs
IUI	Short cervix	General health
IVF	Mental health	Postpartum health
Hormone therapy	Patient advocacy	Breastfeeding support
Male fertility	Breastfeeding prep	Mental health educ.
Careers & lifestyle	Return-to-work	Mental health support
		Returning to work
		Working parents

- v. *Coaching Support.* Coaching related to Women’s Health program topics is included via in-app asynchronous messaging. Telephonic support is currently in development and will also be included when available.

- h. *Muscle and Joint Health (“MSK Health Program”).* Sharecare will deliver a comprehensive, evidenced-based digital MSK Health Program including coaching, support, education, and behavioral guidance to Eligible Users for the prevention and reduction of risk of MSK conditions. Sharecare will deliver the targeted MSK solution through a market-leading partner. The program is designed to identify users who may currently be or are at risk of experiencing musculoskeletal pain, injuries or related conditions, and provide non-surgical intervention solutions that reduce the likelihood of surgical intervention, lost service days and absenteeism, while improving musculoskeletal movement patterns and habits and successfully return to work. The program will focus on the entire continuum of care, including but not limited to prevention, acute, chronic, and surgical rehabilitation.

Page 66 of 156

Sharecare’s MSK Health Program is purposefully designed to address the MSK needs of a broad population of Eligible Users, ranging from those indicating early risk of an MSK related condition, where evidence-based, preventative movement health solutions reduce the likelihood of entering more expensive care pathways to

those currently experiencing one or more MSK related conditions that require more targeted interventions, including coaching, in order to reduce the likelihood of more costly surgical procedures. Sharecare’s MSK program combines the best of both in order to improve overall population MSK health and outcomes while ensuring that those most at risk at the outset and ongoing receive targeted, specific and personalized intervention strategies based upon Client’s population mix and defined Eligibility.

- i. *Eligible User Identification Methodology.* The MSK Health Program will be made available to Eligible Users and dependents of all gender types aged 18 and older via placements inside the Sharecare Digital platform, including a tile for the program in the Achieve > Programs section of the application, and a listing for the program in the Benefits Hub (if applicable to the Eligible User’s implementation).
- ii. *Target User Identification.* “Target Users” are a subset of Eligible Users, identified via user data that may include the RealAge Test or ingested claims data. Target Users will receive messaging to drive awareness of the program, which may include timeline cards and in-app-notifications, and other program-specific marketing both inside and outside of the Sharecare Digital application. Target Users for the MSK Health Program are defined as a subset of Eligible Users and dependents identified as any gender aged 18 or older and either having a) self-reported through the RealAge Test or similar assessment as having an MSK condition, including but not limited to chronic or acute joint pain, or b) incurred a reported MSK diagnosis or claims code during the prior twelve-month period as determined by Sharecare. For the avoidance of doubt, any Client member identified as excluded on Client’s eligibility file is not considered a Target User. Target Users that express interest in the program are validated for qualification prior to initiation of the program. Qualification is validated via a brief health assessment specific to the MSK Health Program.
- iii. *Enrollment.* Target Users who successfully qualify for the program will enroll via the Sharecare Digital Platform, seamlessly leveraging their Sharecare credentials to establish their account in the partner ecosystem, at which point they become an “Enrolled User.” New users complete a health assessment specific to the MSK Health Program. High-Risk Users are a subset of Enrolled Users. “High-Risk” means an Enrolled User who has a high likelihood of entering more expensive care pathways based on the Enrolled User's outcome of the Movement Health Questionnaire (MHQ) and/or other assessment, including BodyMap, as determined by Sharecare.
- iv. *Digital Programming.* Each Enrolled User is provided with a user-friendly and self-directed mobile application that includes dynamic risk stratification, personalized 2D video motion capture assessments (BodyMap™), programming and scoring, guided video exercises, progress

measuring and reporting, and notifications. Enrolled Users will have the ability to see their progress through the mobile application.

- v. *Coaching Support.* Coaching related to the MSK Health Program is provided to Enrolled Users either identified as High-Risk or as defined by Client for population health level goals via changes to score tiers in the health assessment. Coaching includes in-app asynchronous messaging, synchronous chat, scheduling services, one-to-one video sessions and telephone support. Coaching services are available for scheduling from 7am EST to 7pm PST.
- vi. *Compliance.* Enrolled Users are provided with a personalized 2D video motion assessment (BodyMap™) tool that captures video images of the Enrolled User's movements, analyzes the movements in real-time, provides measurable scoring and results as well as dynamically adjusting the Enrolled User's personalized exercise program. The assessment, analysis and results are available to an MSK Health Program Coach to assess compliance and progress.
- vii. *Enrolled User Satisfaction Survey.* Sharecare's partner shall provide a written satisfaction survey to Enrolled Users quarterly and annually via email, online or in the application. The survey will document Enrolled Users' reported level of pain when starting the MSK Health Program versus a reduction of level of reported pain and overall satisfaction with the MSK Health Program.
- viii. *Customer Service.* For non-coaching-related general customer service or technical questions, a combination of live email and scripted support is provided during normal business hours.
- i. Smart Dollar. Sharecare's SmartDollar program is the leading financial wellness solution founded by Dave Ramsey. Through integration with Sharecare's digital platform, employers and health plans promote a culture of financial well-being for their employees and members to reduce financial stress, lower turnover, improve productivity, and curb healthcare costs. This digital solution helps members learn to budget, save for emergencies, pay off debt, and save for long-term needs through the seven baby steps, inspiring educational content, and best-in-class financial tools.
 - i. *Eligibility and Enrollment.* All Eligible Users with access to the Sharecare Digital Platform are eligible to enroll in the Financial Wellness Program. Users participating in the Financial Wellness Program must enroll via the Sharecare Digital Platform via one-way single sign-on (SSO) authentication to the third-party web or mobile experience. Following signup, users will take a personalized self-assessment to take stock of their financial health and get targeted emails and content based on the financial goals they set.

- ii. *Curriculum.* The Seven Baby Steps. This proven, step-by-step plan helps users learn to make smart choices with their money and reach their financial goals such as starting an emergency fund, paying off debt, saving for college, and more.
 - iii. *Inspiring Educational Content.* Personalized access to content—including engaging lessons, browsable questions and answers, and video—will help users meet their specific financial priorities. Video content will address such topics as creating wills, buying insurance, understanding real estate and mortgages, going to college debt-free, protecting one’s identity, and more.
 - iv. *Best-in-Class Tools.* Users can take advantage of tools for budgeting, planning emergency funds, planning retirement, and organizing debts smallest to largest. These tools are fully integrated into the Financial Wellness Program to keep users engaged to create long-term behavior change.
 - v. *Reporting.* Sharecare will provide aggregate reporting on user enrollment and engagement. Through its subcontractor, Sharecare will provide standard participant and event level reporting by secure email delivery and/or access to the administrative portal. Reporting includes, but is not limited to, standard Participant Status Reports that will show the status of each participant’s actions in the Financial Well-being Program (i.e. enrolled, disenrolled, etc.), and Event Status Reports that provide an update on each event (i.e. assessment completions, content and tool engagement, incentives activity completion, etc.).
- j. Biometric Screenings.
- i. *On-Site Screening Services.* Eligible Members will be able to obtain biometric screening services at on-site screening event(s) managed by Sharecare. Participants will be screened for lipid panel, glucose, height, weight, blood pressure, and BMI, unless otherwise determined by CLIENT. On-site screening events entail finger-stick blood draws, online scheduling, and event coordination and support. On-site screening events shall take place according to the timing and specifications as determined and agreed upon in the Implementation Plan.
 - 1. *Event Definition.* A screening event is defined as an uninterrupted period at a location in which biometric screenings are conducted, with a minimum of four hours for standard events. A break of more than two hours at a screening site constitutes multiple events.
 - 2. *Online Scheduling.* Once authenticated, Sharecare or its subcontractor shall walk the participant through the enrollment

process and deposit them in the appointment scheduler to choose the date and time of their screening appointment. A confirmation email shall be sent with the details from their selection. Up to five (5) business days prior to the participant's selected appointment, Sharecare or its subcontractor shall send a reminder email with instructions about fasting, exercise, medications, and all other relevant health information and instructions necessary to perform screening.

3. *Additional Terms.* Additional terms may apply to on-site services as set forth in Exhibit A – Fees.

ii. *Lab Visits.* As an alternative to on-site screening events, Eligible Members will have the option of scheduling through Sharecare's subcontractor lab an appointment for a venipuncture screening that includes the same measures and tests as on-site screening events.

iii. *Physician Screening Forms (PSFs).* PSFs provide a means of obtaining participant screening data from physicians or other qualified health care providers. Participants access a secure and personalized form online and provide the printed form at the time of screening to their provider, who completes and submits the form for processing via secure fax. Additional terms may apply to PSFs as set forth in Exhibit A – Fees.

3. Fees. In consideration of the services contained in this Addendum, CLIENT shall pay Sharecare the fees set forth in Exhibit A of this Addendum.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Sharecare and CLIENT have executed this Addendum to be effective as of the Addendum Effective Date.

SHARECARE, INC.

CLIENT

By: _____

By: _____

Name: _____

Name: _____

Pete Delgado

Title: _____

Title: _____

President/CEO

Date: _____

Date: _____

EXHIBIT A
FEE TABLE: POINT SOLUTIONS AND OPTIONS

Services and Components	Rates ¹
ALL TOGETHER BETTER , a bundle of <i>Craving to Quit, Unwinding, Unwinding Anxiety, and Eat Right Now</i> for all members	\$1.00 PEPM
LIFESTYLE MANAGEMENT , personal health coaching for lifestyle risks	\$180 PPPY
DISEASE MANAGEMENT , for diabetes, heart failure, CAD, COPD, asthma	\$50 PPPM
SHARECARE DIABETES EDUCATION , self-paced digital diabetes learning modules	\$0.25 PEPM
DIABETES PREVENTION / WEIGHT LOSS PROGRAM , for those at risk for diabetes	
Participant Enrollment, includes digital scale	\$250 PP
Milestone 1: Engagement in two (2) total sessions, includes Fitbit voucher	\$200 PP
Milestone 2: Engagement in six (6) total sessions	\$200 PP
Milestone 3: Weight Loss of 5%+ at any time relative to baseline weight	\$200 PP
VIRTUAL DIABETES CLINIC , virtual care for members with type 2 diabetes	
Participant Enrollment	\$75 PP
Base Fee	\$75 PPPM
MATERNITY AND FAMILY BENEFITS , fertility, pregnancy, and parenting	
Base fee with three-year commitment*	\$3,250 Per Month
Optional Customizations	
-Co-branding with client logo within applications	\$3,000 One Time
-Custom articles for specific benefits. Up to 20 articles total.	\$6,000 One Time
* - If services are terminated early, remaining service fees will apply	
MUSCLE AND JOINT HEALTH , an evidence-based digital musculoskeletal program	
Base Fee, Digital Program	\$50 PPPY
Live Virtual Coaching, Per Engagement Milestone @ Sessions 1, 5, 9, etc.	\$375 PP Per Milestone
Equipment Kit (stability ball, resistance bands, foam roller), optional	\$100 Per Kit Issued
SMART DOLLAR , leading financial wellness program founded by Dave Ramsey	\$0.95 PMPM*
* - Eligible members must align with eligibility on the Sharecare Digital Platform	
BIOMETRIC SCREENINGS	
Onsite Event and Patient Service Centers Packages	Fingerstick / Venipuncture
<u>Standard</u> , ht/wt, BMI, waist, BP, lipid/glucose tests, and support*	\$52.00 PP / \$57.00 PP
<u>Diabetes+</u> , includes Standard package plus A1c	\$70.00 PP / \$65.00 PP
<u>Kidney and Diabetes+</u> , includes Diabetes+ package plus eGFR	\$78.00 PP / \$70.00 PP
* Events include event coordination, online scheduling, two privacy dividers per station, a receptionist for events w/ 75+ participants, a results review, parking/local travel, and reporting	
Physician Screening Forms , digital access and processing	\$13 Per Form Processed
Home Screening Kits ("Kits")	
Mailing of Kits to members	\$25 Per Kit Issued
Processing of <u>Standard</u> Kits returned	\$49 Per Kit Processed
Processing of <u>Diabetes+</u> Kits returned	\$67 Per Kit Processed
Processing of <u>Kidney and Diabetes+</u> Kits returned	\$85 Per Kit Processed
FLU VACCINATION EVENTS AND PHARMACY VOUCHERS	(rates quoted annually)
Onsite flu vaccination events*	\$37 Per Participant

Services and Components	Rates ¹
Flu shot vouchers at participating pharmacies	\$49 Per Participant
Event coordination and administration, standard	Included
* - Events include event coordination, online scheduling, one privacy divider per station, a receptionist for large events (200+ participants), parking/local travel, and reporting	
¹ – PP = Per Participant	
PEPM = Per Employee Per Month	
PPPY = Per Participant Per Year	
PPPM = Per Participant Per Month	
PMPM = Per (Eligible) Member Per Month	
<i>All listed rates apply for the first year from the Program Start Date and will increase by 3% annually thereafter.</i>	

Justification for Sole Source Form

To: Contract Review Committee

From: Adrienne Laurent, Michelle Childs, Administration

Type of Purchase: (Check One)

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

<i>Total Cost \$:</i>	\$367,690 over three project years
<i>Vendor Name:</i>	Sharecare Operating Company
<i>Agenda Item:</i>	Consider Recommendation for Board Approval of the Contract with Sharecare for the SVMHS Digital Employee Wellness Platform

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

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

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

Sharecare offers a unique digital platform that will serve as a comprehensive population health management program for SVMHS employees. This solution is unique to Sharecare, and will provide integration with certain employee benefit programs such as EAP. Sharecare is an established vendor with SVMHS, as we have engaged Sharecare in the execution of the Blue Zones Project.

Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe.**

Uniqueness of the service. **Describe.**

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

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

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

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

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

Submitter Signature A Laurent Date: 4/22/22

Board Paper: Finance Committee

Agenda Item: Consider Recommendation for Board Approval of the Educational Services Agreement with Cope Health Solutions
 Executive Sponsor: Adrienne Laurent
 Date: April 25, 2022

Executive Summary

Background/Situation/Opportunity

Salinas Valley Memorial Healthcare System has developed a Health Careers Pathway Program that involves students ranging from elementary school age to college level. One element of our program not yet implemented is an ongoing mechanism for hosted, year-round internships in a structured program of advancement, culminating in an opportunity for employment at SVMHS. The Health Scholars Program from Cope Health Solutions provides such a program and will complete the full continuum of our Health Careers Pathway Program. This will provide greater opportunity for both local students to enter the healthcare field, and for SVMHS to create a pipeline of trained talent that doesn't exist today.

Timeline/Review Process to Date

10/8/21: Initial conversations regarding Cope Health Solutions' Health Scholars Program
 11/18/21: Further discussion between members of the executive team and Cope Health Solutions
 12/7/21: Cope Health Solutions presentation to Executive Alignment Group
 3/25/22: Contract finalization

Strategic Plan Alignment:

Pillar/Goal Alignment:

X Service X People Quality X Finance X Growth X Community

Financial/Quality/Safety/Regulatory Implications: *[fill in table, add any additional pertinent information]*

Key Contract Terms	Vendor: Cope Health Solutions
1. Proposed effective date	5/1/22
2. Term of agreement	3 years
3. Renewal terms	TBD at end of contract – no auto renewal
4. Termination provision(s)	Without cause, 90 days written notice
5. Payment Terms	Invoices payable upon receipt; 1.25% interest on invoices not paid within 45 days of due date
6. Annual cost	<ul style="list-style-type: none"> \$225,000 program fee with 4% annual increase Bonus pool equal to 10% of annual fee (earned through a set of agreed-upon metrics) 10% holdback - at risk dependent upon Cope Health Solutions meeting process and outcome metrics Program incidentals (office space with 4 work stations, polo shirts for scholars, office supplies, etc.)
7. Cost over life of agreement	\$702,360 (without regard to holdback/bonus, incidentals)
8. Budgeted (indicate y/n)	Not for two months of contract, yes for remainder

Recommendation

Consider recommendation for Board approval of the Contract for Health Scholars Program

Attachments

- (1) Contract with Cope Health Solutions for the Health Scholars Program engagement
- (2) Sole Source Justification

EDUCATIONAL SERVICES AGREEMENT

Salinas Valley Memorial Healthcare System

and

COPE Healthcare Consulting, Inc. dba COPE Health Solutions

May 1, 2022

EDUCATIONAL SERVICES AGREEMENT

This Educational Services Agreement (the “Agreement”) is made effective May 1, 2022 (the “Effective Date”) by and between Salinas Valley Memorial Healthcare System, a local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code (“Client”) and COPE Healthcare Consulting, Inc. dba COPE Health Solutions (“Contractor”).

WITNESSETH: That Client and Contractor for and in consideration of the covenants, conditions, agreements, and stipulations hereinafter expressed, do hereby agree to payments and services, as follows, and/or as described on attachments incorporated herein.

1. CONTRACTOR RESPONSIBILITIES

In accordance with the terms and provisions of this Agreement, Contractor agrees to furnish to Client the services set forth on Attachments A to C attached hereto (the “Services”).

2. CLIENT RESPONSIBILITIES

Client shall provide project support as related to areas of focus defined in the scope of work. Specifically, Client shall commit resources for the following activities:

2.1. **Use of Premises.** Client shall make available to Contractor suitable office facilities on its’ premises that may reasonably be required for the efficient performance of this Agreement, including any in-service programs and training that is required under this Agreement. Such space and facilities may change from time-to-time and require space to be rented depending upon needs and agreed upon goals, as determined by Client in its’ sole discretion; provided that such space is on the ground floor or higher. Space must be of sufficient size to allow for four (4) work stations, inclusive of at least one (1) work station in a private office with a secure door; secure file cabinets to maintain confidential Scholar personnel and health record files; and, appropriate office equipment.

2.2. **Equipment and Supplies.**

2.2.1. Client will furnish for the use of the program such equipment as is deemed necessary by mutual agreement of Contractor and Client for the proper operation of the program. Equipment that is usual and customary to the operation of a program includes, but is not limited to: telephones, wireless internet connection for a minimum of the number of computers set forth on Attachment A with access to Contractor’s terminal services (through Remote Desktop connection), and a fax machine. Client shall keep and maintain this equipment in good order and repair and replace such equipment as necessary. Client will provide or arrange for the provision of ordinary janitorial services, maintenance, housekeeping services, access to printing and copying services, internal and external messaging.

