

CLINICAL SERVICES AGREEMENT

This Clinical Services Agreement (“Agreement”) is made this 15th day of October, 2013, to be effective November 4, 2013 (“Effective Date”), by and between Memorial Hospital Flagler, Inc., d/b/a Florida Hospital Flagler, a non-profit Florida corporation (“Hospital”), and the Flagler County Public School District, a subdivision of the State of Florida (“School District”).

WITNESSETH

WHEREAS, Hospital owns and operates an outpatient medical facility known as “Prompt Care,” located at 120 Cypress Edge Dr., Suite 102, Palm Coast, FL 32164, which facility provides care for non-emergency medical needs; and

WHEREAS, the School District desires to contract with Hospital to use the Prompt Care facility for the provision of certain primary medical care services for participants enrolled in one of the School District’s health insurance plans and the Hospital is desirous of performing and providing such services upon the terms and conditions set forth herein; and

WHEREAS, the Hospital hereby warrants and represents to the District that it is competent and otherwise able to provide professional medical services to the enrolled employees of the School District and their eligible dependents.

NOW, THEREFORE, in consideration of the promises and agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby forever acknowledged and agreed, the Parties agree as follows:

ARTICLE I HOURS & COVERED SERVICES

During the term of this Agreement, all enrollees of the School District’s group health programs and their eligible dependents are eligible to receive services from Hospital pursuant to this Agreement (each a “Patient”). Hospital shall provide to patients those medical services (the “Covered Services”) set forth on *Exhibit 1* during the designated clinic hours (the “Designated Clinic Hours”) set forth on *Exhibit 2* at Hospital’s Prompt Care facility, located in the Parkway Medical Plaza, 120 Cypress Edge Drive, Suite 102, Palm Coast, Florida 32164. The Hospital’s provision of Covered Services pursuant to this Agreement is subject to the limitations and conditions described in *Exhibit 3* and elsewhere in this Agreement.

If the Hospital determines that Patients are consistently filling all appointment slots during the Designated Clinic Hours and that additional appointment times would be beneficial to meeting the health care needs of Patients and the purposes of this Agreement, Hospital shall notify School District. The Parties shall work cooperatively to expand the Designated Clinic Hours during which Patients may receive Covered Services for a mutually acceptable increase in Hospital’s

monthly compensation.

Covered Services includes the medical care, testing, and treatment provided to a Patient at Prompt Care that meets the following criteria:

- a. Is included in the definition of “Covered Service” set forth on Exhibit 1; and
- b. Is furnished to a Patient during a scheduled appointment that takes place during the following Designated Clinic Hours:

Monday – Friday	3:00pm – 6:00pm
Tuesday	7:30am - 8:30am
Wednesday & Thursday	11:00am - 1:00pm

Provided; however, if laboratory or radiologic tests that are included in the definition of “Covered Services” are ordered during a Patient’s qualifying appointment, then those tests will be considered Covered Services even if the tests are performed outside the Designated Time Periods.

Covered Services are not available on weekends and on Hospital holidays (New Year’s Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve, Christmas Day and New Year’s Eve).

ARTICLE II RIGHTS AND OBLIGATIONS OF HOSPITAL

1. Space, Equipment, Personnel and Supplies. Hospital shall provide such space, equipment, materials, physician and other personnel, housekeeping, laundry and maintenance as are reasonably necessary for Hospital to provide Covered Services to Patients at Prompt Care. All clinical personnel will be appropriately licensed. Physicians performing clinical services or overseeing other clinical providers will be board certified / board eligible.
2. Standards of Performance. Care provided will be based upon American Medical Association Guidelines for Physicians Board Certified in Family Medicine. All Covered Services shall be performed in accordance with applicable law and professional standards. The Hospital shall be responsible for keeping apprised of any changing laws applicable to the services to be performed under this Agreement.
3. Designated Representative. The Hospital shall designate a representative to administer, review and coordinate the provision of services under this Agreement.
4. Open House. Hospital shall sponsor an open house reception for Patients at Prompt Care prior to the effective date of this Agreement for the purpose of educating Patients on the

Covered Services available at Prompt Care through this Agreement.

