




STATE OF WASHINGTON
 DEPARTMENT OF HEALTH
 Olympia, Washington 98504

WASHINGTON STATE CERTIFICATE OF NEED PROGRAM
 RCW 70.38 AND WAC 246-310

APPLICATION FOR CERTIFICATE OF NEED
HOSPICE PROJECTS
(excludes amendments)

Certificate of Need applications must be submitted with a fee in accordance with the instructions on page 2 of this form.

Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310 adopted by the Washington State Department of Health. I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer: Hyrum Kirton CEO  Date: 12/27/2018	Person To Whom Questions Regarding This Application Should Be Directed: Staci Beltran Telephone Number: 801-990-0363
Legal Name of Applicant: Bristol Hospice Clark, LLC Address of Applicant: 206 North 2100 West, Ste 202 SLC UT 84116 Telephone Number: 801-990-0363	Type of Project (check all that apply): <input checked="" type="checkbox"/> New Agency <input type="checkbox"/> Existing Medicare Certified/Medicaid Eligible Agency Expanding into Different County <input type="checkbox"/> Existing Licensed-Only Hospice Agency to Become Medicare Certified/Medicaid Eligible
Project Summary: Bristol Hospice requests certificate of need approval to operate a medicare certified and medicaid eligible hospice agency. Estimated capital expenditure: \$30,000.00	



12/28/2018

Janis Sigman, Manager
Certificate of Need Program
Department of Health
P.O. Box 47852
Olympia, WA 98504-7852

Re: Bristol Hospice Application Submission to provide Hospice Services in the State of Washington

Dear Ms. Sigman:

Bristol Hospice, L.L.C. ("Bristol") is pleased to provide you with an Application Submission to provide Hospice Services in Clark County in the State of Washington. In accordance with the Washington State Certificate of Need Program RCW 70.38 and WAC 246-310, the following information is provided:

I. APPLICANT DESCRIPTION:

A. Provide the legal name(s) of applicant(s).

Note: The term "applicant" for this purpose is defined as any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity that engage in any undertaking which is subject to review under provisions of RCW 70.38.

Bristol Hospice Clark L.L.C.

B. For existing facilities, provide the name and address of the facility.

Note: The term "existing facility" for this purpose is defined as a home health agency that is currently providing licensed only home health care services OR a home health agency that is seeking to expand its Medicare certified service area.

N/A – Not currently existing in the state of Washington

C. Identify the type of ownership (public, private, corporation, non-profit, etc.).

Private

D. Provide the name and address of *owning* entity at completion of project (unless same as applicant).

Bristol Hospice, L.L.C.
206 North 2100 West, Ste. 202
Salt Lake City, UT 84116

E. Provide the name and address of *operating* entity at completion of project (unless same as applicant).

Bristol Hospice Clark, L.L.C.
5520 Bridgeport Way West
University Place, WA 98467

F. Identify the corporate structure and related parties. Attach a chart showing organizational relationship to related parties.

See Exhibit 1

G. Provide a general description and address of each facility owned and/or operated by applicant (include out-of-state facilities, if any).

Location	Address	City	Sate	Zip	ADC – Dec 10 th 2018	Date Acquired
Bristol - Corporate Office	206 North 2100 West, Ste 202	Salt Lake City	UT	84116	Corporate	N/A
Bristol - Merced	374 E Yosemite Ave. Suite 200	Merced	CA	95340-9100	85	N/A
Bristol - Stockton	5757 Pacific Ave., Ste. 228	Stockton	CA	95207-5159	58	N/A
Bristol - Sacramento	2140 Professional Drive, Suite 210	Roseville	CA	95661	211	N/A
Optimal - Bakersfiled	1675 Chester Avenue, Suite 401	Bakersfield	CA	93301	264	7/13/2018
Optimal - Fresno	6780 N. West Avenue, Suite 101	Fresno	CA	93711	246	7/13/2018
Optimal - Lake Isabella	6504 Lake Isabella Blvd., Suite E	Lake Isabella	CA	93240	28	7/13/2018
Optimal - Lancaster	44151 15th Street West Suite 201	Lancaster	CA	93534	25	7/13/2018
Optimal - Long Beach	5000 E. Spring Street, Suite 525	Long Beach	CA	90815	60	7/13/2018
Optimal - Modesto	1101 Sylvan Avenue, Suite B-10	Modesto	CA	95350	119	7/13/2018
Optimal - Stockton	3461 Brookside Rd, Suite A2	Stockton	CA	95219	43	7/13/2018
Optimal - Visalia	2439 W. Whitendale Ave., Suite B	Visalia	CA	93277	163	7/13/2018
Bristol - Florida	5201 Blue Lagoon Drive, Suite 570	Miami-Date	FL	33126	44	N/A
Bristol - Georgia	2849 Paces Ferry Road, SE, Ste. 380	Atlanta	GA	30339	53	N/A
Bristol - Hawaii	55 Merchant Street #2900	Honolulu	HI	96813	318	N/A
Bristol - Eugene	1077 Gateway Loop Suite B	Springfield	OR	97477	8	N/A
Bristol - Clackamas	10365 SE Sunnyside Road, Ste 340	Clackamas	OR	97015	124	N/A
Bristol - Waxahachie	115 Park Place Blvd. Suite 100	Waxahachie	TX	75165	83	N/A
Bristol - Texas	2002 Timberloch Place Suite 150	The Woodlands	TX	77380	77	N/A
Bristol - Ogden	1638 North Washington Blvd.	Ogden	UT	84404	46	N/A
Bristol - Salt Lake City	3216 South Highland Drive, Ste.100	Salt Lake City	UT	84106	26	N/A
Bristol - Suncrest Pueblo	1721 W. US Hwy. 50, Suite 200	Pueblo	CO	81008	22	8/17/2018
Bristol - Suncrest Denver	5700 S Quebec St. Suite 310	Greenwood Village	CO	80111	455	8/17/2018
Bristol - Suncrest Colorado Springs	7660 Goddard St., Suite 100	Colorado Springs	CO	80920	96	8/17/2018
Bristol - Suncrest Loveland	1605 Foxtrail Dr., Suite 200	Loveland	CO	80538	76	8/17/2018
Bristol - Brighton	1106 E 6600 S	Murray	UT	84121	201	10/25/2018

H. For existing facilities, identify the geographic primary service area.

N/A – Not currently existing in the state of Washington

I. Identify the facility licensure/accreditation status.

CHAP

J. Is applicant reimbursed for services under Titles XVIII, and XIX of Social Security Act?

No

K. Identify the medical director and provide his/her professional license number, and specialty represented.

Dr. Sabine VonPreyss, Family Medicine, 1164551338

L. Please identify whether the medical director is employed directly by or has contracted with the applicant. If services are contracted, please provide a copy of the contract.

Contracted – See Exhibit 2.

M. For existing facilities, please provide the following information for each county currently serving:

1. total number of unduplicated hospice patients served per year for the last three years;
2. average length of stay (days) per patient per year for the last three years;
3. median length of stay; and
4. average daily census per year for the last three years.

N/A – Not currently existing in the State of Washington

II. PROJECT DESCRIPTION

Include the following elements in the project description. An amendment to a Certificate of Need is required for certain project modifications as described in WAC 246-310-100(1).

A. Provide the name and address of the proposed facility.

University Place Care Center
5520 Bridgeport Way West
University Place, WA 98467

Bristol Hospice is leasing a space in the basement of University Place Care Center that is approximately 340 SF with shared common area of 200 SF and shared bathrooms which are located on the first floor. The total cost of leasing the space is \$810.00 per month.

B. Describe the project for which Certificate of Need approval is sought.

A Bristol Hospice location to provide Hospice Services to the surrounding community in Clark County, Washington.

C. List new services or changes in services represented by this project. Please indicate which services would be provided directly by the agency and which services would be contracted.

Services:

- Pain and Symptom Management
- Counseling and Support Services
- Spiritual Counseling
- Skilled Nursing Care
- Hospice Aide Services
- Volunteer Services
- Supplies, Medication and Durable Medical Equipment related to the Life-Limiting Illness
- Continuous Care
- Namaste Program Services
 - The Namaste program addresses the unique emotional and physical needs of individuals, their caregivers, and families. As a leader in the hospice community, Bristol Hospice stands true to its company values and mission of Embracing a Reverence for Life.
- Bright Moments

- Bright Moments is a program specifically designed for patients with end-state dementia. It is based on the belief that more can be done for dementia and Alzheimer's patients. Bright Moments provides innovative tools to help support these patients, as well as their family, staff, and physicians.

Contracted Services:

- Outpatient Services
- General Inpatient Services
- Respite Care Services
- Therapy Service

D. General description of types of patients to be served by the project.

Patients who have reached the final phase of a terminal illness and would like to focus on comfort and quality of life, rather than curative care.

E. List the equipment proposed for the project:

1. description of equipment proposed; and
2. description of equipment to be replaced, including cost of the equipment, disposal, or use of the equipment to be replaced.

See costs under the overhead section in preopening P&L in Exhibit 7. This would include the furniture and IT equipment which is listed as depreciation and amortization, the amount is \$30,000.

Schedule for Capital Expenses and Equipment

Item	Expense
IT Equipment	\$ 15,000.00
Furniture for Office	\$ 10,000.00
Initial Inventory of Supplies	\$ 5,000.00
	\$ 30,000.00

F. Provide drawings of proposed project:

1. single line drawings, *approximately to scale*, of current locations which identify current department and services; and
2. single line drawings, *approximately to scale*, of proposed locations which identify proposed services and departments; and
3. total net and gross square feet of project.

See Exhibit 3

G. Identify the anticipated dates of both commencement and completion of project.

Anticipated commencement of August 2019, and completion within three to six months.

H. Describe the relationship of this project to the applicant's long-range business plan and long-range financial plan (if any).

Bristol Hospice has intentions to continue to expand its Hospice Services across the United States. This project would be in line with that goal.

- I. Provide documentation that the applicant has sufficient interest in the site or facility proposed. "*Sufficient interest*" shall mean any of the following:
 1. clear legal title to the proposed site; or
 2. a lease for at least one year with options to renew for not less than a total of three years; or
 3. a legally enforceable agreement (i.e., draft detailed sales or lease agreement, executed sales or lease agreement with contingencies clause) to give such title or such lease in the event that a Certificate of Need is issued for the proposed project.

See Exhibit 4

III. PROJECT RATIONALE

Please address each county proposing to be served separately.

A. Need (WAC 246-310-210)

1. Identify and analyze the unmet hospice service needs and/or other problems toward which this project is directed.
 - a. identify the unmet hospice needs of the patient population in the proposed service area(s). The unmet patient need should not include physical plant and/or operating (service delivery) deficiencies; and
 - b. identify the negative impact and consequences of unmet hospice needs and deficiencies.

According to the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

Unmet hospice needs and deficiencies increase end of life costs and increase deaths in inpatient settings. Many patients would prefer to pass away at home and unmet needs take away their ability to do so. These patients are denied access to services that meet the physical, psychosocial and spiritual needs at the end of life. In addition, they are not receiving an individualized plan of care which may include, as appropriate, the following services: nursing, physicians, hospice aides, spiritual support, therapy, dietary, counseling, volunteers, durable medical equipment, supplies, bereavement services and medications related to the terminal illness.

2. Define the types of patients that are expected to be served by the project. The types of patients expected to be served can be defined according to specific needs and circumstances of patients (i.e., culturally diverse, limited English speaking, etc.) or by the number of persons who prefer to receive the services of a particular recognized school or theory of medical care.

The patients expected to be served are those who have reached the final phase of a terminal illness and would like to focus on comfort and quality of life, rather than curative care. Bristol Hospice provides language translation services that allows Bristol to provide care to patients that have a different primary language than English. Bristol Hospice operates in many diverse locations and is well known for its ability to administer culturally sensitive medical care (examples: The Japanese community in Hawaii, the Cuban community in Miami, the Moong community in Merced California). According to the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

3. For existing facilities, include a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code. Zip codes are to be grouped by city and county, and include a zip code map illustrating the service area.

N/A – Not currently existing in the State of Washington

4. Please provide utilization forecasts for the following, for each county proposing to serve:
 - a. total number of unduplicated hospice patients served per year for the first three years;
 - b. average length of stay (days) per patient per year for the first three years;
 - c. median length of stay; and
 - c. average daily census per year for the first three years.

See Exhibit 5.

5. Please provide a forecasted breakdown of patient diagnoses.

Diagnosis	Estimated Percent
Cancer	33.05%
AIDS	0.20%
ALS	0.23%
Heart/Cardiac	53.33%
Other (list)	13.19%
Total	100%

6. Provide the complete step-by-step quantitative methodology used to construct each utilization forecast. All assumptions related to use rate, market share, intensity of service, and others must be provided.

All methodology used to forecast was based on historical data from our current operations.

7. Provide detailed information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which "compete" with the applicant.

- a. Identify all existing providers of services (licensed only and certified) similar to those proposed and provide utilization experience of those providers that demonstrates that existing services are not available to meet all or some portion of the forecasted utilization.

- Community Home Health and Hospice CHHH Community Home Care Hospice
- Homecare and Hospice Southwest (Hospice SW)
- Kaiser Permanente Continuing Care Services

According to the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

- b. If existing services are available, demonstrate that such services are not accessible. Unusual time and distance factors, among other things, are to be analyzed in this section.

According to the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

Bristol Hospice subscribes to a Medicare Claims database, HealthPivots. According to the Medicare Claims Data for 2018 (through June 2018), Overall Washington State ranks 36 out of 52 in the hospice death service ratio at a value of 44.6 with the highest state having a value of 58.5. See data table below.

Ranking of States on Death Service Ratio in

State	Value	Rank
Utah	58.5	1
Arizona	57.7	2
Delaware	57.4	3
Rhode Island	57.1	4
Florida	56.9	5
Iowa	55.3	6
Ohio	54.5	7
Wisconsin	53.5	8
Kansas	52.0	9
Colorado	51.9	10
Michigan	51.9	11
Idaho	51.6	12
Oregon	51.4	13
Texas	51.3	14
Minnesota	51.1	15
Georgia	49.7	16
South Carolina	49.7	17
Indiana	49.0	18
Nebraska	48.9	19
Missouri	48.6	20
Arkansas	48.4	21
Oklahoma	48.4	22
Maine	48.3	23
Illinois	48.2	24
New Mexico	48.1	25
Louisiana	48.0	26
North Carolina	47.9	27
Connecticut	47.4	28
Pennsylvania	47.4	29
Nevada	47.3	30
Alabama	47.1	31
Maryland	46.5	32
New Hampshire	45.4	33
Massachusetts	45.2	34
Hawaii	44.8	35
Washington	44.6	36
Virginia	44.4	37
Mississippi	43.7	38
California	43.6	39
Tennessee	43.6	40
Montana	42.5	41
Kentucky	42.3	42
West Virginia	42.2	43
Vermont	42.2	44
New Jersey	41.0	45
South Dakota	39.4	46
District of Columbia	32.9	47
Wyoming	32.3	48
New York	28.7	49
North Dakota	28.0	50
Puerto Rico	21.5	51
Alaska	21.5	52

- b. If existing services are available and accessible, justify why the proposed project does not constitute an unnecessary duplication of services.

According to the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

8. Document the manner in which low-income persons, racial and ethnic minorities, women, people with disabilities, and other under-served groups will have access to the services proposed.

Bristol Hospice provides services directly or through arrangements with other qualified providers and does not refuse service to or employment to or in any other way discriminate against any person on the basis of color, age, religion, sex, pregnancy, sexual orientation, mental or physical handicap, childbirth and ancestry or national origin.

Bristol Hospice will not discontinue or diminish care provided to a Medicare beneficiary because of the beneficiary's inability to pay for the care.

9. Please provide copies (draft is acceptable) of the following documents:

- a. Admissions policy; and

See Exhibit 6.

- b. Charity care policy; and

Bristol Hospice provides Charity care on a case by case basis. When locations receive a referral for patients without funding a determination is made by the Operational Vice President for that location. Historically Bristol Hospice has provided charity care at approximately 1.5% of gross revenue.

- c. Patient referral policy, if not addressed in admissions policy.

See Exhibit 6.

10. As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.

- a. The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics, and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services areas in which the entities are located or in adjacent health services areas.
- b. The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.
- c. The special needs and circumstances of osteopathic hospitals and non-allopathic services with which the proposed facility/service would be affiliated.

Bristol Hospice has long felt that there is special need for advanced care for those patients dealing with memory loss. Bright Moments is a program specifically designed for patients with end-state dementia. It is based on the belief that more can be done for dementia and Alzheimer's patients. Bright Moments provides innovative tools to help support these patients, as well as their family, staff, and physicians.

The Patient Needs

- Regular human contact
- More personalized care
- Assistance in eating
- Proactive skin care
- A calming environment
- Pain/Comfort assessment
- Spiritual/Emotional Support

The Family and Loved ones need

- An understanding of the disease process
- Coaching on what to do and how to do it
- User friendly reference material
- Support

The Caregivers/Professionals Need

- Affiliation with experts who specialize in late-stage dementia
- Sensitivity to their emotional needs
- Staff Support

Bright Moments; Points of Light:

- Music Device and Headphones – loaded with patient specific music favorites
- Weighted Blanket – Clinical studies have shown that this produces comfort when managing agitated or unsettled behavior. Simulates the feeling of a hug.
- Chart A Life – to capture special moments and preserve patient memories
- Snoozelin lamp with Sensory Care Kit
- Memory-enhancing aroma therapies
- Therapeutic Companion Bear
- Specialized Utensils
- Specialized Care Products

B. Financial Feasibility (WAC 246-310-220)

WAC 246-310-990(2) defines “total capital expenditure” to mean the total project costs to be capitalized according to generally accepted accounting principles. These costs include, but are not limited to, the following: legal fees; feasibility studies; site development; soil survey and investigation; consulting fees; interest expenses during construction; temporary relocation; architect and engineering fees; construction, renovation, or alteration; total costs of leases of capital assets; labor; materials; fixed or movable equipment; sales taxes; equipment delivery; and equipment installation.

1. Provide the proposed capital expenditures for the project. These expenditures should be broken out in detail and account for at least the following:
 - Land acquisition;
 - Site survey, tests, inspections;
 - Construction contract;
 - Financial feasibility studies, architectural fees/engineering fees/consulting fees;
 - Fixed equipment (not in construction contract);
 - Movable equipment;
 - Freight and delivery charges;
 - Sales tax;
 - Cost of tuning up and trial runs;
 - Reconditioning costs (in case of used asset);
 - Cost of title investigations, legal fees, brokerage commissions;
 - Other activities essential to the acquisition, improvement, expansion, or replacement of plant and equipment due to the project; and
 - Financing costs, including interim interest expense, reserve account, interest expense, and other financing costs.

See costs under the overhead section in preopening P&L in Exhibit 7.

Schedule for Capital Expenses and Equipment

Item	Expense
IT Equipment	\$ 15,000.00
Furniture for Office	\$ 10,000.00
Initial Inventory of Supplies	\$ 5,000.00
	\$ 30,000.00

2. Explain in detail the methods and sources used for estimated capital expenditures.

The information provided for estimated capital expenditures is based on historical data. This would include the furniture and IT equipment which is listed as depreciation and amortization, the amount is \$30,000.

3. Document the project impact on (a) capital costs; and (b) operating costs and charges for health services.

Refer to P&L for preopening and years 1-3 in Exhibit 7. The charges are based on the set rates by Medicare.

4. Provide the total estimated operating revenue and expenses for the first three years of operation (*please show each year separately*) for the following, as applicable. **Include all formulas and calculations used to arrive at totals on a separate page.**

See Exhibit 7.

Revenue

Medicare
Medicare Managed Care
Medicaid
Healthy Options [BHP]
Private Pay
Third Party Insurance
Other [CHAMPUS, Veterans, etc.]
Non-operating Revenue [United Way, etc.]

Deductions from Revenue:
(Charity)
(Provision for Bad Debt)
(Contractual Allowances)

Expenses

Advertising
Allocated Costs
B & O Taxes
Depreciation and Amortization
Dues and Subscriptions
Education and Training
Employee Benefits
Equipment Rental
Information Technology/Computers
Insurance
Interest
Legal and Professional
Licenses and Fees
Medical Supplies
Payroll Taxes
Postage
Purchased Services (utilities, other)
Rental/Lease
Repairs and Maintenance
Salaries and Wages (DNS, RN, OT, clerical, etc.)
Supplies
Telephone/Pagers
Travel (patient care, other)

5. Identify the source(s) of financing (*loan, grant, gifts, etc.*) for the proposed project. Provide all financing costs, including reserve account, interest expense, and other financing costs. If acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

Financing will be done by the parent company, Bristol Hospice, LLC. The parent company balance sheet has been submitted with this Certificate of Need and also has a line of credit, if needed, to help cover any startup costs. See exhibit 8 for balance sheet.

6. Provide documentation that the funding is, or will be, available and the level of commitment for this project.

See balance sheet in Exhibit 8. The parent company has successfully started several hospice locations throughout the country.

7. Provide a cost comparison analysis of the following alternative financing methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.

No cost comparison was completed. Bristol Hospice experience in previous hospice startups in which we Successfully began operations without requiring outside funding saves the company both money as well as time as we don't need to secure a loan.

8. Provide a pro forma (projected) balance sheet and expense and revenue statements for the first three years of operation.

See exhibit 7.

9. Provide a capital expenditure budget through the project completion and for three years following completion of the project.

See exhibit 9.

10. Identify the expected sources of revenue for the applicant's total operations (e.g., Medicare, Medicare Managed Care, Medicaid, Healthy Options, Blue Cross, Labor and Industries, etc.) for the first three years of operation, with anticipated percentage of revenue from each source. Estimate the percentage of change per year for each payer source.

For the pro forma, all expected revenues were coded as Medicare. Through prior experience we have found that insurance companies and Medicaid will pay the same rate or close to the same rate as Medicare. Any changes in revenue sources would be minimal to the total financing of the project. We did anticipate a 1% rate increase in Medicare rates per year – this appears to be conservative as rates were increased 1.8% on 10/1/2018.

11. If applicant is an existing provider of health care services, provide expense and revenue statements for the last three full years.

See exhibit 10.

12. If applicant is an existing provider of health care services, provide cash flow statements for the last three full years.

See exhibit 10.

13. If applicant is an existing provider of health care services, provide balance sheets detailing the assets, liabilities, and net worth of facility for the last three full *fiscal* years.

See exhibit 10.

14. For existing providers, provide actual costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source for each county proposing to serve.

Costs and charges were not broken down on a per visit level as we neither bill nor pay employees on this basis. All revenues were booked on a daily basis (Clark County \$203.09 for first 60 days of hospice care, \$159.58 thereafter). All wage costs were considered using hourly wage rates using full time employees. Hourly wage rates were estimated for the area based upon existing operations and Washington market data. These wages were inflated 2% each year to account for anticipated cost of living increases. To find the number of employees necessary to adequately staff our operations, we used the National Hospice and Palliative Care Organization guidelines for the anticipated daily census of the program each month of operations.

15. Provide anticipated costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source for each county proposing to serve.

Costs and charges were not broken down on a per visit level as we neither bill nor pay employees on this basis. All revenues were booked on a daily basis (Clark County \$203.09 for first 60 days of hospice care, \$159.58 thereafter). All wage costs were considered using hourly wage rates using full time employees. Hourly wage rates were estimated for the area based upon existing operations and Washington market data. These wages were inflated 2% each year to account for anticipated cost of living increases. To find the number of employees necessary to adequately staff our operations, we used the National Hospice and Palliative Care Organization guidelines for the anticipated daily census of the program each month of operations.

16. Indicate the addition or reduction of FTEs with the salaries, wages, employee benefits for each FTE affected, for the first three years of operation. Please list each discipline separately.

See exhibit 11.

17. Please describe how the project will cover the costs of operation until Medicare reimbursement is received. Provide documentation of sufficient reserves.

As shown on the parent company consolidated balance sheet (Exhibit 8), Bristol Hospice, LLC has the reserves to cover the start-up costs.

C. Structure and Process (Quality) of Care (WAC 246-310-230)

1. Please provide the current and projected number of employees for the proposed project, using the following:

Staff	Current FTE		Year 1		Year 2		Year 3	
	FTE	Contracted	FTE	Contracted	FTE	Contracted	FTE	Contracted
RN			3		5		5	
LPN								
Hospice Aide			2		3		3	
NURSING TOTAL			5		8		8	
Admin			1		1		1	
Medical Director				1		1		1
DNS			1		1		1	
Business/Clerical			1		1		1	
ADMIN. TOTAL			3	1	3	1	3	1
PT				1		1		1
OT				1		1		1
Speech Therapist				1		1		1
Med Social Work			1		1		1	
Pastoral / Other Counselor			1		1		1	
Volunteers			1		1		1	
Other (specify):								
ALL OTHERS TOTAL			3	3	3	3	3	3
TOTAL STAFFING			11	4	14	4	14	4

2. Please provide your staff to patient ratio.

Type of Staff	Staff / Patient Ratio
Skilled Nursing (RN & LPN)	1/12
Physical Therapist	1 - contracted
Occupational Therapist	1 - contracted
Medical Social Worker	1/40
Speech Therapist	1 - contracted
Home Health / Hospice Aide	1/12
Other (list) Chaplain	1/50
Total	

3. Explain how this ratio compares with other national or state standards of care and existing providers for similar services in the proposed service area.

Bristol Hospice has staffing ratios based on National Hospice and Palliative Care Organization (NHPCO this is a nationally recognized organization that directs hospice services) grid guidelines. The only exception would be if we are in a location that requires a lot of travel or if patients have a higher acuity than normal.

4. Identify and document the availability of sufficient numbers of qualified health manpower and management personnel. If the staff availability is a problem, describe the manner in which the problem will be addressed.

Bristol Hospice has a strong clinical structure with roving team members that can support the healthcare needs in cases of emergency or shortage. It also has a strong history of hiring direct care employees within 15 to 20 days of posting a position which is far below the national average. It recruits on over 150 websites as well as hospice specific niches and organizations. It is also aware of the guidelines for hiring temporary staff through staffing agencies in case of those contingencies that might place a patient at risk. Bristol Hospice supervisor clinical staff are also licensed to care for patients when staffing may be low.

5. Please identify the number of providers and specialties represented on the interdisciplinary team.

Bristol Hospice generally has the following disciplines on the interdisciplinary team. Medical Director, Associate Medical Director, Nurse Practitioner, Director of Patient Care Services, Executive Director, Clinical Supervisors, nurses (RN & LVN), social workers, bereavement coordinators, chaplains, and CNAs.

6. Please identify, and provide copies of (if applicable) the in-service training plan for staff. (Components of the training plan should include continuing education, home health aide training to meet Medicare criteria, etc.).

Bristol Hospice uses an e-learning nationally recognized platform named Relias for its trainings, but it also has frequent in person training sessions with the staff that are conducted by its managers or outside training venues, and staff work with an experienced preceptor.

7. Describe your methods for assessing customer satisfaction and quality improvement.

See Exhibit 12.

8. Identify your intended hours of operation. In addition, please explain how patients will have access to services outside the intended hours of operation.

Bristol Hospice general work hours are from 0800 to 1700; however, our actual operations are 24/7/365. There are always staff that are required to work after hours, weekends and holidays to meet patient needs.

9. Identify and document the relationship of ancillary and support services to proposed services, and the capability of ancillary and support services to meet the service demands of the proposed project.

Bristol Hospice uses the following support services partners and services for ancillary needs contracts for these services can be found in Exhibit 13:

- **Durable Medical Equipment:** Bristol has a contract with Norco locally through a national group Hospice Link who provides DME services in the market area to other hospices. They keep inventory on hand and provide daily deliveries and education to any patients that Bristol will admit providing care. We can see patient needs through an online dashboard and ensure timely effective service is provided.
- **Pharmacy:** Pharmacy services is delivered and dispensed locally through a network of local pharmacies including Fred Meyer Pharmacy, Safeway Pharmacy, Rite Aid, Bi-Mart, CVS, Walgreens and Savon. We are contracted with a national Pharmacy benefit administrator Optum who ensures quality pharmacist drug oversight and review on all patients. They will dispense at the easiest pharmacy for the patient including the preferred pharmacies of Assisted Living and Skilled Nursing that may be the patients' home. Drugs are delivered to patients' homes or facilities by local carrier or the local pharmacies delivery network.
- **Medical Supplies:** Medical Supplies are provided by national distributor McKesson. They keep our formulary on hand and will drop ship direct to the patients' home.

- Physical Therapy: Contracted physical therapists are available to delivery home or facility level therapy per the care plan.
- Dietitian: Contracted local Dietitian is available for providing dietitian services at home or facility through Healthcare Services Group.

10. Explain the specific means by which the proposed project will promote continuity in the provision of health care to the defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes, and other health service resources serving your primary service area. This description should include recent, current, and pending cooperative planning activities, shared services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.

Across all of Bristol Hospice locations year to date we have served over 2,000 different referral sources. This includes referrals from Assisted Living Facilities, Hospitals, Skilled Nursing Facilities, and Physicians. Each of these referral sources exhibited confidence in Bristol Hospice to promote continuity and unwarranted fragmentation in services. Bristol Hospice takes pride in providing care for each patient on an individual level based on their specific needs and disease process. Its advanced illness management program also insures that each patients individual needs are met, and appropriate services are provided in a way that provides continuity of care.

11. Fully describe any history of the applicant entity and principles in Washington with respect to criminal convictions, denial or revocation of license to operate a health care facility, revocation of license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program. If there is such history, provide clear, cogent, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.

Bristol Hospice has no history in the state of Washington. Bristol Hospice conducts criminal background checks including OIG exclusions, national sites and the different boards for the disciplines to ensure that licenses and ability to work are intact. The criminal background checks are conducted upon hire and annually from that point on. OIG exclusion lists are consulted on a monthly basis. We have HR Tracking sheets that maintain and monitor licenses to ensure that they are kept up to date and are applicable to the current job description.

12. List the licenses and/or credentials held by the applicant(s) and principles in Washington, as well as other states, if applicable. Include any applicable license numbers.

See Exhibit 14.

13. Provide the background experience and qualifications of the applicant(s).

Bristol operates hospice, palliative care, and supportive care programs in California, Georgia, Hawaii, Oklahoma, Oregon, Texas, Colorado, Florida and Utah, providing high-quality comprehensive Hospice and Palliative Care Services to our patients, families, and communities. All Bristol locations are licensed and certified in accordance to the state and federal hospice regulations. In addition, all programs voluntarily seek Community Health Accreditation Partner (CHAP) Accreditation. CHAP Accreditation publicly certifies that an organization has voluntarily met the highest standards of excellence for home and community-based health care.

There are 25 Bristol Hospice, LLC programs located in 8 states. Bristol employs a diverse skilled workforce to meet the needs of its patients with approximately 1,600 employees.

Each Bristol Hospice program operates out of a community office, which is typically staffed with an Executive Director (“ED”) who is responsible for the overall operations of their location. The ED oversees all staff and is responsible for identifying and contracting with Medical Directors and Associate Medical Directors to serve Bristol’s patients. The Director of Patient Care Services (“DPCS”) is the leading force in all clinical matters. The

DPCS reports to the ED but is responsible for overseeing all matters relating to patient care including supervision of RNs, LPNs, CNAs and other disciplines that provide direct care to patients. The number of employees in each facility is based on the census with a constant watch to ensure that there is sufficient staff to provide Bristol's expected level of quality care. Office functions such as billing, A/P, contract management, payroll and HR are standardized and provided by the corporate office allowing the locations to focus specifically on patient care.

The Bristol Hospice local offices are individualized hospice operations, supported by a national office. Each hospice program provides custom tailored hospice services to meet the physical, psychosocial, and spiritual needs of our patients and their families/caregivers. An interdisciplinary group of professionals and volunteers develops an individualized plan of care which includes, as appropriate, the following services: nursing, physicians, home health aides, counseling, spiritual support, therapy, dietary, durable medical equipment, supplies, volunteer services and bereavement services.

Bristol Hospice patients are diverse in ethnic background and religious practices. The Bristol team develops programs and hires its clinical team based on the specific culture of its patients at the local level. Bristol goes the extra mile to ensure that the culture is understood and respected by the staff working with patients in each location. Bristol understands each patient brings unique clinical, cultural and spiritual needs and that as a national hospice system, programs and staffing recognize the importance of this and strive to accommodate these personal and regional variations. Bristol's key leadership consistently travels to its locations and frequently engages community leaders, clinicians, and our patient base to ensure we tailor our programs to meet the special needs of the patients. Bristol's boutique hospice model provides a community focused approach which also incorporates a sophisticated national infrastructure to ensure that Bristol Hospice programs meet all relevant legal and accreditation standards while incorporating best practices in CHAPs accreditation standards and the Hospice Conditions of Participation.

Bristol Hospice focuses on providing customized care which meets and/or exceeds national standards for quality care delivery yet is tailored for the specific needs of each patient. In addition to each individualized patient care plan, Bristol produces an individualized service plan for each location, to ensure that all services are tailored to the communities it serves. This care model is customized prior to Bristol's entry into new markets to ensure Bristol's success in becoming a valued part of the community. Bristol's leadership personally visit the community to best understand the cultural and care needs so that tailor core programs can be tailored to meet the community's needs. Frequent additional visits once the hospice is open, ensure that Bristol Hospice is truly a community hospice.

In addition, local leaders are supported at the corporate level. To support Bristol local leadership, Bristol provides an annual leadership conference. This conference recognizes the accomplishments of the leadership, awards are given and outstanding practices are recognized. In addition, the conference is used as a forum for providing industry information and leadership training including, but not limited to, hospice compliance, operations, management training, and motivation. This format allows the leadership from each location to build trusting relationships with their peers as well as upper management. They are able to share best practices in their locations to enhance services throughout the company.

Parent company, Bristol Hospice, LLC, was formed in 2006 with the mission that all patients entrusted to its care will be treated with the highest level of compassion, respect, and quality of care.

14. For existing agencies, provide copies of the last three licensure surveys as appropriate evidence that services will be provided (a) in a manner that ensures safe and adequate care, and (b) in accordance with applicable federal and state laws, rules, and regulations.

See Exhibit 15.

D. Cost Containment (WAC 246-310-240)

1. Identify the exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, joint ventures, subcontracting, merger, contract services, and different methods of service provision, including different spacial configurations you have evaluated and rejected. Each alternative should be analyzed by application of the following:

- Decision making criteria (*cost limits, availability, quality of care, legal restriction, etc.*):
- Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;
- Capital costs;
- Staffing impact.

Bristol Hospice is submitting this application based on the Department of Health Updated 2018-2019 Hospice Numeric Need Methodology Clark County will have 98 unmet admits in 2018, 183 in 2019, and 267 in 2020. This equals unmet ADC of 16 in 2018, 30 in 2019, and 45 in 2020. This totals 5,959 unmet patient days in 2018, 11,119 in 2019, and 16,278 in 2020.

2. Describe how the proposal will comply with the Medicare conditions of participation, without exceeding the costs caps.

Bristol Hospice utilizes robust policies and procedures that have been vetted by third party hospice experts. These policies and procedures have been designed to follow the federal hospice conditions of participation. Each location is eternally survived by Bristol corporate staff to ensure compliance with these policies. Bristol has voluntarily elected to receive deemed status by CHAP federally accredited organization.

Bristol has robust internal controls around patient eligibility and ongoing clinical oversight to ensure that all patients qualify for care and show clinical indicators of decline. This provides Bristol with acceptable average length of stay and quality of care so that it does not have any Medicare cap repayments. Across all locations Bristol has never had a failed survey either through state or CHAP accreditation. Never at any time has a Medicare or State license been suspended or revoked.

3. Describe the specific ways in which the project will promote staff or system efficiency or productivity.

Bristol Hospice has state of the art quality assurance processes which utilize National Hospice and Palliative Care Organization guidelines for staffing patient care services. It also has advanced electronic healthcare record systems (Casamba) that track and coordinate bedside care, documentation, reporting, and outcomes. An advanced information technology uber nurse program assists our patients in finding the closest caregiver for their needs in the shortest amount of time. These systems allow Bristol to accurately measure productivity in real time and adjust staff schedules accordingly.

Bristol's patients and caregivers will work with the hospice team to set up a plan of care that meets the needs of the patient. Bristol's patients and their family members are the most important part of an interdisciplinary team that may also include:

- Doctors
- Nurses or nurse practitioners
- Counselors
- Social workers
- Physical and occupational therapists
- Speech-language pathologists
- Hospice aides
- Homemakers
- Volunteers

In addition, a hospice nurse and doctor are on-call 24 hours a day, 7 days a week to give the patient and family support and care when they needed. A hospice doctor (the Medical Director) is part of the medical team. The patient may also include his or her regular doctor or a nurse practitioner on the medical team, as the attending medical professional who supervises care.

Bristol Hospice will serve any person who has a terminal illness and a prognosis of six months or less who has a referral and written plan for hospice care established by the individual's attending physician. Bristol involves the patient, caregiver or designee, key professionals, and other team members in developing an individualized plan for care, treatment and services. The Plan of Care is based upon identified problems, needs and goals, physician orders for medications, care, treatments and services, time frames, your environment and personal wishes whenever possible. The plan is reviewed and updated as needed or every fifteen days, based on changing needs. Bristol encourages patient and caregiver participation and will provide necessary medical information to assist in decision making.

An interdisciplinary group of professionals and volunteers will develop, with each patient and family/caregiver, a plan of care that will include, as appropriate, the following personnel and services:

- Physician
 - Registered nurse
 - Medical social worker
 - Counseling
 - Spiritual support
 - Therapists (physical, occupational, and speech)
 - Dietary counseling
 - Hospice aide
 - Homemaker services
 - Hospice volunteers
 - Consultant pharmacist
 - Durable medical equipment related to the hospice patient's terminal diagnosis
 - Medications and medical supplies related to the hospice patient's terminal diagnosis
 - Inpatient care: short-term stay for symptom control and planned respite for family/caregiver
 - Bereavement follow-up for up to one (1) year after death
4. If applicable, in the case of construction, renovation, or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.

N/A – Bristol Hospice will be leasing space.

5. If applicable, in the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.

N/A – Bristol Hospice will be leasing space.

Please do not hesitate to contact us should any aspect of this proposal require clarification.

Thank you very much.

Sincerely,



Hyrum Kirton
Chief Executive Officer
Bristol Hospice, L.L.C.

EXHIBIT 1

Organizational Chart for Bristol Hospice

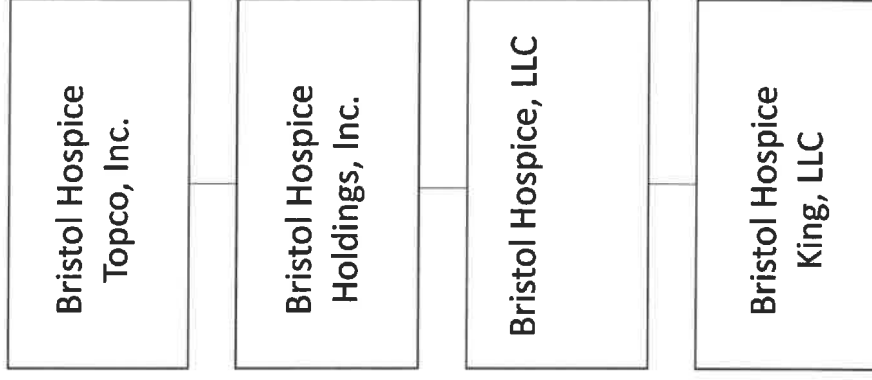


EXHIBIT 2

BRISTOL HOSPICE
MEDICAL DIRECTOR AND PHYSICIAN SERVICES AGREEMENT

THIS MEDICAL DIRECTOR AND PHYSICIAN SERVICES AGREEMENT ("Agreement") is entered into this 1 day of December, 2018 ("Effective Date"); by and between Suzeyss Friedman ("Medical Director"); and Bristol Hospice - Clark, L.L.C., a duly-licensed healthcare provider.

RECITALS

WHEREAS, Hospice desires to receive licensure and certificate of need aware for a Medicare-certified hospice at which the services of a qualified medical director are required this agreement will only take effect if certificate is awarded; and

WHEREAS, Medical Director is qualified to act as a medical director for Hospice and provide physician services as described in this Agreement; and

WHEREAS, Hospice and Medical Director (each a "Party" and collectively "Parties") have determined that, by entering into this Agreement, Hospice can better meet the needs of current and prospective patients of Hospice.

NOW, THEREFORE, in consideration of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 "Attending Physician" shall mean the doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State or the nurse practitioner who meets the training, education, and experience requirements outlined in 1.1.1 herein, if permissible in the State, who is designated by the Patient, or such Patient's legal representative, at the time the Patient elects to receive hospice care, as having the most significant role in the determination and delivery of the Patient's medical care.

1.1.1 Nurse Practitioner Qualifications. For Medicare Part B coverage of his or her services, a nurse practitioner must be a registered professional nurse who is authorized by the State to practice as a nurse practitioner in accordance with State law, and must meet one of the following: (1) obtained Medicare billing privileges as a nurse practitioner for the first time on or after January 1, 2003, and meets the following requirements: (i) be certified as a nurse practitioner by a recognized national certifying body that has established standards for nurse practitioners. (ii) possess a master's degree in nursing or a Doctor of Nursing Practice (DNP) doctoral degree; (2) obtained Medicare billing privileges as a nurse practitioner for the first time before January 1, 2003, and be certified as a nurse practitioner by a recognized national certifying body that has established standards for nurse practitioners; or (3) obtained Medicare billing privileges as a nurse practitioner for the first time before January 1, 2001.

1.2 "CHAP" shall mean the Community Health Accreditation Program or such other accrediting organization with deemed status for Medicare program participation as is designated from time to time by the Governing Body.

1.3 "Consulting Physician Services" shall mean the one-time evaluation and counseling services furnished by Medical Director directly to a Medicare beneficiary who has been diagnosed as terminally ill, has not previously elected hospice care, and has not previously received the pre-election evaluation and counseling services.

1.4 “Interdisciplinary Group” shall mean those individuals designated by Hospice to provide or direct, coordinate and supervise the care and services offered by Hospice, as required by Conditions of Participation.

1.5 “Governing Body” shall mean the Governing Body of Hospice appointed in accordance with its Operating Agreement.

1.6 “Medical Director Services” shall mean the “Medical Director Professional Responsibilities” described in Exhibit A, which are furnished by the Medical Director to Hospice.

1.7 “Patient” shall mean an inpatient or outpatient of Hospice who is entitled and eligible to receive hospice services from Hospice.

1.8 “Physician services” shall mean physician services furnished directly to a Patient by Medical Director and billed by Hospice.

1.9 “Policies and Procedures” shall mean the written policies, procedures, regulations or other guidelines, however captioned, established by the Governing Body of Hospice or its designee from time to time for the operation and management of Hospice.

1.10 “State” shall mean the state in which Hospice is located and licensed.

ARTICLE 2 HOSPICE’S OBLIGATIONS

2.1 Responsibilities of Hospice.

2.1.1 Hospice shall be solely responsible for all activities necessary or required for the operation of a licensed and certified hospice in the State and under Medicare and Medicaid laws, rules and regulations and federal, state and local laws, rules and regulations. Hospice will provide hospice services to Patients admitted by Hospice according to Hospice’s policies on acceptance of Patients for service.

2.1.2 Hospice, through its Administrator/Executive Director will provide Medical Director with an orientation to the hospice program as provided at Hospice, inclusive of the hospice philosophy. Additional informational materials will be provided, as needed, throughout the term of the Agreement. The Administrator/Executive Director of Hospice will be accessible to the Medical Director for matters related to the day-to-day implementation of this Agreement and will facilitate coordination and continuity of services to Patients. Hospice will assess the skills and competence of Medical Director, and, as necessary, provide in-service training and education programs where required, in accordance with Hospice’s written policies and procedures describing its method(s) of assessment of competency, including education on infection control and drug management. Hospice will maintain a written description of the in-service training provided during the previous 12 months.

2.1.3 Hospice retains full authority for the patient admission process; patient assessment and reassessment; ensuring the proper review and revision of the plan of care; ensuring the coordination, supervision and evaluation of the patient care provided; the scheduling of visits or hours; and discharge planning. Hospice shall retain administrative and financial management and oversight of Medical Director and all services provided hereunder, to ensure the provision of quality care. Notwithstanding the foregoing, Medical Director shall not be relieved of his or her obligation to perform the specific responsibilities of Medical Director as set forth in this Agreement, including Exhibits A and B. Notwithstanding the above; Hospice shall not attempt to direct the medical care provided by Medical Director to Hospice patients; Hospice shall only admit a Patient on the recommendation of the Medical Director in consultation with, or with input from, the Patient's Attending Physician (if any); and prior to discharging a Patient for any reason listed in paragraph (a) of 42 CFR 418.26, Hospice must obtain a written physician's discharge order from the Medical Director (if such Patient has an Attending Physician involved in his or her care, this physician should be consulted before discharge and his or her review and decision included in the discharge note.)

2.1.4 Hospice will ensure the utilization of services and appropriateness and quality of medical direction in accordance with its quality assessment and performance improvement program. The Administrator/Executive Director of Hospice is responsible for the monitoring and control of services provided.

2.1.5 Hospice shall retain professional management responsibility to ensure that all services are (i) authorized by Hospice; (ii) furnished in a safe and effective manner by qualified personnel; and (iii) delivered in accordance with the patient's plan of care in all settings. Hospice shall retain responsibility for coordinating, evaluating and administering the hospice program, as well as coordinating the provision of services.

2.1.6 Hospice will provide Medical Director with any amendments to the Policies and Procedures, upon which the amended Policies and Procedures will become a binding part of this Agreement.

2.1.7 Hospice shall pay Medical Director as specified in Sections 3.3 and 3.4 of this Agreement.

ARTICLE 3 MEDICAL DIRECTOR'S OBLIGATIONS

3.1 Status and Membership. Medical Director represents, warrants and covenants that he or she will remain in full compliance with all of the following conditions continuously during the entire term of this Agreement. Failure of Medical Director to satisfy any or all of the following conditions will constitute grounds for immediate termination of this Agreement by Hospice.

3.1.1 Medical Director is and shall remain licensed as a doctor of medicine or osteopathy in the State without restriction or subject to any disciplinary or corrective action. Medical Director must be legally authorized in accordance with applicable Federal, State and local laws, and must act only within the scope of his or her State license during the term of this Agreement. In the event Medical Director is subject to proceedings that could lead to disciplinary action, in the sole discretion of Hospice, Hospice may suspend Medical Director from providing services under this Agreement, without compensation, during the pendency of such proceedings. In addition, to the extent reasonably requested by Hospice, Medical Director will maintain continuing medical education hours as required by applicable industry standards for Hospices; and have been appropriately tested for tuberculosis and other appropriate illnesses that, under current industry standards, are consistent with service as a Medical Director of a facility such as Hospice. Medical Director shall provide copies to Hospice of any current licenses, registrations, and/or renewals, upon execution of this Agreement and thereafter at any time upon Hospice's request.

3.1.2 Intentionally Blank.

3.1.3 Medical Director will abide by Hospice's Policies and Procedures; the applicable hospice laws, rules and regulations of the State and other applicable state, federal, local, CHAP and other applicable accrediting body laws, rules, regulations, and standards, including those related to the health and safety of patients; ethics and professional standards of the medical profession; the rules and regulations that are applicable to Hospice, including accreditation and certification (and recertification) requirements. Medical Director represents that he or she has appropriate expertise in the medical care of the terminally ill.

3.1.4 Medical Director has and shall maintain registration with the Drug Enforcement Administration ("DEA") and any applicable state agency without any limitation on Medical Director's authority to prescribe drugs under such registration and shall provide current proof of such registration upon Hospice's request.

3.1.5 Medical Director is and shall remain a participating Medicare and Medicaid provider without any restriction or limitation. Medical Director represents and warrants that he or she has never been excluded from participation in any federally funded health care program including, without limitation, Medicare, Medicaid or TRICARE nor has been convicted or found to have violated any federal or state fraud and abuse law or illegal remuneration law. Medical Director is and shall remain a participating provider for those third party payors designated by Hospice from time to time.

3.1.6 Medical Director has not and will not be listed by a federal agency as debarred, suspended or excluded from, or otherwise ineligible for, participation in federal procurement and non-procurement programs or federally funded health care programs. This is a continuing representation and Medical Director shall notify Hospice if Medical Director is no longer able to make such representation.

3.1.7 Medical Director shall remain eligible to work and access patients in accordance with all local, State and federal laws, rules, regulations and standards.

3.1.8 Medical Director shall comply with all local, State and federal laws, rules and regulations regarding health screenings and shall maintain compliance with same.

3.2 Duties and Responsibilities of Medical Director.

3.2.1 Medical Director will fulfill those specific responsibilities set forth on Exhibit A to this Agreement, the "Medical Director Professional Responsibilities," and Exhibit B to this Agreement, the "Consulting Physician or Physician Services." Hospice may amend Exhibits A and B from time-to-time when required to maintain Hospice's compliance with applicable laws, rules and regulations and the requirements of CHAP and other applicable accrediting bodies by providing a copy of an amended Exhibit A and Exhibit B to Medical Director, upon which the amended Exhibit A and/or Exhibit B will become a binding part of this Agreement.

3.2.2 Medical Director will devote such time and attention as is necessary to fulfill his or her duties and responsibilities, and obligations hereunder. Medical Director will be available for on-call consultation, assistance and decisions regarding patient care. Medical Director will be responsible for arranging coverage when he/she is unavailable, subject to Hospice's prior approval. Medical Director will be solely responsible for compensating any substitute Medical Director he/she obtains in accordance with this Section 3.2.2.

3.2.3 If requested by Hospice, in Hospice's sole discretion, Medical Director will cooperate with Hospice in identifying a qualified Associate Medical Director, who shall be acceptable to Hospice in Hospice's sole discretion. If Hospice elects to utilize an Associate Medical Director, Hospice will enter into a separate agreement with the Associate Medical Director.

3.2.4 Medical Director will work coordinate and work administratively with Hospice's Administrator/Executive Director, as the representative of Hospice, in the fulfillment of his/her day-to-day responsibilities under this Agreement.

3.2.5 Medical Director may serve as Attending Physician to Patients whom Medical Director refers to Hospice. Medical Director shall submit to Hospice written clinical notes describing the medical visits as Attending Physician within seven (7) days from the date of the medical visit to assist Hospice in meeting its legal obligations regarding record maintenance.

3.3 Medical Director Fees. Medical Director shall receive two hundred and fifty dollars (\$250.00) an hour, payable on a prospective basis on or before the first day of each month, for the provision of Medical Director Professional Responsibilities specified in this Agreement, assuming all timesheets and required documentation have been completed and submitted. Travel and other expenses are included under this rate, unless separately approved by Hospice.

3.4 Consulting Physician and Physician Services Fees. [As full payment for the Consulting Physician or Physician Services, Medical Director shall receive a [fee of 85% of each "Claim" (as defined below) submitted and paid]. "Claim" shall mean each request for payment submitted by Hospice to third-party private and government payors for the Consulting Physician and Physician Services furnished by Medical Director on behalf of Hospice patients. All sums due to Medical Director for the provision of the Consulting Physician or Physician Services shall be due and payable on or before the fifth (5th) day of each and every

month during the term of this Agreement for all Consulting Physician and Physician Services provided during the immediately preceding month. Notwithstanding the foregoing, if the beneficiary's Attending Physician is also the Medical Director or a physician employee of Hospice, the Attending Physician may not provide nor may Hospice bill for this service because that physician already possesses the expertise necessary to furnish end-of-life evaluation and management, and counseling services.]

3.5 Documentation. Medical Director shall accurately document Medical Director Services actually provided each month by Medical Director and follow all Hospice billing policies and procedures regarding same.

3.6 Governing Body Responsibility. Medical Director shall at all times be under the general administrative control and supervision of the Governing Body as to the end results (but not the manner and means) by which Medical Director Services are furnished at Hospice and for purposes of ensuring compliance with this Agreement. The Governing Body (or designated persons so functioning) assumes full legal authority and responsibility for the management of Hospice, the provision of all hospice services, its fiscal operations, and continuous quality assessment and performance improvement. Nothing in this Section 3.6 shall empower or require the Governing Body to direct or control the exercise of medical judgment by the Medical Director. Services shall be furnished in a safe and effective manner, and, when applicable, delivered in accordance with the patient's plan of care.

3.7 Confidential Information and Ownership. Medical Director recognizes and acknowledges that he will have access to certain confidential information of Hospice and that such information constitutes valuable, special and unique property of Hospice. Such information includes, but is not limited to, Hospice's Policies and Procedures, business and managed care arrangements and strategies, patient care procedures and policies and any specific forms or systems developed and used by or for Hospice. Medical Director will not, during or after the term of this Agreement, without the consent of Hospice disclose any such confidential information to any other person, firm, corporation, association, or other entity for any reason or purpose whatsoever except as may be ordered by a court or governmental agency or as may otherwise be required by law (provided that Hospice receives prior written notice of such disclosure and the Medical Director takes all reasonable and lawful actions to obtain confidential treatment for such disclosure and if possible, to minimize the extent of such disclosure). In the event of a breach or a threatened breach by Medical Director of the provisions of this paragraph, Hospice will be entitled to an injunction restraining Medical Director from disclosing in whole or in part any confidential information without the necessity of posting a bond or other security. Nothing herein will be construed as prohibiting Hospice from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from Medical Director. In addition, any Confidential Information of Hospice developed in whole or in part by Medical Director, and any derivations thereof, will be the sole and exclusive property of Hospice. This provision shall survive the termination or expiration of this Agreement.

Upon the termination of this Agreement or at any time upon the request of Hospice, Medical Director shall promptly deliver to Hospice all confidential information and all correspondence, manuals, letters, notes, notebooks, reports or any other documents embodying or concerning confidential information in Medical Director's possession and destroy or erase all other embodiments of confidential information under Medical Director's control, as directed by Hospice. This provision shall survive the termination or expiration of this Agreement.

3.8 Financial Obligation. Medical Director will incur no financial obligation on behalf of Hospice or for which Hospice will be responsible without prior approval of the Administrator/Executive Director.

3.9 Insurance. Throughout the term of this Agreement Hospice will maintain professional liability insurance in an amount no less than \$1,000,000 per occurrence and \$3,000,000 in the aggregate, so long as Medical Director remains qualified and eligible for same. This insurance will cover all of the Medical Director's professional activities as Medical Director, Consulting Physician and Physician Services under this Agreement but WILL NOT extend to any private medical practice, consulting or physician services of Medical Director unrelated to the responsibilities of Medical Director under this Agreement.

3.10 Records. All records of Medical Director Services, Consulting Physician or Physician Services shall be the property of Hospice. Originals of all records shall be maintained at Hospice. Copies of those records shall be made available to Medical Director, upon Medical Director's reasonable request, subject to applicable laws, rules and regulations. Medical Director shall maintain the confidentiality of all records, including patient records, and other documents generated or provided under this Agreement in accordance with all relevant state and federal laws, rules and regulations. This provision shall survive the termination or expiration of this Agreement.

3.11 Medical Director acknowledges that in the provision of his/her services as Medical Director, Consulting Physician or Physician Services, he/she may be acting as a "business associate" of Hospice for purposes of Hospice's compliance with the requirements of the Health Insurance Portability and Accountability Act of 1996 as amended and related regulations ("HIPAA") and that, when Medical Director is acting as a business associate, the provisions of the Exhibit D, "Business Associate Agreement" will apply and Medical Director agrees to abide by all policies and procedures implemented by Hospice to ensure compliance with HIPAA and other patient privacy and confidentiality requirements of Hospice. This provision shall survive the termination or expiration of this Agreement.

3.12 Notifications. In addition to all other notification requirements in this Agreement, Medical Director shall immediately notify Hospice if any of the following events occur: (a) the occurrence of any of the circumstances described in this Agreement that entitle Hospice to terminate this Agreement; (b) Medical Director is the subject of any complaint or a disciplinary or other proceeding or action before any agency or board; (c) any threatened or proposed exclusion of Medical Director from any government program or any private insurance program, including, but not limited to, Medicare or Medicaid; and (d) all alleged violations involving mistreatment, neglect, or verbal, mental, sexual, or physical abuse, including injuries of unknown source, and misappropriation of patient property by anyone furnishing services on behalf of Hospice, to the extent that Medical Director has knowledge of such events.

ARTICLE 4 TERM AND TERMINATION

4.1 Term. The term of this Agreement shall be for one (1) year, commencing on the Effective Date and ending on one year following Effective Date ("Initial Term"). Thereafter, this Agreement shall renew automatically for additional one (1) year terms (each, a "Renewal Term"), unless either Party gives the other Party thirty (30) days prior written notice of its intent not to renew before the end of the Initial Term or a Renewal Term, as appropriate.

4.2 Terminations.

4.2.1 Immediate Termination for Cause. Notwithstanding Section 4.1, this Agreement may be terminated immediately by Hospice, upon notice to Medical Director, upon the occurrence of any of the following:

4.2.1.1 the dissolution, bankruptcy or liquidation of either Party;

4.2.1.2 the conviction of Medical Director of a felony or of any crime involving moral turpitude, or the institution of civil, criminal or administrative proceedings that could result in the exclusion of Medical Director from participation in the Medicare or Medicaid programs;

4.2.1.3 Hospice makes a good faith determination Medical Director's personal misconduct is of such a serious nature that his/her continued provision of Medical Director Services pursuant to this Agreement would create a substantial likelihood of injury or damage to the health or safety of any Patient;

4.2.1.4 If, in the determination of Hospice, Medical Director fails to maintain a good reputation or character, or fails to work harmoniously with others such that Medical Director is not able to provide the Medical Director Services in an efficient and orderly manner;

4.2.1.5 As expressly provided for in Section 3.1 or otherwise in this Agreement;

4.2.1.6 The cancellation, termination or non-renewal of any of Medical Director's insurances as required hereunder or by law, rule or regulation;

4.2.1.7 The death or disability of Medical Director. For purposes of this Agreement, the term "disability" shall mean Medical Director's inability to perform his or her duties under this Agreement with reasonable accommodation for three (3) consecutive months during the term of this Agreement due to illness, accident or other incapacity (but not including pregnancy) as determined in good faith by Hospice;

4.2.1.8 The revocation, suspension, limitation or restriction of Medical Director's participation in the Medicare or Medicaid programs;

4.2.1.9 Medical Director's failure to provide the notifications required by this Agreement;
or

4.2.1.10 any other action or omission of Medical Director that Hospice deems to have a material adverse effect on the interests of Hospice.

4.2.2 Upon Material Breach. In addition, and notwithstanding Section 4.1, the non-breaching Party may terminate this Agreement upon a material default or breach by the other Party upon thirty (30) days' prior written notice, which notice shall set forth the grounds for termination in reasonable detail. This Agreement may terminate at the election of the non-defaulting party: (a) if curable, in the event such breach is not cured within thirty (30) days after service of the default notice; or (b) if non-curable, upon service of the default notice.

4.2.3 Without Cause. After the Initial Term, either Party may terminate this Agreement without cause by providing the other Party sixty (60) days advance written notice of the date of termination; provided, however, that if this Agreement is terminated by either Party pursuant to this Section 4.2.3, the Parties will not re-contract for the same services within one (1) year of such termination.

4.3 Termination Due to Change in Law. In the event there are substantial changes or clarifications to any applicable laws, rules or regulations that materially affect, in the opinion of either party's legal counsel, any party's right to reimbursement from third party payors or any other legal right of any party to this Agreement, the affected party may, by written notice to the other party, propose such modifications to this Agreement as may be necessary to comply with such change or clarification. Upon receipt of such notice, the parties shall engage in good faith negotiations regarding any appropriate modifications to this Agreement. If such notice is given and the parties are unable within 15 days thereafter to agree to appropriate modifications to this Agreement, either party may terminate this Agreement by providing notice to the other party. This provision shall not apply to those amendments made unilaterally by Hospice as authorized pursuant to Section 5.7 hereof.

4.4 Continuing Obligations. Notwithstanding the termination of this Agreement, the Parties shall be required to carry out any provision which contemplates performance by them subsequent to termination. Termination shall not affect any liability or obligation which shall have accrued prior to such termination, including but not limited to, accrued but unpaid compensation. Following any termination of this Agreement, or notice thereof, the Parties shall fully cooperate with each other in all matters relating to the winding up of their pending work. Specifically, the Medical Director shall assist in the transition of care and shall complete all timesheets, patient records and other documentation required hereunder, by Hospice and by law, rule and regulation. This provision shall survive the termination or expiration of this Agreement.

ARTICLE 5 GENERAL PROVISIONS

5.1 Billing and Collection. All revenue and income resulting from services rendered by Medical Director pursuant to this Agreement, including the professional, technical and administrative charges associated with the provision of the Medical Director Services, Consulting Physician and Physician

Services shall belong to and accrue to the benefit of Hospice. It is agreed that only Hospice will bill and receive any fees or charges for the Medical Director Services furnished to Patients by Medical Director. Medical Director shall not bill Medicare, Medicaid, or any other third party payor for any Medical Director Services, Consulting Physician and Physician Services provided to Patients pursuant to this Agreement. If deemed necessary by Hospice, Medical Director will execute a reassignment agreement under Medicare permitting Hospice to bill and receive payment from Medicare for services provided pursuant to this Agreement. Notwithstanding the foregoing, Hospice shall not bill or receive any fees or charges arising from physician services provided by Medical Director as Attending Physician to patients whom Medical Director refers to Hospice. This provision shall survive the termination or expiration of this Agreement.

5.2 Notices. All notices and other communication required or permitted to be given hereunder shall be in writing and shall be considered given and delivered when personally delivered to the Party, facsimile transmitted to the Party or delivered by courier or deposited in the United States mail, postage prepaid, return receipt requested, properly addressed to a Party at the address set forth below, or at such other address as such Party shall have specified by notice given in accordance herewith:

Hospice

Medical Director

5.3 Independent Contractor. In the performance of all Medical Director Services, Consulting Physician or Physician Services pursuant to this Agreement, Medical Director is at all times acting as an independent contractor engaged in the profession and practice of medicine. Medical Director will employ his or her own manner, means and methods and exercise his or her own professional judgment in the performance of all Medical Director Services, Consulting Physician and Physician Services. Hospice will have no right of control or direction with respect to such manner, means, methods or judgments, or with respect to the details of Medical Director Services, Consulting Physician Services or Physician Services. The only concern of Hospice under this Agreement or otherwise is that, irrespective of the manner and means selected, such Medical Director Services, Consulting Physician Services or Physician Services will be provided in a competent, efficient and satisfactory manner in accordance with the terms and conditions of this Agreement. It is expressly agreed that Medical Director will not for any purpose be deemed to be an employee, agent, partner, joint venture, ostensible or apparent agent, servant, or borrowed servant of Hospice. In recognition of his/her status as an independent contractor, Medical Director will not have any claim against Hospice for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits, or employee benefits of any kind and Hospice will not withhold for taxes from Medical Director's fees paid pursuant to Sections 3.3 and 3.4. Medical Director agrees to make all state and federal estimated or final tax payments due on account of said fees in a timely manner.

