

Board Meetings

Special Meeting

Agenda

Special Meeting Notice 2

Orthopedic Service Line

Orthopedic Service Line Contract 4



NOTICE

NORTHERN INYO HEALTHCARE DISTRICT BOARD OF DIRECTORS SPECIAL MEETING

June 26, 2025 at 5:00 pm

The Board meets in person at 2957 Birch Street Bishop, CA 93514. Members of the public will be allowed to attend in person or via Zoom. Public comments can be made in person or via Zoom.

TO CONNECT VIA ZOOM: (A link is also available on the NIHD Website)

<https://zoom.us/j/213497015?pwd=TDIiWXRuWjE4TlY2YVFWbnF2aGk5UT09>

Meeting ID: 213 497 015

Password: 608092

PHONE CONNECTION:

888 475 4499 US Toll-free

877 853 5257 US Toll-free

Meeting ID: 213 497 015

1. Call to Order at 5:00 pm.
2. Public Comment: At this time, members of the audience may speak only on items listed on the Notice for this meeting, and speakers will be limited to a maximum of three minutes each. The Board is prohibited from generally discussing or taking action on items not included on this Notice.
3. New Business:
 - a. Orthopedic Service Line Contract – *Action Item*
 - b. Medical Staff Appointments 2025-2026 – *Action Item*
 - i. Timothy Napier, MD (*general surgery*) – *Courtesy Staff*
4. Public comments on closed session items
5. Adjournment to closed session to/for:
 - a. Public Employee Appointment / Discussion
Pursuant to Government Code § 54957(b)(1)
Title: Chief Executive Officer Selection
6. Return to open session and report on any actions taken in closed session.
7. Adjournment

In compliance with the Americans with Disabilities Act, if you require special accommodations to participate in a District Board meeting, please contact administration at (760) 873-2838 at least 24 hours prior to the meeting.

PROFESSIONAL SERVICES AND CALL COVERAGE AGREEMENT

This Professional Services and Call Coverage Agreement (“**Agreement**”) is entered into as of the Effective Date, by and between the Northern Inyo Healthcare District (“**District**”) a political subdivision of the State of California and Mammoth Orthopedic Institute (“**Medical Group**”). District and Medical Group are sometimes referred to in this Agreement as a “Party” or collectively, as the “**Parties**.”

RECITALS

- A. District is a health care district organized pursuant to the California Local Healthcare District Law, Health and Safety Code 32000.
- B. District owns and operates a licensed general acute care hospital located at 150 Pioneer Lane, Bishop, California (the “Hospital”).
- C. District also owns and operates clinics providing primary and specialty care at the locations set forth in Exhibit A (collectively the “**Clinic**”) operated under Health & Safety Code 1206(b).
- D. Medical Group is a California professional medical corporation which employs or contracts with physicians who are duly licensed and in good standing to practice medicine in the State of California (each a “**Physician**” and collectively, the “**Physicians**”) in the specialty of orthopedics (the “**Specialty**”).
- E. District believes that high standards of patient care can be achieved if Medical Group assumes the responsibilities set forth in this Agreement. District desires to obtain professional medical services from Medical Group for the patients of the Clinic and Hospital, at the locations set forth in Exhibit A, or those additional locations as mutually agreed by the parties, and Medical Group desires to furnish such services upon the terms and conditions set forth in this Agreement.

THEREFORE, THE PARTIES AGREE:

1. MEDICAL GROUP'S RESPONSIBILITIES

- 1.1 Professional/Physician Services.** Medical Group shall provide the services set forth in Exhibit B (“**Services**”), consistent with the policies and procedures of the Clinic and Hospital, provided that Medical Group’s obligations hereunder are limited to the provision of Services within each Physician’s professional capabilities.
- 1.2 Physician Roster.** The Physicians who shall personally provide Services pursuant to this Agreement and their particular specialty are listed in Exhibit C attached hereto (the “**Physician Roster**”). The Parties may amend the Physician Roster from time to time in writing, signed on behalf of both Parties, to add and delete Physicians from the Physician Roster. Any such amendment shall be numbered

sequentially and appended to the counterpart originals of this Agreement. The Parties recognize that it is in the best interest of the District and the community to support a fellowship program in orthopedics at the Hospital. In this regard, the Parties agree to work together towards that goal, with appropriate input from the Medical Staff. Any physician fellows providing services hereunder must be approved by District and added to Exhibit C. Compensation to be paid to Group for services provided by physician fellows performing services hereunder shall be negotiated by the Parties in good faith and reflected in an amendment to this Agreement signed by both Parties.

