

SCHOOL AFFILIATION AGREEMENT

(Capella-132) (Rev. 12-17-07)

This Affiliation Agreement (the "Agreement") is made as of this 13 day of March, 09, by and between Central Washington University (hereinafter referred to as "School") and Columbia Capital Medical Center, LP d/b/a Capital Medical Center (hereinafter referred to as "Hospital").

WITNESSETH:

WHEREAS, School offers to enrolled students degree programs in the fields of Physical Therapy and Dietetics; and

WHEREAS, Hospital operates a comprehensive acute-care medical-surgical facility; and

WHEREAS, School desires to provide to its students a clinical learning experience through the application of knowledge and skills in actual patient-centered situations in a health care facility; and

WHEREAS, Hospital has agreed to make its facility available to School for such purposes.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties hereby agree as follows:

1. RESPONSIBILITIES OF SCHOOL.

(a) Clinical Program. School shall be responsible for the implementation and operation of the clinical component of its program at Hospital ("Program"), which Program shall be approved in advance by Hospital. Such responsibilities shall include, but not be limited to, the following:

- (i) Orientation of students to the clinical experience at Hospital;
- (ii) Provision of classroom theory and practical instruction to students prior to their clinical assignments at Hospital;
- (iii) Preparation of student/patient assignments and rotation plans for each student and coordination of same with Hospital;
- (iv) Continuing oral and written communication with Hospital regarding student performance and evaluation, absences and assignments of students, and other pertinent information;
- (v) Supervision of students and their performance at Hospital;
- (vi) Participation, with the students, in Hospital's Quality Assurance and related programs;
- (vii) Performance of such other duties as may from time to time be agreed to between School and Hospital.
- (viii) Provide adequate documentation attesting to competency of each instructor upon Hospital's written request.
- (ix) Ensure that students have received adequate information regarding Hazardous Communication and Standard Precautions and received, completed and returned the Hospital's Orientation packet prior to assignment to Hospital.

All students, faculty, employees, agents and representatives of School participating in the Program at Hospital (the "Program Participants") shall be accountable to the Hospital's Administrator.

- (b) **Student Statements.** School shall require each Program Participant to sign a Statement of Responsibility, in the form attached hereto as Exhibit A, and a Statement of Confidentiality and Security, in the form attached hereto as Exhibit B.
- (c) **Insurance.** School shall obtain and maintain, or shall require each individual Program Participant to obtain and maintain, occurrence-type general and if appropriate, professional liability insurance coverage in amounts not less than One Million Dollars (\$1,000,000.00) per occurrence and Three Million Dollars (\$3,000,000.00) annual aggregate, with insurance carriers covering the acts and omissions of Program Participants. School shall further, at its expense, obtain and maintain workers' compensation insurance and unemployment insurance for School employees assigned to Hospital. For all insurance required by this Paragraph 1(c), School shall require the insurance carrier notify Hospital at least thirty (30) days in advance of any cancellation or modification of such insurance policy and shall provide to Hospital, upon request, certificates of insurance evidencing the above coverage and renewals thereof.
- (d) **Health of Program Participants.** All Program Participants shall, if required by Hospital, submit to a medical examination acceptable to Hospital prior to their participation in the Program at Hospital at least once a year or as otherwise required by Washington State law. The Program Participant shall be responsible for arranging for the Program Participant's medical care and/or treatment, if necessary, including transportation in case of illness or injury while participating in the Program at Hospital. In no event shall Hospital be financially or otherwise responsible for said medical care and treatment. School hereby certifies that prior to the first day of their educational experience at Hospital, all Program Participants shall have provided to school written evidence of the following:
- (i) Tuberculin skin test within the past 12 months or documentation as a previous positive reactor; and
 - (ii) Proof of Rubeola immunity by positive antibody titers or 2 doses of MMR; and
 - (iii) Varicella immunity, by positive history of chickenpox or proof of Varicella immunization; and
 - (iv) Proof of Hepatitis B immunization or declination of vaccine, if patient contact is anticipated.
 - (v) Proof of immunity to Mumps and Rubella.
- (e) **Dress Code; Breaks.** School shall require the students to dress in accordance with dress and personal appearance standards approved by School. Such standards shall be in accordance with Hospital's standards regarding same. All Program Participants shall remain on the Hospital premises for breaks, including meals. Program Participants shall pay for their own meals at Hospital.
- (f) **Performance.** All faculty provided by School shall be duly licensed, certified or otherwise qualified to participate in the Program at Hospital. School shall have a specially designated staff responsible for the performance of the obligations of school specified herein. School and all Program Participants shall perform its and their duties and services hereunder in accordance with all relevant local, state, and federal laws and shall comply with the standards and guidelines of all applicable accrediting bodies and the bylaws, rules and regulations of Hospital and any rules and regulations of School as may be in effect from time to time. Neither School nor any Program Participant shall interfere with or adversely affect the operation of Hospital or the performance of services therein.