2.3. **Incidental Costs.** Specifically, the following costs will be the responsibility of Client:

2.3.1. Drug screenings, seasonal flu vaccinations, TB testing for incoming Scholars and renewals for active Scholars as required by Client policy;

2.3.2. Background checks for all incoming Scholars, and monthly state or federal exclusion list checks for all active Scholars as required by Client policy;

2.3.3. Reproduction and binding of Scholar training manuals used during quarterly and seasonal training sessions;

2.3.4. Training and office supplies, including copy paper, binders, name badges, labels, clipboards;

2.3.5. Food required during training sessions for a pre-determined number of Scholars attending such training sessions;

2.3.6. One (1) polo shirt per incoming Scholar enrolling in a program greater than 3 months in duration, and two (2) polo shirts per incoming Scholar enrolling in a program 3 months or less in duration;

2.3.7. Parking cost for Scholars and onsite Contractor's staff; and,

2.3.8. Badging cost for Scholar and onsite Contractor's staff.

2.4. **Client Liaisons.** Client will provide a member of the executive management team to act as the primary liaison to Contractor in the performance of its duties and obligations hereunder. Client liaisons will assist Contractor with the following to ensure that Contractor is able to expand the program and meet contractual obligations:

2.4.1. Actively champion the Program among leadership

2.4.2. Identify departments for expansion and designate champions per department

2.4.3. Identify approvers of new tasks, projects, metrics or expansion plans

2.4.4. Acquire additional IT and training space resources as needed

2.4.5. When necessary, encourage responsiveness from key contacts such as department administrators, compliance, education, facilities services, employee health and security

2.4.6. Regular monthly meetings with on-site Contractor staff

2.4.7. Strategic messaging of the Programs, as appropriate at the client site and identification of potential stakeholders and their areas of responsibility as they intersect with the Programs

2.5. **Human Resources Alignment.** In accordance with Contractor's support with addressing Client's current and projected workforce needs, Client will provide a member of the Human Resources department to participate in monthly check-in meetings with Contractor staff to:

2.5.1. Align Health Scholar recruitment and training efforts with Client's specific short and long term workforce demands

2.5.2. Provide Contractor with an updated list of open positions, highlighting priority or hard to fill positions, within the organization

2.5.3. Work with Contractor staff to cross check Client's new hires in the past month, or more than one month if a monthly meeting is missed, with the list of active Health Scholars and site-specific Health Scholar Alumni in order to track the number of Health Scholars and alumni from the Client site who are hired by the Client.

2.5.4. Confirm tenure of all hires who were previously or are currently active Health Scholars or site-specific Health Scholar Alumni

2.6. **Data Information Requests and Reporting**. Client will provide Contractor with data required to track performance on contractual metrics and provide other necessary data and information as requested.

3. PAYMENT

3.1. **Fees**. For and in consideration of the Services to be provided by Contractor, Client shall pay to Contractor the fees set forth on Attachment D (the "Fees").

3.2. **Payment Terms**. Payment terms are as follows:

3.2.1. Invoices shall be sent to the following address:

Salinas Valley Memorial Healthcare System
450 E. Romie Lane
Salinas, CA 93901
Attention: Adrienne Laurent, Chief Strategic Communications Officer

or submitted electronically to accountspayable@svmh.com

Client shall notify Contractor about any changes in contact information via email at finance@copehealthsolutions.com.

3.2.2. All invoices are due and payable on receipt. Client agrees that payments not made within forty-five (45) days of the payment due date will accrue interest at a rate of 1.25% per month.

3.2.3. All payments shall be made by check or electronic funds transfer using the Automated Clearing House (ACH) system or an equivalent system. Contractor will provide Client with sufficient bank information to facilitate this transfer.

3.2.4. In the event that Client disagrees with or questions any amount due under an invoice, Client will deliver written notice of such disagreement to Contractor within ten (10) business days of receipt of the invoice. If no such dispute notice is delivered, the applicable invoice shall be deemed final.

3.3. **Program Fees**. Contractor shall have the right to establish program fees payable by Scholars to Contractor for initial program enrollment costs and COPE Connect network membership. Contractor may establish fees for Scholars to participate in activities outside the

scope of this Agreement, including without limitation additional training opportunities, discounts for pre-health professional services and networking events.

4. NON-DISCLOSURE AND CONFIDENTIALITY

4.1. During the course of performing the Services, Contractor may be given access to confidential or proprietary information of Client. Contractor shall (a) use Client's confidential or proprietary information solely for the purpose of fulfilling the contractual obligations herein and (b) strictly maintain the confidentiality of Client's confidential or proprietary information, during the term of this Agreement. Without the prior written consent of Client, Contractor shall not use, sell, resell, lend, disclose (except as required by applicable law, regulation or legal process), or otherwise publish Client's confidential or proprietary information for any purpose unrelated to the provision of the Services.

4.2. During the course of performing Services, Contractor may disclose confidential or proprietary information to Client, including, but not limited to recruitment methodologies, orientation strategies for potential Scholars, program structure, customer satisfaction research, data, presentations and program training materials. Client shall (a) use Contractor's confidential or proprietary information solely for the purpose of fulfilling the contractual obligations herein and (b) strictly maintain the confidentiality of Contractor's confidential or proprietary information during the term of this Agreement. Without the prior written consent of Contractor, Client shall not use, sell, resell, lend, disclose (except as required by applicable law, regulation or legal process), or otherwise publish Contractor's confidential or proprietary information for any purpose unrelated to this Agreement.

4.3. Client agrees not to disclose or share any content of this Agreement, including the Fees, without the prior written consent of Contractor. Notwithstanding the foregoing, Contractor and Client agree and acknowledge that certain disclosure(s) of this Agreement may be required by law by virtue of Client's status as a public local health care district organized and operating pursuant to Division 23 of the California Health and Safety Code.

5. MARKETING

Contractor is permitted disclosure to third parties the fact that Contractor provided Services to Client, and to describe the Services provided and outcomes achieved. These disclosures may be made to current or prospective clients of Contractor or to others, and may consist of announcements and advertisements placed at Contractor's expense in periodicals and publications, print and electronic marketing materials (including on Contractor's website), and digests or cases studies, and such disclosures may include the use of Client's logo. Notwithstanding the foregoing, any use of Client's name or logo must be pre-approved in writing by Client.

6. RELATIONSHIP OF THE PARTIES

No relationship of employer and employee is created by this Agreement, it being understood that Contractor shall act hereunder as an independent contractor; that Contractor, its officers and employees do not become employees of Client and shall not have any claim under this Agreement or otherwise against Client for seniority, vacation time, vacation pay, sick leave, personal time off, overtime, health insurance, medical care, hospital care, retirement benefits, Social Security, Workers' Compensation, disability or unemployment insurance benefits, civil service protection, or employee benefits of any kind. Contractor shall be solely liable for and obligated to pay directly

all applicable taxes, including, but not limited to, federal and state income taxes and Social Security taxes, and in connection therewith Contractor shall indemnify and hold Client harmless from any and all liability which Client may incur because of Contractor's and /or its employee's failure to pay such taxes.

7. THIRD PARTY BENEFICIARIES

This Agreement shall not confer or be construed to confer any rights or benefits to any person or entity other than the Parties.

8. INDEMNIFICATION

8.1. To the fullest extent permitted by any applicable local, state and federal laws and regulations ("Applicable Law"), each party shall indemnify, defend and hold harmless the other party and its successors, officers, directors, employees, assignees, and agents (collectively "Indemnitees") from and against any and all claims, losses, damages, liabilities or expenses, including reasonable attorney fees incurred in the defense thereof, for the death or injury to any person or persons (including employees of Client or Contractor) or damage to any property or property right (including property or property right of Client or Contractor) which arises out of or is any way connected with the performance of this Agreement (collectively "Liabilities"), but only in proportion and to the extent such Liabilities are caused by the negligence or intentional acts of the indemnitor. For the avoidance of doubt, Client is responsible for all actions of the Scholars taken at its direction and Contractor shall not be liable for any Liabilities in connection therewith, nor shall Contractor be liable to any Indemnitees for any actions of the Scholars not taken at the direction of Contractor.

8.2. Contractor and Client agree to notify promptly the other party in writing upon receipt of notice of any pending or threatened claim or proceeding.

9. INSURANCE

9.1. Contractor hereby agrees to maintain standard liability insurance with a reputable insurance company in the amount of no less than \$3,000,000 annual aggregate and \$1,000,000 per occurrence limits with Client as a named insured under such policy. To the extent Contractor or its personnel render services for which professional liability coverage is reasonably available, Contractor shall maintain professional liability coverage in an amount that is reasonably appropriate in light of the risks, if any, assumed under this Agreement. Contractor shall provide proof of all such insurance to Client upon request.

9.2. Client hereby agrees to maintain standard liability insurance with a reputable insurance company in the amount of no less than \$3,000,000 annual aggregate and \$1,000,000 per occurrence limits with Contractor as a named insured under such policy. Client shall provide proof of such insurance to Contractor upon request.

9.3. Each Scholar shall procure at his or her own expense adequate health care coverage to cover all necessary medical care.

10. RECORD RETENTION

Contractor shall maintain accurate and complete (i) financial records of its expenses for the Services provided under this Agreement and (ii) employment and other records of all Services

provided hereunder. Contractor shall retain all such records for a minimum period of four (4) years from the date the applicable Service was provided. To the extent required by Applicable Law, Contractor shall make available during normal business hours, upon reasonable advance written notice from Client, the U.S. or California Secretary of Health and Human Services, the Controller General of the United States, or any other duly authorized agent or representative of the United States or California government, this Agreement and Contractor's books, documents, and records reasonably and materially related to the provision of the Services. If Contractor is requested to disclose its books, documents, and/or records related to the Services for any purpose, Contractor shall notify Client of the nature and scope of such request to the extent permitted by Applicable Law, and Contractor shall make available, upon written request of Client, all such books, documents, and/or records that Contractor is required to produce. If Contractor utilizes the services of a subcontractor to provide any Services hereunder, it shall require (in writing) its subcontractor to comply with the requirements of this provision.

11. WORK PRODUCTS AND INVENTIONS

11.1. Client agrees that any and all ideas, designs, drawings, notes, computer programs, algorithms, documents, information, materials, improvements and inventions made, conceived, developed, created or first reduced to practice in the performance of the Services under this Agreement, or that were developed in order to furnish the Services, shall be the sole and exclusive property of Contractor (the "Work Product"). Work Product includes, without limitation, the following:

- (a) Recruitment materials
- (b) Scholar training manuals
- (c) Forms and documents used during the operations of the COPE Health Scholars programs
- (d) Database developed to maintain information related to the COPE Health Scholars programs, individual Scholars, scheduling of Scholars
- (e) Surveys developed to track Scholars, gather data related to the Scholars, or information used to further develop the COPE Health Scholars programs
- (f) Data obtained, researched, and/or developed during the management of the program entirely by Contractor and independent of data or other Client confidential, proprietary, patient or other information deemed privileged, or protected by law or subject to the provisions of Section 4.1.
- (g) Program names and any and all associated phrases, terms, names that are associated with the COPE Health Scholars programs

Client further agrees that Contractor is and shall be vested with all right, title and interest in the Work Product (including any patent, copyright, and trade secret or trademark rights).

11.2. Client shall execute all papers, including any patent applications, invention assignments, and copyright assignments, and otherwise shall assist Contractor at Client's expense and as reasonably shall be required to perfect in Contractor the rights, title and other interests in the Work Product expressly granted to Contractor under this Agreement. If Contractor

is unable for any reason, after reasonable effort, to secure Client's signature on any document needed in connection with the actions specified in this Section 11, Client hereby irrevocably designates and appoints Contractor and its duly authorized officers and agents as its agent and attorney in fact, which appointment is coupled with an interest, to act for and on behalf of Client to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 11 with the same legal force and effect as if executed by Client.

12. SOLICITATION OF EMPLOYEES

12.1. Contractor agrees not to actively solicit or recruit for employment or contracted services any employees or contractors of Client during the term of this Agreement and for a period of one (1) year following its expiration or termination for any reason; provided, however, that general advertisement or general solicitation not targeted at Client's employees or consultants will not be deemed a solicitation thereof in violation of this Section 12.1.

12.2. Client agrees not to actively solicit or recruit for employment or contracted services any employees or contractors of Contractor during the term of this Agreement and for a period of one (1) year following its expiration or termination for any reason; provided, however, that general advertisement or general solicitation not targeted at Contractor's employees or consultants will not be deemed a solicitation thereof in violation of this Section 12.2.

13. TERMS AND TERMINATION

13.1. **Term.** This Agreement is effective as of the Effective Date and shall terminate on April 30, 2025 unless terminated earlier as set forth below (the "Term"). There shall be no automatic renewal provision for this Agreement, although services may continue for a reasonable period thereafter while a renewal is being negotiated. Any renewal for continuation of services beyond this expiration date must be negotiated between the parties and memorialized in an Amendment to extend the contract for additional services.

13.2. Termination.

13.2.1. This Agreement may be terminated without cause, without cost or penalty and with applicable refund by either party upon ninety (90) days prior written notice to the other party.

13.2.2. Either party may terminate this Agreement for cause (i) upon thirty (30) days prior written notice to the other party in the event the other party breaches a material term of this Agreement, and fails to cure such breach to the reasonable satisfaction of the notifying party within such period, or (ii) immediately, if the other party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors or dissolves or discontinues operations of its business. Even in the event of Contractor's insolvency, Contractor shall remain responsible for payment of wages and benefits to any Contractor employee who provides Services under this Agreement.

13.2.3. Contractor may terminate this Agreement for cause immediately in the event Client fails to pay any invoices in full within forty-five (45) days following delivery of such invoice.

13.2.4. As of the effective date of termination of this Agreement, neither party shall have any further rights or obligations hereunder except: (i) as otherwise provided herein, (ii) for

rights and obligations accruing prior to such effective date of termination, including without limitation the obligations to pay for services rendered prior to the termination date and (iii) arising out of any breach of this Agreement.

13.3. **Survival.** The provisions of Section 4 (Non-Disclosure and Confidentiality), Section 5 (Marketing) Section 8 (Indemnification), Section 9 (Insurance), Section 11 (Work Products and Inventions), Section 12 (Solicitation of Employees), this Section 13.3 (Survival), and Section 16 (General Provisions) shall survive any termination of this Agreement.

14. PRIVACY AND SECURITY OF MEDICAL RECORDS

In order to carry out the Services under this Agreement, Contractor may require access to Protected Health Information (“PHI”), including but not limited to electronic PHI and hereby agrees to comply with the obligations set forth in the Business Associate Agreement (“BAA”) which is attached hereto as Attachment E and incorporated into this Agreement.

15. CONFLICT OF INTEREST

Contractor and Client, for themselves and their respective officers, directors, employees, contractors, successors, assignees, and/or agents, shall have no interest, and shall not acquire any interest, direct or indirect, which will conflict in any manner or degree with the performance of the Services.

16. GENERAL PROVISIONS

16.1. **Notices.** All notices, requests, demands and other communications required or permitted to be given pursuant to this Agreement must be in writing and shall be (a) personally delivered, or (b) sent by nationally recognized overnight service or by registered or certified mail, return receipt requested, in each case to the following addresses and marked to the attention of the person (by name or title) designated below (or to such other address or person as a party may designate by notice delivered to the other party in accordance with this Section 16):

If to Contractor:

Allen Miller, Chief Executive Officer
COPE Health Solutions
315 W. Ninth Street, Suite 1001
Los Angeles, CA 90015
Tel: (213) 259-0245

If to Client:

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

All notices, requests, demands and other communications shall be deemed to have been duly given (as applicable): (a) if delivered by hand, when delivered by hand; (b) if delivered by UPS, Federal Express, DHL or other nationally-recognized overnight delivery service, the day after

deposit with such service; or (c) if sent via registered or certified mail, three (3) Business Days after being deposited in the mail, postage prepaid.

16.2. Assignment. Subject to the restrictions set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, and permitted successors and assigns. Neither party may assign this Agreement without the written consent of the other party; provided, however, that either party may assign this Agreement without the consent of the other party hereto to (i) any affiliate of such party or (ii) any purchaser of all or substantially all of the assets or stock of such party.

16.3. Waivers. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of the performance of such provision or any other instance. Any waiver granted by a Party must be in writing, and shall apply solely to the specific instance expressly stated. A waiver of any term or condition of this Agreement shall not be construed as a waiver of any other terms and conditions of this Agreement, nor shall any waiver constitute a continuing waiver.

16.4. Entire Agreement; Modification. This Agreement constitutes the full and complete agreement and understanding between the parties hereto and shall supersede all prior written and oral agreements concerning the subject matter contained herein. Unless otherwise provided herein, this Agreement may be modified, amended or waived only by a written instrument executed by all of the parties hereto.

16.5. Headings; Interpretation. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. Whenever the context hereof requires, the gender of all terms shall include the masculine, feminine, and neuter, and the number shall include the singular and plural.

16.6. Construction of Ambiguities. The general rule that ambiguities are to be construed against the drafter shall not apply to this Agreement. In the event that any provision of this Agreement is found to be ambiguous, each party shall have an opportunity to present evidence as to the actual intent of the parties with respect to such ambiguous provision.

16.7. Severability. In the event any part of this Agreement is declared invalid, such invalidity will not affect the validity of the remainder of the Agreement.

16.8. Attorneys' Fees. If any party or parties bring an action or proceeding arising out of or relating to this Agreement, the non-prevailing party or parties shall pay to the prevailing Party or Parties reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs (including the reasonable costs of Client's in-house counsel) and the fees and costs of experts and consultants.

16.9. Exhibits. All exhibits attached hereto, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated by reference into this Agreement.

16.10. Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

16.11. Dispute Resolution and Arbitration. All actions or proceedings arising in connection with, touching upon or relating to this Agreement ("Disputes") will be resolved in

accordance with this Section 16.11. If the Dispute cannot be resolved by agreement of the parties, any party may at any time make a written demand for binding arbitration of the Dispute in accordance with this Section 16.11; provided that the foregoing will not preclude equitable or other judicial relief to enforce the provisions of Section 4 hereof. The JAMS's Comprehensive Arbitration Rules and Procedures (the "JAMS Rules") in effect on the effective date of this Agreement, except as the applicable rules are modified by this Agreement, will apply to the resolution of all Disputes. As a minimum set of rules in the arbitration the parties agree as follows:

16.11.1. The arbitration will be held before a single arbitrator (from the United States, who will have significant experience in the subject matter of the Dispute) selected by the parties pursuant to the JAMS Rules and if the parties are unable to agree, then the arbitrator will be selected by the American Arbitration Association in accordance with the JAMS Rules.

16.11.2. The arbitrator will have the authority to award to the prevailing party in any Dispute reasonable attorneys' fees and disbursements, expert witness fees and disbursements and other costs of the arbitration. If not otherwise awarded, the parties to the Dispute will bear their own costs and expenses, and the arbitrator's fees will be split evenly between such parties.

16.11.3. The Arbitrator's final decision shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their legal counsel. The arbitrator will specify the basis for their decision, the basis for the damages award and a breakdown of the damages awarded, and the basis of any other remedy. The arbitrator's decision will be considered as a final and binding resolution of the disagreement, will not be subject to appeal and may be entered as a court order in any court of competent jurisdiction in the United States. Each Party agrees to submit to the jurisdiction of any such court for purposes of the enforcement of any such court order. No Party will sue the other except for enforcement of the arbitrators' decision if the other Party is not performing in accordance with the arbitrator's decision. The provisions of this Agreement will be binding upon the arbitrators.

16.11.4. Any arbitration proceeding will be conducted on a confidential basis.

16.11.5. The arbitrator's discretion to fashion remedies hereunder will be no broader or narrower than the legal and equitable remedies available to a court, unless the Parties expressly state elsewhere in this Agreement that Parties will be subject to broader or narrower legal and equitable remedies than would be available under the law governing this Agreement.

16.12. Force Majeure. No party shall be liable for nonperformance, defective performance or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

16.13. Counterparts. This Agreement may be executed in one or more counterparts by the Parties hereto. All counterparts shall be construed together and shall constitute one agreement. Counterparts to this Agreement may be delivered by facsimile or any other form of electronic transmission (including e-mail with scan attachment), and signatures provided on counterparts so delivered shall be considered originals for all purposes.