- 1.3 Medical Services.** Physicians shall provide professional health care Services to patients of the Clinic and Hospital in the Specialty. Professional health care Services include Medicare services, Medi-Cal services, workers compensation services and charity care. Physicians shall provide professional supervision of allied health professionals employed by District in the Specialty, whether in the Clinic or at Hospital, as may be requested by District. Medical Group and Physicians shall cooperate with the District to enable the Clinic's and Hospital's participation in the Medicare, Medi-Cal, workers compensation services and commercial payer programs. Medical Group and Physicians shall provide services to all patients, including Medicare, Medi-Cal and workers compensation services beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and the District policies and procedures.
- 1.4 Schedule.** Each Physician shall provide Services in accordance with the written schedule bearing the latest date and signed by the Physician and the duly authorized representative of the District, copies of which shall be maintained in the records of Medical Group and District. The Parties anticipate that each Physician will provide Services to patients as more fully described on Exhibit B, subject to absences approved by District in accordance with Section 1.9 (Absences). Any exceptions to this schedule must be mutually agreed upon by District and Medical Group.
- 1.5 Call Coverage.** Medical Group and Physicians shall provide timely call coverage for Clinic and Hospital patients as set forth in Exhibit B.
- 1.6 Inpatient Services.** Medical Group and Physicians shall be responsible for the provision of inpatient physician services to Clinic patients either personally or through an arrangement with hospitalists or other appropriately qualified providers approved by District.
- 1.7 Personal Professional Services.** This Agreement is entered into by the District in reliance on the professional and administrative skills of Physicians. Except as specifically set forth in this Agreement, each Physician shall be primarily responsible for fulfilling the terms of this Agreement.
- 1.8 Absences.** Medical Group shall provide District with at least thirty (30) days' prior written notice in advance of any Physician absences of sixty (60) or more

days, except in cases of illness or emergency. Medical Group shall ensure that any Physician's absence will not interfere with Medical Group and Physicians obligations hereunder. In the event a Physician is unable to perform the obligations under this Agreement due to illness, continuing education responsibilities, leave or other justifiable cause, the District shall consult with Medical Group to designate a qualified replacement. The individual who provides services on behalf of Physician in Physician's absence shall be bound by all terms of this Agreement. This shall only apply to physicians covering call or working at least once every 2 months. The District recognizes the Medical Group, from time to time, will utilize providers to cover the clinical responsibilities outlined in this agreement that may be scheduled on a more infrequent basis.

1.9 Removal of Physician. Medical Group shall immediately remove from the provision of Services under this Agreement any Physician for cause upon written notice from the District specifying the reasons thereof. **"Cause"** shall mean:

- A. With respect to a Physician, loss of the Physician's license to practice medicine or DEA authorization to prescribe, or the Physician has such license or DEA authorization substantially restricted such that the Physician can no longer provide services as outlined in this Agreement;
- B. The loss of the Physician's medical staff membership or clinical privileges at Hospital, or any hospital, or the Physician has such membership or privileges substantially restricted such that the Physician can no longer provide services as outlined in this Agreement, provided, however, that the Physician, if still employed by the Medical Group, shall be eligible to be returned to the performance of services under this Agreement upon the reinstatement of that Physician's privileges;
- C. Loss of the Physician's eligibility to provide professional services to Medicare or Medi-Cal patients, or the Physician has such eligibility substantially restricted such that the Physician can no longer provide services as outlined in this Agreement;
- D. The death or disability of the Physician (for purposes of this Agreement, "disability" shall mean a physical or mental condition, verified by a physician designated by the District which prevents, or is substantially certain to prevent, the Physician from carrying out one or more of the essential functions of the Physician's position, with reasonable accommodation, for a continuous period of ninety (90) days (for purposes hereof, the removal right shall arise on the ninetieth (90th) day of disability);
- E. The Physician becomes legally incompetent or is convicted of a felony; uses, possesses, or is found under the influence of alcohol, drugs or other controlled substances at the work place and while on duty, unless in accordance with a physician's prescription;

- F. Any act or omission by the Physician that reasonably appears to create the risk of imminent danger to the health of any individual;
- G. Failure to abide by the terms and conditions of this Agreement that is not cured pursuant to the process described in Section 6.2 B of this Agreement; or
- F. Physician's inability to be insured under the policies of insurance provided by District under Section 9.3 below.

1.10 Limitation on Use. All items and services provided by the District to Medical Group for use by Physicians pursuant to the terms of this Agreement shall exclusively be used by Physicians to satisfy Medical Group's and Physicians' contractual obligations hereunder. Without limiting the foregoing, such items, including Clinic premises, shall not be used by Medical Group or Physician in the operation of any private practice of medicine or other profession by Medical Group or Physicians or for any other activity unrelated to the treatment of Clinic patients.

1.11 Notification of Certain Events and Noncompliance.

- A. Medical Group shall notify the District in writing within seventy-two (72) hours after Medical Group or any Physician becomes aware that: (a) Medical Group or any Physician becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by any state or federal health care program, any state's medical board or professional board, any agency responsible for professional licensing, standards or behavior, or the District's medical staff, or (b) Medical Group or any Physician becomes the subject of any legal action or legal proceeding arising out of the provision of services under this Agreement.
- B. Medical Group shall also notify the District in writing within seventy-two (72) hours after it becomes aware of any event occurring which would materially alter the status or ability of any Physician's compliance with Article 1 (Medical Group Responsibilities), including, without limitation, the imposition of any integrity agreement, consent decree, or settlement agreement with any state or federal agency having jurisdiction over Medical Group and/or any Physician.

1.12 Financial Conflict of Interest. Medical Group shall immediately report to the District in writing any financial conflict of interest or potential financial conflict of interest of Medical Group or any Physician with the interests of the District and shall give full disclosure of the facts pertaining to any relationship, transaction or other activity of Medical Group or any Physician, or an immediate family member of any Physician, that may be reasonably construed to involve a financial conflict of interest with the District or that would have an adverse effect on Medical Group's or such Physician's satisfactory performance of this Agreement.

