



Board Members

- John Friel (Chair)
- Dr. Katherine (Katie) Gabriel-Cox
- Dr. Joe Gallagher
- Jose A. (Tony) Nuñez
- Marcus Pimentel

Special Meeting Agenda

Wednesday, March 14, 2023-12:00 pm

Kathleen King Community Room - 85 Nielson Street, Watsonville

Agenda documents are available for review in person at Watsonville Community Hospital, 75 Nielson Street, Hospital Main Lobby-Visitors Desk; and electronically on the Pajaro Valley Healthcare District's website, at: PVHCDHC.ORG. To view online, visit the Board's website at: PVHCDHC.ORG and select the meeting date to view the agenda and supporting documents. Written comments on agenda items may also be submitted to the Board by email or US Mail. Comments received after 4 p.m. on the day of the meeting and before the end of the meeting will be included in the official record.

Email: info@pvhcd.org

- Emailed documents may take up to 24 hours to be posted
- Please include the agenda item number

U.S. Mail:

PVHCD Board of Directors
75 Nielson Street
Watsonville, CA 95076

For additional information, call 831.763.6040 or email info@pvhcd.org

ACCOMMODATIONS FOR PERSONS WITH DISABILITIES

The Pajaro Valley Health Care District Hospital Corporation does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and wish to participate in the meeting and require special assistance in order to participate, please call

(831)763-6040 or email info@pvhcd.org at least three business days in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

TRANSLATION SERVICES/SERVICIOS DE TRADUCCIÓN

Spanish language translation is available on an as needed basis. Please make advance arrangements at least three business days before the meeting at by calling at (831) 763.6040 or by emailing at info@pvhcd.org

Las sesiones de la Mesa Directiva pueden ser traducidas del inglés al español y del español al inglés. Por favor llame por lo menos tres días hábiles antes de la junta al (831) 763.6040 o envíe un correo electrónico a info@pvhcd.org para solicitar interpretación.

**Pajaro Valley Health Care District Hospital Corporation
Special Meeting Agenda- Wednesday, March 14, 2023**

Call to Order

Roll Call

Agenda Modification Consideration

Discussion Agenda

1. Strategic Planning-Three to Five Year Goals

Recommendation: Participate in a Mission, Vision and Values Design Workshop facilitated by Chartis, a top healthcare strategic advisory firm.

Contact: Steven Salyer, Chief Executive Officer

Adjournment

This agenda was posted in accordance with the California Brown Act. Any materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet will be made available to the public in accordance with Government Section 54957.5.



Board Report

Meeting Date: March 14, 2022

Report Type: Discussion/Workshop

Title: Strategic Planning-Three to Five Year Goals

Recommendation: Participate in a Mission, Vision and Values Design Workshop facilitated by Chartis, a top healthcare strategic advisory firm.

Contact: Steven Salyer, Chief Executive Officer

Background:

The Pajaro Valley Health Care District Hospital Board of Directors passed **Motion No. 011-2023** on January 20, 2023, a) approving the proposed engagement agreement with the Chartis Group for strategic planning; and b) directing the CEO to negotiate all possible cost savings with the vendor and request the Hospital Foundation to add Strategic Planning contract funding to their initiatives. Chartis will facilitate a strategic planning process including this workshop that elevates the hospital and healthcare district's health equity impact and preserves access to quality services for the community under a financially sustainable trajectory. The primary deliverable from this project will be a three-to-five-year strategic plan for Watsonville Community Hospital with the Pajaro Valley Health Care District's overall objectives and needs in mind. The strategic plan will include a clear articulation of organizational goals and metrics by which success will be defined.

Attachments:

A: Chartis Proposal



December 20, 2022

Steven Salyer
Chief Executive Officer
Watsonville Community Hospital
75 Nielson Street, Watsonville, CA 95076

Cecilia Montalvo
Interim Chief Financial Officer
Watsonville Community Hospital
75 Nielson Street, Watsonville, CA 95076

Re: Watsonville Community Hospital and Pajaro Valley Healthcare District Strategic Planning

Dear Steven and Cecilia,

Thank you for the opportunity for The Chartis Group (Chartis) to provide Watsonville Community Hospital (WCH) and the Pajaro Valley Healthcare District (PVHCD) with our proposal for strategic planning consulting services. Chartis has been privileged to work with community safety net hospitals like WCH and community health planning bodies like PHVCD to improve community health outcomes and economic sustainability. Our collective experience across many organizations provides us with a deep knowledge base, client network, and perspective on what it takes to create meaningful and sustainable change. As you review our proposal, please keep in mind the following attributes that we believe differentiate Chartis:

- **We have led transformative engagements resulting in material improvements to the health of underserved communities.** Through our work across communities such as Chicago's South Side, Southwest Houston, West Texas, New Jersey, and beyond, Chartis has supported strategy development and implementation for healthcare organizations tackling community health challenges and inequities in local contexts. This includes work supporting the creation of the South Side Health Community Organization, a nonprofit organization dedicated to transforming health outcomes on Chicago's South Side, that resulted in the creation of an unprecedented collaboration of Federally Qualified Health Centers (FQHCs), safety net hospitals, and health systems and that received \$150 million in state funding.

- **We have extensive strategic and operational planning experience with community safety net hospitals.** Our work with safety net hospitals such as Kaweah Health in California, Lawrence General Hospital in Massachusetts, Cook County Health & Hospitals in Chicago, and more provides us with a grounding of the value that safety net hospitals provide to their communities, as well as with clarity about the financial and operational challenges and risks facing these essential institutions. Our work with these clients, which has spanned strategic planning, operations and access, and financial performance improvement, has resulted in demonstrably improved patient experience, operating margins, and service quality / scope, leading to better and more equitable care for vulnerable and underserved patient and community segments.
- **We have a deep regional understanding of the northern California market.** We have worked with many of the region's health systems, including UCSF Health, Stanford Medicine, John Muir Health, Providence Health, and El Camino Health. We understand the unique market, competitive, and partnership dynamics in which WCH will need to chart its future course.
- **We have significant community engagement and communications expertise through our partner Jarrard** - a top-10 strategic communications consulting firm. We have provided trusted strategic communications counsel to healthcare leaders guiding their organizations through high-stakes times of change, challenge, and opportunity. We have served more than 600 leading healthcare companies and health systems of all genres – notably, publicly-owned community and regional providers such as Singing River Health System, Broward Health, Erlanger Health System, Lee Health, and Anniston Health Care Authority.

This letter of engagement, based on our conversations over the past several weeks, outlines our understanding of your situation, our project approach, and associated staffing and professional fees to complete this critical endeavor. If any modifications are required to better meet your needs, we would be pleased to work collaboratively to make the necessary adjustments.