5. Treatment. Treatment provided through the Scope of Services (Exhibit 1) during the established hours of care shall not be submitted to the School District's Group Health Insurance Carrier for claims processing.
6. Medical Records. Hospital shall maintain a medical record in the Hospital's electronic medical record system for each Patient who receives services at Prompt Care. Such records shall be maintained in accordance with Hospital's policies and procedures for documentation of patient care services and in accordance with applicable laws and regulations. The Hospital shall adhere to all rules/regulations/laws/standards relating to patient confidentiality to include but not be limited to the Health Insurance Portability and Accountability Act and the Patient Privacy Act. All medical records are and shall remain property of the Hospital.
7. Access to Records/Audit/Public records. The School Board reserves the right to unilaterally terminate this Agreement if the Hospital refuses to allow public access to all documents, papers, letters, or other materials subject to provisions of Chapter 119, Florida Statutes, and subject to confidentiality rules/laws and standards as well as other applicable law, and made or received by the Hospital in conjunction, in any way, with this Agreement. The School Board may perform, or cause to have performed, audit(s) of the records of the Hospital during the term of this Agreement. Such audit(s) shall be performed at a time mutually agreeable to the Hospital and the School Board subsequent to the close of the final fiscal period in which services are provided or performed. Compensation to the Hospital may be determined subsequent to an audit as provided for in this Section, and the compensation so determined shall be used to calculate payment to the Hospital. Conduct of any audit shall not delay payment as required by this Section. In addition to the above, if Federal, State, County, or other entity funds are used for any services under this Agreement, the Comptroller General of the United States or the Chief Financial Officer of the State of Florida, or the County of Flagler, or any representative, shall have access to any books, documents, papers, and records of the Contractor which are directly pertinent to services provided or performed under this Agreement for purposes of making audit, examination, excerpts, and transcriptions. In the event of an audit or inspection conducted reveals any overpayment by the School Board under the terms of the Agreement, the Hospital shall refund such overpayment to the School Board within thirty(30) days of notice by the School Board of the request for the refund. The Hospital agrees to fully comply with all State laws relating to public records.
8. Educational Programs. Hospital will make its wellness seminars and classes available to Patients, to include programs such as Creation Health and Smoking Cessation classes.
9. Insurance. Hospital shall maintain professional liability and general liability insurance coverage through such policies of insurance and/or self-insurance as it deems commercially prudent for the operation of Prompt Care.

10. Accounting of Covered Services Provided. On a monthly basis, Hospital will provide School District with an aggregate description of Covered Services provided Patients in a form acceptable to both Parties.
11. Rights and Remedies. The rights and remedies of the Hospital, provided for under this Agreement, are in addition to any other rights and remedies provided by law. The Hospital may assert its right of recovery by an appropriate means including, but not limited to, set-off, suit, withholding, recoupment or counterclaim, either during or after performance of this agreement.
12. Attorney's fees. The School Hospital shall be entitled to recover any and all legal costs including, but not limited to, attorney's fees and other legal costs that it may incur in any legal actions it may pursue in the enforcement of the terms and conditions of this Agreement or the responsibilities of the School District in carrying out the duties and responsibilities deriving from this Agreement.
13. Non-Compliance. In the event the Hospital fails to comply with the terms and conditions of this Agreement, the School District shall notify the Hospital's designated representative in writing so that the Hospital may take remedial action.