1.13 Compliance Programs. Medical Group and Physicians shall participate in the District's compliance programs implementing the District's efforts to ensure compliance by the District and its respective employees, agents, contractors and affiliates with applicable legal and regulatory requirements, including without limitation the Anti-Kickback Statute, the Stark Law, the False Claims Act, the Health Insurance Portability and Accountability Act and the Health Information Technology for Economic and Clinical Health Act, and applicable laws and regulations of the State of California.

1.14 Meaningful Use, Other Incentive Programs.

EHR Incentive Programs. Medical Group and Physicians shall use best efforts to participate in and qualify for the maximum payments under the Medicare EHR Incentive Program, and if applicable the Medicaid EHR Incentive Program as described in 42 Code of Federal Regulations Part 495, in part by becoming proficient in use of Clinic's EHR system and participating in EHR training programs.

Other Incentive Programs. At the request of the District, Medical Group and each Physician shall participate in programs sponsored by the federal or state governments, commercial third party payers and other parties to incentivize District, Medical Group, and the Physicians to improve quality of services, utilize appropriate technology, or otherwise enhance services provided at the Clinic and Hospital.

1.15 Workers Compensation. Medical Group shall provide workers' compensation coverage for Physicians, as may be required under California law.

2. HIPAA/STATE PRIVACY LAW COMPLIANCE; LEGAL COMPLIANCE

2.1 Compliance with Privacy Standards.

- A. Medical Group and Physicians are each Covered Entities as defined under the Health Insurance Portability and Accountability Act ("HIPAA"). Medical Group and Physicians will use and disclose "**Protected Health Information**", as defined in the HIPAA laws and regulations, exclusively for treatment, payment, authorized District health care operations, and as otherwise authorized by HIPAA and state law.
- B. Medical Group and Physicians shall take all reasonable steps to use and disclose Protected Health Information obtained in the course of providing services to Clinic and Hospital patients in a manner such that the security and privacy of such information will be maintained and use appropriate safeguards to prevent use or disclosure of the information other than as described herein. Specifically, Medical Group and Physicians shall:
 - (1) Use and disclose Protected Health Information solely for the benefit of the District or for the District's internal administration or

management, and shall not use any such information for purposes unrelated to providing services to Clinic and Hospital patients or disclose any such information to third parties except as required by law or as explicitly authorized by the District.

- (2) Ensure that all of Medical Group's and Physicians' agents, employees, subcontractors or affiliates to whom Medical Group or Physicians provide Protected Health Information agree to the same restrictions and conditions for use and disclosure of Protected Health Information that apply to Medical Group and Physicians.
 - (3) Amend records, account for disclosures by Medical Group and Physicians of Protected Health Information, and make records available so that the individual to whom the Protected Health Information pertains may review, access and obtain a copy of such record, consistent with the policies and procedures of the District.
- C. Medical Group and Physicians agree to comply with all policies and procedures of the District relating to HIPAA, state or other health information privacy laws.
 - D. District may request at any time a statement of assurances from Medical Group and/or any Physician that Medical Group and/or such Physician will manage all Protected Health Information related to Clinic or Hospital patients in a manner such that the security and privacy of such information will be maintained.

3. DISTRICT RESPONSIBILITIES

3.1 DISTRICT Services.

- A. **Space.** District shall lease and make available for the operation of the Clinic the space located at the address(es) set forth in Exhibit A. The Parties may amend Exhibit A from time to time in writing, signed on behalf of both Parties, to add and delete locations of Clinic medical offices.
- B. **Equipment.** In consultation with the Physicians, District shall provide the furniture, furnishings, and medical and office equipment, including telephone/communication systems, as required for the operation of the Clinic. District shall repair, replace and/or supplement such equipment and maintain it in good working order.
- C. **Personnel.** In consultation with the Physicians, Clinic shall make all decisions regarding employment of personnel to provide administrative, clerical and patient care services in the Clinic.

- D. **Hours of Operation.** The Clinic premises shall be open for business and staffed on each day that is not a holiday on which banks in the State of California are closed at a minimum between the hours of 8 am and 5 pm.
- E. **Payor Contracting.** Physicians shall be providers with such third party payors as requested by District. District shall be responsible for all payor contracting. District shall promptly notify Medical Group of its receipt or giving of any notice of termination of a payor contract, the signing of a new payor contract, any amendments to payor contracts limiting or expanding the patients who may obtain services from the Clinic or Hospital, or the duties and obligations of the Clinic or Hospital to such patients, or any other information regarding payor contracts that Medical Group would reasonably need to know to provide Services under this Agreement.

3.2 General Services. District shall furnish ordinary janitorial services, maintenance services, and utilities, including telephone and internet services, as may be required for the proper operation and conduct of the Clinic.

3.3 Supplies. District shall purchase and provide all supplies as may be reasonably required for the proper treatment of Clinic patients, including prescription pads printed with each Physician's name. Each Physician shall inform the District, or its delegated manager, of supply needs in a timely manner and shall manage the use of supplies in an efficient manner that promotes quality and cost-effective patient care.

3.4 Business Operations. District shall be responsible for all business operations related to operation of the Clinic, including personnel management, billing and payroll functions.

3.5 District Performance. The responsibilities of the District under this Article shall be subject to the District's discretion and its usual purchasing practices, budget limitations and applicable laws and regulations.