(g) **Background Checks.** School shall, in a timely manner at the Program Participant's expense, conduct (or have conducted) a background check on each and every student assigned to the Program and every member of the staff/faculty responsible for supervision and/or instruction. If School has students or staff/faculty on-site at Hospital prior to the execution of this Agreement, then School shall immediately conduct a retrospective background check on such persons. The background check for students shall include, unless indicated to the Facility in writing, the following:

- (i) Education verification (highest level);
- (ii) Professional License Verification;
- (iii) Criminal Background and Sex Offender Registry;
- (iv) Professional Disciplinary Action Search;
- (v) Department of Motor Vehicle Driving History, based on responsibilities;
- (vi) Consumer Credit Report, based on responsibilities.

Should the background check disclosed adverse information as to any student and/or member of the staff/faculty, School shall immediately remove said student and/or member of the staff/faculty from participation in the Program at Hospital.

(h) **School Status.** To the best of the Schools ability, the School represents to Hospital that the School and its Program Participants participating hereunder: (i) are not currently excluded, debarred, or otherwise ineligible to participate in the Federal health care programs as defined in 42 U.S.C. Section 1320a-7b(f) (the "Federal health care programs"); (ii) are not convicted of a criminal offense related to the provision of health care items or services but has not yet been excluded, debarred, or otherwise declared ineligible to participate in the Federal health care programs, and (iii) are not under investigation or otherwise aware of any circumstances which may result in the School or a Program Participant being excluded from Participation in the Federal health care programs. This shall be an ongoing representation during the term of this Agreement and the School shall immediately notify Hospital of any change in status of the representation and warranty set forth in this section. Any breach of this Paragraph 1(h) shall give Hospital the right to immediately terminate this Agreement for cause.

(i) **Performance Standards.** School shall perform all services under this Agreement in accordance with any and all regulatory and accreditation standards applicable to this facility, which shall include, but not be limited to:

- (1) Centers for Medicare and Medicaid Services' (CMS) Hospital Conditions for Participation;
- (2) State Department of Health Hospital Standards; and the
- (3) Joint Commission on Accreditation of Healthcare Organizations (JCAHO)/National Patient Safety Goals.

2. **RESPONSIBILITIES OF HOSPITAL.**

(a) Hospital shall accept the Program Participants assigned to the Program by School and reasonably cooperate in the orientation of all Program Participants to Hospital. Hospital shall provide reasonable opportunities for such Program Participants, who shall be supervised by School and Hospital, to observe and assist in various aspects of patient care to the extent permitted by applicable law and without disruption of patient care or Hospital operations. Hospital shall coordinate School's rotation and assignment schedule with its own schedule and those of other educational institutions. Hospital shall at all times retain ultimate control of the Hospital and responsibility for patient care.

(b) Upon the request of School, Hospital shall assist School in the evaluation of each Program Participant's performance in the Program. However, School shall at all times remain solely responsible for the evaluation and grading of Program Participants.

3. **MUTUAL RESPONSIBILITIES.** The parties shall cooperate to fulfill the following mutual responsibilities:

(a) Students shall be treated as trainees who have no expectation of receiving compensation or future employment from the Hospital or the School.

(b) Any courtesy appointments to faculty or staff by either the School or Hospital shall be without entitlement of the individuals to compensation or benefits for the appointed party.

4. **WITHDRAWAL OF PROGRAM PARTICIPANTS.**

Hospital may request School to withdraw or dismiss a student or other Program Participant from the Program at Hospital when his or her clinical performance is unsatisfactory to Hospital or his or her behavior, in Hospital's discretion, is disruptive or detrimental to Hospital and/or its patients. In such event, said Program Participant's participation in the Program at Hospital shall immediately cease. It is understood that only School can dismiss the Program Participant from the Program.

5. **INDEPENDENT CONTRACTOR; NO OTHER BENEFICIARIES.**

The parties hereby acknowledge that they are independent contractors, and neither the School nor any of its agents, representatives, Program Participants, or employees shall be considered agents, representatives, or employees of Hospital. In no event shall this Agreement be construed as establishing a partnership or joint venture or similar relationship between the parties hereto. School shall be liable for its own debts, obligations, acts and omissions, including the payment of all required withholding, social security and other taxes or benefits. No Program Participant shall look to Hospital for any salaries, insurance or other benefits. No Program Participant or other third person is entitled to, and shall not, receive any rights under this Agreement.

6. **NON-DISCRIMINATION.**

There shall be no discrimination on the basis of race, national origin, religion, creed, sex, age, veteran status, or handicap in either the selection of students for participation in the Program, or as to any aspect of the clinical training; provided, however, that with respect to handicap, the handicap must not be such as would, even with reasonable accommodation, in and of itself preclude the Program Participant's effective participation in the Program.

