

HOSPITAL SERVICES AGREEMENT

This Hospital Services Agreement is entered into as of November 9, 2015 ("effective date"), by and between the Lewis County Sheriff's Office (hereinafter called "County") and Providence Health and Services-Washington, d/b/a Providence Centralia Hospital and Providence St. Peter Hospital (hereinafter called "Providence").

In consideration of the mutual covenants and conditions set forth herein, County and Providence agree as follows:

PURPOSE:

The purpose of this Agreement is to facilitate the delivery of appropriate and cost effective hospital and related health care services to arrestees and inmates who are in the custody of the County. Providence and County shall cooperate in the provision and payment for services described in this Agreement.

1. Hospital Services:

Providence shall provide such urgent and necessary medical services for inmates and arrestees. County shall be responsible for transportation and necessary security measures in connection with the services provided by Providence. Costs and expenses in connection with such transportation and security services shall be at the sole cost and expense of County, or other payer.

2. Payment:

County shall be ultimately responsible for assuring Providence receives reimbursement as required by the City and County Jails Act for services provided by Providence to County arrestees and inmates under this Agreement.

The County's responsibility for payment depends on the arrestee's/inmate's insurance status, as described in Section 3 below. Where the County is responsible for payment, the County shall pay Providence the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by the Department of Labor and Industries (L&I) of Providence's usual, customary, and reasonable charges for services.

3. Billing:

Billing for Providence's services as of the effective date shall be dependent on the arrestee's/inmate's insurance status, as described below:

a. Medicare: Medicare permits billing for incarcerated patients only under the exception noted in 42 CFR § 411.4(b), where it can be demonstrated that: (1)

State or local law requires the incarcerated patients to repay the cost of medical services they receive while in custody; and (2) the State or local government enforces that requirement by billing all such individuals, whether or not covered by Medicare, and by pursuing collection of the amounts owed by such patients in the same way and with the same vigor that those law enforcement entities pursue collection of other debts.

Based on the foregoing requirements, Providence shall bill Medicare prior to billing the County only if the Centers for Medicare & Medicaid Services ("CMS")'s Medicare contractor in Washington (currently Noridian) confirms in writing that State law and the County's collection policies and efforts satisfy the requirements of 42 CFR § 411.4(b). Accordingly, the parties agree:

- (i) To work cooperatively to obtain prior approval from CMS's contractor that the requirements of 42 CFR § 411.4(b) for billing Medicare are met for services provided to arrestees/inmates, based on State law and the County's policies. The parties understand that in order to receive this exception, the County must submit to the Medicare contractor a policy with directives spelling out the rules and procedures for billing and collecting amounts paid for inmate's medical expenses. If the Medicare contractor accepts that documentation as meeting the foregoing requirements, Providence will bill Medicare first for services to any Medicare-eligible inmate, prior to seeking payment from the County. If the Medicare claim is denied for any reason, the County will resume primary payment responsibility.
- (ii) Until such time as the Medicare contractor acknowledges that the exception in 42 CFR § 411.4(b) has been met, or in the event that such approval is lost in the future, the parties agree that Providence will bill the County first as the primary payer for Medicare-eligible arrestees/inmates.
- (iii) For any services not paid by Medicare, the County shall pay Providence the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by L&I.

b. Medical Assistance Eligible: Providence is not currently permitted to bill the State medical assistance program operated by the Health Care Authority ("State Program") for outpatient services provided to arrestees and inmates who

are eligible under Medicaid or state-only medical assistance programs, but is permitted to bill the State Program for inpatient services. Accordingly, the parties agree:

- (i) **Inpatient Services:** Providence shall initially bill the State Program for inpatient services provided to Inmates to the extent that the State Program expressly permits such billing. In the event of an inpatient claim is denied, Providence shall then bill the County. The County shall pay the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by L&I of the total unpaid balance of Providence's charges for services rendered.
- (ii) **Outpatient Services:** Providence shall bill the County for all outpatient services provided to arrestees/inmates for which the State Program does not permit billing. The County shall pay the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by L&I of the total unpaid balance of Providence's charges for services rendered.

c. Commercial Insurance: In the event an arrestee/inmate is identified by Providence or the County as having commercial insurance, Providence will bill the insurance company first. Providence will seek payment for any co-payment or co-insurance amounts from the arrestee/inmate. The County shall pay the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by L&I of the total unpaid balance of Providence's charges where payment is denied by the insurance company.

d. Uninsured Patients: Providence will not bill arrestees/inmates who qualify for charity care. The following applies to arrestees/inmates identified as lacking insurance, assets, or income which Providence ordinarily would deem sufficient to allow them to pay for their own medical care:

- (i) **Charity Care Eligible:** Providence and the County shall share information with each other. When charity care eligibility information is identified Providence shall bill the County for such arrestees/inmates and, for any uninsured arrestee/inmate not meeting the criteria described in Section 3.d (ii) below. The County shall pay the facility's percent of allowed charges rate or fee schedule as determined, maintained, and posted by L&I of the total of Providence's charges for services rendered.

- (ii) Non-Charity Care: If Providence or the County determines the arrestee/inmate has an income level greater than 400 percent of the federal poverty level, the level at which the arrestee/inmate is not considered eligible for assistance under Providence's charity care policy, Providence shall pursue collections against the arrestee/inmate prior to billing County.

4. **Records:**

As of the effective date, County shall timely provide Providence with all available information relating to arrestee's/inmate's ability to pay for hospital care and related services, including specific information regarding the arrestee's/inmate's private health insurance and other financial resources.

5. **Term and Termination:**

This Agreement shall be for a term of two (2) years, beginning on the effective date and ending on 11/09/2017. Either Providence or County may cancel and terminate their respective participation in this Agreement, with or without cause, with sixty (60) days written notice.

6. **Confidentiality/Privacy and Security of Protected Health Information:**

Subject to the provisions of the Washington Public Records Act and other applicable Federal and State laws and local government ordinances, no party shall disclose to third parties confidential or proprietary business information which it receives from the other party, nor discuss or share the terms of this Agreement with third parties, unless such disclosure is expressly authorized by the other parties or compelled by law. In the event of such disclosure, the disclosing party shall immediately notify the other party.

The parties shall comply with the applicable laws and regulations related to the privacy and confidentiality of "Protected Health Information," including but not limited to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") or the American Recovery and Reinvestment Act of 2009 ("ARRA"), with respect to information shared, transferred, transmitted or otherwise obtained pursuant to this Agreement. The parties shall take reasonable protections to ensure the security and confidentiality of and to prevent the unauthorized use or disclosure of such information. This Section 6 survives termination of this Agreement.

7. **Assignment:** Neither party may assign this Agreement without the prior written consent of the other party, except that Providence may assign the Agreement, without consent, to a non-profit, charitable controlled subsidiary or affiliated

Corporation, provided that providence causes said affiliated assignee to assume in writing all obligations of Providence under this Agreement. The rights and obligations of this Agreement shall bind and benefit any successors or assigns of the parties.

8. Entire Agreement/Governing Law:

This Agreement constitutes the entire agreement by and between the parties with respect to the subject matter hereof, and supersedes all prior agreements, understandings, whether written or oral, between the parties. No term or provision of this Agreement may be modified, amended, or waived, except by the express written agreement of the parties. This Agreement shall be governed by and construed in accordance with Washington law.

Jill Cooper

Jill Cooper, RN, MN
Site Administrator/Providence Centralia Hospital
Vice President of Quality, Southwest Washington Region

2/9/14

Date

Robert R. Snaza, Sheriff
Lewis County Sheriff's Office

Date