4. COMPENSATION

4.1 Compensation for Professional Services. District shall pay Medical Group compensation on account of the Physicians' performance of Services as set forth in Exhibit D.

4.2 Recordkeeping. Medical Group shall cause Physicians to furnish the District with all reports, documentation and information required under District's then current policies and procedures to enable District to determine compliance with this Agreement's requirements.

4.3 Limitations.

- A. Except as specifically set forth in this Article, Medical Group and Physicians shall have no claims under this Agreement or otherwise against

the District for any compensation, benefits or reimbursement of expenses or costs incurred in connection with this Agreement or Medical Group's or Physicians' performance obligations hereunder, and the Physicians shall not be covered by workers compensation or unemployment insurance benefits otherwise available to employees of the District.

- B. Any personnel engaged by Medical Group to provide any services to the District hereunder, including without limitation Physicians, are and shall remain employees or contractors of Medical Group, and not employees of the District. Medical Group shall be solely responsible for paying any and all compensation owing to Physicians and any other individual on account of the performance of services hereunder. The manner and means of providing services under this Agreement by Medical Group and Physicians and any such other personnel, if any, shall be within the sole control of Medical Group, Physicians, and such other personnel, if any, subject only to the limitations set forth herein. Neither Medical Group, Physicians, nor any such other personnel, if any, shall be, by virtue of this Agreement, entitled to receive any benefits generally provided by the District to its employees or participate in any benefit plans provided by the District to its employees, including, but not limited to health insurance, disability insurance, life insurance, pension benefits, profit-sharing, or unemployment compensation insurance. Medical Group shall be responsible for withholding, accruing and paying all income, social security and other taxes and amounts required by law for the payments made pursuant to this Agreement and all payments to Physicians and such other personnel, if any.

5. BILLING FOR PROFESSIONAL SERVICES

- 5.1 Assignment.** Medical Group and Physicians hereby assign to the District all claims, demands and rights of Medical Group and Physicians to bill and collect for all professional services rendered to Clinic patients, regardless of site of service, including patients seen at Hospital pursuant to Medical Group's call coverage responsibilities hereunder. Neither Medical Group nor Physicians shall bill or collect for any services rendered to Clinic or Hospital patients, and all Clinic receivables and billings shall be the sole and exclusive property of the District. Without limiting the generality of the foregoing, any payments made pursuant to a payer agreement (including co-payments made by patients) shall constitute revenue of the District. In the event any payment is made to Medical Group or any Physician that belongs to the District pursuant to this Agreement, Medical Group shall promptly remit such payment directly to the District. Medical Group and Physicians shall cooperate in the completion of any documents or forms necessary to document the assignment set forth in this Section 5.1. Physicians shall hereby assign to the District all claims and rights they have to any incentives pursuant to paragraph 1.14 above. District shall use best efforts to provide Group with certain agreed upon financial and patient analytics relating to services provided by Physicians in the Clinic and Hospital under the terms of this Agreement.

- 5.2 District Responsibility.** District shall be solely responsible for billing and collecting for all professional services provided to Clinic patients, including patients seen in the Hospital under the Medical Group and Physician's call coverage responsibilities and for managing all such receivables and payables, including those related to Medicare and Medi-Cal beneficiaries.

6. TERM AND TERMINATION; SUSPENSION

- 6.1 Term.** The term of this Agreement shall begin on the Effective Date and shall continue for one (1) year, **until** , 2026, unless it has been terminated earlier as provided in this Agreement. Subject to the termination provisions set forth in Section 6.2, this Agreement shall be extended for an additional one (1) year term at the expiration of the initial term, unless either Party gives at least ninety (90) days' written notice of its intent not to renew the Agreement.

- 6.2 Termination.** Notwithstanding the provisions of Section 6.1 (Term), this Agreement may be terminated:

- A. By either Party, at any time, upon ninety (90) days written notice to the other Party.
- B. By either Party in the event of a material breach by the other Party, and in such event, the non-breaching Party shall have the right to terminate this Agreement after providing fifteen (15) days' written notice to the breaching Party, unless such breach is cured to the satisfaction of the non-breaching Party within the fifteen (15) days.
- C. By either Party upon written notice to the other Party in the event that any federal, state or local government or agency passes, issues or promulgates any law, rule, regulation, standard or interpretation at any time while this Agreement is in effect that prohibits or materially restricts or limits the Parties' lawful performance of the terms and conditions of this Agreement, or that changes or requires that the Parties materially change the terms and conditions of this Agreement; provided that prior to termination of this Agreement, the Parties shall consult and negotiate with each other in good faith and, recognizing their mutual interests, attempt to reach a just and equitable solution satisfactory to both Parties that is limited to the minimum modification of this Agreement necessary to address the legal issue. If they are not able to reach a mutually acceptable solution within thirty (30) days after the date on which one Party notifies the other in writing of the need for negotiations, then either Party may terminate this Agreement by delivering written notice to the other Party, which termination shall be effective no earlier than the date required to comply with such law.
- D. By the District in the event of the closure of the Clinic, upon thirty (30) days' prior written notice to Medical Group.

