



State of Washington
Department of Corrections

Contract No. K9379
On-Site Medical Contract

This Contract is entered into by and between the Department of Corrections, an agency of the state of Washington, hereinafter referred to as Department, and NaphCare, Inc, DBA NaphCare, located at 950 22nd St. N, Ste 825, Birmingham, AL, 35203-5301, hereinafter referred to as Contractor.

WHEREAS, the purpose of this contract is to provide renal dialysis and nephrology care to offenders under the jurisdiction of the Department of Corrections located at Monroe Correctional Complex (MCC);

NOW THEREFORE, in consideration of the terms and conditions contained herein, attached hereto, or incorporated by reference herein, the Department and Contractor mutually agree as follows:

SECTION 1 - SERVICES

The Contractor is authorized and agrees to provide, in accordance with Exhibit A, "Services" and the provisions of this Contract, renal dialysis and nephrology care as requested by the Department during the Contract Term.

SECTION 2 - CONTRACT TERM

2.1 Initial Term. The Initial Term of this Contract shall commence and end on the dates shown in the Table, "Contract Term", in Subsection 2.3 below (hereinafter, respectively, the "Initial Term Commencement Date", and the "Initial Term Expiration Date") unless terminated sooner by either party as provided in Exhibit D, *General Terms and Conditions*.

2.2 Extended Term. Provided the Department is not in material default of any terms or conditions of this Contract, the Department may elect to extend this Contract (hereinafter the "Extended Term") by giving the Contractor written notice of its intent at least thirty days prior to the end of the Initial Term or then current Extended Term, as appropriate. The start date and end date of the Extended Term (hereinafter, respectively, the "Extended Term Commencement Date" and the "Extended Term Expiration Date") shall be indicated by subsequent amendment to the Table, "Contract Term".

2.3 Contract Term.

Initial Term Commencement Date	Initial Term Expiration Date
01/01/2012	12/31/2012

SECTION 3 - PAYMENT

Contingent on the provision of the services described in Exhibit A, the Department shall pay the Contractor in accordance with Exhibit A and Exhibit B, attached hereto and made a part of this Contract, for the goods and services provided by the Contractor during the term of this Contract.

SECTION 4 - AMENDMENT

This Contract and any alteration, amendment or modification of any clause or condition thereof shall not be binding on the Department unless in writing and signed by the Secretary of the Department or the Secretary's designee.

SECTION 5 - ORDER OF PRECEDENCE

In the event of an inconsistency in this Contract, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- The terms and conditions set forth in the text of this Contract
- Exhibit B, "Compensation"
- Exhibit A, "Services"
- Exhibit C, "Special Terms and Conditions"
- Exhibit D, "General Terms and Conditions"
- Any other provision, term, or material incorporated herein by reference or otherwise incorporated

SECTION 6 - CONFORMANCE

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

SECTION 7 - COUNTERPARTS

This contract is executed in duplicate originals and each duplicate shall be deemed an original copy of the contract signed by each party, for all purposes.

SECTION 8 - ENTIRE AGREEMENT

This Contract, consisting of two (2) pages, five (5) exhibits, and all documents incorporated by reference, represents all the terms and conditions agreed upon by the parties. No other understanding or representations, oral or otherwise, regarding the subject matter of this contract shall be deemed to exist or to bind any of the parties hereto.

IN WITNESS WHEREOF, the Department and the Contractor have signed this Contract.

NAPHCARE

B. Lee Harrison
 (Signature)
B. Lee Harrison
 (Printed Name)
President
 (Title)
12.20.2011
 (Date)

DEPARTMENT OF CORRECTIONS

Gary Banning
 (Signature)
Gary Banning
 (Printed Name)
Contracts Administrator
 (Title)
12/28/11
 (Date)

THIS CONTRACT FORMAT HAS BEEN APPROVED BY THE OFFICE OF THE ATTORNEY GENERAL.

SERVICES

- 1 SERVICES:** Contractor will provide the following services at the prescribed rates. The following are fixed fees to be billed monthly. The rates listed below will be the Department's sole payment to Contractor for the services described, with the exception of a monthly charge for Contractor conducting a Pre-Renal Clinic.