ARTICLE III RIGHTS AND DUTIES OF SCHOOL DISTRICT

1. School District Representative. The School District shall furnish a School District designated representative to administer, review, and coordinate the provision of services under the Agreement. The School District shall give written notice to the Hospital whenever the School District designated representative knows of a development that affects the services provided and performed under this Agreement, timing of the Hospitals' provision of services, or a defect or change necessary in the services of the Hospital.
2. Policies. The School District shall transmit instructions, relevant information, and provide interpretation and definition of School District policies and decisions with respect to any and all materials and other matters pertinent to the services covered by this Agreement.
3. Open House. School District will inform its employees about the open house at Prompt Care and encourage its employees and their families to attend.
4. Designation of Patients. School District will be responsible for identifying its employees (and their eligible dependents) who are "Patients" qualified to utilize the services provided by Hospital pursuant to this Agreement. School District shall issue identification cards to eligible employees and their dependents. These identification

cards may be relied upon by Hospital as confirming that the bearer is eligible to receive Covered Services at Prompt Care under the terms of this Agreement.

5. Employee Education. School District will educate its employees about the Covered Services available at Prompt Care and about the appropriate procedure for accessing them. It will be the responsibility of School District to assure that all eligible Patients understand the scope of Covered Services available; the Designated Clinic Hours during which Covered Services are available; the importance of scheduling an appointment at Prompt Care in order to receive Covered Services; and the financial consequences of receiving medical care at Prompt Care on a walk-in basis or outside of the Designated Clinic Hours.
6. Rights and Remedies. The rights and remedies of the School District provided for under this Agreement are in addition to any other rights and remedies provided by law. The School District may assert its right of recovery by any appropriate means including, but not limited to, set-off, suit, withholding, recoupment or counterclaim, either during or after performance of this Agreement.
7. Attorney's fees. The School District shall be entitled to recover any and all legal costs including, but not limited to, attorney's fees and other legal costs that it may incur in any legal actions it may pursue in the enforcement of the terms and conditions of this Agreement or the responsibilities of the Hospital in carrying out the duties and responsibilities deriving from this Agreement.
8. Non-compliance. In the event the School District fails to comply with the terms and conditions of this Agreement, the Hospital shall notify the School District's designated representative in writing in order that the School District may take remedial action.

ARTICLE IV TERM OF AGREEMENT

1. The Hospital shall commence the provision of services effective November 4, 2013.
2. The term of this Agreement shall be for a period of one (1) year, commencing as of the Effective Date and terminating on the first anniversary of the Effective Date. This Agreement will automatically renew for an additional two (2) years at the conclusion of the initial one (1) year term. Should either Party wish to not have this Agreement automatically renewed for any year, the Party shall provide written notice ninety (90) days prior to the automatic renewal.

ARTICLE V
TERMINATION OF AGREEMENT

1. The School District may terminate this Agreement at any time for one or more of the reasons as follows:
 - a. If, in the School District's opinion, treatment under this Agreement is not being provided by the Hospital; or
 - b. If, in the School District's opinion, the quality of the services provided by the Hospital is/are not in conformance with commonly accepted professional standards, standards of the School District, the requirements of Federal or State regulatory agencies, and the Hospital has not corrected such deficiencies in a timely manner as reasonably determined by the School District; or
 - c. The Hospital or any employee or agent of the Hospital is indicted for any crime out of Hospital's performance of this Agreement; or
 - d. The Hospital becomes involved in either a voluntary or involuntary bankruptcy proceeding, or makes an assignment for the benefit of creditors; or
 - e. The Hospital violates any provision of Federal, State or local law material to its performance pursuant to this Agreement.
2. In the event of any of the causes described in Subsection 1, the School District's designated representative may send a certified letter requesting that the Hospital show cause why the Agreement should not be terminated. If assurance satisfactory to the School District of corrective measures to be made within a reasonable time is not given to the School District within fourteen (14) calendar days of the receipt of the letter, the School District may consider the Hospital to be in default, and may immediately terminate this Agreement.
3. The Hospital may terminate this Agreement if:
 - a. The School District materially fails to meet its obligations and responsibilities as contained in Section III Rights and Duties of the School District; or
 - b. The School District fails to pay the Hospital in accordance with this Agreement.
4. In the event of either of the causes described in Subsection 3. The Hospital shall send a certified letter requesting that the School District show cause why the Agreement should not be terminated. If adequate assurances are not given to the Hospital within fourteen (14) calendar days of the receipt of said show cause notice, the Hospital may consider the School District to be in default and may immediately terminate this Agreement.