16.14. Contractor Not Excluded. Contractor warrants that, to its knowledge, neither Contractor nor its employees or agents performing services under this Agreement have been excluded from participation in federal or state healthcare programs. If an employee/agent performing services under this Agreement is excluded, Contractor will replace that employee/agent within a reasonable time. If Contractor is excluded, Client may terminate this Agreement, without penalty and with applicable refund, upon written notice to Contractor.

16.15. Compliance with Laws, Rules and Regulations, Compliance Program. Contractor shall provide services in strict accordance with all applicable state and federal laws and regulations, Client rules, regulations, policies and procedures, without limitation. Contractor shall comply with Client's Corporate Compliance Program ("Program") and any Program policies and procedures, as applicable to the services provided under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

COPE Healthcare Consulting Inc.
Dba COPE Health Solutions

Salinas Valley Memorial Healthcare System

Allen Miller
Chief Executive Officer

Pete Delgado
President/CEO

Date

Date

Attachment A – Services

Manage the Health Scholar (“Scholar”) program (“Program”) at Client located in Salinas, California.

1. Recruit and train a pre-determined number of cohorts of Scholars per year to engage in an experiential education program via assisting with patient care and administrative support. Scholar cohort size will be in accordance with a student enrollment and attendance schedule, defined through the Health Scholar Readiness Assessment, to ensure an adequate staff to student ratio.
2. Develop, maintain, and ensure accuracy and completeness of Scholars’ competency and health files, including ensuring that each Scholar complies with Client’s requirements for background check requirements and health screenings as specified herein and as modified by Client. Contractor represents and warrants that each Scholar, before and as a condition to providing Services hereunder, shall have (i) passed a background check (including without limitation [a county and federal criminal background check record background check, drug testing, and fingerprinting]); (ii) received all immunizations required by Client; and (iii) completed all training required by Client.
3. Provide an on-site program manager to monitor and supervise the Program and the performance of Contractor and the Scholars, as agreed to by Client and Contractor.
4. Provide the following equipment and supplies on premises at the Client’s facility solely for the operation of the Program:
 - a. If requested by Client, three (3) computers and one (1) printer for use by Contractor and Scholars in performing Services hereunder. The computers and/or printers shall not interface with Client’s computer network and/or health information, and remain subject to the security and privacy practices and policies of Client, Client’s network usage policies and applicable laws and regulations regarding patient privacy and confidentiality.
 - b. Basic office supplies.
5. Conduct a Health Scholar readiness review (“Readiness Assessment”). Contractor will utilize standardized program assessment tools to conduct the following activities:
 - a. Key informant interviews with administrative leaders to understand program goals as determined by nursing, patient experience, human resources, performance improvement and other pertinent areas
 - b. Identification of high-priority performance metrics that could be potentially impacted by Scholars
 - c. Observation of candidate pilot departments to assess workflows and readiness for Scholar integration
 - d. Key informant interviews with department managers to identify roles and opportunities for Scholars within their area

6. Conduct a key stakeholder briefing to gain the support of departmental leads directly and indirectly needed to support the program. Provide education to relevant Client staff on the Scholar role, and their integration into the current workflow of participating departments.
7. Customize Scholar role to a pilot department, with an expansion plan identified for timely rollout to additional departments.
 - a. Coordinate with Scholars to schedule 4-hour shifts, address concerns and access resources
 - b. Ensure that Scholars are properly integrated into identified workflows
 - c. Conduct regular rounding and observation of Scholars to assess quality and performance
 - d. Structure and collect feedback from Scholars and Client staff to identify any barriers
 - e. Conduct a midpoint assessment of identified metrics
8. Coordinate with pertinent Clinical and Administrative leadership in order to ensure that the Program is connected with, interfaces well with and meets the requirements of Client's existing recruitment, training and retention strategies and activities and applicable law.
 - a. Provide Scholars with information related to vacant positions within Client's facility
 - b. Forward interested Scholars to Client's job website and designed recruiting team for employment opportunities
9. Identify opportunities for improvement and implement changes as reviewed and approved by the executive champion.
 - a. Employ a "study model" for evaluation, and provide regular reporting of program outcomes to executive champion
 - b. Conduct data analysis of identified metrics and lead the production of a collaborative article demonstrating the project outcomes
 - c. Share outcomes with partners and pursue publication of collaborative thought papers
10. Facilitate monthly check-in meetings with Human Resources department to:
 - a. Align Health Scholar recruitment and training efforts with Client's critical current and projected workforce needs
 - b. Identify proven, best-fit Health Scholars and site specific alumni to fill vacant positions within the organization
 - c. Coordinate the process of cross-checking Client's recent new hires with the list of active Health Scholars and site specific Health Scholar Alumni in order to track the number of individuals who are hired from the program
 - d. Track retention rates and terms for hired Health Scholars and site specific alumni.
11. Comply, and cause the Scholars to comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, licensing and education requirements and other pre-requisites for the Programs, occupational health and safety and environmental statutes and regulations, and all applicable federal and state health information laws and regulations concerning health care privacy and the security of personal information.

12. Provide to Scholars all materials that Client requests be provided to them, require every Scholar to conform to all applicable Client policies, procedures, and regulations, and require all Scholars to attend and complete such training and orientation as required by Client.
13. Conduct a midpoint assessment 18 months into the period of the Agreement to assess progress to targets and evaluate contract metrics. Contractor reserves the ability to revise the student enrollment and attendance targets and performance metrics as a result of the midpoint assessment.
14. Additional tasks and metrics will be identified and agreed upon in an amendment to this Agreement.

Attachment B – Compensation

I. Fees

Client shall pay Contractor for the Services as presented in the table below.

Health Scholar Program Assessment, Implementation & Management	\$225,000 annually with 4% annual increase, plus aforementioned program incidentals
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In order to ensure the deep alignment and focus of Contractor’s work with Client, compensation is structured to align Contractor’s financial incentives with those of Client, as follows:

- A. A 10% withhold of Fees that can be earned back on an annual basis by Contractor meeting the process and outcome metrics defined through the Health Scholar Readiness Assessment
- B. A bonus equal to 1% of the total annual fee in effect for the year will be earned through the successful hire of any current or alumnus of the COPE Health Scholars programs. 50% of the bonus amount will be payable upon hire confirmation, the remaining 50% will be payable upon the individual completing 6 months of employment. Data collected from monthly check-in meetings with Human Resources department, as described in Section 2.5, shall be used to support this metric.
- C. A bonus pool equal to 10% of the total annual Fees will be available for earning through the achievement of a set of metrics mutually agreed to by Client and Contractor within 3-6 months of this Agreement execution, based on initial assessments.

Fees will be billed quarterly in advance. The 10% withhold will be shown on quarterly billings as an “Earn-back Potential” line-item deducted from the total amount billed. Invoices for earn-back dollars and/or bonus fees will include evidence of client sign-off for completion of the associated metric(s).

Client will be responsible for reimbursing at cost Contractor’s reasonable and necessary out-of-pocket expenses up to 25% of Fees related to travel (e.g., travel, hotel rooms, parking, meals) incurred. Notwithstanding the foregoing, all expenses to be reimbursed by Client must be incurred in compliance with Client’s applicable travel policy.

II. Additional Services

Additional work requested by Client and provided by Contractor beyond the Services set forth on Attachment A (“Additional Services”) will be on a separate fee schedule. No amounts shall be billed to the Client for Additional Services without the Client’s prior written approval (including via e-mail) of the scope of the Additional Services to be performed.

Attachment C – Business Associate Agreement

This Business Associate Agreement (the “Agreement”) is effective as of the Effective Date by and between the Client (“Covered Entity”) and COPE Healthcare Consulting Inc. dba COPE Health Solutions (“Business Associate”).

WHEREAS, Covered Entity has engaged Business Associate to perform services or provide goods, or both pursuant to a separate agreement (the “Services Agreement”);

WHEREAS, Covered Entity possesses Protected Health Information (as defined below) (“PHI”) under HIPAA (as hereinafter defined), the HIPAA Privacy Regulations (as hereinafter defined), the HIPAA Security Regulations (as hereinafter defined), and the HITECH Standards (as hereinafter defined) and is permitted to use or disclose such information only in accordance with such laws and regulations;

WHEREAS, in connection with such engagement of Business Associate by Covered Entity in order to perform certain of the services or provide certain of the goods, or both, Covered Entity may need to disclose to Business Associate, or Business Associate may need to create on Covered Entity’s behalf, certain PHI that is subject to protection under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“HITECH Act”), and regulations promulgated thereunder by the U.S. Department of Health and Human Services to implement certain privacy and security provisions of HIPAA (the “HIPAA Regulations”), codified at 45 C.F.R. Parts 160 and 164; and

WHEREAS, Covered Entity wishes to ensure that Business Associate will appropriately safeguard PHI;

NOW THEREFORE, Covered Entity and Business Associate agree as follows:

1. **Definitions.**

The parties agree that the following terms, when used in this Agreement, shall have the following meanings, provided that the terms set forth below shall be deemed to be modified to reflect any changes made to such terms from time to time as defined in the HIPAA Privacy Regulations, the HIPAA Security Regulations, and the HITECH Standards. Capitalized terms used, but not otherwise defined, in this Agreement shall have the meanings set forth in HIPAA, the HIPAA Regulations and the HITECH Act.

a. “Breach” shall have the meaning given to such term in 45 C.F.R. § 164.402, including the acquisition, access, use, or disclosure of PHI in a manner not permitted under 45 C.F.R. Part 164, Subpart E (the “HIPAA Privacy Rule”) which compromises the security or privacy of the Protected Health Information. “Breach” shall not include:

(1) Any unintentional acquisition, access, or use of Protected Health Information by a workforce member or person acting under the authority of Covered Entity or Business Associate, if such acquisition, access, or use was made in good faith and within the scope of authority and does not result in further use or disclosure in a manner not permitted under the HIPAA Privacy Rule; or

(2) Any inadvertent disclosure by a person who is authorized to access Protected Health Information at Covered Entity or Business Associate to another person authorized to access Protected Health Information at Covered Entity or Business Associate, respectively, or Organized Health Care Arrangement in which Covered Entity participates, and the information received as a result of such disclosure is not further used or disclosed in a manner not permitted under the HIPAA Privacy Rule; or

(3) A disclosure of Protected Health Information where Covered Entity or Business Associate has a good faith belief that an unauthorized person to whom the disclosure was made would not reasonably have been able to retain such information.

b. “Business Associate” shall have the meaning given to such term in 45 C.F.R. § 160.103, including, with respect to a Covered Entity, a person who:

(1) on behalf of such Covered Entity or of an organized health care arrangement in which Covered Entity participates, but other than in the capacity of a member of the workforce of such Covered Entity or arrangement, performs, or assists in the performance of:

i) function or activity involving the use or disclosure of Individually Identifiable Health Information, including claims processing or administration, data analysis, processing or administration, utilization review, quality assurance, billing, benefit management, practice management, and repricing; or

ii) any other function or activity regulated by the HIPAA Privacy Regulations or HIPAA Security Regulations; or

(2) provides, other than in the capacity of a member of the workforce of such Covered Entity, legal, actuarial, accounting, consulting, Data Aggregation, management, administrative, accreditation, or financial services to or for such Covered Entity, or to or for an organized health care arrangement in which Covered Entity participates, where the provision of the service involves the disclosure of Individually Identifiable Health Information from such Covered Entity or arrangement, or from another Business Associate of such Covered Entity or arrangement, to the person.

c. “Covered Entity” shall have the meaning given to such term in 45 C.F.R. § 160.103, including a health plan, a health care clearinghouse, or a health care provider who transmits any health information in electronic form in connection with a transaction covered by the HIPAA Privacy Regulations and HIPAA Security Regulations.

d. “Data Aggregation” shall have the meaning given to such term in 45 C.F.R. § 164.501, including, with respect to PHI created or received by a Business Associate in its capacity as the Business Associate of a Covered Entity, the combining of such PHI by the Business Associate with the PHI received by the Business Associate in its capacity as a Business Associate of another Covered Entity, to permit data analyses that relate to the health care operations of the respective Covered Entities.

e. “Electronic Protected Health Information” or “Electronic PHI” means Protected Health Information that is transmitted by, or maintained in, electronic media as defined in the HIPAA Security Regulations.

f. “Health Care Operations” shall have the meaning given to such phrase under the HIPAA Privacy Regulations, including, but not limited to, 45 C.F.R. § 164.501.

g. “HIPAA” means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.

h. “HIPAA Privacy Regulations” means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the privacy of Protected Health Information, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart E.

i. “HIPAA Security Regulations” means the regulations promulgated under HIPAA by the United States Department of Health and Human Services to protect the security of Electronic Protected Health Information, including, but not limited to, 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart C.

j. “HITECH Standards” means the privacy, security and security Breach notification provisions applicable to a Business Associate under Subtitle D of the Health Information Technology for Economic and Clinical Health Act (“HITECH”), which is Title XIII of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), and any regulations promulgated thereunder.

k. “Individually Identifiable Health Information” means information that is a subset of health information, including demographic information collected from an individual, and;

(1) is created or received by a health care provider, health plan, employer, or health care clearinghouse; and

(2) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and

i) that identifies the individual; or

ii) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

l. “Protected Health Information” or “PHI” means Individually Identifiable Health Information transmitted or maintained in any form or medium that (i) is received by Business Associate from Covered Entity, (ii) Business Associate creates for its own purposes from Individually Identifiable Health Information that Business Associate received from Covered Entity, or (iii) is created, received, transmitted or maintained by Business Associate on behalf of Covered Entity. Protected Health Information excludes Individually Identifiable Health Information in education records covered by the Family Educational Rights and Privacy Act, as amended, 20 U.S.C. § 1232g, records described at 20 U.S.C. § 1232g(a)(4)(B)(iv), and employment records held by the Covered Entity in its role as employer.

m. “Required By Law” shall have the same meaning as the phrase “required by law” in 45 C.F.R. § 164.103.

n. “Secretary” means the Secretary of the U.S. Department of Health and Human Services or his/her designee.

o. “Security Incident” means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

2. **Status of Parties.**

Business Associate hereby acknowledges and agrees that Covered Entity is a Covered Entity and that Business Associate is a Business Associate of Covered Entity.

3. **Permitted Uses and Disclosures.**

a. *Performance of Services.* Business Associate may use and disclose PHI in connection with its performance of the Services Agreement(s) if such use or disclosure of PHI would not violate HIPAA, the HIPAA Privacy Regulations, or the HITECH Standards if done by Covered Entity or such use or disclosure is expressly permitted under Section 3.b. or 3.c. of this Agreement.

b. *Proper Management and Administration.* Business Associate may use and disclose PHI for the proper management and administration of Business Associate, including in connection with the performance of services related to research and/or healthcare operations or population health planning and as permitted by this Agreement. Business Associate may disclose PHI for such proper management and administration of Business Associate. Any such disclosure of PHI shall only be made if Business Associate obtains satisfactory written assurances from the person to whom the PHI is disclosed that: (1) the PHI will be held confidentially and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person; and (2) Business Associate will be notified by such person of any instances it becomes aware of in which the confidentiality of the PHI has been breached.

c. *Other Permitted Uses and Disclosures.* Unless otherwise limited herein, the Business Associate may also: (i) perform Data Aggregation for the Health Care Operations of Covered Entity; (ii) may use, analyze, and disclose the PHI in its possession for the public health activities and purposes set forth at C.F.R. § 164.512(b); and (iii) de-identify any and all PHI provided that Business Associate implements de-identification criteria in accord with 45 C.F.R. §164.514(b). Business Associate shall not use PHI in any manner that would constitute a violation of the HIPAA Privacy Regulations or the HITECH Act if so used by Covered Entity. Business Associate agrees to limit its use of PHI to the minimum amount necessary to accomplish the intended purpose of the use.

d. *Other Obligations.* To the extent that Business Associate is to carry out one or more obligations of a Covered Entity obligations under the HIPAA Privacy Regulations, Business Associate shall comply with such requirements that apply to Covered Entity in the performance of such obligations.

4. **Nondisclosure.**

a. *Prohibited Uses and Disclosures.* Subcontractor shall not use or further disclose PHI except as permitted or required by this Agreement. Subcontractor shall not use or disclose PHI for fundraising or marketing purposes. In accordance with 45 C.F.R. § 164.522(a)(1)(B)(6),

Subcontractor shall not disclose PHI to a health plan for payment or Health Care Operations purposes if a patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates. Subcontractor shall not sell PHI as provided in 45 C.F.R. § 164.502.

b. *Disclosures Required By Law.* Business Associate shall not, without the prior written consent of Covered Entity, disclose any PHI on the basis that such disclosure is Required By Law without notifying Covered Entity so that Covered Entity shall have an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, Business Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all alternatives for relief. Business Associate shall require reasonable assurances from persons receiving PHI in accordance with Section 3.b. of this Agreement that such persons will provide Covered Entity with similar notice and opportunity to object before disclosing PHI on the basis that such disclosure is Required By Law.

c. *Additional Restrictions.* If Covered Entity notifies Business Associate that Covered Entity has agreed to be bound by additional restrictions on the uses or disclosures of PHI pursuant to HIPAA, the HIPAA Privacy Regulations or the HITECH Standards, Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions.

5. **Safeguards, Reporting, Mitigation and Enforcement.**

a. *Safeguards.* Business Associate shall use any and all appropriate safeguards to prevent use or disclosure of PHI other than as provided by this Agreement. Business Associate further agrees to use appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of any Electronic PHI in accordance with the HIPAA Security Regulations and the HITECH Standards.

b. *Business Associate's Agents.* Business Associate shall ensure that any agents, including subcontractors, to whom it provides PHI agree in writing to be bound by the same restrictions and conditions that apply to Business Associate with respect to such PHI; provided, however, that Business Associate shall not disclose or provide access to PHI to any subcontractor or agent.

c. *Reporting.* Business Associate shall report immediately to Covered Entity any use or disclosure of PHI in violation of this Agreement or applicable law of which it becomes aware. Business Associate further agrees to report immediately to Covered Entity any Security Incident (as defined by the HIPAA Security Regulations, as amended) of which it becomes aware. In addition, Business Associate shall immediately report to Covered Entity any Breach consistent with the regulations promulgated under HITECH by the United States Department of Health and Human Services at 45 C.F.R. Part 164, Subpart D.

d. *Mitigation.* Business Associate agrees to mitigate, to the maximum extent practicable, any deleterious effect from any use or disclosure of PHI in violation of this Agreement or applicable law.

e. *Sanctions.* Business Associate shall have and apply appropriate sanctions against any employee, subcontractor or agent who uses or discloses PHI in violation of this Agreement or applicable law.

f. *Covered Entity's Rights of Access and Inspection.* From time to time upon reasonable notice, or upon a reasonable determination by Covered Entity that Business Associate has breached this Agreement, Covered Entity may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Agreement, nor does Covered Entity's (1) failure to detect or (2) detection of, but failure to notify Business Associate or require Business Associate's remediation of, any unsatisfactory practices constitute acceptance of such practice or a waiver of Covered Entity's enforcement or termination rights under this Agreement. The parties' respective rights and obligations under this Section 5.f. shall survive termination of the Agreement.

g. *United States Department of Health and Human Services.* Business Associate agrees to keep records, submit compliance reports, and make its internal practices, books and records relating to the use and disclosure of PHI, received from Business Associate or a Covered Entity, or created or received by Subcontractor on behalf of Business Associate or an applicable Covered Entity, available to the Secretary for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with HIPAA, the HIPAA Regulations, and the HITECH Act. Business Associate agrees to cooperate with the Secretary if the Secretary undertakes an investigation or compliance review of Covered Entity. Business Associate shall permit the Secretary access to its facilities, books, records, accounts, and other sources of information, including PHI, during normal business hours. No attorney-client, or other legal privilege will be deemed to have been waived by Business Associate by virtue of this provision of the Agreement. Business Associate shall provide to Covered Entity a copy of any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary. The parties' respective rights and obligations under this Section 5.g. shall survive termination of the Agreement.