5.4 Indemnification. Medical Director shall, at his/her own cost and expense, pay, protect, indemnify, defend, and hold Hospice (and Hospice's trustees, officers, directors, contractors, employees, agents, subcontractors, invitees and/or affiliates) harmless, from and against all claims, causes of action, suits, demands, liabilities, damages, penalties, injury, judgments, and costs and expenses, including reasonable attorneys' fees and court costs, which may be imposed upon, incurred by, or asserted against Hospice (and/or Hospice's trustees, officers, directors, contractors, employees, agents, subcontractors, invitees and/or affiliates) arising out of acts or omissions caused or contributed to by the negligence or willful misconduct of Medical Director or his/her representatives. This provision shall survive the termination or expiration of this Agreement.

5.5 Governing Law. This Agreement shall be construed, and the rights and liabilities of the Parties hereto determined, in accordance with the laws of the State. This provision shall survive the termination or expiration of this Agreement.

5.6 Arbitration of Disputes. Any controversy, dispute or disagreement arising out of, or relating to this Agreement or the breach thereof, shall be settled by arbitration in the State where the services are performed and, in accordance with the rules then existing of the American Health Lawyers Association,

Alternative Dispute Resolution Rules, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Such arbitration shall be binding and the expense and costs thereof shall be borne by each party as incurred; and following arbitration, the prevailing party shall be entitled to all costs incurred, including reasonable attorneys' fees. The foregoing shall not prevent either Party from seeking interim or equitable relief in a court to the extent provided for or otherwise appropriate under this Agreement.

5.7 Amendments. This Agreement may be amended only by a writing signed by both Parties setting forth the specific terms of such amendment, except as expressly provided otherwise herein. Amendments required by legislative, regulatory or other legal authority, as reasonably determined by Hospice, shall not require the consent of the Medical Director and shall be effective immediately upon Medical Director's receipt of notice of amendment from Hospice.

5.8 Waiver. A Party's failure, at any time or times hereafter, to require performance by the other Party of any provision of this Agreement shall not constitute a waiver or affect or diminish any right of the Party thereafter to demand such performance.

5.9 Intentionally Blank.

5.10 Headings. The paragraph headings contained in this Agreement are for reference purposes only and should not affect in any way the meaning or interpretation of this Agreement.

5.11 Records. Upon written request, for a period of up to six (6) years following the furnishing of services under this Agreement, either Party shall make available to the Secretary of the Department of Health and Human Services ("Secretary") or, upon request, to the Comptroller General of the United States, or any of their duly authorized representatives, the contract, books, documents and records of either Party that are necessary to certify the nature and extent of the services and costs hereunder. In addition, Hospice shall have the same rights of access during the term of this Agreement and for the six year period following termination. This provision shall survive the termination or expiration of this Agreement.

5.12 Private Practice of Medical Director. Nothing in this Agreement shall limit the ability of Medical Director to engage in the private practice of medicine, outside the scope of this Agreement; provided that Medical Director hereby acknowledges that, in the provision of such private practice of medicine, Medical Director shall not and shall not represent that he or she is providing such services on behalf of or at the direction of Hospice. Medical Director shall not make use of Hospice's resources for any professional activities outside the scope of this Agreement.

5.13 Entire Agreement. This Agreement constitutes the complete agreement of the Parties hereto with respect to the subject matter hereof and shall supersede and render null and void all prior and contemporaneous agreements between the Parties hereto regarding the subject matter hereof. All exhibits attached and referred to herein are fully incorporated by this reference into this Agreement.

5.14 Assignment. Medical Director shall not assign Medical Director's rights or delegate his or her duties or obligations of this Agreement, or any portion hereof, without the prior written consent of Hospice and, to the extent required, any applicable payor.

5.15 Third-Party Beneficiaries. There shall be no third-party beneficiaries to this Agreement.

5.16 Fair Market Value. The amounts to be paid by Hospice to Medical Director pursuant to this Agreement have been determined through good faith bargaining, in an arms length process, to be the fair market value of the Medical Director Services specified herein. No amount to be paid hereunder is intended to be a direct or indirect, covert or overt offer, inducement or payment for referrals of patients or services.

5.17 Severability. In the event that any provision of the Agreement is held to be unenforceable for any reason, the unenforceability of that provision will not affect the remainder of this Agreement, which will remain in full force and effect in accordance with its terms.

5.18 Legal Compliance. Nothing contained in this Agreement or in any other written or oral agreement between the Parties, or any consideration offered or paid in connection with this Agreement, contemplates or requires Medical Director or any physician to admit or refer any patients to Hospice as a precondition to receiving the benefits set forth. In the event that either Party reasonably determines that compliance with the terms of this Agreement by either party would pose a clear and present risk of causing a Party to violate an applicable law, rule or regulation of any kind, including but not limited to laws, rules and regulations relating to relationships between referral sources or relating to availability of reimbursement to Hospice from governmental payers, the Party will provide notice of the potential violation and proposed modifications to the Agreement to remediate the potential violation and for the fifteen (15) day period after the other party received the foregoing notice the Parties will negotiate in good faith for an appropriate amendment to this Agreement. If the parties are not able to agree within that time, either Party may terminate this Agreement immediately on written notice to the other party. Such notice shall not be deemed an admission by either Party that a violation of a law, rule, or regulation has occurred.

5.19 Access to Books and Records of Subcontractor. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the Medical Director will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection will be available up to four (4) years after the rendering of such services. If the Medical Director carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a 12-month period with a related individual or Hospice, the Medical Director agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of Public Law 96+99, Sec. 952 (Sec. 1861(v) (1) of the Social Security Act) and the regulations promulgated there under. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by Hospice or the Medical Director by virtue of this Agreement. Notwithstanding the foregoing, Medical Director shall not subcontract any of his or her rights or obligations hereunder without the prior written consent of Hospice. This provision shall survive the termination or expiration of this Agreement.

5.20 Criminal Background Check.

5.20.1 Hospice agrees that it will obtain or cause to be obtained, criminal background checks in accordance with state and federal requirements on all employees or contract personnel who have direct patient contact or access to patient information and may obtain other forms of verification, such as fingerprinting, in accordance with local, State and federal laws, rules and regulations. Hospice shall obtain a criminal background check on Medical Director in accordance with State and federal requirements and Medical Director shall cooperate in the completion of all criminal background check documentation requested by Hospice, shall be eligible to work with patients and shall not be found to have engaged in any improper or illegal conduct with the elderly or vulnerable individuals.

5.20.2 Medical Director agrees that he/she will obtain or cause to be obtained, criminal background checks in accordance with state and federal requirements on all Medical Director employees or contract personnel who have direct hospice patient contact or access to hospice patient records.

5.20.3 The parties agree that in the absence of state requirements, criminal background checks are to be obtained within three months of the date of employment for all states that the individual has lived or worked in for the past three years.

5.21 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

5.22 Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one and the same instrument.

5.23 Nondiscrimination. In the performance of this Agreement, the Parties will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, sex, age, religion, national origin or other protected class in any manner prohibited by federal, state or local laws, rules or regulations.

5.24 State Standards. The state specific requirements attached hereto as Exhibit C and incorporated herein by reference shall apply to the extent applicable to the State.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the dates set forth below effective as of the date specified at the beginning of this Agreement.

BRISTOL HOSPICE - CLARK, L.L.C.

By: [Signature]

Its: COO

Date: 12-20-18

MEDICAL DIRECTOR

By: [Signature]

Its: Medical Director

Date: 12/20/18

EXHIBIT A
MEDICAL DIRECTOR PROFESSIONAL RESPONSIBILITIES

1. Medical Director has overall responsibility for the medical direction of Hospice and has responsibility for the medical component of Hospice's patient care program.
2. Medical director, physician employees, and contracted physician(s) of Hospice, in conjunction with the Patient's Attending Physician, are responsible for the palliation and management of the terminal illness and conditions related to the terminal illness.
3. Medical Director shall supervise all physician and nurse practitioner employees and those under contract, of Hospice. All physician and nurse practitioner employees and those under contract with Hospice shall meet this requirement by either providing the services directly or through coordinating patient care with the Attending Physician. If the Attending Physician is unavailable, Medical Director, contracted physician, and/or Hospice physician employees are responsible for meeting the medical needs of the Patient.
4. Medical Director directs Hospice's quality assurance program and participates in all appropriate quality assurance activities and regularly appraises Hospice regarding same.
5. Medical Director participates in Hospice's Interdisciplinary Group, attends all Interdisciplinary Group meetings and participates in the annual evaluation.
6. Medical Director, along with Hospice's Interdisciplinary Group, in consultation with the Patient's Attending Physician, prepares a written plan of care for each Patient, which specifies the hospice care and services necessary to meet the Patient and family-specific needs identified in the comprehensive assessment as such needs relate to the terminal illness and related conditions. The plan of care must be periodically reviewed by the Attending Physician, Medical Director, and the Interdisciplinary Group of Hospice. The Interdisciplinary Group (in collaboration with the individual's Attending Physician, if any) will review, revise and document the individualized plan as frequently as the patient's condition requires, but no less frequently than every 15 calendar days. Medical Director and the Interdisciplinary Group will keep Hospice apprised of the patient's needs and condition.
7. Medical Director provides in-service education to Hospice associates as requested.
8. Medical Director participates in the development and implementation of Hospice policies and medical protocols, including but not limited to those regarding emergency preparedness.
9. Medical Director will consult and coordinate Patient care with Attending Physicians, including the establishment and maintenance of a plan of care for each Patient and in the review and updating of that plan at appropriate intervals.
10. Medical Director will, along with the Interdisciplinary Group generally, ensure that in addition to palliation and management of terminal illness and related conditions, the physical, medical, psychosocial, emotional, and spiritual needs of the Hospice Patients and families facing terminal illness and bereavement are also met.
11. Medical Director is responsible for the submission to Hospice of documentation of services provided as appropriate.
12. Medical Director will advise and/or assist in the resolution of concerns/conflicts involving physicians utilizing the services of Hospice.
13. Medical Director will review and sign, as appropriate, initial hospice certifications of terminal illness, and re-certifications as indicated. Medical Director or the physician designee approved by Hospice reviews

the clinical information for each Hospice Patient and provides written certification that it is anticipated that the Patient's life expectancy is 6 months or less if the illness runs its normal course. The physician must consider the following when making this determination: (1) The primary terminal condition; (2) Related diagnosis(es), if any; (3) Current subjective and objective medical findings; (4) Current medication and treatment orders; and (5) Information about the medical management of any of the Patient's conditions unrelated to the terminal illness. Before the recertification period for each Patient, Medical Director or the physician designee approved by Hospice must review the Patient's clinical information. The foregoing shall be subject to all applicable local, state and federal rules, laws and regulations and the Conditions of Participation.

14. Medical Director will keep abreast of local, State and Federal rules, regulations, policies and procedures which affect the provision of patient care services by Hospice and take reasonable steps to ensure compliance with such rules, regulations, policies and procedures. Medical Director will maintain current knowledge of the latest research and trends in hospice care and pain/symptom management. Medical Director will cooperate with Hospice to ensure ongoing Hospice compliance with all applicable State licensure laws, and Federal and State certification and accreditation requirements and perform such other services as are required for maintenance of necessary Hospice licenses, certifications and accreditations.
15. Medical Director will perform such other responsibilities as are, in the judgment of the Governing Body or its designee, reasonable and required of or appropriate for a Hospice medical director under applicable laws, rules and regulations, payer contracts or conditions of participation, and/or CHAP and other applicable accreditation body standards or requirements.

EXHIBIT B
CONSULTING PHYSICIAN OR PHYSICIAN SERVICES RESPONSIBILITIES

1. At the written request or referral of the Attending Physician or other appropriate source, Medical Director will provide Consulting Physician and Physician Services which may include, as appropriate:
 - (a) Evaluating the individual's need for pain and symptom management;
 - (b) Counseling the individual regarding hospice and other care options;
 - (c) Advising the individual regarding advanced care planning; and
2. Medical Director will document the written request or referral for the Consulting Physician and/or Physician Services by the Attending Physician or other appropriate source in the Patients' medical record.
3. If the services are initiated by the beneficiary, Hospice will maintain a record of the services and documentation that communication between the Medical Director or physician and the beneficiary's physician occurs, with the beneficiary's permission, to the extent necessary to ensure continuity of care.
4. If other than the Attending Physician institutes the request for service, Medical Director should communicate with the Attending Physician, with the beneficiary's permission, to the extent necessary to ensure continuity of care.
5. If Medical Director is the Attending Physician to a Patient, then the Attending Physician may not provide nor may the Hospice bill for this service because that physician already possesses the expertise necessary to furnish end-of-life evaluation and management, and counseling services.
6. Medical Director is responsible for the submission to Hospice of documentation of services provided under this Exhibit B as appropriate.

**EXHIBIT C
STATE SPECIFIC ADDENDUM**

California

1. Medical Director shall act as a consultant to the Interdisciplinary Group, a consultant to the Patient's attending physician and surgeon, as requested, with regard to pain and symptom management, and a liaison with physician and surgeons in the community.

Georgia

1. The Medical Director is a member of the Hospice care team and is responsible for the direction and quality of the medical component of the care rendered by Hospice to patients.
2. The Governing Body hereby appoints Medical Director as the medical director of Hospice and delegates to Medical Director the authority to establish and approve, in accordance with current accepted standards of care, all patient care policies related to medical care.
3. Hospice's policies and procedures that address infection control issues in all components of the Hospice must be based on accepted standards of infection control, and approved by the administrator and Medical Director.
4. Documentation of plan of care review for the terminally ill patient must include a record of those participating and must also include evidence of the attending physician's opportunity to review and approve of any revised plans of care. In the absence of the attending physician's written approval of the revised plan of care, the revised plan of care must have the written approval of Medical Director.
5. Medical services shall be under the direction of Medical Director. In addition to palliation and management of the terminal illness and related conditions, physicians of Hospice, including the physician members of the Hospice care team, must also address the basic medical needs of the patients to the extent that such needs are not met by each patient's attending physician or other physician of the patient's choice.
6. In addition to all other qualifications outlined in this Agreement and otherwise, Medical Director must at all times satisfy the following requirements and failure of Medical Director to satisfy any or all of the following conditions will constitute grounds for immediate termination of this Agreement by Hospice. Medical Director must:
 - **have at least one year of documented experience on a hospice care team or in another setting managing the care of terminally ill patients;**
 - have admission privileges at one or more hospitals commonly serving patients in the Hospice's geographical area;
 - be responsible for the direction and quality of the medical component of the care provided to patients by the Hospice care team, including designating a licensed physician, employed by the Hospice or working under a written agreement, to act on his or her behalf in Medical Director's absence;
 - participate in the interdisciplinary plan of care reviews, patient case review conferences, comprehensive patient assessment and reassessment, and the quality improvement and utilization reviews;
 - review the clinical material of the patient's attending physician that documents basic disease process, prescribed medicines, assessment of patient's health at time of entry and the drug regimen;
 - ensure that each terminally ill patient receives a face-to-face assessment, by either the Medical Director or the terminally ill patient's attending physician, or is measured by a generally accepted life-expectancy predictability scale for continued admission eligibility at least every six months, as documented by a written certification from the Medical Director or the terminally ill patient's attending physician that includes: (1) the statement that the terminally ill patient's medical prognosis is for a life expectancy of six months or less if the terminal illness runs its natural course; (2) the specific current clinical finding

and other documentation supporting a life expectancy of six months or less if the illness takes its natural course for the terminally ill patient; and (3) the signature of the physician.

- communicate with each patient's attending physician and act as a consultant to attending physicians and other members of the Hospice care team;
- help to develop and review policies and procedures for delivering care and services to the patients and their family units;
- serve on appropriate committees and report regularly to the Hospice administrator regarding the quality and appropriateness of medical care;
- ensure written protocols for symptom control and medication management are available; and
- assist the administrator in developing, documenting and implementing a policy for discharge of patients from hospice care.
- assist the administrator in developing, documenting, and implementing effective policies and procedures for the delivery of physicians' services, for orientation of new Hospice physicians, and for continuing training and support of Hospice physicians. These policies and procedures must: (a) Ensure that a Hospice physician is on-call 24 hours a day, seven days a week; and (b) Provide for the review and evaluation of clinical practices within home care, residential, and inpatient hospices in coordination with the quality management, utilization, and peer review committee.

Hawaii

1. Hospice shall retain professional management responsibility for services related to the terminal illness and shall ensure that they are furnished in a safe and effective manner by persons qualified to provide services, and in accordance with a plan of care. The plan of care shall be established by the attending physician, Medical Director or physician designee and Interdisciplinary Group prior to providing care and shall be reviewed and updated by the attending physician, Medical Director, and Interdisciplinary Group at intervals, as specified in the plan.

Texas

1. Continuous care is to be provided only during periods of crisis to maintain the recipient at the recipient's place of residence. A period of crisis is a period in which a recipient requires continuous care that is primarily skilled nursing care to achieve palliation or management of acute medical symptoms. The provider must have a physician's order and a documented medical need for skilled nursing care in the recipient's record and in the plan of care. The plan of care must be established by the attending physician, Medical Director or his designee, and the Interdisciplinary Group, and coordinated by the Hospice registered nurse. The plan of care must include the needs of the recipient; identification of the services, including management of discomfort and symptom relief; and the scope and frequency of the services needed to meet the needs of both the recipient and family.
2. **The Medicaid Hospice Program does not pay when hospice physician services are provided by physicians who are not on staff with the Medicaid hospice provider or for independent contractors, who are under contract with the hospice.**
3. Medical Director, physician employees, and contracted physicians of Hospice, in conjunction with a client's attending practitioner, if any, are responsible for the palliation and management of a client's terminal illness and related conditions. A physician employee or a contracted physician must function under the supervision of Medical Director. A physician employee or a contracted physician must meet the requirement of the first sentence of this paragraph by either providing physician services directly or by coordinating a client's care with the attending practitioner. If an attending practitioner is unavailable, Medical Director, a hospice physician employee, or a contracted physician is responsible for meeting the medical needs of the client.
4. Medical Director must actively participate in the coordination of all aspects of a client's hospice care, in accordance with accepted standards of practice, including participating in ongoing interdisciplinary comprehensive assessments, developing and evaluating the plan of care, and contributing to client and family

counseling and education; and participate in Hospice's quality assessment and performance improvement program and Hospice-sponsored in-service training.

5. Hospice shall conduct a criminal history check on all hospice employees and volunteers with direct client contact or access to client records to verify each employee's or volunteer's criminal history report does not include a conviction that bars employment under Texas Health and Safety Code, § 250.006, or a conviction that Hospice determines is a contraindication to employment. All contracted entities must conduct a criminal history check on contracted staff who have direct client contact or access to client records to verify each contract staff's criminal history report does not include a conviction that bars employment under Texas Health and Safety Code, § 250.006.
6. Hospice must: (1) provide orientation about the hospice philosophy to all employees and contracted staff who have client and family contact; (2) provide an initial orientation for an employee that addresses the employee's specific job duties; (3) assess the skills and competence of all persons furnishing care, including volunteers furnishing services, and, as necessary, provide in-service training and education programs where required; (4) have written policies and procedures describing its methods for assessing competency; and (5) maintain a written description of the in-service training provided during the previous 12 months.
7. Hospice must designate in writing Medical Director. Hospice shall designate in writing a physician designee to assume the same responsibilities and obligations as Medical Director when Medical Director is not available. Medical Director or physician designee must review a client's clinical information and provide written initial certification that the client's life expectancy is anticipated to be six months or less if the client's terminal illness runs its normal course. Before each recertification period for the client, Medical Director or physician designee must review the client's clinical information and provide written recertification of the client's terminal illness. When determining the client's life expectancy is six months or less, Medical Director or physician designee must consider: (1) the primary terminal condition; (2) related diagnoses, if any; (3) current subjective and objective medical findings; (4) current medication and treatment orders; and (5) information about the medical management of any of the client's conditions unrelated to the terminal illness.
8. Before discharging a client for any reason listed in subsection (d) of 40 TAC § 97.859, Hospice must obtain a written physician's discharge order from Medical Director. If the client has an attending practitioner involved in the client's care, the attending practitioner should be consulted before discharge and the practitioner's review and decision should be included in the discharge note. Hospice must have a discharge planning process that addresses the possibility that a client's condition might stabilize or otherwise change such that the client cannot continue to be certified as terminally ill. A client's discharge planning must include any necessary family counseling, client education or other services before the hospice discharges the client based on a decision by Medical Director or physician designee that the client is no longer terminally ill.
9. Clients are accepted for care only by Hospice. Medical Director shall conform to all applicable Hospice policies, including personnel qualifications.

Utah

1. Hospice will document that Medical Director is oriented to Hospice and the job for which Medical Director is hired. Medical Director's orientation shall include: (i) the hospice concept and philosophy of care; (ii) the functions of agency employees and the relationships between various positions or services; (iii) job descriptions; (iv) duties for which persons are trained, hold certificates, or are licensed; (v) ethics, confidentiality, and patients' rights; (vi) information about other community agencies including emergency medical services; (vii) opportunities for continuing education appropriate to the patient population served; (viii) policies related to volunteer documentation, charting, hours and emergencies; and (ix) reporting requirements when observing or suspecting abuse, neglect and exploitation pursuant to 62A-3-305. Hospice will provide and document in-service training and continuing education for Medical Director at least annually. Members of the Hospice Interdisciplinary Group will have access to in-service training and continuing education appropriate to their responsibilities and to the maintenance of skills necessary for the care of the patient and family. The training programs shall include the introduction and review of effective

physical and psychosocial assessment and symptom management. Hospice shall train Medical Director in appropriate Centers for Disease Control (CDC) infectious disease protocols.

2. Hospice will reimburse Medical Director if Hospice preapproved of an expense in advance in writing and Medical Director provides sufficient documentation evidencing such expense.
3. Hospice's administrator will appoint Medical Director in writing. Medical Director must be knowledgeable about the psychosocial and medical aspects of hospice care, on the basis of training, experience and interest. Medical Director shall: (a) act as a medical resource to the Interdisciplinary Group; (b) coordinate services with each Attending Physician to ensure continuity in the services provided in the event the Attending Physician is unable to retain responsibility for patient care; and (c) act as liaison with physicians in the community.
4. The Hospice administrator and Medical Director shall develop written policies and procedures governing the infection control program of Hospice.
5. Before discharging a patient for any reason listed in Subsection R414-14A-14(1), Hospice provider must obtain a physician's written discharge order from the Medical Director.

EXHIBIT D
BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum (the "Addendum") is made part of the Agreement to which this document is attached by the parties to that Agreement. Hospice is referred to herein as Covered Entity and Medical Director is referred to herein as Business Associate.

1. DEFINITIONS

(a) Terms capitalized but not otherwise defined in this Addendum shall have the same meaning as set forth in HIPAA and HITECH (each as defined herein). A change to HIPAA or HITECH which modifies any defined HIPAA or HITECH term, or which alters the regulatory citation for the definition shall be deemed incorporated into this Addendum.

(b) "Business Associate" shall mean the above-stated "Business Associate." It shall also have the meaning given to such term under the Privacy Rule, including but not limited to 45 CFR Section 160.103.

(c) "Covered Entity" shall mean the above stated "Covered Entity". It shall also have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 160.103.

(d) "Data Aggregation" shall have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 164.501.

(e) "Designated Record Set" shall have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 164.501.

(f) "Electronic Protected Health Information" or "EPHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103.

(g) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91, as amended, and related HIPAA regulations (45 C.F.R. Parts 160-164).

(h) "HITECH" means the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005 and any regulations promulgated thereunder.

(i) "Individual" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(j) "Privacy Rule" shall 45 C.F.R. part 160 and part 164, subparts A and E.

(k) "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103. All references to PHI shall also include EPHI, unless otherwise stated in the Agreement.

(l) "Required By Law" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(m) "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

(n) "Security Incident" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.

(o) "Security Rule" shall mean 45 C.F.R. part 160 and part 164, subparts A and C.

(p) "Unsecured PHI" shall have the same meaning as the term "unsecured protected health information" in 45 C.F.R. § 164.402.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

(a) Not use or disclose PHI other than as permitted or required by the Agreement, or as required by law.

(b) Use appropriate safeguards, and comply, where applicable, with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information, to prevent use or disclosure of the PHI other than as provided for by the Agreement.

(c) Report to Covered Entity any use or disclosure of PHI or EPHI not provided for by the Agreement of which it becomes aware or should have known, and any Security Incident of which it becomes aware, including breaches of Unsecured PHI. Business Associate will make the report to the Covered Entity's designated privacy official and security officer or to a designated authorized person in the Covered Entity's legal department immediately. This report will include at least the following information: (i) the nature of the non-permitted or violating use or disclosure or Security Incident; (ii) the PHI and EPHI used or disclosed; (iii) information required to be provided by the Covered Entity in notifications to affected individuals should Covered Entity need to make such a notification.

(d) Develop, implement, maintain, and use reasonable and appropriate safeguards to prevent any use or disclosure of the PHI or EPHI other than as provided by the Agreement, and to implement administrative, physical, and technical safeguards as required by HIPAA and HITECH to protect the security, confidentiality, integrity, and availability of EPHI and PHI.

(e) Comply with any additional requirements of Title XIII of HITECH that relate to privacy and security and that are made applicable with respect to covered entities.

(f) Adopt the technology and methodology standards required in any guidance issued by the Secretary pursuant to HITECH.

(g) Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of the Agreement or applicable federal or state laws. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any Security Incident involving EPHI.

(h) In the case of a breach of Unsecured PHI, following the discovery of a breach of such information, immediately notify Covered Entity of such breach. The notice shall include the identification of each individual whose Unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during the breach.

(i) Enter into an agreement with each of its subcontractors that is appropriate and sufficient to require each such subcontractor to protect PHI and otherwise comply with the requirements set forth in this Addendum to the same extent required by Business Associate hereunder.

(j) Along with its agents and subcontractors, if any, only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. Business Associate agrees to comply with the Secretary's guidance on what constitutes "minimum necessary".

(k) Ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI agrees in writing to the same restrictions and conditions that apply to Business Associate in the Agreement related to such information.

(l) Provide, at the request of Covered Entity, within the reasonable time period specified by Covered Entity, access to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. 164.524 if Business Associate maintains PHI in a designated record set as defined by the Privacy Rule.

(m) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of an Individual, within the reasonable time period specified by Covered Entity, if Business Associate maintains PHI in a designated record set as defined by the Privacy Rule.

(n) Make its internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or to the Secretary or person designated by the Secretary, within 10 days of receipt of a request from the Covered Entity for such disclosure, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule and Security Rule.

(o) Document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(p) Provide to Covered Entity or an Individual as directed by Covered Entity, within the reasonable time period specified by Covered Entity for an accounting of disclosures, information collected in accordance with subsection (2)(o) of this Addendum, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528. With the exception of the limited circumstances whereby Business Associate shall make an accounting directly to an individual in accordance with HITECH § 13405(c), Business Associate shall promptly, but no later than within ten (10) business days of a request, notify Covered Entity about such request. Covered Entity shall either request that Business Associate provide such information directly to the Individual, or it shall request that the information be immediately forwarded to Covered Entity for compilation and distribution to such Individual. Business Associate shall not disclose any PHI unless such disclosure is required by Law or is in accordance with the Agreement. Business Associate shall document such disclosures. Notwithstanding anything in the Agreement to the contrary, Business Associate and any agents or subcontractors shall continue to maintain the information required for purposes of complying with subsection 2(o) and this subsection 2(p) for a period of six (6) years after termination of the Agreement.

(q) To the extent Business Associate is to carry out Covered Entity's obligation under the Privacy Rule, comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

(a) Except as otherwise limited in the Agreement, Business Associate may use or disclose PHI on behalf of, or to provide services to, Covered Entity as long as such use or disclosure of PHI would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(b) Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate provided that the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Except as otherwise limited in the Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B).

(d) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with Sec. 164.502(j)(1).

4. OBLIGATIONS OF COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or must comply with in accordance with 45 C.F.R. 164.522 and/or HITECH § 13405(a), to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(d) Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or Security Rule if done by Covered Entity.

5. TERMS AND TERMINATION

(a) Term. The Term of this Addendum shall be effective as of the date of the Agreement, and shall terminate after the termination or expiration of the Agreement, but only when all of the PHI and EPHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, as directed by Covered Entity.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, in its sole discretion, either:

(1) Provide notice and an opportunity for Business Associate to cure the breach or end the violation and then terminate the Agreement if Business Associate does not cure the breach or end the violation within the time period specified by Covered Entity; or

(2) Immediately terminate the Agreement.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this Section 5(c), upon termination of the Agreement, for any reason, Business Associate shall, at Covered Entity's direction, return or destroy all PHI and EPHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall retain no copies of the PHI or EPHI. This provision shall apply to PHI and EPHI that is in the possession of subcontractors or agents of Business Associate.

(2) In the event that Business Associate determines that returning or destroying the PHI or EPHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. If Covered Entity agrees in writing that returning or destroying the PHI or EPHI is infeasible, Business Associate shall extend the protections of this Addendum to such PHI or EPHI. For the avoidance of doubt, in the event Business Associate retains such PHI or EPHI pursuant to this provision after termination or expiration of the Agreement, the provisions of this Addendum shall continue in full force and effect;

provided, however, that Business Associate may use and disclose PHI and EPHI retained by Business Association after termination or expiration of the Agreement only for those purposes that make return or destruction of such PHI or EPHI infeasible and are authorized by Covered Entity in writing, for so long as Business Associate maintains such PHI or EPHI.

6. STATE STANDARDS

In addition to the privacy and security obligations set forth in this Addendum, to the extent Business Associate will receive, store, maintain, process or otherwise have access to any personal information as defined under any breach notification or information security rule of any state applicable to a resident of such state through its provision of services to Covered Entity, Business Associate shall implement and maintain security measures to protect such personal information in accordance with any statute applicable to personal information received, stored, maintained, processed or otherwise accessible to Business Associate through its provision of services to Covered Entity. Business Associate shall also comply with any provision applicable to personal information of a resident of any state, as applicable, when disposing of any records, whether in paper, digital, electronic or other form, that contain such personal information, patient information, or any other personally identifiable information. Business Associate agrees to ensure that any subcontractors that create, receive, maintain or transmit personal information on behalf of Business Associate agree to comply with the same or similar restrictions and conditions that apply to Business Associate with respect to such information.

7. INDEMNIFICATION

In addition to the indemnification obligations of Business Associate outlined in the Agreement, the following indemnification obligation shall apply to this Addendum. Business Associate shall defend and indemnify Covered Entity against, and hold Covered Entity (including officers, directors, and employees) harmless from any and all loss, damage, penalty, liability, cost and expense, including without limitation, reasonable attorneys fees and disbursements, that may be incurred, imposed upon, or asserted against Covered Entity by reason of any claim, regulatory proceeding, or litigation arising directly or indirectly from any act or omission of Business Associate and its officers, directors, employees, subcontractors, agents, representatives and other persons acting on its behalf, with respect to using or disclosing patient information, or maintaining the security, confidentiality, integrity and availability of EPHI, in accordance with this Addendum or applicable federal or state law.

8. MISCELLANEOUS

(a) **Regulatory References.** A reference in this Agreement to a section in the HIPAA Privacy Rule or Security Rule or HITECH means the section as in effect or as amended.

(b) **Agreement.** Any provision of applicable statutes and regulation that invalidates any term of the Agreement, that is inconsistent with any term of the Agreement, or that would cause performance thereunder by one or both of the parties to be in violation of law shall be deemed to have superseded the terms of the Agreement; provided, however, that the parties shall use their best efforts to accommodate the terms and intent of the Agreement to the greatest extent possible consistent with the requirements of applicable statutes and regulation and negotiate in good faith toward amendment of the Agreement. Covered Entity may terminate the Agreement upon thirty (30) days written notice in the event that Business Associate does not promptly enter into an amendment that Covered Entity, in its sole discretion, deems sufficient to ensure that Covered Entity will be able to comply with applicable statutes and regulations.

(c) **Conflict.** The Agreement, inclusive of this Addendum, is the only agreement between the parties related to the subject matter in the Agreement. To the extent there is any inconsistency between the terms and conditions of the Agreement and this Addendum, the terms and conditions of this Addendum shall govern. Any ambiguity in this Addendum shall be resolved in favor of a meaning that permits Covered Entity to comply with applicable law protecting the privacy, security and confidentiality of PHI and EPHI, including, without limitation, HIPAA and HITECH.

(d) Binding Effect. This Addendum is binding upon the successors and assigns of the parties herein. This Addendum is intended to confer rights and responsibilities only on the Covered Entity and Business Associate and does not create or vest rights or remedies in any third party.

(e) Enforceability. If any provision hereof shall be declared to be invalid or unenforceable, such declaration of invalidity or unenforceability shall not affect any remaining provisions hereof which can be given effect.

(f) Relationship of the Parties. Nothing in this Addendum shall create any relationship between Covered Entity and Business Associate other than as independent contractors. No employee or agent of either party may be deemed an employee or agent of the other party by reason of this Addendum.

(g) Survival. Business Associate's obligation to protect the confidentiality of the PHI and EPHI shall survive the termination of this Addendum and shall continue for as long as Business Associate maintains PHI or EPHI.

(h) Construction. This Addendum shall be construed, and the rights and liabilities of the Parties hereto determined, in accordance with the laws of the State. This provision shall survive the termination or expiration of this Addendum.

EXHIBIT 3

Basement

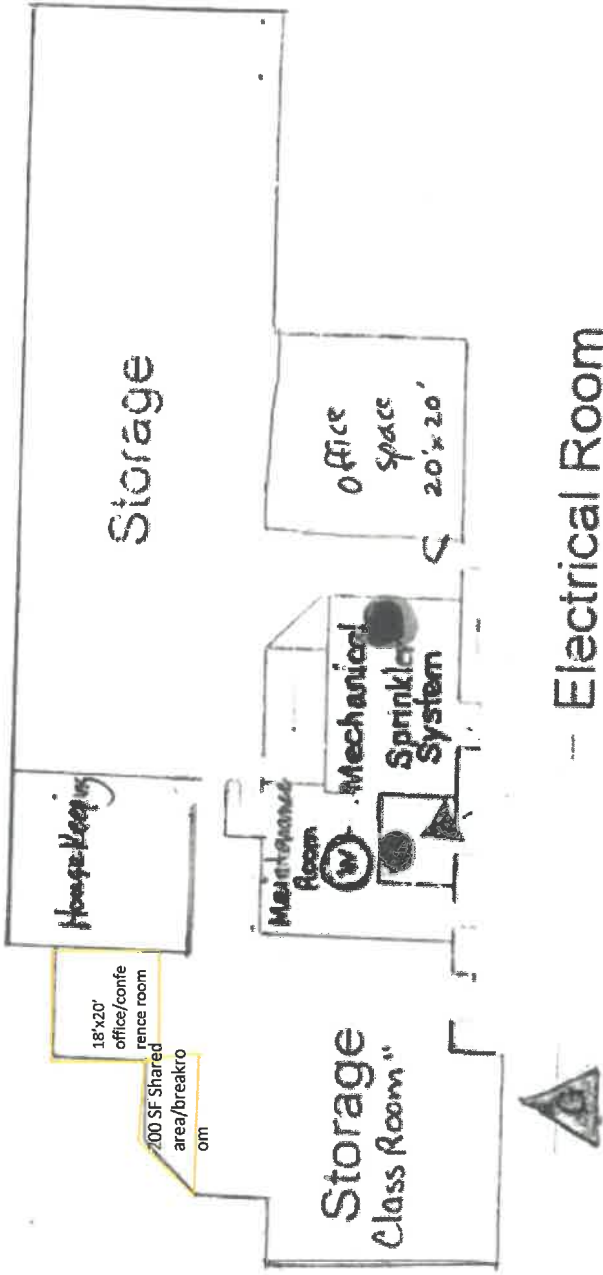


EXHIBIT 4

OFFICE LEASE

between

University Place Care Center,

as landlord,

and

BRISTOL HOSPICE – KING COUNTY, LLC

a Utah limited liability company

as tenant

Dated 12/19/2018

OFFICE LEASE

THIS OFFICE LEASE (this "Lease") is entered into as of the 1 day of January 2019 (the "Execution Date"), between UNIVERSITY PLACE CARE CENTER, a Washington limited liability company ("Landlord"), and Bristol Hospice – King County, L.L.C., a Utah limited liability company ("Tenant").

1. Definitions. As used in this Lease, each of the following terms shall have the meaning indicated
- 1.1 "Monthly Rent" means the amount listed on Schedule 1.1 attached to this Lease to cover the rent for the Premises, Operating Expenses and lease of Personal Property.
- 1.2 "Building" means the building located on the Land with the street address of 5520 Bridgeport Way West, University Place, WA 98467, which contains approximately 340 rentable square feet. Tenant shall rent out a total rental area of approximately 340 usable space and 200 square feet of common area for a total of 540 square feet of rental area ("Rental Area") which the Tenant and Landlord have verified prior to the Execution Date and each hereby acknowledges for the Term and any renewal, extension or modification of this Lease with no right to audit or change.
- 1.3 "Commencement Date" means January 1st, 2019.
- 1.4 "Environmental Laws" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act and the Resource Conservation and Recovery Act, each as amended and with its associated regulations, and all other laws relating to Hazardous Materials existing on or after the Commencement Date.
- 1.5 "Expiration Date" means the date that is thirty-six (36) calendar months after the Commencement Date. Either party may terminate this agreement without cause and without penalty with 30 day notice.
- 1.6 "Hazardous Materials" means substances defined as "hazardous materials," "hazardous wastes," "hazardous substances" or "toxic substances" or similarly defined in any Environmental Laws.
- 1.7 "Improvements" means the Building and all other improvements related to the Building.
- 1.8 "Land" means certain real property located in University Place, Washington, more particularly described on Exhibit A, attached hereto and incorporated herein by this reference, together with all appurtenances and easements related thereto.
- 1.9 Landlord's Work. Landlord shall, at Landlord's expense, deliver the Premises on the Commencement Date with: access to a desk, copy machine, and phone line.
- 1.10 "Lease Year" means three (3) consecutive twelve (12) calendar month periods during the Term, commencing as of the Commencement Date. Totaling a thirty-six (36) month lease term. After the first consecutive twelve (12) months the tenant shall have the right to terminate the lease agreement.
- 1.11 "Mortgage Lender" means holder of any mortgage or deed of trust granted by Landlord covering the Premises.
- 1.12 "Permitted Use" means general office purposes, training activities, and other lawful uses.
- 1.13 "Personal Property" means the furniture and equipment located on the second floor as of the Commencement Date and listed on Exhibit B.
- 1.14 "Premises" means the entire second floor of the Building with an address of 5520 Bridgeport Way West, University Place, WA 98467, consisting of the Rental Area. The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises, the Land and other area beneath the floor of the Premises, the pipes, ducts, conduits, wires, fixtures and equipment above the suspended ceiling of the Premises and the structural elements that serve the Premises or comprise the Building. A diagram of the configuration of the Premises as of the Commencement Date is set forth on Exhibit

A.

- 1.15 “Property” means the Improvements and the Land.
- 1.16 “Operating Expenses” means all costs, expenses and fees incurred or payable by Landlord in connection with the operation, management, maintenance and repair of the Property, including, without limitation, the costs, expenses and fees of the following: real and personal property taxes and assessments; removal of snow, ice, trash and other refuse; landscaping, cleaning, janitorial, parking and security services; fire protection; utilities; supplies and materials; insurance; labor and personnel; maintenance of the Building.
- 1.17 “Tenant’s Occupants” means any assignee, subtenant, employee, agent, licensee, or invitee of Tenant.
- 1.18 “Tenant’s Parking Stall Allocation” means 5 parking stalls.
- 1.19 “Term” means the period commencing at 12:01 a.m. of the Commencement Date and expiring at midnight of the Expiration Date.
2. Agreement of Lease: Option to Extend
- 2.1 Agreement of Lease. Landlord leases the Premises and Personal Property to Tenant and Tenant leases the Premises and Personal Property from Landlord for the Term, in accordance with the provisions set forth in this Lease.
3. Monthly Rent. Tenant covenants to pay to Landlord, without abatement, deduction, offset, prior notice or demand, the Monthly Rent in lawful money of the United States in equal consecutive monthly installments at such place as Landlord may designate, in advance on or before the first day of each calendar month during the Term, commencing on the first day of the month following the Commencement Date. If the Commencement Date occurs on a day other than the first day of a calendar month, on or before the Commencement Date the Monthly Rent shall be paid for the initial fractional calendar month prorated on a per diem basis and for the first full calendar month occurring after the Commencement Date. If this Lease expires or terminates on a day other than the last day of a calendar month, the Monthly Rent for such fractional month shall be prorated on a per diem basis. The Monthly Rent is absolutely net to Landlord.
4. Use. Tenant shall not use or occupy the Premises for any purpose other than for the Permitted Use, and shall not do or permit anything to be done by Tenant nor Tenant’s Occupants which may (a) violate the provisions of any insurance carried with respect to the Premises, (b) create a public or private nuisance or commit waste, (c) overload the floors or otherwise damage the structure of the Building, or (d) violate any present or future laws, ordinances, regulations or requirements or any covenants, conditions and restrictions existing with respect to the Premises. Tenant shall, at Tenant’s sole cost, (v) use the Premises in a careful, safe and proper manner, (w) comply with all present and future laws, ordinances, regulations and requirements and any covenants, conditions and restrictions existing with respect to the Property, including, without limitation, those relating to hazardous substances, hazardous wastes, pollutants or contaminants and those relating to access by disabled persons, (x) comply with the requirements of any board of fire underwriters or other similar body relating to the Premises, (y) keep the Premises free of objectionable noises and odors, including, without limitation, cigar, pipe and similar smoke odors, and (z) not store, use or dispose of any hazardous substances, hazardous wastes, pollutants or contaminants on the Property.
5. Utilities. Landlord shall cause to be furnished to the Premises electricity for normal lighting and office computers and equipment, heat and air conditioning, light janitorial services (emptying wastebaskets, dusting and vacuuming) and window washing, snow removal, garbage removal, landscaping, grounds keeping and elevator service.
6. Maintenance and Repairs; Alterations; Access to Premises.
- 6.1 Landlord shall: (a) complete the Landlord’s Work; and (b) as part of Operating Expenses, be solely responsible for maintenance and repair of the exterior windows and

structural components of the Building, the electrical, gas, plumbing, fire, life safety, HVAC and other base systems and facilities of the Building (excepting any installed by Tenant) and the Common Areas, and shall maintain or cause to be maintained in good order, condition and repair and in a clean and sanitary condition the Property, excepting the Premises and portions of the Building lease by persons not affiliated with Landlord. Except for Tenant's negligence, Landlord shall hold Tenant harmless, to the extent of Landlord's insurance coverage, for any water damage resulting from Building roof insufficiency or Building plumbing insufficiency. Landlord shall provide an HVAC system for the Premises such that the average temperature across the entire Premises will maintain a constant temperature of a minimum of 68 degrees in warmer months (March 1-Sept 30) and a minimum of 74 degrees in colder months (Oct 1- February 28), with the selection of the temperature at the discretion of the employees at all times by thermostat. In the event that the elevator to the Premises becomes disabled for more than six (6) Business Days, then Tenant may seek reparations from Landlord for the actual costs of eligible employee work accommodations. In the event that mold abatement becomes necessary and conditions persist for a period longer than 60 days, then Tenant may seek reparations from Landlord for the actual costs of employee work accommodations.

6.2 Tenant, at Tenant's sole cost and expense, shall maintain the Premises and every part of the Premises in good order and in the same general condition and repair (including replacement, where necessary) as delivered by Landlord on the Commencement Date, normal wear and tear excepted, and in a clean and sanitary condition.

6.3 Alterations. Tenant shall have the right to make after advance written notice to Landlord including detailed description of work to be performed and without Landlord's prior written consent non-structural, interior alterations, changes, additions or improvements to the Premises, so long as such improvements do not (i) exceed Twenty-Five Thousand Dollars (\$25,000.00), in the aggregate, in any given calendar year, (ii) interfere with any of the purposes for which the Premises was leased or affect the roof or structural supports, (iii) decrease the value of the Premises, (iv) affect any Building system, including, heating, ventilation, air conditioning, mechanical, electrical, plumbing or vertical transport systems or (v) affect the exterior appearance of the Building. Additionally, Tenant shall have the right to make such other alterations, changes, additions or improvements to the Premises only if approved in writing by Landlord. In all events, Tenant shall not make a change, addition or improvement to the Premises unless it utilizes only new and first grade materials, such change, or addition or modification is in conformity with all applicable laws, ordinances, regulations and requirements, and it is made only after obtaining any required permits and licenses, and is carried out by persons who, if required by Landlord, deliver to Landlord before commencement of their work proof of such insurance coverage as Landlord may reasonably require, with Landlord named as an additional insured. Tenant shall promptly pay the entire cost of any such change, addition or improvement. Tenant shall indemnify, defend and hold harmless Landlord from and against all liens, claims, damages, losses, liabilities and expenses, including attorneys' fees, which may arise out of, or be connected in any way with, any such change, addition or improvement. Within ten (10) days following the imposition of any lien resulting from any such change, addition or improvement, Tenant shall cause such lien to be released of record by payment of money or posting of a proper bond.

6.4 Access to Premises. Upon at least 72 hours' prior written notice, Landlord and Landlord's agents, employees and contractors may enter the Premises at reasonable business

times on reasonable notice to Tenant for the purpose of inspecting the Premises and ascertaining compliance with the provisions of this Lease by Tenant. Landlord shall have free access to the Premises in an emergency. Upon at least 72 hours' prior written notice, Landlord may also show the Premises during regular business hours to prospective purchasers or mortgagees, and, during the last five (5) months of the Term, tenants, at reasonable business times. Any such entry by Landlord shall be done in a manner to not materially interrupt Tenant's business and in compliance with all applicable laws, and in compliance with Tenant's reasonable requests regarding confidentiality of the purpose. Tenant waives any claim for any damage, injury or inconvenience to, or interference with, Tenant's business, occupancy or quiet enjoyment of the Premises and other loss occasioned by such entry pursuant to the terms hereof, unless caused by Landlord's misconduct or gross negligence.

7. Assignment.

7.1 Prohibition. Tenant shall not, either voluntarily or by operation of law, assign, transfer, mortgage, encumber, pledge or hypothecate this Lease or Tenant's interest in this Lease, in whole or in part, or sublease all or any portion of the Premises, without the prior written consent of Landlord. Any transfer of this Lease from Tenant by merger, consolidation, liquidation or transfer of assets shall constitute an assignment for the purposes of this Lease. If Tenant is a corporation, an unincorporated association or a partnership, the assignment, transfer, mortgage, encumbrance, pledge or hypothecation of any stock or interest in such corporation, association or partnership in the aggregate in excess of fifty percent (50%) shall be deemed an assignment within the meaning of this Paragraph. Consent to any assignment or subleasing shall not operate as a waiver of the necessity for consent to any subsequent assignment or subleasing and the terms of such consent shall be binding on any person holding by, through or under Tenant. At Landlord's option, any assignment or sublease of the entire Premises without Landlord's prior written consent shall be void ab initio.

7.2 Landlord's Rights. If this Lease is assigned or if all of the Premises is subleased or occupied by any person other than Tenant without obtaining Landlord's required consent, Landlord may collect rent and other charges from such assignee or other party, and apply the amount collected to the rent and other charges payable under this Lease, but such collection shall not constitute consent or waiver of the necessity of consent to such assignment or subleasing, nor shall such collection constitute the recognition of such assignee or subtenant as Tenant under this Lease or a release of Tenant from the further performance of all of the covenants and obligations of Tenant contained in this Lease. No assignment or subleasing by Tenant shall relieve Tenant of any obligation to be paid or performed by Tenant under this Lease, whether occurring before or after such consent, assignment or subleasing, but rather Tenant and Tenant's assignee or subtenant, as the case may be, shall be jointly and severally primarily liable for such payment and performance. If all or any portion of the Premises is assigned or the entire Premises is subleased and the compensation to be received by Tenant exceeds the Monthly Rent applicable to the portion being assigned or subleased, Tenant shall pay one-half of such excess actually received by Tenant to Landlord within ten (10) business days of receipt thereof.

8. Indemnity. Tenant shall indemnify, defend and hold harmless Landlord and Landlord's employees and agents from and against all demands, claims, causes of action, judgments, losses, damages, liabilities, fines, penalties, costs and expenses, including attorneys'

fees, arising from the occupancy or use of the Premises by Tenant or Tenant's Occupants, any Hazardous Materials deposited, released or stored by Tenant or Tenant's Occupants on the Premises, the conduct of Tenant's business on the Premises, any act or omission done, permitted or suffered by Tenant or any of Tenant's Occupants, any default or nonperformance by Tenant under this Lease, any injury or damage to the person, property or business of Tenant or Tenant's Occupants or any litigation commenced by or against Tenant to which Landlord is made a party without willful misconduct or negligence on the part of Landlord. If any action or proceeding is brought against Landlord or Landlord's employees or agents by reason of any of the matters set forth in the preceding sentence, Tenant, on notice from Landlord, shall defend Landlord at Tenant's expense with counsel reasonably satisfactory to Landlord. The provisions of this Paragraph 8 shall survive the expiration of the Term or sooner termination of this Lease.

9. Landlord's Insurance. During the Term, Landlord shall, as part of Operating Expenses, procure and continue in force: (a) commercial general liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 per occurrence; and (b) property insurance covering the Building for its full replacement cost, subject to such reasonable deductibles as Landlord may select. Such minimum limits shall in no event limit the liability of Landlord under this Lease. All such insurance shall be with companies authorized to do business in Washington and having a rating of not less than A:XII in the most recent issue of Best's Key Rating Guide, Property-Casualty.
10. Damage or Destruction: If the Premises are partially damaged or destroyed by any casualty insured against under any insurance policy maintained by Landlord, Landlord shall, on receipt of the insurance proceeds, promptly repair the Premises to substantially the condition in which the Premises were immediately prior to such damage or destruction. Until such repair is complete, the Monthly Rent shall be abated proportionately commencing on the date of such damage or destruction as to that portion of the Premises rendered untenantable, if any. If (a) by reason of such occurrence the Premises are rendered wholly untenantable, (b) the Premises are damaged in whole or in part during the last twelve (12) months of the Term; (c) the Premises are damaged to the extent of thirty percent (30%) or more of the then replacement value of the Premises or to the extent that it would reasonably take, in excess of 365 days to complete the requisite repairs; or (d) the Premises are damaged by an event not covered by the insurance required to be maintained by Tenant under this Lease, Landlord or Tenant may cancel this Lease by notice of cancellation within sixty (60) days after such event. On such notice of cancellation, Tenant shall vacate and surrender the Premises to Landlord. Unless caused by Landlord, Tenant shall have no claim against Landlord for any loss suffered by reason of any such damage, destruction, repair or restoration. Unless this Lease is terminated pursuant to this Paragraph, Tenant shall be required to restore and replace its personal property.
- 10.1 Precedence of Rights of Mortgage Lender. Notwithstanding anything to the contrary in Paragraph 10.1, all provisions contained in the loan documents executed in favor of a Mortgage Lender which concern or pertain to the restoration of the Premises and the application of insurance proceeds concerning a casualty shall take precedence over and be in lieu of any contrary provision provided for in this Lease.
11. Default.
- 11.1 Default by Tenant. The occurrence of any of the following events shall constitute a default by Tenant under this Lease: (a) Tenant fails to pay in a timely manner any installment of Monthly Rent or any other sum due under this Lease within ten (10) business days after written notice is given to Tenant that the same is past due; (b) Tenant fails to observe or perform in a timely manner any other term, covenant or condition to be observed or performed by Tenant under this Lease within fifteen (15) business days after written notice is given to Tenant of such failure; provided, however, that if more

than fifteen (15) business days is reasonably required to cure such failure, Tenant shall not be in default if Tenant commences such cure within such fifteen (15) day period and diligently prosecutes such cure to completion; or (c) Tenant files a petition in bankruptcy, becomes insolvent, has taken against Tenant in any court, pursuant to state or federal statute, a petition in bankruptcy or insolvency or for reorganization or appointment of a receiver or trustee, petitions for or enters into an arrangement for the benefit of creditors or suffers this Lease to become subject to a writ of execution.

11.2 Past Due Amounts; Obligations Independent. If Tenant fails to pay when due any amount required to be paid by Tenant under this Lease, such unpaid amount shall bear interest at the Interest Rate from the due date of such amount to the date of payment in full, with interest. In addition, Landlord may also charge a sum of five percent (5%) of such unpaid amount as a service fee. This late payment charge is intended to compensate Landlord for Landlord's additional administrative costs resulting from Tenant's failure to perform in a timely manner Tenant's obligations under this Lease, and has been agreed on by Landlord and Tenant after negotiation as a reasonable estimate of the additional administrative costs which will be incurred by Landlord as a result of such failure. The actual cost in each instance is extremely difficult, if not impossible, to determine. This late payment charge shall constitute liquidated damages and shall be paid to Landlord together with such unpaid amount. The payment of this late payment charge shall not constitute a waiver by Landlord of any default by Tenant under this Lease. All amounts due under this Lease are and shall be deemed to be rent or additional rent, and shall be paid without abatement, deduction, offset, prior notice or demand (unless expressly provided by the terms of this Lease). Landlord shall have the same remedies for a default in the payment of any amount due under this Lease as Landlord has for a default in the payment of Monthly Rent. The obligations of Tenant to pay Monthly Rent and all other amounts due under this Lease, and to perform all of Tenant's other obligations under this Lease, are severable from and independent of any obligation of Landlord under this Lease.

11.3 Default by Landlord. Landlord shall not be in default under this Lease unless Landlord fails to perform an obligation required of Landlord under this Lease within thirty

(30) days after written notice by Tenant to Landlord and the Mortgage Lender whose name and address have been furnished to Tenant in writing, specifying the respects in which Landlord has failed to perform such obligation, and such Mortgage Lender fails to perform such obligation within a second thirty (30) day period commencing on the expiration of such first thirty (30) day period. If the nature of such obligation is such that more than thirty (30) days are reasonably required for performance or cure, Landlord shall not be in default if Landlord or such holder commences performance within their respective thirty (30) day periods and after such commencement diligently prosecutes the same to completion. In no event may Tenant withhold the payment of rent or other charges provided for in this Lease as a result of Landlord's default.

12. Expiration or Termination:

12.1 Surrender of Premises. Prior to the expiration of the Term or sooner termination of this Lease, Tenant shall, at Tenant's sole cost, (a) promptly and peaceably surrender the Premises to Landlord "broom clean," in good order and condition, (b) repair any damage to the Property caused by or in connection with the removal of any property from the Premises by or at the direction of Tenant, (c) repair, patch and paint in a good and workmanlike manner all holes and other marks in the floors, walls and ceilings of the Premises to Landlord's reasonable satisfaction, and (d) deliver all keys and access cards to the Premises to Landlord. Before surrendering the Premises, Tenant shall, at Tenant's sole cost, remove Tenant's personal property and trade fixtures (including signage). For clarity, during the Term, Tenant shall have the right, at its expense, to discard and replace any Personal

Property or Computer Equipment in its normal course of business and any replacement personal property or computer equipment shall be the Tenant's personal property which can be removed by Tenant before surrendering the Premises to Landlord; provided, however, that Tenant shall give Landlord not less than a 15-day written notice of its intent to discard and replace Personal Property, upon which Landlord shall have the right within such 15-day period to remove such Personal Property from the Premises for use or storage otherwise. No surrender of the Premises shall be effected by Landlord's acceptance of the keys or of the rent or by any other means without Landlord's written acknowledgement of such acceptance as a surrender.

13. Representations and Warranties of Landlord. Landlord represents and warrants to Tenant that as of the Commencement Date:
- 13.1 (a) Landlord has good and marketable fee simple title to the Premises, with full right and authority to lease the Premises to Tenant; (b) there are no liens, encumbrances or other matters affecting such title that would interfere with the Permitted Use; (c) the Premises is zoned to permit the Permitted Use; and (d) to Landlord's current, actual knowledge, there are no covenants, restrictions or other agreements that would interfere with the Permitted Use;
- 13.2 to Landlord's current, actual knowledge: (a) the Premises has not been used to treat, store, process or dispose of Hazardous Materials; (b) there are no releases nor have there ever been any releases of Hazardous Materials at, on or under the Premises that would give rise to a cleanup or remediation obligation under any applicable Environmental Laws; and (c) the Premises does not contain (i) any underground storage tanks, nor have there ever been any underground storage tanks on the Premises, (ii) asbestos in any form, including insulation or flooring, (iii) PCB-containing equipment, including transformers or capacitors, or (iv) any other Hazardous Materials that could affect or impair Tenant's use of or operations at the Premises or the health or safety of Tenant's employees, and (d) notwithstanding anything contained in this Lease to the contrary, Tenant shall have no liability of any kind to Landlord for any pre-existing Hazardous Materials located on the Premises as of the date of this Lease; and
- 13.3 to Landlord's current, actual knowledge, the Premises complies (and will, as of the Commencement Date, comply) with applicable laws and regulations and any covenants, conditions and restrictions affecting the Building;
- 13.4 to Landlord's current, actual knowledge, as of the Commencement Date: (a) the Building is free from any material defect in materials or workmanship; (b) the Premises will be in good, structurally sound condition and watertight; (c) the Building utilities and mechanical, electrical and HVAC systems will be in good, working condition and repair; and (d) the fire sprinklers in the Building (including in the Premises) will have adequate flow and pressure in accordance with the regulations of the National Fire Protection Association and all applicable government regulations; and
- 13.5 no pending Condemnation Proceeding relating to or affecting the Premises exists, and Landlord has no current, actual knowledge that any such action is presently threatened or contemplated.
14. Parking. Tenant shall have the non-exclusive right to use a number of parking stalls located on the Property equal to Tenant's Parking Stall Allocation. Automobiles of Tenant and Tenant's Occupants shall be parked only within parking areas not otherwise reserved by Landlord or specifically designated for use by any other tenant or occupants associated with any other tenant.
15. Signage. Tenant shall be entitled at Tenant's expense to Building standard signage on the Building interior directory and at such other locations approved by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed.
16. General Provisions.
- 16.1 No Partnership. Landlord does not by this Lease, in any way or for any purpose, become a partner or joint venturer of Tenant in the conduct of Tenant's business or otherwise.
- 16.2 Force Majeure. If either Landlord or Tenant is delayed or hindered in or prevented from the performance of any act required under this Lease by reason of acts of God, strikes, lockouts, other labor troubles, inability to procure labor or materials, fire, accident, failure of power, restrictive governmental laws, ordinances, regulations or requirements of general applicability, riots, civil commotion, insurrection, war or other reason not the fault of the party delayed, hindered or prevented and beyond the control of such party (financial inability excepted), performance of the action in question shall be excused for the period of delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. The provisions of

this Paragraph shall not, however, operate to excuse Tenant from the prompt payment of rent or any other amounts required to be paid under this Lease.

16.3 Notices. All notices, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, made, delivered or served if in writing and delivered personally or sent by registered, certified mail, facsimile, electronic mail or receipted overnight service (by a reputable overnight company), postage prepaid to:

Landlord:

University Place Care
Center

Attn: _____

Phone: _____

Email: _____

Tenant:

Bristol Hospice – King County,
LLC

206 N 2100 W, Suite 202

Salt Lake City, UT 84116

Attn: _____

Phone: _____

Email: _____

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner. All such notices, consents, approvals and other communications will, if delivered to the address as provided in this Paragraph, and (i) if delivered personally, be deemed given upon delivery, (ii) if delivered by registered, certified mail, be deemed given on the earlier of the third Business Day following mailing or upon receipt, (iii) if delivered by overnight service, be deemed given on the earlier of the first Business Day following the date sent by such overnight service (in each case regardless of whether such notice, request or other communication is received by any other person to whom a copy of such notice is to be delivered pursuant to this Paragraph) or (iv) if delivered by electronic mail or facsimile.

- 16.4 Severability. If any provision of this Lease or the application of any provision of this Lease to any person or circumstance shall to any extent be invalid, the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which such provision is held invalid shall not be affected by such invalidity. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- 16.5 Brokerage Commissions. Tenant represents and warrants that no claims exist for brokerage commissions or finder's fees arising by, through or under Tenant in connection with this Lease and agrees to indemnify, defend and hold harmless Landlord from and against all claims, liabilities and expenses, including attorneys' fees, arising from any such brokerage commissions or finder's fees. Landlord represents and warrants that no claims exist for brokerage commissions or finder's fees arising by, through or under Landlord in connection with this Lease and agrees to indemnify, defend and hold harmless Tenant from and against all claims, liabilities and expenses, including attorneys' fees, arising from any such brokerage commissions or finder's fees.
- 16.6 Use of Pronouns. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, partnership, association, limited liability company, corporation or a group of two or more individuals, partnerships, associations, limited liability companies or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where more than one Landlord or Tenant exists and to individuals, partnerships, associations, limited liability companies, corporations, males or females, shall in all instances be assumed as though in each case fully expressed.
- 16.7 Successors. Except as otherwise provided in this Lease, all provisions contained in this Lease shall be binding on and shall inure to the benefit of Landlord and Tenant and their respective successors and assigns. On any sale or assignment (except for purposes of security or collateral) by Landlord of the Premises or this Lease, Landlord shall, on and after such sale or assignment, be relieved entirely of all of Landlord's obligations under this Lease and such obligations shall, as of the time of such sale or assignment, automatically pass to Landlord's successor in interest.
- 16.8 Recourse by Tenant. Anything in this Lease to the contrary notwithstanding, Tenant shall look solely to the equity of Landlord in the Premises, subject to the prior rights of the holder of any mortgage or deed of trust, for the collection of any judgment (or other judicial process) requiring the payment of money by Landlord on any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed or performed by Landlord, and no other asset of Landlord or any other person shall be subject to levy, execution or other procedure for the satisfaction of Tenant's remedies.
- 16.9 Quiet Enjoyment. On Tenant paying the rent payable under this Lease and observing and performing all of the terms, covenants and conditions on Tenant's part to be

observed and performed under this Lease, Tenant shall have quiet enjoyment of the Premises for the Term without interference from Landlord, or anyone claiming by, through or under Landlord, subject to all of the provisions of this Lease.