6.3 Effect of Termination. Upon any termination or expiration of this Agreement:

- A. All rights and obligations of the Parties shall cease except (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration, and (ii) those rights and obligations that expressly survive termination or expiration of this Agreement.
- B. Medical Group and Physicians shall immediately return to the District all of the District's property, including equipment, supplies, furniture, furnishings and patient records, in such their possession or under their control and shall cooperate to smoothly transition operation and management of the Clinic as requested by District.
- C. Medical Group and Physicians shall not do anything or cause any other person to do anything that interferes with the District's efforts to engage any other person or entity for the provision of professional medical services, or interferes in any way with any relationship between the District and any other person or entity who may be engaged to provide services to the District. Nothing in this Section 6.3(C) shall be construed to prohibit a party's exercise of its rights under Section 10.7.
- D. If the termination or expiration of this Agreement occurs for any reason other than pursuant to Section 6.2(B) for a material breach hereof by Medical Group or any Physician, then, notwithstanding anything in Section 10.2 to the contrary, the District and Medical Group may, upon request by the District, enter into a written agreement pursuant to which Medical Group shall act as custodian of the patient records of the Clinic following such termination or expiration in accordance with all applicable laws and regulations, including without limitation laws and regulations regarding privacy and security of patients' health information and the retention of such records and information by health care providers. Custody of the records shall be transferred to Medical Group in the form and manner mutually agreed upon by the Parties.

6.4 No Hearing Rights. Expiration or termination of this Agreement for any reason shall not provide Physicians with the right to a "fair hearing" or any other similar rights or procedures. Notwithstanding the foregoing, a Physician shall be entitled to hearing rights in accordance with Hospital policies and procedures in the event that any removal of a particular Physician from providing Services hereunder should result in a report being made concerning such Physician to the Medical Board of California or the National Practitioner Data Bank.

6.5 Non-Renewal. In the event this Agreement is terminated pursuant to Section 6.2 (Termination) prior to the expiration of the initial one year term, the Parties shall not enter into any agreement between them for the same or substantially the same services for one (1) year after the termination.

- 6.6 Survival.** The provisions of Sections 1.14 (Meaningful Use, Other Incentive Programs), 9.3(A) (Professional Liability Insurance), 5.1 (Assignment), 5.2 (District Responsibility), 6.4 (No Hearing Rights), 9.2 (Indemnification), 10.1 (Records), 10.2 (No Existing Obligations Preventing Agreement), 10.3 (Confidential Proprietary and Trade Secret Information of Others), 10.4 (Access to Records), 10.6 (Arbitration and Dispute Resolution), 10.8 (Attorney's Fees), 10.10 (Choice of Law), and 10.12 (Notices) shall survive the termination of this Agreement.

7. PROFESSIONAL STANDARDS

7.1 Licensure and Standards. Each Physician shall:

- A. Be licensed to practice medicine in the State of California without restriction;
- B. Be a member in good standing of the Hospital's Medical Staff (the "**Medical Staff**") as appropriate for the Specialty and those Services that Physician is required to provide pursuant to this Agreement;
- C. Be board certified or board eligible in the Specialty, unless specifically exempted from such requirement by the District;
- D. Be certified as a participating provider in the Medicare and Medi-Cal programs;
- E. Comply with all policies, bylaws, rules and regulations of the District, Clinic and Medical Staff, including those related to documenting all advice to patients, timely completion of patients charts and proper sign-off of lab and X-ray reports;
- F. Maintain a valid and unrestricted United States Drug Enforcement Administration ("**DEA**") registration with a California address, to the extent required to provide the Services;
- G. Participate in continuing education as necessary to maintain licensure and the current standard of practice;
- H. Comply with all applicable laws, rules and regulations of any and all governmental authorities, and applicable standards and recommendations of accrediting bodies;
- I. Never have been convicted of a criminal offense related to health care;
- J. Not currently under sanction, exclusion or investigation by any state or federal health care program, any state's medical board or professional board, any agency responsible for professional licensing, standards of behavior or any other governmental entity; and

K. Meet any necessary eligibility requirements for the insurance provided to Physician by the District under Section 9.3 (A) of this Agreement.

7.2 Suspension of Nonqualifying Physician. Any Physician who fails to meet any of the requirements of Section 7.1 (Licensure and Standards) shall be suspended from service under this Agreement for the period of such failure.

8. NON-PHYSICIAN PERSONNEL

All non-physician personnel required for the proper operation and conduct of Clinic shall be employed and paid by the District, or an agent of the District. District shall establish and classify all such non-physician positions and shall designate the persons assigned to each such non-physician position. Although Medical Group and Physicians may make recommendations relating to the performance of non-key administrative or non-physician personnel, the District shall have the sole and exclusive right to control, select, schedule and discharge such employees, and to take any direct disciplinary measures as needed.

9. RELATIONSHIP BETWEEN THE PARTIES

9.1 No Control Over Methods, Medical Decision-making. It is the intent of the Parties to comply with all applicable limitations imposed by California Business and Professions Code §§ 2052 and 2400 (commonly referred to as “the prohibition on the corporate practice of medicine”) (the “**Prohibition**”). District shall not have or exercise control or direction over the methods by which Medical Group or Physicians perform professional services pursuant to this Agreement or Physician’s medical decision-making and, notwithstanding any other provision of this Agreement or otherwise, the District shall cooperate with Physician to enable her to exert appropriate control over such methods and carryout such decision-making. All work performed pursuant to this Agreement shall be in strict accordance with currently approved methods and practices in Physician’s professional specialty and in accordance with the standards set forth in this Agreement. The sole interest of the District is to insure that such services are performed and rendered in a competent and cost effective manner.

