

CONTINUOUS SERVICE READINESS AGREEMENT

This agreement is effective as of January 1, 2008 (the 'effective date') by and between Joint Commission Resources, Inc. ("JCR") and The Hospital & Healthsystem Association of Pennsylvania ("HAP") to reflect the parties' agreement and Exhibits A, B, and C which are incorporated herein and made a part hereof with respect to the delivery of and the participants' respective obligations of the Continuous Service Readiness Program ("CSR Program") in Pennsylvania.

JCR and HAP agree to work together to achieve the CSR Program's goal of providing assistance to participating hospitals and health systems in a continuous service readiness process designed to enhance the delivery of patient care, reduce the organization's exposure to risk, and be in a state of continuous readiness for Joint Commission surveys. This Agreement envisions a three (3) year commitment between JCR and HAP in offering the CSR Program, with subsequent renewals at the option of the parties for similar periods.

Core Services of the Pennsylvania Continuous Service Readiness Program

The core services of the CSR Program are identified below.

1. **Dedicated Regional Consultant** - The dedicated regional consultant is an employee of JCR who possesses the requisite skills and experience to fulfill the duties and responsibilities as set forth in the JCR regional consultant position description. JCR will solicit feedback and input from CSR Program participating hospital and health system representatives in the hiring process and the selection of the dedicated regional consultant to ensure that there is a fit between the selected individual, HAP, and CSR Program participating hospitals and health systems. The duties of the dedicated regional consultant include:

- making on-site visits to CSR Program participating hospitals and health systems;
- assisting hospitals and health systems understand how to implement processes to meet the required elements of performance associated with the Joint Commission hospital program standards;
- assisting in the development and implementation of education programs to meet the goals of the CSR Program and address the needs of the CSR Program participating hospitals and health systems; and
- providing JCR interface in Pennsylvania to CSR Program participating hospitals and health systems.

In the event, that HAP furnishes written notice to JCR of identified deficiencies with a dedicated regional consultant and provides a reasonable request for replacement of such individual, JCR shall use its best efforts to expeditiously provide a replacement. JCR will

also work with HAP to assign an adequate number of dedicated regional consultants are assigned to Pennsylvania to ensure customer service and satisfaction among participating CSR Program hospitals and health systems.

2. **On-site Visits** - The number and scope of the on-site visits to be provided are detailed in Exhibit C, Continuous Services Readiness Package Selection, attached hereto and incorporated in this Agreement. On-site visits should be a minimum of four hours in length. The on-site visits must be planned and coordinated between the dedicated regional consultant and the appropriately identified CSR Program participating hospital and/or health system staff. Each visit will be preceded by the development of a pre-planned agenda that shall guide the dedicated regional consultant's on-site visit. During these visits, the dedicated regional consultant will provide training and guidance on standards, compliance, and other accreditation-related issues raised by the CSR Program participant's staff.

Consulting visits should be used within the contract year, but may be carried over upon approval by the CSR regional consultant. Each organization chooses the consulting package of their choice. The hours and number of visits available to an organization within a contract year will be prorated based on the month in which the organization joins the CSR program. Hours remaining in each year of the contract will be forfeited by participating CSR program hospitals and health systems.

3. **Document Review** - While on-site, the dedicated regional consultant may provide a reasonable time for review of an organization's documents and guidance to the organization with respect to the format and content contained in the documents under review. The CSR Program participating hospital or health system will need to communicate its desire for such a document review as part of the on-site visit with the dedicated regional consultant to ensure that adequate time for such a review is incorporated into the on-site visit. Select policies or documents also may be faxed or mailed electronically to the dedicated regional consultant for review outside of the on-site visit. The off-site review of documents must be coordinated with the dedicated regional consultant.

4. **CSR Education** - The number of educational workshop programs are detailed in Exhibit C, Continuous Service Readiness Package Selection, attached hereto and incorporated in this Agreement. The education programs will be designed to bring participating hospitals and health systems up-to-date with all relevant Joint Commission standards, ORYX core measure requirements, Joint Commission National Patient Safety Goals, Joint Commission accreditation participation requirements, and Joint Commission survey process. Problematic standard compliance issues will be reviewed with CSR Program participating hospitals and health systems and examples of exemplary compliance will be shared. The sessions will provide an opportunity for CSR Program participating hospitals and health systems to "network" and gain exposure to effective Joint Commission accreditation-related practices adopted by other CSR Program participating hospitals and health systems. The CSR dedicated regional consultant will work with HAP to provide guidance with respect to the Pennsylvania Department of

Health and Centers for Medicare & Medicaid Services regulations, which may differ from the Joint Commission standards and National Patient Safety Goals.