6. Obligation to Provide Access, Amendment and Accounting of PHI.

a. *Individual Requests for Access.* Business Associate shall cooperate with Covered Entity to fulfill all requests by Individuals for access to the Individual's PHI. Business Associate shall cooperate with Covered Entity in all respects necessary for Covered Entity to comply with 45 C.F.R. § 164.524. Business Associate agrees to forward any copies requested by Covered Entity within ten (10) business days of such request. If Business Associate receives a request from an Individual for access to PHI, Business Associate shall immediately forward such request to Covered Entity. Covered Entity shall be responsible for determining the scope of PHI and/or Designated Record Set with respect to each request by an Individual for access to PHI.

b. *Amendment of PHI.* A patient has the right to have a Covered Entity amend his/her PHI, or a record in a Designated Record Set for as long as the PHI is maintained in the Designated Record Set, in accordance with 42 C.F.R. § 164.526. To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set at the request of Covered Entity in accordance with 45 C.F.R. § 164.526. Within ten (10) business days following Business Associate's amendment of PHI as directed by Covered Entity, Business Associate shall provide written notice to Covered Entity confirming that Business Associate has made the amendments or addenda to PHI as directed by Covered Entity and containing any other information as may be necessary for Covered Entity to provide adequate notice to the Individual in accordance with 45 C.F.R. § 164.526.

c. *Accounting of Disclosures of PHI.* In the event that Business Associate makes any disclosures of PHI that are subject to the accounting requirements of the HIPAA Privacy Regulations, Business Associate shall report such disclosures to Covered Entity within ten (10) days of such disclosure. The notice by Subcontractor to Business Associate of the disclosure shall include the name of the Individual, the recipient, the reason for disclosure, and the date of the disclosure. Subcontractor shall maintain a record of each such disclosure that shall include: (i) the date of the disclosure, (ii) the name and, if available, the address of the recipient of the PHI, (iii) a brief description of the PHI disclosed and (iv) a brief description of the purpose of the disclosure. Subcontractor shall maintain this record for a period of six (6) years and make it available to Business Associate upon request in an electronic format so that each relevant Covered Entity may meet its disclosure accounting obligations under 45 C.F.R. § 164.528. If a relevant Covered Entity provides a list of its business associates to an Individual in response to a request by an Individual for an accounting of disclosures, and the Individual thereafter specifically requests an accounting of disclosures from Subcontractor, then Subcontractor shall provide an accounting of disclosures to such Individual.

d. *Forwarding Requests From Individual.* In the event that any individual requests access to, amendment of, or accounting of PHI directly from Business Associate, Business Associate shall within two (2) days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or Business Associate to violate HIPAA, the HIPAA Privacy Regulations, or the HITECH Standards, Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.

7. **Material Breach, Enforcement and Termination.**

a. *Term.* This Agreement shall be effective as of the Agreement Effective Date, and the term of this Agreement shall be coterminous with the Services Agreement. However, Business Associate shall have a continuing obligation to safeguard the confidentiality of PHI received from Covered Entity after the termination of the Services Agreement(s).

b. *Termination.* Either party may terminate this Agreement:

(1) immediately if non-terminating party is named as a defendant in a criminal proceeding for a violation of HIPAA, the HIPAA Privacy Regulations, the HIPAA Security Regulations, or the HITECH Standards;

(2) immediately if a finding or stipulation that non-terminating party has violated any standard or requirement of HIPAA, HITECH or other security or privacy laws is made in any administrative or civil proceeding in which non-terminating party has been joined; or

(3) pursuant to Sections 7.c. or 8.c. of this Agreement.

c. Remedies.

(1) If Covered Entity determines that Business Associate has breached or violated a material term of this Agreement, Covered Entities may, at its option, pursue any and all of the following remedies:

i) exercise any of its rights of access and inspection under

- ii) Section 5.f. of this Agreement;
- iii) take any other reasonable steps that Covered Entity, in its sole discretion, shall deem necessary to cure such breach or end such violation; and/or
- iv) terminate this Agreement immediately.

(2) If Business Associate determines that Covered Entity has breached or violated a material term of this Agreement, Business Associate may, at its option, pursue any and all of the following remedies:

- i) take any reasonable steps that Business Associate, in its sole discretion, shall deem necessary to cure such breach or end such violation; and/or
- ii) terminate this Agreement immediately.

d. *Knowledge of Non-Compliance.* Any non-compliance by either party with this Agreement or with HIPAA, the HIPAA Privacy Regulations, the HIPAA Security Regulations, or the HITECH Standards automatically will be considered a breach or violation of a material term of this Agreement if breaching party knew or reasonably should have known of such non-compliance and failed to immediately take reasonable steps to cure the non-compliance.

e. *Reporting to United States Department of Health and Human Services.* If either party's efforts to cure any breach or end any violation are unsuccessful, and if termination of this Agreement is not feasible, the non-breaching party shall report breaching party's breach or violation to the Secretary of HHS, and such breaching party agrees that it shall not have or make any claim(s), whether at law, in equity, or under this Agreement, against non-breaching party with respect to such report(s).

f. *Return or Destruction of Records.* Upon termination of this Agreement for any reason, Business Associate shall return or destroy, as specified by Covered Entity, all PHI that Business Associate still maintains in any form, and shall retain no copies of such PHI. If Covered Entity, in its sole discretion, requires that Business Associate destroy any or all PHI, Business Associate shall certify to Covered Entity that the PHI has been destroyed. If return or destruction is not feasible, Business Associate shall inform Covered Entity of the reason it is not feasible and shall continue to extend the protections of this Agreement to such information and limit further use and disclosure of such PHI to those purposes that make the return or destruction of such PHI infeasible, for so long as Business Associate maintains such PHI.

g. *Injunctions.* Covered Entity and Business Associate agree that any violation of the provisions of this Agreement may cause irreparable harm to Covered Entity. Accordingly, in addition to any other remedies available to Covered Entity at law, in equity, or under this Agreement, in the event of any violation by Business Associate of any of the provisions of this Agreement, or any explicit threat thereof, Covered Entity shall be entitled to an injunction or other decree of specific performance with respect to such violation or explicit threat thereof, without any bond or other security being required and without the necessity of demonstrating actual damages. The parties' respective rights and obligations under this Section 7.g. shall survive termination of the Agreement.

h. *Indemnification.* In the event the Services Agreement provides for indemnification of the Parties or a Party, then provisions of this Section 7 shall control with respect to the matters

contained in this Agreement. Each Party (the “Indemnifying Party”) shall indemnify, hold harmless and defend the other Party (the “Indemnified Party”) from and against any and all claims, actual and direct losses, liabilities, costs and other expenses (including reasonable attorney’s fees) resulting from, or relating to, the Indemnifying Party’s negligence or wrongful acts or omissions, including the Indemnifying Party’s failure to perform its obligations under this Agreement, in connection with the Indemnifying Party’s representations, duties and obligations of Indemnifying Party under this Agreement. The parties’ respective rights and obligations under this Section 7.h. shall survive termination of the Agreement.

8. **Miscellaneous Terms.**

a. *State Law.* Nothing in this Agreement shall be construed to require Business Associate to use or disclose PHI without a written authorization from an individual who is a subject of the PHI, or written authorization from any other person, where such authorization would be required under state law for such use or disclosure.

b. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California to the extent that the provisions of HIPAA, the HIPAA Regulations or the HITECH Act do not preempt the laws of the State of California.

c. *Amendment.* Covered Entity and Business Associate agree that amendment of this Agreement may be required to ensure that Covered Entity and Business Associate comply with changes in state and federal laws and regulations relating to the privacy, security, and confidentiality of PHI, including, but not limited to, changes under the HIPAA Privacy Regulations, the HIPAA Security Regulations, and the HITECH Standards. Either party may terminate this Agreement upon thirty (30) days written notice in the event that the non-terminating party does not promptly enter into an amendment that terminating party, in its sole discretion, deems sufficient to ensure that it will be able to comply with such laws and regulations. This Agreement may not otherwise be amended except by written agreement between both parties.

d. *No Third Party Beneficiaries.* Nothing express or implied in this Agreement is intended or shall be deemed to confer upon any person other than Covered Entity and Business Associate, and their respective successors and assigns, any rights, obligations, remedies or liabilities whatsoever.

e. *Ambiguities.* The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with applicable law protecting the privacy, security and confidentiality of PHI, including, but not limited to, HIPAA, the HIPAA Privacy Regulations, the HIPAA Security Regulations, and the HITECH Standards.

f. *Primacy.* To the extent that any provisions of this Agreement conflict with the provisions of any other agreement or understanding between the parties, this Agreement shall control with respect to the subject matter of this Agreement.

g. *Ownership of PHI.* As between Covered Entity and Business Associate, Covered Entity holds all right, title and interest in and to any and all PHI received by Business Associate from, or created or received by Business Associate on behalf of, Covered Entity, and Business Associate does not hold, and will not acquire by virtue of this Agreement or by virtue of providing any services or goods to Covered Entity, any right, title or interest in or to such PHI or any portion thereof. Except as specified in Section 3.c. of this Agreement or as otherwise agreed to in writing by both parties, Business Associate shall have no right to compile and/or distribute any statistical

analysis or report utilizing such PHI, any aggregate information derived from such PHI, or any other health and medical information obtained from Covered Entity.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Agreement Effective Date.

COVERED ENTITY

Salinas Valley Memorial Healthcare System

Signature:

Name: Pete Delgado

Title: President/CEO

BUSINESS ASSOCIATE

COPE Healthcare Consulting Inc. dba COPE Health Solutions

Signature:

Name: Allen Miller

Title: Chief Executive Officer

Justification for Sole Source Form

To: Contract Review Committee

From: Adrienne Laurent/Administration

Type of Purchase: (Check One)

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

<i>Total Cost \$:</i>	\$702,360
<i>Vendor Name:</i>	Cope Health Solutions
<i>Agenda Item:</i>	Consider Recommendation for Board Approval of the Educational Services Agreement with Cope Health Solutions

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

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

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

Existing SVMHS equipment, inventory, custom-built information system, custom built data inventory system, or similar products or programs. **Describe.**

Uniqueness of the service. **Describe.**

Cope Health Solutions provides a unique workforce development and leadership training program that will enable Salinas Valley Memorial Healthcare System to train local high school students, college students, and career changers for the important work of healthcare services. Cope Health Solutions provides a turnkey, tailored workflow design that has proven successful in other markets facing the same workforce challenges we face. Because our organization has an existing relationship with Cope Health Solutions, our partner in creating the SVMHS Strategic Plan, they have a unique understanding of our organization and our needs, invaluable information as we work together to create a model program.

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

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

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

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

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

Submitter Signature _____ Date: _____

SVMH Balanced Scorecard



FY 2022 YTD February

Monthly Scorecard

Service (30%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
I. Service												
Average of Inpatient HCAHPS Scores	72.4	78.8	75.6	77.4	77.1	72.1	74.4	72.0	75.0	75.1	-0.1%	74.6
Emergency Room Press Ganey Score (*)	60.6	58.2	60.0	61.7	63.4	66.5	58.6	66.1	61.9	64.8	-4.6%	61.4
Average of Ambulatory HCAHPS Scores	88.0	91.3	87.6	94.7	89.4	91.1	91.9	93.6	90.9	91.6	-0.7%	91.1

Notes / Assumptions:

- Source: Press Ganey
- Based on monthly **received date**
- Based on top box scores (highest response possible on the survey scale: Yes, Definitely Yes, Always)
- IP HCAHPS Score FY 2021 Baseline was 74.6. Rationale: Baseline = Threshold is based on FY 2021 Actuals. Target is +0.5 from baseline. Max is +1.0 from baseline.
- ER HCAHPS Score FY 2021 Baseline was 61.4. Rationale: Baseline = Threshold is based on FY 2021 Actuals. The Target at 64.8 is the midpoint between Threshold & Max. The Max Goal at 68.27 is the 50th percentile rank.
(* **Measurement period will be Quarter 4 for Fiscal Year 2022.**)
- Ambulatory HCAHPS Score FY 2021 Baseline was 91.1. Rationale: Baseline = Threshold is based on FY 2021 Actuals. Target is +0.5 from baseline. Max is +1.0 from baseline.

Monthly Scorecard

Quality & Safety Processes – ER (8%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
Emergency Room Efficiencies												
Median length of stay for non-admits (in minutes)	171.0	162.0	162.0	168.0	172.0	165.0	165.0	175.0	168.0	162.0	-3.7%	163.0
Median time from admit decision to time of admission to nursing unit (in minutes)	81.0	79.0	82.0	78.0	93.0	78.0	86.0	83.0	83.0	89.0	6.7%	90.0



Source: Meditech

ER - LOS for Non-Admits in Minutes: Data Criteria: Calculate the median LOS in minutes for ER Outpatients for each month & YTD for cases in ER (excludes inpatients and patients leaving against medical advice or left without being seen.) Rationale: Baseline = Threshold is based on FY 2021 Actuals. The Target is a 1 minute improvement from the Baseline, and the Max is a 2 minute improvement from the Baseline.

ER - Time to Admit in Minutes: Data Criteria: Calculate the median time for inpatients from admit decision to time of admission to nursing unit in minutes (includes observation cases). Rationale: Baseline = Threshold is based on FY 2021 Actuals. The Target is a 1 minute improvement from the Baseline, and the Max is a 2 minute improvement from the Baseline.

Monthly Scorecard

Quality & Safety Processes – OR (8%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
Operating Room Efficiencies												
Turnover Time (Wheels out / Wheels in) (in minutes)	28.2	27.5	28.1	28.2	27.9	28.3	28.7	27.7	28.1	29.5	4.8%	29.6
Percentage of 1st Case On Time Start Time	93.3%	97.7%	95.5%	95.6%	94.2%	92.4%	92.5%	96.7%	94.7%	89.0%	6.4%	91.6%

Turnover Time Measurement: Source is from the PICIS OR Nurse Record, calculate minutes elapsed between the wheels out & wheels in of the next case. Only cases where the time difference is less than or equal to 60 minutes will be included because breaks are often scheduled in a day. Due to MD availability, cases that exceed 60 threshold minutes will not count as a turnover. Excludes non-scheduled cases. Measurement applies to cases for the same physician and same room only. Data will be partitioned by actual date rather than previously scheduled date. **National benchmarks range from 25 to 38 minutes.** FY 2022 Goals are the same as prior year to continue high efficiency performance and strive to maintain sustainability at these levels. Planning to reduce minutes may cause patient safety risks and other concerns, especially considering the Covid-19 ongoing pandemic and the impact it has had in our hospital capacity as well as in our perioperative operations.

Percentage of 1st case On Time Start Time

- Source is from PICIS for 1st scheduled case of the day in each OR room where the scheduled time is between 07:00 AM and 08:59 AM
- Cases in which the patient is Wheeled In at least zero minutes prior to the case
- **National benchmark goals range from 70% to 80%**
- FY 2022 Goals are the same as prior year to continue high efficiency performance and strive to maintain sustainability.

Monthly Scorecard

Quality & Safety Processes – HAC & Hand Hygiene(4%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %
Hospital Acquired Conditions											
CLABSI SIR (Standard Infection Ratio)	0.00			0.63					0.31	0.30	-4.5%
# of CLABSI EVENTS	0	0	0	1	0	0					
CAUTI SIR (Standard Infection Ratio)	0.00			0.61					0.31	0.47	35.1%
# of CAUTI EVENTS	0	0	0	0	1	0					
CDI SIR (Standard Infection Ratio)	0.51			0.31					0.41	0.45	9.3%
# of CDI EVENTS	0	2	1	0	1	1					
Hospital Acquired Conditions Average	0.17			0.52					0.34	0.41	15.9%

FY 2021 Baseline
0.11
1
0.57
5
0.19
4
0.29



Hospital Acquired Conditions

- > Source: National Healthcare Safety Network (NHSN) & Medline Interface
- > Hospital Acquired Conditions will be measured **quarterly**
- > **Rationale for Targets:** The FY 2022 Target (0.41) is set to be an improvement from the prior year target (0.49)
- > Acronyms:
 1. CLABSI (Central Line Associated Bloodstream Infection)
 2. CAUTI (Catheter Associated Urinary Tract Infection)
 3. CDI (Clostridium Difficile Infection)

Hand Hygiene

- > Source: MyRounding Tool populated by SVMHS staff / leaders direct observations
- > Hand Hygiene will be measured **monthly**
- > **Rationale for Targets:** Improve Hand Hygiene performance and meet recommended metrics by Leapfrog and JC/CMS

Monthly Scorecard

Finance (20%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
IV. Finance												
Income from Operations (Normalized) (\$ in Millions)	\$7,939	\$9,298	\$5,821	\$4,561	\$6,599	\$11,434	\$6,458	\$8,222	\$90,498	\$68,853	31.4%	\$86,392
Operating Margin (Normalized)	16.3%	18.1%	12.3%	10.1%	13.9%	21.5%	12.9%	15.6%	15.1%	12.5%	20.9%	15.1%

- Target Methodology is based on SVMH’s 100% of FY 2022 Board Approved Annual Operating Budget

Monthly Scorecard

Growth (10%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
V. Growth												
Increase % of patients adopting of EPIC MyChart to →	37.1%	37.6%	38.2%	39.1%	39.5%	39.9%	40.5%	40.9%	40.9%	40.0%	2.2%	36.5%
Implement eConsult in a Number of Specialties	0	0	0	0	1	1	2	2	2	2	0.0%	-
eConsult Patient Utilization	0	0	0	0	8	20	13	6	47	100	-53.0%	-

- **I. MyChart adoption for SVMC:** Source is the EPIC SVMC system. Increasing from 36.5% to 40% - this continues to be a significant focus as we expand functionality for patient engagement and develop MyChart as our digital front door for the clinic. Measurement will be based on 12 months ending June 30, 2022. Monthly reporting will be based on a rolling 12 month period.
- **II. & III. SVMC eConsult development (Number of Specialties & Patient Volume):** Source is the EPIC SVMC system. Increasing access to specialty services by providing a mechanism for our specialty care physicians to support primary care through electronic consults facilitated through Epic. Primary care MDs submit specified data to a specialist through Epic and receive a plan/recommendation for care that they can implement or the specialist will request to see the patient. The first specialty we are targeting is **Dermatology**, followed by **Infectious Disease** and **Cardiology**. The functionality exists in Epic to support the workflows but it will require program and protocol development that we will begin in the next several weeks.
 - *Dermatology went live effective November 2021*
 - *Infectious Disease went live effective January 2022*
 - *Cardiology is currently pending final build for approval, and will go live March/April 2022.*