Sincerely,



Cindy Lee
Chief Strategy Officer and Director
415.254.7743
clee@chartis.com

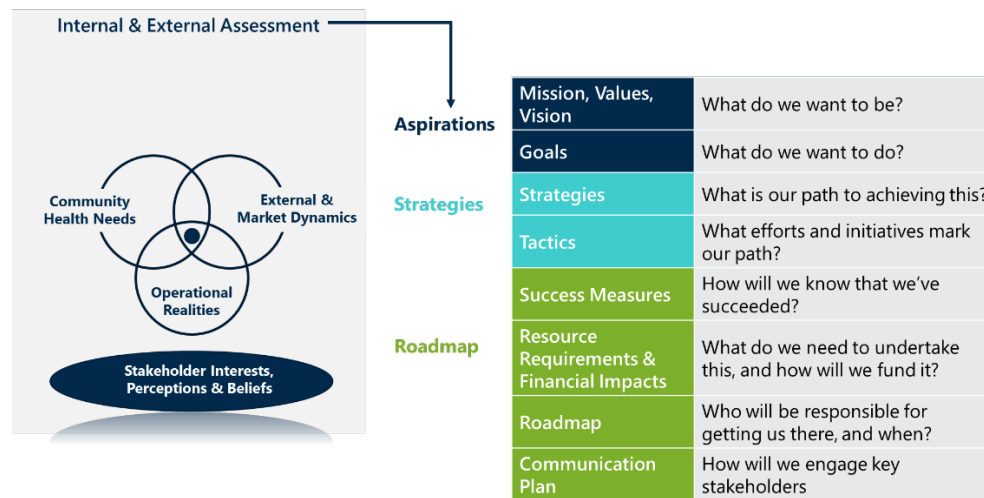
Our Understanding and Engagement Objectives

WCH is a 100-bed community hospital in Santa Cruz County that has operated under multiple for-profit owners for several decades. In December 2021, WCH filed for bankruptcy, creating the threat that the rural, under-resourced Watsonville community would be left without access to critical emergency, inpatient, and other hospital-based services. In response, a historic, grassroots effort of community advocacy and legislation led to the creation of a new public entity – the PHVCD – which went on to raise \$66 million to acquire WCH and operational. This represented the largest public fundraising campaign in the history of Santa Cruz County – reflecting the community’s conviction that the most meaningful way to address the region’s health disparities is by preserving access to healthcare.

With the achievement of this historic milestone, the Board of Directors of PVHCD and WCH’s Executive Team now seek to embark on a strategic planning process that elevates the hospital and healthcare district’s health equity impact and preserves access to quality services for the community under a financially sustainable trajectory. This process will be grounded in the development of a shared mission, vision, values and guiding principles for the two entities, guided by internal and external stakeholders, including forums for diverse community input. The primary deliverable from this project will be a 3-to-5 year strategic plan for WCH with the PVHCD’s overall objectives and needs in mind. The strategic plan will include a clear articulation of organizational goals and metrics by which success will be defined; supporting strategies and major tactics; a high-level roadmap with key milestones; and estimated financial projections building on the baseline financial assumptions in place today.

Our Approach

Our approach will ground WCH’s strategic plan in a robust understanding of the internal and external environments, including an analytical and qualitative assessment of the community’s healthcare needs and desires; external market dynamics (e.g., payers, providers, employers); and the operational realities in which WCH must operate. While our primary focus will be in the development of a robust strategic plan for WCH, we understand that this must include considerations for PVHCD’s objectives. While we expect the “aspirations” or goals and mission/vision/values of these two entities to be similar and mutually reinforcing, there will be some differences. For example, PVHCD’s broader focus will be to consider how to engage all of the capabilities available in the region to improve the health of the communities; whereas WCH’s focus will be more centered on its specific role in improving the health of the communities it serves. We have highlighted the major components of the strategic planning framework as illustrated in Figure 1 below.

Figure 1: Strategic Planning Framework

The process for crafting WCH and PVHCD's aspirations, as well as WCH's strategies and roadmap, will rest on deep engagement from leadership and extensive input from clinicians, the broader workforce, and members of the Watsonville community. We will utilize interviews, workshops, community/employee listening sessions, and surveys to engage WCH's broad stakeholders and reflect the grassroots, public effort to keep the hospital open. In Figure 2 below, we have summarized the key phases and activities of the strategic planning effort.

Figure 2: Phases and Key Activities (12 Weeks Total)

Phase 1	Phase 2	Phase 3
Current State Assessment and Articulation of Aspirations	Strategy and Tactics Development	Roadmap and Synthesized Plan
Key Activities <ul style="list-style-type: none"> Conduct high level market / internal assessment 10-15 individual interviews, to be supplemented with listening sessions targeting up to 100 additional stakeholders Assessment of regional community need, health equity needs, and provider landscape, with community input to reflect needs Internal assessment (operating / quality / financial performance, service line mix, provider workforce) Work with internal & external stakeholders (including diverse community input) to initially articulate mission, vision, values, and strategic aims "Design & deliver" workshops to develop themes & ideas Comprehensive focus group listening sessions – 2 internal, 2 external, with up to 30 participants per session Determine 3-5 year goals 	Key Activities <ul style="list-style-type: none"> Develop criteria to prioritize services for growth and focus vs. areas for deemphasis Develop strategic imperatives and goals key priorities, e.g., <ul style="list-style-type: none"> Clinical services and network Partnerships Quality and outcomes Access and experience Finalize articulation of mission, vision, values Continue comprehensive listening sessions Launch community & employee online survey Shape a comprehensive plan with imperatives, actions, key measures and timing 	Key Activities <ul style="list-style-type: none"> Develop high level roadmap for execution, including key accountabilities and timelines, working closely with WCH leadership Finalize high level financial impact analyses of key strategies Finalize communications materials articulating the strategic plan for internal and external stakeholders
Deliverable Current state assessment; stakeholder engagement, and initial articulation of mission, vision, aims	Deliverable Prioritized set of strategic imperatives, actions, and measures; initial strategic plan	Deliverable High-level roadmap, financial projections, and strategic plan with communication for internal & external audiences

1. Current State Assessment and Articulation of Aspirations

OVERVIEW

The objective of Phase 1 is to craft a compelling vision for WCH and PHVCD that rests on a clear understanding of the internal and external current state, as well as of stakeholder engagement. To do so, Phase 1 is structured around information gathering, external market analysis, internal financial/operational performance assessment, interviews, and broader stakeholder engagement.

TASKS

- Conduct 10 – 15 individual interviews with executive leaders and members of the Board to understand to best understand strengths, needs, and opportunities, how they would like to see the organizations evolve, and what existing barriers may impact the success of this work; these interviews will be supplemented by broader listening sessions targeting up to 100 participants as detailed below
- Conduct “design” workshop with a small working group of internal executives, leaders and long-term employees to identify themes, sentiments, and ideas that would resonate most with WCH’s internal and external audiences as we shape statements of mission, vision and values
- Conduct listening sessions, based on the themes identified in the “design” workshop, to capture critical feedback on potential mission, vision and values language from WCH’s internal and external audiences
- Launch community and employee online survey to expand engagement beyond those able to participate in listening sessions
- Assess regional community need, health equity needs, employer landscape, payer landscape and provider landscape (inclusive of FQHCs)
- Review internal operating, quality, and financial performance
- Synthesize the current state and begin to form statements of mission, vision, values, and goals, with initial takeaways for internal and external communications

DELIVERABLES

- Synthesized current state assessment of the community’s healthcare needs broadly, from the PVHCD perspective
- Synthesized current state assessment of the community needs that WCH would be best positioned to meet (quantitative and qualitative)

- Initial articulation of mission, vision and values based on interviews, focus groups and online survey
- Initial identification of top 3 to 5 strategic goals for WCH and PVHCD (some goals may overlap)

2. Strategy and Tactics Development

OVERVIEW

Phase 2 will build on the emerging insights from Phase 1 to create actionable, measurable strategies and key tactics. Strategies will focus on identifying the core aspects of WCH's healthcare delivery model (e.g., service line priorities, provider and facility network, payer strategies, partnerships, quality and outcomes, and patient access). In doing so, we will keep in mind the broader community health aims of PVHCD (community health, social determinants of health, community-based partnerships). The result will be a set of prioritized strategic imperatives, related key tactics, and measures for WCH. In this phase, we will also begin to develop a financial model that will identify key requirements to achieve financial sustainability.