The workshops will be held in locations identified by HAP. HAP staff will manage registration and on-site logistics associated with these education sessions. The subscription fee paid by CSR Program participating hospitals and health systems does not include the expenses associated with hotel room rentals or food and beverage services. A fee to cover these expenses will be assessed to those individuals from the CSR participating hospitals and health systems that register to attend a CSR education program. In the event speakers for CSR education workshops are not Joint Commission faculty, the program registration fee may be adjusted to account for some of these outside speaker costs when those expenses exceed the JCR budget for program faculty included in the CSR Program subscription fees.

HAP will ensure that the number of persons attending any of the CSR Program education sessions will not exceed the number of CSR Program participating hospitals and health systems multiplied by a factor of 3 (i.e. 70 hospitals x 3 = 210 individual participants). Faculty and workbooks will be provided by JCR. Additional education content and/or program length can be arranged for an additional fee if requested.

5. **Audio Conferences** - The number and scope of the educational audio conferences to be provided are detailed in Exhibit C, Continuous Service Readiness Package Selection, attached hereto and incorporated in this Agreement. The purpose of the audio conference is to supplement the education workshops and provide ongoing education. The number of audio conferences available will be prorated based on the month in which the organization joins the CSR program. Organizations will be able to participate in JCR audio conferences of their choice throughout each year of the CSR contract agreement. Organizations may also purchase additional audio conferences any time through JCR at a discounted rate. JCR will be responsible for phone costs and the provision of faculty for the telephone conference. Available JCR audio conferences are posted at <http://www.jcrinc.com>. To register for audio conferences participants should call JCR Customer Service.

6. **CSR Users Group** – The primary purpose of the CSR Users Group is to help determine topics of interest for the onsite education programs. The Users Group will assist in establishing expectations for the hospitals and health systems participating in the CSR Program, identify any issues of concern with the CSR Program or services provided in the program, and assist HAP and JCR in evaluating whether participating hospital and health system expectations are being met. Opportunities to discuss issues related to the Pennsylvania CSR Program will be afforded to those hospitals and health systems participating in the CSR Program. All organizations will be given the opportunity to appoint appropriate individuals to participate in such discussions with HAP and/or JCR periodically over the duration of this contract. Opportunities to engage in such discussions may be initiated by the CSR Program participating organizations, HAP, and/or JCR.

7. **Discounts** - The following discounts will be made available to CSR Program participating hospitals and health systems.

- **JCR Domestic Consulting Discount** - JCR will provide a ten percent (10%) discount to CSR Program participating hospitals and health systems for JCR consultations that are not part of the CSR Program.
- **Publications Discount** - CSR Program participating hospitals and health systems will be eligible for a fifteen percent (15%) discount on JCR publications.
- **Education Discount** - CSR Program participating hospitals and health systems will be eligible for a fifteen percent (15%) discount on all JCR education programs, including audio conferences. The discount applies to programs that are either sponsored exclusively by JCR or co-sponsored by JCR and HAP.
- **E-Products Discount** - CSR Program participating hospitals and health systems will be eligible for a fifteen percent (15%) discount on all JCR E-products excluding the Good Practice Database subscription product

Service Models

Hospitals and health systems that decide to participate in the Pennsylvania CSR Program have the option to select from the following service models. The fee schedule for each of the service models is contained in Exhibit C, Continuous Service Readiness Package Selection.

1. **Individual Hospital Service Model** – Hospitals with an average daily census of 40 patients or less may select this model and receive a total of 15 hours (Option 1) or 24 hours (Option 2) of on-site consultation from the dedicated regional consultant. Those selecting (Option 1) may have them spread out over a maximum of 3 visits in each year of the contract and (Option 2) may have them spread out over a maximum of 4 visits in each year of the contract. Hospitals with an average daily census of 40 patients or less may also elect to receive this same level of service from the dedicated regional consultant or may elect to receive a total of 8 hours (Option 3) of on-site consultation from the dedicated regional consultant which may be used in 2 visits (Option 3). Discounts off the monthly subscription price will be provided to hospitals in a larger hospital system when 2 or more hospitals in that system participate in the Pennsylvania CSR Program.