9.2 Indemnification. Each Party shall indemnify, hold harmless and defend the other Party and its officers, agents and employees, against any loss or liability arising out of or resulting in any way from the acts or omissions of such Party or its own officers, employees or agents, except that any such obligation to indemnify and hold harmless shall be reduced by any amount of such loss or liability arising from the contributory acts or omissions of the indemnified Party and its owners, employees or agents, and except to the extent such indemnification would void insurance or coverage otherwise available with regard to such loss or liability. This obligation shall not be qualified or eliminated by an allegation or finding that the other Party or any of its personnel is responsible for a passively negligent act or omission. This section shall survive the termination of this Agreement.

9.3 Insurance.

- A. **Professional Liability Insurance.** District shall maintain professional liability insurance that provides coverage for any act of Physicians that may have occurred during the term of this Agreement while providing the Services contemplated hereunder notwithstanding the termination or expiration of the term of this Agreement. Subject to the District's Approval, such policies must have limits of liability per each Physician of at least one million dollars (\$1,000,000) per claim and three million dollars (\$3,000,000) annual aggregate "claims made" insurance coverage. Upon termination of this Agreement, either in the event that this Agreement is terminated pursuant to Section 6.2 (Termination) or in the event that the term of this Agreement expires and is not renewed, District shall continue the current policy, obtain prior acts coverage or "extended discovery period" or "extended reporting period" coverage, or otherwise take steps to insure that no lapse of coverage occurs for the period of time covered by this Agreement. In the event of termination of the above-referenced policy for any reason, District shall be responsible for procuring tail insurance coverage for the benefit of the Medical Group.
- B. **General Liability Insurance.** District shall, at its sole expense obtain and maintain in full force and effect during the term of this Agreement, and all extensions thereof, comprehensive general liability insurance, including property insurance, in amounts that the parties agree, from time to time, is adequate to cover the risks arising from the activities of Medical Group for the District and the Clinic, which shall include all insurance required by the lease for the Clinic space. The minimum liability limit for such insurance shall be One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) aggregate.
- C. **Continuous Coverage.** If the liability insurance required under Section 9.3(B) is under a "claims-made" policy and is cancelled or terminated or the policy is changed, the District shall purchase or otherwise ensure "tail" coverage for acts or occurrences occurring during the term of this Agreement, but as to which claims may be asserted after the cancellation, change or termination of the policy. All general liability coverage required to be provided under this Agreement by the District shall provide that, in the event of cancellation, the District shall receive at least thirty (30) days' prior notice.

9.2 Proof of Insurance. Upon request by the Medical Group, District shall furnish to the Medical Group such certificates, endorsements and copies of all insurance policies required under this Section 9 prior to the Effective Date and each anniversary of the Effective Date.

10. GENERAL PROVISIONS

10.1 Records. All files, charts and records, medical or otherwise, generated by Medical Group, Physicians or any other medical professional in connection with services

furnished pursuant to this Agreement are the property of Clinic. Medical Group and Physicians shall complete medical records according to Clinic policies and procedures in accordance with community standards. All medical records of Clinic patients pertaining to health care services received in the Clinic shall be the property of, and shall belong to, the District. District shall retain the confidentiality of all records and materials in accordance with all applicable state and federal laws. Physicians will be provided with remote access to the District's EHR system in order to chart patient encounters and services and Physicians shall be provided with log-in assistance and access to training materials customarily provided to members of the Medical Staff on the use of the EHR system. District shall permit Medical Group and Physicians to have access to and copy during or after the term of this Agreement medical records generated by Medical Group and Physicians if necessary in connection with claims, litigation, audits, investigations, professional reviews, including any professional licensing or peer review proceeding, treatment of patients or as may be required by law. Such obligation shall only extend for the period of time that the District normally retains such records. Additionally, to the extent permitted by applicable laws and regulations, the District shall provide to Medical Group an electronic copy of the records of all patients treated by Physicians during the term of this Agreement or during the three (3) year period prior to termination, whichever period is shorter.

10.2 No Existing Obligations Preventing Agreement. Medical Group and Physicians represent and acknowledge that Medical Group Physician are under no obligations (whether contractual or otherwise) to any former employer or third party that would prevent Medical Group or Physicians from performing the services contemplated under this Agreement and otherwise to satisfy all of Medical Group's and Physician's duties and obligations hereunder. Medical Group agrees to defend and indemnify the District for all costs, expenses, demands and judgments that may occur as a result of Medical Group's or Physician's breach of this Section 10.3 (No Existing Obligations Preventing Agreement).

10.3 Confidential Proprietary and Trade Secret Information of Others. Medical Group and Physicians represents that Medical Group and Physicians have disclosed to Clinic any agreement to which Medical Group or any Physician is or has been a party regarding the confidential information or trade secrets of others and Medical Group and Physicians understand that performance of Services under this Agreement will not require Medical Group or any Physician to breach any such agreement. Medical Group and Physicians shall not disclose protected confidential information or trade secrets of third parties to the District nor induce the District to use any such protected confidential information or trade secrets received from another under an agreement or understanding prohibiting such use or disclosure.

10.4 Access to Records. To the extent required by Section 1861(v)(I)(I) of the Social Security Act, as amended, and by valid regulation which is directly applicable to that section, Medical Group and Physicians agree to make available upon valid written request from the Secretary of HHS, the Comptroller General, or any other

duly authorized representatives, this Agreement and the books, documents and records of Medical Group and Physicians to the extent that such books, documents and records are necessary to certify the nature and extent of District's costs for Services provided by Medical Group or Physicians.