Monthly Scorecard

Community (5%)



Organizational Goals by Pillar	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	FY 2022 Act/Proj	TARGET	Var %	FY 2021 Baseline
VI. Community												
Improve the patient experience and increase access to hospital services as measured by the number of hospital-based clinical departments that accommodate online appointment scheduling									0	2	-100.0%	-

Targeted Goals for online based scheduling:

- Creation/adaptation of technology tailored to the needs of the SVMHS department that is implementing online scheduling
- Successful implementation and launch of system
- Marketing campaign regarding the ability to schedule appointments online
- Ongoing monitoring of system
- Monthly reporting on usage rates, customer satisfaction, and other data collected by the system
- Source is based on management reporting of final results for each clinical department



Organizational Goals by Pillar		FY 2022 Act/Proj	TARGET	Var %		FY 2021 Baseline	
Weight 30%	I. Service						
	Average of Inpatient HCAHPS Scores	75.0	75.1	-0.1%	☁️	74.6	☀️
	Emergency Room Press Ganey Score	61.9	64.8	-4.6%	☁️	61.4	☀️
	Average of Ambulatory HCAHPS Scores	90.9	91.6	-0.7%	☁️	91.1	☁️
15%	II. People						
	Annual Employee Indicator Survey	-	4.39		❓	4.36	❓
20%	III. Quality & Safety Processes						
	Emergency Room Efficiencies						
	Median length of stay for non-admits (in minutes)	168.0	162.0	-3.7%	☁️	163.0	☁️
	Median time from admit decision to time of admission to nursing unit (in minutes)	83.0	89.0	6.7%	☀️	90.0	☀️
	Operating Room Efficiencies						
	Turnover Time (Wheels out / Wheels in) (in minutes)	28.1	29.5	4.8%	☀️	29.6	☀️
	Percentage of 1st Case On Time Start Time	94.7%	89.0%	6.4%	☀️	91.6%	☀️
	Hospital Acquired Conditions Average	0.34	0.41	15.9%	☀️	0.29	☁️
	Hand Hygiene (Percentage of successful Hand Hygiene observations)	88.0%	75.0%	17.3%	☀️	78.0%	☀️
20%	IV. Finance						
	Income from Operations (Normalized) (\$ in Millions)	\$90,498	\$68,853	31.4%	☀️	\$86,392	☀️
	Operating Margin (Normalized)	15.1%	12.5%	20.9%		15.1%	
10%	V. Growth						
	Increase % of patients adopting of EPIC MyChart to →	40.9%	40.0%	2.2%	☀️	36.5%	☀️
	Implement eConsult in a Number of Specialties	2	2	0.0%	☀️	-	
	eConsult Patient Utilization	47	100	-53.0%	☁️	-	
5%	VI. Community						
	Improve the patient experience and increase access to hospital services as measured by the number of hospital-based clinical departments that accommodate online appointment scheduling	0	2	-100.0%	☁️	-	

Questions / Comments?



Financial Performance Review

March 2022

**Scott Cleveland for Augustine Lopez
Chief Financial Officer**



Consolidated Financial Summary

For the Month of March 2022

Profit/Loss Statement

\$ in Millions	For the Month of March 2022				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 59.7	\$ 54.4	\$ 5.3		9.7%
Operating Expense	\$ 55.0	\$ 53.1	\$ (1.9)		-3.6%
Income from Operations*	\$ 4.7	\$ 1.3	\$ 3.4		261.5%
<i>Operating Margin %</i>	8.0%	2.3%	5.7%		247.83%
Non Operating Income**	\$ (4.1)	\$ 1.1	\$ (5.2)		-472.7%
Net Income	\$ 0.6	\$ 2.4	\$ (1.8)		-75.0%
<i>Net Income Margin %</i>	1.1%	4.3%	-3.2%		-74.4%

Operating Performance highlights*:

- Total Net Revenues were \$5.3M (10%) above budget
- Very strong ER and Outpatient activity for the month
- IP Admissions were above budget by 12% and ADC by 2%
- IP Surgeries were 24% above budget

The above was partially offset by the following:

- The Contract labor was very high at a \$3.0M coupled with high utilization of overtime which was needed to support the high amount of surgical, ER and other outpatient activity and acuity

****Non-operating income** was below budget predominately due to mark-to-market adjustments in investment portfolios.

Consolidated Financial Summary

Year-to-Date March 2022

Profit/Loss Statement

\$ in Millions	FY 2022 YTD March				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 522.3	\$ 473.7	\$ 48.6	10.3%	
Operating Expense	\$ 477.4	\$ 463.5	\$ (13.9)	-3.0%	
Income from Operations*	\$ 44.9	\$ 10.2	\$ 34.7	340.2%	
<i>Operating Margin %</i>	8.6%	2.1%	6.5%	309.5%	
Non Operating Income**	\$ (4.6)	\$ 9.8	\$ (14.4)	-146.9%	
Net Income	\$ 40.3	\$ 20.0	\$ 20.3	101.5%	
<i>Net Income Margin %</i>	7.7%	4.2%	3.5%	83.3%	

*** Income from Operations includes:**

- \$1.9M AB113 Intergovernmental Transfer Payment (FY 20-21)
- <\$1.0M> Medi-Cal Cost Report Final Settlement (FY18)
- \$0.5M AB113 Intergovernmental Transfer Payment (FY 19-20)
- \$3.9M Hospital Quality Assurance Fee (CY 2021)
- \$5.3M Total Normalizing Items, Net**

**** Non Operating Income includes:**

- \$1.1M Doctors on Duty Forgiven Paycheck Protection Program Loan

Consolidated Financial Summary

Year-to-Date March 2022 - Normalized

Profit/Loss Statement

\$ in Millions	FY 2022 YTD March				
			Variance fav (unfav)		
	Actual	Budget	\$VAR	%VAR	
Operating Revenue	\$ 517.1	\$ 473.7	\$ 43.4	9.2%	
Operating Expense	\$ 477.4	\$ 463.5	\$ (13.9)	-3.0%	
Income from Operations	\$ 39.7	\$ 10.2	\$ 29.5	289.2%	
<i>Operating Margin %</i>	7.7%	2.1%	5.6%	266.7%	
Non Operating Income	\$ (5.7)	\$ 9.8	\$ (15.5)	-158.2%	
Net Income	\$ 34.0	\$ 20.0	\$ 14.0	70.0%	
<i>Net Income Margin %</i>	6.6%	4.2%	2.4%	57.1%	

SVMH Financial Highlights March 2022

Gross Revenues were favorable

- **Gross Revenues** were 11% favorable to budget
- **IP gross revenues** were 4% favorable to budget
- **ED gross revenues** were 17% above budget
- **OP gross revenues** were 28% favorable to budget in the following areas:
 - Infusion Therapy
 - Surgery
 - Cardiology
 - Radiology
 - Other OP Pharmacy
 - Other OP Services

- **Commercial:** 5% above budget
- **Medicaid:** 10% above budget
- **Medicare:** 20% above budget

Payor Mix – unfavorable to budget

Total Normalized Net Patient Revenues were \$52.2M, which was favorable to budget by \$6.1M or 13%

Financial Summary – March 2022



1) Higher than expected Inpatient business:

- Average daily census was at 117, 2% above budget of 115

2) Total admissions were 12% (102 admits) above budget

- ER admissions were 11% above budget (73 admits)
- ER admissions (including OB ED) were 82% of total acute admissions

3) ER Outpatient visits were above budget by 33% (955 visits)

4) Inpatient Surgeries cases were 24% (33 cases) above budget predominately in Neurosurgery and Urology

5) Higher than expected Outpatient business:

- Predominantly due to higher than budgeted volumes in Infusion Therapy, Cardiology, Radiology, and Other Outpatient Services



6) Medicare Traditional ALOS CMI adjusted 2% unfavorable at 2.5 days with a Case Mix Index of 1.7

7) Outpatient Surgeries were 7% (21 cases) below budget

8) Deliveries were 16% (23 deliveries) below budget at 121

9) OP Observation cases were 14% (21 cases) above budget at 177

COVID Inpatient Discharge Cases

Payor Mix Analysis

Apr 2021 thru Mar 2022

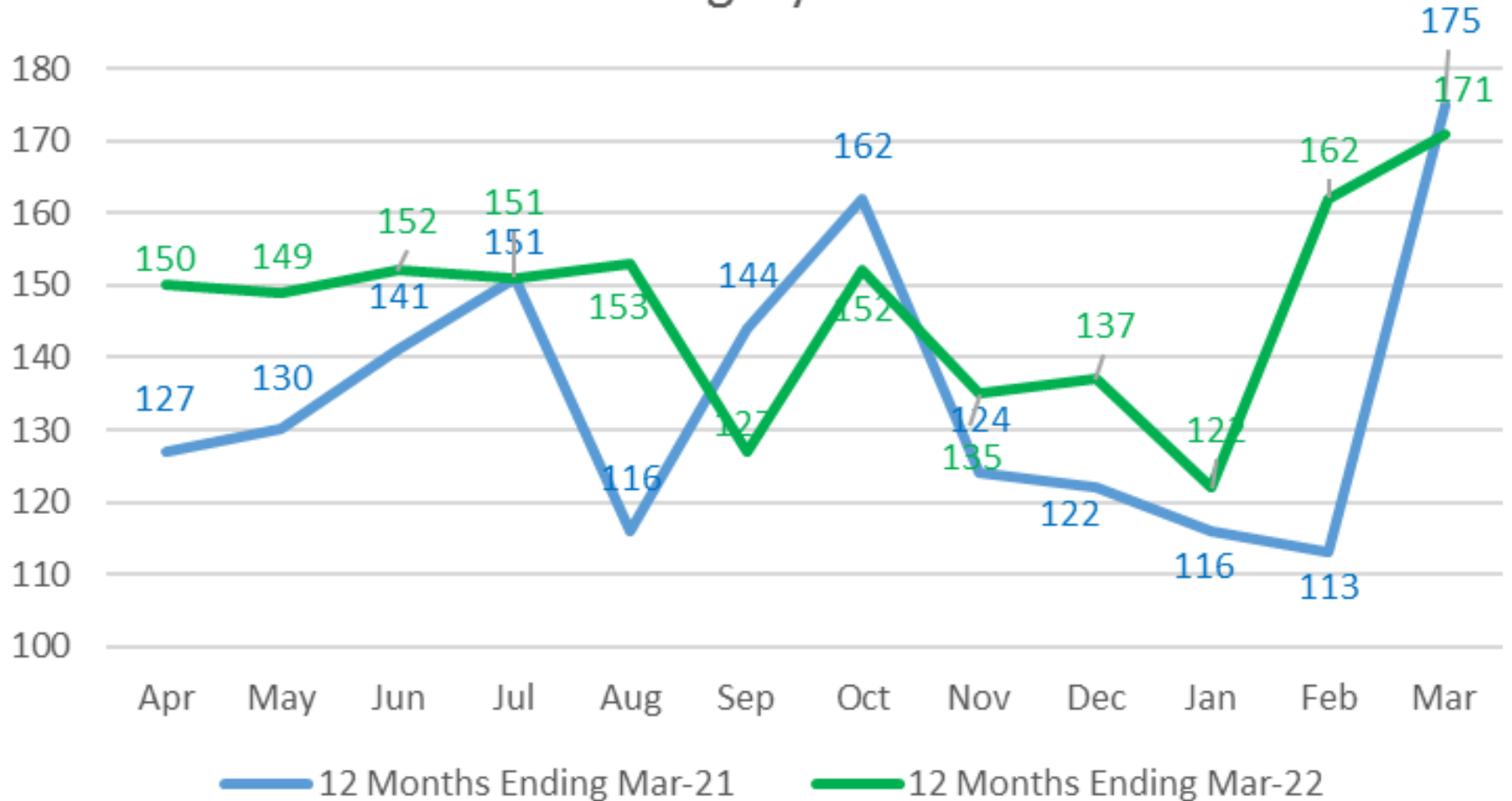
Payor	Apr 21	May 21	Jun 21	July 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Feb 22	Mar 22
Medicare	2	2	1	1	10	11	12	5	18	82	59	9
Medi-Cal	1	2	8	3	19	11	10	6	12	44	27	2
Commercial	5	2	1	9	14	10	7	11	11	38	14	3
Other	1			1	3	1		1		3		
Grand Total	9	6	10	14	46	33	29	23	41	167	100	14

COVID Inpatient cases
Decreased during
March compared to
prior month.

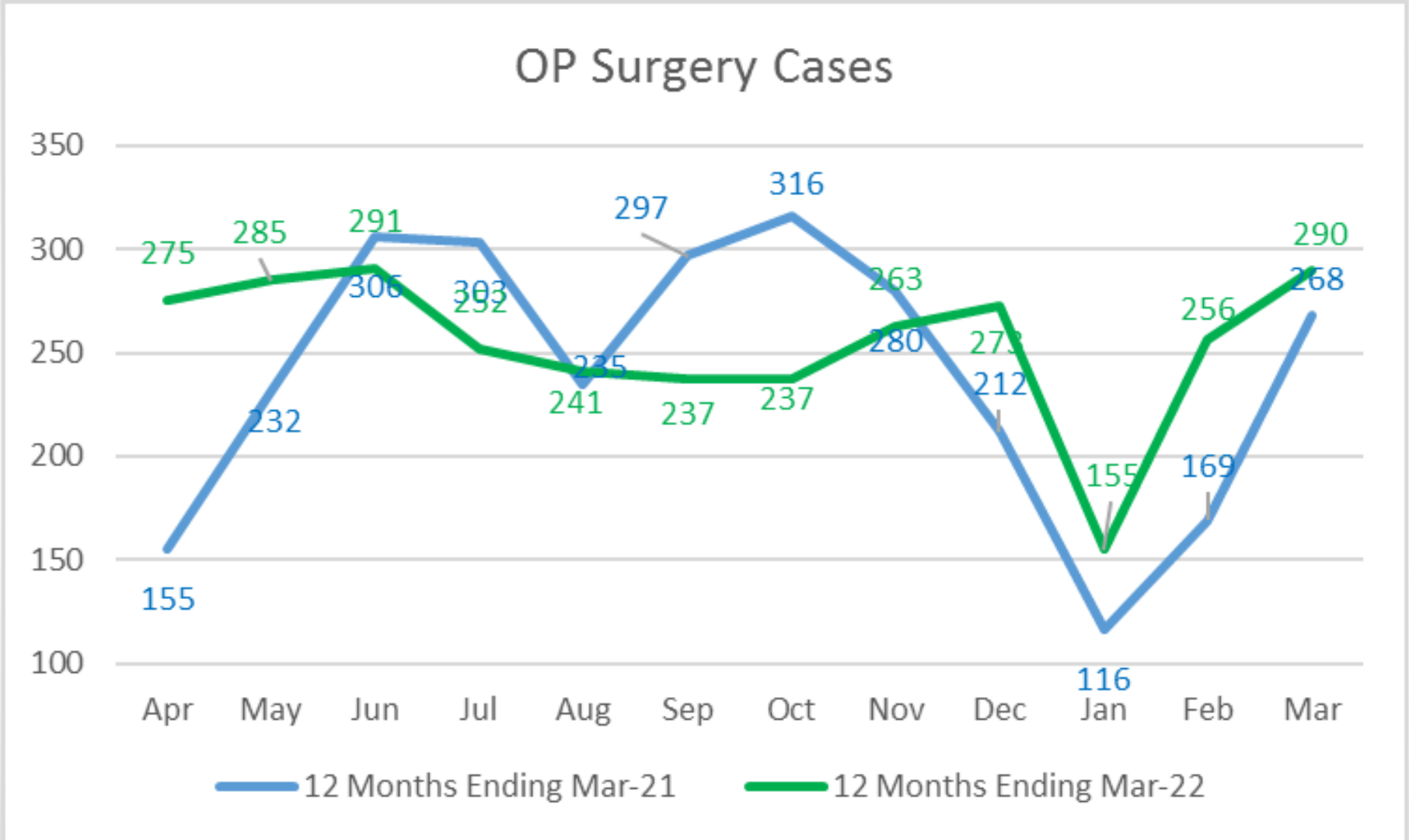
Note: COVID Criteria is based any DX U07.1