**ARTICLE V
COMPENSATION**

1. At the end of each month, School District shall pay Hospital a monthly fee (the “Monthly Fee”) of Twenty-Four Thousand Dollars (\$24,000) for Covered Services provided pursuant to this Agreement. Hospital shall accept this fee as payment in full for Covered Services provided during that month and shall not bill Patients or any third party payor for Covered Services.
2. Payments shall be made within fifteen (15) days by the School District to the Hospital, upon submission by the Hospital of a monthly invoice.
3. Each invoice shall reference this Agreement and the billing period.
4. Invoices are to be forwarded directly to:

Chief Financial Officer
Flagler County School District
1769 East Moody Boulevard, Bldg. 2
Bunnell, FL 32110

5. In the event the School District fails to provide compensation under the terms and conditions of this Agreement, the Hospital shall notify the School District’s designated representative in order that the School District may take remedial action.

**ARTICLE VI
NON-COVERED SERVICES**

Any care, testing or treatment that does not qualify as a “Covered Service” will be considered a “Non-Covered Service” for purposes of this Agreement. For all Non-Covered Services, the Hospital shall bill and collect from the patient and/or the patient’s third party payor in accordance with its usual and customary business practices. By way of example only: Patients who do not make an appointment during the Designated Clinic Hours but instead receive care on a walk-in basis at Prompt Care will be billed for Non-Covered Services, and Patients who receive treatment or tests that are not included listed as “Covered Services” in Exhibit 1 will be billed for Non-Covered Services.

**ARTICLE VII
DESIGNATED REPRESENTATIVES**

1. The Superintendent, or designated representative, represents the School District in all matters pertaining to and arising from the work and performance of this Agreement.
2. The Superintendent, or designated representative shall have the following responsibilities:
 - a. Examination of reports and other data provided to the School District by the Hospital to ensure appropriate levels of care, treatment, and access to services, as agreed.
 - b. Transmission of instructions, receipt of information, and interpretation and definition of School District's policies and decisions with respect to all matters pertinent to the work covered by this Agreement.
3. Until further written notice, the School District's designated representative for this Agreement is:

Tom Tant
Chief Financial Officer
Flagler County School District
1769 East Moody Boulevard, Bldg. 2
Bunnell, FL 32110
Telephone Number: (386)437-7526

4. Until further written notice, the Hospital's designated representative for this Agreement is:

Mary Lou Giannotti
Administrative Director, HCP
61 Memorial Medical Parkway, Suite 3815
Palm Coast, FL 32164

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

1. Independent Contractors. The relationship between Hospital and School District is, and shall remain, one of independent contractor. Nothing in this Agreement shall be deemed or construed (i) to create a partnership or joint venture between Hospital and School District; or (ii) to imply that either Party or any affiliate, employee, agent or associate of that Party is an employee, agent, or partner of the other Party.
2. Amendment. No amendment, revocation or modification of this Agreement shall be valid unless the same be in writing and signed by the Parties hereto. Any waivers of the

provisions of this Agreement shall be valid only when expressed in writing and duly signed by the Parties.

3. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.
4. Entire Agreement. This Agreement (together with all Exhibits attached hereto) constitutes the entire Agreement between the School District and the Hospital with regard to the provision of covered services as outlined in Exhibit 1 to participants of the School District's group health insurance plans, and is intended as, a complete statement of the Agreement between the Parties with respect to the matters provided for herein and supersedes any previous agreements and understandings (whether written or oral) between the Parties. The Exhibits made part of this Agreement are as follows: Exhibit 1 – Description of Covered Services; Exhibit 2 – Hours of Covered Service; Exhibit 3 – Limitations on Covered Services; Exhibit D – Certificate of Liability Insurance. All Exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated as if fully set forth herein.
5. Severability. If any term, provision or condition contained in this Agreement shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term provision or condition to persons or circumstances other than those in respect of which it is invalid or unenforceable, shall not be affected thereby, and each term, provision, and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law when consistent with equity and the public interest.
6. Controlling Laws/Venue/Interpretation. This Agreement shall be governed by the laws of the State of Florida. Venue for any legal proceeding related to this Agreement shall be in the Seventh Judicial Circuit Court in and for Flagler County, Florida. This Agreement is the result of bona fide arms-length negotiations between the School District and the Hospital and all parties have contributed substantially and materially to the preparation of the Contract. Accordingly, this Agreement shall not be construed or interpreted more strictly against any one party than against any other party.
7. No Waiver of Sovereign Immunity. Nothing herein is intended to serve as a waiver of sovereign immunity by any agency or political subdivision to which sovereign immunity may be applicable.
8. Indemnity. To the fullest extent permitted by law, the Hospital shall indemnify, hold harmless, and defend the School District, its agents, servants, officers, officials, and employees, or any of them, from and against any and all claims, damages, losses, and expenses including, but not limited to attorney's fees and other legal costs such as those for paralegal, investigative, and legal support services, and the actual costs incurred for expert witness testimony arising out of or resulting from the performance or provision of services required under this Agreement, provided that same is caused solely by the error,

omission, negligent act, failure to act, malfeasance, misfeasance, conduct, or misconduct of the Hospital, its agents, servants, officers, officials, employees, or subcontractors. The School District does not waive its right to assert consequential damages against the Hospital.

9. Use of Name. Neither Party shall use the name, logo or likeness of the other Party in any marketing or promotional materials without the other Party's prior written consent.
10. Notice. All notices and other communications under this Agreement shall be deemed received when: (i) delivered personally, (ii) sent registered or certified mail, return receipt requested, (iii) sent via a nationally recognized and receipted overnight courier service, or (iv) by fax provided there is a confirmation of delivery, to the Parties at their respective principal office of record as set forth below or designated in writing from time to time. No notice of a change of address shall be effective until received by the other Party.

To Hospital:

Florida Hospital Flagler
Attn: Administration
60 Memorial Medical Parkway
Palm Coast, FL 32164

Copy to:

Adventist Health System
900 Hope Way
Altamonte Springs, FL 32714
ATTN: Legal Department

To School District:

Flagler County School District
1769 East Moody Blvd., Building 2
Bunnell, FL 32110

Written notice requirements of this Agreement shall be strictly construed and such requirements are a condition precedent to pursuing any rights or remedies hereunder. The Hospital agrees not to claim any waiver by the School District of such notice requirements based upon School District having actual knowledge, implied, verbal or constructive notice, lack of prejudice, or any other grounds as a substitute for the failure of the Hospital to comply with the express written notice requirements herein. Computer notification (e-mails and message boards) shall not constitute proper written notice under the terms of this Agreement.

11. No Waiver. No failure by a Party to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, shall constitute a waiver of any such breach of such covenant, agreement, term or condition. Any Party may waive compliance by the other Party with any of the provisions of this Agreement if done so in writing. No waiver of any provision shall be construed as a waiver of any other provision or any subsequent waiver of the same provision.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the day and year written above.