- 2-6 hospitals in a health system enrolled in the Pennsylvania CSR Program – 2 percent (2%) discount
- 7-9 hospitals in a health system enrolled in the Pennsylvania CSR Program – 4 percent (4%) discount
- 10 or more hospitals in a health system enrolled in the Pennsylvania CSR Program – 5 percent (5%) discount

2. Multi-Hospital Service Model – For the purposes of this contract, a health system is a system that is made up of three or more hospitals. In order to qualify for this service model, three or more of the system’s hospitals must be enrolled in the CSR Program. Each hospital in the system must commit to participate in the CSR Program and each would be entitled to a maximum of 2 visits and 12 hours (Option 4) or 4 visits and 24 hours (Option 5) of consultation in any year of the contract. In this option, the hospitals can elect to pool their hours and visits to determine how they want to use them with the CSR regional consultant among all of the participating hospitals in the system.

Individual Service Model	Selection Based on ADC	Maximum Number of Visits/Contract Year	Number of Consulting Hours/Contract Year	Monthly 1st Year Subscription Cost/Hospital	Discount for Hospitals in a Health System
Hospital A – ADC 25	Option 1, 2, or 3	2, or 3 or 4 depending on option selection	8-24 depending on option selection	\$321 or \$584 or \$669	2%
Hospital B – ADC 100	Option 1 or Option 2	3 or 4 depending upon option selection	15 or 24 depending upon option selection	\$584 or \$669	2%
Hospital C – ADC 90	Option 1 or Option 2	3 or 4 depending upon option selection	15 or 24 depending upon option selection	\$584 or \$669	2%

Multi-Hospital Service Model	Maximum Number of Visits/Contract Year	Number of Consulting Hours/Contract Year	Monthly 1st Year Subscription Cost/Hospital	Discount for Hospitals in a Health System
Hospital A – ADC 25	2	12	\$573	2%
Hospital B – ADC 100	2	12	\$573	2%
Hospital C – ADC 90	2	12	\$573	2%
Total	6	36 hours which can be pooled and used among the three hospitals in the health systems but not to exceed more than 6 visits per contract year		

3. Additional Consulting Hours - The CSR Program participating hospital or health system shall have the option to request additional on-site hours from the dedicated regional consultant at the hourly rate specified in Exhibit C, Continuous Service Readiness Package Selection. Additionally, the organization making such a request for additional services would be responsible for paying for reasonable travel expenses (hotel, airfare, mileage, meals, etc.) if the additional time requested does not take place in conjunction with the regularly scheduled visit or if the additional time does take place in conjunction with the regularly scheduled visit but requires an additional overnight stay. A minimum of four (4) hours of additional on-site visit time must be purchased if the

hours are not in conjunction with a regularly scheduled visit. Additional on-site time is scheduled on a time available basis. CSR participating hospitals and health systems will be invoiced by JCR for any consulting or other services outside the scope of services included in the subscription fee. The CSR participating hospital or health system will be expected to remit invoices within thirty (30) days of the date of the invoice.

4. **Billing** – Each hospital within a system will be billed separately unless otherwise requested by the hospital system. CSR Program participating hospitals and health systems will be expected to remit payment to JCR within thirty (30) days of the date of the invoice. Participating organizations will receive an invoice from JCR in the month preceeding the quarter (March, June, September and December). Organizations that join the CSR Program after the start of the quarter will be invoiced for those months in which they were part of the CSR Program at the time they receive an invoice for the next quarter of services. Included with the CSR Program subscription invoice will be a HAP administrative fee. HAP will invoice JCR quarterly for the administrative fee collected by JCR.

5. **Subscription Fee Increases** – Beginning with each contract year, the JCR subscription fee will be increased by approximately 4 percent (4%). The HAP administrative fee will be \$60 for first year of the contract, \$63 for the second year and \$65 for the third year for HAP member hospitals and health systems. The HAP administrative fee will be \$80 for the first year of the contract, \$83 for the second year and \$85 for the third year for all non-HAP members.