IP Surgery Cases – March 2022

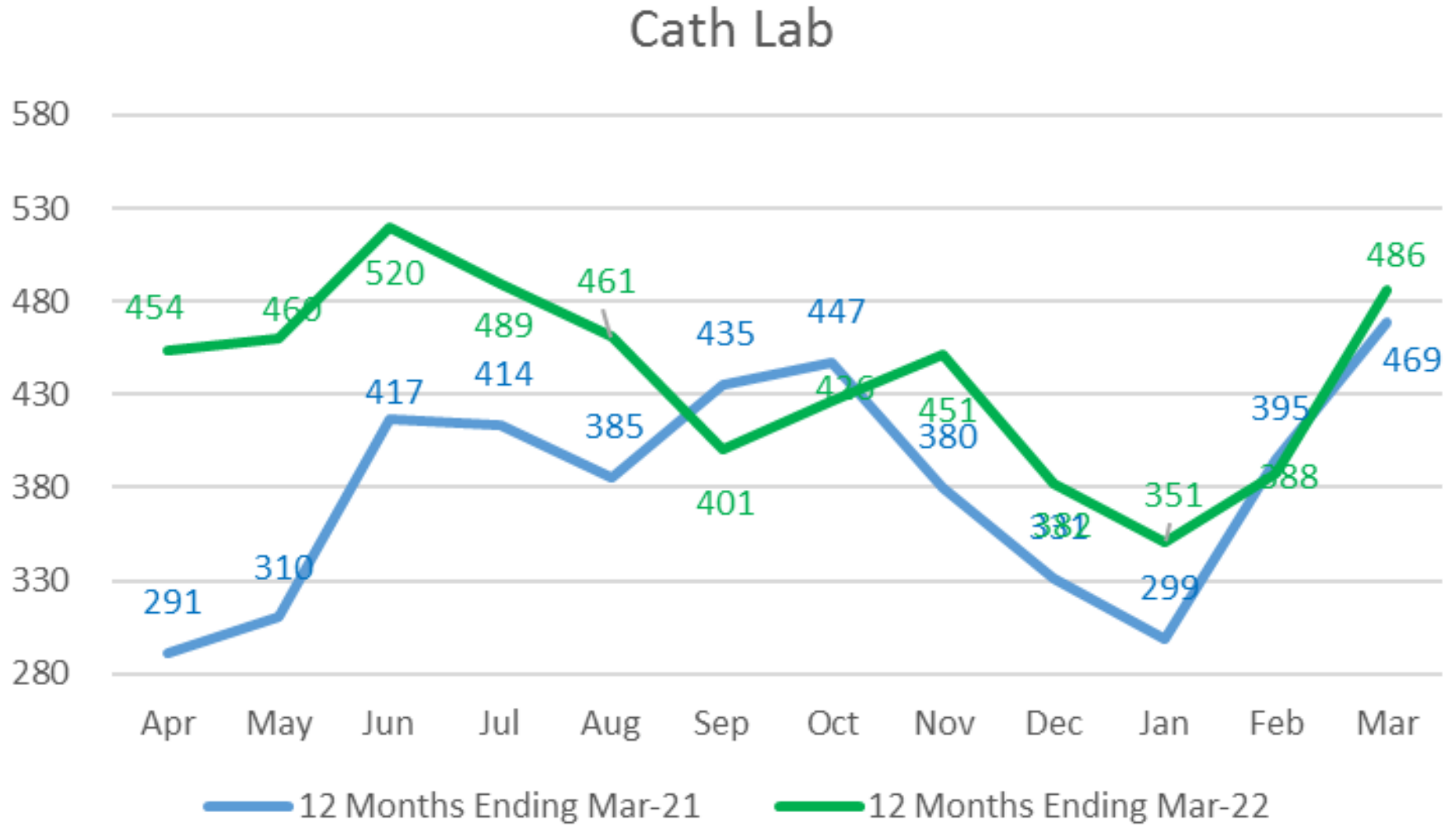
IP Surgery Cases



OP Surgery Cases – March 2022

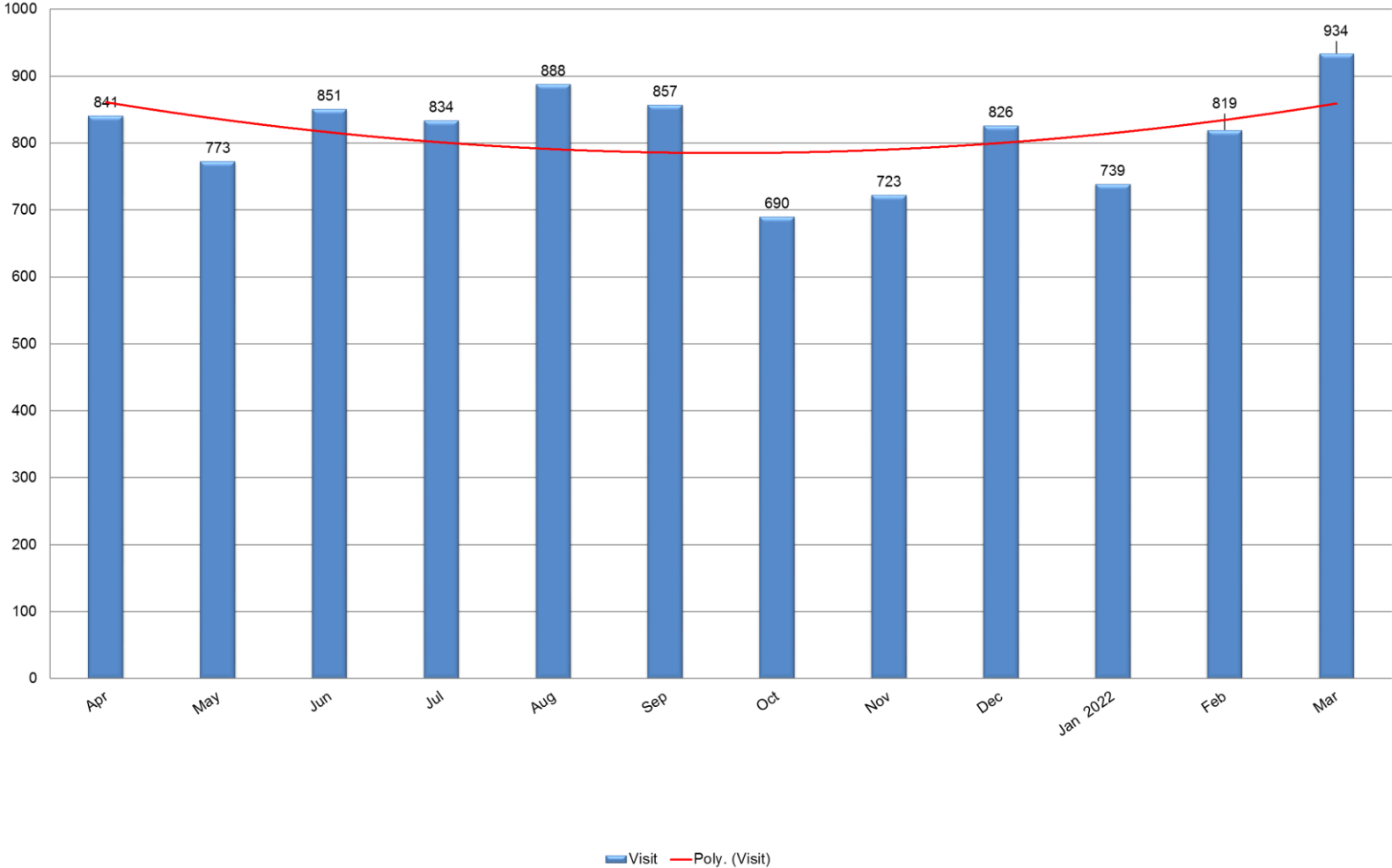


Cath Lab – March 2022



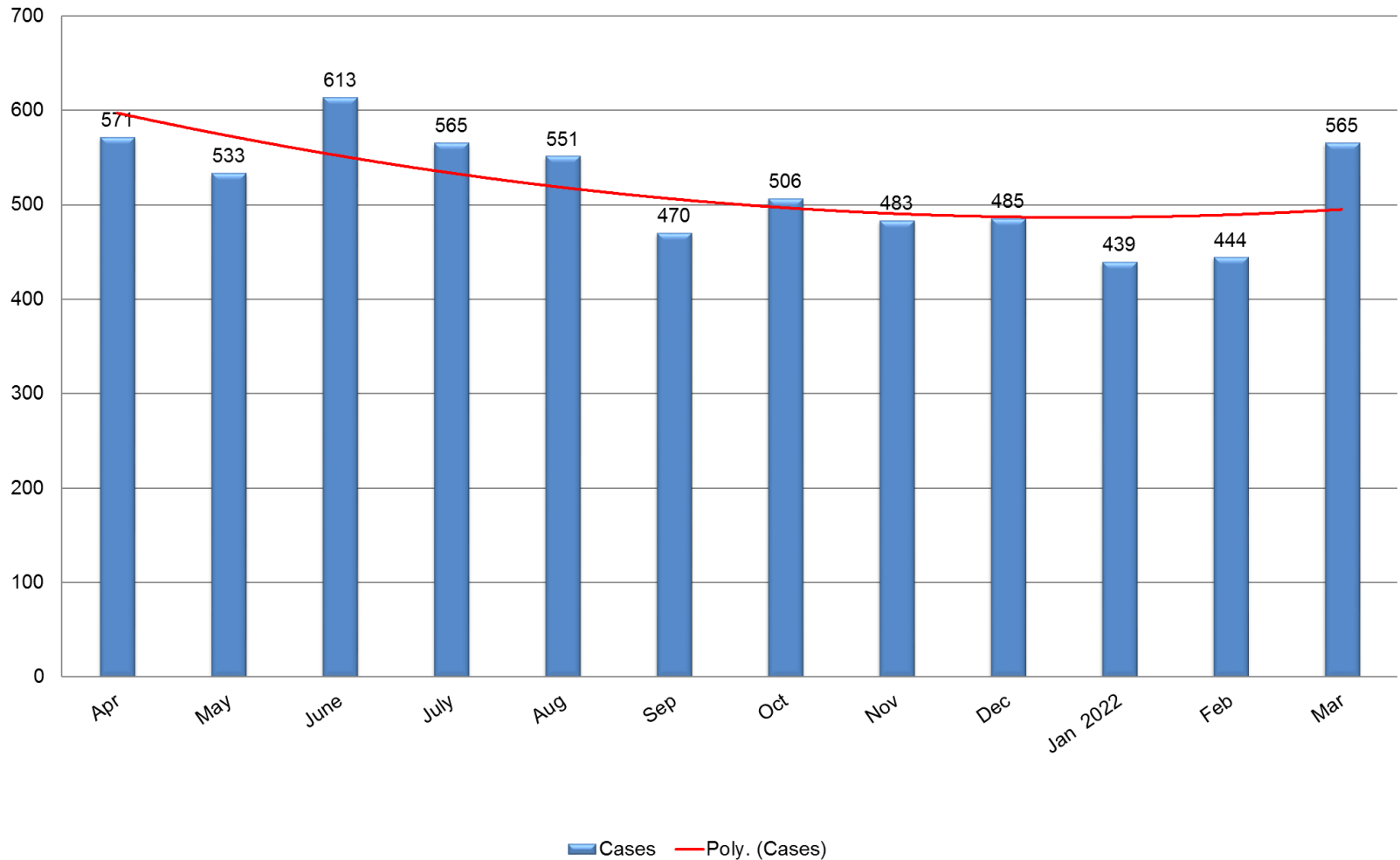
OP Infusion Service Line

OP Infusion - Rolling 12 Month Trend
(Includes Botox)
Apr 2021 thru Mar 2022



Cardiac Diagnostic O/P Center (CDOC)

CDOC Cases - Rolling 12 Month Trend
Apr 2021 thru Mar 2022

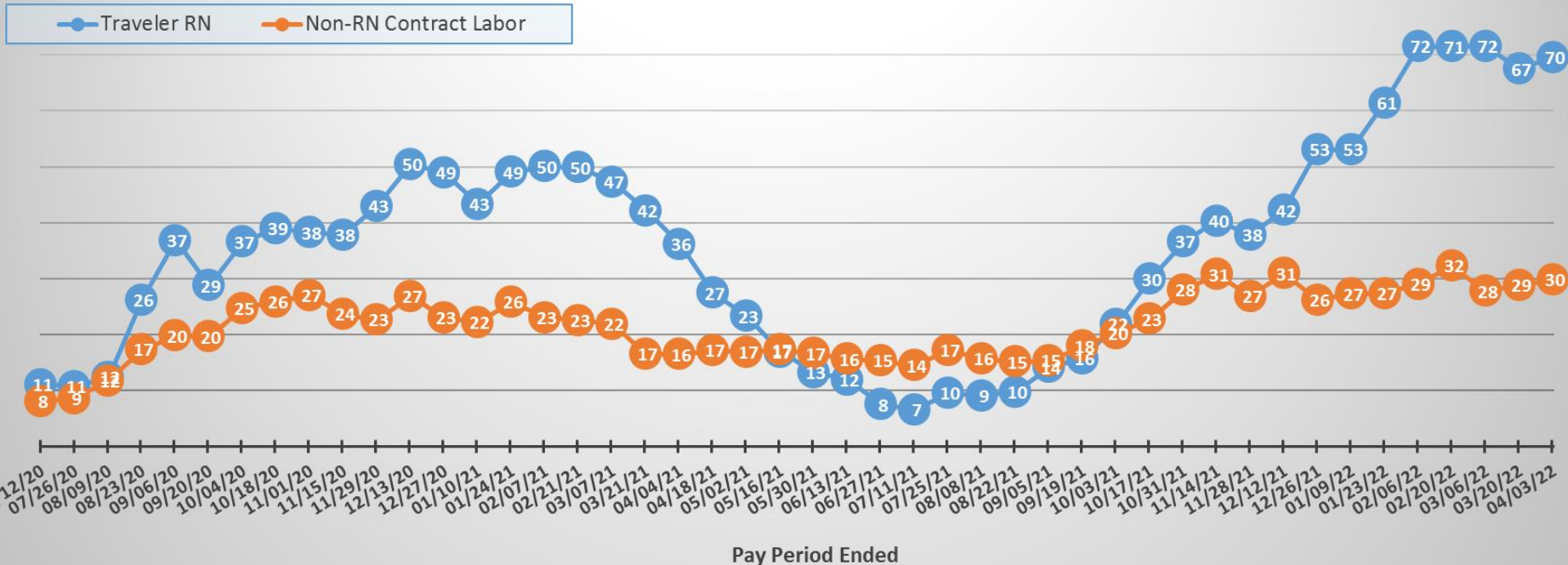


Labor Productivity – March 2022

- 1. Worked FTEs:** During the month of March, worked FTEs on a PAADC basis were **2.5%** favorable at **6.60** with a target of **6.77**. *When reviewed on a unit by unit level, the variance was 4.8 FTEs negative with the variance for salaries, wages and benefits valued at \$48k negative.* The key drivers were highly variable volumes, with reduced Covid impacts. Average Daily Census fell from 129 in February to 117 in March. Worked FTE decreased to 1,508 in March from 1,566 in February.
- 2. Paid FTEs:** On a PAADC basis paid FTEs were **0.9%** favorable to budget at **7.59 actual vs. 7.66 budget**. The key driver being high/variable volumes. Paid FTE decreased from 1,770 in February to 1,733 in march

Contract Labor FTE By Pay Period

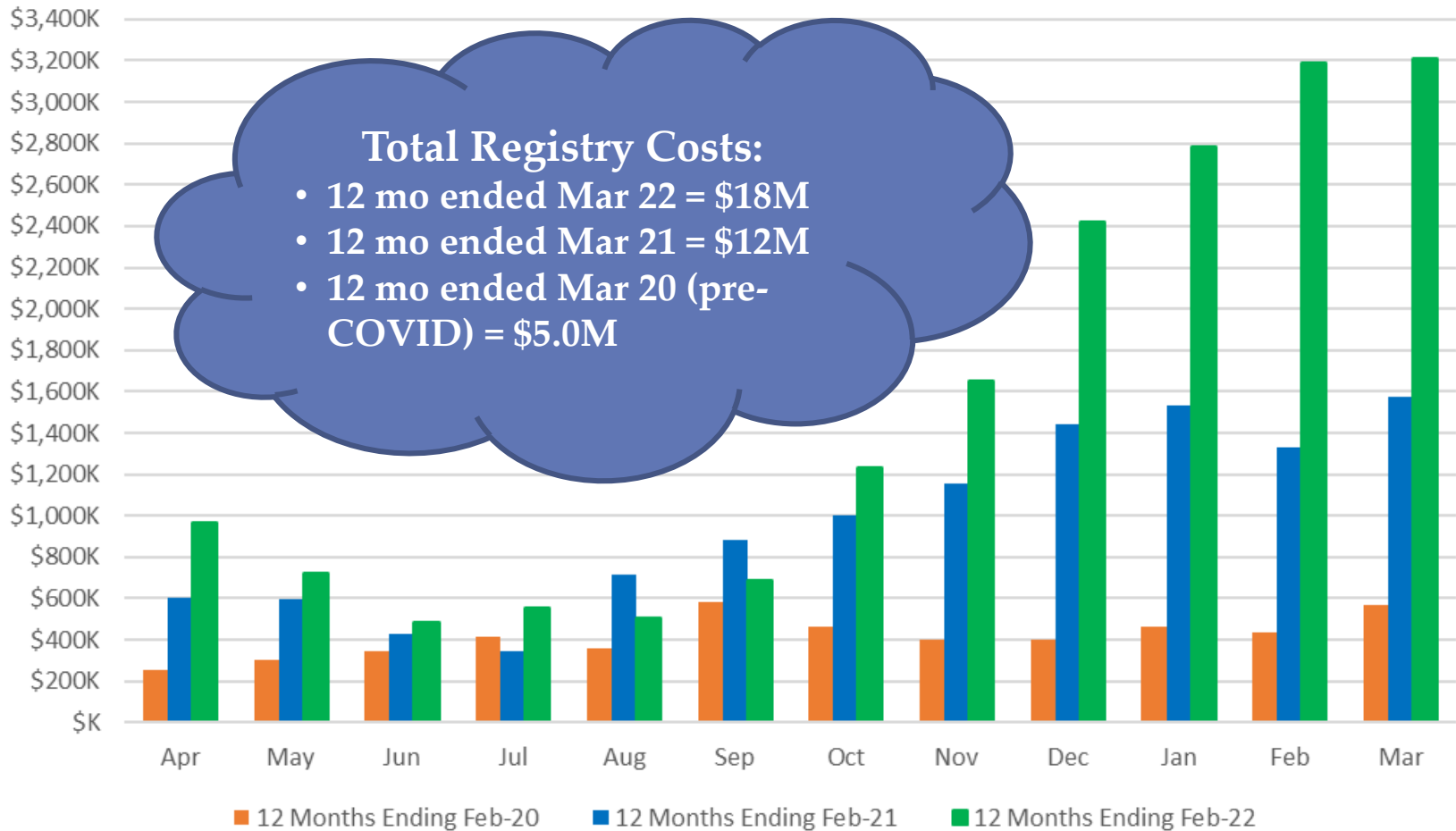
Contract Labor - FTE By Pay Period



Contract labor was flat the last three pay periods slightly as contract staffing increases have plateaued. The contract labor is used to offset the loss of staff from the Covid vaccine mandates, hiring challenges, and volume growth.