- 16.10 Waiver. No failure by any party to insist on the strict performance of any covenant, duty or condition of this Lease or to exercise any right or remedy consequent on a breach of this Lease shall constitute a waiver of any such breach or of such or any other covenant, duty or condition. Any party may, by notice delivered in the manner provided in this Lease, but shall be under no obligation to, waive any of its rights or any conditions to its obligations under this Lease, or any covenant or duty of any other party. No waiver shall affect or alter the remainder of this Lease but each other covenant, duty and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.
- 16.11 Rights and Remedies. The rights and remedies of Landlord and Tenant shall not be mutually exclusive and the exercise of one or more of the provisions of this Lease shall not preclude the exercise of any other provisions. The parties confirm that damages at law may be an inadequate remedy for a breach or threatened breach by any party of any of the provisions of this Lease. The parties' respective rights and obligations under this Lease shall be enforceable by specific performance, injunction or any other equitable remedy.
- 16.12 Authorization. Each individual executing this Lease does represent and warrant to each other so signing (and each other entity for which another person may be signing) that such individual has been duly authorized to deliver this Lease in the capacity and for the entity set forth where such individual signs.
- 16.13 Attorneys' Fees. If any action is brought to recover any rent or other amount under this Lease because of any default under this Lease, to enforce or interpret any of the provisions of this Lease, or for recovery of possession of the Premises, the party prevailing in such action shall be entitled to recover from the other party reasonable attorneys' fees (including those incurred in connection with any appeal), the amount of which shall be fixed by the court and made a part of any judgment rendered. Tenant shall be responsible for all expenses, including, without limitation, attorneys' fees, incurred by Landlord in any case or proceeding involving Tenant or any assignee or subtenant of Tenant under or related to any bankruptcy or insolvency law. The foregoing provisions of this Paragraph 20.13 shall survive the expiration of the Term or sooner termination of this Lease.
- 16.14 Merger. The surrender of this Lease by Tenant, the cancellation of this Lease by agreement of Landlord and Tenant or the termination of this Lease on account of Tenant's default shall not work a merger, and shall, at Landlord's option, either terminate any subleases of part or all of the Premises or operate as an assignment to Landlord of any of those subleases. Landlord's option under this Paragraph 20.14 may be exercised by notice to Tenant and all subtenants known to Landlord in the Premises.

LANDLORD AND TENANT have executed this Lease to be effective as of the date first set forth above.

LANDLORD:

UNIVERSITY PLACE CARE CENTER
a Washington limited liability company

By: Kami Debeer pp Troy Bachman

Name: Kami Debeer

Its: Administrator

TENANT:

Bristol Hospice – King County, L.L.C.,
A Utah limited liability company

By: [Signature]

Name: Hiram Kerton

Its: CEO

SCHEDULE 1.1

Month	Monthly Rent
1-12	\$810.00
13-24	\$810.00
25-36	\$810.00
37-48	\$ _____
49-60	\$ _____

	Rental Area
540	Sq. Ft.
1.50	Per Sq. Ft.

EXHIBIT A
TO
OFFICE LEASE

DEPICTION OF THE PREMISES

5520 Bridgeport Way West, University Place, WA 98467 - A office room in the basement of the building with access to shared bathrooms on the second floor

EXHIBIT 5

Clark County CON
Pro Forma Summary

Pre-opening is a 6 month period to hire staff, get licensed, and prepare for CHAP survey.
 Year 1 is the 12 month period starting when the location is licensed and certified. The ADC climbs slowly, reaching 16 at the end of year 1. This gives an ADC average 8.9 during year 1.
 Year 2 the ADC climbs by one or two per month, reaching an ADC of 26 in month 12 with an average ADC of 24.3 for the year.
 Year 3 the ADC slowly to reach an ADC of 40 in month 12 with an average ADC of 35.9 for the year.

The net income per month for the 39 month period encompassing pre-opening and the first three years of operation is shown below. Also shown is are admissions by month, average length of stay, median length of stay, and a monthly summary of staffing compared to ADC for each of the periods. In general the staffing levels are tied the ADC.

Other costs - Building lease is estimated cost based on our experience and the square footage cost in WA. Medical Director fees are estimated at \$250/hour with 1 hour per each ADC. Bad debt expense is estimated as 2% of net revenues.

Net Income

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Seattle area													
Pre-opening	\$ (20,240)	\$ (31,370)	\$ (36,230)	\$ (36,276)	\$ (36,320)	\$ (38,031)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (199,067)
Year 1	(63,653)	(66,248)	(62,845)	(58,801)	(54,933)	(51,105)	(43,837)	(36,772)	(42,755)	(32,695)	(28,818)	(28,818)	(571,380)
Year 2	(30,905)	(27,145)	(23,848)	(22,707)	(19,437)	(27,604)	(24,587)	(24,587)	(24,587)	(23,254)	(23,254)	(23,254)	(295,165)
Year 3	(22,914)	(15,798)	(8,761)	(5,013)	4,068	11,118	16,872	6,849	6,849	8,889	8,889	8,877	20,025
Total for 39 months													\$ (1,045,588)

Staffing/ADC

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YTD Avg/Total
Pre-opening													
ADC	-	-	-	-	-	-	-	-	-	-	-	-	-
ED	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
DPCS	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
RN	-	0.5	0.5	0.5	0.4	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Aide	-	-	0.5	0.5	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
BOM	-	-	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Year 1													
Admissions	2	2	2	3	3	4	5	6	7	8	8	8	55
Avg. Length of Stay	60	60	60	60	60	60	60	60	60	60	60	60	60
Median Length of Stay	25	25	25	25	25	25	25	25	25	25	25	25	25
Total ADC	2.0	3.0	4.0	5.0	6.0	7.0	9.0	11.0	13.0	15.0	16.0	16.0	8.9
Charity Care ADC	-	-	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1
ED	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
DPCS	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Nurse Practitioner	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Clinical Supervisor	-	-	-	-	-	-	-	-	-	-	-	-	-
RN (including on call)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Aide	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Business Off. Mgr.	-	-	-	-	-	-	-	-	-	-	-	-	-
Business Off. Spec.	-	-	-	-	-	-	-	-	-	-	-	-	-
Hospice Care Coord.	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Social Worker	0.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bereavement Coord.	-	-	-	-	-	-	-	-	-	-	-	-	-
Chaplain	-	-	-	-	-	-	-	-	-	-	-	-	-
Volunteer Coord.	-	-	-	-	-	-	-	-	-	-	-	-	-
Other:													
Building Lease Cost	810	810	810	810	810	810	810	810	810	810	810	810	810
Medical Director Cost	500	750	1,000	1,250	1,500	1,750	2,250	2,750	3,250	3,750	4,000	4,000	4,000

EXHIBIT 6

ADMISSION CRITERIA AND PROCESS
Policy No. H:2-024.1

PURPOSE

To establish standards and a process by which a patient can be evaluated and accepted for admission.

POLICY

Bristol Hospice, LLC will admit any adult patient with a life-limiting illness that meets the admission criteria.

Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.

Patients will be accepted for care based on need for hospice services. Consideration will be given to the adequacy and suitability of hospice personnel, resources to provide the required services, and a reasonable expectation that the patient's hospice care needs can be adequately met in the patient's place of residence.

While patients are accepted for services based on their hospice care needs, the patient's ability to pay for such services, whether through state or federal assistance programs, private insurance, or personal assets is a factor that will be considered.

The patient's life-limiting illness and prognosis of six (6) months or less will be determined by utilizing standard clinical prognosis criteria developed by the fiscal intermediary's Local Coverage Determinations (LCDs).

Bristol Hospice, LLC reserves the right not to accept any patient who does not meet the admission criteria.

A patient will be referred to other resources if Bristol Hospice, LLC cannot meet his/her needs.

Once a patient is admitted to service, the organization will be responsible for providing care and services within its financial and service capabilities, mission, and applicable law and regulations.

The hospice registered nurse will contact at least one (1) other member of the interdisciplinary group for input into the plan of care, prior to the delivery of care. The two (2) remaining core services must be contacted and provide input into the plan of care within two (2) days of start of care; this may be in person or by phone.

If the patient is accepted for hospice care, a comprehensive assessment of the patient will be performed no later than 5 calendar days after the election of hospice care. A plan of care will be developed by the attending hospice physician, the Medical Director or physician designee, and the hospice team. It will then be submitted to the attending physician for signature. The patient's

wishes/desires will be considered and respected in the development of the plan of care. (See "Comprehensive Assessment" Policy No. H:2-046.)

ADMISSION FOR GENERAL INPATIENT SERVICES**Policy No. H:2-027.1****PURPOSE**

To establish the criteria for admitting a patient for general inpatient care.

POLICY

General inpatient care will be provided as specified under the Medicare, Medicaid, and specific private insurance hospice benefits. Inpatient care may be recommended in other circumstances not related to the terminal illness, but will not be the financial responsibility of Bristol Hospice, LLC.

Hospice personnel will be available 24 hours a day for clinical consultation to the inpatient personnel.

Note: Home management will always be the preferred method over hospitalization.

Note: General inpatient care level of care is a short-term level of care for care that cannot feasibly be provided at home. The key is the patient's medical condition. It is not intended as a solution to a negligent or absent caregiver.

GENERAL GUIDELINES

1. One or more of the following clinical criteria must be present in order for the patient to be considered appropriate for admission for general inpatient care. Admission decisions are made on an individual case-by-case basis after evaluation by the hospice interdisciplinary group and in consultation with the patient's attending physician.
 - A. Pain control that is unable to be managed appropriately in the home setting
 - B. Other Symptoms
 1. Rapid decline related to varied factors, such as bleeding, that are inconsistent with home management.
 2. Fluctuating/deteriorating mental status, psychosis, severe confusion and/or combativeness necessitating titration of medications, change in environment, or consultation and intervention by psychologist or psychiatrist.

3. Severe shortness of breath or respiratory distress that creates an unmanageable situation for patient and family/caregiver in home care setting.
4. Intractable nausea or vomiting.

Policy No. H:2-027.2

5. Open lesions requiring frequent professional care (decubiti, malignant ulcerations, burns, severe abrasions or fistulas—at least b.i.d. dressing changes).
6. Other complicated care—frequent nasotracheal suctioning or GI suctioning, frequent parenteral injections, management of draining fistulas.
7. Need for continued close monitoring of unstable recurring medical conditions, e.g., hemorrhage, severe anemia, severe hypertension, unstable diabetes, recurrent severe electrolyte disturbance, recurrent seizures, rapidly reaccumulating ascites or pleural effusion requiring recurrent tapping, recurrent aspiration.
8. Other presenting problems may be identified and evaluated on an individual basis.

C. Psychosocial Pathology

1. Evaluation of disturbed mental status, e.g., hallucinations, delusions, paranoia, excessive agitation, combativeness, requiring intensive monitoring
2. Depression, anxiety in the extreme—suicidal ideation, euthanasia, assisted suicide ideation, extreme withdrawal, including inadequate P.O. intake

D. Clinical indications for continued stay at the general inpatient level of care:

One or more of the clinical criteria identified above must be present in order for the patient to be considered appropriate for continued general inpatient care. Decisions for continued inpatient stay will be made on an individual case-by-case basis after evaluation by the interdisciplinary group including the hospice Medical Director and in consultation with the patient's attending physician.

REFERRAL DISCLOSURE AND CARE DECISIONS
Policy No. C:1-004.1

PURPOSE

To ensure that all patients are informed about the relationship between the use of services and financial incentives between the organization and other service providers. To ensure that the integrity of clinical decision-making is not compromised by financial incentives offered to leaders, managers, clinical personnel, or physicians.

POLICY

When a patient is referred to another service organization, the patient will be informed of any financial benefit to Bristol Hospice, LLC. To promote efficient quality patient care, clinical care decisions will be based on identified patient health care needs.

[Cross-reference "Intake Process" Policy No. HH:2-002, "Admission Criteria and Process" Policy No. HH:2-003, "Transfer/Referral Criteria and Process" Policy No. HH:2-051, "Initial and Comprehensive Assessment" Policy No. HH:2-021, "Ongoing Assessments" Policy No. HH:2-022, "Physician Participation in Plan of Care" Policy No. HH:2-005, and "Verification of Physician Orders" Policy No. HH:2-006]

PROCEDURE

1. The Director of Patient Care Services/Clinical Supervisor or designee will be responsible to inform the patient or family/caregiver of any affiliation or financial incentives between Bristol Hospice, LLC and other service providers.
2. The patient may choose referral of services to other organizations.
3. All referrals will be documented and include name, date, time, and reason for referral.
4. The referrals will be monitored, reviewed, and reported each month by the Director of Patient Care Services/Clinical Supervisor. Any areas of concern identified, will be reviewed by the Clinical Director of Patient Care Services/Clinical Supervisor and Executive Director/Administrator as part of the organization's performance improvement process.
5. All clinical decisions will be based on identified patient health care needs. Decisions will not be based on organizational compensation or financial risk shared with leaders, managers, clinical personnel, or physicians. All personnel are educated and understand this.
6. The organization will accept only those adult patients whose needs can be met by the services it provides and who meet admission criteria.

7. Initial and ongoing patient assessment data will identify patient health care needs.

8. In compliance with standard medical practice, all services will be delivered under physician's (or other authorized licensed independent practitioner's) orders and in compliance with state law and ethical policies.
9. Any areas of concern identified will be reviewed by the Director of Patient Care Services/Clinical Supervisor and Administrator as part of the organization's performance improvement process.
10. Information regarding financial incentives to leaders, managers, clinical personnel, or physicians will be available upon written request.

INTERNAL REFERRAL PROCESS
Policy No. H:2-044.1

PURPOSE

To outline the process to make a referral for additional services.

POLICY

Referrals to other disciplines will be processed as any other referral.

PROCEDURE

1. All internal referrals to other disciplines will be documented within the clinical record.
2. When an interdisciplinary group member identifies that an additional service is needed, he/she will notify the Case Manager.
3. An internal referral form will be completed and given to the Clinical Supervisor or scheduler, who will assign the appropriate clinician.
4. The clinician assigned to provide additional service will contact the physician (or other authorized independent practitioner) for orders for evaluation and treatment.

EXHIBIT 7

Clark County
Year 1 of Operations
Income Statement Summary

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YTD
DME (Medical Equipment - Rent / Lease)	523	781	1,047	1,304	1,562	1,828	2,351	2,874	3,389	3,912	4,178	4,178	27,927
Drugs & Pharmacy	497	741	993	1,237	1,481	1,734	2,230	2,727	3,215	3,712	3,964	3,964	26,495
Influsion Services	7	10	13	17	20	23	30	37	43	50	54	54	358
Supplies	153	228	305	380	455	533	685	838	988	1,140	1,218	1,218	8,141
Laboratory & Diagnostics	5	8	10	13	14	17	22	27	32	37	39	39	263
Other Ancillary Expenses	33	49	66	82	98	115	148	181	213	246	263	263	1,757
Mileage	348	519	695	866	1,037	1,214	1,562	1,910	2,252	2,599	2,776	2,776	18,554
Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Direct Patient Expenses	1,566	2,336	3,129	3,899	4,667	5,464	7,028	8,594	10,132	11,696	12,492	12,492	83,495
Total Direct Care & Patient Expenses	51,044	58,570	59,664	61,794	62,859	63,956	66,120	68,285	83,702	85,865	86,962	86,962	835,783
Gross Margin	(40,883)	(43,059)	(39,244)	(34,403)	(30,117)	(25,863)	(17,866)	(9,871)	(15,028)	(4,058)	248	248	(259,896)
Overhead													
Administrative & General Salaries	14,404	14,404	14,404	14,692	14,692	14,692	14,692	14,692	14,692	14,692	14,692	14,692	175,440
HC, WC & Payroll Taxes, Retirement	3,254	3,254	3,254	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	3,299	39,453
Accounting Fees	1	2	2	3	4	4	5	7	8	9	10	10	65
Advertising	15	22	29	36	44	51	66	80	95	109	117	117	781
Books & Publications	12	18	24	30	36	43	55	67	79	91	97	97	649
Computer Expense	584	584	584	584	584	584	584	584	584	584	584	584	7,008
Employee Training / Ed / Other	10	15	19	25	29	34	44	54	63	73	78	78	522
Licenses	3	5	6	8	9	11	14	16	20	23	24	24	163
Meals & Entertainment	47	70	94	117	140	164	211	258	304	351	375	375	2,506
Meeting Expenses	2	3	4	5	5	6	8	10	12	14	15	15	99
Membership Fees	25	37	50	62	75	87	112	137	162	187	200	200	1,334
Cost Allocation	279	427	562	753	900	1,048	1,327	1,606	1,889	2,250	2,398	2,398	15,837
Minor Equipment	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Postage	6	9	12	15	18	21	27	34	40	46	49	49	326
Printing	39	58	78	97	116	136	175	214	253	292	312	312	2,082
Public Relations	46	68	92	114	137	160	206	251	296	342	365	365	2,442
Purchased Services	962	968	974	980	986	993	1,005	1,017	1,029	1,041	1,047	1,047	12,049
Rent/Lease Expense	818	822	826	830	834	838	846	854	861	869	873	873	10,144
Supplies	66	99	133	166	199	232	299	365	431	497	531	531	3,549
Telephone	236	352	470	587	702	822	1,057	1,293	1,524	1,760	1,880	1,880	12,563
Travel	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Uniforms	4	6	9	11	13	15	19	23	28	32	34	34	228
Mileage	11	16	22	27	33	38	49	60	71	82	88	88	585
Utilities / Building / Maint. / Repairs	632	636	639	643	647	650	657	666	673	680	684	684	7,891
Depreciation & Amortization	714	714	714	714	714	714	714	714	714	714	714	714	8,568
Total Overhead	22,770	23,189	23,601	24,398	24,816	25,242	26,071	26,901	27,727	28,637	29,066	29,066	311,484
Total Expenses	73,814	81,759	83,265	86,192	87,675	89,198	92,191	95,186	111,429	114,502	116,028	116,028	1,147,267
Net Income	(63,653)	(66,248)	(62,845)	(58,801)	(54,933)	(51,105)	(43,937)	(36,772)	(42,755)	(32,695)	(28,818)	(28,818)	(571,380)

Clark County
Year 2 of Operations
Income Statement Summary

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YTD
DME (Medical Equipment - Rent / Lease)	5,320	5,591	5,854	6,125	6,388	6,650	6,921	6,921	6,921	6,921	6,921	6,921	77,454
Drugs & Pharmacy	5,046	5,304	5,553	5,810	6,059	6,308	6,565	6,565	6,565	6,565	6,565	6,565	73,470
Infusion Services	67	70	74	77	80	84	87	87	87	87	87	87	974
Supplies	1,550	1,629	1,706	1,785	1,862	1,938	2,017	2,017	2,017	2,017	2,017	2,017	22,572
Laboratory & Diagnostics	48	51	53	56	59	61	64	64	64	64	64	64	712
Other Ancillary Expenses	334	351	368	385	402	418	435	435	435	435	435	435	4,868
Mileage	3,532	3,713	3,888	4,067	4,241	4,415	4,596	4,596	4,596	4,596	4,596	4,596	51,432
Therapy	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Direct Patient Expenses	15,897	16,709	17,496	18,305	19,091	19,874	20,685	20,685	20,685	20,685	20,685	20,685	231,482
Total Direct Care & Patient Expenses	106,388	107,500	108,588	111,328	112,415	127,006	128,118	128,118	128,118	128,118	128,118	128,118	1,441,929
Gross Margin	24	4,229	7,946	9,853	13,544	5,853	9,292	9,292	9,292	10,662	10,662	10,662	101,315
Overhead													
Administrative & General Salaries	14,692	14,692	14,692	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	178,950
HC, WC & Payroll Taxes, Retirement	3,299	3,299	3,299	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	3,346	40,011
Accounting Fees	12	13	13	14	15	15	16	16	16	16	16	16	178
Advertising	146	153	161	168	175	182	190	190	190	190	190	190	2,125
Books & Publications	122	128	134	140	146	152	158	158	158	158	158	158	1,770
Computer Expense	584	584	584	584	584	584	584	584	584	584	584	584	7,008
Employee Training / Ed / Other	97	102	107	112	117	122	127	127	127	127	127	127	1,419
Licenses	30	32	34	35	36	38	40	40	40	40	40	40	445
Meals & Entertainment	480	505	529	553	577	600	625	625	625	625	625	625	6,994
Meeting Expenses	18	19	20	21	22	23	24	24	24	24	24	24	267
Membership Fees	255	268	281	294	307	319	332	332	332	332	332	332	3,716
Cost Allocation	2,926	3,073	3,205	3,332	3,464	3,654	3,779	3,779	3,779	3,816	3,816	3,816	42,439
Minor Equipment	255	268	281	294	307	319	332	332	332	332	332	332	3,716
Postage	61	64	67	70	73	76	79	79	79	79	79	79	885
Printing	395	415	435	455	475	494	514	514	514	514	514	514	5,753
Public Relations	468	492	515	539	562	585	609	609	609	609	609	609	6,815
Purchased Services	1,072	1,078	1,084	1,090	1,096	1,102	1,108	1,108	1,108	1,108	1,108	1,108	13,170
Rent/Lease Expense	889	893	897	901	905	909	913	913	913	913	913	913	10,872
Supplies	675	709	742	777	810	844	878	878	878	878	878	878	9,825
Telephone	2,389	2,511	2,628	2,751	2,869	2,987	3,108	3,108	3,108	3,108	3,108	3,108	34,783
Travel	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Uniforms	43	45	47	49	51	53	55	55	55	55	55	55	618
Mileage	109	115	120	126	131	137	142	142	142	142	142	142	1,590
Utilities / Building / Maint. / Repairs	698	702	705	709	713	716	720	720	720	720	720	720	8,563
Depreciation & Amortization	714	714	714	714	714	714	714	714	714	714	714	714	8,568
Total Overhead	30,929	31,374	31,794	32,560	32,981	33,457	33,879	33,879	33,879	33,916	33,916	33,916	396,480
Total Expenses	137,317	138,874	140,382	143,888	145,396	160,463	161,997	161,997	161,997	162,034	162,034	162,034	1,838,409
Net Income	(30,905)	(27,145)	(23,848)	(22,707)	(19,437)	(27,604)	(24,587)	(24,587)	(24,587)	(23,254)	(23,254)	(23,254)	(295,165)

Clark County
Year 3 of Operations
Income Statement Summary

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YTD
DME (Medical Equipment - Rent / Lease)	7,332	7,876	8,421	8,966	9,502	10,046	10,591	10,868	10,868	10,868	10,868	10,868	117,074
Drugs & Pharmacy	6,954	7,471	7,987	8,504	9,012	9,529	10,045	10,308	10,308	10,308	10,308	10,308	111,042
Infusion Services	90	97	104	110	117	124	130	134	134	134	134	134	1,442
Supplies	2,135	2,293	2,452	2,610	2,766	2,925	3,084	3,164	3,164	3,164	3,164	3,164	34,085
Laboratory & Diagnostics	66	70	75	80	85	90	95	98	98	98	98	98	1,051
Other Ancillary Expenses	460	494	528	562	596	630	664	682	682	682	682	682	7,344
Mileage	4,787	5,142	5,498	5,853	6,204	6,559	6,914	7,095	7,095	7,095	7,095	7,095	76,432
Therapy													
Total Direct Patient Expenses	21,824	23,443	25,065	26,685	28,282	29,903	31,523	32,349	32,349	32,349	32,349	32,349	348,470
Total Direct Care & Patient Expenses	132,523	134,743	136,969	141,174	143,374	145,599	147,822	162,753	162,753	162,753	162,753	162,753	1,795,969
Gross Margin	11,568	19,558	27,469	32,414	42,415	50,343	57,033	47,355	47,355	49,453	49,453	49,453	483,869
Overhead													
Administrative & General Salaries	14,986	14,986	14,986	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	15,286	182,532
HC, WC & Payroll Taxes, Retirement	3,346	3,346	3,346	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	40,584
Accounting Fees	16	18	19	20	21	23	24	24	24	24	24	24	261
Advertising	197	212	226	241	255	270	285	292	292	292	292	292	3,146
Books & Publications	164	176	189	201	213	225	237	243	243	243	243	243	2,620
Computer Expense	584	584	584	584	584	584	584	584	584	584	584	584	7,008
Employee Training / Ed / Other	131	141	151	160	170	180	189	195	195	195	195	195	2,097
Licenses	41	44	47	50	54	56	59	61	61	61	61	61	656
Meals & Entertainment	665	714	764	813	862	911	961	986	986	986	986	986	10,620
Meeting Expenses	25	26	28	30	32	34	36	37	37	37	37	37	396
Membership Fees	353	379	405	432	458	484	510	523	523	523	523	523	5,636
Cost Allocation	3,963	4,243	4,522	4,774	5,109	5,388	5,634	5,778	5,778	5,836	5,836	5,836	62,697
Minor Equipment	353	379	405	432	458	484	510	523	523	523	523	523	5,636
Postage	82	88	94	100	106	113	119	122	122	122	122	122	1,312
Printing	542	582	622	663	702	743	783	803	803	803	803	803	8,652
Public Relations	649	697	745	793	841	889	937	961	961	961	961	961	10,356
Purchased Services	1,114	1,126	1,139	1,151	1,163	1,175	1,187	1,193	1,193	1,193	1,193	1,193	14,020
Rent/Lease Expense	917	925	933	941	948	956	964	968	968	968	968	968	11,424
Supplies	928	996	1,066	1,135	1,202	1,272	1,340	1,375	1,375	1,375	1,375	1,375	14,814
Telephone	3,284	3,528	3,771	4,017	4,257	4,501	4,744	4,869	4,869	4,869	4,869	4,869	52,447
Travel	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Uniforms	57	62	66	70	74	79	83	85	85	85	85	85	916
Mileage	148	159	170	181	192	203	213	219	219	219	219	219	2,361
Utilities / Building / Maint. / Repairs	723	731	738	745	752	761	768	771	771	771	771	771	9,073
Depreciation & Amortization	714	714	714	714	714	714	714	714	714	714	714	714	8,580
Total Overhead	34,482	35,356	36,230	37,427	38,347	39,225	40,061	40,506	40,506	40,506	40,506	40,506	463,844
Total Expenses	167,005	170,099	173,199	178,601	181,721	184,824	187,883	203,259	203,259	203,317	203,317	203,317	2,259,813
Net Income	(22,914)	(15,798)	(8,761)	(5,013)	4,068	11,118	16,972	6,849	6,849	8,889	8,889	8,877	20,025

Clark County - Balance Sheets

	END OF YEAR ONE	END OF YEAR TWO	END OF YEAR THREE
ASSETS			
Current Assets			
Cash	\$ 88,183	\$ 75,957	\$ 63,243
Inventory	-	-	-
Accounts Receivable	88,102	140,541	214,927
Notes Receivable	-	-	-
Other:	-	-	-
Total Current Assets	176,285	216,498	278,170
Fixed and Other Assets			
Net Land and Buildings	-	-	-
Equipment	\$ 30,000	\$ 30,000	\$ 30,000
Less Acc. Depreciation	6,000	12,000	24,000
Net Equipment	24,000	18,000	6,000
Other:	\$ -	\$ -	\$ -
Total Fixed and Other Assets	24,000	18,000	6,000
Total Assets	\$ 200,285	\$ 234,498	\$ 284,170
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 26,152	\$ 38,901	\$ 56,913
Wages Payable	44,581	61,209	72,845
Current Maturities of L.T. Debt	-	-	-
Other:	-	-	-
Total Current Liabilities	70,733	100,110	129,758
Long-Term and Other Liabilities			
Mortgage Payable	-	-	-
Payable to Affiliates	-	-	-
Other: Due to Parent Company	900,000	1,200,000	1,200,000
Total Long-Term and Other Liabilities	970,733	1,300,110	1,329,758
Net Assets			
Common Stock	-	-	-
Additional Paid In Capital	-	-	-
Net Assets	-	-	-
Retained Earnings	(199,067)	(770,447)	(1,065,613)
Other: Current Earnings	(571,380)	(295,165)	20,025
Total Net Assets	(770,447)	(1,065,613)	(1,045,588)
Total Liabilities and Net Assets	\$ 200,285	\$ 234,498	\$ 284,170

EXHIBIT 8

**Bristol Hospice
Balance Sheet
October 31, 2018**

<u>Account Description</u>	<u>Natural Account</u>	<u>Bristol Cons.</u>
Petty Cash - General	1010	3,900.00
Cash - Wells Fargo Bank	1110	7,533,735.29
Cash - Chase Bank	1115	3,291,145.18
Cash - U.S. Bank	1120	9,299.00
Cash - ADP/US Bank Payroll Pay Cards	1130	73,493.41
Cash - Wells Fargo (Brighton)	1131	424,940.54
Cash - Key Bank	1137	44,187.72
Cash - Deposits in Transit	1154	12,969.19
Cash - Unrecorded Deposits	1155	(5,262.33)
Total Cash		11,388,388.00
A/R - Medicaid	1200	4,729,325.35
A/R - Medicare A	1230	21,019,164.47
A/R - Private	1250	11,382.51
A/R - Insurance	1270	2,061,199.27
A/R - Miscellaneous	1281	105,492.08
A/R - Miscellaneous (Patient Related)	1282	1,073,583.57
Allowance for Uncollectible	1280	(1,794,688.13)
Total Patient AR		27,205,456.12
Due from Bristol/Optimal	1397	-
Employee Advances	1400	4,666.16
Total Other Receivables		4,666.16
Due from Parent/Subsidiary	1398	65,583,374.23
Inter Company Receivable	1399	(984,037.00)
Total Intercompany Receivable		64,599,337.23
Prepaid Expenses	1460	1,230,823.19
Prepaid Insurance	1470	726,239.47
Prepaid Rent/Lease	1480	179,211.23
Investment in Subsidiary	1593	-
Deposits - Leases	1640	111,576.81
Deposits - Other	1650	108,332.88
Total Other Assets		2,356,183.58
Total Current Assets		105,554,031.09
Leasehold Improvements	1730	1,615,570.58
Accum. Depr. - Lease Impr	1735	(987,139.60)
Furniture and Fixtures	1740	793,777.45
Accum. Depr. - Furniture & Fix	1745	(449,246.78)
Equipment	1750	545,164.52
Equipment - Computer Equipment	1751	2,826,606.14
Accum. Depr. - Equipment	1755	(509,947.91)
Accum. Depr. - Equipment - Computer Equipment	1756	(2,239,606.13)
Computer Software	1770	158,293.28
Accum. Depr. - Computer Softw	1775	(82,153.68)
Total Fixed Assets		1,661,317.87
Goodwill	1810	260,913,223.48
Organization Costs	1830	1,094,040.37
Accum. Amort. - Org. Costs	1835	(15,431.01)
Loan Origination Fees	1840	2,829,855.69
Accum. Amort. - Loan Fees	1845	(70,746.39)
Identified Intangibles	1850	(0.00)
Accum. Amort. - Identified Intangibles	1855	-
Transactions in Process	1899	200,890.37
Total Intangible Assets		252,123,398.51
Total Assets		358,338,747.47

**Bristol Hospice
Balance Sheet
October 31, 2018**

<u>Account Description</u>	<u>Natural Account</u>	<u>Bristol Cons</u>
Trade Accounts-Dfht	2000	6,405,716.27
Accrued Expenses	2010	1,408,423.19
A/P - Miscellaneous	2015	202,625.00
Workers Compensation Payable	2030	614,004.06
Deferred Revenue	2080	318,900.36
Accrued Health Insurance	2090	9,389.78
Salaries & Wages Payable	2100	3,825,912.92
Accrued Bonus Payable	2105	378,000.00
FED and FICA W/H Payable	2120	156,106.00
State W/H Payable	2150	8,755.13
Accrued PTO	2171	2,684,100.25
401(K) Payable	2180	944,886.90
Foundation W/H Payable	2200	2,948.25
Vision Ins. Payable	2245	1,606.19
Insurance Payable - Life/AD&D	2250	54,619.64
Insurance Payable - Dental	2251	29,947.31
AD&D Insurance Payable - Aetna	2252	(3,972.00)
Critical Illness Plan Payable	2253	739.05
Hospital Indemnity Plan Payable	2254	(96.18)
Insurance Payable - Life/AD&D	2255	1,386.05
Identity Theft Plan Payable	2256	(7,156.29)
Legal Plan Payable	2257	125.88
Insurance Payable - Accident	2260	(52,332.72)
DCAP Payable	2265	43,687.33
Insurance Payable - ST/LT Disability	2270	13,220.79
Garnishments Payable	2275	8,904.52
Patient Refunds Payable	2450	160,377.27
Total Payables		17,210,824.96
Due to Parent/Subsidiary	2398	64,996,205.17
Inter-Company Payable	2399	396,867.94
Total Intercompany Payable		64,699,337.23
Current Portion - LT Debt	2490	22,629.90
Total Current Debt		22,629.90
Total Current Liabilities		81,832,792.09
N/P - Brightwood LTD	2507	29,000,000.00
N/P - CIT	2508	99,832,500.00
Total Long Term Debt		128,832,500.00
Total Long Term Liabilities		128,832,500.00
Equity		
Webster Equity	2900	147,739,395.52
Common Stock	2902	344,821.78
Dividends Paid	2940	(9,053,508.00)
Distribution/Contribution - Inter-Co	2941	(39,409,338.99)
Retained Earnings	2950	49,162,590.03
Current Earnings		110,504.98
Total Equity		148,673,455.38
Total Liabilities & Equity		359,338,747.47

EXHIBIT 9

Clark County area start up

SCHEDULE 1: ESTIMATED PROVIDER COSTS AND SOURCE OF FUNDS

		Year 1	Year 2	Year 3
		Additional Capital Expenditures	Additional Capital Expenditures	Additional Capital Expenditures
Pre-Opening Costs (total funds needed)				
1	Equipment Purchases	\$ 30,000	\$ -	\$ -
2	Legal Costs/Consulting	7,500	-	-
3	License Fee	5,000	-	-
<i>Staffing</i>				
4	Recruitment - including hiring costs and salary through startup phase	141,500	-	-
5	Other - Contingency	30,000	-	-
	Total Pre-Opening Costs (Sum of Lines 1-13)	\$ 214,000	\$ -	\$ -
Source of Funds				
1	Cash on Hand	\$ -	\$ -	\$ -
2	Non-related Financing	-	-	-
3	Owners/Investors	-	-	-
4	Parent or Affiliated Entities	214,000	-	-
5	Other (describe)	-	-	-
	Total Source of Funds	\$ 214,000	\$ -	\$ -

No additional capital expenditures are anticipated. Any computers/office equipment that needs to be replaced can be funded by parent company.



EXHIBIT 10



**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2016 and 2015

**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES**

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Bristol Hospice, LLC and Subsidiaries
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bristol Hospice, LLC and Subsidiaries (the Company), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bristol Hospice, LLC and Subsidiaries as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 12 to the consolidated financial statements, the Company has changed its accounting policy for accounting for debt issuance costs by adopting the provisions of FASB Accounting Standards Update 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. Accordingly the 2015 financial statements have been restated to adopt this update. Our opinion is not modified with respect to this matter.

Eide Bailly LLP

Salt Lake City, Utah
April 5, 2017

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

	2016	As Restated 2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,006,615	\$ 5,271,660
Receivables:		
Patient, net	12,632,482	10,677,026
Prepaid expenses	267,150	249,619
Total Current Assets	14,906,247	16,198,305
Property and Equipment, Net	325,657	340,829
Other Assets		
Note receivable	325,000	325,000
Intangibles, net	1,823,043	1,772,566
Investment in unconsolidated joint ventures	500,000	500,000
Deposits	56,474	52,431
Total Other Assets	2,704,517	2,649,997
Total Assets	\$ 17,936,421	\$ 19,189,131
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 2,229,112	\$ 1,890,750
Due to Avalon Health Care, Inc.	118,020	1,674,463
Accrued wages and payroll taxes	1,840,017	1,952,063
Current portion of long-term debt net of deferred loan costs	877,595	48,602
Other accrued expenses	455,597	223,998
Total Current Liabilities	5,520,341	5,789,876
Long-Term Liabilities		
Lines of credit	1,884,141	-
Long-term debt, net of current portion and deferred loan costs	295,420	5,205,072
Long-Term Liabilities	2,179,561	5,205,072
Total Liabilities	7,699,902	10,994,948
Member's Equity		
Retained earnings	11,067,326	8,699,305
Total member's equity of Bristol Hospice, LLC	11,067,326	8,699,305
Noncontrolling interest	(830,807)	(505,122)
Total Member's Equity	10,236,519	8,194,183
Total Liabilities and Member's Equity	\$ 17,936,421	\$ 19,189,131

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	As Restated 2015
REVENUE		
Net patient care revenue	\$ 58,443,397	\$ 51,545,964
Management fees	90,000	229,575
Other, primarily consulting	7,225	4,921
Total Revenue	58,540,622	51,780,460
OPERATING EXPENSE		
Wages and payroll taxes	32,117,577	27,301,585
General and administrative	15,170,989	14,095,027
Rents and leases	3,677,108	3,661,813
Supplies	1,734,188	1,526,828
Utilities	587,695	511,544
Purchased services	560,926	504,652
Contract services	258,458	593,697
Repairs and maintenance	45,193	124,854
Depreciation	110,346	167,746
Amortization of intangible assets	89,979	95,821
Total Operating Expenses	54,352,459	48,583,567
Operating Income	4,188,163	3,196,893
OTHER INCOME (EXPENSE)		
Interest income	22,413	7,705
Interest expense	(528,240)	(725,890)
Gain on sale of joint venture interest	-	361,478
Total Other Income (Expense)	(505,827)	(356,707)
Net Income Before Noncontrolling Interest	3,682,336	2,840,186
Add Loss Attributable to Noncontrolling Interest	185,685	331,437
Net Income Attributable to Bristol Hospice, LLC and Subsidiaries	\$ 3,868,021	\$ 3,171,623

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>Retained Earnings</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance - December 31, 2014	\$ 6,527,682	\$ (813,685)	\$ 5,713,997
Cash contributed by joint venture partners	-	640,000	640,000
Dividend payment to Avalon Health Care, Inc.	(1,000,000)	-	(1,000,000)
Net income (loss)	<u>3,171,623</u>	<u>(331,437)</u>	<u>2,840,186</u>
Balance - December 31, 2015	8,699,305	(505,122)	8,194,183
Distribution to joint venture partners	-	(140,000)	(140,000)
Dividend payment to Avalon Health Care, Inc.	(1,500,000)	-	(1,500,000)
Net income (loss)	<u>3,868,021</u>	<u>(185,685)</u>	<u>3,682,336</u>
Balance - December 31, 2016	<u>\$ 11,067,326</u>	<u>\$ (830,807)</u>	<u>\$ 10,236,519</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>As Restated 2015</u>
Cash Flows From Operating Activities		
Net income before noncontrolling interest	\$ 3,682,336	\$ 2,840,186
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation	110,346	167,746
Amortization of intangible assets	89,979	95,821
Amortization of loan fees included in interest expense	59,107	51,512
Gain on sale of joint venture interest	-	(361,478)
(Increase) decrease in operating assets:		
Patient receivables	(1,955,456)	1,344,303
Prepaid expenses	(17,531)	(151,970)
Deposits	(4,043)	-
Increase (decrease) in operating liabilities:		
Checks written in excess of cash	-	(186,697)
Accounts payable	338,362	124,402
Due to Avalon Health Care, Inc.	(1,556,443)	1,248,155
Accrued wages and payroll taxes	(112,046)	403,493
Deferred revenue	-	(23,244)
Other accrued expenses	281,598	(28,790)
Net Cash From Operating Activities	<u>916,209</u>	<u>5,523,439</u>
Cash Flows From Investing Activities		
Cash received from note receivable	-	153,125
Cash received from the sale of joint venture interest	-	50,000
Cash paid for the acquisition of property and equipment	(95,174)	(59,015)
Cash paid for the acquisition of intangible assets	(190,456)	(67,014)
Cash contributed by (distribution paid to) joint venture partners	(140,000)	640,000
Net Cash From Investing in Activities	<u>(425,630)</u>	<u>717,096</u>
Cash Flows From Financing Activities		
Net proceeds (payments) on line of credit	1,884,141	(227,422)
Cash paid for financing costs on debt	(68,352)	-
Dividend payment to Avalon Health Care, Inc.	(1,500,000)	(1,000,000)
Proceeds from issuance of long-term debt	2,000,000	-
Principle payments on long-term debt	(6,071,413)	(54,387)
Net Cash From Financing Activities	<u>(3,755,624)</u>	<u>(1,281,809)</u>
Net change in cash	(3,265,045)	4,958,726
Cash at the beginning of the year	5,271,660	312,934
Cash at the end of the year	<u>\$ 2,006,615</u>	<u>\$ 5,271,660</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Supplemental Disclosure of Non-cash Investing and Financing Activities	<u>2016</u>	<u>As Restated 2015</u>
Acquisition of note receivable in exchange for sale of business interest	<u>\$ -</u>	<u>\$ 325,000</u>
Interest paid during year	<u>\$ 494,857</u>	<u>\$ 625,197</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

NOTE 1 – ORGANIZATION

Bristol Hospice, LLC (the Company) was incorporated under the laws of the State of Utah on October 12, 2005 and is a wholly owned subsidiary of Avalon Health Care, Inc. (Avalon). Together with its subsidiaries, the Company operates ten hospices within Utah, California, Hawaii, Georgia, Oklahoma, Oregon and Texas.

Principles of Consolidation— The consolidated financial statements include the accounts of those subsidiaries controlled directly by Bristol Hospice, LLC. In accordance with generally accepted accounting principles for the consolidation of variable interest entities (VIEs), the accompanying consolidated financial statements also include Bristol Hospice-East, LLC, Bristol Hospice-Stillwater, LLC and Bristol Hospice and Homecare-Northwest, LLC. The Company has a 50% interest in Bristol Hospice-East, LLC, Bristol Hospice-Stillwater and Bristol Hospice and Homecare-Northwest, LLC. All significant inter-company transactions and balances, including those involving these VIEs have been eliminated in consolidation.

The Company applies the guidance that outlines the consolidation of VIEs. This guidance requires the consolidation of these VIEs by the primary beneficiary of the entity. The primary beneficiary is the entity, if any, that has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb the losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. This resulted in the consolidation of the three VIEs mentioned above. The accompanying financial statements are presented as though the Company and the VIEs were consolidated for all periods presented.

The impact of consolidating the three VIEs mentioned above on the Company's consolidated balance sheets was an increase in the Company's assets and liabilities of \$3,343,604 and \$2,153,165, respectively as of December 31, 2016 and \$2,909,753 and \$2,112,640, respectively as of December 31, 2015.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents— For purposes of the statements of cash flows, the Company considers all cash on hand and in banks and all highly liquid investments, including restricted cash, with a maturity of three months or less to be cash and cash equivalents.

Receivables—The Company has receivables from its patients, all of whom are hospice patients. An allowance for uncollectible accounts and third party payer adjustments is established by charges to operations to maintain an adequate allowance as determined by management to cover anticipated losses. In evaluating the collectability of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and third party payer adjustments. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. The Company's process for calculating the allowance for uncollectible accounts has not changed significantly from December 31, 2015 to December 31, 2016. Individual accounts receivable are charged

to the allowance when collection appears doubtful. At such time, the accounts are referred to collection agencies. Contractual allowances are recorded at the time revenue is recognized. The provision for doubtful accounts is included in general and administrative expense on the accompanying statements of operations.

Property and Equipment—Property and equipment acquisitions in excess of \$1,500 are capitalized and stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the property, generally 3 to 10 years for furniture and equipment. Repairs and maintenance costs are expensed as incurred except when such repairs significantly add to the useful life or productive capacity of the asset, in which case the repairs are capitalized.

Investment in Unconsolidated Joint Ventures—Investments in unconsolidated joint ventures consist of investments accounted for under the cost method for which the Company does not hold a controlling interest or exercise significant influence.

Advertising Expense—The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended December 31, 2016 and 2015 was \$40,300 and \$23,409, respectively.

Impairment of Long-Lived Assets—The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The Company uses an estimate of future undiscounted net cash flows from the related asset or group of assets over their remaining life in measuring whether the assets are recoverable. As of December 31, 2016 and 2015, the Company did not consider any of its long-lived assets to be impaired.

Income Taxes— The Company is a wholly owned subsidiary of Avalon, and as such, all income and expense of the Company are included on either Avalon's or the Company's joint venture Member's annual income tax returns. Avalon has elected to be treated for income tax purposes as a subchapter S Corporation. Therefore, all income and losses of the Company are passed-through to the common shareholders of Avalon and reported by them individually. Therefore, no provision or benefit for income taxes has been included in the accompanying financial statements. The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2016 and 2015, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Patient Care Revenue—Revenue is reported net of contractual adjustments and is derived from services provided by the Company to patients who are directly responsible for payment, or who are covered by various insurance or managed care programs. The Company receives payments on behalf of its patients from the Federal government under the Medicare program, State governments under the Medicaid programs, insurance companies, HMOs, PPOs and other managed care providers. Payments received under these programs are based on predetermined rates or the cost of services.

For hospice patients who reside in skilled nursing facilities under Medicare and state Medicaid programs, the Company is responsible to bill Medicaid for the room and board expense of the skilled nursing facility and correspondingly, pay the skilled nursing facility for the patients' room and board expense. Such expenses are presented as deductions to net patient care revenue in the accompanying consolidated statements of operations.

Laws and regulations governing Medicare and Medicaid are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation and retroactive adjustment. Noncompliance could result in regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

Fair Value of Financial Instruments— The Company’s financial instruments consist of cash and cash equivalents, receivables, payables, and long-term debt. The carrying amount of cash, receivables and payables approximates fair value due to the short-term nature of these items. The aggregate carrying amount of the long-term debt approximates fair value as the individual borrowings bear interest at or near market interest rates.

Credit Risk— Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of accounts receivable. In the normal course of business, the Company provides credit to its patients and parties paying on behalf of patients, including government agencies and insurance companies. Accordingly, the Company performs ongoing evaluations of its receivables and maintains allowances for possible losses. Also, the Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Policy—As of January 1, 2016 the Company adopted the provisions of Accounting Standards Update (ASU) 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This update requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct reduction from the carrying amount of that debt liability. Adoption of this accounting standard update required retroactive application by restating the 2015 financial statements.

The Company has adopted this standard as management believes this presentation more accurately reflects the costs of borrowing for arrangements in which debt issuance costs are incurred. The implementation resulted in the decrease of assets and long-term debt of \$151,073 as of December 31, 2015, and an increase in interest expense and a decrease in amortization expense of \$51,512 for the year ended December 31, 2015.

Recent Accounting Pronouncements—The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which will be effective for the Company’s financial statements during the period ending December 31, 2019. This new standard amends much of the existing accounting guidance on revenue recognition. The core principle of the new guidance is that the Company should recognize revenue to match the transfer of promised goods or services to the customer in an amount that reflects the consideration in exchange for those goods or services. The Company is still considering what effect, if any, that this new guidance will have on the Company’s financial statements and policies for recognizing revenue.

In January 2016, FASB issued ASU 2016-01, *Financial Instruments-Overall*. This update provides amendments that address aspects of recognition, measurement, presentation and disclosure of financial instruments. The Company is still considering what effect, if any, that this new guidance will have on the Company’s financial statements and policies.

In February 2016, FASB issued ASU No. 2016-02, *Leases*. Under the new guidance, the lessee will recognize an asset representing its right to use the leased asset for the lease term (the ‘right-of-use’ asset) and a lease liability for lease terms greater than one year. The lease liability would be measured at the present value of future lease payments, utilizing the organization’s incremental borrowing rate. Non-public organizations will have an election to utilize a term-appropriate risk-free rate. Substantially all leases currently considered operating leases will now be recorded on the balance sheet upon implementation of this standard. The new standard requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company is currently evaluating how this new guidance will impact the Company’s consolidated financial statements and currently anticipates that the adoption of this new standard could have a significant effect on the Company’s assets and liabilities.

NOTE 3 – PATIENT RECEIVABLES

Patient receivables consist of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Patient receivables	\$ 13,861,695	\$ 11,570,820
Allowance for doubtful accounts	(1,229,213)	(893,794)
Patient receivables, net	<u>\$ 12,632,482</u>	<u>\$ 10,677,026</u>

Patient receivables arise mainly from providing services to patients and are receivable from the patients or third parties such as Medicare, Medicaid, or insurance companies. Patient receivables have been pledged to secure two lines of credit as more fully described in Note 9.

During the years ending December 31, 2016 and 2015, the Company recognized \$1,219,603 and \$1,247,353 of bad debt expense, respectively, which is included in general and administrative expense on the accompanying consolidated statements of operations.

NOTE 4 – RELATED PARTY TRANSACTIONS

During 2016 and 2015, the Company incurred management fee expense of \$1,214,982 and \$1,108,247, respectively, for services performed by Avalon, the sole member (owner) of the Company. The management fee expense is included as an operating expense under the caption “general and administrative” in the accompanying consolidated statements of operations. During 2016 and 2015, the Company paid rent to Avalon totaling \$178,480 in both years for lease of office space. For the years ended December 31, 2016 and 2015, the Company owed Avalon \$118,020 and \$1,674,463, respectively, which is included as a current liability under the caption “Due to Avalon Health Care, Inc.” in the accompanying consolidated balance sheets. During 2016 and 2015 the Company distributed \$1,500,000 and \$1,000,000, respectively, to Avalon which is reflected as a distribution to Avalon on the accompanying consolidated statement of changes in stockholder’s equity.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Buildings and improvements	\$ 53,710	\$ 57,437
Furniture and equipment	589,391	522,968
	<u>643,101</u>	<u>580,405</u>
Accumulated Depreciation:	(317,444)	(239,576)
	<u>\$ 325,657</u>	<u>\$ 340,829</u>

Depreciation expense for the years ended December 31, 2016 and 2015 was \$110,346 and \$167,746, respectively.

NOTE 6 – INTANGIBLE ASSETS

Intangible assets consist of loan origination fees relating to the Company's lines of credit and a license to operate a hospice program. Loan origination fees include costs incurred to secure lines of credit financing. The license relates to the fair value of the licenses to operate hospice facilities in various states at the time of acquisition of various facilities. The license is not amortized as the life is indeterminable.

Intangible assets consisted of the following at December 31, 2016 and 2015:

	<u>2016</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Loan Origination Fees	\$ (9,935)	\$ 12,522	\$ 2,587
Licenses to operate nursing homes	1,820,456	-	1,820,456
	<u>\$ 1,810,521</u>	<u>\$ 12,522</u>	<u>\$ 1,823,043</u>
	<u>2015</u>		
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net</u>
Loan Origination Fees	\$ 281,722	\$ (189,156)	\$ 92,566
Licenses to operate nursing homes	1,680,000	-	1,680,000
	<u>\$ 1,961,722</u>	<u>\$ (189,156)</u>	<u>\$ 1,772,566</u>

Amortization expense as reflected on the accompanying consolidated statements of operations for the years ended December 31, 2016 and 2015 was \$89,979 and \$95,821, respectively. In accordance with the adoption of Accounting Standards Update (ASU) 2015-03, *Simplifying the Presentation of Debt Issuance Costs*, amortization of long term debt loan fees of \$59,107 in 2016 and \$51,512 in 2015 is recorded as

interest expense on the accompanying consolidated statements of operations. Estimated amortization expense for each of the five succeeding years is as follows:

<u>Year Ending</u> <u>December 31,</u>	
2017	\$ 1,699
2018	562
2019	135
2020	135
2021	56
	<u>\$ 2,587</u>

NOTE 7 – LONG-TERM DEBT

During 2016, the Company borrowed \$2 million from a financial institution as part of a refinancing of a \$5.5 million note payable originally due in 2018. The new note requires monthly principal payments of \$83,333 plus monthly interest payments at the rate of LIBOR +3.5%, with a LIBOR floor of 0%, a rate of 4.1% as of December 31, 2016. This loan is secured by the assets of the Company and guaranteed by Avalon Health Care, Inc. At December 31, 2016, the balance on the loan is \$1,173,015, net of unamortized deferred loan costs of \$160,499, based upon an effective interest rate of 6.5%.

NOTE 8 – SIGNIFICANT SOURCES OF REVENUE AND RECEIVABLES

A small number of sources represent a significant portion of the Company's revenues and receivables. Significant sources of revenue and receivables consist of the following for the years ended December 31, 2016 and 2015:

	2016	
	<u>Revenue</u>	<u>Receivable</u>
Medicaid	\$ 1,992,112	\$ 4,174,923
Medicare	54,195,808	6,661,062
	<u>\$ 56,187,920</u>	<u>\$ 10,835,985</u>
	2015	
	<u>Revenue</u>	<u>Receivable</u>
Medicaid	\$ 2,035,233	\$ 3,510,793
Medicare	46,559,309	5,294,425
	<u>\$ 48,594,542</u>	<u>\$ 8,805,218</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Lines of Credit— The Company has a line of credit (Line A) totaling \$6,000,000. The line expires June 30, 2019 and carries an interest rate of LIBOR plus 3.5% (a rate of 4.1% at December 31, 2016) and a LIBOR floor of 0%. The Company also has a second line of credit (Line B) in the amount of \$2,000,000. The line expires June 30, 2019 and carries an interest rate of LIBOR plus 3.5% (a rate of 4.1% at December 31, 2016) and a LIBOR floor of 0%. Both of these lines are secured by the assets of the borrowers in those lines, including patient receivables. As of December 31, 2016 and 2015 the balance on Line A was \$1,884,141 and \$0, respectively. As of December 31, 2016 and 2015 the balance on Line B was \$0 and \$0, respectively.

Lease Obligations—The Company’s hospice programs lease office space and certain office equipment under non-cancelable lease agreements with unrelated parties.

Estimated future minimum lease payments under all non-cancelable lease obligations with initial or remaining terms in excess of one year are as follows:

December 31,	
2017	\$ 995,901
2018	416,025
2019	154,445
2020	128,482
2021	127,806
Thereafter	21,405
	<u>\$ 1,844,064</u>

In addition to these non-cancellable leases, the Company rents various equipment to care for patients, as needed. Total rents and lease expense under operating leases for the year ended December 31, 2016 and 2015 was \$3,677,108 and \$3,661,813, respectively.

Financial Covenants— In connection with the long term debt and line of credit agreements described above, the Company has made financial covenants to the creditors that require, among other things:

Line A and Long Term Debt

1. Cash Velocity - collect not less than 80% of the net revenue plus room and board billings over the preceding five months.
2. Fixed Charge Coverage Ratio – 1.7 or higher
3. Consolidated Total Leverage Ratio – 2.0 or lower
4. Adjusted EBITDA - \$3,700,000 or higher
5. Capital Expenditures – Maximum of \$275,000 on Electronic Medical Records and \$150,000 on other equipment.

Line B

1. Cash Velocity – same as Line A.
2. Fixed Charge Coverage Ratio – 1.25 or higher

At December 31, 2016 and 2015, the Company was in compliance with all of the above financial covenants.

Litigation—The Company is engaged in various lawsuits and claims, either as plaintiff or defendant, in the normal course of business. In the opinion of management, based upon advice of counsel, the ultimate outcome of these lawsuits will not have a material impact on the Company’s financial position or results of operations.

Liability Insurance Deductible and Corridor Requirements—The Company maintains a professional, general and employee benefit liability insurance policy through Lloyds of London wherein each of the Company’s programs are insured up to an aggregate limit of \$10,000,000 per year subject to a \$250,000 per claim deductible and a loss corridor totaling \$1,000,000.

NOTE 10 – EMPLOYEE BENEFIT PLANS

The Company participates in Avalon's defined contribution retirement plan for full-time employees who are at least 21 years old. Employees may sign up for this plan, once they have completed their eligibility period or during open enrollment. The plan provides that participants may contribute between 1 to 15% of pre-tax annual compensation.

NOTE 11 – SALE/PURCHASE OF BUSINESS PROPERTIES OR INTERESTS

During 2015, the Company entered into a joint venture agreement to own and operate an existing hospice program in Oklahoma. The Company has a 50% interest in this joint venture with a hospital chain in the Oklahoma area being the other 50% partner. Upon inception of the joint venture, the preceding Hospice program transferred approximately twenty patients to the newly formed joint venture. An initial contribution was not required of the Company and the hospital chain funded the joint venture with \$350,000 of cash. The joint venture is accounted for as a consolidated VIE and is included in our Bristol Hospice-Stillwater VIE in the financial statements.

On March 31, 2015 the Company discontinued its home care operation located in Salt Lake City, UT. The home care operation was closed due to continuing operational losses.

On September 30, 2015 Bristol Hospice and Homecare-Northwest, LLC sold its home care operation located in Portland, OR to a 50% owner of the joint venture for \$50,000 cash and a \$325,000 note receivable. The note is reflected on the accompanying balance sheets and requires quarterly interest payments of 5% with all principal due on October 1, 2018.

NOTE 12 – RESTATEMENT RESULTING FROM CHANGE IN ACCOUNTING POLICY

As disclosed in Note 2, on January 1, 2016 the Company adopted the provisions of Accounting Standards Update (ASU) 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. The following is a summary of the effects of the change in accounting policy on the Company's December 31, 2015 financial statements.

	December 31, 2015 Balance As Previously Reported	Change in Accounting Principle	December 31, 2015 Restated Balance
<i>Balance Sheet</i>			
Intangibles, net	\$ 1,923,639	(151,073)	\$ 1,772,566
Total other assets	2,801,070	(151,073)	2,649,997
Total assets	19,340,204	(151,073)	19,189,131
Current portion of long term debt net of deferred loan costs	50,000	(1,398)	48,602
Total Current Liabilities	5,791,274	(1,398)	5,789,876
Long-term debt, net of current portion and deferred loan costs	5,354,747	(149,675)	5,205,072
Total long-term liabilities	5,354,747	(149,675)	5,205,072
Total liabilities	11,146,021	(151,073)	10,994,948
Total liabilities and member's deficit	19,340,204	(151,073)	19,189,131
<i>Statement of Operations</i>			
Amortization of intangible assets	147,333	(51,512)	95,821
Total Operating Expenses	48,635,079	(51,512)	48,583,567
Operating income	3,145,381	51,512	3,196,893
Interest Expense	(674,378)	(51,512)	(725,890)
Total Other Income (Expense)	(305,195)	(51,512)	(356,707)
<i>Statement of Cash Flows</i>			
Amortization of intangible assets	147,333	(51,512)	95,821
Amortization of loan fees included in interest expense	-	51,512	51,512

NOTE 13 – SUBSEQUENT EVENTS

The Company has evaluated the accompanying consolidated financial statements for subsequent events through April 5, 2017, the date the consolidated financial statements were available to be issued.

Accounts Payable Voucher Register

700 CHECK REQUEST

Batch:	APVO-0026990	Journal:	AP-030589	Post Date:	12/27/2018								
Voucher No.	Vendor	Invoice Date	Vendor Name	Payment Terms	Due Date	Disc Date	Vendor Class	Hold Pmt	Purchase	Freight	Sales Tax	Discount	Total Amount
7230101304 X12082018-IN	A5099	11/30/2018	AT&T MOBILITY	00	11/30/2018		UTILITIES	No	1,895.27	0.00	0.00	0.00	1,895.27
Comments: 287286460939													
Report Total:												<u>1,895.27</u>	



**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES**

**INDEPENDENT AUDITOR'S REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2017 and 2016

**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES**

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors
Bristol Hospice, LLC and Subsidiaries
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bristol Hospice, LLC and Subsidiaries (the Company), which comprise the balance sheets as of December 31, 2017 (successor) and 2016 (predecessor), and the related statements of operations, members' equity, and cash flows for the period from January 1, 2017 through November 30, 2017 (predecessor) and from December 1, 2017 through December 31, 2017 (successor) and for the year ended December 31, 2016 (predecessor), and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Bristol Hospice, LLC and Subsidiaries as of December 31, 2017 (successor) and 2016 (predecessor), and the results of their operations and their cash flows for the period from January 1, 2017 through November 30, 2017 (predecessor) and from December 1, 2017 through December 31, 2017 (successor) and for the year ended December 31, 2016 (predecessor) in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters**Business Combination**

As discussed in Note 1 to the consolidated financial statements, effective November 30, 2017, there was a change in ownership of the Company. As a result of the change in ownership the Company elected to apply pushdown accounting. As a result of applying pushdown accounting, the financial information for the Successor periods is presented on a different cost basis than that for the Predecessor periods. Our opinion is not modified with respect to this matter.

Correction of Error

As discussed in Note 11 to the consolidated financial statements, certain errors resulting in an overstatement of amounts previously reported for net patient service revenue and an understatement of accrued expenses as of and for the year ended December 31, 2016, were discovered by management of the Company during the current year. Accordingly, amounts reported for net patient service revenue and accrued expenses have been restated in the 2016 financial statements now presented, and an adjustment has been made to retained earnings as of December 31, 2016, to correct the error. Our opinion is not modified with respect to this matter.