7. **IDEMNIFICATION.**

To the extent permitted by applicable law and without waiving any defenses, each party shall indemnify and hold harmless the other party and its officers, agents, representatives, and employees from and against all liabilities, claims, damages and expenses, including reasonable attorneys' fees, relating to or arising out of any act or omission of the indemnifying party or any of its officers, agents, representatives, and employees under this Agreement, including, but not limited to, claims for personal injury, professional liability, or with respect to the failure to make proper payment of required taxes, withholding, employee benefits or statutory or other entitlements.

8. **CONFIDENTIALITY.**

School and its agents, Program Participants, faculty, representatives and employees agree to keep strictly confidential and hold in trust all confidential information of Hospital and/or its patients and not disclose or reveal

any confidential information to any third party without the express prior written consent of Hospital. School shall not disclose the terms of this Agreement to any person who is not a party to this Agreement, except as required by law or as authorized by Hospital. Unauthorized disclosure of confidential information or of the terms of this Agreement shall be a material breach of this Agreement and shall provide Hospital with the option of pursuing remedies for breach, or, notwithstanding any other provision of this Agreement, immediately terminating this Agreement upon written notice to School.

9. **TERM; TERMINATION.**

(a) The initial term of this Agreement shall be One (1) year(s), commencing on the 13th day of March, 2009.

(b) Except as otherwise provided herein, either party may terminate this Agreement at any time without cause upon at least Ninety (90) days prior written notice, provided that all students currently enrolled in the Program at Hospital at the time of notice of termination shall be given the opportunity to complete their clinical Program at Hospital, such completion not to exceed Six (6) months.

10. **ENTIRE AGREEMENT.**

This Agreement and its accompanying Exhibits set forth the entire Agreement with respect to the subject matter hereof and supersedes all prior agreements, oral or written, and all other communications between the parties relating to such subject matter. This Agreement may not be amended or modified except by mutual written agreement. All continuing covenants, duties and obligations herein shall survive the expiration of earlier termination of this Agreement.

11. **SEVERABILITY.**

If any provision of this Agreement is held to be invalid or unenforceable for any reason, this Agreement shall remain in full force and effect in accordance with its terms disregarding such unenforceable or invalid provision.

12. **CAPTIONS.**

The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this Agreement.

13. **NO WAIVER.**

Any failure of a party to enforce that party's right under any provision of this Agreement shall not be construed or act as a waiver of said party's subsequent right to enforce any of the provisions contained herein.

14. **GOVERNING LAW.**

This Agreement shall be governed and construed in accordance with the laws of the State of Washington.

15. **ASSIGNMENT; BINDING EFFECT.**

School may not assign or transfer any of its rights, duties or obligations under this Agreement, in whole or in part, without the prior written consent of Hospital. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

16. **NOTICES.**

All notices hereunder by either party to the other shall be in writing, delivered personally, by certified or registered mail, return receipt requested, or by overnight courier, and shall be deemed to have been duly given when delivered personally or when deposited in the United States mail, postage prepaid, addressed as follows:

If to Hospital: Capital Medical Center
3900 Capital Mall Drive SW
Olympia, WA 98502
Attention: Chief Executive Officer

Copy to: Capella Healthcare
501 Corporate Centre Drive, Suite 200
Franklin, TN 37067
Attention: Legal Department

If to School: Central Washington University
400 East University Way
Ellensburg, WA 98926-7474
Attention: Business Services and Contracts

or to such other persons or places as either party may from time to time designate by written notice to the other.

17. EXECUTION OF AGREEMENT.

This Agreement shall not become effective or in force until all of the below named parties have fully executed this Agreement.

18. HIPAA REQUIREMENTS.

The parties agree to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. Section 1320d ("HIPAA") and any current and future regulations promulgated thereunder, including, without limitation, the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 ("Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Parts 142 ("Federal Security Regulations"), and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all collectively referred to herein as "HIPAA Requirements". The parties agree not to use or further disclose any Protected Health Information (as defined in 45 C.F.R. Section 164.501) or Individually Identifiable Health Information (as defined in 42 U.S.C. Section 1320d), other than as permitted by the HIPAA Requirements and the terms of this Agreement. The parties agree to make their internal practices, books and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. In addition, the parties agree to comply with any state laws and regulations that govern or pertain to the confidentiality, privacy, security of, and electronic and transaction code sets pertaining to, information related to patients.