HOSPITAL:

By: _____
Print Name: _____
Title: _____
Date Executed: _____

SCHOOL DISTRICT:

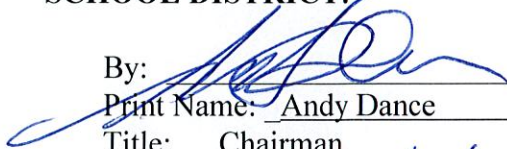
By:  _____
Print Name: Andy Dance
Title: Chairman
Date Executed: 10/15/13

EXHIBIT 1

DESCRIPTION OF COVERED SERVICES

Hospital shall provide the following Covered Services to Patients:

- Management of chronic illnesses such as diabetes, hypertension and high cholesterol
- Treatment of acute, minor illnesses, such as sore throat, earache, sinus infections and urinary tract infections
- EKGs
- Minor procedures, such as suturing minor lacerations, simple foreign body removal, nebulizer treatments
- Annual Physicals
- Laboratory tests covered by this Agreement include only the following specific tests:
 - Panels - Metabolic, Comprehensive Metabolic, Electrolytes, Hepatic Function, Lipid/Cardiac Risk, Renal Failure
 - Other Laboratory testing: CBC/Diff, UA, Urine Culture
 - Rapid Lab Test – urinalysis, strep, mono, pregnancy and glucose testing
- Radiology services covered by this Agreement are:
 - Basic X-Rays including the radiologist over read.
 - **All other radiology services are not Covered Services.** Patients and/or their third party payor will be billed for all other radiology services, including but not limited to Fluoroscopy studies, Interventional Radiology, Ultrasound, Mammography, CAT Scan, MRI, Nuclear Medicine, PET/CT Scans, Bone Density scans.

EXHIBIT 2

HOURS OF COVERED SERVICE

Patients may obtain Covered Services at Prompt Care pursuant to this Agreement as follows:

DESIGNATED CLINIC HOURS

- By Appointment Only*: Monday – Friday: 3:00pm – 6:00pm
Tuesday: 7:30am - 8:30am
Wednesday & Thursday: 11:00am - 1:00pm

*It is anticipated that on average four (4) patients will be seen per covered hour of service. Patients who come to Prompt Care during these Designated Clinic Hours *without an appointment* will be seen as walk-in patients if scheduling allows. However, all services received in this manner will constitute Non-Covered Services.

LABORATORY HOURS AND LABORATORY TESTING**

- Lab Draw Covered Services
By Appointment: Monday – Friday: 7:00am – 8:00am

**If laboratory testing is not completed during a Patient's appointment and/or other laboratory testing is ordered during a Patient's appointment, the Patient will be entitled to schedule an appointment to complete the testing.

RADIOLOGY HOURS**

- Radiology Covered Services
By Appointment: Monday - Friday: 8:00am - 5:00pm

**If Radiology testing is not completed during a Patient's appointment and/or other radiology testing is ordered during a Patient's appointment, the Patient will be entitled to schedule an appointment to complete the testing.

NOTE: Covered Services are not available on weekends or Hospital holidays (Good Friday; Memorial Day; 4th of July, Labor Day, Thanksgiving, Friday after Thanksgiving, Christmas Eve, Christmas, New Year's Eve, and New Year's Day.)

EXHIBIT 3

LIMITATIONS ON COVERED SERVICES

The Hospital's provision of Covered Services to Patients pursuant to this Agreement is subject to the following limitations:

- Patients under 18 years of age will utilize their pediatrician for wellness visits and immunizations.
- Patients who wish to utilize Prompt Care outside the hours of Covered Service specified in this Agreement will be seen as scheduling allows; provided, however, their visit will be considered outside the scope of this Agreement. The visit will be billed to School District's health insurance carrier as a family care visit, United Health Care, and any applicable co-pay will be collected from the Patient.
- If Patients desire to obtain health care from Prompt Care that is outside the scope of Covered Services covered by this Agreement, Hospital will accommodate them as scheduling allows. However, the cost of care that is not a "Covered Service" pursuant to this Agreement will not be covered by this Agreement. Hospital will bill the Patient and/or the Patient's third party payor for such care.
- Patients who require services or specialty care beyond the capacity or capability of the Prompt Care facility will be referred for treatment under their coverage with School District's health insurance provider, United Health Care.