A. DIALYSIS:

Number of Dialysis Treatments Per Month	Fee
0-40	\$20,000
41-65	\$500/per treatment
66-130	\$400/per treatment
130+	\$387.59/per treatment

B. PRE-RENAL CLINICS:

Contractor's Nephrologists will conduct a Pre-Renal clinic on a once-monthly basis at the Monroe Correctional Complex-Washington State Reformatory for inmates referred to the Nephrologists. Contractor will charge the Department 160% of the prevailing Medicare rate (based off of the current ICD-9 and CPT codes) for the Pre-Renal clinic services. Applicable ICD-9 codes are 401.1, 581.1, 585, 586, 593.9, and 791. Applicable CPT codes are 99201-5, 99211-5, 99241-5, 99354, and 99355. The prevailing Medicare rates can be found at: <http://www.cms.hhs.gov/apps/pfslookup/>

COMPENSATION

A. Payment:

The Contractor will be paid at the rates listed in Exhibit A.

The Contractor will bill the Department utilizing CMS 1500 forms for pre-renal clinics and by invoice for dialysis treatments. Billing invoice shall include date of treatment, offender name and DOC number.

B. Duplicate Payments

The Department shall not pay the Contractor if the Contractor has charged, or will charge, another agency of the state of Washington, an agency of the United States of America, or any other third party payer under any other contract or agreement, for the same services or expenses.

**STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS
SPECIAL TERMS AND CONDITIONS
MEDICAL CONTRACT**

- 1 Billing Instructions:** Contractor will bill utilizing the appropriately completed CMS 1500 medical billing form, including but not limited to, dates of service, diagnosis, services provided and service data to include CPT/HCPCS codes.

Each invoice will specifically reference Contract No. K9379 and will clearly indicate the dates services were rendered. Contractor shall submit all medical billing forms to:

Department of Corrections
Medical Disbursement Unit
PO Box 41107
Olympia, WA 98504-1107

- 2 Contract Representatives:** The Contract Representatives for the Contractor and the Department shall be B. Lee Harrison and Cynthia Ray-Anderson, respectively, for all communications and billings regarding the performance of this Contract. Each party shall promptly notify the other party in writing of any change in Contract Representative.

- 3 Independent Contractor Status:** The Contractor is not an employee of the Department of Corrections. By signing this contract, the Contractor certifies that he is not a current Department employee, and will advise the Department immediately should this status change. This contract shall become null and void if the Contractor accepts employment with the Department. The Contractor shall not hold himself out as nor claim to be an officer or employee of the State of Washington by reason hereof. The Contractor agrees not to make any claim, demand, or application to or for any right or privilege applicable to a Department employee or Washington State employee including but not limited to, workmen's compensation coverage or retirement membership or credit or any other benefit which would accrue to a civil service employee.

- 4 Insurance:** Contractor shall maintain a policy of professional liability insurance during the term of this Contract Agreement, including coverage for losses caused by errors or omissions, during the term of this Contract Agreement. Such policy shall contain the following limits: Each occurrence - \$1,000,000; General Aggregate - \$2,000,000.

Contractor will provide the Department with a certificate of such insurance. The certificate shall be sent to the Department of Corrections, Contracts and Legal Affairs, P.O. Box 41114, Olympia, Washington 98504-1114. Contractor shall immediately notify the Contracts and Legal Affairs Section in the event such policy is terminated, canceled, or modified.

Other Insurance: The Contractor will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The State will not be held responsible in any way for claims filed by the Contractor or their employees for services performed under the terms of this contract.

- 5 TB Testing:** The Contractor must, at his/her expense, provide evidence of a negative TB test prior to treating offenders and shall provide evidence of a negative test result annually thereafter.

6 **License:** Contractor represents that Contractor is licensed pursuant to RCW 18.71 to practice medicine in the state of Washington, and will provide the Department with a copy of such license. The copy shall be sent to the Contracts and Legal Affairs Section, PO Box 41114, Olympia, WA 98504.