TASKS

- Develop criteria / guiding principles to evaluate strategies to pursue
- Develop strategic imperatives, key tactics, and goals around:
 - Clinical services
 - Provider/Facility network
 - Partnerships
 - Quality and outcomes
 - Access and experience
 - Others, to be determined
- Prioritize strategies to pursue
- For priority strategies, develop tactics and metrics for success
- Initiate financial modeling of key strategies to pursue

DELIVERABLES

- Criteria / Guiding principles for prioritizing strategies
- Prioritized set of strategic imperatives, key tactics, and related measures

- Finalized mission/values/vision

3. Roadmap and Synthesized Plan

OVERVIEW

Phase 3 will support WCH in the transition from strategy to implementation. We will take the inputs from Phase 2 to develop high-level financial projections and sensitivities for WCH, deriving an estimate of resource requirements and financial performance under relevant scenarios. Additionally, we will develop a high-level roadmap that lays out key measures, the sequencing and phasing of strategies and key tactics, with assigned owners or points of responsibility, working closely with WCH leadership. In this phase, we will also identify key risks and key enablers necessary for successful execution.

Finally, we will develop communications materials that synthesize the strategic plan for internal and external audiences with engaging, accessible key visuals, bringing the strategic plan to life and ensuring early awareness, understanding, and adoption. Figure 3 provides an example of what such communications materials could look like.

Figure 3: Example Strategic Plan Visual

Health System Vision & Strategy Compass

We have a strategy for achieving our vision of being a national leader for the advancement of health and healing – by achieving exceptional patient experience, excellent health outcomes, strong financial results and a coordinated care model. We will get there by advancing the right culture, and by providing the right care at the right cost, and at the right time and place.



TASKS

- Develop high level implementation roadmap, working closely with WCH leadership
- Complete financial impact analysis related to prioritized strategies identified in Phase 2
- Develop materials articulating the strategic plan for internal and external audiences

DELIVERABLES

- High-level roadmap for implementing strategic plan
- High-level financial projections, building on existing assumptions
- Synthesized strategic plan with communication for internal & external audiences, including final mission/vision/values statements

Project Structure

Our approach to working with you will involve significant engagement with leaders, governance, employees, and stakeholders through interviews, community listening sessions, and surveys. The primary vehicle for developing the WCH strategy will be the Project Sponsor team that will include Steven Salyer, Cecilia Montalvo as well as 1-2 additional leaders as desired. In addition to the Project Sponsor team, there will be two touchpoints with the Board of Directors of PVHCD / WCH. Figure 4 below illustrates this structure.

Figure 4: Project Structure

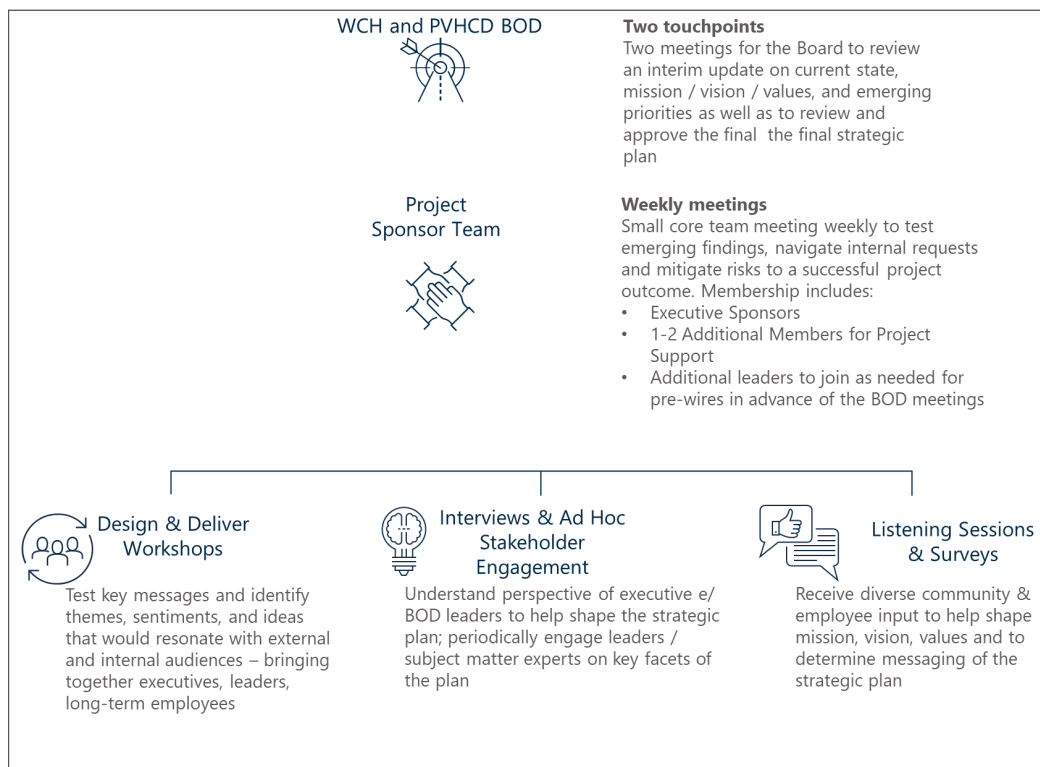
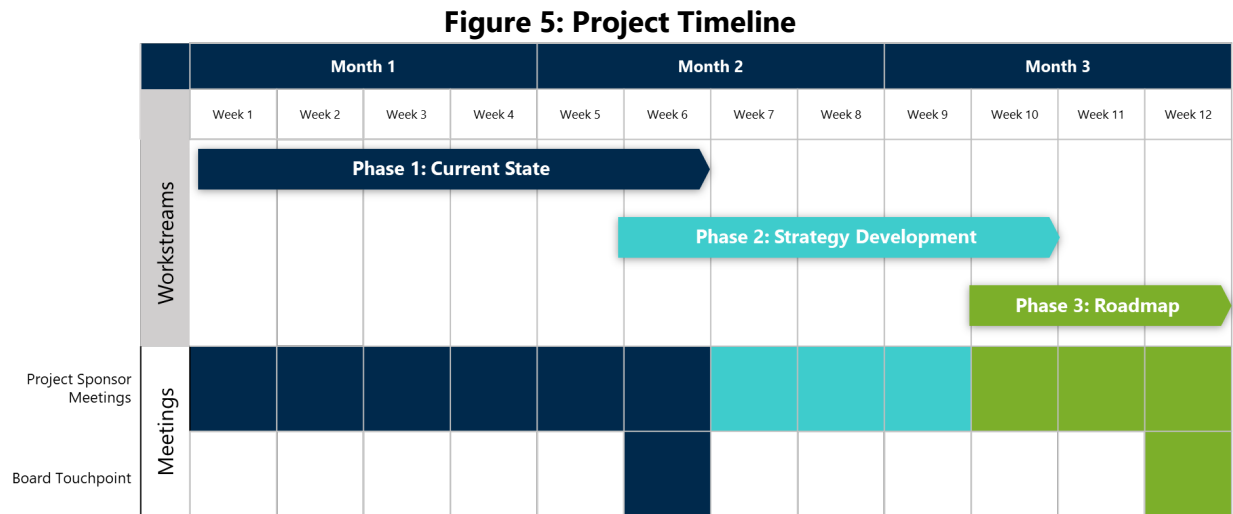


Figure 5 below captures the timeline for project phases and key touchpoints.