Salt Lake City, Utah
May 31, 2018

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	Successor	Predecessor
	2017	As Restated 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 5,001,465	\$ 2,006,615
Receivables:		
Patient, net	13,188,576	12,632,482
Prepaid expenses	451,488	267,150
Total Current Assets	18,641,529	14,906,247
Property and Equipment, Net	456,435	325,657
Other Assets		
Note receivable	-	325,000
Intangibles, net	1,796,093	1,823,043
Goodwill	70,879,585	-
Investment in unconsolidated joint ventures	-	500,000
Deposits	70,962	56,474
Total Other Assets	72,746,640	2,704,517
Total Assets	\$ 91,844,604	\$ 17,936,421
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 3,952,908	\$ 2,229,112
Due to Avalon Health Care, Inc.	-	118,020
Accrued wages and payroll taxes	2,586,496	1,840,017
Current portion of long-term debt net of deferred loan costs	403,750	877,595
Estimated third party payer settlements payable	1,275,000	800,000
Other accrued expenses	1,918,750	455,597
Lines of credit	1,000,000	-
Total Current Liabilities	11,136,904	6,320,341
Long-Term Liabilities		
Lines of credit	-	1,884,141
Long-term debt, net of current portion and deferred loan costs	39,971,250	295,420
Long-Term Liabilities	39,971,250	2,179,561
Total Liabilities	51,108,154	8,499,902
Member's Equity		
Member's equity of Bristol Hospice, LLC	40,736,450	10,267,326
Noncontrolling interest	-	(830,807)
Total Member's Equity	40,736,450	9,436,519
Total Liabilities and Member's Equity	\$ 91,844,604	\$ 17,936,421

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE SUCCESSOR PERIOD DECEMBER 1, 2017 THROUGH DECEMBER 31, 2017 AND
FOR THE PREDECESSOR PERIOD JANUARY 1, 2017 THROUGH NOVEMBER 30, 2017 AND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Successor	Predecessor	
	December 1, 2017 through December 31, 2017	January 1, 2017 through November 30, 2017	As Restated 2016
REVENUE			
Net patient care revenue	\$ 6,153,453	\$ 61,892,648	\$ 57,643,397
Management fees	-	-	90,000
Other	-	-	7,225
Total Revenue	<u>6,153,453</u>	<u>61,892,648</u>	<u>57,740,622</u>
OPERATING EXPENSE			
Wages and payroll taxes	2,919,143	36,769,771	32,117,577
General and administrative	1,449,370	15,816,565	15,170,989
Rents and leases	311,125	3,302,779	3,677,108
Supplies	177,564	1,689,214	1,734,188
Utilities	52,056	582,227	587,695
Purchased services	78,749	794,955	560,926
Contract services	38,216	269,674	258,458
Repairs and maintenance	541	36,156	45,193
Depreciation	15,518	132,251	110,346
Amortization of intangible assets	25,000	-	89,979
Total Operating Expenses	<u>5,067,282</u>	<u>59,393,592</u>	<u>54,352,459</u>
Operating Income	<u>1,086,171</u>	<u>2,499,056</u>	<u>3,388,163</u>
OTHER INCOME (EXPENSE)			
Interest income	-	13,734	22,413
Interest expense	(291,702)	(468,858)	(528,240)
Gain on sale of joint venture interest	-	773,025	-
Total Other Income (Expense)	<u>(291,702)</u>	<u>317,901</u>	<u>(505,827)</u>
Net Income Before Noncontrolling Interest	<u>794,469</u>	<u>2,816,957</u>	<u>2,882,336</u>
Add Net Loss (Subtract Net Income)			
Attributable to Noncontrolling Interest	<u>-</u>	<u>(1,350,031)</u>	<u>185,685</u>
Net Income Attributable to Bristol Hospice, LLC and Subsidiaries	<u>\$ 794,469</u>	<u>\$ 1,466,926</u>	<u>\$ 3,068,021</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF MEMBER'S EQUITY
FOR THE SUCCESSOR PERIOD DECEMBER 1, 2017 THROUGH DECEMBER 31, 2017 AND
FOR THE PREDECESSOR PERIOD JANUARY 1, 2017 THROUGH NOVEMBER 30, 2017 AND
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Member's Equity</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Predecessor			
Balance - December 31, 2015	\$ 8,699,305	\$ (505,122)	\$ 8,194,183
Distribution to joint venture partners	-	(140,000)	(140,000)
Distribution payment to Avalon Health Care, Inc.	(1,500,000)	-	(1,500,000)
Net income (loss) as restated	<u>3,068,021</u>	<u>(185,685)</u>	<u>2,882,336</u>
Balance - December 31, 2016 as restated	10,267,326	(830,807)	9,436,519
Distribution payment to Avalon Health Care, Inc.	(546,288)	-	(546,288)
Distribution to joint venture partners	-	(1,750,000)	(1,750,000)
Purchase of minority joint venture interest	-	(62,248)	(62,248)
Net income	<u>1,466,926</u>	<u>1,350,031</u>	<u>2,816,957</u>
Balance - November 30, 2017	11,187,964	(1,293,024)	9,894,940
Pushdown capital from acquisition	<u>28,754,017</u>	<u>1,293,024</u>	<u>30,047,041</u>
Successor			
Balance - December 1, 2017	39,941,981	-	39,941,981
Net income	<u>794,469</u>	<u>-</u>	<u>794,469</u>
Balance - December 31, 2017	<u>\$ 40,736,450</u>	<u>\$ -</u>	<u>\$ 40,736,450</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SUCCESSOR PERIOD DECEMBER 1, 2017 THROUGH DECEMBER 31, 2017 AND
FOR THE PREDECESSOR PERIOD JANUARY 1, 2017 THROUGH NOVEMBER 30, 2017 AND
FOR THE YEAR ENDED DECEMBER 31, 2016

	Successor	Predecessor	
	December 1, 2017 through December 31, 2017	January 1, 2017 through November 30, 2017	As Restated 2016
Cash Flows From Operating Activities			
Net income before noncontrolling interest	\$ 794,469	\$ 2,816,957	\$ 2,882,336
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	15,518	132,251	110,346
Amortization of intangible assets	25,000	-	89,979
Amortization of loan costs included in interest expense	-	160,319	59,107
(Increase) decrease in operating assets:			
Patient receivables	(66,000)	(490,094)	(1,955,456)
Prepaid expenses	(97,250)	(87,088)	(17,531)
Deposits	5,238	(19,726)	(4,043)
Increase (decrease) in operating liabilities:			
Accounts payable	1,151,912	571,884	338,362
Due to Avalon Health Care, Inc.	-	(118,020)	(1,556,443)
Accrued wages and payroll taxes	(3,849,668)	4,221,622	(112,046)
Estimated third party payer settlements payable	33,333	441,667	800,000
Other accrued expenses	82,288	1,380,866	281,598
Net Cash Flows From Operating Activities	<u>(1,905,160)</u>	<u>9,010,638</u>	<u>916,209</u>
Cash Flows From Investing Activities			
Cash paid for the acquisition of property and equipment	-	(278,547)	(95,174)
Cash paid for the acquisition of intangible assets	(88,733)	(54,585)	(190,456)
Net Cash From Investing in Activities	<u>(88,733)</u>	<u>(333,132)</u>	<u>(285,630)</u>
Cash Flows From Financing Activities			
Net proceeds (payments) on line of credit	1,000,000	(1,884,141)	1,884,141
Cash paid for loan costs on debt	-	-	(68,352)
Distribution payment to Avalon Health Care, Inc.	-	(46,288)	(1,500,000)
Cash distribution to joint venture partners	-	(1,425,000)	(140,000)
Proceeds from issuance of long-term debt	-	-	2,000,000
Principle payments on long-term debt	-	(1,333,334)	(6,071,413)
Net Cash From Financing Activities	<u>1,000,000</u>	<u>(4,688,763)</u>	<u>(3,895,624)</u>
Net change in cash	(993,893)	3,988,743	(3,265,045)
Cash at the beginning of the year	5,995,358	2,006,615	5,271,660
Cash at the end of the year	<u>\$ 5,001,465</u>	<u>\$ 5,995,358</u>	<u>\$ 2,006,615</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRISTOL HOSPICE, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SUCCESSOR PERIOD DECEMBER 1, 2017 THROUGH DECEMBER 31, 2017 AND
FOR THE PREDECESSOR PERIOD JANUARY 1, 2017 THROUGH NOVEMBER 30, 2017 AND
FOR THE YEAR ENDED DECEMBER 31, 2016

Supplemental Disclosure of Non-cash Investing and Financing Activities	Successor	Predecessor	
	December 1, 2017 through December 31, 2017	January 1, 2017 through November 30, 2017	As Restated 2016
Interest paid during year	\$ 128,797	\$ 495,385	\$ 494,857

Noncash Investing and Financing Activities:

During the period from January 1, 2017 through November 30, 2017, the Company made distributions to a joint venture partner of \$325,000 by forgiving a note receivable for that amount that the partner owed to the Company. Also, the Company made distributions of \$500,000 for forgiving a receivable owed from Avalon Health Care, Inc.

On December 1, 2017, the Company was sold by Avalon Health Care, Inc. to a group of investors for approximately \$80 million. In connection with the transaction, goodwill was recorded when the associated new investor capital and debt was “pushed down” from the parent company (Bristol Topco, Inc., see Note 1) as of December 1 to the Company’s financial statements as follows:

Pushdown capital from acquisition	\$30,047,041
Other accrued liabilities assumed	400,000
Long-term debt pushed down	<u>40,375,000</u>
Goodwill	<u>\$70,822,041</u>

The accompanying notes are an integral part of these consolidated financial statements.

**BRISTOL HOSPICE, LLC
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1 – ORGANIZATION/RECAPITALIZATION OF COMPANY

Bristol Hospice, LLC (the Company) was incorporated under the laws of the State of Utah on October 12, 2005 and was a wholly owned subsidiary of Avalon Health Care, Inc. (Avalon) through November 30, 2017. On November 30, 2017 Avalon sold its 100% interest in the Company to a group of equity investors for approximately \$80,350,000. The investor group consummated the purchase through both equity (\$30,047,041) and long term debt (\$40,375,000). Both the equity contribution and related debt have been “pushed down” to the accompanying financial statements.

In connection with the sale by Avalon to the investor group, the Company became a 100% owned subsidiary of Bristol Holdings, Inc. (Holdings) which is likewise a 100% subsidiary of Bristol Topco, Inc (Topco). The new investor group was issued proportional shares in Topco according to their proportional equity interests. The allocation of acquired assets and liabilities at fair value as of December 1, 2017 (date of purchase/sale) was as follows:

Cash and cash equivalents	\$	5,995,358
Patient receivables		13,122,580
Prepaid expenses		354,236
Property and equipment		516,711
Intangibles		1,821,093
Deposits		76,200
Accounts payable		(2,800,995)
Accrued wages and payroll taxes		(6,112,113)
Other accrued expenses		(3,078,130)
Net assets acquired	\$	<u>9,894,940</u>

In addition to the above acquired net assets, the equity and debt recapitalization have been “pushed down” to the Company. In connection therewith, the Company recorded on December 1, 2017 approximately \$71 million of additional goodwill.

Together with its subsidiaries, in 2017 the Company operated eleven hospices within Utah, California, Hawaii, Georgia, Oklahoma, Oregon, Florida and Texas.

On June 30, 2017 the Company sold its 50% interest in its Oklahoma operation for approximately \$445,000. In connection with this sale, a gain of \$773,025 in 2017 has been recorded in the accompanying statement of operations.

Principles of Consolidation— The consolidated financial statements (financial statements) include the accounts of subsidiaries controlled directly by Bristol Hospice, LLC. In accordance with generally accepted accounting principles for the consolidation of variable interest entities (VIEs), the accompanying consolidated financial statements also include Bristol Hospice-East, LLC, Bristol Hospice-Stillwater, LLC and Bristol Hospice and Homecare-Northwest, LLC. Through November 30, 2017 the Company had a 50% interest in Bristol Hospice-East, LLC, Bristol Hospice-Stillwater and Bristol Hospice and

Homecare-Northwest, LLC. All significant inter-company transactions and balances, including those involving these VIEs have been eliminated in consolidation. In conjunction with the sale of the Company on November 30, 2017, (see above) all third party interests in the joint ventures were purchased by the Company and, as such, became as of November 30, 2017, wholly owned subsidiaries of the Company.

The Company applied the guidance that outlines the consolidation of VIEs. This guidance requires the consolidation of these VIEs by the primary beneficiary of the entity. The primary beneficiary is the entity, if any, that has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb the losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. This resulted in the consolidation of the three VIEs mentioned above. The accompanying financial statements are presented as though the Company and the VIEs were consolidated for all periods presented.

The total assets and liabilities of these three VIE's, net of eliminated intercompany balances, are comprised of the following as of December 31, 2016:

Cash	\$	1,232,318
Accounts receivable		1,826,740
Other assets		45,020
Property and equipment		27,113
Total assets	\$	<u>3,131,191</u>
Accounts payable	\$	385,058
Other payables		365,257
Total liabilities	\$	<u>750,315</u>

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents— For purposes of the statements of cash flows, the Company considers all cash on hand and in banks and all highly liquid investments, including restricted cash, with a maturity of three months or less to be cash and cash equivalents.

Receivables—The Company has receivables from its patients, all of whom are hospice patients. An allowance for uncollectible accounts and third party payer adjustments is established by charges to operations to maintain an adequate allowance as determined by management to cover anticipated losses. In evaluating the collectability of accounts receivable, the Company analyzes its past history and identifies trends for each of its major payer sources of revenue to estimate the appropriate allowance for uncollectible accounts and third party payer adjustments. Management regularly reviews data about these major payer sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. The Company's process for calculating the allowance for uncollectible accounts has not changed significantly from December 31, 2015 to December 31, 2017. Individual accounts receivable are charged to the allowance when collection appears doubtful. At such time, the accounts are referred to collection agencies. Contractual allowances are recorded at the time revenue is recognized. The provision for doubtful accounts is included in general and administrative expense on the accompanying statements of operations.

Property and Equipment—Property and equipment acquisitions in excess of \$1,500 are capitalized and stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the property, generally 3 to 10 years for furniture and equipment and 5 to 20 years for buildings and improvements. Repairs and maintenance costs are expensed as incurred except when such repairs significantly add to the useful life or productive capacity of the asset, in which case the repairs are capitalized.

Investment in Unconsolidated Joint Ventures—Investments in unconsolidated joint ventures consist of investments accounted for under the cost method for which the Company does not hold a controlling interest or exercise significant influence.

Advertising Expense—The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense during the periods from January 1, 2017 through November 30, 2017 and from December 1, 2017 through December 31, 2017 was \$41,198 and \$2,784, respectively and was \$40,300 for the year ended December 31, 2016.

Impairment of Long-Lived Assets—The Company reviews its long-lived assets for impairment when events or changes in circumstances indicate that their carrying value may not be recoverable. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred which indicate possible impairment. The Company uses an estimate of future undiscounted net cash flows from the related asset or group of assets over their remaining life in measuring whether the assets are recoverable. As of December 31, 2017 and 2016, the Company did not consider any of its long-lived assets to be impaired.

Income Taxes— The Company and its consolidated subsidiaries are organized as limited liability corporations and are treated similar to a partnership for federal and state income tax purposes and therefore do not pay income taxes. The Company's earnings and losses from November 30, 2017, the date of change in ownership (see Note 1), forward will be ultimately included on the income tax return of Topco. As such, the accompanying financial statements do not reflect a provision for income taxes subsequent to November 30, 2017.

Prior to November 30, 2017 the Company was a wholly owned subsidiary of Avalon, and as such, all income and expense of the Company were included on either Avalon's or the Company's joint venture Member's annual income tax returns. Avalon has elected to be treated for income tax purposes as a subchapter S Corporation. All income and losses of the Company are passed-through to the common shareholders of Avalon and reported by them individually. Therefore, no provision or benefit for income taxes has been included in the accompanying financial statements through November 30, 2017.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2017 and 2016, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Patient Care Revenue—Revenue is reported net of contractual adjustments and is derived from services provided by the Company to patients who are directly responsible for payment, or who are covered by various insurance or managed care programs. The Company receives payments on behalf of its patients from the Federal government under the Medicare program, State governments under the Medicaid programs, insurance companies, HMOs, PPOs and other managed care providers. Payments received under these programs are based on predetermined rates or the cost of services.

For hospice patients who reside in skilled nursing facilities under Medicare and state Medicaid programs, the Company is responsible to bill Medicaid for the room and board expense of the skilled nursing facility and correspondingly, pay the skilled nursing facility for the patients' room and board expense. Such expenses are presented as deductions to net patient care revenue in the accompanying consolidated statements of operations.

Laws and regulations governing Medicare and Medicaid are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future governmental review and interpretation and retroactive adjustment. Noncompliance could result in regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

Estimated Third Party Payer Settlements Payable—The Company recognizes estimates of third party payer settlements in the period the services are provided. Such estimates are based on the best information that is available at the time the consolidated financial statements are available to be issued. Then, changes in estimates are recognized as an increase or a reduction in revenue, as applicable, in the period the change becomes known. Due to the complexity of Medicare and Medicaid regulations, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. During the period from January 1, 2017 through November 30, 2017, the Company increased its estimated third party payer settlement payable relating to the year ended December 31, 2016 by \$626,013. The change in estimate was a result of new information that became available during 2017 regarding enrolled patients' length of stay. There were no material changes to the estimate during the period from December 1, 2017 through December 31, 2017 or during the year ended December 31, 2016.

Fair Value of Financial Instruments— The Company's financial instruments consist of cash and cash equivalents, receivables, payables, and long-term debt. The carrying amount of cash, receivables and payables approximates fair value due to the short-term nature of these items. The aggregate carrying amount of the long-term debt approximates fair value as the individual borrowings bear interest at or near market interest rates.

Credit Risk— Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of accounts receivable. In the normal course of business, the Company provides credit to its patients and parties paying on behalf of patients, including government agencies and insurance companies. Accordingly, the Company performs ongoing evaluations of its receivables and maintains allowances for possible losses. Also, the Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Use of Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements—The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, which will be effective for the Company's financial statements during the period ending December 31, 2019. This new standard amends much of the existing accounting guidance on revenue recognition. The core principle of the new guidance is that the Company should recognize revenue to match the transfer of promised goods or services to the customer in an amount that reflects the consideration in exchange for those goods or services. The Company is still considering what effect, if any, that this new guidance will have on the Company's consolidated financial statements and policies for recognizing revenue.

In February 2016, FASB issued ASU No. 2016-02, *Leases*. Under the new guidance, the lessee will recognize an asset representing its right to use the leased asset for the lease term (the 'right-of-use' asset) and a lease liability for lease terms greater than one year. The lease liability would be measured at the present value of future lease payments, utilizing the organization's incremental borrowing rate. Non-public organizations will have an election to utilize a term-appropriate risk-free rate. Substantially all leases currently considered operating leases will now be recorded on the balance sheet upon implementation of this standard. This standard will be effective for the Company's December 31, 2020 consolidated financial statements. The new standard requires a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The Company is currently evaluating how this new guidance will impact the Company's consolidated financial statements and currently anticipates that the adoption of this new standard could have a significant effect on the Company's assets and liabilities.

Reclassifications—Certain reclassifications of amounts previously reported have been made to the accompanying statement of cash flows to maintain consistency between periods presented. The reclassifications had no impact on the net change in cash.

NOTE 3 – PATIENT RECEIVABLES

Patient receivables consist of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Patient receivables	\$ 14,889,563	\$ 13,861,695
Allowance for doubtful accounts	<u>(1,700,987)</u>	<u>(1,229,213)</u>
Patient receivables, net	<u>\$ 13,188,576</u>	<u>\$ 12,632,482</u>

Patient receivables arise mainly from providing services to patients and are receivable from the patients or third parties such as Medicare, Medicaid, or insurance companies.

During the periods from January 1, 2017 through November 30, 2017 and from December 1, 2017 through December 31, 2017, the Company recognized bad debt expense of \$1,514,352 and \$83,376, respectively. During the year ended December 31, 2016, the Company recognized of bad debt expense of \$1,219,063. Bad debt expense is included in general and administrative expense on the accompanying consolidated statements of operations.

NOTE 4 – RELATED PARTY TRANSACTIONS

During the periods from January 1, 2017 through November 30, 2017 and for 2016, the Company incurred management fee expense of \$1,215,759 and \$1,214,982, respectively, for services performed by Avalon, the sole member (owner) of the Company at the time these services were provided. The management fee expense is included as an operating expense under the caption "general and administrative" in the accompanying consolidated statements of operations. During the period from January 1, 2017 through November 30, 2017 and for 2016, the Company paid rent to Avalon totaling \$178,480 in both periods for lease of office space. As of December 31, 2017 and 2016, the Company owed Avalon \$0 and \$118,020, respectively, which is included as a current liability under the caption "Due to Avalon Health Care, Inc." in the accompanying consolidated balance sheets. During the period

from January 1, 2017 through November 30, 2017 and for 2016 the Company distributed \$546,288 and \$1,500,000, respectively, to Avalon which is reflected as a distribution to Avalon on the accompanying consolidated statement of changes in stockholder's equity.

As of the sale of the Company on November 30, 2017, the Company no longer has material transactions with related parties.

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Buildings and improvements	\$ 53,710	\$ 53,710
Furniture and equipment	795,356	589,391
	849,066	643,101
Accumulated Depreciation:	<u>(392,631)</u>	<u>(317,444)</u>
Net Property and Equipment	<u>\$ 456,435</u>	<u>\$ 325,657</u>

NOTE 6 – INTANGIBLE ASSETS

Intangible assets consist of both licenses to operate hospice programs and goodwill. In connection with the change in ownership in 2017, additional goodwill in the approximate amount of \$71 million was recorded.

The licenses relate to the fair value of the associated state license and Medicare provider numbers necessary to operate hospice facilities in various states. Goodwill represents the excess of purchase price over the fair value of acquired assets "pushed down" to the Company's financial statements in connection with the change of ownership on November 30, 2017 described in Note 1. Both the licenses and goodwill are not amortized as the life is indeterminable.

Intangible assets consisted of the following at December 31, 2017 and 2016:

	2017		
	Cost	Accumulated Amortization	Net
Goodwill	\$ 70,879,585	\$ -	\$ 70,879,585
State licenses and provider numbers	1,796,093	-	1,796,093
	<u>\$ 72,675,678</u>	<u>\$ -</u>	<u>\$ 72,675,678</u>
	2016		
	Cost	Accumulated Amortization	Net
Loan Origination Fees	\$ 12,522	\$ (9,935)	\$ 2,587
State licenses and provider numbers	1,820,456	-	1,820,456
	<u>\$ 1,832,978</u>	<u>\$ (9,935)</u>	<u>\$ 1,823,043</u>

In accordance with the adoption of ASU 2016-03, *Simplifying the Presentation of Debt Issuance Costs*, amortization of long term debt loan fees of \$162,905 from January 1, 2017 through November 30, 2017 and \$59,107 in 2016 is recorded as interest expense on the accompanying consolidated statements of operations. There was none from December 1, 2017 through December 31, 2017 because the related debt was paid as part of the change in ownership described in Note 1.

NOTE 7 – LONG-TERM DEBT

During 2016, the Company borrowed \$2 million from a financial institution as part of a refinancing of a \$5.5 million note payable originally due in 2018. As of December 31, 2016, the balance was \$1,173,015, which was net of deferred loan costs of \$162,218. This note was paid off on November 30, 2017.

As a result of the change in ownership in 2017, the Company recorded long-term debt of \$40,375,000 which was pushed down to the Company's financial statements. The long-term debt requires quarterly principal payments of 0.25% of the original balance due quarterly beginning March 31, 2018 with the balance due November 30, 2022. Interest on the note is calculated as the greater of Reuters Screen LIBOR01 for (a) applicable interest period or (b) interest period of 3 months. This rate was 8.819% as of December 31, 2017. This debt is secured by substantially all of the assets of the Company. Interest on the note is paid monthly. Future maturities on the long-term debt are:

<u>December 31,</u>	
2018	\$ 403,750
2019	403,750
2020	403,750
2021	403,750
2022	38,760,000
	<u>\$ 40,375,000</u>

NOTE 8 – SIGNIFICANT SOURCES OF REVENUE AND RECEIVABLES

A small number of sources represent a significant portion of the Company's revenues and receivables. Significant sources of revenue and receivables consist of the following for the years ended December 31, 2017 and 2016:

Successor Period, December 1, 2017 through December 31, 2017

	<u>Revenue</u>	<u>Receivable</u>
Medicaid	\$ 175,606	\$ 3,826,550
Medicare	<u>5,686,787</u>	<u>7,084,075</u>
	<u>\$ 5,862,393</u>	<u>\$ 10,910,625</u>

Predecessor Period, January 1, 2017 through November 30, 2017

	<u>Revenue</u>	<u>Receivable</u>
Medicaid	\$ 1,352,729	\$ 3,923,003
Medicare	<u>57,641,062</u>	<u>6,915,867</u>
	<u>\$ 58,993,791</u>	<u>\$ 10,838,870</u>

Predecessor Period, 2016, Restated

	<u>Revenue</u>	<u>Receivable</u>
Medicaid	\$ 1,992,112	\$ 4,174,923
Medicare	<u>53,395,808</u>	<u>6,661,062</u>
	<u>\$ 55,387,920</u>	<u>\$ 10,835,985</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Lines of Credit— During 2016 the Company had two lines of credit - Line A in the amount of \$6,000,000 and Line B in the amount of \$2,000,000. Both of these lines were paid and terminated on November 30, 2017. As of December 31, 2016, the balance on Line A was \$1,884,141 and on Line B was \$0.

The Company entered into a new line of credit in 2017 for \$5,000,000. This line carries an interest rate of the greater of Reuters Screen LIBOR01 for (a) applicable interest period or (b) interest period of 3 months. This rate was 8.819% as of December 31, 2017. As of December 31, 2017, the balance on this line of credit was \$1,000,000. The Company anticipates that the balance will be repaid during 2018, although final maturity is not required until May 2022.

Lease Obligations—The Company's hospice programs lease office space and certain office equipment under non-cancelable lease agreements with unrelated parties.

Estimated future minimum lease payments under all non-cancelable lease obligations with initial or remaining terms in excess of one year are as follows:

December 31,	
2018	\$ 1,056,120
2019	753,465
2020	658,108
2021	559,500
2022	384,916
Thereafter	42,591
	<u>\$ 3,454,700</u>

In addition to these non-cancellable leases, the Company rents various equipment to care for patients, as needed. Total rents and lease expense under operating leases were \$3,302,779 and \$311,125, respectively, for the periods from January 1, 2017 through November 30, 2017 and from December 1, 2017 through December 31, 2017 and were \$3,677,108 for the year ended December 31, 2016.

Financial Covenants— In connection with the long term debt and line of credit agreements described above, the Company has made financial covenants to the creditors that require, among other things:

As of December 31, 2017:

Long Term Debt

1. Total Leverage Ratio – 5.50 or lower
2. Fixed Charge Coverage Ratio – 1.05 or higher.

At December 31, 2017 and 2016, management asserts the Company was in compliance with the above financial covenants.

Litigation—The Company is engaged in various lawsuits and claims, either as plaintiff or defendant, in the normal course of business. In the opinion of management, based upon advice of counsel, the ultimate outcome of these lawsuits will not have a material impact on the Company's financial position or results of operations.

Liability Insurance Deductible and Corridor Requirements—The Company maintains a professional, general and employee benefit liability insurance policy through Columbia Casualty Company wherein each of the Company's programs are insured up to an aggregate limit of \$72,000,000 per year subject to a \$50,000 per claim deductible.

NOTE 10 – EMPLOYEE BENEFIT PLANS

The Company offers a defined contribution retirement plan for full-time employees who are at least 21 years old. Employees may sign up for this plan, once they have completed their eligibility period or during open enrollment. The plan provides that participants may contribute between 1 to 15% of pre-tax annual compensation. The Company did not elect to make any contributions during the periods ended December 31, 2017, November 30, 2017, or December 31, 2016.

NOTE 11 – RESTATEMENT

During 2017 the Company was required to reimburse CMS due to a Medicare payment cap limitation. The amount repaid applied to the period November 1, 2015 through October 31, 2016. The Company has restated the accompanying 2016 financial statements to reduce 2016 revenue and record an associated liability of \$800,000 as of December 31, 2016. Therefore, the restatement has reduced the 2016 prior reported net income by \$800,000.

The table below is a summary of the effects of the restatement on the Company's December 31, 2016 financial statements.

	December 31, 2016 (As Previously Reported)	Change	December 31, 2016 Restated
<i>Balance Sheet</i>			
Estimated third party payer settlements payable	\$ -	\$ 800,000	\$ 800,000
Total Current Liabilities	5,520,341	800,000	6,320,341
Total Liabilities	7,699,902	800,000	8,499,902
Retained earnings	11,067,326	(800,000)	10,267,326
Total Member's Equity	10,236,519	(800,000)	9,436,519
<i>Statement of Operations</i>			
Net patient care revenue	58,443,397	(800,000)	57,643,397
Total Revenue	58,540,622	(800,000)	57,740,622
Operating Income	4,188,163	(800,000)	3,388,163
Net Income Before Noncontrolling Interest	3,682,336	(800,000)	2,882,336
Net Income Attributable to Bristol Hospice, LLC and Subsidiaries	3,868,021	(800,000)	3,068,021
<i>Statement of Member's Equity</i>			
Net income (to member's equity of Bristol Hospice, LLC)	3,868,021	(800,000)	3,068,021
Net income (total)	3,682,336	(800,000)	2,882,336
Balance - December 31, 2016 (member's equity of Bristol Hospice, LLC)	11,067,326	(800,000)	10,267,326
Balance - December 31, 2016 (total)	10,236,519	(800,000)	9,436,519
<i>Statement of Cash Flows</i>			
Net Income before noncontrolling interest	3,682,336	(800,000)	2,882,336
Estimated third party payer settlements payable	-	800,000	800,000

NOTE 12 – FAIR VALUE MEASUREMENTS

In conjunction with the change in ownership described in Note 1 the Company was required to assess the fair value of the assets acquired and liabilities assumed by the Company in accordance with generally accepted accounting principles.

The Company determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 Inputs – Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

Level 2 Inputs – Other than quoted prices included in Level 1, inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Inputs – Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The following tables present, by level within the fair value hierarchy, the fair value of each acquired asset and assumed liability as of the date of closing of the acquisition:

	Fair value measurements at November 30, 2017 using				Total Fair Value November 30, 2017
	Carrying Amount November 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Current assets					
Cash and cash equivalents	\$ 5,995,358	\$ -	\$ -	\$ 5,995,358	\$ 5,995,358
Accounts receivable, net	13,122,580	-	-	13,122,580	13,122,580
Prepaid expenses	354,238	-	-	354,238	354,238
Non-current assets					
Property and equipment	516,711	-	-	516,711	516,711
Intangibles	1,821,093	-	-	1,796,093	1,796,093
Goodwill	-	-	-	70,879,585	70,879,585
Deposits	76,200	-	-	76,200	76,200
Current liabilities					
Accounts payable	2,800,995	-	-	2,800,995	2,800,995
Accrued wages and payroll taxes	6,112,113	-	-	6,112,113	6,112,113
Other accrued liabilities assumed	-	-	-	400,000	400,000
Other accrued expenses	3,078,130	-	-	3,078,130	3,078,130

The Company determined that the carrying amount of certain assets and liabilities was a reasonable estimate of the fair value of those assets and liabilities. For goodwill, the Company determined the fair value based on market purchase prices for comparable companies within the hospice industry. The fair value of other intangible assets was based on the typical cost to acquire or to create such assets.

NOTE 13 – SUBSEQUENT EVENTS

The Company has evaluated the accompanying consolidated financial statements for subsequent events through May 31, 2018, the date the consolidated financial statements were available to be issued.

During 2018 the Company has signed a letter of intent (LOI) to purchase an existing hospice in Colorado and a separate LOI to purchase an existing hospice in California. As of the date of issuance of these financial statements these purchases have not been finalized.

EXHIBIT 11

Clark County - Staffing Requirements

Note: 1.0 FTE = 40 hour week

	YEAR ONE			YEAR TWO			YEAR THREE		
	FTE's	AVERAGE ANNUAL SALARY per FTE	TOTAL ANNUAL COST	FTE's	AVERAGE ANNUAL SALARY per FTE	TOTAL ANNUAL COST	FTE's	AVERAGE ANNUAL SALARY per FTE	TOTAL ANNUAL COST
	Col. 1	Col. 2	Col.1 x Col.2	Col. 1	Col. 2	Col.1 x Col.2	Col. 1	Col. 2	Col.1 x Col.2
ADMINISTRATION									
1 Administrator/General Manager	1	\$ 125,008.00	\$ 125,008.00	1	\$ 127,504.00	\$ 127,504.00	1	\$ 130,062.40	\$ 130,062.40
2 Alternate Administrator	-	-	-	-	-	-	-	-	-
3 Director of Nursing/Medical Director	1	104,998.40	104,998.40	1	107,099.20	107,099.20	1	109,241.60	109,241.60
4 Alternate Director of Nursing	-	-	-	-	-	-	-	-	-
5 Financial Officer	-	-	-	-	-	-	-	-	-
6 Admissions Director	-	-	-	-	-	-	-	-	-
7 Bookkeeper	1	47,840.00	47,840.00	1	48,796.80	48,796.80	1	49,774.40	49,774.40
8 Secretary	-	-	-	-	-	-	-	-	-
9 Personnel/Complaint Records	-	-	-	-	-	-	-	-	-
10 Medical Records Clerk	-	-	-	-	-	-	-	-	-
11 Other: Community Development	1	76,856.00	76,856.00	1	78,395.20	78,395.20	1	79,955.20	79,955.20
12 TOTAL ADMINISTRATION	4		\$ 354,702.40	4		\$ 361,795.20	4		\$ 369,033.60
GENERAL PERSONNEL (DIRECT EMPLOYEES ONLY)									
13 Delivery	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
14 Intake	-	-	-	-	-	-	-	-	-
15 Maintenance/Repair	-	-	-	-	-	-	-	-	-
16 Inventory	-	-	-	-	-	-	-	-	-
17 Other:	-	-	-	-	-	-	-	-	-
18 TOTAL GENERAL	-		\$ -	-		\$ -	-		\$ -
HEALTH CARE PROFESSIONALS (DIRECT EMPLOYEES ONLY) - Nurse Registries Complete Schedule 2.1									
19 R.N.s	3	\$ 92,560.00	\$ 277,680.00	4	\$ 94,411.20	\$ 377,644.80	5	\$ 96,304.00	\$ 481,520.00
20 L.P.N.s	-	-	-	-	-	-	-	-	-
21 Home Health Aides	2	32,240.00	64,480.00	3	32,884.80	98,654.40	4	33,550.40	134,201.60
22 Physical Therapy	-	-	-	-	-	-	-	-	-
23 Occupational Therapy	-	-	-	-	-	-	-	-	-
24 Speech Therapy	-	-	-	-	-	-	-	-	-
25 Respiratory Therapy	-	-	-	-	-	-	-	-	-
26 Social Services	1	70,137.60	70,137.60	1	71,531.20	71,531.20	1	72,966.40	72,966.40
27 Homemaker Services	-	-	-	-	-	-	-	-	-
28 Dietary Guidance	-	-	-	-	-	-	-	-	-
29 Other: Nurse Practitioner	0.1	110,240.00	13,780.00	0.3	112,444.80	28,111.20	0.5	114,691.20	57,345.60
29a Other: Chaplain	1	58,302.40	58,302.40	1	59,467.20	59,467.20	1	60,652.80	60,652.80
29b Other: Volunteer Services	-	-	-	1	53,040.00	53,040.00	1	54,100.80	54,100.80
30 Other: Bereavement counselor	-	-	-	1	82,264.00	82,264.00	1	83,907.20	83,907.20
31 TOTAL HEALTH CARE	7		\$ 484,380.00	11		\$ 770,712.80	14		\$ 944,694.40
GRAND TOTAL	11		\$ 839,082.40	15		\$ 1,132,508.00	18		\$ 1,313,728.00

EXHIBIT 12

IMPROVING ORGANIZATIONAL PERFORMANCE
Policy No. H:2-093.1

PURPOSE

To establish a performance improvement framework, which integrates activities to improve organizational performance, improve patient outcomes, improve patient safety, and reduce the risks for acquisition and transmission of infections.

POLICY

Senior management as designated by the Governing Body will have the responsibility of quality management: to guide the organization's efforts in improving organizational performance; to define expectations of the performance improvement activities; and to generate the plan and processes the organization will utilize to assess, improve and maintain quality of care and service including the appropriateness and effectiveness of patient services.

Performance improvement results will be utilized to address problem issues, improve the quality of care and patient safety, and will be incorporated into program planning and process design and modifications.

All personnel will be active participants in the organization's performance improvement activities.

The Governing Body is responsible for ensuring that the performance improvement program is defined, implemented and maintained, and is evaluated annually.

PROCEDURE

1. Senior management with Governing Body oversight will:
 - A. Participate in educational activities to increase their level of understanding and ability to implement performance improvement activities. The educational activities may include: seminars, consultations, periodicals, and review of available information from other organizations (benchmarking).
 - B. Set expectations for performance improvement and manage processes to improve organizational performance.
 - C. Focus on high risk, high volume, and problem prone areas. There is consideration of incidence, prevalence, and severity of problems in those areas and lead to an immediate correction of any identified problem that directly or potentially threatens the health and safety of the patients.
 - D. Adopt a structured framework for performance improvement. The problem solving approach will stress the interrelationship of quality services provided, management activities, and sound business practices as applicable to the organization's:

1. Mission
 2. Culture
 3. Strategic objectives
 4. Resources
 5. Operational components/responsibilities (financial, clinical/service, and personnel)
 6. Practice Standards
 7. Activities related to patient care and patient safety focusing on high risk, high volume and problem prone areas
 8. Clinical/service skills and competencies of personnel
 9. Quality indicators
 10. Data collection and analysis (measured and documented in a systematic and retrievable way)
- E. Identify and set specific outcomes for measurable improvement.
- F. Ensure that the performance improvement projects are conducted that reflect the following:
1. The number and scope of distinct improvement projects conducted annually must reflect the scope, complexity, and past performance of the organization's services and operations.
 2. The organization must document the quality improvement projects undertaken, the reasons for conducting the projects, and the measurable progress achieved on these projects.
- G. Ensure that the organization adheres to the CMS Conditions of Participation for Quality Assessment and Performance Improvement (QAPI) standards.
- H. Identify and participate in benchmarking activities that utilize:
1. Internal standards:
 - a. Measuring current performance against past performance
 - b. Measuring against internally established goals
 2. Processes and protocols

3. Practice or service guidelines
4. Industry research or best practices
- I. Allocate resources for performance improvement activities by:
 1. Assigning organization personnel to participate in performance improvement activities
 2. Providing adequate time for organization personnel to participate in performance improvement teams and activities
 3. Creating and maintaining information systems and data management processes to support the collecting, managing and analyzing of data to improve performance
 4. Utilizing appropriate statistical techniques to analyze and display data
 - a. Statistical methodologies to consider include:
 1. Run charts that display summary comparison data
 2. Scatter diagrams
 3. Control charts that display variation and trends over time
 4. Histograms
 5. Pareto charts
 6. Cause and effect or fishbone diagrams
 7. Process flowcharts
2. Provide organization personnel training in the approaches and methods of assessment and improvement.
3. All other organization personnel will:
 - A. Be involved in performance improvement teams and activities.
 - B. Promote communication and coordination of performance improvement activities as well as contribute to those activities.
 - C. Forward relevant information regarding performance improvement activities to senior management and to the Performance Improvement Coordinator.
 - D. Take action on recommendations generated through performance improvement activities as outlined in the organization's written performance improvement plan.

4. Trends identified through performance improvement measurement and analysis will be reported to the Governing Body on a quarterly basis.
5. Mandatory reporting to CMS will be completed within designated timeframes utilizing CMS reporting guidelines.

ADDENDUM H:2-093.A
PRIORITIZATION OF IMPORTANT PROCESSES

Prioritization of Important Processes – Example

Process	Required HIS	Regulatory Focus	High Volume	High Risk	Problem-Prone	Expensive to Correct	Impact on Quality	Impact Customer Satisfaction	Variations in Care
General Processes									
Patient Satisfaction									
Safety Program									
Incident Reports									
Documentation									
Infection Control									
Staff Education									
Patient Rights/ Responsibilities									
Ethical Issues									
Use of Information									
Customer Service									
Patient Care Processes									
Intake Process									
Patient Assessment									
Pain Screening									
Pain Assessment									
Pain Management									
Bowel regimen prescribed with opioid order									
Dyspnea Screening									
Dyspnea Treatment									
Medication Administration									
Patient/Family Education									
Treatment Preferences									
Care Coordination									
Nursing Process									
MSW – Counseling									
MSW – Psychosocial Assessment									
Volunteers									

HOSPICE II

Quality of Services and Products

Bristol Hospice

Process	Required HIS	Regulatory Focus	High Volume	High Risk	Problem-Prone	Expensive to Correct	Impact on Quality	Impact Customer Satisfaction	Variations in Care
Spiritual Care									
Patient Care Processes									
Beliefs/Values addressed									
Terminal Care									
Wound/Skin Care Management									
Foley/Urological Care									
Neurological Care									
Respiratory Care									
Cert/Recert Process									
Discharge Process									
Bereavement									
Personal Care									
Personal Care Plan									
CNA/Hospice Aide Communication									
Governance/Managerial									
Analysis of Effectiveness of Organizational Practices									
Development of Operational Plans									
Compliance with Regulatory Mandates									
Assigning/Acquiring Resources to Foster Quality									
Fostering Interdisciplinary Communication									
Assignment of Staff Responsibilities									
Management of Information									
Safety Plan Effectiveness									
Clerical									
Telephone Technique									
Coordination of Mail Between Offices									
Ordering of Supplies									

HOSPICE II

Quality of Services and Products

Bristol Hospice

Process	Required HIS	Regulatory Focus	High Volume	High Risk	Problem-Prone	Expensive to Correct	Impact on Quality	Impact Customer Satisfaction	Variations in Care
Ordering of Forms									
Tracking of Physician Orders									
Human Resources									
General Orientation/Competency Assessment									
Processing of Worker's Compensation Claims									
Handling of Employee Grievances									
Recruitment									
Personnel Policy Development									
Financial Support									
Cost Analysis Reports									
Payroll									
Accounts Receivable Management									
Data Entry									
Charge Entry									
Generation of POC/Recert									
Discipline Visit Entry									
Insurance Verifications									
Other Organization-Specific Processes									
Totals									

Scoring Values 1 = Least Significant 2 = Mildly Significant 3 = Strongly Significant

EXHIBIT 13

PRIME VENDOR PRODUCT SUPPLY AGREEMENT

THIS PRODUCT SUPPLY AGREEMENT ("**Agreement**") is made by and between McKesson Medical-Surgical Minnesota Supply Inc., with offices at 8121 Tenth Avenue North, Golden Valley, Minnesota 55427 ("**McKesson Medical-Surgical**" or "**Seller**") and Bristol Hospice LLC, with offices at 206 N. 2100W, Salt Lake City, Utah 84116 ("**Customer**" or "**Buyer**"). This Agreement will be effective as of April 1, 2015 (the "**Effective Date**").

WHEREAS, McKesson Medical-Surgical is engaged in the business of wholesale distribution of medical-surgical products and equipment and the provision of related goods and services. Customer, for itself and on behalf of its Facilities, desires to take advantage of McKesson Medical-Surgical's distribution and other services upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the parties agree as follows:

1. **APPOINTMENT AND COMMITMENT.** Customer hereby appoints McKesson Medical-Surgical as Prime Distributor for itself and to any and all of its Facilities. "**Prime Distributor**" means that McKesson Medical-Surgical shall be the first choice for the purchase of all Products normally purchased through medical supply distributors. "**Facility**" means any extended care facility including long term care, home care and assisted living facility with respect to which Customer exercises control over the selection of a wholesale medical supply distributor, whether by ownership, contract or otherwise, that is purchasing Products under this Agreement. Customer shall also be a Facility for construction purposes, if Customer is an entity purchasing Products under this Agreement. "**Products**" means any and all of the items of medical supply products and equipment, nutritionals and general merchandise otherwise made available for sale by McKesson Medical-Surgical.

1.1. A list of all current Facilities, including their respective addresses, is attached to this Agreement as Exhibit B (List of Facilities) and incorporated herein by this reference. Customer shall notify McKesson Medical-Surgical of any Facilities that Customer is acquiring or undertaking to operate or manage within thirty (30) days of such acquisition date, and those Facilities shall be added to Exhibit B. Customer shall notify McKesson Medical-Surgical of any removals of any Facility and this Agreement shall no longer be in effect for such Facility, provided that both Facility's and Customer's obligations relating to such Facility, if any, arising prior to the termination date shall continue. To be eligible to receive the pricing under the terms and conditions of this Agreement, each Facility must satisfy McKesson Medical-Surgical's credit policies in effect from time to time.

2. **TERM AND TERMINATION.** This Agreement shall be for an initial term of one (1) year, commencing on the Effective Date, unless sooner terminated in accordance with its terms. Following the initial and each renewal term, this Agreement will be automatically renewed for an additional term of one year.

2.1 Termination for Convenience. Either party may terminate this Agreement for convenience or without cause by providing the other party with at least sixty (60) days advance written notice of such termination.

2.2 Termination Upon Default. Either party may terminate this Agreement if the other party defaults in the performance of this Agreement, on thirty (30) days' prior written notice to the other, specifying the nature of the default, unless such other party shall cure that default within the thirty (30) day period.

3. **PRICING.**

3.1 Product Pricing. The prices for Products are will be in accordance with the price list in effect for Customer from the Effective Date of this Agreement ("**Price List**") and attached as Exhibit C hereto. McKesson Medical-Surgical may change the prices on the Price List as set forth in this Section 3 (Pricing) and any such price changes will not require a written amendment to this Agreement. For Products that are not included on the Price List, the purchase price shall be McKesson Medical-Surgical's standard prices in effect at the time of order.

3.1.1 Contract Products. "**Contract Products**" are those products for which Customer or GPO (as defined below) has executed a pricing contract directly with the Supplier for the price defined in such pricing contract. "**GPO**" means the group purchasing organization that Facility has designated and for which the Facility is a member. Customer's current GPO affiliation is Premier. Customer or Facility agrees to provide McKesson Medical-Surgical with at least thirty (30) days notice

of any changes in Facility's GPO affiliation. "**Supplier**" means a manufacturer, vendor, or other supplier of a Product that is purchased by McKesson Medical-Surgical for distribution.

3.1.2 **Non-Contract Products.** "**Non-Contract Products**" are those Products that are not Contract Products or McKesson Brand Products. The prices for Non-Contract Products will be in accordance with the Price List in effect for Customer. The Price List shall remain in effect through the initial Term of the Agreement, provided however, that McKesson Medical-Surgical may change its prices to reflect any changes in its acquisition costs for the Products, provided that McKesson Medical-Surgical notifies Customer thirty (30) days in advance of any such price changes.

3.1.3 **McKesson Brand Products.** "**McKesson Brand Products**" are those Products distributed by McKesson Medical-Surgical to Customer under this Agreement that are labeled with McKesson Corporation's owned or licensed proprietary label. The prices for McKesson Brand Products will be in accordance with the Price List in effect for Customer and will remain firm through March 31, 2016. Thereafter, McKesson Medical-Surgical may increase its prices, at any time, to reflect any increases in its acquisition costs for the McKesson Brand Products.

3.2 **Contract Management.**

3.2.1 McKesson Medical-Surgical will load the prices for Contract Products individually for a Facility based upon data provided to McKesson Medical-Surgical by the applicable manufacturer. McKesson Medical-Surgical will load the files electronically or manually depending on the medium in which the pricing file data is furnished to McKesson Medical-Surgical.

3.2.2 McKesson Medical-Surgical will have up to four (4) weeks after the applicable data is furnished to McKesson Medical-Surgical by the applicable manufacturer to perform the initial loading of the prices for a Contract Product. Thereafter, McKesson Medical-Surgical will load Contract Product pricing updates within thirty (30) business days after the applicable data is furnished to McKesson Medical-Surgical by the applicable manufacturer.

3.2.3 McKesson Medical-Surgical will not be obligated to load any prices for Contract Products until a Facility's eligibility for such Contract Product pricing is authorized by the manufacturer and/or Facility's GPO.

3.3 **Return Goods Policy.** Subject to applicable law, McKesson Medical-Surgical will process returned goods for Products purchased from McKesson Medical-Surgical, in accordance with its standard Return Goods Policy currently in effect.

4. **DISTRIBUTION SERVICES.**

4.1 **Account Manager.** McKesson Medical-Surgical shall furnish to a Facility a professional account manager knowledgeable in the various aspects of medical-surgical product purchasing to assist on an as-necessary basis in inventory control and management, ordering processes, and problem solving. Routine visits shall be made periodically as determined between McKesson Medical-Surgical and the Facility.

4.2 **Customer Service.** McKesson Medical-Surgical will provide customer service support staff to accept phone calls from a Facility and resolve problems related to a normal business relationship between McKesson Medical-Surgical and Facilities. McKesson Medical-Surgical will also provide customer service support to a Facility to facilitate communications, problem-solving, and program enhancements.

4.3 **Business Reviews.** McKesson Medical-Surgical and a Facility shall meet periodically, as mutually agreed to by the parties, to evaluate their respective performances.

4.4 **Business Associate Agreement.** In connection with the performance of McKesson Medical-Surgical's services hereunder, McKesson Medical-Surgical may have access to patient level information of Customer, including individually identifiable health information. Accordingly, the parties hereto have agreed to enter into a Business Associate Agreement, which Business Associate Agreement shall exclusively govern the terms and conditions of the parties with respect to individually identifiable health information.

5. **ORDERING AND DELIVERY.**

5.1 **Online Ordering System - SupplyManagerSM.** McKesson Medical-Surgical shall provide, at no charge and subject to the terms of the SupplyManager license agreement, each Facility access to the McKesson Medical-Surgical SupplyManagerSM online ordering system or another mutually acceptable electronic ordering system. When use of an

electronic ordering system is not possible, a Facility may call or fax its order in to McKesson Medical-Surgical's local customer service center.

5.2 Order Transmission Times. Orders transmitted to McKesson Medical-Surgical by the local distribution center's order transmission deadline will be shipped on the same business day.

5.3 Deliveries. McKesson Medical-Surgical will ship the Products from its distribution center to the applicable Facility or directly to a patient's home if requested by Customer or Facility. McKesson Medical-Surgical shall deliver Products Monday through Friday (excluding weekends and McKesson Medical-Surgical holidays) in accordance with a delivery schedule to be determined by the parties.

5.4 Freight Charges. "Bulk Delivery" means delivery without any patient designation or segregation and "Patient Home Delivery" means delivery to a patient's place of residence. For Bulk Delivery, Customer will not pay freight charges if the order total is \$350 or greater. For Patient Home Delivery, Customer will pay a shipping and handling fee of \$6.00 per order. Emergency orders, rush orders, orders for Products not regularly stocked by the McKesson Medical-Surgical local servicing distribution center and Products dropped shipped from Supplier are subject to an added shipping and handling charge determined by McKesson Medical-Surgical and disclosed to Customer prior to or at the time of order. Freight charges and/or shipping and handling charges will be included on the shipping invoice. McKesson Medical-Surgical may annually adjust the shipping and handling fee set forth above upon thirty (30) days prior written notice to Customer.

5.5 Low Unit of Measure. To facilitate reductions in inventory and associated costs, McKesson Medical-Surgical offers a Facility a variety of unit of measure ordering options (*i.e.*, case, box or each). At the request of such Facility and when available from McKesson Medical-Surgical, McKesson Medical-Surgical shall break cases to the lowest unit of measure as long as the integrity and efficacy of the Product is not adversely affected.

5.6 Special Orders. Any order for a Product not stocked by McKesson Medical-Surgical, but available from the Supplier, shall be subject to any charges imposed by Supplier, the actual inbound and outbound freight costs incurred, and McKesson Medical-Surgical's customary handling charge, if applicable, to be disclosed to a Facility prior to or at the time of order.

5.7 Shipment, Risk of Loss and Title. Shipment of Products per routine order to a Facility and subsequent back orders related to the original shipment shall be shipped FOB Destination, except for drop shipments which shall be shipped in accordance with Supplier's shipping policies. McKesson Medical-Surgical shall have the right to ship the Products at all times via its own vehicle or a carrier selected by McKesson Medical-Surgical.

6. CREDIT AND PAYMENT TERMS. All payments for Products and/or services must be received by McKesson Medical-Surgical on or before the due date listed on the front of the applicable invoice. If the payment term due date falls on a weekend day or holiday, payment is due and payable on the succeeding business day. McKesson Medical-Surgical's prices are based on cash payments and payment via credit cards will not be accepted. Any invoiced amount remaining unpaid after thirty (30) days shall be "past due." Past due balances are subject to an interest charge of one and one-half percent (1.5%) per month. Any interest charged and collected in excess of applicable state law shall be returned. This Agreement is conditioned upon Customer and each Facility maintaining a sound financial condition throughout the term hereof and to that end, Customer and each Facility agree to promptly substantiate in writing, at McKesson Medical-Surgical's request, the existence of such condition with audited financial statements and any other supporting information required by McKesson Medical-Surgical.

6.1 Customer's Guarantee. Customer hereby unconditionally guarantees the performance of all obligations of any Facility under this Agreement, including the prompt payment of the purchase price and any applicable interest and other charges for all Products shipped to the Facilities, and agrees to pay any outstanding past due amounts to McKesson Medical-Surgical immediately upon demand by McKesson Medical-Surgical.


7. ENTIRE AGREEMENT. This Agreement, McKesson Medical-Surgical's standard terms and conditions set forth in Exhibit A, and any other exhibits and/or attachments to this Agreement embody the entire agreement between the parties with regard to the subject matter hereof and supersede all prior agreements (including the Prime Vendor Product Supply Agreement between Bristol Hospice and Homecare, Oregon LLC effective October 1, 2014), understandings and representations with the exception of any promissory note, security agreement or other credit or financial related document(s) between Customer and McKesson Medical-Surgical that are executed by Customer and approved by McKesson Medical-Surgical. This Agreement may not be modified, supplemented or extended except by a writing signed by both parties.

IN WITNESS WHEREOF, the parties have signed and dated this Agreement in the spaces below.

BRISTOL HOSPICE LLC

MCKESSON MEDICAL-SURGICAL MINNESOTA
SUPPLY INC.

By: 

By: 

Printed Name: Hyrum Kirton

Printed Name: Brent Posthress

Title: VP Procurement

Title: VP HOME CARE NATIONAL ACCOUNTS

Dated: 4-1-2015

Dated: 4-3-2015

EXHIBIT A

STANDARD TERMS AND CONDITIONS

1. **Continuing Obligations.** In the event of a termination or expiration hereunder:

1.1 **Obligations Incurred Prior to Termination.** The liability of Customer and each Facility for obligations incurred prior to the effective termination date, for finance charges and for all costs of collection, including reasonable attorneys' fees, shall survive termination; and

1.2 **Orders Placed Prior to Termination.** McKesson Medical-Surgical shall fulfill, in accordance with the terms of this Agreement, all orders for Products and services submitted by a Facility and received by McKesson Medical-Surgical prior to termination or expiration of this Agreement.

2. **Terms of Sale.** McKesson Medical-Surgical's standard terms of sale available on SupplyManagerSM shall apply to all purchases of Products and services under this Agreement. In the event of a conflict, the terms of this Agreement shall prevail.

3. **Confidential Information.**

3.1 **Confidentiality.** Notwithstanding anything in this Agreement to the contrary, the pricing and terms of this Agreement shall be proprietary and confidential to McKesson Medical-Surgical, and Customer and each Facility shall not disclose such pricing and terms without the prior written consent from McKesson Medical-Surgical.

3.2 **Return of Confidential Information.** The Recipient will return to the Discloser, and destroy or erase all of the Discloser's Confidential Information in tangible form, upon the expiration or termination of this Agreement, and the Recipient will promptly certify in writing to the Discloser that it has done so. The Recipient may retain one (1) copy of Confidential Information for its legal archives, provided that such Confidential Information shall remain subject to the provisions of this Agreement unless and until the Confidential Information is returned to the Discloser. For purposes of this Agreement, (i) the "Recipient" means the party receiving the Confidential information from the Discloser; (ii) the "Discloser" means the party disclosing the Confidential information to the Recipient; and (iii) "Confidential Information" means non-public information relating to the Discloser's business, including technical, marketing, financial, personnel, planning, medical records and other information that is marked confidential or which the Recipient should reasonably know to be confidential given the nature of the information and the circumstance of disclosure, including the information set forth in Section 3.1 above. Notwithstanding the foregoing, Buyer acknowledges that Seller will provide information and reports to GPOs, Suppliers, and other third parties relating to Buyer's purchases from Seller. Buyer hereby waives any rights of confidentiality with respect to such information to the extent

necessary to allow Seller to provide such information to GPOs, Suppliers, and other third parties.

4. **Miscellaneous.** The following miscellaneous provisions shall apply to this Agreement:

4.1 **Amendment.** This Agreement may be modified, or any rights under it waived, only by a written document executed by both parties.

4.2 **Assignment.** This Agreement will bind and inure to the benefit of each party's permitted successors and assigns. Neither Customer nor a Facility may otherwise assign all or any part of this Agreement without McKesson Medical-Surgical's prior written consent and any attempt to do so without such consent will be null and of no effect. McKesson Medical-Surgical may subcontract any of its obligations under this Agreement, and may perform those obligations through personnel employed, or under contract with McKesson Medical-Surgical.

4.3 **Authorization.** Seller represents and warrants to Customer that: (i) it has full power and authority required to enter into, execute and deliver this Agreement and to carry out its obligations hereunder and to perform the transactions contemplated hereby; and (ii) this Agreement has been duly executed and delivered by, is the valid and binding obligation of and is enforceable against Seller in accordance with its terms.

Customer hereby represents and warrants to Seller, on its own behalf and on behalf of each Facility, that: (i) Customer and each Facility have full power and authority required to enter into, execute and deliver this Agreement and to carry out their respective obligations hereunder and to perform the transactions contemplated hereby; and (ii) this Agreement has been duly executed and delivered by Customer on its own behalf and on behalf of each Facility, and is the valid and binding obligation of and is enforceable against Customer and each Facility in accordance with its terms.

4.4 **Compliance with Laws.** Customer will, and will cause each Facility to, comply with all applicable laws in any way relating to the transactions to be performed under this Agreement or to the maintenance of Customer's or such Facility's records relating thereto. McKesson Medical-Surgical will comply with all applicable laws in any way relating to the transactions to be performed under this Agreement or any related Agreement or to the maintenance of McKesson Medical-Surgical's records relating thereto.

4.5 **Construction of Agreement.** This Agreement has been negotiated by the parties and its provisions will not be presumptively construed for or against either party. The headings and section titles in this Agreement are used for

convenience only, and will not affect the construction or interpretation of this Agreement.

4.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same instrument. An executed counterpart delivered via email in a PDF or TIF file format or via facsimile shall have the same force and effect as an executed original.

4.7 Disclaimer. MCKESSON MEDICAL-SURGICAL MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OF ANY PRODUCTS OR THEIR FITNESS FOR ANY PARTICULAR USE OR PURPOSE. CUSTOMER AND EACH FACILITY SHALL LOOK TO THE MANUFACTURER OF PRODUCTS AND THE PROVIDER OF SERVICES (IF OTHER THAN MMS) FOR ANY WARRANTY THEREON. NO AGENT, EMPLOYEE, OR REPRESENTATIVE OF MCKESSON MEDICAL-SURGICAL HAS ANY AUTHORITY TO MAKE ANY AFFIRMATION, REPRESENTATION, OR WARRANTY CONCERNING PRODUCTS NOT SET FORTH IN THIS AGREEMENT.

NEITHER CUSTOMER NOR A FACILITY SHALL HOLD MCKESSON MEDICAL-SURGICAL LIABLE FOR ANY DEFECT IN PRODUCTS OR SERVICES, REGARDLESS OF KIND. CUSTOMER AND A FACILITY AGREE TO FILE SOLELY WITH MANUFACTURER OF THE PRODUCTS OR PROVIDER OF SERVICES (IF OTHER THAN MCKESSON MEDICAL-SURGICAL) ANY CLAIM OR LAWSUIT ALLEGING LOSS, INJURY, DAMAGE, OR DEATH ARISING OUT OF OR CAUSED BY THE USE, SALE, DISTRIBUTION, OR POSSESSION OF PRODUCTS OR SERVICES.

IN NO EVENT WILL MCKESSON MEDICAL-SURGICAL BE LIABLE TO CUSTOMER OR A FACILITY UNDER, IN CONNECTION WITH, OR RELATED TO THIS AGREEMENT FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY, OR OTHERWISE, (INCLUDING LOST PROFITS) FROM ANY CAUSE, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM ANY UNAVAILABILITY OF, DEFECT IN, OR MISSHIPMENT OF PRODUCTS, AND WHETHER OR NOT MCKESSON MEDICAL-SURGICAL HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE OR THE PROVISION OF SERVICES.

4.8 Exhibits. All exhibits and attachments to this Agreement form a part of this Agreement and are incorporated into this Agreement by reference.

4.9 Force Majeure. Except for the obligation to pay money, a party will not be liable to the other party for any failure or delay in performance caused by fires, shortage of materials or transportation, government acts, acts of terrorism, or any other matters beyond the first party's reasonable control, and such

failure or delay will not constitute a material breach of this Agreement.

4.10 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Minnesota.

4.11 Medicare Records. To the extent 42 U.S.C. Section 1395 x(v)(1)(I) and 42 C.F.R. Subpart C of Part 405, 42 C.F.R. Subpart D of Part 420, or 42 C.F.R. Subpart B of Part 455 apply to this Agreement, McKesson Medical-Surgical shall maintain records of all purchases made by a Facility for a period of four (4) years and shall make same available for inspection by the Secretary of Health and Human Services or the Controller General of the United States, or their duly authorized representatives, upon request.

4.12 Notices. Any notice due under this Agreement, including any notice of termination, shall be in writing and delivered by: (i) facsimile, when complete transmission to the recipient is confirmed by the sender's facsimile machine; (ii) if sent by postage prepaid registered or certified U.S. Post mail, then five (5) working days after sending; or (iii) if sent by commercial courier, then at the time of receipt confirmed by the recipient to the courier upon delivery to each party at its address above, addressed to "President", with a copy to the Law Department.

4.13 Product Recommendations. Seller may make available to Buyer certain recommendations concerning products that are comparable, functionally equivalent, clinically equivalent, or equivalent to other products used or identified by Buyer ("Equivalency Recommendations").

Buyer agrees and stipulates that, in making any Equivalency Recommendation, Seller is relying solely on the independent skill, knowledge and judgment of its suppliers or others in the industry and is not independently providing medical product information upon which Buyer can rely in order to make its product selection decision. Buyer agrees and stipulates that in making product decisions Buyer is relying on its independent professional judgment. Buyer hereby agrees to waive, release, indemnify and hold Seller and its affiliates harmless from any claim arising from an Equivalency Recommendation. Buyer agrees and stipulates that it is a sophisticated user of medical products and it agrees and stipulates that it is a learned intermediary between Seller and the end user/patient.

THESE EQUIVALENCY RECOMMENDATIONS MAY BE MADE VERBALLY, IN WRITING, VIA A DATABASE OR THROUGH SHIPMENT OF SUBSTITUTE PRODUCTS. THE EQUIVALENCY RECOMMENDATIONS ARE RECOMMENDATIONS ONLY AND ARE NOT REPRESENTATIONS OR WARRANTIES CONCERNING ANY PRODUCT PERFORMANCE OR EQUIVALENCY AND ANY SUCH REPRESENTATIONS OF WARRANTY ARE HEREBY DISCLAIMED. THESE EQUIVALENCY RECOMMENDATIONS ARE BASED UPON MATERIALS SUPPLIED BY SELLER'S SUPPLIER AND OTHER INDUSTRY-AVAILABLE INFORMATION.

4.14 Publicity and Use of Name. The parties may publicly announce that they have entered into this Agreement and describe their relationship in general terms. The parties will not make any other public announcement or press release regarding this Agreement or any activities performed under this Agreement without the prior written consent of the other party. Neither party may use any trade name or service mark of the other party or any material protected by patents, trademarks or copyrights without the express written permission of the other party.

4.15 Relationship of Parties. Each party enters into and performs this Agreement as an independent contractor of the other party. This Agreement will not be construed as constituting a relationship of employment agency, partnership, joint venture or any other form of legal association, except as expressly set forth in this Agreement. Each party will have no power, and will not represent that it has any power, to bind the other party or to assume or to create any obligation or responsibility on behalf of the other party or in the other party's name.