7 **Release of Information:**

A. A HIPAA Covered Entity (e.g. health care provider) may disclose Protected Health Information (PHI) about an inmate to a correctional institution or a law enforcement official, without the inmate's consent, when the inmate is in the lawful custody of that institution or officer, if the disclosure of the inmate's PHI is necessary for [one or more of the following]:

1. Provision of health care to the inmate;
2. The health and safety of:
 - a. That inmate or other inmates; b. The officers, general employees, or others at the correctional institution; c. Officers or other persons responsible for transporting inmates or for transferring inmates from one institution, facility, or setting to another; and/or d. Law enforcement personnel on the premises of the correctional institution.
3. The administration and maintenance of the safety, security, and good order of the correctional institution. [See CFR § 164.512 (k)(5)]

B. A covered entity may reasonably rely on the representation of correctional officials that protected health information is needed for the purposes described in CFR § 164.514 (h) Verification.

C. Neither the HIPAA privacy rule nor the Washington State Health Records Act requires the inmate's consent for the disclosures described above.

8 **PREA - CUSTODIAL AND SEXUAL MISCONDUCT**

This contract provision shall apply to any person having direct unsupervised contact with offenders under Department of Corrections (DOC) jurisdiction. This includes, but is not limited to, all contractors and their employees, vendors and their employees, and volunteers (Contractors). Electronic access to the documents cited in Section 1, Authorities below is available from the DOC Contract Manager.

1. **Authorities.**

In the performance of services under this Contract, Contractors shall comply with all federal and state laws and Department policies regarding sexual misconduct, including, but not limited to, the Prison Rape Elimination Act of 2003 (PREA); RCW 72.09.225, Sexual misconduct by state employees, contractors; RCW 9A.44.010, Definitions; RCW 9A.44.160 Custodial sexual misconduct in the first degree; RCW 9A.44.170, Custodial sexual misconduct in the second degree; DOC 490.800, Prevention and Reporting of Sexual Misconduct; DOC 490.850, Response to Investigation of Sexual Misconduct, and DOC 610.025, Sexual Abuse, Sexual Assault, and Staff Sexual Misconduct.

2. **Definitions.**

A. Sexual Misconduct includes, but is not limited to, offender-on-offender sexual assault, sexual abuse, and consensual sex acts. It also includes Custodial Sexual

Misconduct, Custodial Misconduct of a Sexual Nature, and Sexual Harassment as defined below.

- B. Custodial Sexual Misconduct includes, but is not limited to, the following acts directed toward any offender and performed by Department staff, contract workers, volunteers, or any other person having direct contact with offenders under DOC jurisdiction:
- 1) Engaging in sexual intercourse with an offender. Sexual intercourse shall include (a) vaginal intercourse, anal intercourse, and oral intercourse as well as the penetration of an offender's vagina or anus with an object, when such penetration is not performed for the purpose of providing medical care or is not authorized by Department policy for the purpose of maintaining security, or (b) allowing an offender to engage in sexual intercourse, as defined above, with any contract worker or volunteer.
 - 2) Without a legitimate penological purpose, intentionally physically touching, either directly or through clothing, the genitalia, anus, groin, thighs, or buttocks of an offender or the breasts of a female offender.
 - 3) Without a legitimate penological purpose, compelling or permitting an offender to touch, either directly or through clothing the genitalia, breasts, or buttocks of an employee, contract worker, or volunteer.
 - 4) Kissing an offender, or allowing oneself to be kissed by an offender, (this does not include an uninvited surprise kiss by an offender).
 - 5) Knowingly exposing one's genitals, breasts, or buttocks to an offender.
 - 6) Observing without legitimate penological purpose an offender's partially or fully naked body or an offender engaging in a sexual act with him/herself or another offender (not to include inadvertent or unavoidable observation).
 - 7) Making threats, bribes, or acts of coercion toward an offender for the purpose of causing an offender to engage in any of the acts prohibited in this section.
 - 8) Taking one or more substantial steps toward engaging in or performing any of the acts prohibited in this section.
 - 9) Helping another person perform any of the acts prohibited in this section by acting or failing to act to aid in the commission of such act, with the knowledge that the action or inaction will promote or facilitate the prohibited act.
- C. Custodial Misconduct of a Sexual Nature includes but is not limited to:
- 1) Staff, contractor, vendor, or volunteer-on-offender sexual harassment; inappropriate relationships; exchange of personal information or items of financial or sentimental value; threatening, intimidating, coercing, or using abusive language towards an offender for other than legitimate corrections purposes; cross gender pat searches; and
 - 2) Failing to report suspected or known sexual misconduct or other acts prohibited by this contract provision; and discouraging, preventing, or otherwise interfering with good faith reporting of sexual misconduct where an offender is the alleged victim.
- D. Sexual Harassment

- 1) Making comments about an offender's body intended to abuse, humiliate, harass, degrade, arouse, or gratify the sexual desire of any person present; and
- 2) Making other gender-based sexually oriented or demeaning statements or gestures.