Medical Group and Physicians shall also make available such subcontract and the books, documents, and records of any subcontractor if that subcontractor performs any of Medical Group's or Physician's duties under this Agreement at a cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period, and if that subcontractor is related to Medical Group or any Physician.

Such books, documents, and records shall be preserved and available for four (4) years after the furnishing of Services by Medical Group and Physicians pursuant to this Agreement. If Medical Group or any Physician is requested to disclose books, documents or records pursuant to this Section 10.5 (Access to Records) for purposes of an audit, Medical Group and Physician shall notify the District of the nature and scope of such request, and shall make available, upon written request of the District, all such books, documents or records.

This section is intended to assure compliance with Section 1861 of the Social Security Act, as amended, and regulations directly pertinent to that Act. The obligations of Medical Group and Physicians under this section are strictly limited to compliance with those provisions, and shall be given effect only to the extent necessary to insure compliance with those provisions. In the event that the requirements of those provisions are reduced or eliminated, the obligations of the Parties under this section shall likewise be reduced or eliminated.

- 10.5 Amendment.** This Agreement may be amended at any time by mutual agreement of the Parties, but any such amendment shall be in writing, dated, signed by the Parties and attached hereto. Notwithstanding the foregoing, in the event the District intends to seek tax-exempt financing, Medical Group agrees to amend this Agreement as may be necessary for the District to obtain such financing.

Arbitration and Dispute Resolution. If disagreements arise between the Parties concerning performance under this Agreement, such disagreements shall be the subject of negotiations between Medical Group's President and the Chief Medical Officer of the District, and, if no agreement can be reached at a lower level, the matter in dispute shall be referred to the Chief Executive Officer of the District. If the Medical Group and the Chief Executive Officer are unable to resolve the dispute for any reason, the Parties shall submit the dispute to binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association. The proceeding shall be held in the County of Inyo.

- 10.6 Assignment.** Neither Party shall assign, sell, transfer or delegate any of their respective rights or duties arising or described hereunder, including by hiring or otherwise retaining additional physicians or other health care professionals to

perform services pursuant to this Agreement, without the prior written consent of the District.

- 10.7 Captions.** The captions used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 10.8 Choice of Law.** This Agreement shall be construed in accordance with, and governed by, the laws of the State of California with venue in Inyo County.
- 10.9 Exhibits.** All Exhibits attached and referred to herein are fully incorporated by this reference.
- 10.10 Notices.** Any notices or other communications permitted or required by this Agreement shall be mailed to the Parties at the addresses set forth below. Notices given by mail shall be deemed received three (3) business days after mailing.
- | | |
|----------------------|---|
| If to the District: | Northern Inyo Healthcare District

Attn: Chief Executive Officer |
| If to Medical Group: | Mammoth Orthopedic Institute

Michael. Karch Md

Mkarch MD

Attention: President |
- 10.11 Prior or Other Agreements.** This Agreement represents the entire understanding and agreement of the Parties as to those matters contained in it. No other oral or written understanding shall be of any force or effect with respect to the matters contained in this Agreement, unless attached to this Agreement as an exhibit or subsequent amendment.
- 10.12 Referrals.** This Agreement does not create any obligation or requirement that the District make any referral of patients to Medical Group and/or Physicians or that Medical Group and/or Physicians shall make any referral of patients to the District. The payment of compensation hereunder is not based or conditioned in any way on referrals of patients to the District, Clinic or any other entity.
- 10.13 Severability.** If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and the remaining provisions shall remain enforceable between the Parties.
- 10.14 Waiver.** No waiver of any provision of this Agreement shall be effective against either Party unless it is in writing and signed by the Party granting the waiver. The failure by either Party to exercise any rights under this section shall not operate as a waiver of such rights.

PHYSICIAN ACKNOWLEDGEMENT

Each Physician below hereby acknowledges receipt of a copy of this Agreement and, notwithstanding anything to the contrary in any employment or other contract with Medical Group, or anything to the contrary in Medical Group's Articles of Incorporation, Bylaws or other governing documents, agrees to be legally bound by the terms hereof, to carry out the Physician's duties as set forth in this Agreement, and each hereby expressly makes the representations set forth in Sections 10.3 (No Existing Obligations Preventing Agreement) and 10.4 (Confidential Proprietary and Trade Secret Information of Others).

Date: 06/25/2025



Timothy Crall, MD

Date: 06/25/2025



[Brian Gilmer \(Jun 25, 2025 12:46 PDT\)](#)

Brian Gilmer, MD

Date: 06/25/2025



[Michael Karch \(Jun 25, 2025 12:05 PDT\)](#)

Michael Karch, MD

Date: 06/25/2025



[Stephen Knecht \(Jun 25, 2025 12:10 PDT\)](#)

Stephen Knecht, MD

EXHIBIT A
CLINIC LOCATIONS

152 Pioneer Lane, Bishop, California.

EXHIBIT B SERVICES

1. *Hospital Emergency Department Call Coverage:*

Emergency Department coverage shall be set forth in a Community Call Plan, should one be established as a result of ongoing negotiations between the District, the Medical Group, and other interested parties. The District and the Medical Group agree to participate in good faith in such discussions. The terms of such coverage shall be negotiated and agreed upon by the District and the Medical Group in the near future. Nothing in this Agreement shall be construed as a guarantee that a Community Call Plan will be adopted. Any call coverage agreed upon shall be in accordance with Hospital and Medical Staff bylaws, rules and procedures.

