

FIRST AMENDMENT TO AGREEMENT FOR CLINIC SUPPORT

THIS FIRST AMENDMENT (this "First Amendment") to the Agreement For Clinic Support (as amended hereby, the "Agreement") is entered into by and between San Juan County Public Hospital District #2, dba Lopez Island Hospital District (PHD) and UW Physicians Network ("UWPN") (individually a "Party" and collectively the "Parties").

WHEREAS, PHD and UWPN entered into the Agreement on June 15, 2017 where by the PHD and UWPN agreed that UWPN would operate and manage the UW Medicine Clinic on Lopez Island to provide community access to certain primary care medical in furtherance of their shared goals to manage the health of populations of the community and local region.

WHEREAS, the Parties would like to amend the Agreement as described in this First Amendment effective as of July 1, 2020.

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

1. **Effective Date.** The effective date of this First Amendment shall be July 1, 2020 ("First Amendment Effective Date").
2. **Amendment to Agreement.**
 - A. The term "Medical Director" is deleted throughout the agreement and replaced with the term "Clinic Chief."
 - B. The following sentence is added as the last sentence to Section I.C.i.:

UWPN may enter into contractual arrangements with staffing agencies to fill vacant positions on a temporary basis until a permanent replacement can be recruited and hired as a UWPN provider or staff member. UWPN will make good faith business efforts to notify PHD about provider employment changes as soon as it is able to disclose the information.
 - C. The last sentence in Section I.C.ii. is deleted in its entirety and replaced with the following:

In general, the staffing levels will align with the staffing levels and standardized practices established by UWPN for a remote, rural clinic model. In recognition of this, UWPN will work with the Hospital District to ensure overall staffing model is appropriate for a remote setting and ensure continuity of care.
 - D. The following is added as new Section I.C.vi.:
 - vi. Although UWPN has final decision on all personnel and hiring matters, both parties agree that positive relationships between PHD and the UW Medicine Clinic leadership are important for continued successful collaboration. Towards that end, when UWPN has occasion to recruit a new Clinic Chief or manager for the UW Medicine Clinic they will give the PHD an opportunity to provide feedback in the process by including a designee from the PHD on the interview panels.

The annual performance review for the UW Medicine Clinic manager and Clinic Chief which includes 360 feedback shall include a representative from the PHD.

E. The following is added as new Section I.D.viii.:

viii.

The Clinic Chief or designee or Associate Medical Director North Region will attend regular meetings with the PHD, Lopez Island Fire and EMS (LIFE), the SJ County EMS Medical Program Director, and other medical providers to review the nature and disposition of acute care instances (including issues identified from run reviews), facilitate the coordination of care, and identify issues/opportunities to improve the level of acute and after-hours services and coordination on Lopez Island.

F. Sections II.C.i and II.C.ii are deleted in their entirety and replaced with the following:

C. Annual Budget and Clinic Services Support Payments.

- i. In order to promote the availability of primary care medical services on Lopez Island and ensure UWPN's ability to operate the UW Medicine Clinic, the PHD shall make semi-annual "Clinical Services Support Payments" to UWPN in order to reimburse UWPN for its Clinic Net Loss, as defined below, associated with operating the UW Medicine Clinic in any Fiscal Year, subject to the Annual Maximum Clinical Support Payment, as agreed upon during the Annual Budget Process. UWPN acknowledges the PHD's Clinical Services Support Payments are funded via public tax funds and will use good faith efforts to minimize the amount of the Clinic Net Loss.
- ii. Clinic Net Loss
 1. For purposes of this Agreement, "Clinic Net Loss" means (i) all revenue from all sources received by the UWPN related to the UW Medicine Clinic, including patient revenue (less contractual allowances and deductions), rents collected from any subleases, and grants and donations (but excluding grants and donations that are received and restricted for the delivery of a specific service or purchase of designated capital items, provided that any expense associated with such specific service or capital purchase is also excluded from calculation of the Clinic Net Loss), less (ii) all the UWPN's direct expenses for operating the Clinic which shall exclude expenses otherwise reimbursed by the landlord under the August 14, 2017 Lease Agreement between UWPN and Catherine Washburn Medical Association. Clinic Net Loss shall be calculated according to generally accepted accounting principles and shall be measured based on each Contract Year, or the pro rata portion thereof, during the term of this Agreement. UWPN will use its customary financial report format for purposes of calculating Clinic Net Loss.
 2. For purposes of this Agreement, "Fiscal Year" means the period beginning on July 1st and ending on June 30th of the following year.
 3. UWPN shall present and discuss budget assumptions with the PHD for its proposed annual budget for the UW Medicine Clinic for each Fiscal Year, beginning with Fiscal Year 2021, by May of the previous Fiscal Year, e.g., by May 2020 for Fiscal Year 2021. Based on these assumptions, UWPN shall prepare a preliminary operating budget by June 1st. The PHD and UWPN agree that they will work together each calendar year to establish the UWPN annual budget for the UW Medicine Clinic by July 1st. Through this Annual Budget Process the parties shall reach mutual agreement on a maximum dollar amount to be paid by the PHD to UWPN for the estimated Clinic Net Loss (the "Annual Maximum Clinical Support Payment") per Fiscal Year during the term of this Agreement. Maximum