3. Contractor Requirements include but are not limited to:

- A. Adhering to the DOC zero tolerance standard for sexual misconduct, whether or not consensual.
- B. Maintaining boundaries and professionalism at work and when in direct contact with offenders.
- C. Ensuring that all contract and volunteer staff, who have unsupervised access to offenders under DOC jurisdiction, have PREA/Sexual Misconduct training that includes:
 - 1) Department policies on Prevention and Reporting of Sexual Misconduct, DOC 490.800 and Response to Investigation of Sexual Misconduct, DOC 490.850;
 - 2) The meaning of Department jurisdiction;
 - 3) The prohibitions against engaging in behaviors described in Section 2, Definitions, above;
 - 4) Signs of sexual misconduct in both victims and predators;
 - 5) Reporting requirements and investigation procedures for suspected or known instances of sexual misconduct;
 - 6) The resources available to offender/victims of sexual misconduct;
 - 7) The confidentiality requirements associated with assisting offender/victims; and
 - 8) The consequences of failing to conform to all requirements of this Section 3, which include, but are not limited to:
 - a) Removal of person(s) from proximity to offenders;
 - b) Removal of person(s) from contract work at DOC;
 - c) Contract termination;
 - d) Criminal and or civil prosecution;
 - e) Liability for damages to the offender/victim.

9 CRFQQ6957

The Contractor's response to CRFQQ6957 is an integral part of this contract and is incorporated herein by reference.

10 MODIFICATION TO GENERAL TERMS & CONDITIONS

By mutual agreement of the parties, Paragraph 24.3 of the General Terms and Conditions is modified as follows:

24.3 TERMINATION FOR CONVENIENCE- Except as otherwise provided in this Contract Agreement, the Secretary may, by ~~((five (5)))~~ thirty (30) day's written notice beginning on the second day after the mailing, terminate this Contract Agreement, in whole, or in part, when it is in the best interests of the Department. If this Contract Agreement is so terminated, the Department shall be liable only for payment in accordance with the terms of this Contract Agreement for services rendered prior to the effective date of termination.

STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS
GENERAL TERMS AND CONDITIONS

1. DEFINITIONS - As used throughout this Contract Agreement, the following terms shall have the meanings set forth below:
 - 1.1 "Contractor" shall mean that agency, firm, provider, organization, individual or other entity performing services under this Contract Agreement. It shall include any Subcontractor retained by the prime Contractor as permitted under the terms of this Contract Agreement.
 - 1.2 "Secretary" shall mean the Secretary of the Department of Corrections and delegates authorized in writing to act on Secretary's behalf.
 - 1.3 "Department" shall mean the Department of Corrections (DOC) of the state of Washington, any division, section, office, unit or other entity of the Department, or any of the officers or other officials lawfully representing that Department.
 - 1.4 "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract Agreement under a separate contract agreement with the Contractor. The terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) in any tier.
 - 1.5 "Contract Administrator" shall mean the Administrator of the Department's Office of Contracts and Regulations, or delegate.
 - 1.6 "OMWBE" means the Office of Minority and Women's Business Enterprises of the state of Washington.
 - 1.7 "Minority Business Enterprise", "Minority-Owned Business Enterprise", or "MBE" means a business organized for profit, performing a commercially useful function, which is owned and controlled by one or more minority individuals and which is certified by the OMWBE.
 - 1.8 "Women's Business Enterprise", "Women-owned Business Enterprise", or "WBE" means a business organized for profit, performing a commercially useful function, which is owned and controlled by one or more women and which is certified by the OMWBE.
2. CONTRACTOR NOT EMPLOYEE OF DEPARTMENT - The Contractor, its employees or agents performing under this Contract Agreement are not employees or agents of the Department. The Contractor will not hold himself/herself out as, nor claim to be, an officer or employee of the Department or of the state of Washington by reason hereof, nor will he/she make any claim of right, privilege, or benefit which would accrue to a civil service employee under Chapter 41.06 RCW.
3. NON-DISCRIMINATION - During the performance of this Contract Agreement, the Contractor shall comply with all requirements of federal, state, and local non-discrimination statutes and regulations. These requirements include, but are not limited to:
 - 3.1 Non-discrimination in employment. The Contractor shall not discriminate against any employee or applicant for employment because of race, color, sex, religion, national origin, creed, marital status, age, or the presence of any sensory, mental or physical handicap. This requirement does not apply, however, to a religious corporation, association, educational institution or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities.