Our Team

To support this engagement, we will staff an experienced project team of senior-level professionals with extensive healthcare consulting experience and requisite facilitation skills to garner consensus in a complex project such as this. An overview of our proposed project team is outlined in the table below. Please see [Appendix C](#) for detailed team member profiles.

Project Team Member	Project Role	Time Commitment
Cindy Lee <i>Chief Strategy Officer, Head of Strategy Practice</i>	Ensures the project is meeting all objectives and client expectations; provides oversight and senior input, participating in all key meetings	1 day per week
Amy Woodrum <i>Principal, Strategy Practice</i>	As the engagement leader, Amy will provide direction and thought leadership to the engagement and team on a day-to-day basis, as well as support and guidance in all key meetings	2-3 days per week
Letitia Fecher <i>Vice President (Jarrard), Public & Community Health System Practice Lead</i>	Leads the communications workstreams around mission, vision and values development and strategic plan communications	1 day per week

Project Team Member	Project Role	Time Commitment
Courtney Kelsey <i>Associate Vice President (Jarrard), Regional Health Systems Practice</i>	Supports Communications Team Lead and the mission, vision and values workstream strategy, execution and deliverables	As needed
Associate Consultant (To Be Assigned)	Will be responsible for developing and synthesizing analytics and content, day-to-day project management, financial modeling, and meeting materials	Full-time

Professional Fees and Expenses

Based on the description of the Proposed Services, our professional fees will be \$480,000 for this 12-week project, which reflects a material discount off our commercial rates. In addition to our professional fees, we bill for direct expenses including travel to the client site and/or Chartis offices for team work sessions, lodging, meals and a 5% administrative fee for production and engagement support. Expenses generally do not exceed 15% of professional fees under normal travel circumstances and will be less with a reduced travel model. We will work closely with you to aggressively manage our expenses.

Key Assumptions for Project Success

- The following resources will be provided to support the project team:
 - A point of contact(s) that will act as the sponsor for this engagement.
 - Appropriate personnel from executive, clinical, operations and community leadership to participate as needed.
 - Access to staff and subject matter experts as needed.
 - Sufficient administrative support for document collection; scheduling interviews, project briefings, working sessions and conference calls; arranging special meetings; and other activities as needed.
- Appropriate workspace will be provided for Chartis consultants when onsite work is needed. Safety measures will be discussed with you in advance to ensure workspace and planned interactions between the Chartis team and client leaders/staff follow your and Chartis' policies/protocols.
- The following items will be managed in a timely manner. Delays in project work due to access or scheduling may result in project delays and additional fees, which will be discussed in advance.

- Scheduling of interviews and meetings.
- Response to data requests.
- Review and feedback of draft deliverables.
- Appropriate system and vendor access.
- This proposal is subject to and incorporates the Chartis Commercial Terms and Conditions attached to this proposal as Appendix _.

The parties have executed this proposal as of the date first set forth below.

Watsonville Community Hospital

The Chartis Group, LLC

Authorized Party

Cindy Lee
Director

Date

Date

Name

Title

Please scan/email a copy of this signature page as your authorization to proceed.

The Chartis Group, LLC
220 W. Kinzie Street, 3rd Floor
Chicago, IL 60654
Email: finance@chartis.com
Telephone: 877.667.4700

APPENDICES


Appendix A: Relevant Experience

Chartis has been privileged to partner with clients across the nation on a broad range of engagements. All Chartis colleagues are committed to providing each client with excellent service and results such that the patients and communities served by our clients are better off in meaningful ways.

Below are examples of clients we have served in the areas of interest to WCH Additional information and project team member references are available upon request.

South Side Health Connected Care Platform Development	
<div> <div>SOUTH SIDE HEALTHY COMMUNITY ORGANIZATION</div> <p>For decades, the 900,000 residents of the South Side of Chicago have experienced health disparities ranging from materially higher disease incidence and comorbidities to significantly lower life expectancy, reflecting a history of racial inequities and underinvestment, and a fragmented healthcare delivery landscape with limited resources. In response to a new state initiative, a group of providers engaged Chartis to develop a proposal for transforming health outcomes. Upon successfully receiving a \$150 million funding commitment from the state, Chartis supported the coalition through integrated implementation management.</p> </div>	
Action	Results
<p>The first phase of this work was focused on proposal development for the State of Illinois. Key actions included:</p> <ul style="list-style-type: none"> Grew the coalition from the 3 original sponsors to 13 community providers. Engaged over 900 South Side providers, community/faith-based leaders, elected officials, and residents to develop a proposal shaped by deep community input. <p>The second phase was focused on implementing the planned changes. This included:</p> <ul style="list-style-type: none"> Supported rapid stand up of a new governing board. Took ownership of four workstreams: <ol style="list-style-type: none"> Administration & Finance Provider Operations & Deployment Care Coordination Design & Care Team Recruitment IT Design & Strategy 	<ul style="list-style-type: none"> The coalition submitted and successfully received a funding commitment of up to \$150 million from the State of Illinois. With the support of this funding, the coalition launched the South Side Healthy Community Organization (SSHCO). Thus far, with project management support from Chartis, the SSHCO has selected care coordination partners, finalized criteria for provider deployment across coalition sites, approved an IT capabilities roadmap, and launched an RFP process to design a Connected Care Technology platform to enhance connectivity and reduce fragmentation of care.

<ul style="list-style-type: none"> Organized, managed, and facilitated the work over 200 clinical, finance, operations, IT and care management leaders, supporting critical milestones and decision points across the above workstreams. Presented updates and recommendations to the new Board of Directors on a weekly basis. 	
---	--

Kaweah Health – Community Safety Net Operations	
<div>  <div> <p>Kaweah Health is an \$800M public health system in California. The Chartis group partnered with Kaweah Health to identify opportunities and initiatives to improve patient throughput starting in the Emergency Department through discharge, including transitions to post-acute care services.</p> </div> </div>	
Action	Results
<ul style="list-style-type: none"> On-going areas for opportunity coalesce around the following themes: <ul style="list-style-type: none"> Expand existing patient progression facilitation and inpatient throughput structure and augment active daily huddle participation with providers Integrate CM, SW, RNs, and MD/APPs, etc. to create a robust and multidisciplinary care facilitation team Optimize existing technology resources to enhance clinicians' efficiency 	<ul style="list-style-type: none"> Average length of stay (ALOS) was at 6.31 days during baseline period. Early results demonstrate improvement to ALOS of 6.03 days within 2 months post-implementation, ahead of benefit realization schedule, which has an overall ALOS goal of 5.64 days within 18 months. The corresponding potential bed availability is 29 beds with backfill volume opportunity represents \$8.6M in annualized incremental contribution margin.

Memorial Hermann Southwest Community Impact-Based Hospital Strategy



Memorial Hermann Southwest Hospital (MHSW) is a 543-bed hospital located in Southwest Houston serving as a vital anchor institution to a diverse and vibrant but also underserved community. It is part of the Memorial Hermann Health System (MH), a \$5 billion health system in the Southeast Texas region with a network of 17 hospitals and over 250 care delivery sites.