6. **Delinquent Payments** – JCR will send written notice to any CSR Program participating hospital or health system who does not remit the program subscription fee within the required time, advising them that such delinquent payment is due within a prescribed number of days of the date of the delinquency notice; JCR is suspending all CSR Program services to such CSR participating hospital or health system until the delinquent program fee payment is made; and failure to remit such payment shall result in the hospital or health system being terminated from the CSR program. JCR will copy HAP on all such written notices.

Confidentiality of Information

1. **Health Insurance Portability and Accountability Act of 1996 (HIPAA) and Business Associate Agreements** – JCR will comply will applicable law governing the confidentiality of CSR Program participating hospital and health system “protected health information.” Under current HIPAA regulations, JCR is a Business Associate of individual Pennsylvania CSR Program participating hospitals or health systems. JCR will comply with all obligations under a business associate agreement between JCR and the CSR Program participating hospital or health system, and JCR will enter into and sign a CSR Program participating hospital or health system business associate agreement that reasonably meets current HIPAA requirements (45 C.F.R. § 164.504(e)). If requested by the CSR Program participating hospital or health system, JCR will prepare and provide

an appropriate business associate agreement for both party's signature. (Exhibit B, Sample Joint Commission Resources Business Associates Agreement)

2. **Access to/Dissemination of Information about CSR Program Participating Hospitals and Health Systems** - Except as may be provided by law, any information about the CSR Program participating hospital or health system obtained by JCR in connection with the performance of services under this Agreement will be treated as confidential by JCR and will not be disclosed by JCR without the CSR Program participating hospital's or health system's written authorization.

3. **Discovery of Serious Conditions** - When a serious condition that appears to constitute an imminent danger to public safety or the safety of a patient is discovered in a CSR Program participating hospital or health system, the condition will be brought to the attention of the CSR Program hospital's or health system's Chief Executive Officer or equivalent. JCR would request permission from the CSR Program participating hospital to inform HAP. In the event the threat is not eliminated forthwith, JCR will act, as appropriate, to inform government oversight authorities of the condition. JCR will also inform HAP of its determination of a need to report a serious condition to government authorities or officials.

Scope of Services

1. **Future Expansion** – Based on requests of Pennsylvania CSR Program participating hospitals and health systems, JCR will conduct the necessary market evaluation to determine whether there is sufficient interest and/or demand to support subscription-based service models for other Joint Commission accreditation programs, such as home or ambulatory care. New subscription service models and pricing may be offered as enhancements to the service models described in this agreement.

2. **Marketing and Outreach** – JCR and HAP will work collaboratively to identify opportunities to market the CSR Program to members and non-members of HAP. Such opportunities may include having CSR marketing materials available at various HAP meetings, introducing CSR in HAP newsletters, posting CSR materials on the HAP website, and hosting education events. Any costs associated with marketing and outreach initiatives will be identified in advance to determine how those costs will be covered.

JCR will also consult with HAP to determine whether hospitals and health systems from neighboring states without a statewide CSR Program may be eligible for participation in the Pennsylvania CSR Program and what terms/conditions would apply to those hospitals and health systems.

3. **CSR Collaborative** – JCR and HAP will explore establishing a collaborative project in conjunction with CSR Program participating hospitals and health systems with an emphasis on improving safety and quality that can be modeled and utilized in other CSR states and/or organizations.

Limitation on Services

Because JCR is a corporate affiliate of the Joint Commission, JCR will not engage in any consultative technical assistance, which could lead to misunderstanding and a perception that there is any conflict of interest between JCR's activities and the Joint Commission's accreditation process. Because of this concern, JCR will not provide assistance in connection with preparing documents or letters that challenge accreditation decisions or findings of the Joint Commission; the resolution of findings by the Joint Commission of deficiencies in accreditation standards; or the preparation of organizations that have been denied accreditation for surveys to regain accreditation. Similarly, JCR will not assist in preparing a root cause analysis for a specific sentinel event, because the Joint Commission may be evaluating the adequacy of that root cause analysis if it learns about the sentinel event or if the organization chooses to report the sentinel event. However, if JCR has previously provided consultative technical assistance to an organization within the current accreditation cycle, at the request of such organization, JCR may review and comment on any responses, reports or other documents that the organization has prepared for the Joint Commission. No charge may be imposed for such services.