The Contractor shall take affirmative action to ensure that employees, including apprentices and volunteers, are employed and treated during employment without discrimination because of their race, color, religion, sex, national origin, creed, marital status, age, or the presence of any sensory, mental, or physical handicap. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, transfer, recruitment, and selection for training.

- 3.2 Non-discrimination in Client Services. The Contractor shall not, on grounds of race, color, sex, religion, national origin, creed, marital status, age, or the presence of any sensory, mental, or physical handicap:
- A. Deny an individual any services or other benefits provided under this Contract Agreement.
 - B. Provide any service(s) or other benefits to an individual which are different, or are provided in a different manner from those provided to others under this Contract Agreement.
 - C. Subject any individual to segregation or separate treatment in any manner related to the receipt of any service(s) or other benefits provided under this Contract Agreement.
 - D. Deny any individual an opportunity to participate in any program provided by this Contract Agreement through the provision of services or otherwise, or afford an opportunity to do so which is different from that afforded others under this Contract Agreement. The Contractor, in determining (a) the types of services or other benefits to be provided; (b) the class of individuals to whom, or the situation in which, such services or other benefits will be provided; or (c) the class of individuals to be afforded an opportunity to participate in any services or other benefits, will not utilize criteria, methods or administration which have the effect of subjecting individuals to discrimination because of their race, color, sex, religion, national origin, creed, marital status, age or the presence of any sensory, mental, or physical handicap.
- 3.3 Americans with Disabilities Act, and any other Federal, State, or local regulations regarding the rights of individuals or groups shall be abided by in the performance of this Contract Agreement where appropriate.
- 3.4 Non-compliance with Non-discrimination Requirements - In the event of the Contractor's non-compliance or refusal to comply with the non-discrimination requirements, this Contract Agreement may be rescinded, canceled, or terminated, in whole or in part, and the Contractor may be declared ineligible for further contracts with the Department. The Contractor shall, however, be given a reasonable time in which to cure this non-compliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.
4. POLICIES AND PROCEDURES - In connection with such services rendered hereunder, the Contractor agrees to comply with applicable Department/ Institution policies and procedures relative to custody of inmates and security/operation of the institution such as, but not limited to, fingerprinting, photographs for identification purposes, and searches.
5. UTILIZATION OF MINORITY-OWNED AND WOMEN-OWNED BUSINESSES - During the performance of this Contract Agreement, the Contractor shall comply with Chapter 39.19 RCW, as now existing or hereafter amended, any rule adopted under that Chapter by OMWBE and/or any policy or regulations adopted by the Department to effect agency compliance with that Chapter.

In the event that the Contractor fails to comply with any requirements set forth in the text of the contract instrument, relative to the utilization of minority and/or women-owned businesses, the Department may take such action or actions as are provided to the Department under Chapter 39.19 RCW.

If the Contractor prevents or interferes with any Subcontractor's compliance with these provisions, or submits false or fraudulent information to the Department regarding compliance with this provision, the Contractor shall be subject to a fine not to exceed One Thousand Dollars (\$1,000) in addition to any other penalties or sanctions prescribed by law.

6. BILLING PROCEDURES - The Contractor's compensation for goods and services rendered under this Contract Agreement shall be as set forth in the text of the contract instrument attached hereto. Any additional goods or services furnished by the Contractor in excess of that set forth in the text of the contract instrument attached hereto must have prior written approval of the Secretary.

At the intervals prescribed by the Department, the Contractor shall submit a state invoice voucher form prepared in triplicate (original and two signed copies) in the manner prescribed by the Department. Such vouchers shall contain a detailed statement of contract services performed for which the Contractor is seeking compensation. These vouchers shall also include such information as is necessary for the Department to determine the exact nature of all expenditures by Contractor for which reimbursement is sought and, as appropriate, identify all personnel for whom compensation is sought, the amount of hours each individual worked, and the rate of compensation for each.