While MHSW had made notable clinical quality achievements and financial performance improvements over the prior three years, it continued to face significant financial challenges, including a high uninsured/underinsured payor mix and regulatory uncertainties, as well as community health disparities.

Given these pressures, the client engaged Chartis to develop a strategy to elevate the health and community impact of MHSW while also enhancing its financial sustainability

Action	Results
<p>The engagement focused on three areas:</p> <ul style="list-style-type: none"> ● Service Mix: What will be the healthcare service needs for the future-state Southwest Houston population and how should they be prioritized? ● Community Impact: How can MHSW best meet the health and wellbeing needs of Southwest Houston residents based on best practices and innovative models from across the country? ● Financial Impact: How can MH balance its mission to serve the community while addressing the financial challenges that MHSW faces? How can MH both meet the most pressing needs of the community and also achieve financial sustainability? <p>Chartis worked with the client to develop:</p> <ul style="list-style-type: none"> ● Optimal service mix ● Community-based solutions ● Prioritized partnership list ● Strategic communications approach ● Financial model and implementation roadmap 	<ul style="list-style-type: none"> ● Chartis delivered a prioritized list of 11 initiatives across four solution sets with financial impacts, key considerations, accountability, and timing of impact for each initiative

Appendix B: About Chartis

At Chartis, our mission is to materially improve healthcare in the world. The insights and services we provide support healthcare organizations in achieving their highest objectives.

We are at a moment of tremendous change and disruption in the healthcare industry. Today's healthcare needs, economics, and disparities demand the next set of solutions.

We're helping healthcare organizations navigate this new era to not just survive, but to thrive. We're guiding clients as they reimagine care delivery, redefine the patient journey, transform clinical and operating models for financial sustainability, and position for growth as new health ecosystems emerge.

Through bold thinking, incisive leadership, and powerful collaboration, we help our clients pivot to new strategies and operating models. We call this Next Intelligence, where leading-edge data, analytics, and technology meet human ingenuity and judgment. It's how we help our clients build a healthier world.

Uniquely Positioned to Serve

The Chartis Group is the nation's largest healthcare advisory firm, with a unique breadth and depth of capabilities to meet healthcare's most pressing issues. The Chartis Group comprises Chartis Consulting, The Greeley Company, and Jarrard Phillips Cate & Hancock. We operate under our unique brands in the market but share a singular focus on improving healthcare.

At Chartis, we draw upon our key areas of expertise to develop highly customized solutions to meet our clients' needs and deliver measurable, sustainable results. We deliver healthcare thought leadership and expertise across the following domains:

- Strategy
- Performance
- Informatics & Technology
- Revenue Cycle
- Oncology
- Digital Transformation
- Analytics
- Clinical Quality & Safety
- Strategic Communications & Change Management

Our Clients

The Chartis Group works with leading healthcare organizations across the country. We are continually moved and inspired by the clients we serve. Our clients include:



OUR REACH AND IMPACT

HUNDREDS

of academic medical centers,
integrated delivery networks,
and children's hospitals

STATEWIDE

rural health networks across 30+ states

LEADING

organizations in healthcare
services, payors, and private equity



Mission and Values

Our mission: To materially improve the delivery of healthcare in the world.

We are lucky to have extraordinarily talented people working in our firm – all brought together around our unifying mission, a shared dedication to our core values, and the emphasis we place on creating an environment that enriches the experiences of our clients, our colleagues and our communities. In this way, we find that we are remarkably aligned with our clients. And that has made for achieving some truly great things.

The Chartis Group is guided by a simple set of core values that dictate our actions both as individuals and collectively as a firm:



Industry Recognition

For five consecutive years, Chartis has been recognized as one of **Forbes "America's Best Management Consulting Firms"** by our peers and clients.

In 2021, Chartis was recognized in the following categories:

- IT Strategy
- Organization
- Strategy

For more than a decade, Chartis has consistently been recognized as Best in KLAS by KLAS Research, a national healthcare IT data and insights company.



This year, Chartis was rated **#1 in four Best in KLAS categories** and was among the top 3 in two additional categories:

- Best Overall Healthcare Management
- #1 Digital Transformation Consulting
- #1 HIT Advisory Consulting
- #1 Financial Improvement Consulting
- #3 Clinical Optimization
- #3 Strategy, Growth, and Consolidation Consulting

This is the 12th year Chartis has ranked among the **Top 10 HIT Advisory Services Firms**.



Attracting colleagues passionate about healthcare and fostering a positive environment for top talent is something that also makes Chartis stand apart and has drawn attention from the industry. We are consistently recognized by Vault among its top-ranking consulting firms and have been ranked by Modern Healthcare among the top 20 "Best Places to Work in Healthcare" for nine consecutive years.*

**Note: Chartis Did not participate in 2020 due to the pandemic and the timing of the survey.*

Appendix C: Team Member Profiles

Cindy Lee

Chief Strategy Officer and Director, Strategy Practice

Cindy Lee is a Director with The Chartis Group. She serves as Chief Strategy Officer for the firm and Strategy Practice. Cindy advises healthcare leaders throughout the country in crafting their futures through scenario planning that considers how the healthcare environment is likely to evolve in the coming years and the transformation journey that may be required, including partnership formation, financial strength, value-based care strategies, and alignment/funds flow. She has worked with nationally leading academic health systems, children's hospitals, and healthcare focused companies over the last 20 years.

Cindy has been privileged to serve leading healthcare systems throughout California including several of the University of California Health Systems (UCSF Health, UC Davis Health, UC Irvine Health); Stanford Medicine including Stanford Children's Health, Stanford Health Care and Stanford School of Medicine; John Muir Health; and CHOC Children's.

In addition, Cindy has served healthcare companies throughout the U.S. in developing creative partnerships to improve community health, including a confidential partnership consideration between an academic health system in the Midwest and a district hospital; a confidential growth strategy for a national physician group focused on serving ex-urban and rural communities focused on innovative care models and community partnerships; and a confidential clinically integrated network development strategy in the West focused on physician and community center partnerships.

Before joining Chartis, Cindy was a partner at Stockamp & Associates, Inc. (now part of Huron Consulting), a national healthcare consulting firm focused on revenue improvement and patient flow solutions. Prior to that, she was a consultant at CSC Healthcare and its predecessor, APM Management Consultants.

Cindy has authored and been featured in numerous articles and webcasts including: "Beyond the Second Curve: Revisioning Value-Based Care"; "The New World of Partnerships: Technology Companies"; "Leading the Conversation: New Channels for Provider Contracting"; "Consortium Model Networks: Evaluating the Potential of Collaboration"; and "Delivering Value through Post-Acute Care."

Cindy holds a Bachelor of Science degree in journalism and economics from Northwestern University.

Amy Woodrum

Principal

Amy Woodrum is a Principal with The Chartis Group. Amy has over six years of healthcare consulting experience and over ten years of experience in the healthcare industry. At Chartis, her primary focus has been advising academic and community health systems on strategic planning initiatives and strategic advisory services to support health system partnerships. She has advised academic health systems, community hospitals, integrated delivery networks, and children's hospitals on service line planning, ambulatory network development, enterprise strategy, and physician alignment.

Amy's most recent engagements include enterprise strategic planning for nationally ranked academic health systems, partnership development between leading academic and community health systems, service line planning for nationally recognized children's hospitals and academic health systems, and physician alignment and medical group planning.