Annual Funding during the first renewal term shall not exceed the following unless mutually agreed upon during the annual budgeting process by both parties:

i.	July 1, 2020 – June 30, 2021	\$602,846
ii.	July 1, 2021 - June 30, 2022	\$641,481
iii.	July 1, 2022 - June 30, 2023	\$681,264

4. The PHD and UWPN operate on different fiscal years and recognize that the budgeting cycles for the PHD and UWPN occur at different times of the calendar year. If the parties fail to agree upon a budget by July 1 of any year, either party may terminate this Agreement upon one hundred eighty (180) days written notice to the other. Upon such notice of termination, the Parties will work cooperatively to effect a smooth transition of operations from UWPN to the PHD or new operator of the clinic on Lopez Island. The maximum amount of payment due from the PHD to UWPN during this transition period shall be equal to fifty percent (50%) of the last agreed Annual Maximum Clinical Support Payment.
5. The PHD shall make semi-annual payments toward the Annual Maximum Clinical Support Payment thirty (30) days after the Parties' agreement on the semi-annual reconciliations but not earlier than the May 1st or November 1st following the respective semi-annual period.

G. Section II.C.iv. is deleted in its entirety and replaced with the following:

UWPN and PHD will collaboratively create an annual work plan in April/May of each year that outlines the overall goals for the year. This will include reviewing clinical quality metrics and proposed initiatives, addition of specialty services, digital health options, and other projects focused on enhancing the care provided on Lopez Island. This annual plan will help to inform the assumptions used to develop the annual budget.

H. Section III.A. is deleted in its entirety and replaced with the following:

- A. Term. The term of this Agreement shall commence on the Effective Date and shall continue through June 30, 2020 (the "Initial Term"). Unless otherwise terminated as set forth herein, this Agreement shall automatically renew for additional three (3) year terms ("Renewal Term(s)"). The Initial Term and any Renewal Term(s) may be collectively referred to herein as the "Term."

I. Section IV is deleted in its entirety and replaced with the following:

IV: Publicity, Marketing, Use of Names, Trademarks and Services Marks. UWPN and UW Medicine shall be solely responsible for all plans, campaigns and decisions regarding the branding and marketing of the UW Medicine Clinic to the community, providers and patients. UWPN will retain the words "Lopez Island" in the clinic name and as part of signage, logos, public relations, advertising, marketing and other forms of internal and external communications. All press releases or publicity regarding the UW Medicine Clinic shall be issued solely by UWPN and UW Medicine. The foregoing notwithstanding, UWPN will participate on the LIHD Communications Committee to continue to publish the HealthMatters newsletter that addresses health, medical and wellness issues. Information in HealthMatters regarding UW Medicine Clinic or its providers (such as a new provider spotlight), must be approved by UWPN and obtain its authorization by email before distribution. The Parties may collaborate on future joint publications regarding the UW Medicine Clinic, its services or providers, subject to the approval of UWPN and the UW Medicine Marketing and Communications Department. In addition, the Parties may collaborate among each other and collectively with third parties in the community and the region on initiatives, such as grants, which further the shared goal of improving the health of the community and local region. Neither

Party grants any right to use any of its identifying marks, such as, but not limited to, trademarks, service marks, trade names, logos, designs, symbols, abbreviations or contractions ("Identifiers"). Neither Party shall use any Identifier of the other Party for any purpose, including but not limited to any publicity, sales, marketing, publication or advertisement without the prior written consent of the other Party's officer who has been duly-designated for such purpose.

3. **Effect on Agreement.** Except as amended hereby, the Agreement shall remain in full force and effect in accordance with its terms as hereby amended and is hereby ratified and confirmed in all respects.
4. **Capitalized Terms.** Any capitalized terms used but not otherwise defined herein shall have the meaning assigned to such terms in the Agreement.
5. **Severability.** The provisions of this First Amendment are severable, and if any term of this First Amendment is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, the remaining terms shall remain in full force and effect.
6. **Counterparts.** This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.
7. **Governing Law.** This First Amendment shall be subject to, governed by and construed in accordance with the laws of the State of Washington.

*Remainder of page intentionally left blank
Signatures on following page*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.

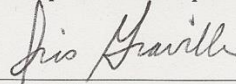
UW Physicians Network



Debra Gussin
Executive Director

Date: _____

San Juan County Public Hospital District # 2,
dba Lopez Island Hospital District



Iris Graville
President, Board of Commissioners

Date: _____

UW Medicine

Lisa Brandenburg
Chief Health System Officer, UW Medicine
Vice President for Medical Affairs, UW School of
Medicine

Date: _____