The School shall direct its Program Participants to comply with the policies and procedures of Hospital, including those governing the use and disclosure of individually identifiable health information under federal law, specifically 45 CFR parts 160 and 164. Solely for the purpose of defining the Program Participants' role in relation to the use and disclosure of Hospital's protected health information, the Program Participants' role in relation to the use and disclosure of Hospital's protected health information, the Program Participants are defined as members of the Hospital's workforce, as that term is defined by 45 CFR 160.103, when engaged in activities pursuant to this Agreement. However, the Program Participants are not and shall not be considered to be employees of Hospital.

19. NO REQUIREMENT TO REFER.

Nothing in this Agreement requires or obligates School to admit or cause the admittance of a patient to Hospital or to use Hospital's services. None of the benefits granted pursuant to this Agreement is conditioned on any requirement or expectation that the parties make referrals to, be in a position to make or influence referrals to, or otherwise generate business for the other party. Neither party is restricted from referring any services to, or otherwise generating any business for, any other entity of their choosing.

20. APPROVALS.

Neither this Agreement nor any amendment or modification hereto shall be effective or legally binding upon Hospital, or any officer, director, employee or agent thereof, unless and until it has been reviewed and approved in writing by a Senior Vice President of Hospital's owner and by Hospital's Legal Counsel.

The parties hereto have executed this Agreement on this the 13 day of March, 09.

Central Washington University
Name of School

By: Lonnie Lankell

Title: Interim Dean, CEPS

Dated: 3-16-09

TB
3/13/09

Columbia Capital Medical Center, LP
Name of Hospital

d/b/a Capital Medical Center

By: [Signature]

Title: Chief Executive Officer

Dated: 3/20/09

EXHIBIT A

STATEMENT OF RESPONSIBILITY

For and in consideration of the benefit provided the undersigned in the form of experience in a clinical setting at Capital Medical Center ("Hospital"), the undersigned and his/her heirs, successors and/or assigns do hereby covenant and agree to assume all risks and be solely responsible for any injury or loss sustained by the undersigned while participating in the Program which I am receiving credit from Central Washington University ("School") at Hospital unless such injury or loss arises solely out of Hospital's gross negligence or willful misconduct.

Signature of Program Participant

Date

Print Name

Parent or Legal Guardian if Program Participant is under 18

Date

Print Name

EXHIBIT B**PROTECTED HEALTH INFORMATION, CONFIDENTIALITY AND SECURITY AGREEMENT**

- Protected Health Information (PHI) includes patient information based on examination, test results, diagnosis, response to treatment, observation, or conversation with the patient. This information is protected and the patient has a right to the confidentiality of his or her patient care information whether this information is in written, electronic, or verbal format. PHI is individually-identifiable information that includes, but is not limited to, patient's name, account number, birthdates, admission and discharge dates, photographs, and health plan beneficiary number.
- Medical records, case histories, medical reports, images, raw test results, and medical dictations from healthcare facilities are used for student learning activities. Although patient identification is removed, all healthcare information must be protected and treated as confidential.
- Students enrolled in school programs or courses and responsible faculty are given access to patient information. Students are exposed to PHI during their clinical rotations in healthcare facilities.
- Students and responsible faculty may be issued computer identifications (IDs) and passwords to access PHI.

Initial each to accept the Policy

Initial	Policy
	1. It is the policy of the school/institution to keep PHI confidential and secure.
	2. Any or all PHI, regardless of medium (paper, verbal, electronic, image or any other), is not to be disclosed or discussed with anyone outside those supervising, sponsoring or directly related to the learning activity.
	3. Whether at the school or at a clinical site, students are not to discuss PHI, in general or in detail, in public areas under any circumstances, including hallways, cafeterias, elevators, or any other area where unauthorized people or those who do not have a need-to-know may overhear.
	4. Unauthorized removal of any part of original medical records is prohibited. Students and faculty may not release or display copies of PHI. Case presentation material will be used in accordance with healthcare facility policies.
	5. Students and faculty shall not access data on patients for whom they have no responsibilities or a "need-to-know" the content of PHI concerning those patients.
	6. A computer ID and password are assigned to individual students and faculty. Students and faculty are responsible and accountable for all work done under the associated access.
	7. Computer IDs or passwords may not be disclosed to anyone. Students and faculty are prohibited from attempting to learn or use another person's computer ID or password.
	8. Students and faculty agree to follow Hospital's privacy policies.
	9. Breach of patient confidentiality by disregarding the policies governing PHI is grounds for dismissal from the Hospital.

- I agree to abide by the above policies and other policies at the clinical site. I further agree to keep PHI confidential.
- I understand that failure to comply with these policies will result in disciplinary actions.
- I understand that Federal and State laws govern the confidentiality and security of PHI and that unauthorized disclosure of PHI is a violation of law and may result in civil and criminal penalties.

 Signature of Program Participant

 Date

 Print Name

 Parent or Legal Guardian if Program Participant is under 18

 Date

Print Name