Amy has recent experience in California including advising multiple health systems in the Bay Area and an engagement with an independent community hospital on the Gold Coast.

Prior to her work with Chartis, Amy served as a Program Associate with the Robert Wood Johnson Foundation (RWJF), the largest foundation in the United States dedicated solely to health. At RWJF, she oversaw a portfolio of grants exceeding \$2.5M, facilitated the organization's annual strategic assessment, and produced an annual impact scorecard.

Amy serves as a board member of the Yale Healthcare Conference.

Amy received her Master of Business Administration and her Master of Public Health, both from Yale University, and her Bachelor of Arts in Health & Society from the University of Pennsylvania.

Letitia Fecher

Vice President, Public & Community Health Systems Practice Lead, Jarrard

Letitia Fecher leads the Public & Community Health Systems practice for Jarrard. A seasoned communications strategist, she has significant expertise in messaging, branding and reputation management.

Letitia has played key roles in steering clients through mergers and integration; launching physician, employee and community engagement initiatives; spearheading public perception campaigns and creating branding and image strategies. She brings more than 15 years of marketing and strategic communications experience in the healthcare industry to Jarrard, including seven years of work as an in-hospital marketing and communications professional.

Prior to joining Jarrard in 2014, Letitia led the marketing and communications for an investor-backed, healthcare services start-up. There, she implemented an organization-wide employee engagement effort, oversaw relationship and business development with provider organizations and physician practices, and launched the company's brand, marketing and communications strategy. Additionally, she served as director of marketing for a Tenet-owned hospital and facilities in Atlanta; and marketing and customer relationship manager for a Catholic Health Partners nine-hospital system in Knoxville, Tenn.

Letitia earned a Bachelor of Arts in communications with a public relations specialization from Michigan State University and a Master of Business Administration from the University of Tennessee, Knoxville.

COURTNEY KELSEY

ASSOCIATE VICE PRESIDENT, JARRARD

A strategic engagement and development expert, Courtney Kelsey uses her background in team optimization and people-focused change management to help healthcare leaders enhance the entire employee experience.

Since first joining the firm in 2016, Courtney has played a critical role in the expansion of its organizational development capabilities. Her issue navigation, experience design and strategic communications work has helped the firm's clients maintain trust through crises, accelerate their growth, improve engagement and retention of top performers and create marquee moments for leaders, teams and communities. Kelsey's approach is also informed by her extensive policy and public health training, which enables her to bring our clients a thorough understanding of their sociopolitical environments during times of significant change and opportunity.

Previously, Courtney served as a director of corporate communications at Baylor Scott & White Health, where she led HR, well-being, DEI and culture communications.

A Nashville native, Courtney is a former representative of public universities to the Tennessee Student Assistant Corporation. She earned a Bachelor of Arts in religious studies and political science from Rhodes College and a Master of Public Health in health policy and management from the University of Tennessee at Knoxville.

Appendix D: Chartis Commercial Terms & Conditions

1. **Performance of Services; Data Flow**

a) **Performance of Services.** The Chartis Group, LLC ("Chartis") will perform professional services for Watsonville Community Hospital ("Client") as described in the letter of engagement or proposal(s) to which these terms and conditions are attached ("Services") in compliance with such letter or engagement or proposal, these Chartis Commercial Terms & Conditions ("Terms & Conditions") and all applicable federal, state, and local laws. Such letter of engagement or proposal shall hereinafter be referred to as the "LOE."

b) **Data Flow.** Client shall give Chartis access to documents, data and information that are reasonably requested by Chartis and that (i) are necessary for the performance of the Services; and (ii) may lawfully be shared by Client with Chartis. Chartis will use such documents, data and information only to perform the Services, using commercially reasonable efforts to prevent underlying Confidential Information (as defined below) of Client from being used or disclosed to any third party in violation of these Terms & Conditions.

2. **Invoicing, Reimbursement of Expenses, Remittance, IRS Regulation, Legal Process.**

a) **Invoicing.** Client shall compensate Chartis for the performance of the Services in accordance with the LOE. At the end of each month during which Services are performed by Chartis, Chartis will submit an invoice to Client for its professional fees and reimbursable travel and business-related expenses (as set forth in Section 2.b. below) to the billing contact person for Client listed below. At the end of the final month in which Chartis performs Services, Chartis will submit an invoice for its final professional fees and its reimbursable travel and business-related expenses to Client. In the event that there are reimbursable travel and business-related expenses that are documented in the invoice submitted at the end of the final month in which Chartis performed Services, Chartis will provide Client with a reimbursable travel and business-related expense only invoice as soon as commercially practicable, but in any event, no more than two months after the completion of the Services.

Billing Contact Person for Client: Steven Salyer, Watsonville Community Hospital, 75 Nielson Street, Watsonville, CA 95076, Steven_Salyer@watsonvillehospital.com, 831.763.6040

b) **Travel and Business-Related Expense Reimbursement.** If Chartis is required to travel to perform the Services under the LOE, Client shall reimburse Chartis for all travel and business-related expenses reasonably incurred in connection with the performance of the Services, including the following expenses:

- i. all air, auto, or other transit related travel expenses related to the Services;
- ii. meal expenses;
- iii. lodging expenses if the Services require overnight stays; and
- iv. miscellaneous travel-related expenses (taxi, parking and tolls, etc.).

c) **Remittance.** Client shall pay Chartis the amount stated on each invoice for its professional fees and reimburse all travel and business-related expenses within thirty days of the date of the invoice. All payments due of amounts not reasonably disputed shall be made by check, bank wire transfer, or ACH transaction to a bank account designated by Chartis on the invoice. If Client in good faith, disputes the amount of an invoice issued by Chartis, Client shall pay Chartis the undisputed portion of the invoice within thirty (30) days of the date of the invoice, and provide Chartis with written notice of the portion of the invoice in dispute and the reasons for such dispute within fifteen (15) days of the date of the invoice. The parties shall use commercially reasonable efforts to reconcile the disputed amounts as soon as commercially practicable. If the parties agree that Client owes some or all of the disputed amount, then Client shall pay such amount within thirty (30) days from the date of the parties' agreement. All payments shall be made in U.S. dollars. Overdue amounts shall bear interest at an annual rate equal to 1.5% per month or the highest rate permitted by applicable law (whichever is lower) from thirty (30) days after the applicable due date until the date full payment is received by Chartis. In the event that the due date of any payment subject to this Section is a Saturday, Sunday or national holiday, such payment may be paid on the previous business day.

d) **IRS Regulation on Deduction Limitation for Meals and Entertainment.** In addition to Section 2.b. above, Client shall abide by the Internal Revenue Service regulations on reporting and deduction limitations set forth in Section 1.274-2, paragraphs (f)(2)(iv)(a) through (f)(2)(iv)(e) (the "IRS Regulations"). Client shall reimburse Chartis for 100% of the cost of meals and, if allowable under Client's travel and expense policy, entertainment expenses. Client agrees that they are responsible to account for the 50% deduction limitation on meals and the 100% deduction limitation on entertainment expenses as defined in the IRS Regulations. Chartis will provide the Client with adequate documentation to support the meals and, if allowable under Client's travel and expense policy, entertainment expenses subject to the limitation in the IRS Regulations.

e) **Legal Process.** If Chartis is requested by Client or any third-party, by subpoena, court order, investigation, or other legal or regulatory proceeding to produce documents or testimony pertaining to Client or the Services, and Chartis is not named as a party in the proceeding, Client will pay Chartis for its professional time, plus out-of-pocket expenses, costs, and fees, as well as reasonable attorney fees, incurred by Chartis in responding to such request.