4.16 REPORTING AND DISCLOSURE OBLIGATIONS. BUYER SHALL BE RESPONSIBLE FOR REPORTING ALL PRICES, DISCOUNTS, AND REBATES TO REIMBURSING AGENCIES TO THE EXTENT REQUIRED BY LAW OR REGULATION, INCLUDING MEDICARE AND MEDICAID, AND OTHER ENTITIES, MAINTAINING RECORDS THEREOF, AND PROVIDING INFORMATION TO REIMBURSING AGENCIES, IN ACCORDANCE WITH ALL APPLICABLE LAWS. ANY PRICE REDUCTION OR DISCOUNT PROGRAM DESCRIBED IN THIS AGREEMENT IS INTENDED TO BE A DISCOUNT WITHIN THE MEANING OF APPLICABLE FEDERAL AND STATE ANTI-KICKBACK LAWS, INCLUDING, 42 U.S.C. §1320A-7B(B) AND THE DISCOUNT SAFE HARBOR PROMULGATED THEREUNDER AND CURRENTLY FOUND AT 42 C.F.R. §1001.952(H). BUYER UNDERSTANDS THAT THIS AGREEMENT MAY NOT REFLECT THE NET COST OF A PRODUCT DUE TO A REBATE OR OTHER DISCOUNT PROGRAM.

BUYER REPRESENTS AND WARRANTS THAT IT WILL SATISFY ANY AND ALL REQUIREMENTS IMPOSED ON BUYERS, INCLUDING WHEN REQUIRED BY LAW, THE REQUIREMENT TO ACCURATELY REPORT, OR MAKE AVAILABLE UPON REQUEST BY A FEDERAL OR STATE HEALTH CARE PROGRAM, THE NET COST ACTUALLY PAID BY BUYER FOR THE PRODUCTS AND SERVICES COVERED BY THIS AGREEMENT. FOR PURPOSES OF COST REPORTING REQUIREMENTS UNDER A FEDERAL OR STATE PROGRAM WHICH PROVIDES COST BASED REIMBURSEMENT, BUYER UNDERSTANDS THAT ANY SUCH DISCOUNTS, INCLUDING REBATES, SHOULD BE PROPERLY ALLOCATED ON A UNIT BASIS SO AS TO REPORT A NET SALE PRICE THAT ACCURATELY REFLECTS THE TOTAL AMOUNT OF THE DISCOUNT RECEIVED.

4.17 Resale of Products. Each Facility hereby certifies that it is purchasing Products from McKesson Medical-Surgical for its own use and shall not resell or redistribute Products. A breach

of this Section 4.17 (Resale of Products) shall be deemed a material breach.

4.18 Severability. If all or part of a provision of this Agreement is found illegal or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the remainder of that provision and all other provisions of this Agreement will not be affected.

4.19 Successors and Assigns. This Agreement shall be binding upon, shall inure to the benefit of, and shall be enforceable by the respective successors of the parties. Neither party shall assign any of its rights or obligations hereunder without the prior written consent of the other party and any attempt to do so without such written consent will be null and of no effect.

4.20 Survival. The following provisions of this Agreement will survive termination or expiration of this Agreement in accordance with their terms: Sections 1 (Continuing Obligations), 3 (Confidential Information) and 4.22 (Time for Bringing Action) of this Exhibit A and Section 6 (Credit and Payment Terms) of this Agreement.

4.21 Taxes; Enforcement Costs. Customer will, and/or will cause the applicable Facility to, provide McKesson Medical-Surgical with any appropriate tax exemption certificates for each state where a Product purchased by Customer or such Facility hereunder may be delivered by McKesson Medical-Surgical. All amounts payable to McKesson Medical-Surgical under this Agreement are exclusive of all sales, use, value-added, withholding, and other taxes and duties. A Facility will promptly pay and indemnify McKesson Medical-Surgical against all taxes and duties assessed in connection with any such amounts, this Agreement, and its performance by any authority within or outside of the United States, except for taxes payable on McKesson Medical-Surgical's net income.

In the event it becomes necessary for either party to take action to collect any sums due or enforce any other provisions of this Agreement, the prevailing party shall be entitled to recover all costs and expenses of collection, including without limitation, reasonable attorney's fees and court costs.

4.22 Time for Bringing Action. Any action of any kind arising out of or in any way connected with this Agreement, other than collection of outstanding payment obligations, must be commenced within one (1) year upon which the cause of action accrued.

4.23 Tracking of Products; Recall Procedure. Customer will, and will cause each Facility to, cooperate with McKesson Medical-Surgical and comply with all applicable laws with respect to the tracking of a recall, market withdrawal, removal or other corrective action of any Products that may be purchased and/or distributed by Customer and/or such Facility hereunder.

4.24 Waiver. Any failure of a party to exercise or enforce any of its rights under this Agreement will not act as a waiver of such rights.

EXHIBIT B

LIST OF FACILITIES AND ADDRESSES

Location	Address	City	ST	ZIP
Bristol Hospice - California	374 E. Yosemite Ave, Suite 200	Merced	CA	95340-9100
Bristol Hospice - Sacramento	2140 Professional Dr., Suite 210	Roseville	CA	95661
Bristol Hospice - Stockton	1803 W. Marsh Lane, Suite C	Stockton	CA	95207-6414
Bristol Hospice - Georgia	2849 Paces Ferry Rd, Suite 380	Atlanta	GA	30339
Bristol Hospice - Hawaii	Waterfront Plaza Four, 500 Ala Moana Blvd, Suite 4-547	Honolulu	HI	96813
Judith Kaman Bristol Hospice, L.L.C	915 South Main St.	Stillwater	OK	74047
Bristol Hospice - Oregon	10365 SE Sunnyside Rd., Suite 340	Clackamas	OR	97015
Bristol Homecare - Oregon	10366 SE Sunnyside Rd., Suite 340	Clackamas	OR	97016
Bristol Hospice Pathways	115 Park Place Blvd, Suite 100	Waxahachie	TX	75165
Bristol Hospice - Texas	2002 Timberloch Place, Suite 150	The Woodlands	TX	77380
Bristol Homecare - Utah	4460 S. Highland Dr., Suite 240	Salt Lake City	UT	84124
Bristol Hospice - N. Utah	1638 N. Washington Blvd.	Ogden	UT	84404
Bristol Hospice - Utah	4460 S. Highland Dr., Suite 220	Salt Lake City	UT	84124

EXHIBIT C

PRICE LIST

Item Number	Item Description	Manufacturer	Manufacturer Number	CSPK	UOM	Price	On XReF
15124901	2 PIECE SUR-FIT NATURA TRANSPARENT OSTOMY DRAIN POUCH 12" 1 3/4" FLANGE	CONVA TEC	401512	10EA/BX	BX	\$ 25.75	*
44122000	4X4 GAUZE SPONGE 12PLY NON STERILE	MCKESSON	44122000	200EA/PK 10PK/CS	PK	\$ 3.60	*
44122010	4X4 GAUZE SPONGE 12PLY NON STERILE	MCKESSON	44122000	200EA/PK 10PK/CS	CS	\$ 32.14	*
18191401	A&D OINTMENT TU 4OZ	MCKESSON	118-8719	12EA/BX 6BX/CS	EA	\$ 0.99	*
42502001	ABD PAD 5X9 ST 1/PK 20PK/BX 20BX/CSMCK BRAND	MCK BRAND	16-4250	1/PK 20PK/BX 20BX/CS	EA	\$ 0.15	
70592001	ABD PAD 5X9 ST 25EA/BX 8BX/CS MCK BRAND	MCK BRAND	87059	25EA/BX 8BX/CS	EA	\$ 0.22	
42542001	ABD PAD 8X10 ST 1/PK 24PK/BX 15BX/CSMCK BRAND	MCK BRAND	16-4254	1/PK 24PK/BX 15BX/CS	EA	\$ 0.18	
42502000	ABD PAD STERILE 5"X9"	MCKESSON	16-4250	1/PK 20PK/BX 20BX/CS	BX	\$ 1.86	*
42542000	ABD PAD STERILE 8"X10"	MCKESSON	16-4254	1/PK 24PK/BX 15BX/CS	BX	\$ 3.60	*
90113000	ABDOMINAL BINDER 9" VELCRO CLOSURE WHITE 30" TO 45" LATEX FREE	MCKESSON	83-919-01	1EA	EA	\$ 13.65	*
79324900	ADAPT PASTE 2OZ TUBE FOR USE IN OSTOMY AND WOUND CARE	HOLLISTER INC.	79300	1EA	EA	\$ 9.06	*
20393900	ADDIPAK UNIT DOSE SOLUTION .9% NACL 3ML	TELEFLEX MEDICAL	200-39	100EA/BX 10BX/CS	BX	\$ 10.00	*
27322700	ALC GEL MEDIPAK W/ALOE4OZ S/B 24EA/CS DMB MCK BRAND	MCK BRAND	53-27032	Stop Buy	EA	\$ 1.30	
85442100	ALGICELL SILVER ANTIMICROBIAL CALCIUM ALGINATE DRESSING 4.25"X4.25" STERILE	MCKESSON	61-88544	Stop Buy	BX	\$ 80.00	*
81112100	AMORPHOUS HYDROGEL WOUND FILLER 1 OUNCE LATEX FREE	MCKESSON	61-81110	Stop Buy	EA	\$ 1.68	*
20121400	ANTI FUNGAL CREAM, 2 OZ	SPAN AMERICA	PJSAF02012	12EA/CS	EA	\$ 3.98	*
53052100	ANTIMICROBIAL SILVER CALCIUM ALGINATE DRESSING 4"X8" STERILE	DERMARITE INDUSTRIES LLC	00535E	5EA/BX	BX	\$ 32.50	*
85122100	ANTIMICROBIAL SILVER CALCIUM ALGINATE DRESSING ROPE/RIBBON.75"X12" STERILE	MCKESSON	61-88512	5EA/BX 48X/CS	BX	\$ 40.80	*
26131210	APPLICATOR CHLOPRP 5.25ML 3/PK 40PK/BX 10BX/CS CAREFUSION	CAREFUSION	260103	3/PK 40PK/BX 10BX/CS	PK	\$ 1.60	
24101201	APPLICATOR COTTON TIP 6" 2/PK 100PK/BX 10BX/CSMCK BRAND	MCK BRAND	24-106-2S	2/PK 100PK/BX 10BX/CS	PK	\$ 0.03	
24101200	APPLICATOR COTTON TIP 6" 2EA/PK 100PK/BX 10/CS MCK BRAND	MCK BRAND	24-106-2S	2EA/PK 100PK/BX 10/CS	BX	\$ 3.70	*
71712700	BACITRACIN+ZINC OINT FOIL PKT 9GM	DYNAREX CORP	1171	144EA/BX 12BX/CS	BX	\$ 12.40	*
50144110	BAG BIOHAZARD 11X14 1-6GA 50EA/BX 10BX/CS MEDEGEN	MEDEGEN	50-42	50EA/BX 10BX/CS	EA	\$ 0.15	
45501101	BAG CON/INF RED 24X24" 250EA/CS MCK BRAND	MCK BRAND	03-4550	250EA/CS	EA	\$ 0.12	
28821920	BAG DRN ANTIRFLUX 2000ML	MCKESSON	37-2802	20EA/CS	CS	\$ 28.00	*
28821920	BAG DRN ANTIRFLUX 2000ML	MCKESSON	37-2802	20EA/CS	CS	\$ 28.00	*
80201900	BAG DRN ANTIRFLX 2000ML 20EA/CS BARD	BARD	802001	20EA/CS	EA	\$ 1.72	
56191900	BAG LEG 19OZ VNL NSTRP 50EA/CS BARD	BARD	150619	50EA/CS	EA	\$ 4.02	
80231916	BARDEX 16FR 5CC SILICONE COATED LATEX FOLEY CATHETER	BARD MEDICAL DIVISION	123616A	12EA/CS	EA	\$ 0.79	*
20101920	BARDIA FOLEY CATH INSERTION TRAY W/O CATH 10CC SYRINGE NO GLOVES STERILE	BARD MEDICAL DIVISION	802010	20EA/CS	CS	\$ 31.88	*
21101900	BARDIA INSERT TRAY NO BAG NO CATH R STERILE	BARD MEDICAL DIVISION	802010	20EA/CS	EA	\$ 1.69	*
23511900	BARDIA SILICONE COATED 2 WAY CATHETER LATEX 14FR 5CC	BARD MEDICAL DIVISION	123514A	12EA/CS	CS	\$ 9.64	*
15824900	BARR 13/4FLG 1OPN CNXW 5EA/BX HOLLISTER	HOLLISTER	15802	5EA/BX	BX	\$ 18.84	
19154901	BARR 13/4FLG C/F XW 10EA/BX CONVTC	CONVTC	413161	10EA/BX	EA	\$ 2.40	
16024900	BARR 13/4FLG C/F XW 5EA/BX HOLLISTER	HOLLISTER	14602	5EA/BX	BX	\$ 12.19	
29544901	BARR 13/4FLG M/F CNXW 10EA/BX CONVATEC	CONVATEC	404592	10EA/BX	EA	\$ 4.76	

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45944910	BARR 21/4FLG M/F CNXW 10EA/BX CONVATEC	CONVATEC	404594	10EA/BX	EA	\$ 4.76	
15844900	BARR 23/4FLG 2OPN CNXW 5EA/BX HOLLISTER	HOLLISTER	15804	5EA/BX	BX	\$ 18.84	
19174901	BARR 23/4FLG C/F XW 10EA/BX CONVATEC	CONVATEC	413163	10EA/BX	EA	\$ 2.75	
14044900	BARR 23/4FLG C/F XW 5EA/BX HOLLISTER	HOLLISTER	14604	5EA/BX	BX	\$ 12.19	
89142001	BARR ISL DRSG 4X4 25EA/BX 4BX/CS MCK BRAND	MCK BRAND	16-89144	25EA/BX 4BX/CS	EA	\$ 1.04	
89162001	BARR ISL DRSG 6X6 25EA/BX 4BX/CS MCK BRAND	MCK BRAND	16-89166	25EA/BX 4BX/CS	EA	\$ 2.08	
39104900	BARR PASTE STOMAHES 2OZ 1EA/BX 35BX/CS CONVATEC	CONVATEC	183910	1EA/BX 35BX/CS	EA	\$ 6.31	
55114900	BARR PWDR STOMAHES 1OZ 1/EA 48EA/CS CONVATEC	CONVATEC	25510	1/EA 48EA/CS	EA	\$ 4.48	
81112901	BASIN EMESIS 9" 16OZ MVE 250EA/CS MCK BRAND	MCK BRAND	51-4881-11	250EA/CS	EA	\$ 0.10	*
92112901	BASIN WASH 7QT RECT MVE 50EA/CS MCK BRAND	MCK BRAND	51-4892-11	50EA/CS	EA	\$ 0.65	
16071400	BAZA SWEEN CREAM ANTIFUNGAL BARRIER 5 OUNCE TUBE RELIEVES FUNGAL INFECTION	COLOPLAST INC.	1607	12EA/CS	EA	\$ 9.64	*
46772900	BED PAN FRAC MAUVE 50EA/CS MCK BRAND	MCK BRAND	51-4667-11	50EA/CS	EA	\$ 1.10	
46772950	BEDPAN FRACTURE MVE	MCKESSON	51-4667-11	50EA/CS	CS	\$ 36.08	*
55104900	BELT OST ADJ 1X42 1/BX CONVATEC	CONVATEC	175507	1/BX	BX	\$ 4.46	
93942300	BETADINE SOLUTION 4OZ 48EA/CS MEDLINE	MEDLINE	MDS093944	48EA/CS	EA	\$ 1.65	
88671101	BIB 13X18 DENTAL 2PLY BLU 500EA/CS MCK BRAND	MCK BRAND	18-867	500EA/CS	EA	\$ 0.04	
24021201	BLADE TONGUE SR STR 6" S/B 10BX/CS DGM MCK BRAND	MCK BRAND	24-202-S	100/BX 10BX/CS	EA	\$ 0.05	
48162000	BNDG ADH 2X3 LF 50EA/BX 24BX/CS MCK BRAND	MCK BRAND	16-4816	50EA/BX 24BX/CS	BX	\$ 5.00	
48232000	BNDG ADH STRIP .75X3 100EA/BX 24BX/CS MCK BRAND	MCK BRAND	16-4823	100EA/BX 24BX/CS	BX	\$ 1.35	
10082001	BNDG COMPRSN 4LAYER LF 8EA/CS MCK BRAND	MCK BRAND	1008	8EA/CS	EA	\$ 15.71	
03332001	BNDG ELST 3"X5YDS NS LF 10EA/BX 5BX/CS MCK BRAND	MCK BRAND	16-1033-3	10EA/BX 5BX/CS	EA	\$ 0.75	
03342001	BNDG ELST 4"X5YDS LF 10EA/BX 5BX/CS MCK BRAND	MCK BRAND	16-1033-4	10EA/BX 5BX/CS	EA	\$ 0.78	
32642020	BNDG GZE FLUFF 4.5"X4.1YD	MCKESSON	16-4264	1RL/PK 100PK/CS	CS	\$ 65.00	*
41042000	BNDG STRCH 4" NS LF 12/BG 8BG/CS MCK BRAND	MCK BRAND	41042000	12/BG 8BG/CS	BG	\$ 1.80	
13432100	BNDG SYS COMPRSSN 4LAYER S/B 8KT/CS DMBMCK BRAND	MCK BRAND	13-4340	Stop Buy	KT	\$ 18.00	
16021700	BOARD EMERY 4 5/8" LF 6EA/PK 667PK/CS MCK BRAND	MCK BRAND	16-E801	6EA/PK 667PK/CS	PK	\$ 0.15	
72504000	BOTTLE VACUUM W/DRAINAGE LINE PLUREX 1000ML	CAREFUSION SOLUTIONS LLC	50-7210	10EA/CS	CS	\$ 580.00	*
87773101	BRIEF CLOTH BACK 2XLG 12EA/BG 4BG/CS MCK BRAND	MCK BRAND	BRULXXL	12EA/BG 4BG/CS	BG	\$ 8.00	
97203101	BRIEF DAY PLUS W/WINGS 20EA/BG 4BG/CS COVIDIEN	COVIDIEN	6597B20	20EA/BG 4BG/CS	BG	\$ 8.08	
87773100	BRIEF PREMIUM CLOTH BACK ADLT 2XLG	MCKESSON	BRULXXL	12EA/BG 4BG/CS	CS	\$ 28.32	*
27753100	BRIEF STAY DRY SIZE LARGE CLOTH BACK 44-58"	MCKESSON	BRCLLG	24EA/BG 3BG/CS	CS	\$ 26.35	*
27743100	BRIEF STAY DRY SIZE MEDIUM CLOTH BACK 32-44"	MCKESSON	BRCLMD	24EA/BG 4BG/CS	CS	\$ 30.72	*
27783100	BRIEF STAY DRY SIZE XLG CLOTH BACK 58-63"	MCKESSON	BRCLXL	20EA/BG 3BG/CS	CS	\$ 25.80	*
16153101	BRIEF SURECARE PULLON LG 18EA/PK 4PK/CS COVIDIEN	COVIDIEN	1615	18EA/PK 4PK/CS	PK	\$ 12.20	
16053101	BRIEF SURECARE PULLON MED 20EA/PK 4PK/CS COVIDIEN	COVIDIEN	1605	20EA/PK 4PK/CS	PK	\$ 12.20	
16253101	BRIEF SURECARE PULLON XL 14EA/PK 4PK/CS COVIDIEN	COVIDIEN	1625	14EA/PK 4PK/CS	PK	\$ 10.39	
73383101	BRIEF ULTRA BRTHABL LG 18EA/BG 4BG/CS MCK BRAND	MCK BRAND	BRULLG	18EA/BG 4BG/CS	BG	\$ 7.37	
83383101	BRIEF ULTRA BRTHABL MED 16EA/BG 6BG/CS MCK BRAND	MCK BRAND	BRULMD	16EA/BG 6BG/CS	BG	\$ 4.88	

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30783101	BRIEF ULTRA BRTHABL XLG 15EA/BG 4BG/CS MCK BRAND	MCK BRAND	BRULXL	15EA/BG 4BG/CS	BG	\$ 7.37	
22363101	BRIEF ULTRA SM 22-36 24/BG 4BG/CS MCK BRAND	MCK BRAND	BRULSM	24/BG 4BG/CS	BG	\$ 7.67	
67093101	BRIEF WINGS ADLT 2XLG 12EA/PK 4PK/CS COVIDIEN	COVIDIEN	67093	12EA/PK 4PK/CS	PK	\$ 10.17	
75343101	BRIEF WINGS CHC+ LG 18EA/BG 4BG/CS COVIDIEN	COVIDIEN	66034	18EA/BG 4BG/CS	BG	\$ 8.53	
66333101	BRIEF WINGS CHC+ QLTD MED 12EA/PK 8PK/CS COVIDIEN	COVIDIEN	66033	12EA/PK 8PK/CS	PK	\$ 4.37	
75353101	BRIEF WINGS CHC+ QLTD XL 15EA/BG 4BG/CS COVIDIEN	COVIDIEN	66035	15EA/BG 4BG/CS	BG	\$ 8.05	
66323101	BRIEF WINGS CHC+QLTD SM 12EA/BG 8BG/CS COVIDIEN	COVIDIEN	66032	12EA/BG 8BG/CS	BG	\$ 4.38	
27753100	BRIEF, STAY DRY SIZE LARGE CLOTH BACK 44-58"	MCKESSON	BRCLLG	24EA/BG 3BG/CS	CS	\$ 26.35	
88042100	CALCIUM ALGINATE DRESSING 4"X4" OVERALL LATEX FREE	MCKESSON	61-88044	10/BX 4BX/CS DGM/LTB	BX	\$ 27.00	
79802700	CALMOSEPTINE OINT 4OZ EA MCKESSON	MCKESSON	2143550	EA	EA	\$ 6.20	
70063900	CANNULA INNER 6DIC 10EA/BX COVIDIEN	COVIDIEN	6DIC	10EA/BX	EA	\$ 4.70	
70083900	CANNULA INNER 8DIC 10EA/BX COVIDIEN	COVIDIEN	8DIC	10EA/BX	EA	\$ 4.70	
92702800	CAP SYR MULTI-AD 10PK 50PK/CS B BRAUN	B BRAUN	418012	10PK 50PK/CS	CS	\$ 46.35	
10021914	CATH CDE LTX 14FR 5CC 2W 12EA/CS BARD	BARD	0168L14	12EA/CS	EA	\$ 22.50	
10021916	CATH CDE LTX 16FR 5CC 2W 12EA/CS BARD	BARD	0168L16	12EA/CS	EA	\$ 22.50	
10021918	CATH CDE LTX 18FR 5CC 2W 12EA/CS BARD	BARD	0168L18	12EA/CS	EA	\$ 22.50	
60021902	CATH EXT CLADV MED LF 100EA/CS MENTOR	MENTOR	6200	100EA/CS	EA	\$ 1.80	
64001900	CATH EXT CLRADV LG LF 100EA/BX MENTOR	MENTOR	6400	100EA/BX	EA	\$ 1.80	
61021900	CATH EXT CLRADV SM LF 100EA/BX MENTOR	MENTOR	C6100	100EA/BX	EA	\$ 1.80	
92071900	CATH EXT EXWR 29MM LTX 30EA/BX HOLLISTER	HOLLISTER	9207	30EA/BX	EA	\$ 1.48	
97631930	CATH EXT MALE LG 36MM 30EA/BX HOLLISTER	HOLLISTER	97636	30EA/BX	EA	\$ 1.56	
92601900	CATH EXT SELF ADH SM 30EA/BX HOLLISTER	HOLLISTER	9206	30EA/BX	EA	\$ 1.48	
51141900	CATH INTMT ROB/NELLTX14FR 100EA/BX TELEFLEX	TELEFLEX	351014	100EA/BX	EA	\$ 0.49	
61351900	CATH INTRMT ROB-NEL 16FR 100EA/CS TELEFLEX	TELEFLEX	351016	100EA/CS	EA	\$ 0.55	
10151900	CATH SECURE STATLOK FOLEY 25EA/BX BARD	BARD	FOL0101	25EA/BX	EA	\$ 5.25	
81601900	CATH SELF VNL CTP 16FR 30EA/BX MENTOR	MENTOR	816	30EA/BX	EA	\$ 2.50	
80651916	CATH SIL 100% 16FR 5CC 2W 12EA/CS BARD	BARD	806516	12EA/CS	EA	\$ 3.64	
80251914	CATH SIL LTX 14FR 5CC 2W 12EA/CS BARD	BARD	123514A	12EA/CS	EA	\$ 1.10	
80231916	CATH SIL LTX 16FR 30CC 2W 12EA/CS BARD	BARD	123616A	12EA/CS	EA	\$ 0.79	
80251916	CATH SIL LTX 16FR 5CC 2W 12EA/CS BARD	BARD	123516A	12EA/CS	EA	\$ 1.10	
80231918	CATH SIL LTX 18FR 30CC 2W 12EA/CS BARD	BARD	123618A	12EA/CS	EA	\$ 1.10	
80251918	CATH SIL LTX 18FR 5CC 2W 12EA/CS BARD	BARD	123518A	12EA/CS	EA	\$ 1.10	
80231920	CATH SIL LTX 20FR 30CC 2W 12EA/CS BARD	BARD	123620A	12EA/CS	EA	\$ 1.10	
80251920	CATH SIL LTX 20FR 5CC 2W 12EA/CS BARD	BARD	123520A	12EA/CS	EA	\$ 1.10	
80231922	CATH SIL LTX 22FR 30CC 2W 12EA/CS BARD	BARD	123622A	12EA/CS	EA	\$ 1.10	
80251922	CATH SIL LTX 22FR 5CC 2W 12EA/CS BARD	BARD	123522A	12EA/CS	EA	\$ 1.10	

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80231924	CATH SIL LTX 24FR 30CC 2W 12EA/CS BARD	BARD	123624A	12EA/CS	EA	\$ 1.10	
80251924	CATH SIL LTX 24FR 5CC 2W 12EA/CS BARD	BARD	123524A	12EA/CS	EA	\$ 1.10	
80231926	CATH SIL LTX 26FR 30CC 2W 12EA/CS BARD	BARD	123626A	12EA/CS	EA	\$ 1.10	
06004000	CATH SUCT 14FR COILED 50EA/CS CARE FUSIO	CARE FUSIO	T60C	50EA/CS	EA	\$ 0.32	
73021900	CATH TRAY URETH RR 14FR 20EA/CS MCK BRAND	MCK BRAND	37-232	20EA/CS	EA	\$ 2.50	
21261900	CATHETER CONVEEN ULTRA SECURE SELF SEALING MALE EXTERNAL 30MM	COLOPLAST INC.	22030	30EA/BX	BX	\$ 44.36	
74244050	CATHETER KIT SCTN STR 14FR	KENDALL HEALTHCARE PROD INC.	37424	50EA/CS	CS	\$ 34.13	
83171900	CATHETER, COUDE - 16FR-30CC	TELEFLEX MEDICAL	318316	10EA/BX	EA	\$ 3.94	*
33461400	CAVILON NO STING BARRIER FILM PUMP BOTTLE 28.0ML ALCOHOL FREE COATS SKIN	3M	3346	12EA/CS	EA	\$ 10.16	*
19001800	CLEANSER, FOAM 3N1	DERMARITE INDUSTRIES LLC	190	12EA/CS	EA	\$ 3.26	*
19232100	CLNSR WND DERMAGRAN 4OZ 12EA/CS DERMA SCIE	DERMA SCIE	WC04	12EA/CS	EA	\$ 2.35	
17202100	CLNSR WND DERMAL 16OZ 6EA/CS MCK BRAND	MCK BRAND	1720	6EA/CS	EA	\$ 7.35	
59442100	CLNSR WND DERMAL 8OZ 12EA/CS SMITH NEPH	SMITH NEPH	59449200	12EA/CS	EA	\$ 6.50	
62102200	CLOTH TAPE 2"X10 YARDS LATEX FREE	MCKESSON	16-47120	6RL/BX 12BX/CS	BX	\$ 8.04	*
20942008	COBAN 2 LAYER COMPRESSION BANDAGE SYSTEM	3M	2094	1EA/BX 8BX/CS	CS	\$ 160.00	*
15832000	COBAN 3" TAN 24EA/BX 3M CORP	3M CORP	1583	24EA/BX	EA	\$ 1.68	
15842000	COBAN 4" TAN 18EA/BX 3M CORP	3M CORP	1584	18EA/BX	EA	\$ 2.56	
53132001	COHESIVE BANDAGE NON STERILE LATEX FREE 3"X5YARDS TAN	MCKESSON	16-53313	24EA/CS	EA	\$ 1.80	*
53132001	COHESIVE BANDAGE NON STERILE LATEX FREE 3"X5YARDS TAN	MCKESSON	16-53313	24EA/CS	EA	\$ 1.80	*
53142001	COHESIVE BANDAGE NON STERILE LATEX FREE 4"X5YARDS TAN	MCKESSON	16-53414	18EA/CS	EA	\$ 2.40	*
33302101	COLLAGEN DRESSING 4"X4"	DERMARITE INDUSTRIES LLC	00303E	10EA/BX	EA	\$ 6.66	*
64032801	COLLECTION SET BLD SAFETY 23GX3/4" 12" TU CONT SHARPS STCK RED 1QT 72EA/CS MCK BRAND	GREINER BIO- ONE	450096	50/BX 20BX/CS	EA	\$ 0.90	*
70282800	CONTAINER SHARPS STACKABLE RED 1GL MCK BRAND	MCK BRAND	101-8702	72EA/CS	EA	\$ 1.30	
87032800	CONTAINER SHARPS STACKABLE RED 1GL MCK BRAND	MCKESSON	101-8703	24EA/CS	EA	\$ 2.29	*
49351201	CONTAINER SPEC 4OZ WM ST 75EA/PK 4PK/CS MCK BRAND	MCK BRAND	16-9542	75EA/PK 4PK/CS	EA	\$ 0.24	
44552101	COPA DRSG 4X4 NADH 10EA/BX 5BX/CS COVIDIEN	COVIDIEN	55544	10EA/BX 5BX/CS	EA	\$ 1.79	
65652101	COPA DRSG 6X6 ADH 10EA/BX 5BX/CS COVIDIEN	COVIDIEN	55566B	10EA/BX 5BX/CS	EA	\$ 5.53	
40901608	CORNSTARCH POWDER 4 OUNCE LATEX FREE	MCKESSON	16-BP4	48EA/BX	CS	\$ 28.80	*
24101200	COTTONTIP APPLICATOR STERILE 6"	MCKESSON	24-106-2S	2EA/PK 100PK/BX 10/C S	BX	\$ 3.70	*
18502500	COVER PROBE ORAL THERM 50EA/BX 100BX/CS MCK BRAND	MCK BRAND	18-D50	50EA/BX 100BX/CS	BX	\$ 2.06	
71503900	CPR CLEAR MOUTH SHIELD 10EA/BX 5BX/CS MICROTEK	MICROTEK	70-150	10EA/BX 5BX/CS	EA	\$ 5.50	
66141400	CREAM BODY MOIST 4OZ 12BT/CS MCK BRAND	MCK BRAND	116- BCRM4OZ	12BT/CS	EA	\$ 4.50	
66141412	CREAM BODY THERA MOIST 4OZ	MCKESSON	116- BCRM4OZ	12BT/CS	CS	\$ 38.70	*
11651702	CREAM SHAVE AEROSOL 1.5OZ	MCKESSON	16-SCF15	144/CS	EA	\$ 0.65	*
23101410	CREAM STAY DRY PERI 6OZ	MCKESSON	53-23103	24EA/CS	CS	\$ 100.80	*
23101400	CREAM STAY DRY PERI6OZ 24EA/CS MCK BRAND	MCK BRAND	53-23103	24EA/CS	EA	\$ 3.64	*
89741916	CURITY FOLEY CATHETER TRAY - CLOSED WITH 16FR CATH AND DB	BARD MEDICAL DIVISION	802016	10EA/CS	EA	\$ 4.81	*
20152001	CURITY OIL DRSG NADH 3X8 24EA/BX 6BX/CS	COVIDIEN	6113	24EA/BX 6BX/CS	EA	\$ 1.07	

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94414900	DEO OST LIQ F/PCH 1OZ 12EA/BX HOLLISTER	HOLLISTER	7715	12EA/BX	EA	\$ 3.04	
22492100	DERMA KLENZ WOUND CLEANSER - 8 OZ	DERMARITE INDUSTRIES LLC	249	24EA/CS	EA	\$ 2.89	*
20922101	DERMAFOAM, 6X6	DERMARITE INDUSTRIES LLC	00292E	10EA/BX	EA	\$ 4.75	*
21021400	DERMASEPTIN SKIN PROTECTANT 0.5 OUNCE PACKET PROTECTS MOISTURIZES	DERMARITE INDUSTRIES LLC	210	144EA/BX	BX	\$ 54.56	*
20472101	DERMASYN WND FILLER 3OZ 24EA/CS DERMARITE	DERMARITE	00247	24EA/CS	EA	\$ 7.40	
28844100	DISINF PROTECH AEROSOL 12EA/CS MCK BRAND	MCK BRAND	53-28584	12EA/CS	EA	\$ 5.20	
30201101	DISPOSABLE ISOLATION GOWN YELLOW	MCKESSON	30201100	50EA/CS	EA	\$ 0.29	*
60891900	DOVER SILVER INFECTION CONTROL CATHETER 18FR 5CC 2WAY 100% SILICONE	KENDALL HEALTHCARE PROD INC.	605189IC	10EA/BX	EA	\$ 14.20	*
20532101	DRESSING FILM TRANS W/FRM DEL STR 4"X4 3/4"	DERMARITE INDUSTRIES LLC	00253E	50EA/BX	EA	\$ 0.43	*
47392110	DRESSING HYDROCELLULAR FOAM N/ADH SRT 4X4	MCKESSON	4739	10/BX 10BX/CS	BX	\$ 14.50	*
89412000	DRESSING ISLAND 2"X8" PAD 4"X10" OVERALL LATEX FREE	MCKESSON	16-89041	25EA/BX 4BX/CS	BX	\$ 8.75	*
90442004	DRESSING ISLAND STR LF 4"X4"	MCKESSON	16-89044	25EA/BX 4BX/CS	CS	\$ 25.00	*
51512101	DRESSING MEDIHONEY 1.5OZ TUBE	MCKESSON	31515	12EA/CS	EA	\$ 14.99	*
31852100	DRESSING MEDIHONEY GEL TUBE 0.5OZ	MCKESSON	31805	10EA/BX 4BX/CS	BX	\$ 55.78	*
35262101	DRSG CALCIUM ALGINATE 10/BX 10BX/CS MCK BRAND	MCK BRAND	3562	10/BX 10BX/CS	EA	\$ 3.33	
35462101	DRSG CALCIUM ALGINATE 5/BX 10BX/CS MCK BRAND	MCK BRAND	3564	5/BX 10BX/CS	EA	\$ 3.47	
49782101	DRSG FILM TRANS W/FRM DEL 10EA/BX 8BX/CS MCK BRAND	MCK BRAND	4987	10EA/BX 8BX/CS	EA	\$ 2.45	
49682101	DRSG FILM TRANS W/FRM DEL 50EA/BX 4BX/CS MCK BRAND	MCK BRAND	4986	50EA/BX 4BX/CS	EA	\$ 0.96	
18872101	DRSG HYDRC FILM-BACK 4X4" 10EA/BX 20BX/CS MCK BRAND	MCK BRAND	1887	10EA/BX 20BX/CS	EA	\$ 2.95	
18892101	DRSG HYDRC FOAM-BCK 4"X4" 10EA/BX 10BX/CS MCK BRAND	MCK BRAND	1889	10EA/BX 10BX/CS	EA	\$ 3.50	
81382101	DRSG HYDROC THIN 4"X4"STR 10EA/BX 20BX/CS MCK BRAND	MCK BRAND	1883	10EA/BX 20BX/CS	EA	\$ 3.00	
71832100	DRSG MEDIHONEY GEL .5OZ 10/BX 4BX/CS MCK BRAND	MCK BRAND	31805	10/BX 4BX/CS	EA	\$ 5.67	
71832110	DRSG MEDIHONEY GEL .5OZ 10/BX 4BX/CS MCK BRAND	MCK BRAND	31805	10/BX 4BX/CS	BX	\$ 56.67	
99682101	DRSG RESTORE AG 4X4.75 10EA/BX HOLLISTER	HOLLISTER	529968	10EA/BX	EA	\$ 10.71	
17212100	DRSG WND GEL AMRPHOUS 1OZ 30EA/CS MCK BRAND	MCK BRAND	1721	30EA/CS	EA	\$ 1.97	
17222100	DRSG WND GEL AMRPHOUS 3OZ 12EA/CS MCK BRAND	MCK BRAND	1722	12EA/CS	EA	\$ 6.23	
47612101	DRSNG ADH FOAM STR 4X4 10/BX 10BX/CS MCK BRAND	MCK BRAND	4671	10/BX 10BX/CS	EA	\$ 1.99	
47392101	DRSNG HYDROCEL FM SRT 4X4 10/BX 10BX/CS MCK BRAND	MCK BRAND	4739	10/BX 10BX/CS	EA	\$ 1.33	
47372101	DRSNG HYDROCELLULARFM 4X4 10/BX 10BX/CS MCK BRAND	MCK BRAND	4737	10/BX 10BX/CS	EA	\$ 3.76	
38102200	DURAPORE SURGICAL TAPE 1" X 10YARDS SILK HYPOALLERGENIC	3M	1538-1	12EA/BX 10BX/CS	BX	\$ 12.88	*
16912201	ECOFIX DRESSING RETENTION TAPE 2"X10 YARDS LATEX FREE SOFT CLOTH NON WOVEN	MCKESSON	16-479210	1EA/BX 24BX/CS	BX	\$ 2.30	*
16932201	ECOFIX DRESSING RETENTION TAPE 4"X10 YARDS LATEX FREE SOFT CLOTH NON WOVEN	MCKESSON	16-479410	1EA/BX 24BX/CS	BX	\$ 3.20	*
16932201	ECOFIX DRESSING RETENTION TAPE 4"X10 YARDS LATEX FREE SOFT CLOTH NON WOVEN	MCKESSON	16-479410	1EA/BX 24BX/CS	BX	\$ 3.20	*
41001920	ECONOMY IRRIGATION TRAY POLYPRO PISTON SYRINGE NO GLOVES TYVEK LID STERILE	MCKESSON	37-104	20EA/CS	CS	\$ 19.80	*
58972100	ELTA SILVER WOUND GEL 1.5 OUNCE TUBE	STEADMED MEDICAL LLC	08597	12EA/CS	EA	\$ 17.00	*
25602700	ENEMA BUCKET SET W/SOAP 50EA/CS MEDEGEN	MEDEGEN	2560	50EA/CS	EA	\$ 1.53	
36212700	ENEMA FLEET SALINE 4.5OZ 1/EA	MCKESSON	1263300	1/EA	EA	\$ 1.40	

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20962700	ENEMA READY TO USE SOD PHOSPHATE 4.5OZ	MCKESSON	2096428	EA	EA	\$ 0.82	*
20962700	ENEMA SOD PHOSPHATE 4.5OZ EA MCK BRAND	MCK BRAND	2096428	EA	EA	\$ 0.82	*
90041400	EUCERIN CREAM UNSCENTED 4OZ	US PHARMACEUTICAL DIVISION/MCKESSON CORP	1721141	1EA	EA	\$ 6.44	*
43161300	EXAM GLOVE LATEX POWDER FREE SMOOTH MEDIUM NONSTERILE	MCKESSON	14-316	100EA/BX 10BX/CS	BX	\$ 7.00	*
99602101	EXUDRY DRSG 4X6 10EA/BX 12BX/CS SMITH NEPH	SMITH NEPH	5999004120	10EA/BX 12BX/CS	EA	\$ 2.20	*
99062101	EXUDRY DRSG 6X9 12EABX/CS 4BX/CS SMITH NEPH	SMITH NEPH	5999006	12EABX/CS 4BX/CS	EA	\$ 3.30	*
41104900	FLEXI-SEAL FECAL MANAGEMENT SYSTEM COLLECTION BAGS	CONVA TEC	411101	10EA/BX	BX	\$ 85.00	*
48422101	FM ADH SIL W/BORDER 3"X3" 10EA/BX 20BX/CS MCK BRAND	MCK BRAND	4842	10EA/BX 20BX/CS	EA	\$ 2.37	*
48432101	FM ADH SIL W/BORDER 4"X4" 10EA/BX 20BX/CS MCK BRAND	MCK BRAND	4843	10EA/BX 20BX/CS	EA	\$ 3.69	*
84242100	FOAM DRESSING ADHESIVE 2 1/2"X2 1/2" PAD 4"X4" OVERALL LF	MCKESSON	61-84244	Stop Buy	BX	\$ 41.00	*
84242100	FOAM DRESSING ADHESIVE 2 1/2"X2 1/2" PAD 4"X4" OVERALL LF	MCKESSON	61-84244	Stop Buy	BX	\$ 41.00	*
84242100	FOAM DRESSING ADHESIVE 2 1/2"X2 1/2" PAD 4"X4" OVERALL LF	MCKESSON	61-84244	Stop Buy	BX	\$ 41.00	*
84262100	FOAM DRESSING ADHESIVE 4 1/2"X4 1/2" PAD 6"X6" OVERALL LF	MCKESSON	61-84266	Stop Buy	BX	\$ 55.00	*
62181900	FOLEY 100% SILICONE CATHETER 18FR 30CC	MENTOR CORP.	AA6C18	5EA/BX	EA	\$ 4.46	*
89741918	FOLEY CATH TRAY DRAIN BAG 18FR SILICONE CATH NITRILE GLOVES ETC	BARD MEDICAL DIVISION	802018	10EA/CS	EA	\$ 4.81	*
41022000	GAUZE 2"X4.1YDS NS 8DZ/CS MCK BRAND	MCK BRAND	41022000	8DZ/CS	DZ	\$ 1.55	*
52412001	GAUZE 2"X4.1YDS PERF ST 12EA/PK 8PK/CS MCK BRAND	MCK BRAND	16-4152	12EA/PK 8PK/CS	EA	\$ 0.13	*
22082000	GAUZE 2X2 8PLY PERF NS 200EA/PK 25PK/CS MCK BRAND	MCK BRAND	22082000	200EA/PK 25PK/CS	PK	\$ 0.80	*
20082001	GAUZE 2X2 8PLY PERF ST 2S 2/PK 50PK/BX 30BX/CSMCK BRAND	MCK BRAND	16-4228	2/PK 50PK/BX 30BX/CS	PK	\$ 0.03	*
53412001	GAUZE 3"X4.1YDSELST ST 96EA/CS MCK BRAND	MCK BRAND	16-4153	96EA/CS	EA	\$ 0.19	*
54412001	GAUZE 4"X4-.1/10YD PERFST 96EA/CS MCK BRAND	MCK BRAND	16-4154	96EA/CS	EA	\$ 0.33	*
32642000	GAUZE 4.5"X4.1YDSELST 1RL/PK 100PK/CS MCK BRAND	MCK BRAND	16-4264	1RL/PK 100PK/CS	RL	\$ 0.77	*
30642001	GAUZE 4.5X4.1YDSELNST 100EA/CS MCK BRAND	MCK BRAND	30642000	100EA/CS	EA	\$ 0.65	*
44122000	GAUZE 4X4 12PLY NS 200EA/PK 10PK/CS MCK BRAND	MCK BRAND	44122000	200EA/PK 10PK/CS	PK	\$ 3.60	*
24122001	GAUZE 4X4 12PLY ST 2S 2PK 25PK/BX 24BX/CS MCK BRAND	MCK BRAND	82412	2PK 25PK/BX 24BX/CS	PK	\$ 0.09	*
62422001	GAUZE 4X4 6PLY SORBIT ST 2/PK 25PK/BX 12BX/CS COVIDIEN	COVIDIEN	6242P	2/PK 25PK/BX 12BX/CS	PK	\$ 0.32	*
44252001	GAUZE 4X4 6PLY ST 2/PK 25PK/BX 12BX/CSMCK BRAND	MCK BRAND	16-42426	2/PK 25PK/BX 12BX/CS	PK	\$ 0.20	*
44802000	GAUZE 8PLY NON STERILE 4"X4"	MCKESSON	44802000	200EA/PK 20PK/CS	PK	\$ 3.10	*
44252000	GAUZE DRAIN SPONGE 6PLY STERILE 4"X4" 2 EACH PACK	MCKESSON	84916	2/PK 25PK/BX 12BX/CS	BX	\$ 1.71	*
49162001	GAUZE SPLIT HI-ABSRB STR 6PLY 4"X4"	MCKESSON	84916	2PK 25PK/BX 12BX/CS	PK	\$ 0.16	*
58962100	GEL ELTA SLVR WND 1OZBTL 12EA/CS SWISS-AMER	SWISS-AMER	08596	12EA/CS	EA	\$ 15.00	*
90912501	GENIUS 2 PROBE COVER	KENDALL HEALTHCARE PROD INC.	303030	96EA/BX 22BX/CS	BX	\$ 7.68	*
46651300	GLOVE EXAM NITRL PF CHEMO BLU MED	MCKESSON	14-656C	100/BX 10BX/CS	BX	\$ 5.69	*
46841300	GLOVE EXAM NITRL PF TEX S 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-684	100/BX 10BX/CS	BX	\$ 5.30	*
14381310	GLOVE EXAM VNYL PF AMBIDEX BEADED LG	MCKESSON	14-138	150/BX 10BX/CS	CS	\$ 43.31	*
41361310	GLOVE EXAM VNYL PF AMBIDEX BEADED MED	MCKESSON	14-136	150/BX 10BX/CS	CS	\$ 46.50	*
41361310	GLOVE EXAM VNYL PF AMBIDEX BEADED MED	MCKESSON	14-136	150/BX 10BX/CS	CS	\$ 46.50	*

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41341310	GLOVE EXAM VNYL PF AMBIDEX BEADED SM	MCKESSON	14-134	150/BX 10BX/CS	CS	\$ 43.31	*
14411310	GLOVE EXAM VNYL PF AMBIDEX BEADED XLG	MCKESSON	14-140	130/BX 10BX/CS	CS	\$ 37.70	*
48141310	GLOVE EXAM VNYL PF SM	MCKESSON	14-814	100EA/BX 10BX/CS	CS	\$ 32.13	*
72541301	GLOVE LTX PWD TRFX 7.5 ST 40PR/BX 5BX/CS CARDINAL	CARDINAL	2D7254	40PR/BX 5BX/CS	PR	\$ 0.45	
46541300	GLOVE NITRILE POWDER FREE SMALL BLUE EXAM NONSTERILE	MCKESSON	14-654	100EA/BX 10BX/CS DMB	BX	\$ 5.06	*
55931301	GLOVE NTRL PF SFSKN LG ST 50PR/BX 4BX/CS HALYAR	HALYAR	55093	50PR/BX 4BX/CS	PR	\$ 0.66	
55921301	GLOVE NTRL PF SFSKN MEDST 50PR/BX 4BX/CS HALYAR	HALYAR	55092	50PR/BX 4BX/CS	PR	\$ 0.66	
55911301	GLOVE NTRL PF SFSKN SM ST 50PR/BX 4BX/CS HALYAR	HALYAR	55091	50PR/BX 4BX/CS	PR	\$ 0.66	
46541300	GLOVE NTRL PF SM NS 100EA/BX 10BX/CS DMBMCK BRAND	MCK BRAND	14-654	100EA/BX 10BX/CS DMB	BX	\$ 5.06	*
11151300	GLOVE VNL PF LG NS 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-118	100/BX 10BX/CS	BX	\$ 3.84	
11131300	GLOVE VNL PF MED NS 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-116	100/BX 10BX/CS	BX	\$ 3.84	
11111300	GLOVE VNL PF SM NS 100EA/BX 10BX/CS MCK BRAND	MCK BRAND	14-114	100EA/BX 10BX/CS	BX	\$ 3.75	
11161300	GLOVE VNL PF XL NS 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-120	100/BX 10BX/CS	BX	\$ 3.75	
46851300	GLV EXAM NITRL PF CHEM LG 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-658C	100/BX 10BX/CS	BX	\$ 6.80	
46651300	GLV EXAM NITRL PF CHEM M 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-656C	100/BX 10BX/CS	BX	\$ 5.69	*
46451300	GLV EXAM NITRL PF CHEM SM 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-654C	100/BX 10BX/CS	BX	\$ 6.80	
46901300	GLV EXAM NITRL PF TEX XLG 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-690	100/BX 10BX/CS	BX	\$ 5.30	
46881300	GLV EXAM NITRL PF TEXT LG 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-688	100/BX 10BX/CS	BX	\$ 5.30	
46061300	GLV EXM NITRL PF CHEM XLG 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-660C	100/BX 10BX/CS	BX	\$ 6.80	
48611300	GLV NITRL PF TEXT MED 100/BX 10BX/CS MCK BRAND	MCK BRAND	14-686	100/BX 10BX/CS	BX	\$ 5.80	
87964100	GOGGLES EYEWEAR VENTED	GRAHAM- FIELD/E&J/LUMEX	9675	24EA/BX	EA	\$ 1.70	*
10511910	GOLD SILICONE COATED FOLEY CATHETER 2 WAY 14FR 5CC LATEX SINGLE USE	TELEFLEX MEDICAL	180705140	10EA/BX	BX	\$ 12.00	*
30201101	GOWN ISOLATION DISP YLW 50EA/CS MCK BRAND	MCK BRAND	30201100	50EA/CS	EA	\$ 0.29	*
15003000	HERNIA BELT W/ADJUSTABLE PAD DOUBLE BELT WHITE LARGE WAIST 41"-46"	SCOTT SPECIALTIES INC.	SA1500 WHI LG	1/EA	EA	\$ 17.25	*
43161910	HOLDER CATHETER LEG STRAP 10EA/BX DALE MED	DALE MED	316	10EA/BX	EA	\$ 5.20	
10423900	HOLDER TRACH TUBE 10EA/BX DALE MED	DALE MED	240	10EA/BX	EA	\$ 3.75	
59512100	HYDRAFOAM AG, 4X4	DERMARITE INDUSTRIES LLC	00595E	10EA/BX	BX	\$ 59.38	*
22992100	HYDROCOLLOID DRESSING 2"X2" OVERALL LATEX FREE FILM BACK	DERMARITE INDUSTRIES LLC	00229E	20EA/BX	BX	\$ 17.00	*
20392101	HYDROCOLLOID DRESSING 4"X4" OVERALL	DERMARITE INDUSTRIES LLC	00239E	5EA/BX	EA	\$ 1.56	*
31242100	HYDROCOLLOID DRESSING 6"X6" OVERALL LATEX FREE FILM BACK	DERMARITE INDUSTRIES LLC	00312E	5EA/BX	BX	\$ 18.13	*
85362100	HYDROCOLLOID THIN DRESSING 6"X6" OVERALL LATEX FREE	MCKESSON	61-85366	5EA/BX 16BX/CS	BX	\$ 19.75	*
32402101	HYDROGEL SHEET DRESSING 4"X4"	DERMARITE INDUSTRIES LLC	00324E	10EA/BX	EA	\$ 2.25	*
42012700	HYDROGEN PER 3% 4OZ BTL 24EA/CS MCK BRAND	MCK BRAND	23-F0010	24EA/CS	EA	\$ 0.60	
11811900	IMEX FOLEY CATHETER 18FR 5CC STERILE SILICONE COATED	TELEFLEX MEDICAL	180705180	10EA/BX	EA	\$ 1.00	*
15061900	INSERT TRAY W/BAG WO/CATH 10EA/CS BARD	BARD	896300	10EA/CS	EA	\$ 9.69	
89422001	ISL DRSG 4X14 25EA/BX 4BX/CS MCK BRAND	MCK BRAND	16-89042	25EA/BX 4BX/CS	EA	\$ 0.52	
89022000	ISLAND DRESSING 1"X1" PAD 2"X2" OVERALL STERILE ADHESIVE BRD	MCKESSON	16-89022	25EA/BX 4BX/CS	BX	\$ 6.25	*

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90442000	ISLAND DRESSING 2"X2" PAD 4"X4" OVERALL STERILE ADHESIVE BRD	MCKESSON	16-89044	25EA/BX 4BX/CS	BX	\$ 7.50	*
89062000	ISLAND DRESSING 4"X4" PAD 6"X6" OVERALL STERILE ADHESIVE BRD	MCKESSON	16-89066	25EA/BX 4BX/CS	BX	\$ 13.25	*
21212800	IV EXT SET 12" 60EA/CS CONMED	CONMED	S2-12	60EA/CS	EA	\$ 5.00	
76364600	JOEY PUMP SET 1000ML NON-STERILE	KENDALL HEALTHCARE PROD INC.	763656	30EA/CS	EA	\$ 3.30	*
36564630	KANGAROO EPUMP NON STERILE 1000ML ENTERAL FEEDING CONTAINER W/PUMP SET	KENDALL HEALTHCARE PROD INC.	773656	30EA/CS	CS	\$ 97.50	*
72972801	KIT SFTY LOK BLD 23GX.75" 50EA/BX 4BX/CS BECTON DIC	BECTON DIC	367297	50EA/BX 4BX/CS	EA	\$ 0.84	
51316700	KIT SPILL CLEAN UP BASIC 20EA/CS MEDIKMARK	MEDIKMARK	UPC-238	20EA/CS	EA	\$ 8.00	
91002500	KIT SUTURE REMOVAL ECON 50EA/CS MCK BRAND	MCK BRAND	25-5427	50EA/CS	EA	\$ 1.25	
54252500	KIT SUTURE REMVL W/FORCEP 50EA/CS MCK BRAND	MCK BRAND	25-5425	50EA/CS	EA	\$ 0.76	
84114000	KIT TRACH CARE VNL GLV PF 20EA/CS MCK BRAND	MCK BRAND	16-8411	20EA/CS	EA	\$ 2.80	
16032401	LANCET TWIST TOP BLU 30G	MCKESSON	16-030-100	100EA/BX 50BX/CS	BX	\$ 0.75	*
37161910	LATEX FOLEY 2WAY CATHETER 16 FRENCH 30CC BALLOON STERILE SILICONE ELAS COAT	KENDALL HEALTHCARE PROD INC.	403716	10EA/BX	BX	\$ 19.85	*
12161700	LEMON GLYCERINE SWABSTICK	DYNAREX CORP	1216	3/PK 25PK/BX 10BX/CS	BX	\$ 2.84	*
22662500	LIGHT DIAGNOSTIC PEN 6EA/PK MCK BRAND	MCK BRAND	22-6666	6EA/PK	EA	\$ 1.35	
92001500	LOTION CAVILON 2OZ 48BT/CS 3M	3M	9215	48BT/CS	BT	\$ 1.54	
12401500	LOTION, DERMA DAILY - 4 OZ	DERMARITE INDUSTRIES LLC	124	96EA/CS	EA	\$ 0.25	*
12401500	LOTION, DERMA DAILY - 4 OZ	DERMARITE INDUSTRIES LLC	124	96EA/CS	EA	\$ 0.25	*
19421400	LUBRICATING JELLY FOIL PKT STR 3GM	MCKESSON	119-8942	144EA/BX 6BX/CS	EA	\$ 0.05	*
19421400	LUBRICATING JELLY PKT 3GM 144EA/BX 6BX/CS MCK BRAND	MCK BRAND	119-8942	144EA/BX 6BX/CS	EA	\$ 0.05	*
17801700	MANICURE STICK	MCKESSON	16-MS1	144/BX 50BX/CS	BX	\$ 1.73	*
73503900	MASK CPR W/FILTER W/O OXYGEN INLET	MOORE MEDICAL	73508	EA	EA	\$ 5.20	*
91261101	MASK ISOL BLU 25EA/BX 4BX/CS MCK BRAND	MCK BRAND	91-2600	25EA/BX 4BX/CS	EA	\$ 0.90	
20021201	MASK MED/SURG EARLOOP BLU 50EA/BX 10BX/CS MCK BRAND	MCK BRAND	91-2002	50EA/BX 10BX/CS	EA	\$ 0.07	
18601101	MASK MED/SURG FLTR REG 20EA/BX 6BX/CS 3M CORP	3M CORP	1860	20EA/BX 6BX/CS	EA	\$ 0.66	
81112901	MEDI PAK EMESIS BASIN MAUVE 9" 500CC GRADUATED DISPOSABLE	MCKESSON	51-4881-11	250EA/CS	EA	\$ 0.10	*
81112901	MEDI PAK EMESIS BASIN MAUVE 9" 500CC GRADUATED DISPOSABLE	MCKESSON	51-4881-11	250EA/CS	EA	\$ 0.10	*
22082000	MEDI PAK 2X2 GAUZE SPONGE 8PLY 100% COTTON NONSTERILE NON ADHERENT	MCKESSON	22082000	200EA/PK 25PK/CS	PK	\$ 0.80	*
74800300	MEDI PAK ANTI EMBOLISM KNEE LENGTH STOCKING MEDIUM EXTRA LENGTH	MCKESSON	84-12	12PR/CS	PR	\$ 3.40	*
71150300	MEDI PAK ANTI EMBOLISM KNEE LENGTH STOCKING MEDIUM REGULAR	MCKESSON	84-02	12PR/CS	PR	\$ 2.81	*
48112000	MEDI PAK BANDAGE ADHESIVE FABRIC STRIP 1"X3" LATEX FREE	MCKESSON	16-4811	100EA/BX 24BX/CS	BX	\$ 1.73	*
91201100	MEDI PAK MEDICAL/SURGICAL MASK ISOLATION HIGH FILTER YELLOW WITH EARLOOPS	MCKESSON	91-2001	50EA/BX 10BX/CS	BX	\$ 2.41	*
91201150	MEDI PAK MEDICAL/SURGICAL MASK ISOLATION HIGH FILTER YELLOW WITH EARLOOPS	MCKESSON	91-2001	50EA/BX 10BX/CS	CS	\$ 24.13	*
92112900	MEDI PAK RECTANGULAR WASH BASIN/FOOT TUB 7 QUART MAUVE DISPOSABLE	MCKESSON	51-4882-11	50EA/CS	CS	\$ 28.00	*
62172001	MEDI PAK UNIVERSAL SPONGE 4"X4" 4PLY STERILE LATEX FREE	MCKESSON	16-602317	2/PK 25PK/BX 24BX/CS	PK	\$ 0.08	*
47752901	MEDI PAK URINAL MALE WITH CLEAR COVER 33 OUNCE	MCKESSON	51-4701-75A	50EA/CS	CS	\$ 19.00	*
23132000	MEDI PAK GAUZE NON ADHESIVE 2"X3" PAD STERILE	MCKESSON	16-4292	100EA/BX 12BX/CS	BX	\$ 6.00	*
28712101	MEPILEX AG 4"X4" SOFT SILICONE FOAM DRESSING	MOLNLYCKE HEALTH CARE US	287100	5EA/BX 148X/CS	EA	\$ 12.70	*

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95292101	MEPILEX BORDER DRSG 3X3 5EA/BX 14BX/CS MOLNLYCKE	MOLNLYCKE	295200	5EA/BX 14BX/CS	EA	\$ 3.00	
21992101	MEPITEL DRSG RLS LNR 4X8" 10/BX 7BX/CS MOLNLYCKE	MOLNLYCKE	291099	10/BX 7BX/CS	EA	\$ 11.65	
27602801	NEEDLE GRIPPER+ 22GX1" 12EA/BX SMITHS MED	SMITHS MED	21-2760-24	12EA/BX	EA	\$ 5.54	
90912800	NEEDLE HYPO 20GAX1"	MCKESSON	102-N201	100/BX 10BX/CS	BX	\$ 3.43	*
86362800	NEEDLE HYPO 21GAX1"	MCKESSON	102-N211	100/BX 10BX/CS	BX	\$ 3.49	*
43602801	NEEDLE SAFETY PREVENT M 22GX1.5"	MCKESSON	26555	50/BX 10BX/CS	EA	\$ 0.20	*
96362801	NEEDLE, HYPO 18GX1 1/2"	MCKESSON	102-N18105	100/BX 10BX/CS DUP	EA	\$ 0.03	*
36932800	NEEDLE, HYPO 22GX1"	MCKESSON	102-N221	100/BX 10BX/CS	BX	\$ 3.43	*
89841900	NEPHROSTOMY DRAIN BAG 600ML NON CONDUCTIVE REGULAR SHOE COVER IMPERVIOUS BLUE	INDEPENDENCE MEDICAL	TC600	EA	EA	\$ 19.60	*
37011200	ODOR ELIMINATOR, LINEN SCENT	MCKESSON	16-3550	50PR/BX 3BX/CS	CS	\$ 19.24	*
75834100	OIL EMULSION IMPREGNATED GAUZE 3"X3" STERILE	COLOPLAST INC.	7583	12EA/CS	EA	\$ 2.90	*
77042100	OINT ALOE ANTIF 2OZ 12EA/CS CONVATEC	MCKESSON	61-77041	50EA/BX 12BX/CS	BX	\$ 13.53	*
18911400	OINT ANTIBIOTIC TRP	CONVATEC	325102	12EA/CS	EA	\$ 4.10	
25451400	OINT ANTIBIOTIC TRP	MCKESSON	1982545	1EA	EA	\$ 2.40	*
25451400	OINT ANTIBIOTIC TRP	MCKESSON	1982545	1EA	EA	\$ 2.40	*
20051400	OINT BARR PERINEAL 4OZ 12EA/CS MCK BRAND	MCK BRAND	61-52054Z	12EA/CS	EA	\$ 3.80	
07981400	OINT CALMOSEPTINE 4OZ S/B 12EA/CS MCKESSON	MCKESSON	2143550	Stop Buy	EA	\$ 7.14	
10142805	ORAL SYRINGE POLYPROPYLENE BARREL 1ML SINGLE USE	KENDALL HEALTHCARE PROD INC.	8881901014	100EA/BX 5BX/CS	BX	\$ 11.00	*
44652001	PAD ABD 5X9" STR LF 20PK/BX 20BX/CS MCK BRAND	MCK BRAND	16-4250	20PK/BX 20BX/CS	EA	\$ 0.15	
58402700	PAD ALC PREP STR LG	MCKESSON	58-404	100EA/BX 10BX/CS	BX	\$ 1.80	*
58442710	PAD ALC PREP STR LG	MCKESSON	58-404	100EA/BX 10BX/CS	CS	\$ 16.00	*
68182720	PAD ALCOHOL PREP STR MED	MCKESSON	58-204	200EA/BX 20BX/CS	CS	\$ 26.75	*
44213100	PAD BLADDER CNTRL MCK ULTRA	MCKESSON	PADHV	42EA/BG 4BG/CS	CS	\$ 36.96	*
18182701	PAD PREP ALC 2PLY 200S 200EA/BX 20BX/CS COVIDIEN	COVIDIEN	6818	200EA/BX 20BX/CS	EA	\$ 0.03	
10102200	PAPER TAPE 1"X10 YARDS	MCKESSON	16-47310	12RL/BX 12BX/CS	BX	\$ 4.32	*
20102200	PAPER TAPE 2"X10 YARDS	MCKESSON	16-47320	6RL/BX 12BX/CS	BX	\$ 4.50	*
30421200	PATIENT BAG DRAWSTRING 20X20X4 LATEX FREE WHITE	MCKESSON	30421100	250EA/CS	CS	\$ 71.88	*
88514900	PCH OST DRN 1PC C/F 10EA/BX HOLLISTER	HOLLISTER	88501	10EA/BX	BX	\$ 19.37	
86214900	PCH OST DRN 1PC C/F CN XW 5EA/BX HOLLISTER	HOLLISTER	86211	5EA/BX	BX	\$ 23.04	
86284900	PCH OST DRN 1PC C/F CNXW 5EA/BX HOLLISTER	HOLLISTER	8628	5EA/BX	BX	\$ 23.04	
59804910	PCH OST DRN 1PC C/F XW 10EA/BX CONVATEC	CONVATEC	400598	10EA/BX	EA	\$ 2.62	
18104900	PCH OST DRN 2PC 1 3/4FLG 10EA/BX HOLLISTER	HOLLISTER	18102	10EA/BX	BX	\$ 13.22	
15074901	PCH OST DRN 2PC 13/4FLG 10EA/BX CONVATEC	CONVATEC	401507	10EA/BX	BX	\$ 13.02	
15084900	PCH OST DRN 2PC 21/4FLG 10EA/BX CONVATEC	CONVATEC	401508	10EA/BX	BX	\$ 13.02	
15094900	PCH OST DRN 2PC 23/4FLG 10EA/BX CONVATEC	CONVATEC	401509	10EA/BX	BX	\$ 13.02	
18144900	PCH OST DRN 2PC 23/4FLG 10EA/BX HOLLISTER	HOLLISTER	18104	10EA/BX	BX	\$ 13.22	
84014900	PCH OST DRN SF W/O TAPE 10EA/BX HOLLISTER	HOLLISTER	88401	10EA/BX	BX	\$ 19.37	
64924900	PCH URO DRN 1PC 13/4" C/F 10EA/BX CONVATEC	CONVATEC	064927	10EA/BX	BX	\$ 38.80	
97114900	PCH URO DRN 1PC C/F CN XW 5EA/BX HOLLISTER	HOLLISTER	84711	5EA/BX	BX	\$ 27.00	
98404900	PCH URO DRN 1PC C/F XW 10EA/BX HOLLISTER	HOLLISTER	8460	10EA/BX	BX	\$ 40.15	
15464900	PCH URO DRN 2CP 23/4FLG 10EA/BX CONVATEC	CONVATEC	401546	10EA/BX	BX	\$ 18.36	