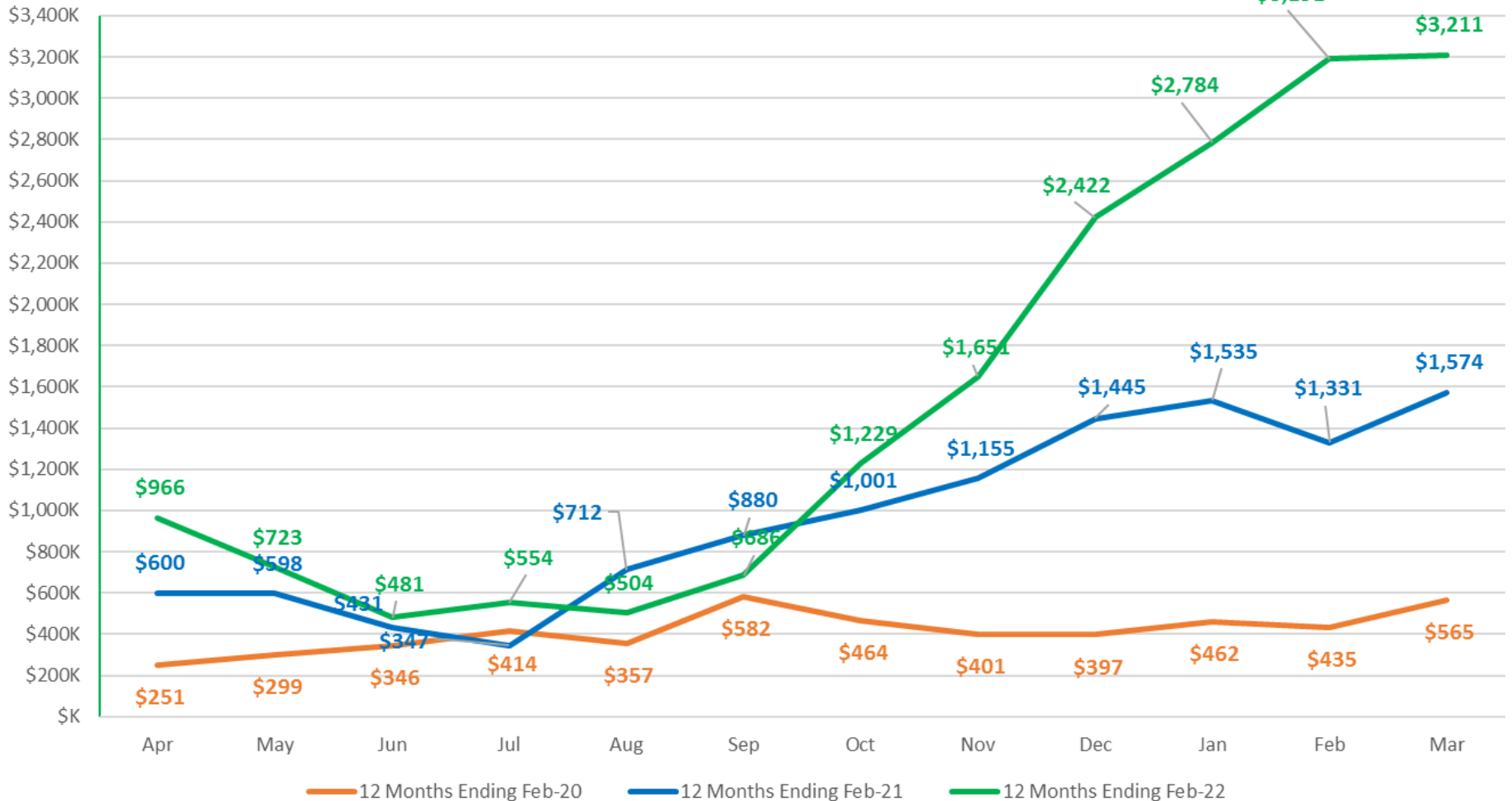
Registry – March 2022

Registry Dollars
(\$ in thousands)



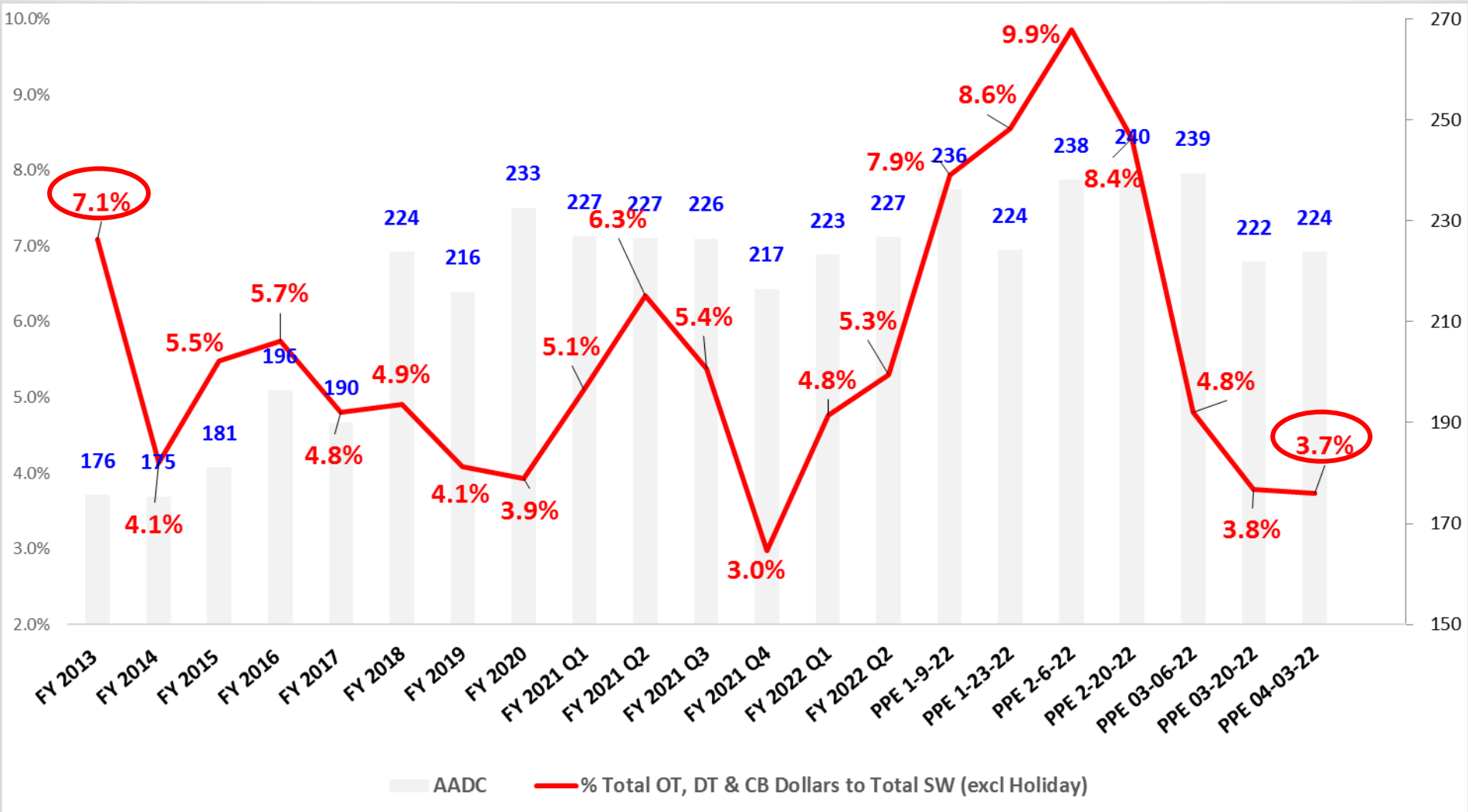
Registry – March 2022

Registry Dollars
(\$ in thousands)



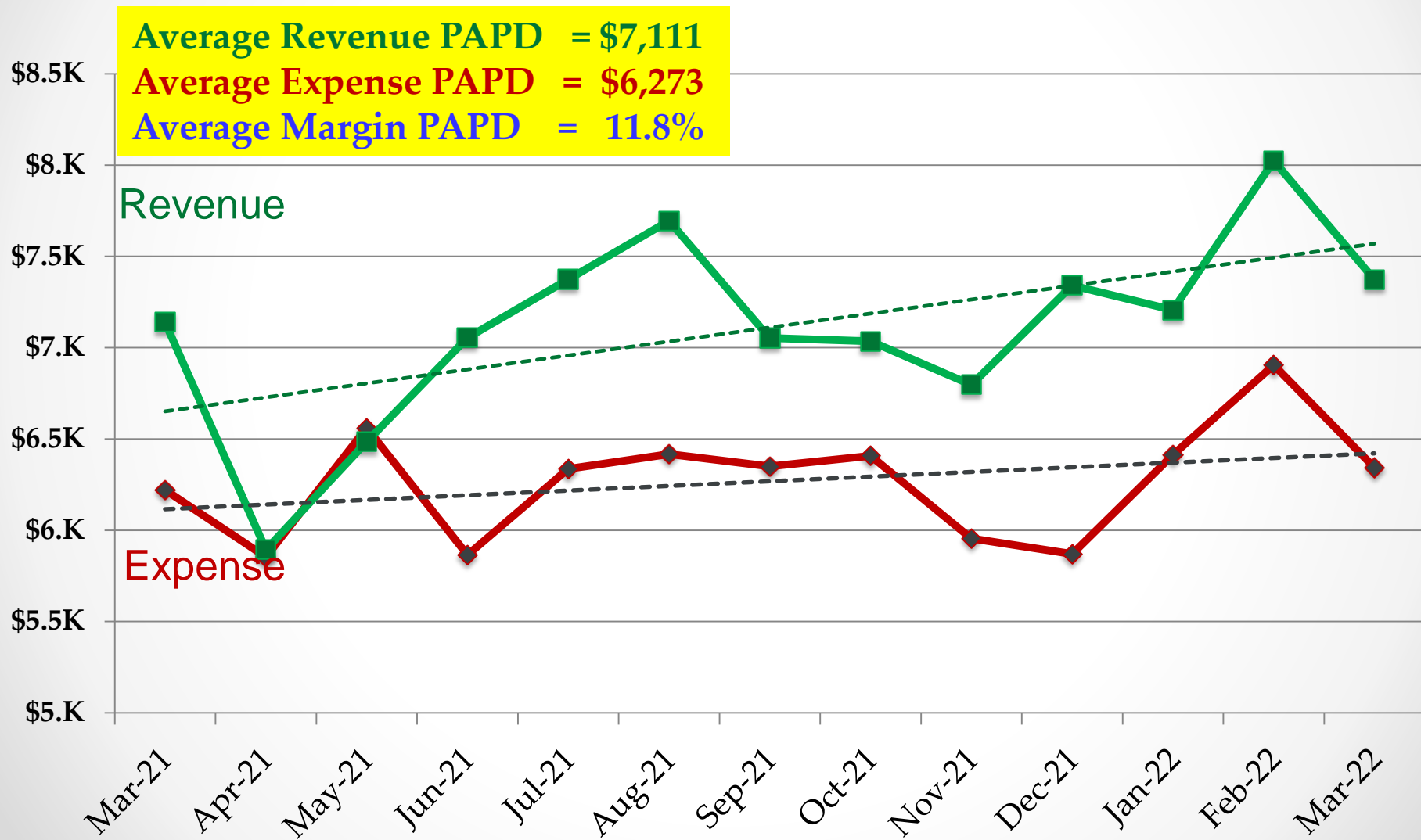
% of Total OT, DT & CB Dollars to Total S&W

Updated Thru PPE 4-03-22



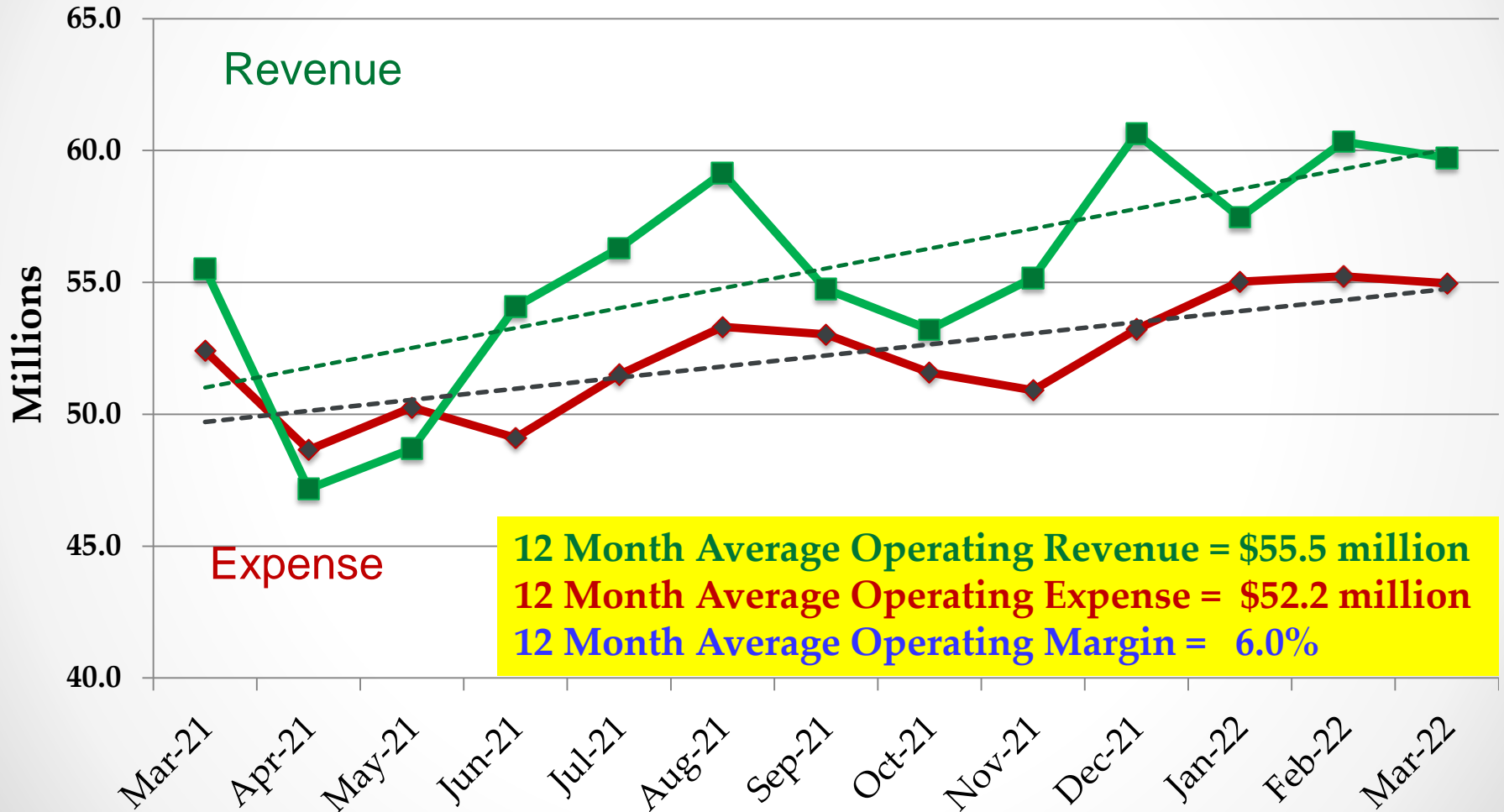
SVMH Revenues & Expenses Per Adjusted Patient Day (Normalized)

Rolling 12 Months: April 21 to March 22



SVMHS Operating Revenues & Expenses (Normalized)

Rolling 12 Months: April 21 to March 22



SVMHS Key Financial Indicators

Statistic	YTD	SVMHS	+/-	S&P A+ Rated	+/-	YTD	+/-
	Mar-22	Target		Hospitals		Mar-21	
Operating Margin*	7.7%	9.0%		4.0%		6.4%	
Total Margin*	6.6%	10.8%		6.6%		8.6%	
EBITDA Margin**	11.6%	13.4%		13.6%		10.5%	
Days of Cash*	350	305		249		344	
Days of Accounts Payable*	48	45		-		46	
Days of Net Accounts Receivable*	51	45		49		55	
Supply Expense as % NPR	12.8%	15.0%		-		12.9%	
SWB Expense as % NPR	50.5%	53.0%		53.7%		53.5%	
Operating Expense per APD*	6,323	4,992		-		6,248	

*These metrics have been adjusted for normalizing items

**Metric based on Operating Income (consistent with industry standard)

***Metric based on 90 days average net revenue (consistent with industry standard)

Days of Cash and Accounts Payable metrics have been adjusted to **exclude** accelerated insurance payments (COVID-19 assistance)

Salinas Valley Memorial Healthcare System

Days Cash on Hand = 350 Days (\$574M)

March 2022



ASSETS WHOSE USE IS LIMITED

	<u>March-22</u>		<u>YTD</u>	
Beginning balance	\$	148,309,895	\$	143,257,278
Investment income or (loss)		(2,316,166)		(5,263,549)
Transfer		1,000,000		9,000,000
Ending balance	\$	146,993,729	\$	146,993,729

ROUTINE CAPITAL EXPENDITURES Through March 2022

Fiscal Month	FY 2022 Approved Budget *	Total Purchased Expenditures	Remaining	Project	Amount
July	1,558,333	764,068	794,265	High Speed Elevator Upgrade	434,044
August	1,558,333	840,566	1,512,033	Lab Analyzer Replacement	113,015
September	1,558,333	2,259,376	810,990	Roof Replacement Project	75,523
October	1,558,333	535,000	1,834,323	Portable Emergency Generator	36,895
November	1,558,333	1,388,043	2,004,614	Other CIP	69,367
December	1,558,333	1,351,043	2,211,904	Total Improvements	728,844
January	1,558,333	788,483	2,981,755	Blood Culture Biomerieux Virtuo System	208,091
February	1,558,333	974,340	3,565,748	CDW Certero Perpetual Licenses	133,694
March	1,558,333	1,692,172	3,431,909	Samsung GM85 Portable Digital X-Ray	129,203
April	1,558,333		4,990,243	Cisco Phones & Headsets	114,439
May	1,558,333		6,548,576	Other Equipment	377,900
June	1,558,333		8,106,909	Total Equipment	963,328
YTD TOTAL	18,700,000	10,593,091	8,106,909	Grand Total	1,692,172

* Routine Capital

QUESTIONS / COMMENTS

SALINAS VALLEY MEMORIAL HOSPITAL
SUMMARY INCOME STATEMENT
March 31, 2022

	<u>Month of March,</u>		<u>Nine months ended March 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,195,386	\$ 47,429,916	\$ 446,589,519	\$ 435,302,557
Other operating revenue	842,784	870,880	8,667,548	10,855,026
Total operating revenue	<u>53,038,170</u>	<u>48,300,796</u>	<u>455,257,067</u>	<u>446,157,583</u>
Total operating expenses	44,903,757	41,323,854	380,496,960	371,725,173
Total non-operating income	<u>(6,964,782)</u>	<u>(1,866,340)</u>	<u>(33,161,243)</u>	<u>(26,451,935)</u>
Operating and non-operating income	<u>\$ 1,169,631</u>	<u>\$ 5,110,601</u>	<u>\$ 41,598,864</u>	<u>\$ 47,980,475</u>

SALINAS VALLEY MEMORIAL HOSPITAL
 BALANCE SHEETS
 March 31, 2022

	<u>Current year</u>	<u>Prior year</u>
ASSETS:		
Current assets	\$ 422,457,322	\$ 405,963,920
Assets whose use is limited or restricted by board	146,993,729	139,617,493
Capital assets	239,259,178	257,044,327
Other assets	215,462,444	194,234,762
Deferred pension outflows	<u>50,119,236</u>	<u>83,379,890</u>
	<u>\$ 1,074,291,909</u>	<u>\$ 1,080,240,392</u>
LIABILITIES AND EQUITY:		
Current liabilities	124,465,302	145,331,780
Long term liabilities	14,288,063	14,780,904
	83,585,120	126,340,336
Net assets	<u>851,953,424</u>	<u>793,787,372</u>
	<u>\$ 1,074,291,909</u>	<u>\$ 1,080,240,392</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF NET PATIENT REVENUE
March 31, 2022**

	<u>Month of March,</u>		<u>Nine months ended March 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Patient days:				
By payer:				
Medicare	1,904	1,769	15,817	15,372
Medi-Cal	942	944	8,791	9,510
Commercial insurance	750	730	6,803	7,118
Other patient	40	162	931	1,139
Total patient days	<u>3,636</u>	<u>3,605</u>	<u>32,342</u>	<u>33,139</u>
Gross revenue:				
Medicare	\$ 100,544,135	\$ 96,464,718	\$ 830,959,460	\$ 745,058,743
Medi-Cal	60,736,073	54,106,484	501,247,564	478,023,577
Commercial insurance	54,777,161	47,268,300	449,602,841	438,642,073
Other patient	<u>5,841,161</u>	<u>9,020,049</u>	<u>70,672,769</u>	<u>74,375,095</u>
Gross revenue	<u>221,898,530</u>	<u>206,859,551</u>	<u>1,852,482,634</u>	<u>1,736,099,489</u>
Deductions from revenue:				
Administrative adjustment	213,866	258,412	2,641,014	2,953,436
Charity care	227,479	1,618,702	7,404,698	8,746,858
Contractual adjustments:				
Medicare outpatient	31,309,897	29,474,721	244,117,053	217,956,379
Medicare inpatient	43,412,916	41,477,237	366,158,966	335,532,532
Medi-Cal traditional outpatient	3,894,701	2,399,664	26,051,851	18,414,714
Medi-Cal traditional inpatient	6,513,161	5,153,618	55,522,204	66,320,197
Medi-Cal managed care outpatient	23,437,691	20,173,907	194,277,087	161,765,154
Medi-Cal managed care inpatient	20,891,767	20,050,924	166,931,060	165,420,438
Commercial insurance outpatient	18,824,505	16,947,025	146,788,581	139,560,458
Commercial insurance inpatient	17,458,897	17,166,458	156,650,648	144,151,005
Uncollectible accounts expense	4,260,182	3,616,920	33,815,044	31,781,522
Other payors	<u>(741,918)</u>	<u>1,092,047</u>	<u>5,534,909</u>	<u>8,194,239</u>
Deductions from revenue	<u>169,703,144</u>	<u>159,429,636</u>	<u>1,405,893,115</u>	<u>1,300,796,932</u>
Net patient revenue	<u>\$ 52,195,386</u>	<u>\$ 47,429,916</u>	<u>\$ 446,589,519</u>	<u>\$ 435,302,557</u>
Gross billed charges by patient type:				
Inpatient	\$ 113,982,972	\$ 111,767,856	\$ 995,551,261	\$ 966,010,712
Outpatient	81,100,301	74,010,669	619,538,376	581,827,837
Emergency room	<u>26,815,257</u>	<u>21,081,026</u>	<u>237,392,999</u>	<u>188,260,939</u>
Total	<u>\$ 221,898,530</u>	<u>\$ 206,859,551</u>	<u>\$ 1,852,482,636</u>	<u>\$ 1,736,099,489</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES
March 31, 2022**