3. **Client Delays**

In addition to the events described under Section 10.d below, there are two specific situations that are beyond Chartis' control and that may cause Chartis to spend more time and incur more expenses to perform of the Services. The two situations are:

a) **Insufficient resources.** Client provides insufficient personnel, information, and other resources to fulfill its obligations under the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming aware that it appears that the Client-provided resources are, or will be, below agreed upon levels.

b) **Unforeseen schedule slippage.** Client fails to stay within the timeline agreed to in the LOE. Chartis will notify Client as soon as reasonably possible upon Chartis becoming

aware that it appears that the Client is not keeping, or will not keep, pace with the agreed timeline.

The types of situations set forth above are not typically encountered during an engagement between Chartis and its clients. However, if such a situation arises, Chartis will notify and work with Client to determine if Chartis will be required to provide any additional time or resources as a result of a situation under Sections 3.a or 3.b above. In the event that the parties determine that Chartis will be required to provide additional time or resources, then upon written agreement between Chartis and Client, Client shall pay Chartis the amount agreed upon for such additional time or resources.

4. **Termination.**

a) **Completion of Services.** Unless earlier terminated under Section 4.b below, the LOE shall terminate upon the completion of the Services by Chartis in accordance with the LOE.

b) **Material Breach.** If either party (the "Non-Breaching Party") believes that the other party (the "Breaching Party") has materially breached one or more of its obligations under the LOE or these Terms & Conditions, then the Non-Breaching Party shall deliver written notice of such material breach to the Breaching Party specifying the nature of the alleged breach in reasonable detail (a "Default Notice"). The Non-Breaching Party shall have the right to terminate a LOE upon written notice to the Breaching Party if the breach set forth in the Default Notice has not been cured within thirty (30) days after Breaching Party receives the Default Notice. Notwithstanding the foregoing sentence, if such material breach, by its nature, cannot be remedied within such thirty (30) day cure period, but can be remedied over a longer period not expected to exceed sixty (60) days, then such thirty (30) day period shall be extended for up to an additional thirty (30) days, provided that the Breaching Party supplies the Non-Breaching Party with a reasonable written plan for curing the material breach and uses commercially reasonable efforts to cure the material breach in accordance with such written plan.

c) **Termination of the Services of a Member of the Team.** If Client judges the performance of the Services by a member of Chartis' team unsatisfactory for any reason other than reasons that violate applicable law, Client may request in writing the immediate removal of that member from the engagement, and Client shall not be liable for any fees for the performance of Services by that member after the date of such removal.

d) **Effect of Termination.** Upon termination of the LOE:

i. Client shall promptly pay Chartis for Services provided and reimburse for expenses incurred through the date of termination; and

ii. the Receiving Party will (a) return to the Disclosing Party all of the Disclosing Party's Confidential Information in its possession; or (b) destroy such Confidential Information; provided that the Receiving Party may retain one (1) copy of such Confidential Information solely for purposes of ensuring compliance with the terms of this Agreement. Notwithstanding the above, the Receiving Party may retain any of Disclosing Party's Confidential Information that is contained or embedded in Receiving Party's archived computer back-up systems in accordance with automated document retention, security, or disaster recovery

procedures, provided such Confidential Information shall remain subject to the terms of Section 8.a of these Terms and Conditions as long as it is retained by Receiving Party.

e) **Survival.** The provisions of Sections 2 (Invoicing, Reimbursement of Expenses, Remittance, IRS Regulation, Legal Process), 4.d (Effect of Termination), 4.e (Survival), 5 (Solicitation or Hiring of Employees), 6 (Indemnification and Insurance), 7 (Limitation of Liability), 8 (Confidentiality and Proprietary Information; Intellectual Property), 9 (Benchmarking) and 10 (Miscellaneous) of these Terms & Conditions will survive the expiration or termination of the LOE.

5. **Solicitation or Hiring of Employees.**

During the term of the LOE and for a period of twelve (12) months thereafter, neither party will knowingly employ or solicit for employment any employee, contractor or consultant of the other party who performed any of such party's obligations under the LOE without the prior written consent of the other party. This Section shall not restrict either party from offering employment or employing any employees, contractors or consultants of the other party who responds to any general advertisement or other general recruiting method used in the ordinary course of business.

6. **Indemnification and Insurance.**

Chartis shall indemnify, defend and hold harmless Client from and against any against any third-party claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorney's fees) (each, a "Claim") arising from (a) the negligence or willful misconduct of Chartis in the performance of the Services, or (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Chartis.

Client shall indemnify, defend and hold harmless Chartis from and against any Claim arising from (a) the negligence or willful misconduct of Client, (b) a violation of the LOE, Terms & Conditions or any applicable regulations or laws by Client, or (c) Client's use of any Deliverables (as defined in Section 8.b).

Each party must notify the other party within thirty (30) days after learning of any Claim made for which the other party is obligated to provide indemnification as set forth above. The indemnifying party will have the sole right to defend, negotiate, and settle any such Claim. The indemnified party will be entitled to participate in the defense of such Claim and to employ counsel at its expense to assist in such defense; provided, however, that the indemnifying party will have final decision-making authority regarding all aspects of the defense of any Claim for which it is providing indemnification. The indemnified party will provide the indemnifying party with such information and assistance as the indemnifying party may reasonably request, at the expense of the indemnifying party. Neither party will be responsible or bound by any settlement of any Claim made without its prior written consent, which will not be unreasonably withheld or delayed. Further, the indemnifying party may not admit liability on the part of the indemnified party without the indemnified party's prior written consent, which shall not be unreasonably withheld or delayed.

Each party shall maintain sufficient insurance or a program of self-insurance to cover its indemnification obligations set forth above. Upon written request, each party will provide evidence of such insurance to the other party.

7. Limitation of Liability.

Excluding any liability resulting from a party's indemnification obligations under Section 6 of these Terms & Conditions or a party's breach of Section 8 of these Terms & Conditions, neither party shall be responsible or liable to the other party with respect to the subject matter of the LOE for any indirect, incidental, special or consequential damages, including, but not limited to, loss of profits, loss of revenues, or loss of business opportunity. With the exception of injunctive relief and specific performance, monetary damages shall be Client's exclusive remedy for any claims arising from the LOE and these Terms & Conditions. Chartis' liability to Client arising from the LOE and these Terms & Conditions shall be limited to actual damages and shall not exceed the total amount paid by Client to Chartis for the Services under which such liability arises.

8. Confidentiality and Proprietary Information; Intellectual Property.

a) **Confidential Information.** For purposes of these Terms & Conditions, "Confidential Information" means confidential or proprietary information furnished by a party ("Disclosing Party") to the other party ("Receiving Party") pursuant to the LOE, including, without limitation, such information relating to the Disclosing Party's business strategy, information systems, patients, software and hardware. The Receiving Party shall treat all Confidential Information of the Disclosing Party as proprietary and confidential and will use such Confidential Information only to perform its obligations under the LOE. The Receiving Party shall not disclose the Disclosing Party's Confidential Information to any third party except to (i) those third parties who have entered into confidentiality agreements that provide the same protection that disclosing party's Confidential Information has under these Terms & Conditions, and (ii) those employees and third parties that have a need to know disclosing party's Confidential Information in order to perform Receiving Party's obligations under the LOE. The obligations of confidentiality and non-use set forth herein shall not apply to any Confidential Information that:

- i. at the time of disclosure or after disclosure is generally known by the public other than as a result of a breach of this Section 8.a by the Receiving Party;
- ii. is generally known to Receiving Party prior to the disclosure hereunder as evidenced by Receiving Party's written records;
- iii. is disclosed to Receiving Party by a third party having no obligation of confidentiality to the disclosing party;
- iv. is developed by Receiving Party independent of the LOE or these Terms & Conditions and without any use of or reliance upon the Disclosing Party's Confidential Information; or
- v. is approved in writing for disclosure by Disclosing Party.