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15444910	PCH URO DRN 2PC 13/4FLG 10EA/BX CONVATEC	CONVATEC	401544	10EA/BX	EA	\$ 1.84	
18404900	PCH URO DRN 2PC 13/4FLG 10EA/BX HOLLISTER	HOLLISTER	18402	10EA/BX	BX	\$ 18.74	
15454910	PCH URO DRN 2PC 21/4FLG 10EA/BX CONVATEC	CONVATEC	401545	10EA/BX	EA	\$ 1.84	
18044900	PCH URO DRN 2PC 23/4 10EA/BX HOLLISTER	HOLLISTER	18404	10EA/BX	BX	\$ 18.74	
77032301	PDI PVP IODINE PREP SWABSTICK 3 SWABS/PACKAGE 10% POVIDONE IODINE SOLUTION	PDI/NICE-PAK	S41125	3EA/PK25PK/BX10BX/ CS	PK	\$ 0.24	*
18691801	PERI WASH 2-1 ALVSTA 8OZ 4DZ/CS CONVATEC	CONVATEC	324709	4DZ/CS	EA	\$ 1.85	
19901801	PERI WASH, 8 OZ NO RINSE	DERMARITE INDUSTRIES LLC	199	48EA/CS	EA	\$ 0.84	*
50022101	PETRO DRSG 3X9 12EA/BX 6BX/CS MCK BRAND	MCK BRAND	61-20056	12EA/BX 6BX/CS	EA	\$ 0.65	
59322000	PKG STRIP 1"X5YDS 12EA/CS MCK BRAND	MCK BRAND	61-59320	12EA/CS	EA	\$ 2.70	
59222000	PKG STRIP 1/2"X5YDS 12EA/CS MCK BRAND	MCK BRAND	61-59220	12EA/CS	EA	\$ 2.30	
59242100	PKG STRIP 1/2"X5YDS IDFRM 12EA/CS MCK BRAND	MCK BRAND	61-59245	12EA/CS	EA	\$ 2.50	
59122000	PKG STRIP 1/4"5YDS 12EA/CS MCK BRAND	MCK BRAND	61-59120	12EA/CS	EA	\$ 2.30	
16001900	PLUG CATH 50EA/CS COVIDIEN	COVIDIEN	1600	50EA/CS	EA	\$ 0.84	
31161600	POWDER ANTIFUNGAL 3OZ 12BT/CS MCK BRAND	MCK BRAND	116-BPA3OZ	12BT/CS	EA	\$ 6.00	
31161612	POWDER ANTIFUNGAL BODY THERA 3OZ	MCKESSON	116-BPA3OZ	12BT/CS	CS	\$ 61.84	*
50501600	POWDER CORNSTARCH FORD8OZ 36EA/CS COLOPLAST	COLOPLAST	505	36EA/CS	EA	\$ 1.67	
48141300	POWDER FREE EXAM GLOVE SMALL SMOOTH NON STERILE	MCKESSON	14-814	100EA/BX 10BX/CS	BX	\$ 3.50	*
48181300	POWDER FREE VINYL EXAM GLOVE LARGE SMOOTH NON STERILE	MCKESSON	14-818	100EA/BX 10BX/CS	BX	\$ 4.00	*
48181310	POWDER FREE VINYL EXAM GLOVE LARGE SMOOTH NON STERILE	MCKESSON	14-818	100EA/BX 10BX/CS	CS	\$ 32.13	*
48161300	POWDER FREE VINYL EXAM GLOVE MEDIUM NONSTERILE	MCKESSON	14-816	100EA/BX 10BX/CS	BX	\$ 4.00	*
85314900	PREMIER LOCK N ROLL DRAINABLE POUCH C/F FLEXTEND SKIN BARRIER UP TO 2 1/2"	HOLLISTER INC.	8531	10EA/BX	BX	\$ 44.00	*
79064900	PREMIUM POWDER 1 OUNCE PUFF BOTTLE PLAN FOR OSTOMY/FISTULA MANAGEMENT	HOLLISTER INC.	7906	1EA	EA	\$ 6.34	*
65604900	PREPPIES SKIN BARRIER WIPE	KENDALL HEALTHCARE PROD INC.	6560	50EA/BX 20BX/CS	BX	\$ 7.50	*
65604900	PREPPIES SKIN BARRIER WIPE	KENDALL HEALTHCARE PROD INC.	6560	50EA/BX 20BX/CS	BX	\$ 7.50	*
65604920	PREPPIES SKIN BARRIER WIPE	KENDALL HEALTHCARE PROD INC.	6560	50EA/BX 20BX/CS	CS	\$ 128.36	*
65042100	PRIMER MODIFIED UNNABOOT 4"X10YDS GAUZE BANDAGE IMPREGNATED W/ZINC OXIDE	MCKESSON	65-40	Stop Buy	EA	\$ 4.40	*
18102500	PROBE SHEATH FOR ELECTRIC ORAL THERMOMETER 31-D1000	MCKESSON	18-D1000	1000EA/BX 6BX/CS	BX	\$ 35.10	*
66162100	PROFORE DRSG 4-LAYER 1EA/BX 8BX/CS SMITH NEPH	SMITH NEPH	66020015	1EA/BX 8BX/CS	BX	\$ 14.80	
77102101	PROFORE LITE DRSG LF 1EA/BX 8BX/CS SMITH NEPH	SMITH NEPH	66000771	1EA/BX 8BX/CS	BX	\$ 12.85	
62243100	PROTECTIVE ADULT UNDERWEAR YOUTH/SMALL 20"-34" WAIST PULLON	MCKESSON		22/BG 4BG/CS	CS	\$ 30.00	*
48153000	PROTECTOR HEEL ANKLE STANDARD HEEL&ANKLE PROTECTOR PREVENTS SHEARING	MCKESSON	35-851	20PR/CS	PR	\$ 3.45	*
19017700	PUTTY THERAPUTTY RED 2OZ EA ENTER	FAB	FAB ENTER	100901	EA	\$ 3.00	
50724000	PUTTY THERAPY 2OZ MED GRN 1EA SAMMONS PR	SAMMONS PR	5072	1EA	EA	\$ 4.00	
50714000	PUTTY THERAPY 2OZ SFT YLW 1EA SAMMONS PR	SAMMONS PR	5071	1EA	EA	\$ 4.00	

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51412000	REINFORCED SKIN CLOSURE LATEX FREE 1/4"X3"	MCKESSON	19-75141	3/PK50PK/BX4BX/CSD MB	BX	\$ 29.33	*
51642000	REINFORCED SKIN CLOSURE LATEX FREE 1/4"X4"	MCKESSON	19-75146	10/PK50PK/BX4BX/CD MB	BX	\$ 39.74	*
30642000	ROLL GAUZE BANDAGE NON STERILE GAUZE 4.5"	MCKESSON	30642000	100RL/CS	CS	\$ 48.75	*
53523900	SALINE INH SOL STR 15ML ADDIPAK	TELEFLEX MEDICAL	200-69	144VI/CS	CS	\$ 37.09	*
76281900	SALINE IRR SOL 9% 500ML	MCKESSON	37-6280	18EA/CS	CS	\$ 27.25	*
76281918	SALINE IRR SOL 9% 500ML	MCKESSON	37-6280	18EA/CS	EA	\$ 1.51	*
14002701	SANITIZER HAND GEL 4OZ	DERMARITE INDUSTRIES LLC	104	24EA/CS	EA	\$ 0.68	*
27321801	SANITIZER HND ALOE 4OZ 24EA/CS BRAND MCK	MCK BRAND	53-27032-4	24EA/CS E1	EA	\$ 1.40	
18661801	SHAMP/BODY ALVSTA 8OZ 48EA/CS CONVATEC	CONVATEC	324609	48EA/CS	EA	\$ 1.46	
79091700	SHAMP/CONDITIONER CAP 40EA/CS SAGE	SAGE	7909	40EA/CS	EA	\$ 2.74	
72371800	SHAMPOO, BABY - 4 OZ	DONOVAN	TS4487	96EA/CS	EA	\$ 0.41	*
16001800	SHAMPOO/ BODYWASH WITH ALOE 8OZ SHIELD BODY CALAZINC 4OZ 12BT/CS MCK BRAND	DERMARITE INDUSTRIES LLC	16	48EA/CS	CS	\$ 30.63	*
46161400	SHIELD BODY CALAZINC 4OZ 12BT/CS MCK BRAND	MCK BRAND	116-BSC4OZ	12BT/CS	EA	\$ 4.70	*
16411400	SHIELD BODY MOIST 4OZ 12BT/CS BRAND MCK	MCK BRAND	116-BSM4OZ	12BT/CS	EA	\$ 5.75	
46161400	SHIELD BODY THERA CALAZINC 4OZ	MCKESSON	116-BSC4OZ	12BT/CS	EA	\$ 4.70	*
79174900	SKIN GEL PROTECTIVE DRESSING WIPE PREVENT SKIN STRIPPING F/ADHESIVE REMOVAL	HOLLISTER INC.	7917	Stop Buy	BX	\$ 9.50	*
13221800	SOAP ANTIM BCTSHLD 4OZ 48EA/CS STERIS	STERIS	132239	48EA/CS	EA	\$ 3.50	
62041901	SOL .9% NACL 100ML 48EA/CS BRAND MCK	MCK BRAND	37-6240	48EA/CS	EA	\$ 0.70	
62051901	SOL H2O ST 100ML 48EA/CS MCK BRAND	MCK BRAND	37-6250	48EA/CS	EA	\$ 0.65	
44962100	SOLOSITE GEL 3OZ 12EA/CS SMITH NEPH	SMITH NEPH	449600	12EA/CS	EA	\$ 8.79	
40122001	SPNG GZE 4X4 12PLY ST 2S 2/PK25PK/BX24BX/CS MCK BRAND	MCK BRAND	16-4242	2/PK25PK/BX24BX/CS	PK	\$ 0.09	
40082001	SPNG GZE 4X4 8PLY ST 2S 2/PK50PK/BX12BX/CS MCK BRAND	MCK BRAND	16-4248	2/PK50PK/BX12BX/CS	PK	\$ 0.06	
40122000	SPONGE GZE 4"X4" 12PLY STR 2'S	MCKESSON	16-4242	2/PK25PK/BX24BX/CS	BX	\$ 2.20	*
63033950	STANDARD NASAL CANNULA ADULT STRAIGHT TIP 7FT OXYGEN TUBING	MCKESSON	86-302E	50EA/CS	CS	\$ 18.75	*
67162500	STAPLE REMOVER ECONOMY 48EA/CS MCK BRAND	MCK BRAND	25-716	48EA/CS	EA	\$ 1.30	
50113100	STAYDRY ADULT BRIEF SMALL	FIRST QUALITY PRODUCTS INC.	PB-011/1	Stop Buy	CS	\$ 28.80	*
23101400	STAYDRY PERINEAL CREAM RICH IN EMOLLIENTS MOISTURISERS & VITAMIN E 6OZ	MCKESSON	53-23103	24EA/CS	EA	\$ 3.64	*
15472001	STERI STRIP 5X4 6EA/PK 50PK/BX4BX/CS3M CORP	3M CORP	R1547	6EA/PK 50PK/BX4BX/CS	PK	\$ 1.36	
60711950	STERILE FLAT-TOP PISTON SYRINGE 60CC W/RAISED AND INKED GRADUATIONS	MCKESSON	37-6007	50EA/CS	CS	\$ 28.13	*
62221900	STERILE SALINE FOR IRRIGATION 120ML FOIL LID CUP CONTAINER	MCKESSON	37-6220	48EA/CS	CS	\$ 27.00	*
23701100	STERILE SALINE WIPE CLEANSING EXTERIOR AREA OF EYE 3X4X2 1/2X3"	PD/NICE-PAK	C22370	24EA/BX 24BX/CS	BX	\$ 3.36	*
17801700	STICK MANICURE 144/BX 50BX/CS MCK BRAND	MCK BRAND	16-MS1	144/BX 50BX/CS	BX	\$ 1.73	*
17801702	STICK MANICURE LF 144/BX 50BX/CS MCK BRAND	MCK BRAND	16-MS1	144/BX 50BX/CS	EA	\$ 0.02	
55071900	STRAP LEG BAG VLCR 24" 2/PR 24PR/CS BARD	BARD	150507	2/PR 24PR/CS	PR	\$ 4.26	
30891700	SUNMARK LIP BALM ASSORTMENT ORIGINAL & ALOE VERA WITH SPF 15	MCKESSON	1723089	72EA/CT	CT	\$ 43.20	*
45934900	SUR-FIT NATURA DURAHESIVE MOLDABLE CONVEX SKIN BARRIER 7/8"-1 1/4"	CONVA TEC	404593	10EA/BX	BX	\$ 96.00	*
70502000	SURGILAST BANDAGE SZ 5 1EA/BX DERMA SCIE	DERMA SCIE	GL705	1EA/BX	BX	\$ 10.50	
12161701	SWAB LEMON GLYCERINE 3S 3/PK 25PK/BX 10BX/CSDYNAREX	DYNAREX	1216	3/PK 25PK/BX 10BX/CS	PK	\$ 0.14	
30162801	SYR 10CC SLIP TIP EA 100/BX 4BX/CS	BECTON DIC	301604	100/BX 4BX/CS	EA	\$ 0.17	

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55542801	SYR 1CC 25GX5/8 SFTY 100EA/BX 5BX/CS BECTON DIC	BECTON DIC	305554	100EA/BX 5BX/CS	EA	\$ 0.40	
59302801	SYR 1CC 29GX1/2 INS SFTY 100EA/BX 4BX/CS BECTON CIC	BECTON CIC	305930	100EA/BX 4BX/CS	EA	\$ 0.42	
18012801	SYR 1CC TB LUER LOCK 60EA/BX 4BX/CS COVIDIEN	COVIDIEN	1180100777	60EA/BX 4BX/CS	EA	\$ 0.64	
85772801	SYR 35CC LL 40EA/BX 4BX/CS COVIDIEN	COVIDIEN	1183500777	40EA/BX 4BX/CS	EA	\$ 0.44	
59052800	SYR 3CC 23GX1 SFTY 50EA/BX 8BX/CS BECTON DIC	BECTON DIC	305905	50EA/BX 8BX/CS	BX	\$ 18.24	
60071900	SYR IRRG PSTN 60CC ST 50EA/CS MCK BRAND	MCK BRAND	37-6007	50EA/CS	EA	\$ 0.65	
12822800	SYRINGE LL 10CC MCK BRAND	MCKESSON	102-S10C	100/BX 12BX/CS	BX	\$ 9.38	
12822801	SYRINGE LL 10CC 100/BX 12BX/CS MCK BRAND	MCK BRAND	102-S10C	100/BX 12BX/CS	EA	\$ 0.10	
19392801	SYRINGE LL 30CC 100/BX 6BX/CS MCK BRAND	MCK BRAND	102-S30C	100/BX 6BX/CS	EA	\$ 0.33	
19392810	SYRINGE LL 30CC 100/BX 6BX/CS MCK BRAND	MCK BRAND	102-S30C	100/BX 6BX/CS	CS	\$ 205.00	
88322800	SYRINGE/NDL SAFETY 3CC 22GX1" KENDALL HEALTHCARE PROD INC.	KENDALL HEALTHCARE PROD INC.	8881833210	50/BX 8BX/CS	BX	\$ 13.00	
62022201	TAPE ADH CURASILK 2"X10YD 6EA/BX 10BX/CS COVIDIEN	COVIDIEN	7139C	6EA/BX 10BX/CS	EA	\$ 2.50	
81102201	TAPE ADHSV TRANSP PLAS LF 1"X10YDS MCKESSON	MCKESSON	16-47210	12RL/BX 12BX/CS	EA	\$ 0.56	*
82102201	TAPE ADHSV TRANSP PLAS LF 2"X10YDS MCKESSON	MCKESSON	16-47220	6RL/BX 12BX/CS	EA	\$ 1.30	*
47232204	TAPE ADHSV TRANSP PLSTC LF 3"X10YDS MCKESSON	MCKESSON	16-47230	4RL/BX 12BX/CS	RL	\$ 1.55	*
62102201	TAPE CLOTH 2"X10YD 6RL/BX 12BX/CS MCK BRAND	MCK BRAND	16-47120	6RL/BX 12BX/CS	EA	\$ 1.65	
38102201	TAPE DURAPORE 1"X10YD 12EA/BX 10BX/CS 3M CORP	3M CORP	1538-1	12EA/BX 10BX/CS	EA	\$ 0.77	
38202201	TAPE DURAPORE 2"X10YD 6EA/BX 10BX/CS 3M CORP	3M CORP	1538-2	6EA/BX 10BX/CS	EA	\$ 1.54	
14406702	TAPE MEASURE LINEN 72" RETRACTABLE MCKESSON	MCKESSON	63-4414	6EA/BX	BX	\$ 12.19	*
34411201	TAPE MEASURE PAPER INF36" 100EA/PK 10PK/CS MCK BRAND	MCK BRAND	63-4412	100EA/PK 10PK/CS	EA	\$ 0.03	*
34411201	TAPE MEASURE PAPER INFANT 36" LATEX FREE MCKESSON	MCKESSON	63-4412	100EA/PK 10PK/CS	EA	\$ 0.03	*
62922201	TAPE MEDIPORE 2"X2YDS 48EA/CS 3M CORP	3M CORP	2962S	48EA/CS	EA	\$ 1.31	
30102201	TAPE MICROPORE 1"X10YD 12EA/BX 10BX/CS 3M CORP	3M CORP	1530-1	12EA/BX 10BX/CS	EA	\$ 0.44	
30202201	TAPE MICROPORE 2"X10YD 6EA/BX 10BX/CS 3M CORP	3M CORP	1530-2	6EA/BX 10BX/CS	EA	\$ 0.88	
20102201	TAPE PAPER 2"X10YDS 6RL/BX 12BX/CS MCK BRAND	MCK BRAND	16-47320	6RL/BX 12BX/CS	EA	\$ 0.90	
82102201	TAPE PLAS 2"X10YDS 6RL/BX 12BX/CS MCK BRAND	MCK BRAND	16-47220	6RL/BX 12BX/CS	EA	\$ 1.30	*
27102201	TAPE TRANSPORE 1"X10YD 12EA/BX 10BX/CS 3M CORP	3M CORP	1527-1	12EA/BX 10BX/CS	EA	\$ 0.83	
90032101	TEGADERM DRSG 4X4.75 5EA/BX 12BX/CS 3M CORP	3M CORP	90003	5EA/BX 12BX/CS	EA	\$ 4.44	
92202101	TEGADERM DRSG THN 4X4 5EA/BX 20BX/CS 3M CORP	3M CORP	90022	5EA/BX 20BX/CS	EA	\$ 2.49	
96122101	TEGADERM FM DRSG ADH 4X4 10EA/BX 4BX/CS 3M CORP	3M CORP	90612	10EA/BX 4BX/CS	EA	\$ 5.49	
16272104	TEGADERM TRANSPARENT DRESSING 4" X 10" STERILE WATERPROOF	3M	1627	20EA/BX 4BX/CS	BX	\$ 64.13	*
96102101	TEGADERMFM DRSGADH3.5X3.5" 10EA/BX 4BX/CS 3M CORP	3M CORP	90610	10EA/BX 4BX/CS	EA	\$ 2.99	
23122001	TELFA GAUZE NADH 3X4 ST 100EA/BX 24BX/CS COVIDIEN	COVIDIEN	2132	100EA/BX 24BX/CS	EA	\$ 0.15	
12382001	TELFA GAUZE NADH 3X8 ST 50EA/BX 12BX/CS COVIDIEN	COVIDIEN	1238	50EA/BX 12BX/CS	EA	\$ 0.21	
28381208	TERRY SLIPPER LARGE ADULT TEAL MCKESSON	MCKESSON	40-3828	2EA/PR 48PR/CS	CS	\$ 38.40	*
14324000	THERABAND HVY GRN EA HYGENIC	HYGENIC	20040	EA	EA	\$ 12.50	
72697700	THERA-BAND MED RED 6YD 1/EA SAMMON	SAMMON	716902	1/EA	EA	\$ 26.00	
71697700	THERA-BAND THIN YELLOW 1/EA SAMMONS	SAMMONS	716901	1/EA	EA	\$ 25.00	
14132501	THERMOMETER DIGITAL ORAL 12EA/BX MCK BRAND	MCK BRAND	01-413BGM	12EA/BX	EA	\$ 3.70	*
14132501	THERMOMETER DIGITAL ORAL LATEX FREE MCKESSON	MCKESSON	01-413BGM	12EA/BX	EA	\$ 3.70	*

Item Number	Item Description	Manufacturer	Manufacturer Number	CSPK	UOM	Price	On XReF
42702500	THERMOMETER TEMPLE TOUCH	AMERICAN DIAGNOSTIC CORP.	427	EA	EA	\$ 9.75	*
42702500	THERMOMETER TEMPLE TOUCH EA AMERICAN	AMERICAN	427	EA	EA	\$ 9.75	*
16131700	TOENAIL CLIPPER	MCKESSON	16-TNC01W	12EA/BX 10BX/CS	BX	\$ 9.79	*
63861700	TOOTHETTE DISPOSABLE ORAL SWAB MINT FLAVORED DENTIFRICE	MCKESSON		250/BX 4BX/CS	BX	\$ 27.50	*
56291701	TOOTHETTES UNFLAVORED SGL 250/PK 4PK/CS SAGE	SAGE	5602UT	250/PK 4PK/CS	EA	\$ 0.09	
16632501	TOURNIQUET LF 18"x1" 250EA/BX 4BX/CS MCK BRAND	MCK BRAND	16-6334	250EA/BX 4BX/CS	EA	\$ 0.17	
15004101	TOWEL C FOLD KLEENEX 150EA/PK 16PK/CS KCLAPC	KCLAPC	01500	150EA/PK 16PK/CS	PK	\$ 3.19	
88481100	TOWEL PRO 3PLY/POLY WHT 13X18	MCKESSON	18-885	500EA/CS	CS	\$ 25.04	*
84694000	TRACH CARE KIT VNYL GLVFP 20EA/CS MCK BRAND	MCK BRAND	16-8469	20EA/CS	EA	\$ 1.85	
65693000	TRANSFER GAIT BELT 60" NYLON W/PLASTIC BUCKLE ROYAL BLUE COLOR	THE PALM TREE GROUP	VM-6560	36EA/CS	EA	\$ 4.00	*
25542101	TRANSPARENT DRESSING W/FRAME DELIVERY 6"x8" LATEX FREE	DERMARITE INDUSTRIES LLC	00254E	Stop Buy	EA	\$ 1.10	*
37231900	TRAY CATH NO CATH 30CC 20/CS MCK BRAND	MCK BRAND	37-234	20/CS	EA	\$ 3.00	
28352800	TRAY DRSG CHANGE CNTRL LF 30EA/CS MCK BRAND	MCK BRAND	25-2835	30EA/CS	EA	\$ 5.50	
20101900	TRAY INSERT 10CC PVI 20EA/CS BARD	BARD	802010	20EA/CS	EA	\$ 1.99	
50271900	TRAY INSERT 30CC PVP 20EA/CS COVIDIEN	COVIDIEN	76000	20EA/CS	EA	\$ 2.17	
68801900	TRAY IRRG PSTN 60CC 20EA/CS COVIDIEN	COVIDIEN	68800	20EA/CS	EA	\$ 1.33	
41001900	TRAY IRRG PSTN 60CC ST 20EA/CS MCK BRAND	MCK BRAND	37-104	20EA/CS	EA	\$ 1.40	
24151900	TRAY URETH CATH RR 15FR 20EA/CS BARD	BARD	772415	20EA/CS	EA	\$ 4.00	
17281400	TRIPLE ANTIBIOTIC OINTMENT 1/32OZ FIRTAID TO HELP PREVENT INFECTION	MERCY SURGICAL DRESSING GROUP INC	WJWJTA1728	144EA/BX	BX	\$ 17.28	*
15151700	TRIPLE BLADE RAZOR DISPOSABLE	MCKESSON	16-RZ15	10EA/BX 50BX/CS	BX	\$ 3.40	*
41941900	TUBE EXT 18" W/CONN ST 50EA/CS BARD	BARD	4A4194	50EA/CS	EA	\$ 2.70	
37311900	TUBE HOLDER F/CATHETER 1/BG 10BG/BX 10BX/CS MCK BRAND	MCK BRAND	16-316	1/BG 10BG/BX 10BX/CS	EA	\$ 3.53	*
37311900	TUBE HOLDER LGE STRAP W/LOCKING TABS FOR FOLEY CATHETER	MCKESSON	16-316	1/BG 10BG/BX 10BX/CS	EA	\$ 3.53	*
37311900	TUBE HOLDER LGE STRAP W/LOCKING TABS FOR FOLEY CATHETER	MCKESSON	16-316	1/BG 10BG/BX 10BX/CS	EA	\$ 3.53	*
55372000	TUBIGRIP BNDG SIZE D 10M 1EA MOLNLYCKE	MOLNLYCKE	1437	1EA	EA	\$ 38.00	
55342000	TUBIGRIP BNDG SIZE E 10M 1EA MOLNLYCKE	MOLNLYCKE	1434	1EA	EA	\$ 43.00	
11161700	TWIN BLADE RAZOR DISPOSABLE	MCKESSON	16-RZ11	10/PK 12PK/BX 6BX/CS	PK	\$ 1.51	*
73033100	UNDERPAD HVY ABSRB STAY DRY 30X30	MCKESSON	UPHV3030	10EA/BG 10BG/CS	CS	\$ 26.88	*
44323100	UNDERWEAR MCK LITE SZ 32-44 MED	MCKESSON	UWEMD	20/BG 4BG/CS	CS	\$ 28.80	*
44583100	UNDERWEAR MCK LITE SZ 44-58 LG	MCKESSON	UWELG	18/BG 4BG/CS	CS	\$ 26.64	*
58683100	UNDERWEAR MCK LITE SZ 58-68 XLG	MCKESSON	UWEXL	14/BG 4BG/CS	CS	\$ 28.00	*
78333101	UNDERWEAR STAYDRY CLOTHLIKE 34-44 MED	MCKESSON	UWGMD	20/BG 4BG/CS	BG	\$ 6.60	*
83883101	UNDERWEAR STAYDRY ULTRA BREATHABLE 44-58" LARGE	MCKESSON	UWBLG	18/BG 4BG/CS	BG	\$ 6.84	*
62243101	UNDERWEAR ULTRA 25-32 SM 22/BG 4BG/CS MCK BRAND	MCK BRAND	UWBSM	22/BG 4BG/CS	BG	\$ 8.00	
83873101	UNDWR ULTRA 34-44" MED 20/BG 4BG/CS MCK BRAND	MCK BRAND	UWBMD	20/BG 4BG/CS	BG	\$ 7.33	
83883101	UNDWR ULTRA 44-58" LG 18/BG 4BG/CS MCK BRAND	MCK BRAND	UWBLG	18/BG 4BG/CS	BG	\$ 6.84	*
83733101	UNDWR ULTRA 58-68 XLG 14/BG 4BG/CS MCK BRAND	MCK BRAND	UWBXL	14/BG 4BG/CS	BG	\$ 7.33	
77604901	UNIVERSAL REMOVER FOR ADHESIVES AND BARRIERS	HOLLISTER INC	7760	Stop Buy	EA	\$ 0.22	*
70062100	UNNA BOOT 3" 1/BX 12BX/CS MCK BRAND	MCK BRAND	2066	1/BX 12BX/CS	BX	\$ 5.10	
70062101	UNNA BOOT 3" 1/BX 12BX/CS MCK BRAND	MCK BRAND	2066	1/BX 12BX/CS	EA	\$ 4.88	

Item Number	Item Description	Manufacturer	Manufacturer Number	CSPK	UOM	Price	On XReF
56291700	UNTREATED AND UNFLAVORED	SAGE PRODUCTS INC.	5602UT	250/PK 4PK/CS	PK	\$ 21.25	*
74363101	UPAD HVY ABSORB 23X36 10EA/BG 6BG/CS MCK BRAND	MCK BRAND	UPHV2336	10EA/BG 6BG/CS	BG	\$ 5.50	
73403101	UPAD MED ABSORB 30X30 10EA/BG 15BG/CS MCK BRAND	MCK BRAND	UPMD3030	10EA/BG 15BG/CS	BG	\$ 1.87	
47752900	URINAL MALE CLR CVR 33OZ 50EA/CS MCK BRAND	MCK BRAND	51-4701-75A	50EA/CS	EA	\$ 0.55	
72812801	VACU BLD COL SET 21GX3/4 50EA/BX 4BX/CS BECTON DIC	BECTON DIC	367281	50EA/BX 4BX/CS	EA	\$ 1.10	
73442801	VACU BLD COL SET 21GX3/4 50EA/BX 4BX/CS BECTON DIC	BECTON DIC	367344	50EA/BX 4BX/CS	EA	\$ 1.57	
36722801	VACU BLD COL SET 23GX3/4 50EA/BX 4BX/CS BECTON DIC	BECTON DIC	367283	50EA/BX 4BX/CS	EA	\$ 1.10	
48152801	VACU HOLDER ONE USE 250EA/PK 4PK/CS BECTON DIC	BECTON DIC	364815	250EA/PK 4PK/CS	EA	\$ 0.04	
12431800	WASH SHAMPOO/BODY DERMA VERA 4OZ	DERMARITE INDUSTRIES LLC	0012	96EA/CS	CS	\$ 63.36	*
15653100	WASHCLOTH PRE-MOIST W/DISPNG LID 8"X12"	MCKESSON	WPW100	100EA/PK 6PK/CS	CS	\$ 16.20	*
40234901	WIPE ADH RMVR UNISOLVE 50 50EA/BX 20BX/CS SMITH NEPH	SMITH NEPH	402300	50EA/BX 20BX/CS	EA	\$ 0.13	
42044901	WIPE BARR SKIN PREP 50EA/BX 20BX/CS SMITH NEPH	SMITH NEPH	420400	50EA/BX 20BX/CS	EA	\$ 0.13	
23701101	WIPE ISOCARE NACL 3X4 ST 24EA/BX 24BX/CS PDI NICE	PDI NICE	C22370	24EA/BX 24BX/CS	EA	\$ 0.14	
59201100	WIPE SANICLOTH AF3 LG 5X8 50EA/BX 10BX/CS PDI/NICE	PDI/NICE	H59200	50EA/BX 10BX/CS	BX	\$ 9.00	
47343101	WIPE STAYDRY 7.9X12.4 50EA/PK 12PK/CS MCK BRAND	MCK BRAND	WPW50	50EA/PK 12PK/CS	PK	\$ 1.70	
15653101	WIPE STAYDRY 8X12 100EA/PK 6PK/CS MCK BRAND	MCK BRAND	WPW100	100EA/PK 6PK/CS	PK	\$ 3.21	
24924100	WIPES, DISINFECTANT	PDI/NICE-PAK	M9245H	100/PK 9PK/CS	PK	\$ 6.40	*
70832101	WOUND MEASURE GUIDE 250/BX ALIMED	ALIMED	70831	250/BX	EA	\$ 0.16	
43352000	XEROFORM DERMACEA STERILE PETROLATUM GAUZE DRESSING 4"X4" FOIL PACKS	KENDALL HEALTHCARE PROD INC.	8884433500	25EA/BX 6BX/CS	BX	\$ 27.96	*
33602001	XEROFORM DRSG 5X9 ST EA 50EA/BX 4BX/CS COVIDIEN	COVIDIEN	8884433605	50EA/BX 4BX/CS	EA	\$ 1.03	
20062100	XEROFORM IMPREGNATED GAUZE 5"X9" STERILE	MCKESSON	61-20068	Stop Buy	BX	\$ 36.50	*

AMENDMENT TO
PRODUCT SUPPLY AGREEMENT

THIS AMENDMENT, effective December 26, 2018 ("Amendment Effective Date"), is made to the Product Supply Agreement ("Agreement") dated April 1, 2015 by and between McKesson Medical-Surgical Minnesota Supply Inc., with offices at 12755 Highway 55, Suite R200, Plymouth, Minnesota 55441 ("McKesson Medical-Surgical") and Bristol Hospice LLC, with offices at 206 N. 2100W, Salt Lake City, Utah 84116 ("Customer").

The parties agree that the Agreement will be amended on the Amendment Effective Date as follows:

Exhibit B of the Agreement is hereby replaced and superseded in its entirety with the attached Exhibit B.

All other terms and conditions of the Agreement will remain in effect and unchanged.

IN WITNESS WHEREOF, the parties have duly agreed to this Amendment of the Agreement and do hereby evidence such agreement by signatures of authorized individuals below.

BRISTOL HOSPICE LLC

MCKESSON MEDICAL-SURGICAL MINNESOTA
SUPPLY INC.

By: 

By:

Printed Name:

Hiram Kirton

Printed Name:

Title:

CEO

Title:

McKesson Medical-Surgical Minnesota Supply Inc.
Amendment to Product Supply Agreement
PROPRIETARY AND CONFIDENTIAL

Bristol Hospice LLC

EXHIBIT B

Bristol Hospice King, LLC
5520 Bridgeport Way West
University Place, WA 98467

Bristol Hospice Clark, LLC
5520 Bridgeport Way West
University Place, WA 98467

**AMENDMENT TO THE
DURABLE MEDICAL EQUIPMENT MANAGEMENT SERVICES AGREEMENT
BETWEEN
Bristol Hospice
AND Network Medical, Inc., d/b/a Hospicelink**

THIS AMENDMENT TO THE DURABLE MEDICAL EQUIPMENT MANAGEMENT SERVICES AGREEMENT is made and entered into as of December 27, 2018 (the "Effective Date") by and between Bristol Hospice (hereinafter referred to as "Hospice") and, Network Medical, Inc., d/b/a Hospicelink (hereinafter referred to as "Program Manager"), (each is individually referred to as a "Party" and collectively the "Parties").

WHEREAS, the Parties entered into the Durable Medical Equipment Management Services Agreement ("Agreement") effective April 26th, 2016; and

WHEREAS, the Parties desire to amend the Agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Effective to the terms and conditions of the Agreement the location(s) listed below are hereby included:


Bristol Hospice King, LLC
5520 Bridgeport Way West
University Place, WA 98467

Bristol Hospice Clark, LLC
5520 Bridgeport Way West
University Place, WA 98467


EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, each of the Parties has caused this Amendment to be executed by their duly authorized representatives on the respective dates entered below.

Bristol Hospice
"Hospice"

By: 
Name: Hyrum Kirton
Title: CEO

Network Medical, Inc.
"Program Manager"

DocuSigned by:
By: 
10C9510E043E4A5...
Name: Andrew Delaney
Title: CDO

OPTUM HOSPICE PHARMACY SERVICES, LLC
PHARMACY SERVICES AGREEMENT

This Pharmacy Services Agreement (the "Agreement") dated as of October 10, 2018, is between Bristol Hospice ("Hospice" or "Client"), and Optum Hospice Pharmacy Services, LLC ("Optum"). This Agreement shall be effective as of the date on which the first claim is processed (the "Effective Date").

1. **Definitions.**

- (a) **"Average Wholesale Price" or "AWP"** means the average wholesale price as reported by the Identified Cost Source as of the date a Prescription is filled.
- (b) **"Copayment", "Coinsurance", or "Deductible"** (collectively, **"Copayment" or "Copay"**) means the amount, other than premiums, which a Patient is required to pay for certain Prescriptions under a Plan. A Copayment may be either a specified dollar amount or a percentage of eligible expenses.
- (c) **"Dispensing Pharmacy"** means a pharmacy that has entered into an agreement with Optum under which the pharmacy has agreed to provide Prescriptions and related services to Patients and to comply with applicable regulatory requirements. HospiMail Dispensing Pharmacies are deemed to be Dispensing Pharmacies.
- (d) **"Governmental Authority"** means the Federal government, any state, county, municipal or local government or any governmental department, political subdivision, agency, bureau, commission, authority, body or instrumentality or court that regulates the applicable party's activities or operations.
- (e) **"Identified Cost Source"** means the underlying cost source such as AWP or WAC identified by a nationally recognized drug price publication that Optum may designate from time to time. As of the Effective Date, the Identified Cost Source is MediSpan.
- (f) **"Laws"** means all applicable common law and any and all state, Federal or local statutes, ordinances, codes, rules, regulations, restrictions, orders, procedures, standards, directives, guidelines, instructions, bulletins, policies or requirements enacted, adopted, promulgated, applied, followed or imposed by any Governmental Authority, as amended, modified, revised or replaced, interpreted or enforced by any Governmental Authority, as applicable to each respective party.
- (g) **"Patient"** means an individual actively enrolled in a hospice program or that is otherwise eligible for hospice care, who is a patient of Client.
- (h) **"Plan"** means a drug plan created by or in conjunction with Client that describes the Prescription drug coverage or other pharmaceutical benefits for a Patient.
- (i) **"Prescription"** means a lawful written, electronic or verbal order for medication of a health care practitioner licensed to prescribe medication. Prescriptions may also include drugs that are commonly available and dispensed "Over the Counter (OTC)" or ancillary medical supplies such as syringes.
- (j) **"Wholesale Acquisition Cost" or "WAC"** means the wholesale acquisition cost of a Prescription drug, as reported by the Identified Cost Source as of the date a Prescription is filled.

2. **Obligations of Optum.** Optum shall manage Client's Prescription benefit administration, consisting of the provision of the following products and services ("Services") in accordance with the Plan design features communicated by Client to Optum in writing:

OPTUM HOSPICE PHARMACY SERVICES, LLC
PHARMACY SERVICES AGREEMENT

- (a) **Pharmacy.**
- (i) Provide a network of Dispensing Pharmacies to service Patients;
 - (ii) Process electronic Prescription drug claims and make payments to Dispensing Pharmacies;
 - (iii) Process paper claims and make payments to pharmacies; and
 - (iv) Make reasonable efforts so that Prescription drugs are routinely available twenty-four (24) hours per day, seven (7) days per week.
- (b) **Customer Service.** Operate toll-free customer service lines available to Client and Dispensing Pharmacies twenty-four (24) hours a day, seven (7) days a week.
- (c) **Formulary.**
- (i) Optum will provide Client with Optum's Atlas Plus Formulary, as well as any subsequent revisions. Such Formulary is a list of prescription drugs and medications as determined by the Optum Pharmacy & Therapeutics Committee recommended by Optum to Client for regular use and which will be dispensed through network pharmacies to Patients.
 - (ii) Client may request that Optum: (A) enable system edits to support the Formulary or (B) modify the Formulary, the days' supply limits and/or dollar limit, which requests will be implemented if mutually agreed upon and may be subject to additional fees.
- (d) **Reports.**
- (i) **HospiTrac™.** Optum will provide Client access to HospiTrac™, Optum's web based reporting tool, which will allow an unlimited number of authorized Client users, at no additional charge, to generate standard HospiTrac™ reports, including drug utilization and cost trends. HospiTrac™ functionality includes a standard suite of reports including drug utilization and cost trends. HospiTrac™ reporting will allow Client to access reports for those claims in which adjudicate through Optum's platform: (1) injectable and non-injectable prescription drugs on a line-item basis per fill, based on the amount reported as dispensed by the pharmacy and (2) infusion pumps on a line – item basis for each pump and for each medication fill and refill.
 - (ii) **HospiTrac™ iRx™.** Optum will provide Client with access for one (1) concurrent authorized Client user to HospiTrac™ iRx™, Optum's web based reporting tool. HospiTrac™ iRx™ functionality includes advanced customization of reports. Five (5) HospiTrac™ iRx™ licensees will be provided to Client at no additional charge. Client may purchase additional HospiTrac™ iRx™ licensees for additional concurrent users at the rate of \$500.00 per year per additional user.
 - (iii) **Terms and Limited Use.** Optum shall grant Client limited, non-exclusive, non-transferable licenses to access HospiTrac™ and HospiTrac™ iRx for the sole purpose of receiving reports from Optum under this Agreement. Client shall ensure that access to HospiTrac™ and HospiTrac™ iRx is limited to Client employees. Onsite access at Client's facility(ies) and/or remote access are permitted. Client shall ensure that all authorized users are aware of, understand, and abide by the terms and conditions of this Agreement as it pertains to HospiTrac™ and HospiTrac™ iRx™ and any instructions or restrictions related to HospiTrac™ and HospiTrac™ iRx™ communicated by Optum to Client. In the event that Client has reason to believe that unauthorized access to HospiTrac™ or HospiTrac™ iRx™ has occurred, Client shall

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PHARMACY SERVICES AGREEMENT

- (i) promptly notify Optum, not later than ten (10) days of such potential unauthorized access, (ii) take reasonable action to resolve the unauthorized access, and (iii) cooperate with Optum in resolving the unauthorized access.
- (iv) **Additional Reports.** If agreed to in advance in writing by Client and Optum (email acceptable), including any agreed upon additional fees, additional reports will be provided by Optum to Client.
- (e) **Communications.** Optum shall provide Client with standard identification cards for use within the network of Dispensing Pharmacies which shall include Optum's name and toll free 800-number for Dispensing Pharmacy customer service and other required billing information.
- (f) **Cooperation.**
- (i) Optum shall cooperate with the plan of care identified for each Patient.
 - (ii) Optum shall comply with all reasonable policies and procedures of Client which are applicable to Optum and of which Optum was notified.
 - (iii) Optum shall reasonably assist Client in its quality assessment and performance improvement programs, as requested.
 - (iv) All fees incurred by Optum in completing the integration with Client's EMR of record as of the Effective Date of this Agreement shall be waived; this shall not constitute a waiver of fees that may be charged to Client by third parties for completing such integration; this shall not constitute a waiver of future fees for additional Client requests or change of EMR.
- (g) **Personnel.**
- (i) Optum shall perform criminal background checks on all employees with direct Patient contact or access to Patient records.
 - (ii) Optum shall require that all professionals employed by Optum are legally authorized in accordance with Laws and that such professional's act only within the scope of the applicable state license, certification or registration.
 - (iii) Optum will review the OIG exclusion file and verify as required by Center for Medicare and Medicaid Services ("CMS") guidelines that the persons it employs to provide services to Client pursuant to this Agreement are not debarred from by CMS. 42 CFR § 423.752(a)(6).
- (h) **Discounts for Non-Covered Drugs.** The parties agree that Optum, by and through its affiliates, may provide Patients, through their existing prescription drug identification cards, with access to negotiated pricing (where applicable) for certain prescription claims which are not covered by the Plan and are dispensed at Dispensing Pharmacies ("Extended Benefits Program"). Optum agrees to provide access to the Extended Benefits Program at no charge to Patients or Client. Patients will be responsible for paying the full (discounted, if applicable) price of the drug, including any dispensing fees or other applicable fees at the point of sale. Client shall be solely responsible for communicating in writing, via a mutually agreed upon notice, to Patients with respect to services offered under the Extended Benefits Program. Claims processed through the Extended Benefits Program are excluded from any reporting obligations and any discount or rebate, reconciliation, or other pricing commitments set forth in the Agreement. Only Optum or its contracted service providers, and not Client, shall retain exclusive rights to all program data and marketing incentives, rebates or discounts from the manufacturers' representatives, and any fees which may be derived from this Program or its Claims, if any. Contracted service providers, brokers/ consultants/ administrators, and Optum may receive and retain fees, proceeds, and/or other revenues in connection with the Extended Benefits Program services described hereunder. Any third party fees shall be paid

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per net paid claim solely where Optum has collected fees from Dispensing Pharmacies with respect to processed claims. Optum reserves the right to terminate the Extended Benefits Program upon at least thirty days prior notice to Client. Each party is responsible for ensuring its compliance with any Laws applicable to the provision of services under the Extended Benefits Program, including any necessary licenses and permits. Client shall promptly notify Optum of any inquiry from federal or state governmental departments, attorneys, Patients, or other persons alleging a complaint with this Extended Benefits Program and provide any applicable documentation of such. THE EXTENDED BENEFITS PROGRAM IS NOT INSURANCE.

- (i) **Ancillary Services.** If Client requests additional or ancillary services, including consultative services, other than those described herein Optum shall attempt to accommodate Client at a mutually agreed upon rate under a separate agreement signed by the parties prior to the performance of the services.
3. **Joint Obligations; Implementation.** Client and Optum shall cooperate to achieve implementation of the services to be provided by Optum under this Agreement in accordance with an agreed upon timetable.
4. **Obligations of Client.**
- (a) **Payment.** Client shall pay Optum in accordance with the fee schedule set forth on Exhibit A.
 - (b) **Control of Plan.** Client acknowledges that it has the sole authority to design, amend, control and administer each Plan. In processing and adjudicating claims, Optum shall strictly apply the provisions of each Plan or any exception authorized by Client. Client acknowledges that Optum is engaged to perform services as an independent contractor and not as a fiduciary of the any plan administered by Client ("Plan") or as an employee or agent of the Client, or as the Plan administrator. Nothing in this Agreement shall be construed or deemed to confer upon Optum any responsibility for or control over the terms or validity of the Plan. Optum shall have no discretionary authority over or responsibility for the Plan's administration. Further, because Optum is not an insurer, Plan sponsor, Plan administrator, or a provider of health care services to Patients, Optum shall have no responsibility for (i) funding of Plan benefits; (ii) any insurance coverage relating to the Client, the Plan or the Patients; or (iii) the nature or quality of professional health care services rendered to Patients.
 - (c) **Enrollment and Maintenance.** Client is solely responsible for providing Optum with the following Patient eligibility data ("Eligibility Data"):
 - (i) Patient information including name, gender, date of birth, diagnosis, and identification number;
 - (ii) An updated list of Prescription drugs prescribed for a Patient in accordance with the requirements of Client's applicable Plan;
 - (iii) Immediate notification of Patient expiration, discharge, or termination from enrollment with Client and the applicable reason; and
 - (iv) Patient identification number. The patient identification number format shall be selected by Client with approval by Optum so that that such format will be compatible with the Optum systems. Client shall be responsible for selecting an identification number that appropriately protects Patient privacy.

Optum shall not be responsible for any Prescription drugs filled or processed for any ineligible Patients due to incorrect or untimely Eligibility Data provided to Optum. Such information

OPTUM HOSPICE PHARMACY SERVICES, LLC
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shall be updated by Client as necessary for Optum to administer Prescription drug benefits to Patients. Unless otherwise agreed to in writing by Optum (email acceptable), Client shall also be responsible for inputting all necessary data, including, but not limited to Patient demographics, medications, coverage, and clinical information, into HospiDirect™, Optum's Patient Management System, in a timely manner. Client shall also be responsible for making any updates to such information in HospiDirect™. Optum shall be entitled to fully rely on the data and information inputted by Client into HospiDirect™ and Client shall indemnify and hold harmless Optum from any claims, damages, liabilities or expenses (including attorneys' fees) arising out of the provision by Client of inaccurate, incomplete or untimely information. Client acknowledges and agrees that it may be subject to additional fees if it fails to maintain Eligibly Data as set forth in this Section.

- (d) **Medical Care.** Client acknowledges that it is solely responsible for the initial and ongoing Patient assessment, professional medical management, care coordination and continuity of pharmaceuticals obtained through the Optum Dispensing Pharmacy network, and any other medical treatment provided to Patient. Client further acknowledges that Optum shall make no treatment decisions related to Patient care.
- (e) **CMS Caps.** Client will promptly notify Optum, and in any event within five (5) business days of receipt of a notice by Client from CMS of any outstanding cap liability ("Cap Notice"), and shall keep Optum apprised of the status of any such Cap Notice.

5. **Billing.**

- (a) **Billing.** Optum shall invoice Client as set forth in Exhibit A to this Agreement.
- (b) **Suspension of Performance.** Optum may, at its sole discretion and in addition to its remedies under this Agreement, at law or in equity, suspend all services upon written notice to Client in the event payment in full is not made when due.

6. **Term and Termination.**

- (a) **Term.** This Agreement shall be effective for a period of one (1) year from the Effective Date ("Initial Term"). The Initial Term shall be automatically renewed for additional one (1) year periods unless either party provides written notice of nonrenewal at least ninety (90) days prior to the end of the current term.
- (b) **Termination for Cause.** Either party may terminate this Agreement following a material breach by the other party which is not timely cured. The non-breaching party shall notify the breaching party of the breach and the breaching party shall have thirty (30) days (the "Cure Period") to cure the breach. If the breaching party fails to cure the breach within the Cure Period, then the non-breaching Party may terminate the Agreement upon written notice to the breaching party. Suspension of performance by Optum pursuant to Section 5(b) of this Agreement shall not be construed as a termination of this Agreement.
- (c) **Automatic Bankruptcy Termination.** To the fullest extent permitted by Laws, in the event of a Bankruptcy Event affecting either Optum or Client. "Bankruptcy Event" means that Client or Optum: (a) cannot pay its debts generally as they become due; (b) makes a voluntary assignment for the benefit of creditors; (c) is declared insolvent in any proceeding; (d) commences a voluntary case or other proceeding seeking liquidation, reorganization, insolvency, readjustment of debt, liquidation, or dissolution; (e) is named as a debtor or party in a case or proceeding and indicates its approval or consent or acts in furtherance of the case or proceeding, or if the case or proceeding is not dismissed or stayed for 60 days after it begins, or is the subject of any order appointing a receiver, liquidator, custodian or trustee or approving

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the petition in any such case or proceeding; or (f) the sum of the party's debts (including contingent obligations) exceeds the fair market value of the party's assets, exclusive of any property transferred, concealed, or removed with the intent to hinder, delay or defraud the party's creditors.

- (d) **Adverse Legal Determination.** Subject to Section 7(u), either party may terminate this Agreement immediately upon notice to the other party (a) following a Judgment (as defined in Section 7(d) or change in any Laws that would make performance of this Agreement, in all material respects, unlawful or illegal for the terminating party, or (b) if a Governmental Authority requires either party to terminate this Agreement.
- (e) **Termination without Cause.** After the first anniversary of the Effective Date of this Agreement, either party may terminate this Agreement without cause upon ninety (90) days prior written notice of termination to the other party.
- (f) **Obligations upon Termination.** In the event of termination of this Agreement for any reason, Optum shall continue to process electronically-submitted claims from Dispensing Pharmacies that are received prior to the termination date. For a period of thirty (30) days following the termination date, Optum shall also process electronically-submitted claims and paper claims for which it receives complete information and that were incurred prior to the termination, except when requested in writing not to do so by Client. Any such electronically-submitted claims and paper claims must be received by Optum within thirty days of the date of service, which date must be prior to the termination date. Client shall remain liable for all fees incurred through the periods described in this Section and shall make full payment of all outstanding payments within five (5) business days of termination and within ten (10) business days for any post termination invoices. Client shall also be responsible for the following expenses at Optum's prevailing rates: (a) forwarding Prescription drug related data or claims to any new vendor, (b) production and distribution of communication materials requested by Client and/or new vendor, (c) programming requirements for new vendor, and (d) special reports requested by Client. Any such fees will require prior approval by Client (email acceptable).

7. Miscellaneous.

- (a) **Confidentiality.**
 - (i) **Confidentiality Obligations.** Each party ("Recipient") will, and will use commercially reasonable efforts to cause each of its Representatives to, keep confidential the Confidential Information of the other party ("Discloser") and not disclose any Confidential Information without Discloser's prior written consent or as permitted by this Agreement. Confidential Information may be disclosed to either party's employees, contractors or another third party ("Representative") as reasonably necessary to carry out the purposes of this Agreement, on condition that the Representative agreed to keep confidential the Confidential Information with obligations at least as comprehensive as the obligations in this Agreement. Recipient will be responsible for any breach of this Agreement by any Representative to which it discloses Confidential Information.
 - (ii) **Definition of Confidential Information.** "Confidential Information" means: (a) the terms of this Agreement; (b) all Discloser material, non-public information, materials or data, in any form, that Recipient knows or has reason to know is confidential or proprietary to Discloser; (c) any other information that Discloser marks or designates clearly as confidential or proprietary; and (d) Discloser trade secrets, know how, inventions, current and future business plans, marketing plans and strategies, financial and operational plans, business methods and practices, customer or prospect data, records, information and profiles, supplier or vendor information and data, historical

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or prospective financial information, budgets, cost and expense data, employment records and contracts and personnel information as well as software, technology, inventions (whether or not patentable) that Discloser owns, licenses or uses. Confidential Information will not include information that: (i) is generally available to the public; or (ii) becomes available to Recipient on a non-confidential basis from a source, other than Discloser or its affiliates or agents, not bound by a confidentiality Agreement.

- (iii) **Exceptions to Confidentiality Obligations.** The obligations in this Section will not restrict or limit disclosures by Recipient: (a) to offer or administer the Plans; (b) to comply with Rebate reporting or other data collection, maintenance, security or submission requirements; (c) to perform functions or responsibilities required by Laws; or (d) as required or compelled by Laws or a Governmental Authority with competent jurisdiction over Recipient, on condition that Recipient will: (i) give prompt notice to Discloser after learning of the need to disclose (if allowed by Laws); (ii) disclose only that portion of Discloser's Confidential Information that Recipient's legal counsel advises is legally necessary to comply with the Laws or Governmental Authority order; and (iii) assist Discloser if it objects to the disclosure.
- (iv) **Return of Confidential Information.** Upon Discloser's request, Recipient will use commercially reasonable efforts to promptly return or destroy (with written certification that destruction has occurred) Discloser's Confidential Information within Recipient's possession or control. If Recipient determines that return or destruction of Confidential Information is not feasible, Recipient will notify Discloser and may retain the Confidential Information, on condition that the Confidential Information is held in confidence, as required by the terms of this Section 7(a) , and used or disclosed solely for the purposes that make return or destruction of the Confidential Information not feasible. Recipient may retain a copy of Discloser's Confidential Information for archival purposes or as otherwise required by Laws.
- (b) **Protected Health Information.** The parties will abide by the Business Associate Agreement in the form of Exhibit C, which outlines the parties' obligations for use and disclosure of PHI.
- (c) **Records.** Optum and Client each will retain books and records directly related to the performance of the Services for a period of seven years following the date of their creation or for a longer time period, if required by Laws.
- (d) **Indemnification.** Each party ("Indemnitor") will be solely financially responsible for, and will defend and indemnify the other party ("Indemnitee") from and against all third party claims, legal or equitable causes of action, suits, litigation, proceedings (including regulatory or administrative proceedings), grievances, complaints, demands, charges, investigations, audits, arbitrations, mediation or other process for settling disputes or disagreements, including any of the foregoing processes or procedures in which injunctive or equitable relief is sought ("Claims") made against Indemnitee to the extent arising or resulting from, or attributable to, Indemnitor's material breach of this Agreement or its negligence or intentional misconduct (including fraud), except to the extent the liability results from Indemnitee's negligence, willful misconduct or breach of this Agreement. Indemnitor will pay promptly and satisfy fully in connection with an indemnified Claim all (a) losses, damages of any kind or nature, assessments, fines, penalties, deficiencies, interest, payments, expenses, costs, debts, obligations, liabilities, liens or Judgments that are sustained, incurred or accrued; (b) judgments, writs, orders, injunctions or other orders for equitable relief, awards or decrees of or by any Governmental Authority ("Judgments"); and (c) costs, expenses and fees, including settlement costs, attorneys' fees, accounting fees and expert costs and fees incurred in connection with Claims. Indemnitee will provide prompt notice to Indemnitor upon learning of any occurrence or event that may reasonably be expected to result in an obligation of Indemnitor under this Section and will consult with Indemnitor in the defense of the occurrence or event. Indemnitee's

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failure to provide prompt notice will not relieve Indemnitor of its obligations under this Section, except to the extent that the omission results in a failure of actual notice to Indemnitor and Indemnitor suffers damages because of the failure to notify. In all events, Optum's indemnification will not extend to indemnification of Client or the Plan against any Claims that constitute payment of Plan benefits. Indemnitee will provide Indemnitor with reasonable information and assistance for Indemnitor to defend such claim, demand, or cause of action.

- (e) **Limitation of Liability.** The parties' liability to each other under this Agreement will not exceed the general or direct damages caused by breach of this Agreement. The parties will have no liability under this Agreement for any consequential, special, indirect, incidental or punitive damages, even if they are aware of the possibility of the loss or damages. In no event may Client make any claim relating to the services or otherwise under this Agreement later than one year after Client becomes aware (or ought reasonably to have become aware) of the facts giving rise to the alleged claim and in any event, no later than two years after the completion of the particular Services. Optum will not be responsible for any claims, losses, or damages sustained as a result of the actions, or failure(s) to act, by any retail pharmacy, pharmaceutical manufacturer or other pharmaceutical providers or other third party not under control of Optum pursuant to this Agreement.
- (f) **Assignment.** A party may not assign or transfer this Agreement without the prior written consent of the other party, except that Optum may assign this Agreement to any affiliate upon 30-day notice to Client, so long as Optum remains obligated under this Agreement. This Agreement will bind the parties and their respective successors and assigns, and will inure to the benefit of the parties and their respective permitted successors and assigns.
- (g) **Compliance with Law.** Each party will comply with all Laws applicable to its respective business and the performance of its obligations under this Agreement, including maintaining any necessary licenses and permits. If a party's performance as required by this Agreement is prohibited by or conflicts with any Laws, then the party whose performance is owed or required will be required to perform, but only to the extent permitted by Laws. Any provisions now or hereafter required to be included in this Agreement by Laws or any Governmental Authority will be binding and be enforceable against the parties and deemed incorporated into this Agreement, regardless of whether such provisions are expressly provided for in this Agreement.
- (h) **Exclusive Vendor.** Client agrees to utilize only Optum to provide it with any of the services comparable to those described herein during the term of this Agreement. Notwithstanding the foregoing, the parties acknowledge and agree that this exclusivity provision shall not apply with respect to entities acquired by Client after the Effective Date (until the pharmacy benefit management agreements with acquired entities expire or are terminated).
- (i) **Force Majeure.** If any party is unable to perform any of its obligations under this Agreement because of any cause beyond the reasonable control of and not the fault of the party invoking this Section, including any act of God, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, destruction of production facilities, riot, insurrection or material unavailability, and if the non-performing party has been unable to avoid or overcome its effects through the exercise of commercially reasonable efforts, this party will give prompt notice to the other party, its performance will be excused, and the time for its performance will be extended for the period of delay or inability to perform due to such occurrences, except that if performance is extended under this Section for more than 60 days, then at any time before reinstatement of the performance, the other party may terminate this Agreement upon notice to the non-performing party. Optum will maintain commercially reasonable business continuity and disaster recovery plans.
- (j) **Other Obligations.** The parties represent and warrant that the terms of this Agreement are not inconsistent with any other obligations whether contractual or otherwise that the Party may have or with the policies of any other entity with which the Parties are associated.

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- (k) **Governing Law.** This Agreement and each party's rights and obligations under it will be governed by and construed according to the laws of the State of Alabama, without giving effect to conflicts of laws principles.
- (l) **Non-Solicitation of Employees.** During the term of this Agreement and for one (1) year thereafter, neither party may (without the prior written consent of the other party) actively solicit any person employed then or within the preceding year by the other party and involved directly or indirectly in the performance of this Agreement. Such consent may be withheld in the other party's sole discretion. The term "actively solicit" does not include any employment of the other party's personnel through means of advertisements, job postings, job fairs and the like and any employment where the individual has made the initial approach to the hiring party.
- (m) **Intellectual Property.** Any rights in information, innovations, ideas, discoveries, products, creative works and the like (whether or not copyrightable or patentable), suggestions, communications, data, reports and results conceived, derived, reduced to practice, made or developed by either party as a direct result of the services under this Agreement shall be the sole property of the party developing such.
- (n) **Amendment of Agreement.** Except as otherwise provided in this Agreement, this Agreement may not be modified except in writing and signed by both parties.
- (o) **Notices.** Any notice given under this Agreement shall be in writing and shall be deemed received if sent by personal delivery, overnight courier that provides confirmation of delivery, or certified mail, return receipt requested, to the applicable party at its address set forth with its signature to this Agreement, or to such other address or to the attention of such other person as either party may designate in writing pursuant to this Section. Personally delivered notices shall be deemed delivered on the date of receipt. Notices sent by overnight courier shall be deemed received the next business day. Mailed notices shall be deemed received three (3) business days following mailing.
- (p) **Patient Billing.** Except for any applicable Copayments established by Client, Optum and network pharmacies shall look only to Client for compensation for covered Prescription drugs described in this Agreement to be provided to Patients and shall at no time seek compensation from Patients or their families for such products and services regardless of whether or not payment is received from Client.
- (q) **Relationship of the Parties; No Third Party Beneficiaries.** The sole relationship between the parties is that of independent contractors. This Agreement will not create a joint venture, partnership, agency, employment or other relationship between the parties. Nothing in this Agreement will be construed to create any rights or obligations except among the parties; no person or entity will be regarded as a third party beneficiary of this Agreement.
- (r) **Insurance.** Each party will maintain: (a) during and for a reasonable period of time after the term of this Agreement, reasonable and customary insurance (whether through third party carriers or self-insured arrangements or retentions), as to type, policy limits and other coverage terms, to cover the risks of loss faced by companies similar to the party in size, industry and business operations; and (b) all insurance coverage, bonds, security and financial assurances as Laws may require from time-to-time. Optum will maintain sufficient insurance coverage to enable it to meet its obligations created by this Agreement and by Laws.
- (s) **Cost Reporting.** If the cost or value of services provided under this Agreement equals or exceeds ten thousand dollars (\$10,000) over a twelve (12) month period, Optum shall, upon request, make available to the Secretary, U.S. Department of Health and Human Services, and the U.S. Comptroller General and their representatives, this Agreement and all books,

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documents and records necessary to verify the nature and extent of the costs of the services provided pursuant to the terms of this Agreement in accordance with 42 CFR, Part 420, 300.