2. *Clinic Services:*

Medical Group shall ensure that at least one (1) Physician is available to provide Services for Clinic patients, during Clinic operating hours, at least one (1) day a week.

Physician's clinic hours shall be determined individually and agreed upon between the Physician and District designee. A clinic day shall be defined as a session during which the surgeon sees patients at their desired rate, which may range from two (2) to six (6) patients per hour. A clinic day shall not be required to last longer than four (4) hours, nor shall it exceed eight (8) hours in duration.

Lunch breaks for surgeons are not required. However, clinic staff shall be scheduled in a manner that allows them to take all legally required meal and rest breaks, taking into account patient load and clinic needs.

Collectively, the group of surgeons shall commit to providing at least one clinic day per week, as defined above, averaged over a six (6) month period.

Every reasonable effort shall be made by District scheduling staff to consolidate patient appointments so that no break between patients exceeds one (1) hour. If, on the day of clinic, any break between patients exceeds one (1) hour, the surgeon shall have the right to cancel the remainder of the clinic day and have those patients rescheduled to another day.

When not physically in Clinic, Physicians are expected to regularly check tasks, messages, and test results and address them accordingly within 72-hours, including weekends and holidays. Physicians shall be available for post-op consults and Emergency Room follow-up via phone or direct care as maybe needed.

In the event patient volume warrants, it is anticipated that Medial Group will increase the number of Clinic days, upon the request of District and on days/hours as agreed between the Parties.

3. *Clinic Patients Elective Surgical Services:*

Medical Group shall be provided, and use best efforts to fully utilize, one (1) full day of OR time at Hospital each week for elective surgeries for Clinic patients. This time shall be in addition to any services provided pursuant to the Hospital Emergency Room Call Coverage Services set forth in paragraph 1 and Clinic Services set forth in paragraph 2 above.

In the event patient volume warrants, it is anticipated that the Parties will increase the number of OR days for use by Medical Group Physicians for elective surgeries, upon the request of District and on days/hours as agreed between the Parties.

EXHIBIT C
ROSTER OF PHYSICIANS

Timothy Crall, MD

Brian Gilmer, MD

Michael Karch, MD

Stephen Knecht, MD

Tyler Williamson, MD

EXHIBIT D COMPENSATION

1. Hospital Emergency Department Call Coverage:

Stipend: For Hospital Emergency Department Call Coverage Medical Group will be paid at the rate of One Thousand Dollars (\$1,000) per 24 hour call day.

Professional Surgical Services: For all hospital based professional surgical services rendered by Medical Group Physicians while providing Emergency Department Call Coverage, Medical Group shall be paid as follows:

For Primary Procedures: One Hundred and Seventy Five Dollars (\$175) per wRVU
For Secondary Procedures (with a Modifier 51): Eighty-Eight Dollars (\$88) per wRVU

2. Clinic Services:

For Services provided in the Clinic setting, Medical Group shall be paid at the rate of Seventy-Five Dollars (\$75) per wRVU.

For surgical services provided in the Hospital setting, Medical Group shall be paid as follows:

For Primary Procedures: One Hundred and Seventy Five Dollars (\$175) per wRVU
For Secondary Procedures (with a Modifier 51): Eighty-Eight Dollars (\$88) per wRVU

3. One Time Sign On Bonus: As an incentive for Medical Group to provide the Services hereunder, Medical Group shall be paid a one-time sign on bonus in the amount of *Thirty-Six Thousand Dollars (\$36,000)* (the "Sign On Bonus"). The Sign On Bonus shall be paid in two (2) installments, with the first installment of *Eighteen Thousand Dollars (\$18,000)* paid within thirty (30) days of the execution of this Agreement by both parties and the second installment of *Eighteen Thousand Dollars (\$18,000)* paid six (6) months thereafter; provided this Agreement has not been terminated before that date and Medical Group is still providing Services to District hereunder. In the event Medical Group terminates this Agreement prior to the expiration of one (1) year from the Effective Date, Medical Group shall reimburse District a pro-rata amount of the Sign On Bonus equal to that portion of the Sign On Bonus paid to the Medical Group, but not yet earned because of the early termination.

4. Payment Terms: Medical Group shall be paid the compensation set forth in paragraphs 1 and 2 above on or before the tenth (10th) day of second month following the month in which Services were performed. By way of example, if the Services were performed in May, payment would be made on or before July 10th. Notwithstanding the foregoing, if

all patient charting and documentation with respect to Services provided by Physicians and necessary for District to submit bills to a payor are not fully and accurately completed and submitted to District within fourteen (14) days of the date of service, the compensation for the underlying Services will be decreased by fifty percent (50%). If such charting, billing and documentation are not completed within twenty-one (21) days of the date of service, the compensation for such Services will be decreased by seventy five percent (75%). Reasonable accommodation shall be made for delays in chart closure and charge submission caused by illness, IT failures, acts of God and similar unpredictable and non-modifiable circumstances; such accommodation shall be at the discretion of District but shall not be unreasonably withheld.