In the event that the Receiving Party is required by applicable regulation or law to disclose any of the Disclosing Party's Confidential Information to a third party, the Receiving Party shall, if

legally permitted to do so, promptly notify the Disclosing Party in writing of such requirement. Upon the written request of the Disclosing Party, the Receiving Party shall cooperate in any lawful efforts by the Disclosing Party to seek a protective order or otherwise limit or prevent such disclosure, and if no such order or prevention is obtained, the Receiving Party shall only disclose such portion of the Disclosing Party's Confidential Information that it is legally required to disclose.

The confidentiality obligations set forth above shall survive for five (5) years after the expiration or termination of the LOE.

If any of Client's Confidential Information is "Protected Health Information" as defined by the U.S. Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended from time to time, Chartis' duties and obligations relating to such information shall be governed by a separate business associate agreement entered into by Client and Chartis, and not the LOE and/or these Terms & Conditions.

Except for the immediately preceding paragraph, to the extent that these provisions conflict with the terms of any confidentiality agreement between the parties previously entered into in connection with the Services, these terms will govern.

b) **Deliverables.** All data, information and reports generated by Chartis solely in the performance of the Services in accordance with the LOE ("Deliverables") shall be owned by Client.

c) **Pre-Existing Property.** Notwithstanding any other provision of the LOE or these Terms & Conditions, Chartis' pre-existing solutions, methodologies, processes, tools, and materials ("Chartis Pre-Existing Property") are and shall remain the sole and exclusive property of Chartis. Chartis may use, for itself or others, without permission from Client, all pre-existing solutions, methodologies, processes, tools, and materials that may be included in, or be a basis for the Deliverables. Further, the Chartis Pre-Existing Property is proprietary to Chartis, and Client shall not disclose any Chartis Pre-Existing Property to any third party without Chartis' prior written consent. If Chartis uses any Chartis Pre-Existing Property in any of the Deliverables, Chartis agrees to grant to Client, as of the date Client receives such Deliverables from Chartis and Chartis receives payment for such Deliverables in accordance with the LOE and these Terms & Conditions, a non-exclusive, non-transferable license to use such Chartis Pre-Existing Property in the form included in the Deliverables in order to use such Deliverables for their intended purpose.

9. **Miscellaneous Provisions.**

a. **Modification or Amendment.** No modification or amendment of the LOE will be valid unless it is in writing and signed by the authorized representatives of both parties.

b. **Insurance.** Chartis shall carry, at its own cost and expense, commercial general liability insurance coverage in an amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate.

c. **Notices.** All notices, requests, demands, or other communications required or permitted by the applicable LOE or these Terms & Conditions will be given in writing and delivered to the respective party at the following addresses:

For The Chartis Group, LLC:
Attn: Cindy Lee
The Chartis Group, LLC
220 West Kinzie Street, 3rd floor
Chicago, IL 60654

For Client:
Watsonville Community Hospital
Attn: Steven Salyer, Chief Executive Officer
75 Nielson Street, Watsonville, CA 95076

or to such other address as either party may from time to time notify the other party in writing and will be deemed to be properly delivered (i) immediately upon being served personally, (ii) two days after being deposited with the postal service if served by registered mail, or (iii) the following day after being deposited with an overnight courier.

d. **Force Majeure.** Neither party shall be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond its control, including but not limited to, governmental actions or restrictions, war, terrorism or insurrections, strikes, fires, floods, work stoppages, embargoes, pandemics, equipment, telecommunications, power, or electrical failures; provided that, if possible, the affected party promptly notifies the other party of the cause and its effects on the obligations to be performed hereunder by the affected party. The affected party shall use its reasonable efforts to mitigate the effect of the event of force majeure upon its performance of its obligations under the LOE. Upon conclusion of the event of force majeure the affected party shall as soon as reasonably practicable notify the other party of such conclusion and recommence the performance of its obligations under the LOE. In the event that the affected party fails to recommence the performance of its obligations under the LOE, the other party may terminate the LOE upon thirty (30) days written notice to the affected party.

e. **Independent Contractor.** Chartis will perform the Services in its capacity as an independent contractor for Client. Chartis and employees are not employees of Client and are not entitled to participate in health or disability insurance, retirement benefits, or pension benefits to which employees of Client may be entitled. Neither party will not hold itself out as a partner, agent, employee or joint venture partner of the other party.

f. **Entire Agreement.** The LOE, these Terms & Conditions and any attachments, as well as any separate business associate agreement between the parties, constitute the entire agreement between the parties regarding the Services and supersedes any prior and

contemporaneous agreements, representations and understandings of the parties regarding the Services.

g. **Governing Law and Jurisdiction.** The LOE and these Terms & Conditions will be governed by and interpreted in accordance with the laws of the State of Illinois, without regard to its conflict of laws rules. Chartis and Client specifically consent and agree that the courts of the State of Illinois and/or the federal courts located in Chicago, Illinois will have exclusive jurisdiction over each of the Parties in any proceedings arising from the LOE or these Terms & Conditions.

h. **Taxes.** Client shall pay all taxes relating to the LOE and the Services, including any sales or gross receipts taxes, but excluding any taxes measured by the income of Chartis and excluding any employment taxes relating to employees of Chartis. Notwithstanding the preceding sentence, if Client is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code of the United States, as amended, Chartis shall take all reasonable actions to cause the provision of the Services under the LOE to be treated as a tax-exempt transaction. Upon written request, Client shall provide Chartis with certificates evidencing its tax-exempt status.

i. **Assignment; Binding Effect.** Neither party may assign any of its rights or delegate any of its respective obligations under the LOE or these Terms & Conditions without the prior written consent of the other party. A LOE and these terms and conditions shall be binding on and shall inure to the benefit of the parties hereto and their permitted successors and assignees.

j. **Section and Other Headings.** Section and other headings in the LOE and these Terms & Conditions are for reference purposes only and shall not be used in any way to govern, limit, modify, construe, or otherwise affect the LOE or these Terms & conditions.

k. **Counterparts; Delivery by Facsimile or Email.** The LOE and/or these Terms & Conditions may be executed in any number of counterparts with the same effect as if both parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same agreement. The LOE and these Terms & Conditions and any amendments, to the extent signed and delivered by means of a facsimile machine or email, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version delivered in person.

Signature Page

By signing below, both parties acknowledge that they have read, understood, and agree to these Terms & Conditions.

ACCEPTED AND AGREED TO:

The Chartis Group, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

ACCEPTED AND AGREED TO:

Watsonville Community Hospital

By: _____

Printed Name: _____

Title: _____

Date: _____

The information contained in this document is intended only for the entity or person to which it is addressed and contains confidential and/or proprietary material. Dissemination to third parties, copying, or use of this information without the prior written consent of The Chartis Group, LLC is strictly prohibited.