Administration

1. The HAP president and chief executive officer shall name a primary HAP liaison for the Pennsylvania CSR Program. JCR will employ a CSR Program director to serve as the primary point of contact for the HAP liaison to discuss the operation of the Pennsylvania CSR Program on an ongoing basis.
2. JCR's chief executive officer will be the primary JCR liaison with respect to signing and, if necessary, making any amendments to this contract. HAP's president and chief executive officer or designated senior executive will execute the agreement and/or any subsequent amendments to the agreement on HAP's behalf.
3. The dedicated regional consultant serves as JCR's representative for ensuring that the day-to-day activities of the contract are carried out.

Term & Termination

1. **HAP and JCR** - The term of this contract shall commence on the effective date hereof and thereafter remain in effect and binding upon the parties from such effective date until December 31, 2010 unless terminated in accordance with the following provisions. This contract shall automatically be extended between the parties for additional one-year periods, unless a party gives notice to the other one hundred twenty (120) days prior to the start of a new year of the agreement of the notifying party's intent not to renew this contract. Either HAP or JCR may terminate this contract without cause provided written notice is given at least one hundred and twenty days (120) prior to the intended termination date.

2. CSR Participating Hospitals and Health Systems - Subject to the Agreement between HAP and JCR, CSR Program participating hospitals and health systems must commit to the CSR Program for the term of this contract, or such portion thereof as remains at the time of the commitment by the participating hospital or health system. CSR Program participating hospitals may withdraw from the Pennsylvania CSR Program by providing a ninety (90) day written notice of such withdrawal to JCR and HAP. Such notice must be given at the start of the month. JCR will acknowledge receipt of the written notice and the period for which the participating hospital or health system will continue to be billed for services. Participating hospitals and health systems will be given the opportunity to use up any portion of remaining consultative time and allowed to participate in any scheduled CSR Program education sessions and audio conferences until the effective date of termination from participation in the CSR Program.

Mutual Obligation

JCR and HAP represents that they will act in good faith and put forth its best efforts to fulfill this contract and to resolve any differences that may arise as a result of the development and implementation of the CSR Program.

Miscellaneous

1. JCR and HAP agree this Agreement is governed by the laws of the State of Illinois without regard to its conflict of laws, provisions, and the Parties submit to the personal jurisdiction of courts located in Illinois. It is understood, however, that any and all disputes or controversies arising under or from this agreement shall be resolved through arbitration in Chicago, Illinois pursuant to the rules of the American Arbitration Association and, provided further, that prior to commencing an arbitration proceeding a Party must offer to participate in a formal but non-binding mediation proceeding, conducted by a neutral third party in Chicago, Illinois, to attempt to amicably resolve differences. However, the preceding arbitration and mediation provisions shall not effect or limit in any way JCR's rights or remedies in connection with any action in any court of competent jurisdiction, in any court action JCR initiates for injunctive or other provisional relief that JCR deems necessary or appropriate to protect JCR's or The Joint Commission's name or trademarks.
2. Neither JCR nor HAP shall assign its rights or obligations under this agreement to any other company, individual or entity except that JCR shall be free to assign all of its rights and obligations hereunder to any corporation wholly owned by the Joint Commission.
3. JCR and HAP understand that participation in the CSR Program is completely separate and independent of any accreditation considerations or decisions of the Joint Commission with respect to the CSR Program participating hospital or health system. JCR will in no way represent, intercede or communicate with the Joint Commission with regard to the efforts of any CSR Program participating hospitals and health systems to obtain or retain accreditation; and no representation has been made by JCR

as to what effect, if any that participation in the CSR Program and the CSR on-site visits may have on obtaining or retaining Joint Commission accreditation.

It shall be further understood by the participating organization that the services provided by JCR under this agreement are not intended to serve as a substitute for any responsibility(ies) of the organization, and no representations are made by JCR concerning the effect(s), if any, of any services it provides under this agreement on the quality of the care and treatment, or the outcomes thereof, provided by the participating organization.

Joint Commission Resources, 1515 West 22nd Street, Suite 1300 W, Oakbrook, IL 60523

By: _____
Anne Rooney

Title: Vice President, Consulting Services, Joint Commission Resources

Date: _____

The Hospital & Healthsystem Association of Pennsylvania, 4750 Lindle Road, P.O. Box 8600, Harrisburg, PA 17105

By: _____

Title: _____

Date: _____