- (t) **Dispute Resolution Procedures.** If a dispute occurs between the parties, the complaining party may request a meeting by executive officers of each party who will attempt to resolve the dispute in good faith before beginning a legal action, except for matters subject to injunctive relief. If the parties' executive officers do not resolve the dispute within 30 days after the notice, then arbitration may be commenced. All disputes under this Agreement will be settled by arbitration administered by the American Arbitration Association under its Commercial Rules conducted before a single arbitrator. Arbitration disputes will be resolved on an individual basis and no arbitration may proceed as a class-action arbitration. Judgment on the arbitrator's award may be entered in any court with jurisdiction. The arbitration requirements will not affect a party's right to seek appropriate equitable relief to enforce its rights under this Agreement.
- (u) **Waiver; Severability.** The failure of any party to insist in any one or more instances upon performance of any term of this Agreement will not be construed as a waiver of future performance of the term, and the party's obligations for the term will continue in full force and effect. The provisions of this Agreement are severable. The invalidity or unenforceability of any term or provision in any jurisdiction will be construed and enforced as if it has been narrowly drawn so as not to be invalid, illegal or unenforceable to the extent possible and will in no way affect the validity or enforceability of any other terms or provisions in that jurisdiction or of this entire Agreement in that jurisdiction.
- (v) **Use of Name.** The parties agree not to use each other's name, logo, service marks, trademarks or other identifying information without the written permission of the other, except that Client grants Optum permission to use Client's name, logo, service marks, trademarks or other identifying information to the extent necessary for Optum to carry out its obligations under this Agreement.
- (w) **Taxes.** If any Taxes are assessed against Optum as a claim administrator in connection with the Services, including all topics identified in Section 7(w)(iii), Client will reimburse Optum for the Client's proportionate share of the Taxes (but not Taxes on Optum's net income). "Tax" means a charge imposed, assessed or levied by any federal, state, local or other governmental entity. Optum has the authority and discretion to reasonably determine whether the Tax should be paid or disputed. Client also will reimburse Optum for a proportionate share of any cost or expense reasonably incurred by Optum in disputing the Tax, including costs and reasonable attorneys' fees and any interest, fines or penalties relating to the Tax, unless caused by Optum's unreasonable delay or determination to dispute the Tax.
- (x) **Provision of Services.** Optum may use its affiliates or subcontractors to perform the Services. Optum will be responsible for the Services to the same extent that Optum would have been had it performed those services without the use of an affiliate or subcontractor. Optum may also hold contracts directly or indirectly with the manufacturers of Prescription drugs that are covered by a Plan. The contractual terms of arrangements with subcontractors, manufacturer, or other entities may entitle Optum to receive rebates or discounts in connection with Prescription drugs covered by a Plan, or for other products or services that are the subject of this Agreement. Any recommendations to formularies or for specific medications shall be independent of any such arrangements.
- (y) **Survival of Terms.** Any term of this Agreement that contemplates performance after termination of this Agreement will survive expiration or termination and continue until fully satisfied, including Section 7(a), which will survive so long as the information is Confidential Information or the data is proprietary to either party or its successors, successors-in-interest or assigns, Section 4, and Sections 7(d) 7(e) and 7(r), which will survive indefinitely.

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(z) **Integrated Agreement; Interpretation; Execution.** This Agreement, with its exhibits, constitutes the final expression and complete and exclusive statement of the terms of the Agreement between the parties regarding the subject matter of this Agreement. This Agreement replaces any prior or contemporaneous written or oral communications or Agreements between the parties regarding its subject matter. The language in this Agreement will be construed in accordance with its fair meaning, as if prepared by all parties and not strictly for or against any party. The legal doctrine of construction of ambiguities against the drafting party will not be employed in any interpretation of this Agreement. When approval of a party is required under this Agreement, the approval will not be unreasonably withheld or delayed. For all terms in this Agreement, unless otherwise specified: (a) a term has the meaning assigned to it in Section 1 or elsewhere in this Agreement; (b) "or" is not exclusive; (c) "including" means including without limitation; (d) "party" and "parties" refer only to a named party to this Agreement; and (e) any reference to an Agreement, instrument or statute means that Agreement, instrument or statute as from time-to-time amended, modified or supplemented and any applicable corresponding provisions of successor statutes or regulations. The headings in this Agreement are provided for convenience only and do not affect its meaning. An electronic signature of this Agreement, or a signature on a copy of this Agreement that a party receives by facsimile, email or other means, is binding as an original, and the parties will treat an electronic or photo copy of this signed Agreement as an original. The parties may sign this Agreement in two or more counterparts, and as so signed this Agreement will constitute one and the same Agreement binding on the parties.

(aa) **Exhibits.** The following exhibits are made a part of this Agreement:

- Exhibit A - Client Payments
- Exhibit B - HospiMail
- Exhibit C - HIPAA Business Associate Provisions
- Exhibit D - Clinical Consulting Services
- Exhibit E - Infusion Pharmacy Services

Authorized representatives of the parties have signed this Agreement.

Optum Hospice Pharmacy Services LLC

Bristol Hospice

By: _____

By:  _____

Its: Vice President & General Manager

Its: Chief Executive Officer

Date: _____

Date: 11/7/16 _____

Address for Notices to Optum:
Optum Hospice Pharmacy Services, LLC
4525 Executive Park Drive, Suite 100
Montgomery, Alabama 36116
Attn: David W. Young

Address for Notices To Client:
206 North 2100 West
Suite 202
Salt Lake City, Utah 84116
Attn: Hyrum Kirton

with a copy to:
Optum Hospice Pharmacy Services, LLC
c/o OptumRx
1600 McConnor Parkway
Schaumburg, Illinois 60173
Attention: Legal Department

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**EXHIBIT A
CLIENT PAYMENTS**

1. **General Pharmacy.** For each Prescription drug or supply billed to Client and dispensed to a Patient through Optum Dispensing Pharmacy network (for both brand and generic drugs), Client shall pay Optum at the rates (including both ingredient and dispensing fees) such pharmacies have agreed with Optum to accept, net of any Copayments, plus any applicable sales or excise tax or other governmental charge. Optum shall not retain any margin or spread on such Dispensing Pharmacy claims. Any service charges such, as for delivery or after hours services, will be passed on to Client at Optum's cost. Accordingly, any amount billed by Optum to be paid to a Dispensing Pharmacy shall be paid fully to such Dispensing Pharmacy. Notwithstanding the foregoing, the electronic processing fee charged by Optum to a Dispensing Pharmacy may be retained by Optum.

Client shall pay Optum for administrative services \$2.85 per net paid Prescription.

2. **Per Patient Day (PPD).** Optum provides a service level agreement (SLA) that the PPD shall not exceed the amount of \$5.75. For purposes of this SLA, only those Prescriptions obtained by the Client via Optum for Patients not residing in an inpatient unit, that are contained on Optum's Atlas Plus Formulary and purchased from those pharmacies defined as preferred will be utilized. This SLA includes amounts paid for clinical services as outlined in Exhibit D. This SLA includes amounts paid for the first three (3) deliveries and/or shipments per non-facility Patient per month; amounts paid for deliveries and/or shipments beyond the first three (3) per non-facility Patient per month are excluded from this SLA. Delivery and/or shipment costs for Patients in facility groups shall be excluded from this SLA. All costs for infusion services, including delivery and/or shipment costs, shall be excluded from this SLA.

The SLA set forth in this section is based on information provided by Client to Optum. Upon request, Client will provide Optum with updated information in order for Optum to review the SLA offering, including information regarding its Patient population. In the event of a material change in such information, Optum reserves the right to modify the SLA upon notice to Client.

Actual Cost Per Patient Day ("PPD") means the total cost of all Prescriptions by Optum (excluding sales or excise taxes, and other governmental charges) pursuant to this Agreement for a given period divided by the number of Patient Days for such period. "Patient Day" means each day that a Patient receives hospice care from the Client. Patient Days will be supplied by the Client in a mutually agreeable time frame and is auditable by Optum.

3. **Guaranteed Effective Generic Rate.**
 - a. **Average Guaranteed Effective Generic Rate at Preferred Network Pharmacies:** Optum will provide an SLA that Client will experience an annual generic effective rate at least as favorable to Client as AWP – 75.00% for generic Prescriptions filled at Optum's preferred network pharmacies. Experience for individual preferred network pharmacies may differ. Client will be charged actual rates.
 - b. **Annual Settlement.** The Guaranteed Effective Generic Rate will be measured annually as hereinafter set forth. Within sixty (60) days of the end of each Agreement year, Optum shall calculate and remit to Client, as applicable, the net impact of the Guaranteed Effective Generic Rate. Any payments owed by Optum shall be made to Client within thirty (30) days of such remittance. The aggregate amount paid by Optum under this Section shall not be greater than the aggregate amount of administrative fees paid by Client to Optum in the applicable Agreement year. In calculating the guaranteed effective generic rate, prescriptions not filled at Optum's preferred network pharmacies will be excluded from this calculation. The then current list of Optum preferred network pharmacies is available to Client through Optum's online reporting tools and may vary over time.
4. **Reservation of Rights.** Optum reserves the right to modify or amend the financial provisions of this Agreement upon prior notice to Client in the event of: (a) any government imposed change Laws or interpretation thereof or industry wide change that would make Optum's performance of its duties hereunder materially more burdensome or expensive, including changes made to the AWP

EXHIBIT A
CLIENT PAYMENTS

benchmark or methodology; (b) a change in the scope of services to be performed under this Agreement upon which the financial provisions included in this Agreement are based; or (c) a reduction of greater than 10% in the total number of members from the number provided to Optum during pricing negotiations upon which the financial provisions included in this Agreement are based or Client's failure to move the Bristol, Optimal and Suncrest business in their entirety to Optum by June 30, 2019 (each a "Triggering Event"). If Optum elects to modify pricing based on a Triggering Event, it shall provide Client with notice as soon as reasonably practicable of the External Event and shall provide Client with a written illustration of the anticipated financial impact of the revised pricing in connection with the Triggering Event and a written statement of the expected aggregate annual impact of the revised pricing in connection with the Triggering Event.

5. Payment: Optum will invoice Client at semi-monthly billing cycles that run from the 1st through the 15th and from the 16th to the end of the month. All payments by Client shall be made to Optum via Automated Clearing House ("ACH") debit originated by Optum not later than the thirtieth day (30) after the date of the invoice to Client. Client shall provide all necessary forms for facilitating this process. Payment must be made in full subject to Sections 5(a) and 5(b) of the Agreement. Should Client dispute any amount on an invoice, Client shall pay the invoice in full and request a credit for the disputed amount, which request shall include reasonable detail in support of such dispute. Client shall have sixty (60) days from the date of the applicable invoice to submit such dispute. Late payments shall accrue interest at an annual rate of twelve percent (12%) or the maximum amount allowed by law, if less. Optum may withhold, deduct, net or recoup from future amounts owed or reimbursable to Client under this Agreement any undisputed amounts Client owes to Optum that are outstanding beyond their applicable due date. Client shall reimburse Optum all collection expenses including all reasonable attorney's fees and costs.
6. Obligation of Confidentiality Regarding Prescription Rates. In accordance with Section 7(a) of the Agreement, Client shall acknowledge and agree that the rates at which Optum pays retail and mail order pharmacies for Prescriptions constitute highly proprietary and confidential information. As a result, Client agrees that such information shall be disclosed only to Client's essential personnel who have a need to know such information and used by such essential personnel solely to perform accounting and payment functions relating to this Agreement. Client shall advise such personnel of the proprietary and confidential nature of this information, and shall be responsible for its personnel's compliance with the requirement for confidentiality. If information regarding the rates at which Optum pays pharmacies for Prescriptions is requested by the government or subpoena or otherwise from the Client, Client shall notify Optum immediately upon receipt of such request so that Optum may pursue an injunction, protective order, or another prohibition on disclosure.
7. Rebates. Client authorizes Optum to contract with drug manufacturers for Rebates as a group purchasing organization. Optum and its affiliates may retain 20% of Rebates as an administrative fees for its role in securing Rebates. Subject to the terms of this Section, Optum will remit 100% of remaining Rebates to Client if: (a) Client satisfies the minimum Rebate contract criteria and has included the drug manufacturer's Prescription drug on its Formulary; and (b) Optum has received Rebates resulting directly from Client's satisfaction of the foregoing clause (a). Optum, in its sole and absolute discretion, may enter into agreements for Rebates concerning prescription drugs on Optum's or any of its customers' formularies. Rebates are negotiated based upon Optum's book of business rather than a client-specific basis. Many factors affect the amount of Rebates, including benefit design, arrangements with drug manufacturers, volume of Prescription claims, formulary structure, patent expiration, and Optum's overall business strategy. Rebates. Claims that may not be eligible to receive Rebates include Prescription Claims: (a) with invalid service provider identification or prescription numbers; (b) Client's implementation or addition of a benefit plan requiring one hundred percent (100%) Member payment for any category of Prescription Claims (except specific items excluded from coverage); (c) for devices without a Prescription drug component or claims that are not for Prescription drugs (except for insulins or diabetic test strips); (d) that are re-packaged NDCs; (e) over one hundred eighty (180) days old; (f) for compounds; (g) Prescription claims under section 340B of the Public Health Service Act which typically receive a discount or rebate directly from drug manufacturers; (h) from entities eligible for federal supply schedule prices (e.g., Department of Veterans Affairs, U.S. Public Health Service, Department of

EXHIBIT A
CLIENT PAYMENTS

Defense); (i) for long term care facility; (j) for Medicaid Managed Care in states where the state law prohibits Administrator from collecting supplemental rebates; or (k) for utilization pursuant to a consumer card or discount card program where the benefit plan had no cost liability on the claim or the Prescription Claims are otherwise not eligible for Rebates under a rebate agreement with the applicable drug manufacturer. "Rebate" means any discount or rebate that Optum receives from drug manufacturers in Optum's capacity as a group purchasing organization for Client, that is contingent upon and related directly to Member use of a Prescription drug during the term of this Agreement. "Rebate" does not include manufacturer administrative fees, price protection payments or any discount, price concession or other direct or indirect compensation Optum receives for the purpose of a Prescription drug or for the provision of any product or service. Rebates shall be paid to Client quarterly, approximately one hundred and eighty (180) days following the end of the applicable quarter. Nothing in this Agreement shall preclude Optum from pursuing other sources of revenue from Covered Manufacturers or third party rebate aggregator or engaging in other revenue-producing relationships with Covered Manufacturers, including, but not limited to, obtaining funding for clinical communications. Optum will use commercially reasonable efforts to collect Rebates. Optum will not be responsible for any non-payments or partial payments of amounts owing under an agreement for Rebates. To the extent of any overpayment or erroneous payment to Client by Optum, Client will refund immediately the payment or Optum may recoup the payment from other sums due to Client under this Agreement. Upon Client's request, Optum shall provide all information necessary to support Client's government reporting requirements regarding Rebates.

**EXHIBIT B
HOSPIMAIL**

If Client elects, Optum's contracted mail order pharmacies, ("Hospimail Dispensing Pharmacies"), can mail Prescription to Patients. Mailed Prescriptions may include "Comfort Care Kits". The fees for mailed Prescriptions shall include ingredient, dispensing and administrative fees, which shall be invoiced at the rates set forth on Exhibit A and packaging and shipping fees as invoiced by the Hospimail Dispensing Pharmacies, and which may include additional fees for Saturday delivery, cold packs, next day delivery, etc.

EXHIBIT C
BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BAA”) is incorporated into and made part of the services agreements (collectively, the “Agreement”), by and between **Optum Hospice Pharmacy Services, LLC** on behalf of itself and its subsidiaries and affiliates (“Business Associate”), and **Bristol Hospice** (“Covered Entity”), that involve the use or disclosure of PHI (as defined below). The parties agree as follows.

1. DEFINITIONS

- 1.1 All capitalized terms used in this BAA not otherwise defined herein have the meanings established for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended and supplemented (collectively, “HIPAA”).
- 1.2 “Breach” means the acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI, subject to the exclusions in 45 C.F.R. § 164.402.
- 1.3 “PHI” means Protected Health Information, as defined in 45 C.F.R. § 160.103, and is limited to the Protected Health Information received from, or received, created, maintained or transmitted on behalf of, Covered Entity.
- 1.4 “Privacy Rule” means the federal privacy regulations, and “Security Rule” means the federal security regulations, as amended, issued pursuant to HIPAA and codified at 45 C.F.R. Parts 160 and 164 (Subparts A, C & E).
- 1.5 “Services” means the services provided by Business Associate to Covered Entity to the extent they involve the receipt, creation, maintenance, transmission, use or disclosure of PHI.

2. RESPONSIBILITIES OF BUSINESS ASSOCIATE. With regard to its use and/or disclosure of PHI, Business Associate agrees to:

- 2.1 not use and/or further disclose PHI except as necessary to provide the Services, as permitted or required by this BAA and in compliance with the applicable requirements of 45 C.F.R. § 164.504(e), or as Required by Law; provided that, to the extent Business Associate is to carry out Covered Entity’s obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of those obligations.
- 2.2 implement and use appropriate administrative, physical and technical safeguards and comply with applicable Security Rule requirements with respect to ePHI, to prevent use or disclosure of PHI other than as provided for by this BAA.
- 2.3 without unreasonable delay, report to Covered Entity (i) any use or disclosure of PHI not provided for in this BAA and/or (ii) any Security Incident of which Business Associate becomes aware in accordance with 45 C.F.R. § 164.314(a)(2)(i)(C). For the purposes of reporting under this BAA, a reportable “Security Incident” shall not include unsuccessful or inconsequential incidents that do not represent a material threat to confidentiality, integrity or availability of PHI (such as scans, pings, or unsuccessful attempts to penetrate computer networks).
- 2.4 report to Covered Entity within ten business days: (i) any Breach of Unsecured PHI of which it becomes aware in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(C). Business Associate shall provide to Covered Entity a description of the Breach and a list of Individuals affected (unless Covered Entity is a plan sponsor ineligible to receive PHI). Business Associate shall provide required notifications to Individuals and the Media and Secretary, where appropriate, in accordance with the Privacy Rule and with Covered Entity’s approval of the notification text. Business Associate shall pay for the reasonable and actual costs associated with those notifications and with credit monitoring, if appropriate.
- 2.5 in accordance with 45 C.F.R. § 164.502(e)(1)(ii) and 45 C.F.R. § 164.308(b)(2), ensure that any subcontractors of Business Associate that create, receive, maintain or transmit PHI on

**EXHIBIT C
BUSINESS ASSOCIATE AGREEMENT**

behalf of Business Associate agree, in writing, to the same restrictions on the use and/or disclosure of PHI that apply to Business Associate with respect to that PHI, including complying with the applicable Security Rule requirements with respect to ePHI.

- 2.6 make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule, in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(I).
 - 2.7 within ten business days after receiving a written request from Covered Entity or an Individual, make available to Covered Entity or an Individual information necessary for an accounting of disclosures of PHI about an Individual, in accordance with 45 C.F.R. § 164.528.
 - 2.8 provide access to Covered Entity or an Individual, within ten business days after receiving a written request from Covered Entity or an Individual, to PHI in a Designated Record Set about an Individual, sufficient for compliance with 45 C.F.R. § 164.524.
 - 2.9 to the extent that the PHI in Business Associate's possession constitutes a Designated Record Set, make available, within ten business days after a written request by Covered Entity or an Individual, PHI for amendment and incorporate any amendments to the PHI as requested in accordance with 45 C.F.R. § 164.526.
3. **RESPONSIBILITIES OF COVERED ENTITY.** Covered Entity:
- 3.1 shall identify the records it furnishes to Business Associate that it considers to be PHI for purposes of the Agreement, and provide to Business Associate only the minimum PHI necessary to accomplish the Services.
 - 3.2 in the event that the Covered Entity honors a request to restrict the use or disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or makes revisions to its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520 that increase the limitations on uses or disclosures of PHI or agrees to a request by an Individual for confidential communications under 45 C.F.R. § 164.522(b), Covered Entity agrees not to provide Business Associate any PHI that is subject to any of those restrictions or limitations, unless Covered Entity notifies Business Associate of the restriction or limitation and Business Associate agrees in writing to honor the restriction or limitation.
 - 3.3 shall be responsible for using administrative, physical and technical safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to the Agreement, in accordance with the requirements of HIPAA.
 - 3.4 shall obtain any consent or authorization that may be required by applicable federal or state laws prior to furnishing Business Associate the PHI for use and disclosure in accordance with this BAA.
 - 3.5 if Covered Entity is an employer sponsored health plan, Covered Entity represents that to the extent applicable, it has ensured and has received certification from the applicable Plan Sponsor that the Plan Sponsor has taken the appropriate steps in accordance with 45 C.F.R. § 164.504(f) and 45 C.F.R. § 164.314(b) to enable Business Associate on behalf of Covered Entity to disclose PHI to Plan Sponsor, including but not limited to amending its plan documents to incorporate the requirements set forth in 45 C.F.R. § 164.504(f)(2) and 45 C.F.R. § 164.314(b). Covered Entity shall ensure that only employees authorized under 45 C.F.R. § 164.504(f) shall have access to the PHI disclosed by Business Associate to Plan Sponsor.
4. **PERMITTED USES AND DISCLOSURES OF PHI.** Business Associate may:
- 4.1 use and disclose PHI as necessary to provide the Services to Covered Entity.

EXHIBIT C
BUSINESS ASSOCIATE AGREEMENT

- 4.2 use and disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that any disclosures are Required by Law or any third party to which Business Associate discloses PHI provides written assurances that: (i) the information will be held confidentially and used or further disclosed only for the purpose for which it was disclosed to the third party or as Required by Law; and (ii) the third party promptly will notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached, in accordance with 45 C.F.R. § 164.504(e)(4).
- 4.3 de-identify any PHI received or created by Business Associate under this BAA in accordance with the Privacy Rule.
- 4.4 provide Data Aggregation services relating to the Health Care Operations of the Covered Entity in accordance with the Privacy Rule.
- 4.5 use PHI for Research projects conducted by Business Associate, its Affiliates or third parties, in a manner permitted by the Privacy Rule, by obtaining documentation of individual authorizations, an Institutional Review Board, or a privacy board waiver that meets the requirements of 45 C.F.R. § 164.512(i)(1), and providing Covered Entity with copies of such authorizations or waivers upon request.
- 4.6 make PHI available for reviews preparatory to Research in accordance with the Privacy Rule at 45 C.F.R. § 164.512(i)(1)(ii).
- 4.7 use the PHI to create a Limited Data Set (“LDS”) and use or disclose the LDS for the health care operations of the Covered Entity or for Research or Public Health purposes as provided in the Privacy Rule.
- 4.8 use and disclose PHI for Covered Entity’s health care operations purposes in accordance with the Privacy Rule.

5. TERMINATION

- 5.1 Covered Entity may terminate this BAA and the Agreement if Business Associate materially breaches this BAA, Covered Entity provides written notice of the breach to Business Associate, and Business Associate fails to cure the breach within the reasonable time period set by Covered Entity.
- 5.2 Within thirty (30) days after the expiration or termination for any reason of the Agreement and/or this BAA, Business Associate shall return or destroy all PHI, if feasible to do so, including all PHI in possession of Business Associate’s subcontractors. In the event that return or destruction of the PHI is not feasible, Business Associate may retain the PHI subject to this Section 5.2. Business Associate shall extend any and all protections, limitations and restrictions contained in this BAA to Business Associate’s use and/or disclosure of any PHI retained after the expiration or termination of the Agreement and/or this BAA, and shall limit any further uses and/or disclosures solely to the purposes that make return or destruction of the PHI infeasible.

- 6. MISCELLANEOUS.** The terms of this BAA shall be construed to allow Covered Entity and Business Associate to comply with HIPAA. Nothing in this Addendum shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever. Sections 4 and 5.2 shall survive the expiration or termination of this BAA for any reason.

- 7. NOTICES.** Notwithstanding the notice provision in the Agreement, all notices given in connection with this BAA shall be made to the following:

**EXHIBIT C
BUSINESS ASSOCIATE AGREEMENT**

To Covered Entity:

Address: 206 North 2100 West, Suite 202, Salt Lake City, Utah 84116
Phone Number: 801-613-2630
Email Address:

To Business Associate:

Address: 1600 McConnor Parkway, Schaumburg, IL 60173
Email Address: privacy@optum.com

Parties have accepted and agreed to this BAA.

**EXHIBIT D
CLINICAL CONSULTING SERVICES**

Optum shall provide the clinical consulting service to Client listed below, in addition to the products and services set forth elsewhere in the Agreement. Either party may discontinue any one or more clinical consulting service(s) upon at least thirty (30) days' prior written notice to the other party.

1. Client Services

- a. **HospimTM** is a clinical consulting service where a Optum pharmacist shall perform a retrospective clinical assessment to support the drug profile review component of the comprehensive plan of care. Once the required Patient data is entered into the HospiDirect system by Client, Optum's pharmacist staff shall review the information to meet the conditions of participation (CoP) regulations and make appropriate recommendations regarding effectiveness of drug therapy, drug side effects, actual or potential drug interactions, duplicate drug therapy and drug therapy currently associated with laboratory monitoring. An assessment is generated for documentation and posted to HospiDirect's secure web portal for Client retrieval and faxed or emailed within five (5) days of the patient's system enrollment, and every fifteen (15) days thereafter.
- b. **Optum Dedicated Pharmacist.** Optum shall provide the following services to Client:
 - (i) Dedicated licensed clinical pharmacist(s) with specific education and training in drug management, assigned to the Client with an overall focus on Patient utilization management, education enhancement, staff development and compliance. A comprehensive execution plan for such services shall be agreed upon by both parties.

2. Fees

The fees for the agreed upon Clinical Services are set forth below in *Table B. Clinical Service Fees*. Any fee adjustment must be in writing and signed by both parties.

<i>Table B. Clinical Service Fees</i>	
Clinical Service Type	Patient Per Day Fee
HospimTM	\$0.35 (Included in the PPD set forth in Exhibit A)
Optum Dedicated Pharmacist	\$0.20 (Included in the PPD set forth in Exhibit A)

All payments shall be made in accordance with Exhibit A.

EXHIBIT E
INFUSION PHARMACY NETWORK

In addition to the products and services previously set forth in the Agreement and its Exhibits, Optum shall provide specific access to a network of pharmacies that provide Infusion Pharmacy Services to Patients of Client and provide the services set forth in this Exhibit E. Infusion Pharmacy Services will only be provided from those pharmacies that have been mutually agreed upon by the parties and signed off on in writing by Client. Such services shall be provided by the agreed upon infusion pharmacy pursuant to a written agreement executed by such pharmacy and Optum. Such agreement may modify the terms of this Exhibit E if agreed upon in writing by Optum and Client.

1. Definitions

- A. Per Diem.** The term "Per Diem" shall mean the amount charged for each calendar day that a Patient receives Infusion Pharmacy Services pursuant to this Agreement and in accordance with the plan of care as prescribed by the ordering physician.

It shall not be necessary for the Patient to receive an actual drug infusion each calendar day that he or she receives Infusion Pharmacy Services. This definition is valid for therapies with dosing intervals of up to 72 hours. For therapies with dosing intervals of greater than 72 hours, Per Diem shall mean the amount charged for each calendar day that a Patient receives an actual drug infusion. The Per Diem shall be inclusive of all delivery and shipping charges/fees unless otherwise noted in this Fee Schedule.

Pursuant to the Healthcare Common Procedure Coding System ("HCPCS") Per Diem code descriptions, the following items and services are included in the Per Diem rates:

- (i) **Administrative Services**
- Coordination of benefits with other insurers
 - Verification of insurance eligibility and extent of coverage
 - Obtaining certificates of medical necessity and other required documentation
 - Obtaining prior authorizations
 - Patient financial services, billing and account collection activities
 - Licensure and regulatory compliance
 - Maintenance and storage of medical and reimbursement records
 - Inventory and facility maintenance
 - Patient education materials
- (ii) **Pharmacy Professional Services**
- (a) **Dispensing**
- Medication profile set-up and drug utilization review
 - Monitoring for potential drug interactions
 - Sterile procedures including intravenous admixtures, clean room upkeep, vertical and horizontal laminar flow hood certification, and all other biomedical procedures necessary for a safe environment
 - Compounding of medications
 - Patient counseling as required under OBRA 1990
- (b) **Clinical Monitoring**
- Development and implementation of pharmaceutical care plans
 - Pharmacokinetic dosing
 - Review and interpretation of Patient test results
 - Recommending dosage or medication changes based on clinical findings
 - Ongoing pharmacy Patient assessment and clinical monitoring
 - Other professional and cognitive services as needed to clinically manage Patient's pharmacy care

EXHIBIT E
INFUSION PHARMACY NETWORK

EXHIBIT E
INFUSION PHARMACY NETWORK

(c) Pharmacy Professional Services

- Comprehensive knowledge of vascular access systems
- Continuing education to professional pharmacy staff
- Removal, storage and disposal of infectious waste
- Maintaining accreditation requirements
- Maintaining insurance requirements (e.g. liability), including compliance with all state and federal regulations related to minimum insurance coverage

(iii) Care Coordination

- Patient admission, including communication with other medical professionals, Patient assessment, and opening of the medical record
- Patient/caregiver education, including providing training and Patient education materials
- Clinical coordination of infusion services care with physicians, nurses, Patients, Patient's family, other providers, caregivers and case managers
- Patient discharge services, including communication with other medical professionals and closing of the medical record
- Clinical staff availability 24 hours/day, 7 days/week for questions and/or problems
- Delivery of medication, supplies and equipment to Patient's home or designated alternate site

(iv) Supplies and Equipment

- DME (durable pumps, poles and accessories) for drug and nutrition administration
- Equipment maintenance and repair (excluding Patient-owned equipment)
- Short peripheral vascular access devices
- Needles, gauze, non-implanted sterile tubing, catheters, dressing kits and other necessary supplies for the safe and effective administration of infusion, specialty drug and nutrition therapies

B. Infusion Pharmacy Services. "Infusion Pharmacy Services" shall mean the items and services in the Per Diem definition listed above, as well as infusion and/or injectable drugs (medications) and solutions compounded under laminar flow conditions. **Nursing Services are not provided under this Agreement.**

2. Minimum Shipment. For each shipment, the Dispensing Pharmacy will dispense drugs (medications) in an amount equivalent to a minimum of three days' supply. Client will be responsible for all drugs actually dispensed and for a minimum of three days' Per Diems. After the first three days' Per Diems, Client is responsible only for Per Diems actually utilized.

3. Items and Services to be Coded and Reimbursed Separately From Per Diem

- All drugs, biologicals and enteral formulae (except for components of standard TPN formula, which are included in the Per Diem reimbursement pursuant to the description of the HCPCS Per Diem code)
- All nursing visits and services provided directly to Patients in their homes or other alternate sites
- Other services provided directly to Patients in their homes or other alternate sites by Dispensing Pharmacy staff or representatives (e.g. dietician for nutritional counseling)
- PICC and Midline insertion procedures and associated supplies
- Surgically implanted central vascular access devices
- Infusion and non- infusion pumps
- Non-standard supplies, such as invasively placed digestive tract access devices for enteral therapy, including G tubes, NG tubes, J tubes, etc.

EXHIBIT E
INFUSION PHARMACY NETWORK

- Items and services and products not included in the description of the HCPCS Per Diem code
- Services and products that may be provided at request of the Patient that are considered by Dispensing Pharmacy to be not medically necessary and beyond the scope of inclusion in the Per Diem

4. Change in Pricing or Code Sets

In the event of a code change necessitated by a change in a standard medical data code set, which code change can be implemented without rate adjustment, Optum may provide notice of such change and make said change without formal amendment to this Fee Schedule. All other code or pricing changes shall require amendment to this Fee Schedule pursuant to thirty days written notice from Optum to Client.

5. Returned or Unused Goods

Delivery schedule for all drugs and solutions shall be based upon the orders of the prescribing physician and the stability of the prescribed medication. All Patient-specific drugs and solutions will be charged at the time of preparation and no credits will be allowed for any returned or unused goods.

6. Provided Therapies

This Exhibit covers the following therapies:

- A. Antibiotic, Antiviral, Antifungal Therapy
- B. Total Parenteral Nutrition (TPN) Therapy
 - Lipids (e.g., Intralipid, Liposyn)
 - Specialty amino acids for renal failure (e.g., Aminess, Aminosyn-RF, NephAmine, RenAmin)
 - Specialty amino acids for hepatic failure (e.g., HepatAmine)
 - Specialty amino acids for high stress conditions (e.g., Aminosyn-HBC, BranchAmin, FreeAmine HBC, Trophamine, Glutamine)
 - Specialty amino acids with concentrations of 15% and above when medically necessary for fluid restricted Patients (e.g., Aminosyn 15%, Novamine 15%, Clinisol 15%)
 - Added trace elements not from a standard multi-trace element solution (e.g. chromium, copper, iodine, manganese, selenium, zinc)
 - Added vitamins not from a standard multivitamin solution (e.g. folic acid, vitamin C, vitamin K)

Products serving non-nutritional purposes (e.g., heparin, insulin, iron dextran, Pepcid, Sandostatin, Zofran) Note: Depending on stability and practice, some of the products listed above are compounded into the TPN in the Dispensing Pharmacy, while others are dispensed separately for injection into the TPN in the home

- C. Enteral Nutrition Therapy
- D. Pain Management -Note: The servicing, programming or refilling of implanted pain management devices is not included and shall not be provided under this Agreement.
- E. Anti-Emetic Therapy - Note: Includes the combination of Diphenhydramine, Lorazepam, Dexamethasone.
- F. Hydration Therapy
- G. Cardiac Therapy (E.G. Dobutamine, Milrinone)
- H. Catheter Care & Insertion Supplies
- I. After Hours Charge/Additional Charges May Apply as invoiced by the Dispensing Pharmacy, including but not limited to the following:
 - i. Services Requested After Posted Office Hours In Addition To Basic Service. Note: An additional charge shall be assessed for orders requiring processing, delivery or

EXHIBIT E
INFUSION PHARMACY NETWORK

- visits outside normal business hours (8:00 a.m. to 5:00 p.m., local time, Monday through Friday, excluding holidays), regardless of when the order is received. An order received outside normal business hours that is processed and delivered during normal business hours is not subject to this charge
- ii. Home Infusion Therapy, Chemotherapy Infusion, administrative services, professional pharmacy services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), Per Diem
 - iii. IV Tubing Extension Set
 - iv. Line Care, Home Injectable Therapy Not Otherwise Classified, including administrative services, professional pharmacy services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), Per Diem
 - v. Nursing Care, Initial 2 hours
 - vi. Nursing Care, Q1H Additional
 - vii. Home Infusion Therapy, Corticosteroid, administrative services, professional pharmacy services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), Per Diem
 - viii. Miscellaneous Home Infusion Therapy, Infusion Therapy, NOT otherwise classified; administrative services, professional pharmacy services, care coordination, and all necessary supplies and equipment (drugs and nursing visits coded separately), and other agreed upon services. Per Diem

DIETITIAN SERVICES AGREEMENT

THIS AGREEMENT (“Agreement”), made this 27th day of December, 2018 (“Effective Date”), by and between Healthcare Services Group, Inc. (“HCSG”) a Pennsylvania corporation with offices at 3220 Tillman Drive, Suite 300, Bensalem, PA 19020, and Bristol Hospice Topco, LLC, which operates the Bristol Hospice Clark, LLC located at 5520 Bridgeport Way West University Place, WA 98467 (“Facility”).

The parties hereto, intending to be legally bound, agree as follows:

1. **SCOPE OF WORK.** Beginning on December 27, 2018(the “Start Date”), HCSG will provide Dietician Services out line in Exhibit A (the “Dietitian Management Services”).

2. **PRICING AND PAYMENT TERMS.**

2.1 **Service Fee.** As consideration for the Dietician Services, Client shall pay HCSG a fee of \$ 55.00 (“per service hour”)

2.2 **Payment Terms.** Payment is due for Services rendered not later than 5:00 (prevailing Eastern Time) each Friday (the “Payment Due Date”). Client agrees to pay a late charge of one- and one-half percent (1½%) per month, compounded monthly, for all amounts not paid timely.

2.3 **Re-Bills.** In addition to the Services, Client shall reimburse HCSG for Pass Through Amounts as well as any materials and services requested by Client and provided by HCSG that are not identified herein. Amounts corresponding to such Pass Through Amounts and additional materials and services shall be identified either on the invoice for the associated Services or on a separate additional invoice (a “Re-Bill”) to be issued by HCSG to the Client.

2.4 **Taxes.** Amounts payable by Client hereunder do not include local, state, or federal sales, use, value-added, or other taxes or tariffs based on the licenses or services provided under this Agreement or Client’s use thereof. Client shall pay all such taxes or tariffs as may be imposed upon HCSG or Client, except income taxes imposed on HCSG. Client shall be invoiced for, and Client shall pay, any such taxes and tariffs if HCSG is required to pay them on Client’s behalf.

2.5 **Failure to Pay.** Client acknowledges that its failure to timely pay any amounts due hereunder, or any portion thereof, shall be a material breach of this Agreement for which HCSG may, in addition to pursuing all other remedies, immediately terminate this Agreement

and/or cease providing Services. Client shall reimburse HCSG for all expenses incurred by HCSG in exercising any of its rights under this Agreement or applicable law with respect to a default in payment or other breach of this Agreement by Client, including reasonable attorneys' fees and the fees of any collection agency retained by HCSG.

3. TERM AND TERMINATION.

3.1 **Term.** The term of this Agreement shall be one (1) month commencing on the Start Date hereof, unless terminated earlier in accordance with the terms of this Agreement (together with any Renewal Term, the "**Term**"). This Agreement will renew automatically for subsequent one-month periods ("**Renewal Term**") unless a Party provides written notice of non-renewal at least fifteen (15) days prior to expiration of the applicable period.

3.2 **Termination.**

- (a) **By Client.** Client may terminate this Agreement on fifteen (15) days' written notice of termination ("**Termination Notice**") with or without cause. No Termination Notice by Client shall be effective unless accompanied by payment of all amounts then due and owing to HCSG up to and including the date of the Termination Notice. All other amounts due to HCSG shall be due and payable on the effective date of such termination.
- (b) **By HCSG.** HCSG may immediately terminate this Agreement in the event that:
- (i) Client fails to timely pay any sums due hereunder, and such failure continues for five (5) business days after written notice to Client, in the manner specified herein; or
 - (ii) Client fails to perform or observe any duty, obligation or covenant contained in this Agreement other than those set forth in subparagraph (b) (i) above and such failure continues for thirty (30) days after written notice thereof is sent to Client in the manner specified in this Agreement hereof.
 - (iii) (A) upon the insolvency of the Client; (B) the filing of a voluntary or involuntary petition under federal bankruptcy laws by or against the Client; (C) upon Client entering into an agreement with creditors for the liquidation of assets; (D) upon the appointment of a receiver or trustee to take charge of all assets of the Client; (E) upon the loss of license(s), permit(s) or accreditation(s) necessary to conduct the Client's businesses or to perform under this Agreement; (F) upon the loss or destruction of the Client's operations to such an extent that the Client can no longer carry out its business; or (G) HCSG determines in its commercially reasonable discretion, at any time, that its continued performance under this Agreement would be impractical or economically unfeasible.

4. **COMPLIANCE WITH LAWS.** HCSG shall make commercially reasonable efforts to comply with all applicable federal, state and local laws and regulations (including minimum wage requirements) regarding employment, compensation, benefits and payment of its employees. HCSG will pay FICA, FUTA and worker's compensation and all applicable payroll and other taxes for its employees. Client shall comply with all laws applicable to its operation of the Facility. Neither party, in the performance of this Agreement, shall unlawfully discriminate against any person in providing services under this Agreement. Both parties to this Agreement shall comply with the requirements of Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973.
5. **CLIENT COOPERATION.** During the Term, Client shall ensure that HCSG has full access to the Facility in order to perform the Services. Further, during the Term, Client will provide at its cost the necessary utilities, including but not limited to electricity and water, and reasonable access to the Facility's telecommunications, computer, internet, e-mail, voice mail and similar systems, as necessary or desired for HCSG to perform the Services.
6. **MISCELLANEOUS.**

6.1 **Notice.** All notices, consents or other communications which either party is required or may desire to give to the other under this Agreement shall be in writing and shall be given by personal delivery or by deposit, postage prepaid, in the United States mail, certified or registered mail, return receipt requested, addressed to the parties at their respective address as set forth in the introductory paragraph hereto, and if to HCSG with a copy to: Healthcare Services Group, Inc., Legal Department, 3220 Tillman Drive, Suite 300, Bensalem, PA 19020. Any notice sent in compliance with this provision shall be deemed to have been given upon the earlier of receipt or five (5) days after mail deposit, except that notice of change of address shall not be deemed effective until actually received by the intended recipient.

6.2 **Cooperation with HHS.** HCSG shall, until four years after the expiration of the Term, upon written request, make available to the Secretary of the Department of Health and Human Services ("HHS"), or the Secretary's duly authorized representative, or upon request to the Controller General or the Controller General's duly authorized representatives, this Agreement and such books, documents and records pertaining to Services provided during such contract year that are necessary to certify the nature and extent of costs under this Agreement. The availability of HCSG's books, documents and records shall be subject at all times to such criteria and procedures for seeking or obtaining access as may be promulgated by the Secretary of HHS in regulations and other applicable laws. HCSG's disclosure under this paragraph shall not be construed as a waiver of any legal rights to which HCSG or the Client may be entitled. Each party will notify the other within ten days of receipt of a request

for access. If pursuant to this Agreement, any of HCSG's duties and obligations are to be carried out by any individual or entity under a contract with HCSG with a value of \$10,000 or more over a twelve month period, and that subcontractor is to a significant extent, associated or affiliated with, owns, or is owned by or has control of or is controlled by HCSG, each such subcontractor shall itself be subject to the access requirements and HCSG shall require such subcontractor to meet the access requirements.

6.3 **Non-Solicitation of Managers.** Each party recognizes and acknowledges that the other party's management personnel (e.g. account, area, key, district, regional and divisional managers and supervisors, consultants, dietitians, etc.) ("Management Personnel") are essential to such party's respective business and that such persons are familiar with such party's confidential and proprietary information (including without limitation such party's operating and organizational procedures). As such, each party agrees that during the Term of this Agreement and for a period of one (1) year after a proper termination of this Agreement, the parties and their affiliates and related entities shall not hire, solicit for hire, permit the hiring of directly or indirectly (e.g. through an affiliated or subcontracted entity) Management Personnel: (i) still employed by the other; or (ii) who had been employed by the other at any time within one (1) year before or after the termination of this Agreement. Each party acknowledges that a breach of the obligations set forth in this paragraph would irreparably harm the other's business and leave the other without an adequate remedy at law, and that the harmed party would be entitled to injunctive relief in addition to all other remedies available at law or in equity to enforce the terms of this paragraph. This paragraph shall survive the termination of this Agreement.

6.4 **Choice of Law; Venue.** This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania. Client consents to exclusive jurisdiction and venue in the Court of Common Pleas of Bucks County, Pennsylvania or the United States District Court for the Eastern District of Pennsylvania.

6.5 **Binding Upon Successors.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, successors, personal representatives and assigns. This Agreement may not be assigned (i) by Client without the written consent of HCSG; and (ii) by HCSG without the written consent of Client, except to an entity wholly owned by or substantially related to HCSG.

6.6 **Authority.** The individuals executing this Agreement on behalf of their respective entities represent that they are authorized to sign this Agreement on behalf of such entity and that the other Party is relying on such representation.

6.7 **Agreement Supersedes.** This Agreement supersedes any and all other

agreements related to the Services provided for herein, either oral or written between the Parties hereto with respect to the engagement of HCSG by the Client and contains all the covenants and agreements between the Parties with respect to its subject matter. This Agreement shall not affect or modify any other agreements between the Parties with respect to the payment of any existing debts or obligations owed by the Client to HCSG.

6.8 **Indemnification.** Each party shall defend, indemnify and hold the other harmless from and against all claims, liability, loss and expenses, including reasonable costs, collection expenses and attorneys' fees, which may arise because of the sole gross negligence or gross misconduct of the indemnifying party in the performance of its obligations under this Agreement. Notwithstanding the foregoing, with respect to property damage, for which the parties maintain a system of coverage of their respective property, each party hereto waives its rights, and the rights of its subsidiaries and affiliates, to recover from the other party hereto and its subsidiaries and affiliates for loss or damage to such party's building, equipment improvements and other property resulting from fire, explosion or other cause typically covered in standard broad form property insurance policies. Further, neither party shall be liable to the other for any special losses, or consequential, incidental, indirect, punitive, or exemplary damages.

6.9 **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which together shall be deemed an original, but all of which, taken together, shall constitute one and the same agreement. Either party may execute and deliver this Agreement by signing the same and sending a copy thereof to the other by facsimile or other electronic transmission. Such facsimile or other electronic document, including the signatures thereon, shall be treated in all respects as an original instrument bearing an original signature.

6.10 **Attorneys' Fees.** In the event that any action or proceeding is brought to enforce any term, covenant or condition of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees, court costs and related expenses.

- signatures on following page -

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

Bristol Hospice Topco, LLC

Healthcare Services Group, Inc.



By: Tyrum Kirton

Title: CEO

Date: 12-27-18

By: William Hardy

Title: Regional Sales Director

Date: _____

Exhibit A

- Dietitian shall assess nutritional needs of residents and complete nutritional assessments in coordination with Facility's Food Service Director. All dietary consulting services rendered for the benefit of the residents of Facility shall be done so without regard to race, color, national origin, religion, age, sex, physical disability, or any other bases protected by law.
- Dietitian shall review residents' health care plans, if requested, and provide written recommendations as appropriate or as requested by Facility.
- Dietitian shall counsel residents and their families on special diets and nutritional assessments, as requested by Facility.
- Dietitian shall prepare written meal patterns for therapeutic diets and train dietary staff on how to follow therapeutic diets.
- Dietitian shall provide guidance and training to the Food Service Director and dietary staff as required.
- Dietitian shall participate in the planning and conducting of in-service education programs related to dietary rules, policies, and procedures, as requested by facility.
- Dietitian shall participate, as requested, in meetings of Facility's quality assurance committee.
- Dietitian shall review and participate in the development or revision of Facility's dietetic policies and procedures, as requested by Facility.
- Dietitian shall approve all menus for use in Facility and provide budgetary advice as to food costs, if requested.
- Dietitian shall inspect all areas of the dietary department, including, but not limited to, sanitation, equipment functioning, food service operations, and compliance with pertinent federal, state, and local laws. Dietitian shall be available at various mealtimes to observe dining operations.
- Dietitian shall prepare a signed, written report after every monthly consultation period noting the name of the consulting registered dietitian, the dates and number of hours of consultation provided to Facility, the assessment of food service operations, any problems or concerns observed by the consulting dietitian, and recommendations as to any corrective action that may be necessary. Dietitian shall provide said report to the Food Service Director and

Administrator of Facility and discuss such matters contained in the report, as they may desire.

- Dietitian shall act as liaison by communicating with the medical community, Facility staff, Healthcare, and residents and their families as necessary to provide the consultation services under this Agreement. Dietitian shall be available by telephone to assist with dietary questions, surveys, special diet pattern development, and tube feeding orders.

**BRISTOL HOSPICE, L.L.C. PROFESSIONAL
SERVICES AGREEMENT**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into effective this 28 day of DEC, 2018 ("Effective Date") by and between Brighton Rehabilitation, LLC ("Services Provider") and Bristol Hospice Clark, LLC a duly-licensed healthcare provider in the state of WA (the "State") providing hospice services ("Hospice"). Services Provider and Hospice may be referred to in this Agreement individually as the "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Hospice presently operates a Medicare-certified Hospice at which the services of a qualified Services Provider are required; and

WHEREAS, Services Provider is qualified to provide certain services for Hospice as described in this Agreement; and

WHEREAS, Hospice and Services Provider have determined that, by entering into this Agreement, Hospice can better meet the needs of its patients.

NOW, THEREFORE, in consideration of the mutual promises herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 "CHAP" shall mean the Community Health Accreditation Program or such other accrediting organization with deemed status for Medicare program participation as is designated from time to time by the Governing Body.

1.2 "Governing Body" shall mean the Governing Body of the Hospice appointed in accordance with its Operating Agreement.

1.3 "Services Provider Services" shall mean those professional, independent contractor services described in Section 3.2, which are furnished by the Services Provider to Hospice.

1.4 "Patient" shall mean an inpatient or outpatient of Hospice who is entitled and eligible to receive hospice services from Hospice.

1.5 "Policies and Procedures" shall mean the written policies, procedures, regulations or other guidelines, however captioned, established by the Governing Body of the Hospice or its designee from time to time for the operation and management of the Hospice.

1.6 "State" shall mean the state in which Hospice is located and licensed.

ARTICLE 2. HOSPICE'S OBLIGATIONS

2.1 Responsibilities of Hospice.

2.1.1 Hospice shall be solely responsible for all activities necessary or required for the operation of a licensed and certified Hospice in the State and under Medicare and Medicaid laws and regulations. Hospice will provide Hospice services to patients admitted by Hospice according to its policies on acceptance of patients for service.

2.1.2 The Administrator/Executive Director of hospice will be accessible to the Services Provider for matters related to the day-to-day implementation of this Agreement and will facilitate coordination and continuity of services to patients.

2.1.3 Hospice retains full authority for the patient admission process; patient assessment; ensuring the proper review and revision of the plan of care; ensuring the coordination, supervision and evaluation of the patient care provided; the scheduling of visits or hours; and discharge planning.

2.1.4 Hospice will ensure the quality and utilization of services in accordance with its quality management program. The Administrator/Executive Director of the Hospice is responsible for the monitoring and control of services provided.

2.1.5 Hospice will provide Services Provider with any amendments to the Policies and Procedures, upon which the amended Policies and Procedures will become a binding part of this Agreement. Hospice shall pay Services Provider's fees as specified in Section 3.3.

ARTICLE 3. SERVICES PROVIDER'S OBLIGATIONS

3.1 Status and Membership. Services Provider will remain in full compliance with all of the following conditions continuously during the entire term of this Agreement. Failure of Services Provider to satisfy any or all of the following conditions will constitute grounds for immediate termination of this Agreement.

3.1.1 Services Provider will be appropriately licensed in the State without restriction or subject to any disciplinary or corrective action. In the event Services Provider is subject to proceedings that could lead to disciplinary action, in the sole discretion of Hospice, Hospice may suspend Services Provider from providing services under this Agreement, without compensation, during the pendency of such proceedings.

3.1.2 Services Provider will abide by the Hospice's Policies and Procedures and the applicable Hospice laws, rules and regulations of the State and other applicable state, federal, local and CHAP rules, regulations and standards.

3.2 Duties and Responsibilities of Services Provider.

3.2.1 Services Provider will fulfill those specific responsibilities set forth on Schedule 3.2.1 to this Agreement, the "Services Provider Professional Responsibilities." Hospice may amend Schedule 3.2.1 from time-to-time when required to maintain

Hospice's compliance with applicable laws, rules and regulations and the requirements of CHAP by providing a copy of an amended Schedule 3.2.1 to Services Provider, upon which the amended Schedule 3.2.1 will become a binding part of this Agreement.

3.3 Services Provider shall devote the amount of time reasonably required to the provision of Service Provider Services specified in this Agreement. Services Provider shall be reasonably available through a pager, phone or answering service in the event of an emergency requiring Services Provider's input or services.

3.3.1 Services Provider will work administratively with Hospice's Administrator/Executive Director, as the representative of the Hospice, in the fulfillment of his/her day-to-day responsibilities under this Agreement.

3.4 Services Provider Fees. Services Provider shall receive fees for services according to the schedule attached hereto as Schedule 3.4 for the provision of Service Provider's Services specified in this Agreement.

3.5 Documentation. Services Provider shall complete all documentation as per Hospice Policy and Procedure on Hospice documentation for services actually provided each month by Services Provider. All documentation must be delivered to the Hospice Location in accordance with state and federal regulations.

3.6 Governing Body Responsibility. Services Provider shall at all times be under the general administrative control and supervision of the Governing Body and Hospice leadership as to the end results (but not the manner and means) by which Services Provider services are furnished at Hospice and for purposes of ensuring compliance with this Agreement. Nothing in this Section shall empower or require the Governing Body to direct or control the exercise of medical judgment by the Services Provider.

3.7 Confidential Information and Ownership. Services Provider recognizes and acknowledges that it will have access to certain confidential information of the Hospice and that such information constitutes valuable, special and unique property of the Hospice. Such information includes, but is not limited to, Hospice's Policies and Procedures, business and managed care arrangements and strategies, patient care procedures and policies and any specific forms or systems developed and used by or for Hospice. Services Provider will not, during or after the term of this Agreement, without the consent of the Hospice, disclose any such confidential information to any other person, firm, corporation, association, or other entity for any reason or purpose whatsoever except as may be ordered by a court or governmental agency or as may otherwise be required by law. In the event of a breach or a threatened breach by Services Provider of the provisions of this paragraph, the Hospice will be entitled to an injunction restraining Services Provider from disclosing in whole or in part any confidential information. Nothing herein will be construed as prohibiting the Hospice from pursuing any other remedies available to it for such breach or threatened breach, including the recovery of damages from Services Provider. In addition, any Confidential Information of Hospice developed in whole or in part by Services Provider, and any derivations thereof, will be the sole and exclusive property of Hospice.

3.8 Financial Obligation. Services Provider will incur no financial obligation on behalf of the Hospice or for which the Hospice will be responsible without prior approval of the Administrator/Executive Director.

3.9 Billing. The Services Provider will not charge patients for services rendered as a Services Provider of the Hospice. Any professional fees charged directly to patients will be for non-Hospice related professional services rendered to individual patients of the Services Provider's. Such fees will be separate from Hospice's fees billed to the patient or the patient's payer for Hospice's services, including services performed by the Services Provider. In no event will Hospice have any responsibility for the provision of non-Hospice related services provided by Services Provider.

3.10 Insurance.

3.10.1 The Services Provider will, at all times throughout the term of this Agreement, maintain professional liability insurance in an amount no less than the greater of \$1,000,000 per occurrence and \$3,000,000 in the aggregate. This insurance will cover all of the Services Provider's professional activities as Services Provider under this Agreement. On or before the effective date of this Agreement, Services Provider will have delivered to the Administrator/Executive Director of Hospice a certificate or certificates of insurance evidencing such coverage.

3.10.2 In the event that Services Provider obtains the foregoing insurance on a "claims made" insurance basis rather than "occurrence" insurance, upon the termination or expiration of this Agreement, the Services Provider will either (i) purchase a reporting endorsement (commonly referred to as "tail" coverage) to continue the professional liability insurance coverage in place, without a break in coverage, for the period during which the Services Provider services hereunder, on a fully paid basis or (ii) continue in full force and effect the same liability insurance coverage on a claims made basis, in either case until the longest statute of limitations for minors is tolled under applicable State law. The Services Provider will deliver to Hospice at least annually in advance a certificate of insurance evidencing the required coverage, both during the term of this Agreement and thereafter.

3.10.3 The obligations of Services Provider under this Section 3.10 will expressly survive the termination or expiration of this Agreement, regardless of the reason for the termination or expiration. Services Provider will indemnify and hold Hospice harmless for all claims or damages that result from Services Provider's failure to comply with the provisions of this Section 3.10.

3.11 Records.

3.11.1 All records of Services Provider Services shall be the property of Service Provider. Originals of all records shall be maintained at Service Provider. Copies of those records shall be made available to Hospice, upon Hospice's reasonable request, subject to applicable laws, rules and regulations.

3.11.2 Services Provider shall maintain the confidentiality of all records, including patient records, and other documents generated or provided under this Agreement in accordance with all relevant state and federal laws.

3.12 HIPAA. Services Provider acknowledges that in the provision of its services as Services Provider, it will be acting as a "business associate" of Hospice for purposes of Hospice's compliance with the requirements of the Health Insurance Portability and

Accountability Act of 1996 ("HIPAA") as amended and that the provisions of the attached Schedule 3.12, "Business Associate Addendum" will apply.

ARTICLE 4. TERM AND TERMINATION

4.1 **Term.** The term of this Agreement shall be for a term of one year commencing on the Effective Date and ending _____ and shall be automatically renew for succeeding terms of one year unless either party delivers to the other party a notice of non-renewal at least 60 days prior to the expiration of the prior term.

4.2 Terminations.

4.2.1 **Immediate Termination for Cause.** Notwithstanding Section 4.1, this Agreement may be terminated immediately upon the occurrence of any of the following:

(a) the dissolution, bankruptcy or liquidation of either Party;

(b) the conviction of either Party of a felony, or the institution of civil, criminal or administrative proceedings that could result in the exclusion of Hospice or Services Provider from participation in the Medicare or Medicaid programs; and

(c) by Hospice as expressly provided for in Section 3.1., Schedule 3.12 or Section 5.14.

4.2.2 **Upon Breach.** In addition, and notwithstanding Section 4.1, either Party may terminate this Agreement upon a material default or breach by such other Party upon thirty (30) days prior written notice, which notice shall set forth the grounds for termination in reasonable detail. Any such termination shall be effective on the date stated in the notice of termination, unless the other Party has cured the breach prior to the expiration of the thirty (30) day period.

4.2.3 **Without Cause.** After the Initial Term, either Party may terminate this Agreement without cause by providing the other Party thirty (30) days advance written notice of the date of termination; provided, however, that if this Agreement is terminated by either party pursuant to this Section 4.2.3 the parties will not re-contract for the same services within one (1) year of such termination.

4.3 **Continuing Obligations.** Notwithstanding the termination of this agreement, the Parties shall be required to carry out any provision which contemplates performance by them subsequent to termination. Termination shall not affect any liability or obligation which shall have accrued prior to such termination, including but not limited to, accrued but unpaid compensation. Following any termination of this Agreement, or notice thereof, the Parties shall fully cooperate with each other in all matters relating to the winding up of their pending work.

ARTICLE 5. GENERAL PROVISIONS

5.1 **Notices.** All notices and other communication required or permitted to be given hereunder shall be in writing and shall be considered given and delivered when personally

delivered to the Party, facsimile transmitted to the Party or delivered by courier or deposited in the United States mail, postage prepaid, return receipt requested, properly addressed to a Party at the address set forth below, or at such other address as such Party shall have specified by notice given in accordance herewith:

<p>Hospice: Executive Director</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>Services Provider:</p> <p>_____</p> <p>Brighton Rehabilitation</p> <p>206 N 2100 W</p> <p>Salt Lake City, UT 84116</p> <p>Attn: VP of Therapy/CEO</p>
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5.2 Independent Contractor. In the performance of all Services Provider services pursuant to this Agreement, Services Provider is at all times acting as an independent contractor engaged in the profession and practice of medicine. Services Provider will employ his own manner, means and methods and exercise his own professional judgment in the performance of all Services Provider services, subject only to compliance of the end results of such services with this Agreement. Hospice will have no right of control or direction with respect to such manner, means, methods or judgments, or with respect to the details of Services Provider services. Irrespective of the manner and means selected, such Services Provider services will be provided in a competent, efficient and satisfactory manner in accordance with the terms and conditions of this Agreement. It is expressly agreed that Services Provider will not for any purpose be deemed to be an employee, agent, partner, joint venture, ostensible or apparent agent, servant, or borrowed servant of Hospice. In recognition of his/her status as an independent contractor, Services Provider will not have any claim against Hospice for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits, or employee benefits of any kind and Hospice will not withhold for taxes from Services Provider's fees paid pursuant to Section 3.3. Services Provider agrees to make all state and federal estimated or final tax payments due on account of said fees in a timely manner.

5.3 Governing Law. This Agreement shall be construed, and the rights and liabilities of the Parties hereto determined, in accordance with the laws of the State.

5.4 Arbitration of Disputes. Any controversy, dispute or disagreement arising out of, or relating to this Agreement or the breach thereof, shall be settled by arbitration in the state where the services are performed and in accordance with the rules then existing of the American Health Lawyers Association, Alternative Dispute Resolution Rules, and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Such arbitration shall be binding and the expense and costs thereof shall be borne by each party as incurred; and following arbitration, the prevailing party shall be entitled to all costs incurred, including reasonable attorney's fees. The foregoing shall not prevent either Party from seeking interim or equitable relief in a court to the extent provided for or otherwise appropriate under this Agreement.

5.5 Amendments. This Agreement may be amended only by a writing signed by both Parties setting forth the specific terms of such amendment, except as expressly provided otherwise herein.

5.6 Waiver of Breach. A Party's failure, at any time or times hereafter, to require performance by the other Party of any provision of this Agreement shall not constitute a waiver or affect or diminish any right of the Party thereafter to demand such performance.

5.7 Severability. In the event any term or provision of this Agreement is rendered invalid or unenforceable by any valid act of Congress or the State legislature, or by any regulation duly promulgated by officers of the United States or the State acting in accordance with law, or declared null and void by any court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect. Notwithstanding the foregoing, if such an act reasonably prevents a Party from performing its responsibilities under this Agreement, either party may provide the other Party with written notice, identifying the act and the performance under this Agreement the act prohibits and, unless the Parties enter into a mutually acceptable amendment to this Agreement complying with the act but allowing full performance by both parties within the longer of (i) the effective date of the Act or (ii) fifteen (15) days, the Party providing the notice may terminate this Agreement immediately.

5.8 Headings. The paragraph headings contained in this Agreement are for reference purposes only and should not affect in any way the meaning or interpretation of this Agreement.