	<u>Month of March,</u>		<u>Nine months ended March 31,</u>	
	<u>current year</u>	<u>prior year</u>	<u>current year</u>	<u>prior year</u>
Operating revenue:				
Net patient revenue	\$ 52,195,386	\$ 47,429,916	\$ 446,589,519	\$ 435,302,557
Other operating revenue	842,784	870,880	8,667,548	10,855,026
Total operating revenue	<u>53,038,170</u>	<u>48,300,796</u>	<u>455,257,067</u>	<u>446,157,583</u>
Operating expenses:				
Salaries and wages	16,145,520	15,513,674	139,406,231	142,970,822
Compensated absences	2,420,841	2,509,569	24,182,544	23,575,957
Employee benefits	7,290,572	6,604,461	62,733,382	65,354,877
Supplies, food, and linen	7,116,296	6,064,210	56,907,920	55,792,814
Purchased department functions	3,506,751	3,585,883	30,339,667	28,560,584
Medical fees	1,531,307	1,947,201	16,600,161	15,590,221
Other fees	3,744,593	1,975,660	21,544,447	13,119,636
Depreciation	1,873,914	1,798,937	16,559,159	16,100,727
All other expense	1,273,963	1,324,259	12,223,449	10,659,535
Total operating expenses	<u>44,903,757</u>	<u>41,323,854</u>	<u>380,496,960</u>	<u>371,725,173</u>
Income from operations	<u>8,134,413</u>	<u>6,976,942</u>	<u>74,760,107</u>	<u>74,432,410</u>
Non-operating income:				
Donations	220,220	166,667	1,575,873	2,000,000
Property taxes	333,333	333,333	3,000,000	3,000,000
Investment income	(4,239,802)	(558,512)	(12,145,284)	140,225
Taxes and licenses	0	0	0	0
Income from subsidiaries	(3,278,533)	(1,807,828)	(25,591,832)	(31,592,160)
Total non-operating income	<u>(6,964,782)</u>	<u>(1,866,340)</u>	<u>(33,161,243)</u>	<u>(26,451,935)</u>
Operating and non-operating income	1,169,631	5,110,601	41,598,864	47,980,475
Net assets to begin	<u>850,783,792</u>	<u>788,676,770</u>	<u>810,354,560</u>	<u>745,806,898</u>
Net assets to end	<u>\$ 851,953,424</u>	<u>\$ 793,787,372</u>	<u>\$ 851,953,425</u>	<u>\$ 793,787,372</u>
Net income excluding non-recurring items	\$ 1,169,631	\$ 4,700,157	\$ 35,306,488	\$ 40,199,331
Non-recurring income (expense) from cost report settlements and re-openings and other non-recurring items	<u>0</u>	<u>410,444</u>	<u>6,292,376</u>	<u>7,781,144</u>
Operating and non-operating income	<u>\$ 1,169,631</u>	<u>\$ 5,110,601</u>	<u>\$ 41,598,864</u>	<u>\$ 47,980,475</u>

**SALINAS VALLEY MEMORIAL HOSPITAL
SCHEDULES OF INVESTMENT INCOME
March 31, 2022**

	Month of March,		Nine months ended March 31,	
	current year	prior year	current year	prior year
Detail of other operating income:				
Dietary revenue	\$ 149,349	\$ 133,139	\$ 1,260,824	\$ 1,196,487
Discounts and scrap sale	(1,774)	238,710	1,046,179	755,218
Sale of products and services	93,822	9,523	657,228	179,090
Clinical trial fees	0	56,016	27,700	102,144
Stimulus Funds	0	0	0	0
Rental income	160,131	173,421	1,449,698	1,443,620
Other	441,256	260,071	4,225,919	7,178,467
Total	\$ 842,784	\$ 870,880	\$ 8,667,548	\$ 10,855,026
Detail of investment income:				
Bank and payor interest	\$ 72,742	\$ 155,425	\$ 777,049	\$ 1,070,171
Income from investments	(4,312,768)	(724,438)	(12,609,817)	(968,440)
Gain or loss on property and equipment	225	10,500	(312,516)	38,494
Total	\$ (4,239,802)	\$ (558,512)	\$ (12,145,284)	\$ 140,225
Detail of income from subsidiaries:				
Salinas Valley Medical Center:				
Pulmonary Medicine Center	\$ (244,021)	\$ (254,874)	\$ (1,678,245)	\$ (1,679,829)
Neurological Clinic	(61,897)	42,495	(491,709)	(615,676)
Palliative Care Clinic	(77,236)	(99,836)	(729,112)	(685,930)
Surgery Clinic	(90,377)	(126,805)	(1,104,936)	(1,500,414)
Infectious Disease Clinic	(13,195)	(45,391)	(234,678)	(259,486)
Endocrinology Clinic	(133,400)	(139,673)	(1,124,905)	(1,603,861)
Early Discharge Clinic	0	0	0	0
Cardiology Clinic	(644,457)	(112,628)	(3,891,257)	(4,286,539)
OB/GYN Clinic	(332,399)	(167,826)	(2,861,166)	(3,107,049)
PrimeCare Medical Group	(53,445)	(230,374)	(3,860,502)	(7,667,455)
Oncology Clinic	(725,049)	(261,270)	(2,335,730)	(2,465,264)
Cardiac Surgery	(70,877)	(68,360)	(1,476,004)	(1,465,452)
Sleep Center	(28,146)	18,928	(274,514)	(516,695)
Rheumatology	(42,053)	(102,569)	(483,372)	(454,445)
Precision Ortho MDs	(363,921)	(78,584)	(2,577,110)	(3,285,799)
Precision Ortho-MRI	0	(55)	0	(1,570)
Precision Ortho-PT	(58,142)	(62,364)	(456,445)	(439,341)
Vaccine Clinic	(303)	0	(52,863)	0
Dermatology	(6,334)	(32,555)	(139,664)	(277,359)
Hospitalists	0	0	0	0
Behavioral Health	(47,103)	(96,071)	(585,012)	(674,405)
Pediatric Diabetes	(31,864)	(63,171)	(380,843)	(305,803)
Neurosurgery	(5,970)	(10,773)	(206,924)	(260,061)
Multi-Specialty-RR	5,130	14,638	74,956	34,311
Radiology	(231,294)	(104,926)	(2,138,984)	(1,755,971)
Salinas Family Practice	(44,610)	(13,982)	(797,930)	(13,982)
Urology	(60,566)	0	(70,002)	0
Total SVMC	(3,361,529)	(1,996,026)	(27,876,951)	(33,288,075)
Doctors on Duty	(151,473)	(53,246)	(198,908)	127,825
Assisted Living	0	(6,987)	0	(61,346)
Salinas Valley Imaging	0	0	0	(19,974)
Vantage Surgery Center	37,808	11,410	220,554	176,761
LPCH NICU JV	0	0	0	0
Central Coast Health Connect	0	0	0	0
Monterey Peninsula Surgery Center	157,983	87,646	2,010,846	792,671
Aspire/CHI/Coastal	17,706	64,579	(238,638)	(60,579)
Apex	0	33,824	103,759	70,531
21st Century Oncology	4,862	15,768	67,022	(56,516)
Monterey Bay Endoscopy Center	16,111	35,206	320,485	726,543
Total	\$ (3,278,533)	\$ (1,807,828)	\$ (25,591,832)	\$ (31,592,160)

**SALINAS VALLEY MEMORIAL HOSPITAL
BALANCE SHEETS
March 31, 2022**

	<u>Current year</u>	<u>Prior year</u>
A S S E T S		
Current assets:		
Cash and cash equivalents	\$ 311,156,889	\$ 301,377,642
Patient accounts receivable, net of estimated uncollectibles of \$24,623,402	89,863,712	87,793,712
Supplies inventory at cost	8,120,242	8,406,686
Other current assets	<u>13,316,479</u>	<u>8,385,880</u>
Total current assets	<u>422,457,322</u>	<u>405,963,920</u>
Assets whose use is limited or restricted by board	<u>146,993,729</u>	<u>139,617,493</u>
Capital assets:		
Land and construction in process	38,086,516	48,483,144
Other capital assets, net of depreciation	<u>201,172,662</u>	<u>208,561,183</u>
Total capital assets	<u>239,259,178</u>	<u>257,044,327</u>
Other assets:		
Investment in Securities	129,942,027	148,035,498
Investment in SVMC	10,906,219	16,172,312
Investment in Aspire/CHI/Coastal	1,748,729	4,712,439
Investment in other affiliates	21,611,632	21,944,144
Net pension asset	<u>51,253,837</u>	<u>3,370,369</u>
Total other assets	<u>215,462,444</u>	<u>194,234,762</u>
Deferred pension outflows	<u>50,119,236</u>	<u>83,379,890</u>
	<u>\$ 1,074,291,909</u>	<u>\$ 1,080,240,392</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable and accrued expenses	\$ 57,025,392	\$ 53,306,671
Due to third party payers	49,185,523	74,164,402
Current portion of self-insurance liability	<u>18,254,387</u>	<u>17,860,707</u>
Total current liabilities	124,465,302	145,331,780
Long term portion of workers comp liability	<u>14,288,063</u>	<u>14,780,904</u>
Total liabilities	<u>138,753,365</u>	<u>160,112,684</u>
Pension liability	<u>83,585,120</u>	<u>126,340,336</u>
Net assets:		
Invested in capital assets, net of related debt	239,259,178	257,044,327
Unrestricted	<u>612,694,246</u>	<u>536,743,045</u>
Total net assets	<u>851,953,424</u>	<u>793,787,372</u>
	<u>\$ 1,074,291,909</u>	<u>\$ 1,080,240,392</u>

SALINAS VALLEY MEMORIAL HOSPITAL
STATEMENTS OF REVENUE AND EXPENSES - BUDGET VS. ACTUAL
March 31, 2022

	Month of March,				Nine months ended March 31,			
	Actual	Budget	Variance	% Var	Actual	Budget	Variance	% Var
Operating revenue:								
Gross billed charges	\$ 221,898,530	\$ 199,588,021	22,310,509	11.18%	\$ 1,852,482,634	\$ 1,746,462,423	106,020,211	6.07%
Deductions from revenue	169,703,144	153,526,228	16,176,916	10.54%	1,405,893,115	1,341,165,646	64,727,469	4.83%
Net patient revenue	52,195,386	46,061,793	6,133,593	13.32%	446,589,519	405,296,777	41,292,742	10.19%
Other operating revenue	842,784	944,363	(101,579)	-10.76%	8,667,548	7,365,861	1,301,687	17.67%
Total operating revenue	53,038,170	47,006,156	6,032,014	12.83%	455,257,067	412,662,638	42,594,429	10.32%
Operating expenses:								
Salaries and wages	16,145,520	16,479,466	(333,946)	-2.03%	139,406,231	139,274,683	131,548	0.09%
Compensated absences	2,420,841	2,083,850	336,991	16.17%	24,182,544	24,065,972	116,572	0.48%
Employee benefits	7,290,572	7,400,963	(110,391)	-1.49%	62,733,382	63,633,848	(900,466)	-1.42%
Supplies, food, and linen	7,116,296	6,037,102	1,079,194	17.88%	56,907,920	52,697,005	4,210,915	7.99%
Purchased department functions	3,506,751	3,094,987	411,764	13.30%	30,339,667	27,652,209	2,687,458	9.72%
Medical fees	1,531,307	1,830,070	(298,763)	-16.33%	16,600,161	16,445,467	154,694	0.94%
Other fees	3,744,593	882,716	2,861,877	324.21%	21,544,447	8,318,740	13,225,707	158.99%
Depreciation	1,873,914	1,881,816	(7,902)	-0.42%	16,559,159	16,184,122	375,037	2.32%
All other expense	1,273,963	1,445,868	(171,905)	-11.89%	12,223,449	12,874,021	(650,572)	-5.05%
Total operating expenses	44,903,757	41,136,839	3,766,918	9.16%	380,496,960	361,146,067	19,350,893	5.36%
Income from operations	8,134,413	5,869,318	2,265,095	38.59%	74,760,107	51,516,571	23,243,536	45.12%
Non-operating income:								
Donations	220,220	166,667	53,553	32.13%	1,575,873	1,500,000	75,873	5.06%
Property taxes	333,333	333,333	(0)	0.00%	3,000,000	3,000,000	0	0.00%
Investment income	(4,239,802)	(63,302)	(4,176,500)	6597.79%	(12,145,284)	(569,714)	(11,575,570)	2031.82%
Income from subsidiaries	(3,278,533)	(4,139,162)	860,629	-20.79%	(25,591,832)	(36,951,531)	11,359,699	-30.74%
Total non-operating income	(6,964,782)	(3,702,463)	(3,262,318)	88.11%	(33,161,243)	(33,021,245)	(139,999)	0.42%
Operating and non-operating income \$	1,169,631	\$ 2,166,854	(997,223)	-46.02%	\$ 41,598,864	\$ 18,495,326	23,103,538	124.92%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>NEWBORN STATISTICS</u>					
Medi-Cal Admissions	42	33	392	365	(27)
Other Admissions	93	89	851	870	19
Total Admissions	135	122	1,243	1,235	(8)
Medi-Cal Patient Days	67	53	590	562	(28)
Other Patient Days	169	155	1,390	1,233	(157)
Total Patient Days of Care	236	208	1,980	1,795	(185)
Average Daily Census	7.6	6.7	7.2	6.6	(0.7)
Medi-Cal Average Days	1.7	1.8	1.6	1.6	0.0
Other Average Days	0.9	1.8	1.6	1.4	(0.2)
Total Average Days Stay	1.7	1.8	1.6	1.5	(0.1)
<u>ADULTS & PEDIATRICS</u>					
Medicare Admissions	351	398	2,867	3,100	233
Medi-Cal Admissions	289	239	2,126	2,145	19
Other Admissions	370	301	2,498	2,727	229
Total Admissions	1,010	938	7,491	7,972	481
Medicare Patient Days	1,522	1,668	13,385	13,537	152
Medi-Cal Patient Days	1,025	947	9,859	9,109	(750)
Other Patient Days	921	1,005	8,721	6,041	(2,680)
Total Patient Days of Care	3,468	3,620	31,965	28,687	(3,278)
Average Daily Census	111.9	116.8	116.7	104.7	(12.0)
Medicare Average Length of Stay	4.4	4.2	4.6	4.3	(0.3)
Medi-Cal Average Length of Stay	3.5	3.4	3.8	3.5	(0.3)
Other Average Length of Stay	2.6	2.6	2.6	1.7	(0.9)
Total Average Length of Stay	3.5	3.4	3.6	3.1	(0.5)
Deaths	28	20	348	254	(94)
Total Patient Days	3,704	3,828	33,945	30,482	(3,463)
Medi-Cal Administrative Days	1	4	165	191	26
Medicare SNF Days	0	0	0	0	0
Over-Utilization Days	0	0	0	0	0
Total Non-Acute Days	1	4	165	191	26
Percent Non-Acute	0.03%	0.10%	0.49%	0.63%	0.14%

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>PATIENT DAYS BY LOCATION</u>					
Level I	321	305	2,409	2,174	(235)
Heart Center	341	327	3,062	2,135	(927)
Monitored Beds	621	645	7,622	6,084	(1,538)
Single Room Maternity/Obstetrics	359	326	3,124	2,881	(243)
Med/Surg - Cardiovascular	810	754	6,689	5,664	(1,025)
Med/Surg - Oncology	104	247	1,471	2,220	749
Med/Surg - Rehab	471	455	3,925	3,490	(435)
Pediatrics	142	81	888	708	(180)
Nursery	236	208	1,980	1,795	(185)
Neonatal Intensive Care	115	110	1,154	878	(276)
<u>PERCENTAGE OF OCCUPANCY</u>					
Level I	79.65%	75.68%	67.63%	68.66%	
Heart Center	73.33%	70.32%	74.50%	58.44%	
Monitored Beds	74.19%	77.06%	103.03%	92.52%	
Single Room Maternity/Obstetrics	31.30%	28.42%	30.81%	31.97%	
Med/Surg - Cardiovascular	58.06%	54.05%	54.25%	51.68%	
Med/Surg - Oncology	25.81%	61.29%	41.30%	70.12%	
Med/Surg - Rehab	58.44%	56.45%	55.10%	55.11%	
Med/Surg - Observation Care Unit	0.00%	70.21%	0.00%	59.24%	
Pediatrics	25.45%	14.52%	18.00%	16.15%	
Nursery	46.14%	40.66%	21.90%	22.33%	
Neonatal Intensive Care	33.72%	32.26%	38.29%	32.77%	

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Mar and nine months to date

	<u>Month of Mar</u>		<u>Nine months to date</u>		<u>Variance</u>
	<u>2021</u>	<u>2022</u>	<u>2020-21</u>	<u>2021-22</u>	
<u>DELIVERY ROOM</u>					
Total deliveries	140	84	1,230	1,171	(59)
C-Section deliveries	52	36	381	387	6
Percent of C-section deliveries	37.14%	42.86%	30.98%	33.05%	2.07%
<u>OPERATING ROOM</u>					
In-Patient Operating Minutes	22,919	22,796	179,549	172,866	(6,683)
Out-Patient Operating Minutes	28,721	29,730	199,416	225,349	25,933
Total	51,640	52,526	378,965	398,215	19,250
Open Heart Surgeries	13	13	103	109	6
In-Patient Cases	172	167	1,272	1,252	(20)
Out-Patient Cases	271	295	2,147	2,263	116
<u>EMERGENCY ROOM</u>					
Immediate Life Saving	34	17	298	295	(3)
High Risk	509	525	4,563	4,181	(382)
More Than One Resource	2,113	2,704	18,972	23,056	4,084
One Resource	855	1,492	10,974	14,821	3,847
No Resources	23	60	327	753	426
Total	<u>3,534</u>	<u>4,798</u>	<u>35,134</u>	<u>43,106</u>	<u>7,972</u>

SALINAS VALLEY MEMORIAL HOSPITAL
PATIENT STATISTICAL REPORT
For the month of Mar and nine months to date

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

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

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

PUBLIC INPUT

NO CLOSED SESSION

*ADJOURNMENT – THE MAY 2022
QUALITY AND EFFICIENT
PRACTICES COMMITTEE MEETING IS
SCHEDULED FOR MONDAY,
MAY 23, 2022, AT 8:30 A.M.*