5.9 Private Practice of Services Provider. Nothing in this Agreement shall limit the ability of Services Provider to engage in the private practice of medicine, or professional services outside the scope of this Agreement; provided that Services Provider shall have no authority over or responsibility for such private practice by reason of the provisions of this Agreement.

5.10 Entire Agreement. This Agreement constitutes the complete agreement of the Parties hereto with respect to the subject matter hereof and shall supersede and render null and void all prior and contemporaneous agreements between the Parties hereto regarding the subject matter hereof.

5.11 Assignment. This Agreement may not be assigned by either party without the prior written agreement of the other party, except that Hospice may assign this Agreement to the surviving entity in any corporate reorganization involving the Hospice or its immediate owner or affiliates, to the survivor in any business combination involving the Hospice, or to the acquirer of all or substantially all of the assets of Hospice or of its immediate owner or affiliates.

5.12 Third-Party Beneficiaries. There shall be no third-party beneficiaries to this Agreement. Without limiting the generality of the foregoing, Patients shall not be third-party beneficiaries of any term or provision of this Agreement.

5.13 Fair Market Value. The amounts to be paid by Hospice to Services Provider pursuant to this Agreement have been determined through good faith bargaining, in an arms length process, to be the fair market value of the Services Provider Services specified herein. No amount to be paid hereunder is intended to be a direct or indirect, covert or overt offer, inducement or payment for referrals of patients or services.

5.14 Legal Compliance. Nothing contained in this Agreement will require Services Provider or any physician to admit or refer any patients to Hospice as a precondition to receiving the benefits set forth. In the event that either Party determines, with the documented advice of qualified legal counsel, that compliance with the terms of this Agreement by either party would pose a clear and present risk of causing a Party of

violating an applicable law, rule or regulation of any kind, including but not limited to laws, rules and regulations relating to relationships between referral sources or relating to availability of reimbursement to the Hospice from governmental payers, the Party will provide notice of the potential violation and proposed modifications to the Agreement to remediate the potential violation and for the fifteen (15) day period after the other party received the foregoing notice the Parties will negotiate in good faith for an appropriate amendment to this Agreement. If the parties are not able to agree within that time, either Party may terminate this Agreement immediately on written notice to the other party. Such notice shall not be deemed an admission by either Party that a violation of a law, rule, or regulation has occurred.

5.15 Access to Books and Records of Subcontractor. Upon the written request of the Secretary of Health and Human Services or the Comptroller General or any of their duly authorized representatives, the Services Provider will make available those contracts, books, documents, and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection will be available up to six (6) years after the rendering of such services. If the Services Provider carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a 12-month period with a related individual or Hospice, the Services Provider agrees to include this requirement in any such subcontract. This section is included pursuant to and is governed by the requirements of Public Law 96-+99, Sec. 952 (Sec. 1861(v)(1) of the Social Security Act) and the regulations promulgated there under. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by the Hospice or the Services Provider by virtue of this Agreement.

5.16 Criminal Background Check.

- i. Hospice agrees that it will obtain criminal background checks in accordance with state requirements on all hospice employees or contract personnel who have direct patient contact or access to patient records.
- ii. Service Provider agrees that it will obtain or cause to be obtained criminal background checks in accordance with state requirements on all its employees or contract personnel who have direct patient contact or access to patient records.
- iii. The parties agree that in the absence of state requirements, criminal background checks are to be obtained within three months of the date of employment for all states that the individual has lived or worked in for the past three years.

SIGNATURES ON THE FOLLOWING PAGE

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the dates set forth below effective as of the date specified at the beginning of this Agreement.

Bristol Hospice - Elbert LLC

SERVICES PROVIDER

By: [Signature]

By: [Signature]

Its: CEO

Its: Senior VP of Therapy Services

Date: 12-28-18

Date: 12/28/2018

SCHEDULE 3.2.1
SERVICES PROVIDER'S RESPONSIBILITIES

1. Provide Therapy Services for Hospice patients upon the written request of Hospice and only if Service Provider Has the staff available to provide the Services within the timeframe requested by Hospice. Absent a written request to provide Services, Services Provider has no obligation to provide Services to Hospice or Hospice Patients.

2. Services Provider will perform such other responsibilities that are mutually agreed upon by the Parties in writing as are, in the judgement of the Governing Body or its designee, reasonable and required of or appropriate for a Hospice Service Provider under applicable Laws, rules and regulations, payer contracts or conditions of participation, and /or CHAP standards or requirements.

SCHEDULE 3.4
SERVICE PROVIDER'S PROFESSIONAL SERVICES RATE STRUCTURE

Physical Therapy Evaluation	\$115.00
Physical Therapy Follow Up	\$95.00
Occupational Therapy Evaluation	\$115.00
Occupation Therapy Follow Up	\$95.00
PTA/COTA Follow Up	\$95.00
Speech Therapy Evaluation	\$120.00
Speech Therapy Follow Up	\$95.00
Meeting Rate	\$50.00
Non-Billable Visit Rate	\$35.00

SCHEDULE 3.12
HIPAA Business Associate Addendum

This Business Associate Addendum is made part of the Agreement to which this document is attached by the parties to that Agreement. Hospice is referred to herein as Covered Entity and Services Provider is referred to herein as Business Associate.

1. DEFINITIONS

Terms used in this Agreement that are specifically defined in HIPAA shall have the same meaning as set forth in HIPAA. A change to HIPAA which modifies any defined HIPAA term, or which alters the regulatory citation for the definition shall be deemed incorporated into this Agreement.

(a) "*Business Associate*" shall mean the above-stated "Business Associate." It shall also have the meaning given to such term under the Privacy Rule, including but not limited to 45 CFR Section 160.103.

(b) "*Covered Entity*" shall mean the above stated "Covered Entity". It shall also have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 160.103.

(c) "*Data Aggregation*" shall have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 164.501.

(d) "*Designated Record Set*" shall have the meaning given to the term under the Privacy Rule, including but not limited to 45 CFR Section 164.501.

(e) "*Electronic Protected Health Information*" or "E PHI" shall have the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103, and is E PHI that is created, received, maintained or transmitted by or on behalf of Covered Entity or its affiliates or by Business Associate.

(f) "*HIPAA*" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91, as amended, and related HIPAA regulations (45 C.F.R. Parts 160-164).

(g) "*HITECH*" means the Health Information Technology for Economic and Clinical Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.

(h) "*Individual*" shall have the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(i) "*Privacy Rule*" shall mean the HIPAA Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E.

(j) "*Protected Health Information*" or "PHI" shall have the same meaning as the term "protected health information" in 45 C.F.R. § 160.103, and is PHI that is created, received, maintained or transmitted by or on behalf of Covered Entity or its affiliates or by Business

Associate. All references to PHI shall also include EPHI, unless otherwise stated in this Agreement.

(k) "*Required By Law*" shall have the same meaning as the term "required by law" in 45 C.F.R. § 164.103.

(l) "*Secretary*" shall mean the Secretary of the Department of Health and Human Services or his designee.

(m) "*Security Incident*" shall have the same meaning as the term "security incident" in 45 C.F.R. § 164.304.

(n) "*Security Rule*" shall mean the HIPAA Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. § 164, subpart C.

(o) "*Unsecured PHI*" shall have the same definition that the Secretary gives the term in guidance issued pursuant to § 13402 of HITECH.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

Business Associate agrees to:

(a) Not use or disclose PHI other than as permitted or required by this Agreement, or as required by law.

(b) Use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

(c) Report to Covered Entity any use or disclosure of PHI or EPHI not permitted by this Agreement of which it becomes aware or should have known, and any Security Incident of which it becomes aware. Business Associate will make the report to the Covered Entity's Privacy Official and Security Officer or to an authorized person in the Covered Entity's legal department as soon as reasonably practicable. This report will include at least the following information: (i) the nature of the non-permitted or violating use or disclosure or Security Incident; and (ii) the PHI and EPHI used or disclosed.

(d) Develop, implement, maintain, and use appropriate safeguards to prevent any use or disclosure of the PHI or EPHI other than as provided by this Agreement, and to implement administrative, physical, and technical safeguards as required by sections 164.308, 164.310, 164.312 and 164.316 of title 45, Code of Federal Regulations and HITECH to protect the confidentiality, integrity, and availability of EPHI or PHI that Business Associate creates, receives, maintains, or transmits, in the same manner that such sections apply to the Covered Entity.

(e) Comply with any additional requirements of Title XIII of HITECH that relate to privacy and security and that are made applicable with respect to covered entities.

(f) Adopt the technology and methodology standards required in any guidance issued by the Secretary pursuant to HITECH §§ 13401-13402.

(g) Mitigate any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement and notify Covered Entity of any breach of Unsecured PHI, as required under HITECH § 13402.

(h) In the case of a breach of Unsecured PHI, following the discovery of a breach of such information, notify Covered Entity of such breach. The notice shall include the identification of each individual whose Unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, or disclosed during the breach.

(i) Enter into an agreement with each of its subcontractors pursuant to 45 CFR § 164.308(b)(1) and HITECH § 13401 that is appropriate and sufficient to require each such subcontractor to protect PHI to the same extent required by Business Associate hereunder.

(j) Along with its agents or subcontractors, if any, only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. Business Associate agrees to comply with the Secretary's guidance on what constitutes "minimum necessary".

(k) Take reasonable steps to cure the breach or end the violation if Business Associate knows of a pattern of activity or practice by Covered Entity that constitutes a material breach or violation of Covered Entity's obligations under this Agreement. If such steps are unsuccessful within a period of 30 days, Business Associate will either: (i) terminate the Agreement, if feasible; or (ii) report the problem to the Secretary.

(l) Ensure that any agent, including a subcontractor, to whom it provides PHI or EPHI agrees in writing to the same restrictions and conditions that apply to Business Associate in this Agreement related to such information.

(m) Provide, at the request of Covered Entity, within 30 days of receipt of the request, access to PHI in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. 164.524 if Business Associate maintains PHI in a designated record set as defined by the Privacy Rule.

(n) Make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 C.F.R. 164.526 at the request of an Individual, within 30 days of receipt of the direction or agreement from the Covered Entity, if Business Associate maintains PHI in a designated record set as defined by the Privacy Rule.

(o) Make its internal practices, books, and records, including policies and procedures, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or to the Secretary, within 30 days of receipt of a request from the Covered Entity for such disclosure, or person designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule and Security Rule.

(p) Document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528.

(q) Provide to Covered Entity or an Individual, within 30 days of a request for an accounting of disclosures, information collected in accordance with subsection (2)(p) of this

Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. 164.528. Except in the case of a direct request from an Individual for an accounting related to treatment, payment, or operations disclosures through an electronic health record, if the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, if any, Business Associate shall within ten (10) business days of a request notify Covered Entity about such request. Covered Entity shall either request that Business Associate provide such information directly to the Individual, or it shall request that the information be immediately forwarded to Covered Entity for compilation and distribution to such Individual. In the case of a direct request for an accounting from an Individual related to treatment, payment, or operations disclosures through electronic health records, Business Associate shall provide such accounting to the Individual in accordance with HITECH § 13405(c). Business Associate shall not disclose any PHI unless such disclosure is required by Law or is in accordance with this Agreement. Business Associate shall document such disclosures. Notwithstanding anything in the Agreement to the contrary, Business Associate and any agents or subcontractors shall continue to maintain the information required for purposes of complying with this Section 2.7 for a period of six (6) years after termination of the Agreement.

3. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

(a) Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI on behalf of, or to provide services to, Covered Entity as long as such use or disclosure of PHI would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

(b) Except as otherwise limited in this Agreement, Business Associate may disclose PHI for the proper management and administration of Business Associate provided that the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(c) Except as otherwise limited in this Agreement, Business Associate may use PHI to provide Data Aggregation services to Covered Entity as permitted by 42 C.F.R. 164.504(e)(2)(i)(B).

(d) Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with Sec. 164.502(j)(1).

4. OBLIGATIONS OF COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

(a) Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or must comply with in accordance with 45 C.F.R. 164.522 and/or HITECH § 13405(a), to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(d) Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or Security Rule if done by Covered Entity.

5. TERMS AND TERMINATION

(a) Term. The Term of this Agreement shall be effective as of the date of the Agreement, and shall terminate when all of the PHI and EPHI provided by Covered Entity to Business Associate or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and EPHI, protections are extended to such information, in accordance with the termination provisions in this Section.

(b) Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate Covered Entity shall either:

(1) Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within 30 days;

(2) Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

(3) If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(c) Effect of Termination.

(1) Except as provided in paragraph (2) of this Section 5(c), upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI and EPHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and EPHI that is in the possession of subcontractors or agents of Business Associate shall retain no copies of the PHI and EPHI.

(2) In the event that Business Associate determines that returning or destroying the PHI or EPHI is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon the determination by Business Associate that return or destruction of PHI or EPHI is infeasible, Business Associate shall extend the protections of this Agreement to such PHI or EPHI and limit further uses and disclosures of such PHI or EPHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI or EPHI.

6. MISCELLANEOUS

(a) Regulatory References. A reference in this Agreement to a section in the HIPAA Privacy Rule or Security Rule means the section as in effect or as amended.

(b) Agreement. The Parties agree to take such action as is necessary to amend this Agreement from time-to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Privacy Rule, Security Rule and related provisions.

(c) Conflict. This Agreement and any underlying services agreement are the only agreement between the parties related to the subject matter in this Agreement. To the extent there is any inconsistency between the terms and conditions of this Agreement and any services agreement, the terms and conditions of the Agreement shall govern.

(d) Binding Effect. This Agreement is binding upon the successors and assigns of the parties herein. This Agreement is intended to confer rights and responsibilities only on the Covered Entity and Business Associate and does not create or vest rights or remedies in any third party.

(e) Enforceability. If any provision hereof shall be declared to be invalid or unenforceable, such declaration of invalidity or unenforceability shall not affect any remaining provisions hereof which can be given effect.

(f) Relationship of the Parties. Nothing in this Agreement shall create any relationship between Covered Entity and Business Associate other than as independent contractors. No employee or agent of either party may be deemed an employee or agent of the other party by reason of this Agreement.

(g) Survival. Business Associate's obligation to protect the confidentiality of the Protected Health Information, including the requirements in section 6(d) shall survive the termination of this Agreement and shall continue for as long as Business Associate maintains Protected Health Information.

(h) Construction. This Agreement shall be governed by the law of the state of the Covered Entity's headquarters without respect to its conflict of law principles. This Agreement is entered into by the parties as of the first date set forth above.

EXHIBIT 14

Bristol Hospice, LLC ~ License / Provider Information

Bristol Hospice, LLC (Corporate)
206 North 2100 West, Ste. 202
Salt Lake City, UT 84116
ph: (801) 325-0175 fx: (801) 478-3533
location #700

- a) EIN ~ 20-3688586
- b) Not applicable
- c) Not applicable
- d) Not applicable
- e) Not applicable
- f) Business License: LIC2010-01737 (exp. 10/31/16)
- g) CHAP Accreditation ~ (02/15/13 ~ 02/14/16)

Bristol Hospice ~ California, LLC
374 East Yosemite Ave., Ste. 200
Merced, CA 95340
ph: (209) 384-1415 fx: (209) 384-1449
location #705
Licensed ~ 12/05/2006
Certified ~ 03/08/2007 *

- a) EIN ~ 20-3688660
- b) Medicare # 551501 (effective 03/08/2007)
- c) Medi-Cal # HPC51501F (effective 03/08/2007)
- d) NPI # ~ 1487603452
- e) State License # ~ 550000358 (effective 12/05/2006) (exp. 12/04/2016)
- f) Business License # ~ BL13-1977 (exp. 05/11/2016)
- g) CHAP Accreditation with Deemed Status ~ (01/20/13 ~ 01/20/16)
- h) State CLIA Waiver ~ #05D1058664 (exp. 09/11/16)
- i) Intermediary ~ National Government Services

Bristol Hospice ~ Hawaii, LLC
55 Merchant St., Ste. 2900
Honolulu, HI 96813
ph: (808) 536-8012 fx: (808) 536-8013
location #706
Certified ~ 08/10/2007 *

- a) EIN ~ 20-3688688
- b) Medicare # 121508 (effective 08/10/2007)
- c) Medicaid # 597312 (effective 08/10/2007)
- d) NPI # ~ 1811045594
- e) State License ~ N/A
- f) Business License ~ N/A
- g) CHAP Accreditation with Deemed Status ~ (02/04/13 ~ 02/04/16)
- h) CON Approved ~ 12/12/2006
- i) Intermediary ~ National Government Services

Bristol Hospice ~ Utah, LLC
4460 South Highland Drive, Ste. 220
Salt Lake City, UT 84124-3543
ph: (801) 924-0867 fx: (801) 747-3864
location #707
Licensed ~ 12/12/2006
Certified ~ 05/14/2007 *

- a) EIN ~ 20-5513524
- b) Medicare # 461566 (effective 05/14/2007)
- c) Medicaid # 1164527792 (effective 06/15/2007)
- d) NPI # ~ 1164527792
- e) State License # 2010-Hospice-78013 (effective 12/12/2006) (exp. 12/31/2017)
- f) Business License # ~ 50321B (exp. 04/30/16)
- g) CHAP Accreditation with Deemed Status ~ (01/20/13 ~ 01/20/16)
- h) State CLIA Waiver ~ # 46D 1065411 (exp. 02/27/17)
- i) Intermediary ~ CGS

Bristol Hospice ~ Georgia, LLC
2849 Paces Ferry Road, SE, Ste. 380
Atlanta, GA 30399
ph: (770) 434-9530 fx: (770) 434-9529
location #751

Licensed ~ 04/04/2011
Certified ~ 08/26/2011

- a) EIN ~ 27-3037413
- b) Medicare # - 11-1711 (effective 08/26/2011)
- c) Medicaid # - 003119387A (effective 01/01/2012)
- d) NPI # ~ 1558663872
- e) State License #033-0357-H (Initially effective 04/04/2011)(effective 05/14/2013)
- f) Business License #140504 (exp. 12/31/2015)
- g) CHAP Accreditation ~ (02/15/10 ~ 02/14/13) Deemed Status ~ (08/26/11 ~ 08/25/14)
Re-Accreditation ~ 02/15/13 ~ 02/14/16) Continued Deemed Status 08/26/14
- h) CLIA Waiver ~ #11D2021180 (exp. 03/07/17)
- i) Intermediary ~ Palmetto

Bristol Hospice ~ Texas, LLC
2002 Timberloch Place, Ste. 150
The Woodlands, TX 77380
ph: (281) 419 4476 fx: (281) 419 0525
location #709

Licensed ~ 08/25/2011

Medicare Certified ~ 02/06/2012 *
Medicaid Certified ~ 09/01/2012

- a) EIN ~ 45-0618893
- b) Medicare # ~ 67-1708 (effective February 6, 2012)
- c) Medicaid # ~ 001020608 (effective September 1, 2012)
- d) NPI # ~ 1649563552
- e) State License # 016069 (exp. 12/31/2015)
- f) Business License # ~ N/A
- g) CHAP Accreditation ~ (02/15/13 ~ 02/14/16) Continued Deemed Status ~ 02/06/15
- h) State CLIA Waiver ~ #45D2028944 (exp. 08/25/17)
- i) Intermediary ~ Palmetto

Bristol Hospice ~ Pathways, LLC
115 Park Place Blvd., Ste. 100
Waxahachie, TX 75165-9210
ph: (972) 923 2436 fx: (972) 923 0043
location #710
CHOW ~ 12/02/2013

- a) EIN ~ 90-0873530
- b) Medicare # ~ 45-1743
- c) Medicaid # ~ 001025673 (effective 06/01/13)
- d) NPI # ~ 1568710358
- e) State License # ~ 015998 (CHOW effective 12/02/2013) (exp.12/31/15)
- f) Business License ~ N/A
- g) CHAP
- h) State CLIA Waiver ~ #45D1014168 (exp. 06/26/2017)
- i) Intermediary ~ Palmetto

Program	Address	License No
Suncrest Hospice Colorado Springs	7660 Goddard Street, Suite 100, Colorado Springs, CO	17F493
Suncrest Hospice Denver	5700 South Quebec Street, Suite 310, Greenwood Village, CO	17R196
Suncrest Hospice, LLC	1605 Foxtrail Drive, Ste 200, Loveland, CO	17M598
Suncrest Hospice, LLC	1721 W US Highway 50, Ste 200, Pueblo, CO	17D454

Location	Address	License No.
Brighton Hospice	1106 East 6600 South, Ste. 100, Murray, UT 84121	2017 HOSPICE 104512
Brighton Home Health	1106 East 6600 South, Ste. 100, Murray, UT 84121	2017-HH-104502

Location	Facility Address	Facility License Number	NPI #	Medicare #	Medi-Cal #
Bakersfield	1315 Boughton Drive, Bakersfield, CA 93308-1613	120000345	1063493161	55-7289	HHA57289F
Porterville	661 N. Prospect Street, Porterville, CA 93257-1938	120000345	1063493161	55-7289	HHA57289F
Bakersfield	1675 Chester Avenue, Suite 401, Bakersfield, CA 93301-5209	070000581	1396726493	05-1725	HPC01725F
Lake Isabella	6504 Lake Isabella Blvd, Suite E, Lake Isabella, VA 93240-9475	070000581	1396726493	05-1725	HPC01725F
Lancaster	44151 15th Street West, Suite 201, Lancaster, CA 93534-4088	550004054	1689181323	New Location Medicare # in progress	New Location Medi-Cal # in progress
Fresno	6780 No. West Ave, Suite 101, Fresno, CA 93711-4305	100000782	1164590089	05-1769	HPC01769F
Visalia	2439 W. Whitendale Ave, Suite B, Visalia, CA 93277-6132	100000782	1164590089	05-1769	HPC01769F
Stockton	3461 Brookside Road, Suite A-2, Stockton, CA 95219-1741	55000173	1821166745	05-1793	HPC01793F
Modesto	1101 Sylvan Avenue, Suite B-10, Modesto, CA 95350-1679	55000173	1821166745	05-1793	HPC01793F
Long Beach	5000 E. Spring Street, Suite 525, Long Beach, CA 90815-5244	550000500	1164649299	55-1531	1164649299

EXHIBIT 15

Community Health Accreditation Partner

1275 K Street NW, Suite 800 / Washington, DC 20005

P 202.862.3413 / F 202.862.3419

CHAP

March 4, 2016

Mrs. Jeanette Dove
VP of Clinical Services
Bristol Hospice, LLC
206 North 2100 West, Suite 202
Salt Lake City, UT 84116

RE: Customer ID: 2006002
Service: Hospice [Deemed]
CCN/PTAN: 12-1508

Location and/or Site Accredited:
Bristol Hospice – Hawaii LLC
500 Ala Moana Boulevard, Suite 4-547
Honolulu, HI 96813

Site Visit Dates:	December 15, 2015 – December 18, 2015
Type of Survey/Site Visit:	Re-accreditation
CHAP Accreditation Decision:	Full Accreditation
Plan of Correction Accepted Date:	January 14, 2016
Effective Date of Accreditation:	February 15, 2016
CHAP Accreditation Dates:	February 15, 2016 – February 15, 2019
CHAP Recommended Deemed Dates:	February 4, 2016 – February 4, 2019
Method of follow-up:	Acceptable POC BOR Ordered Focus Visit (See Below)
Medicare Certification:	Recertification
Deemed Status Recommendation:	Continued Deemed Status

Dear Mrs. Dove,

I am pleased to inform you that based on the findings of the site visit conducted December 15, 2015 – December 18, 2015, at the location and service referenced above; your organization is found to be in compliance with the CHAP Standards of Excellence. The CHAP Board of Review (BOR) has granted Full Accreditation to your organization for the term of three (3) years and recommends continued Medicare certification.

As part of the Medicare certification process, the Centers for Medicare & Medicaid Services (CMS) Regional Office will make a final determination regarding your Medicare certification and the effective date of participation in accordance with regulations at 42 CFR 489.13. If CMS does not accept CHAP's recommendation, you will be notified of next steps required.

CHAP Board of Review Focus Visit: In accordance with CHAP policy, the Board of Review is requiring an additional unannounced focus visit **within the next 13 months** to verify continued full compliance. The Accepted Plan of

Correction is located in CHAP LinQ under *View Plans of Correction* and includes the details of the required actions cited either during the course of the site visit or by the CHAP Board of Review.

The continuation in good standing of this Accreditation is dependent upon your organization paying any and all accreditation and site visit fees in accordance with the terms and conditions of the Accreditation Services Agreement. The Accreditation Services Agreement will be renewed every three (3) years.

Please note that CHAP may conduct surveys less than every three years depending upon any applicable CMS regulations and/or the level of any deficiencies cited.

As a CHAP accredited agency, you are required to list our toll free CHAP Hotline telephone number to all of your clients. This hotline receives consumer complaints and questions about CHAP accredited organizations 24 hours a day, seven days a week. **The CHAP Hotline is 1-800-656-9656.**

Thank you for choosing CHAP as your national accreditation partner. Please contact Jeff Giorgi at 202-862-3413 or Jeffrey.Giorgi@chapinc.org if you have any questions.

Sincerely,

Fran Petrella

Frances B. Petrella, BSN, RN
VP, Accreditation

Community Health Accreditation Partner (CHAP)
1275 K Street NW, Suite 800 | Washington, DC 20005
Office: 202.862.3413 | Fax: 202.862.3419
fpetrella@chapinc.org | www.chapinc.org

CC: CMS Regional Office (CMS RO IX-HI)
CMS Central Office
State Agency





Plan of Correction Summary

Site Visit 12/15/2015 - 12/18/2015

CCN 121508

Organization

Bristol Hospice, LLC
206 North 2100 West, Suite 202 Salt Lake City,
UT 84116

Service Provider

Bristol Hospice Hawaii LLC
500 Ala Moana Boulevard Suite 4-547
Honolulu, HI 96813

Contact

Jeanette Dove
jdove@bristolhospice.com

Summary of Citations

Core	1
Hospice	5

Condition Level Deficiencies 0



Plan of Correction Summary

CIII.1j

Citation

CIII.1 - The organization has adequate and appropriate human resources to meet caseload and workload demands.

CIII.1j - An annual performance evaluation process provides an opportunity for active participation by employees through:

CIII.1j1 - Employee development planning/new goal setting

CIII.1j2 - 2) Employee response to evaluation

It is required that an annual performance evaluation process provides an opportunity for active participation by employees through employee development planning/new goal setting and employee response to evaluation.

This standard was not met as evidenced by 8 of 9 (89%) of Staff files reviewed for performance evaluation requirements, revealed no documentation of employee comments or Goal Setting.

Staff ID: 29255 - No evidence of employee Goal Setting or comments for 2013, 2014 or 2015.

Staff ID: 88428 - No evidence of employee Goal Setting or comments for 2013 or 2014.

Staff ID: 75558 - No evidence of employee Goal Setting or comments for 2015.

Staff ID: 59201 - No evidence of employee Goal Setting or comments for 2014 or 2015

Staff ID: 31941 - No evidence of employee Goal Setting or comments for 2014 or 2015.

Staff ID: 36981 - No evidence of employee Goal Setting or comments for 2014 or 2015.

Staff ID: 39422 - No evidence of employee Goal Setting or comments for 2012 or 2015.

Staff ID: 88755 - No evidence of employee Goal Setting or comments for 2014 or 2015

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?

When will the corrective action be implemented?



Plan of Correction Summary

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?



Plan of Correction Summary

HII.2c2

Citation

HII.2c - An individual written plan of care is established and maintained for each Hospice patient and family.

CMS Tag: 543

HII.2c2 - Care provided to an individual patient is in accordance with the plan of care.

CMS CFR: 418.56(b)

It is required that an individual written plan of care is established and maintained for each Hospice patient and family. Care provided to an individual patient is in accordance with the plan of care.

This standard was not met as evidenced by 5 of 10 (50%) patient files reviewed revealed that SN visits did not follow the frequency ordered in the plan of care.

Patient Number: 37127 - Visit missed the week of 11-15-15.

Patient Number: 10327 - Visit missed the week of 11-8-15.

Patient Number: 97172 - Visit missed the week of 11-1-15.

Patient Number: 16681 - Visit missed the week of 10-25-15

Patient Number: 64907 - Visit missed the week of 11-1-15.

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?

When will the corrective action be implemented?

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?



Plan of Correction Summary

HII.2I

Citation

CMS Tag: 626

CMS CFR: 418.76(g)(2)

HII.2 - The Hospice Organization provides services in accordance with organizational policies and procedures and ensures that appropriate services and products are available to all hospice patients/families, either directly or by arrangement, and include routine home care, general inpatient care, inpatient respite care, continuous care, counseling, bereavement services and community education.

HII.2I - Nursing services are provided in accordance with a plan of care.

HII.2I1 - Nursing services are provided in accordance with accepted standards of practice by or under the supervision of a Registered Nurse.

HII.2I5 - The Hospice Aide and/or Homemaker function in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, appropriate supervision and specialized hospice training. The Hospice Aide meets the qualifications specified in 418.76 (a) (1) (2).

HII.2I5a - Hospice Aide responsibilities (ii) include tasks listed on the plan of care, (iii) permitted to be performed under State law by such Hospice Aide (iv) consistent with Hospice Aide training and sub elements 1-8.

418.76(g) (2) (ii) - (iv.)

HII.2I5a1 - 1) Providing care consistent with written instructions .

It is required that Nursing services are provided in accordance with a plan of care including provided with accepted standards of practice by or under the supervision of a Registered Nurse. The Hospice Aide functions in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, providing care consistent with those written instructions.

This standard was not met as evidenced by 2 of 9 (22%) patient files reviewed revealed missed visits by the AIDE.

Patient Number: 16718

Visit missed week of 11/15/2015

Patient Number: 16681.

Two Visits missed the week of 10/25/2015.

One Visit missed the week of 11/01/2015.

One Visit missed the week of 11/15/2015.

One Visit missed the week of Thu 11/29/2015.

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?



Plan of Correction Summary

When will the corrective action be implemented?

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?



Plan of Correction Summary

HII.5d

Citation	HII.5 - An interdisciplinary care team/group (IDT/IDG) collaborates with patient's attending physician, patient/representative and primary caregiver to develop a patient directed individualized plan of care.
CMS Tag: 531	
CMS CFR: 418.54(c)(7)	HII.5d - The Hospice bereavement plan of care is developed based on an assessment of the patient/family needs at the time of admission and during the provision of hospice care and when the patient dies and includes: HII.5d1 - Patient/family grief and/or loss issues. HII.5d2 - Survivor needs. HII.5d4 - Services to be provided. HII.5d6 - Grief risk factors.

It is required that the Hospice bereavement plan of care is developed based on an assessment of the patient/family needs at the time of admission and during the provision of hospice care and when the patient dies and includes, social, spiritual, and cultural issues, grief risk factors, potential for pathological grief reactions, services to be provided and survivor needs.

This standard was not met as evidenced by 3 of 13 (23 %) patient files reviewed revealed that Bereavement Goals and Outcomes are not addressed in the Hospice IDT Plan of Care.

Patient ID# 37127 : Goals and outcomes in the SW Assessment/Bereavement Risk Assessment document "Patients Social/Emotional needs will be met and SW will provide counseling for family/patient, supportive counseling and EOL teaching as indicated". IDT Care Plans since admission documents "no current needs and continue IDT collaboration".

Patient ID# 97172 : Goals and outcomes in the SW Assessment/Bereavement Risk Assessment document "Patients Social/Emotional needs will be met and SW will provide counseling for family/patient, supportive counseling and EOL teaching as indicated". IDT Care Plans since admission document "no current needs and continue IDT collaboration".

Patient ID# 16681 : Initial SW Assessment/Bereavement Risk Assessment documents patient expressed the desire to die and made a unsuccessful suicide attempt before electing Hospice care. He has relationship problems with children, patient depressed and angry with a feeling of helplessness/hopelessness and is having difficulty with his declining condition. IDT Care Plans since admission documents "no current needs and continue IDT collaboration".



Plan of Correction Summary

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?

When will the corrective action be implemented?

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?



Plan of Correction Summary

HIII.1e

Citation

CMS Tag: 615

CMS CFR: 418.76(c)(1)

HIII.1 - The hospice program has adequate and appropriate staff and services.

HIII.1e - The Hospice Aides must complete a competency evaluation on all skills that are required in paragraph (b)(3) of section 418.76 (c) (1) (1) (5).

HIII.1e1 - Hospice Aide skills and competencies are assessed prior to delivery of services and updated at least every 12 months.

HIII.1e2 - The competency evaluation, performed by a Registered Nurse in consultation with other skilled professionals as appropriate, is documented signed, dated and includes direct observation by the RN of all the required skills under paragraphs (b)(3) (i), (b)(3)(iii), (b)(3)(ix) and (b)(3)(xi) 418.76 (b) (4). The remaining subject areas may be evaluated through written examination, oral examination, or after observation of a Hospice Aide with a patient.

HIII.1e2a - Competency evaluation of TPR, personal care, transfer technique, ambulation assistance, range of motion and positioning are observed during observation of the paraprofessional's performance of the tasks with a patient.

HIII.1e5 - A Hospice Aide may not furnish hospice service until after successful completion of the competency program.

It is required that the Hospice Aides must complete a competency evaluation on all skills that are required in paragraph (b)(3) of section 418.76 (c) (1) (1) (5) and that the Hospice Aide skills and competencies are assessed prior to delivery of services and updated at least every 12 months. The competency evaluation, performed by a Registered Nurse in consultation with other skilled professionals as appropriate, is documented signed, dated and includes direct observation by the RN of all the required skills under paragraphs (b)(3) (i), (b)(3)(iii), (b)(3)(ix) and (b)(3)(xi) 418.76 (b) (4). The remaining subject areas may be evaluated through written examination, oral examination, or after observation of a Hospice Aide with a patient. Competency evaluation of TPR, personal care, transfer technique, ambulation assistance, range of motion and positioning are observed during observation of the paraprofessional's performance of the tasks with a patient.

This standard was not met as evidenced by 2 of 2 (100%) Staff files reviewed revealed that Aide Competency Testing was completed, however, not all elements requiring direct observation were observed by the RN.

Staff ID: 59201

Competency on hire did not include direct observation of all of the



Plan of Correction Summary

required tasks. Temperature, Respiration, Shampoo in Sink and Tub, Sponge Bath and Positioning were not observed on a patient. Annual competency for 2015 did not include observation of any of the required tasks being performed on a patient. All tasks were documented as V - (Verbal Test).

Staff ID: 36981

Competency on hire did not include direct observation of all of the required tasks. TPR, Sponge bath, Shampoo in Sink and Tub, Toileting and Elimination, and Transfer Techniques were not observed on a patient. No documentation found for competency of ROM.

2014 Competency did not include Toileting and Elimination and Safe Transfer Techniques being directly observed on a patient.

2015 Competency did not include direct observation of any of the required tasks being performed on a patient. All tasks were documented as V - (Verbal Test).

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?

When will the corrective action be implemented?

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?



Plan of Correction Summary

HIII.1f

Citation

HIII.1 - The hospice program has adequate and appropriate staff and services.

HIII.1f - A qualified professional is responsible for the supervision of all direct care services.

HIII.1f5 - A home visit is made, at least monthly, by the appropriate professional (RN, PT, OT) to patients being seen by a licensed practical/vocational nurse (PN/LVN), licensed physical therapy assistant (LPTA) or certified occupational therapy assistant (COTA). (More often if required by state law.)

It is required that a home visit is made, at least monthly, by the appropriate professional (RN, PT, OT) to patients being seen by a licensed practical/vocational nurse (PN/LVN), (More often if required by state law.)

This standard was not met as evidenced by of 7 of 8 (88%) patient files reviewed revealed missed monthly supervisory visits for the LPN.

Patient Number: 64907 - No supervisory visits for 10-15 or 11-15.

Patient Number: 81333 - No supervisory visits for 10-15 or 11-15.

Patient Number: 53933 - No supervisory visits for 10-15 or 11-15.

Patient Number: 97172 - No supervisory visits for 10-15 or 11-15.

Patient Number: 10327 - No supervisory visits for 11-15.

Patient Number: 53668 - No supervisory visits for 10-15 or 11-15.

Patient Number: 37127 - No supervisory visits for 10-15 or 11-15.

Agency Response

What action will we take to correct the deficiency cited?

Who is responsible to implement the corrective action?

When will the corrective action be implemented?

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

Community Health Accreditation Partner
1275 K Street NW, Suite 800 / Washington, DC 20005
P (202) 862-3413 / F (202) 862-3419



April 10, 2017

Mrs. Jeanette Dove
VP of Clinical Services
Bristol Hospice, LLC
206 North 2100 West, Suite 202
Salt Lake City, UT 84116

RE: Customer ID: 2006002
Service: Hospice [Deemed]
CCN/PTAN: 11-1711

Location and/or Site Accredited:
Bristol Hospice Georgia, LLC
2849 Paces Ferry Road, Suite 380
Atlanta, GA 30339

Site Visit Dates:	March 14, 2017 – March 17, 2017
Type of Survey/Site Visit:	Re-accreditation
Accreditation Determination:	Full Accreditation
Medicare Certification:	Recertification
Deemed Status Recommendation:	Continued Deemed Status
Plan of Correction Accepted Date:	March 24, 2017
Effective Date of Accreditation:	<u>August 26, 2017</u>
Expiration Date of Accreditation:	<u>August 26, 2020</u>
Method of Follow-up:	Acceptable POC

Dear Mrs. Dove,

I am pleased to inform you that based on the findings of the site visit conducted March 14, 2017 – March 17, 2017, at the location and service referenced above, your organization is found to be in compliance with the CHAP Standards of Excellence. The CHAP Board of Review (BOR) has granted Full Accreditation to your organization for the term of three (3) years. Additionally, CHAP has recommended continued Medicare certification.

As part of the Medicare certification process, the Centers for Medicare & Medicaid Services (CMS) Regional Office will make a final determination regarding your Medicare certification and the effective date of participation in accordance with regulations at 42 CFR 489.13. If CMS does not accept CHAP's recommendation, you will be notified of next steps required.

Thank you for choosing CHAP as your national accreditation partner. Please contact Alkesha Glasgow at aglassgow@chapinc.org or (202) 862-3413 if you have any questions.

Sincerely,

Fran Petrella

Frances B. Petrella, BSN, RN
Vice President, Accreditation

Community Health Accreditation Partner (CHAP)
1275 K Street NW, Suite 800 | Washington, DC 20005
Office: 202.862.3413 | Fax: 202.862.3419
fpetrella@chapinc.org | www.chapinc.org

CC: CMS Regional Office (CMS RO IV - Atlanta)
CMS Central Office
State Agency



Plan of Correction Summary

Site Visit **07/07/2014 - 07/09/2014**
CCN **111711**

Organization
Bristol Hospice, LLC
206 North 2100 West, Suite 202
Salt Lake City, UT 84116

Summary of Citations

Hospice	3
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Service Provider
Bristol Hospice, LLC
2849 Paces Ferry Road
Atlanta, GA 30339

Contact
Jeanette Dove
jdove@bristolhospice.com
(801) 634-2449

HII.2I2j

Citation

HII.2I2 - Professional nursing service is provided by a Registered Nurse and includes: HII.2I2j - Supervising LPNs/LVNs and paraprofessionals providing services to the patient according to regulatory guidelines.

It is required that professional service is provided by a Registered Nurse and includes supervising LPNs/LVNs and paraprofessionals providing services to the patient according to regulatory guidelines. This requirement was not met as indicated by review of 7 of 7 (100%) records with LPN visits indicate the LPN documented Hospice Aide supervision visits outside of the scope of LPN practice for records #96847, #18320, #18100, #48814, #62447, #63113 and #27541.

Agency Response

What action will we take to correct the deficiency cited?
An educational in-service was provided to the LPN and RN's on 7/9/14 and 7/15/14 regarding the LPN working inside scope of practice. Additional training for the RN's was provided on 7/15/14 regarding the requirements of supervision of the LPN and hospice aide - RN supervisory visits are made and documented at least every 14 days in accordance with regulatory requirements.
Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

07/15/2014

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan? **A 100% focused audit of the RN supervisory notes will be performed to ensure that the LPN and hospice aides are supervised by the RN at least every 14 days in accordance with regulatory requirements. Following the 30 day focused audit, the RN supervisory notes for the hospice aide and the LPN will be monitored as part of the monthly chart audit process (10% open and 5% closed) in accordance with the QAPI Program. Any educational opportunities or actions identified will be directed by the location QAPI Committee.**

HII.215a1

Citation

HII.215 - The Hospice Aide and/or Homemaker function in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, appropriate supervision and specialized hospice training. The Hospice Aide meets the qualifications specified in 418.76 (a) (1) (2). HII.215a1 - 1) Providing care consistent with written instructions .

It is required that Nursing Services are provided in accordance with a plan of care and that the Hospice Aide and/or Homemaker function in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, appropriate supervision and specialized hospice training; that the Hospice Aide meets the qualifications specified in 418.76 (a) (1) (2); that the Hospice Aide responsibilities include tasks listed on the plan of care, permitted to be performed under State law by such Hospice Aide consistent with Hospice Aide training and sub elements 1-8; specifically, providing care consistent with written instructions . This requirement was not met as evidenced by review of 9 of 11 (82%) clinical records with Hospice Aide services indicate the aide deviated from the Registered Nurse developed Plans of Care. Record #15435 did not have orders to shave the patient. The Aide documented shaving the patient on 06/02, 06/06, 06/11, 06/13, 06/16, 06/20 and 06/22. Record #18320 did not specify either shower or tub bath or partial bath/bed bath on the care plan. The aide documented a partial bed bath on 06/11, 06/17, 06/20, 06/24 and 07/01. This care plan development allowed the Hospice Aide to determine his/her own choice for baths outside the scope of Hospice Aide decisions. Record #42139 had orders to "moisture skin". The aide documented "powder" for all June visits on this area of the note. Record #15648 had orders to "empty drainage bag every visit". The aide failed to document

emptying of the drainage bag on 06/12, 06/13, 06/16, 06/17, 06/20, 06/23, 06/24, 06/27, 06/30 and 07/01. Record #62447 did not specify shower or tub bath or chair bath on the care plan. The aide documented neither on 06/30 and failure to specify bath choices allowed the aide to decide his/own choice outside the scope of the Aide decisions. The aide documented "powder" to the skin on all May and June visits. This task was not ordered on the care plan. Record #96847 had orders to change linen and make bed. The aide failed to document these tasks on 03/12 and further failed to document any task completion on 04/09. Record #18100 had orders to comb hair all visits. The aide failed to document this task on 06/11, 06/13, 06/17, 06/19, 06/20, 06/24 and 06/26. Record #76111 had orders to moisture skin. The aide documented "powder" under this task for 13 consecutive visits. Record #27541 had orders to change linen and make bed. The aide failed to document these tasks on 06/03, 06/04, 06/11 and 06/13.

Agency Response

What action will we take to correct the deficiency cited?
A mandatory educational in-service was provided to the IDT on 7/9/14 and on 7/15/14 to all RN and hospice aides regarding the need to be specific and detailed in development of the hospice aide plan of care in accordance with the client's needs and that direct the aide in following the assignment in accordance with hospice aide scope of practice, consistent with the aide's training and state laws. The in-service further more detailed that the Hospice aide can only perform tasks that are on the Plan of Care and that the RN must provide appropriate supervision of the hospice aide.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

07/15/2014

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

A 30 day 100% focused audit of the hospice aide plan of care and aide visit notes will occur to monitor the indicators:
Hospice aide plan of care is specific and detailed in accordance with the client's needs and directs the aide in following the assignment in accordance with hospice aide scope of practice
Hospice aide performs and documents only tasks that are on the Plan of Care developed by the RN RN provides appropriate supervision of the hospice aide
Following the 30 day 100% focused audit the indicators will be monitored as part of the monthly chart audit process (10% open and 5% closed) in accordance with the QAPI Program. Any educational opportunities or actions identified will be directed by the location QAPI Committee.

Citation

HII.5 - An interdisciplinary care team/group (IDT/IDG) collaborates with patient's attending physician, patient/representative and primary caregiver to develop a patient directed individualized plan of care. HII.5e - Written instructions for patient care, prepared by an RN , are provided to a hospice aide or homemaker to ensure compliance with the patient's plan of care and are reviewed and updated at specified intervals per organizational policy.

It is required that written instructions for patient are, prepared by an RN, are provided to a Hospice Aide to ensure compliance with the patient's plan of care and are reviewed and updated at specified intervals per organizational policy. This requirement was not met as evidenced by 3 of 11 (27%) clinical records with Hospice Aide services wherein the Registered Nurse was required to complete the Hospice Aide Plans of Care to be specific to patient needs and prevent the Hospice Aide to make care decisions out of the scope of the Hospice Aide practice. The Registered Nurse failed to specify specific tasks for the Hospice Aide in records #18320, #62447 and #18100 .

Agency Response

**What action will we take to correct the deficiency cited?
A mandatory educational in-service was provided to the IDT on 7/9/14 and to all RN's on 7/15/14 regarding the need to be specific and detailed in developing the hospice aide plan of care in accordance with the client's needs and that direct the aide in following the assignment in accordance with hospice aide scope of practice and state laws.
Who is responsible to implement the corrective action?
Executive Director
When will the corrective action be implemented?
07/15/2014
What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?
A 30 day 100% focused audit of the hospice aide plan of care will occur to monitor the indicators: Hospice aide care plan is prepared by the RN Hospice aide care plan is specific to patient needs and directs the aide in following the assignment in accordance wit the hospice aide scope of practice and state laws. Following the 30 day focused audit, the hospice aide care plan will be audited as part of the monthly chart audit process (10% open and 5% closed) in accordance with the QAPI Program. Educational opportunities or actions identified will be directed by the location QAPI Committee.**

Community Health Accreditation Partner

1275 K Street NW, Suite 800 / Washington, DC 20005

P 202.862.3413 / F 202.862.3419

CHAP

January 20, 2016

Mrs. Jeanette Dove
VP of Clinical Services
Bristol Hospice, LLC
206 North 2100 West, Suite 202
Salt Lake City, UT 84116

Customer ID:	2006002
Service:	Hospice [Deemed]
CCN/PTAN:	38-1559
Location and/or Site Accredited:	
	Bristol Hospice – Oregon, LLC 10365 SE Sunnyside Road Suite 340 Clackamas, OR 97015
Site Visit Dates:	November 3, 2015 - November 6, 2015
Type of Survey/Site Visit:	Re-accreditation
CHAP Accreditation Decision:	Full Accreditation
Plan of Correction Accepted Date:	November 29, 2015
Effective Date of Accreditation:	February 15, 2016
CHAP Accreditation Dates:	February 15, 2016 - February 15, 2019
Recommended Deemed Dates:	November 20, 2015- November 20, 2018
Method of follow-up:	Acceptable POC
Medicare Certification:	Recertification
Deemed Status Recommendation:	Continued Deemed Status

Dear Mrs. Dove,

I am pleased to inform you that based on the findings of the site visit conducted November 3, 2015 - November 6, 2015, at the location(s) and service referenced above; your organization is found to be in compliance with the CHAP Standards of Excellence. The CHAP Board of Review (BOR) has granted Full Accreditation to your organization for the term of three (3) years and recommends continued Medicare certification.

As part of the Medicare certification process, the Centers for Medicare & Medicaid Services (CMS) Regional Office will make a final determination regarding your Medicare certification and the effective date of participation in accordance with regulations at 42 CFR 489.13. If CMS does not accept CHAP's recommendation, you will be notified of next steps required.

The continuation in good standing of this Accreditation is dependent upon your organization paying any and all accreditation and site visit fees in accordance with the terms and conditions of the Accreditation Services Agreement. The Accreditation Services Agreement will be renewed every three (3) years.

Please note that CHAP may conduct surveys less than every three years depending upon any applicable CMS regulations and/or the level of any deficiencies cited.

As a CHAP accredited agency, you are required to list our toll free CHAP Hotline telephone number to all of your clients. This hotline receives consumer complaints and questions about CHAP accredited organizations 24 hours a day, seven days a week. The CHAP Hotline is 1-800-656-9656.

Thank you for choosing CHAP as your national accreditation partner. Please contact Jeff Giorgi at 202-862-3413 or Jeffrey.Giorgi@chapinc.org if you have any questions.

Sincerely,

Fran Petrella

Frances B. Petrella, BSN, RN
VP, Accreditation

Community Health Accreditation Partner (CHAP)
1275 K Street NW, Suite 800 | Washington, DC 20005
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CC: CMS Regional Office (CMS RO X-OR)
CMS Central Office
State Agency





Plan of Correction Summary

Site Visit 11/3/2015 - 11/6/2015

CCN 381559

Organization

Bristol Hospice, LLC

Service Provider

Bristol Hospice - Oregon LLC

10365 SE Sunnyside Road Suite 340 Clackamas,
OR 97015

Contact

Jeanette Dove

jeanette.dove@bristolhospice.com

Summary of Citations

Core	1
Hospice	4

Condition Level Deficiencies 0



Plan of Correction Summary

CII.7n

Citation

CII.7 - The health and safety of employees and clients is promoted and enhanced through education, current application of infection control practices and implementation of appropriate safety measures.

CMS Tag: 579

CMS CFR: 418.60(a)

CII.7n - The organization demonstrates compliance with its Infection Control policies and procedures, which must be in compliance with accepted professional standards and principles.

It is required that the organization demonstrates compliance with its Infection Control policies and procedures, which must be in compliance with accepted professional standards, principles, and agency policy

This standard was not met as evidenced by observation during home visits for 2 of 3 (67%) patient which revealed staff did not comply with accepted professional standards, principles, and agency policies (# C:22-048.1 and C:2-055.1). RN completing visit placed equipment she had cleaned back on the barrier it had been on prior to cleansing, and did not wash hands after cleansing and placing items back in the bag, as required by agency policy. The SW cleansed her hands at the door prior to entering the facility then handled the door handles and equipment, instead of cleansing prior to direct contact with the patient as required. In addition, the SW placed her bag on the floor on a barrier but the barrier was too small to contain the handle which was in contact with the floor that had debris on it. Handle was not cleansed prior to leaving the patient's room. Findings verified with the Administrator. Patients #17045 and 72264.

Agency Response

What action will we take to correct the deficiency cited?

- o Review and education of all clinical staff on infection control agency policies #C: 22-048.1 and C: 2-055.1 will be completed by November 30, 2015.
- o 1:1 Demonstration and verbalization of hand hygiene and bag technique by each employee with a supervisor completed by 12/15/15 with goal of 100% conformance.
- o Increase sampling and frequency of random supervisory observation visits with clinical staff to audit compliance with these policies. Starting December 1, 2015 supervisor will complete 12 visits a month over the next quarter to complete 100% observation of all staff in the field by end of this time period. Again goal is 100% demonstrated conformance.
- o Moving forward as part of new hire orientation, in addition to current requirements new hires will demonstrate understanding and conformance of these 2 policies with a



Plan of Correction Summary

supervisor during joint visit.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

November 30, 2015

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

o Sampling of 20% of clinical staff or 6 visits/month as supervisory visits starting in December 2015 to ensure compliance dropping to 10% or 3 visits/month. Goal remains at 100% conformance.o Observation compliance will be measured using a Hand Hygiene/Bag Technique audit tool developed as part of the supervisory visit process. Use of this audit tool will be ongoing as part of all supervisory visits performed.o Data on audit tool findings and percentages of compliance will be reported to QAPI committee on quarterly basis and review of ongoing monitoring plan will be done if compliance is not maintained or sustained at or exceeding 95%. Any non-conformance will be addressed 1:1 and individually monitored to ensure issue resolved.o Ongoing monitoring will continue to be done as part of staff annual performance evaluations in supervisory visits.



Plan of Correction Summary

HII.2k

Citation

HII.2 - The Hospice Organization provides services in accordance with organizational policies and procedures and ensures that appropriate services and products are available to all hospice patients/families, either directly or by arrangement, and include routine home care, general inpatient care, inpatient respite care, continuous care, counseling, bereavement services and community education.
HII.2k - Staff recognize and maintain professional boundaries in their relationships with the patient/ family/caregiver.
HII.2k1 - Orientation, in-service and/or continuing education stress importance of maintaining professional boundaries with patient/family/caregiver.

It is required that Staff recognize and maintain professional boundaries in their relationships with the patient/ family/caregiver. Orientation, in-service and/or continuing education stress importance of maintaining professional boundaries with patient/family/caregiver.

This standard was not met as evidenced by review of employee files for 7 of 10 (70%) employees which revealed no documentation of in-service at orientation and or ongoing education to stress importance of maintaining professional boundaries with patient/family/caregiver. Record #53388, 36410, 26713, 91146, 72674, 53709, and 46361. Finding verified with the Agency Administrator.

Agency Response

What action will we take to correct the deficiency cited?

- o All staff will be assigned training that meets the requirement as part of our new hire orientation regarding staff recognition and maintenance of professional boundaries in their relationships with the patient/family/caregiver. . o This training will also be implemented as part of our annual required training curriculum and will be completed by all staff at 100% by December 30, 2015.
- o A training module has been added effective November 6, 2015 as part of our curriculum in our location's e-learning system titled "Boundaries" that meets the required education guidelines for this standard. This was assigned to all of our current employees to be completed.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?



Plan of Correction Summary

November 30, 2015

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

- o Executive Director will review education/training plan on an annual basis to ensure requirements of this standard and topics are all covered as part of training and orientation process.
- o Each employee is responsible to complete all assigned discipline specific and mandatory trainings on annual basis and will evidence completion at time of performance review, monitored by supervisor and Business Office Manager.
- o Percentage of completion of all training by staff will be reported to Governing Board and Leadership on annual basis. Goal is established at or exceeding 98% overall completion.
- o Any discrepancies identified in overall completion percentage will be addressed by supervisor to ensure employee resolves training deficiency.



Plan of Correction Summary

HII.2I

Citation

CMS Tag: 591

CMS CFR: 418.64(b)(1)

HII.2 - The Hospice Organization provides services in accordance with organizational policies and procedures and ensures that appropriate services and products are available to all hospice patients/families, either directly or by arrangement, and include routine home care, general inpatient care, inpatient respite care, continuous care, counseling, bereavement services and community education.

HII.2I - Nursing services are provided in accordance with a plan of care.

HII.2I2 - Professional nursing service is provided by a Registered Nurse and includes:

HII.2I2h - Informing the physician and other personnel of changes in the patient's needs and outcomes of intervention.

HII.2I2m - On-going evaluation of patient/family response to care.

It is required that Nursing services are provided in accordance with a plan of care. Professional nursing service is provided by a Registered Nurse and includes: Informing the physician and other personnel of changes in the patient's needs and outcomes of intervention and On-going evaluation of patient/family response to care.

This standard was not met as evidenced by review of patient records of 2 of 2 (100%) applicable patient's which revealed no documentation of on-going evaluation of patient, Informing the physician and other personnel of changes in the patient's needs reported to the RN by the hospice aide as follows:

Documentation for patient #42199 revealed the RN was informed of red bottom and leg swelling. RN notes did not address this symptom from 10/6/15 until 10/14/15.

Patient #98091 documentation indicated the RN was notified by aide on 9/18/15 of red under abdominal groin area. There was no documentation that RN received the call or followed up on the red area until 10/16/15. Different RN -New order for antifungal medication. In addition, Agency Administrator indicated policy was to document infections in order to track, and there was no infection control report completed as required by the agency.

Findings verified with the Administrator.

Agency Response

What action will we take to correct the deficiency cited?

- o Provide training to nursing team on specific expectations and process for documenting phone call follow up to messages or



Plan of Correction Summary

reports received on patient status changes. Training will cover specifics on documenting receiving the call that day, what instructions may have been given, follow up or action taken, or plan for ongoing action and next steps as appropriate. o Provide review/education to nursing team on standards for evaluation of the patient, informing the physician of and other personnel of changes in patient status as appropriate. o Provide review/education to nursing team on policy for reporting and tracking of infections and follow up steps as process with completion of infection reports as part of the action and response. o All above noted training will be completed by December 18, 2015. o Chart review/audit of communication notes and response to notifications received from other disciplines utilizing focal audit tool to focus and track documented communication is present on the same day as reported changes in status; response or instructions are documented to the communication received; and follow up items or actions planned are documented to ensure they were implemented for compliance. Goal is 100% for same day documentation of these elements. o Focal audits will be done with an increased random sampling of 20% per month over the next 3 months reviewed until we are compliant at 100% over 3 consecutive months. o Monitor compliance with completion of Infection reports at IDT by running Antibiotic Report from Pharmacy vendor and ensuring infection report is completed for each patient as appropriate. Goal is 100% for review during the IDG during team meeting.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

November 30, 2015

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

o Monitoring will occur through chart reviews/audits of applicable chartso Once the agency meets compliance goal of 100% for three consecutive months, continued monitoring will occur as part of our ongoing quarterly chart review sampling of 10% and findings are reported to QAPI committee. o If compliance drops below 95%, then the QAPI committee will review and initiate a performance improvement plan to restore compliance including but not limited to ongoing re-education and training, increase chart review sampling, and re-initiating use of the focal audit tool. Individual discrepancies identified in audit process will be addressed with Supervisor with intent to resolve deficiency.



Plan of Correction Summary

HII.2I

Citation

CMS Tag: 626

CMS CFR: 418.76(g)(2)

HII.2 - The Hospice Organization provides services in accordance with organizational policies and procedures and ensures that appropriate services and products are available to all hospice patients/families, either directly or by arrangement, and include routine home care, general inpatient care, inpatient respite care, continuous care, counseling, bereavement services and community education.

HII.2I - Nursing services are provided in accordance with a plan of care.

HII.2I5 - The Hospice Aide and/or Homemaker function in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, appropriate supervision and specialized hospice training. The Hospice Aide meets the qualifications specified in 418.76 (a) (1) (2).

HII.2I5a - Hospice Aide responsibilities (ii) include tasks listed on the plan of care, (iii) permitted to be performed under State law by such Hospice Aide (iv) consistent with Hospice Aide training and sub elements 1-8. 418.76(g) (2) (ii) - (iv.)

HII.2I5a1 - 1) Providing care consistent with written instructions .

It is required that nursing services are provided in accordance with a plan of care. The Hospice Aide and/or Homemaker function in a supportive relationship to professional disciplines and may function as an extension of these professional services with written instructions, appropriate supervision and specialized hospice training. The Hospice Aide meets the qualifications specified in 418.76 (a) (1) (2). Hospice Aide responsibilities (ii) include tasks listed on the plan of care, (iii) permitted to be performed under State law by such Hospice Aide (iv) consistent with Hospice Aide training and sub elements 1-8. 418.76(g) (2) (ii) - (iv.): Providing care consistent with written instructions.

This standard was not met as evidenced by review of the patient's files for 6 of 8 (75%) patient files which revealed the Hospice Aides documented duties that were not ordered on the plan of care established by the RN. In 6 of 8 records the hospice aide documented dressing, bathing, denture care, shampoo and or nail care given twice a week instead of once as ordered; nail care completed and not ordered. Findings verified with the Administrator.

Patient #75289, #17045, #98091, #80001, #50032, and 42199.

Agency Response

What action will we take to correct the deficiency cited?



Plan of Correction Summary

- o Re-training and education with RN/HHA team on how to complete the hospice aide plan of care, review of frequencies and descriptions of assigned tasks, review of how to document these tasks accurately in software. Training to be completed in 2 sessions, initial review to be done with all RN/HHA staff by November 30, 2015 and second training session for reinforcement to be done by December 18, 2015.
- o Review of care plan form element in Electronic Medical Documentation Software to address some items that may be causing inconsistencies with documentation. Will update form maintenance elements as needed by December 11, 2015 to eliminate risk of confusion or error regarding documentation of completion of these assigned tasks.
- o Review of form update will be done with all RN/HHA staff by December 18, 2015.
- o Increase sampling of joint visits with HHA and RN. Minimally will have each HHA complete a joint visit 1 x month starting in December for 3 months with an RN to monitor compliance with following care plan duties as assigned with a goal of 100% compliance for at least 3 consecutive months.
- o Complete chart review on 100% of all HHA care plans and documentation of visit notes for one month (December) continuing until we are at 100% compliance with HHA following the plan of care as assigned.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

November 30, 2015

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

- o Demonstrated conformance with joint visits and supervisory visits over the next 3 months with each hospice aide maintaining goal conformance, and then on an ongoing basis as part of their annual review to ensure ongoing compliance.
- o Supervisor will complete focal chart audits/review on sampling of 20% of applicable charts for at least 3 consecutive months. Goal is 100% compliance.
- o Once the agency demonstrates goal for compliance, continued monitoring in our ongoing quarterly chart review sampling of 10% and the findings are reported to QAPI committee.
- o If compliance drops below 95%, then the QAPI committee will review and initiate a performance improvement plan to restore compliance including ongoing re-education and training, increase chart review sampling, and supervisory visits. Individual non-conformance will be addressed and resolved with Supervisor.



Plan of Correction Summary

HII.5i

Citation**CMS Tag:** 695**CMS CFR:** 418.106(e)(2)(i)(A)

HII.5 - An interdisciplinary care team/group (IDT/IDG) collaborates with patient's attending physician, patient/representative and primary caregiver to develop a patient directed individualized plan of care.
HII.5i - Patients are provided a copy of the hospice policy on the management and disposal of controlled drugs in the patient's home at the time that the drug is first ordered.

It is required that patients are provided a copy of the hospice policy on the management and disposal of controlled drugs in the patient's home at the time that the drug is first ordered.

This standard was not met as evidenced by review of patient records reviewed for 11 of 13 (85%) patient who received controlled drugs, and interview with agency Administrator, revealed that these patient's had not been given a copy of the agency policy on disposal of controlled drugs. The agency had provided, in the admission booklet, a copy of the Federal guidelines for destruction and proper destruction instructions. In addition, the agency immediately started to upgrade their Admission packet to include this policy during the survey. Finding verified with the Administrator.
Patient's number # 93119, #75289, #62372, # 98091, #32330, #72264, #80001, #50032, #47305, #18898, and #42199.

Agency Response**What action will we take to correct the deficiency cited?**

o Implemented addition of copy of the policy related to disposal of controlled drugs as part of admission paperwork and admission packet provided to the patient. o Copy of policy provided to each of current patients and reviewed by staff to ensure we meet standard with all current patients.o Completed education/staff training with hospice team and review of this policy.o Also education with staff to ensure review of this policy with the patient or patient representative/family as part of the admission process and/or when controlled drugs are initiated.

Who is responsible to implement the corrective action?

Executive Director

When will the corrective action be implemented?

November 19, 2015



Plan of Correction Summary

What is the monitoring process we will put into place to ensure implementation and effectiveness of this corrective action plan?

- o Executive Director will ensure this policy remains part of the admission patient handbook on an annual basis when annual review of policies and procedures is done. o Will be included in survey readiness survey process and Governing Body review , minimally on annual basis, review all admission materials against current policies, regulations and standards to ensure meeting all guidelines. Goal would remain at 100% and any discrepancies are reported in findings to QAPI committee for appropriate actions.