The Contractor shall submit all travel expenses for which reimbursement is sought on a state travel expense voucher form, completed and signed by the Contractor. These expenses shall be submitted at the intervals and in the manner prescribed by the Department.

Payment shall be considered timely if made by the Department within 30 work days after the date of receipt. The Department may, in its sole discretion, withhold payments due the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract Agreement.

7. INDEMNIFICATION - The Contractor shall defend, protect, and hold harmless the state of Washington, the Department, or any employees thereof, from and against all claims, suits, or actions arising from any negligent or deliberate wrongful act or omission of the Contractor or Subcontractor, or agents of either, while performing under the terms of this Contract Agreement. The provisions of this paragraph shall not apply to any act or omission by the Contractor for which the Department, in the text of this Contract Agreement, has agreed to defend and hold the Contractor harmless. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.
8. COVENANT AGAINST CONTINGENT FEES - The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agency maintained by the Contractor for the purpose of securing business. The Department shall have the right, in the event of breach of this clause by the Contractor, to annul this Contract Agreement without liability or, in its discretion, to deduct from the contract price or consideration or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.
9. CONFLICT OF INTEREST - The Department may, by written notice to the Contractor:
 - 9.1 Terminate the right of the Contractor to proceed under this Contract Agreement if it is found, after due notice and examination by the Contract Administrator, that gratuities in the form of entertainment, gifts, or otherwise are offered or given by the Contractor, or an agent or representative of the Contractor, to any officer or employee of the Department, with a view towards securing this

Contract Agreement or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to this Contract Agreement.

9.2 In the event this Contract Agreement is terminated as provided in (9.1) above, the Department shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the Contract Agreement by the Contractor. The rights and remedies of the Department provided for in this clause shall not be inclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the Contract Administrator makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this Contract Agreement.

10. TREATMENT OF ASSETS -

10.1 Title to all property furnished by the Department shall remain in the Department. Example: The Department provides desks for Contractor staff. Title to desks remain in the Department.

10.2 Title to all property purchased by the Contractor, the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under the Contract Agreement, shall pass to and vest in the Department upon delivery of such property to the Contractor. Example: The Contractor purchases equipment which is a reimbursable budget line item. Title passes to and vests in the Department.

10.3 Title to all property, the costs of which is directly or indirectly reimbursed by the Department, shall pass to and vest in the Department upon delivery of such property to the Contractor. Example: Contractor receives all income from the Department. There are no other sources of funds. Although the item may not be listed in the budget, title will pass to and vest in the Department upon delivery since the costs of the item has been paid by Department funds.

10.4 Any property of the Department furnished to the Contractor shall, unless otherwise provided herein, or approved by the Contract Administrator, be used only for the performance of this Contract Agreement.

10.5 The Contractor shall be responsible for any loss or damage to property of the Department which results from the negligence of the Contractor or which results from the failure on the part of the Contractor to maintain and administer that property in accordance with sound management practices, and shall maintain an inventory of Department property.

10.6 Upon the happening of loss or destruction of, or damage to, any Department property, the Contractor shall notify the Contract Administrator thereof and shall take all reasonable steps to protect that property from further damage.

10.7 The Contractor shall surrender to the Department all property of the Department prior to settlement upon completion, termination, or cancellation of this Contract Agreement.

10.8 All purchases of equipment by Contractors for programs administered by Contractors, which are property of the Department as defined herein, are to be received at the institution/location for control and tagging and entry into the Capital Asset Management System (CAMS) before distribution to the Contractor for use.

10.9 All references to the Contractor under this clause shall include any of his/her employees, agents, or Subcontractors.

11. NON-ASSIGNABILITY - The Contractor may not assign any of the Contractor's duties, obligations, rights, or claims assumed or created under this contract without the express prior written consent of

the Department signed by the Secretary. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.

12. RECORDS, DOCUMENTS, AND DUTIES - The Contractor shall maintain such books and records, and utilize such accounting procedures and practices necessary to reflect sufficiently, accurately, and properly all direct and indirect costs of any nature expended in the performance of this Contract Agreement. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the Department. Should an audit conducted under the authority of this section disclose that the Contractor has been paid by the Department in excess of the agreed upon costs (overpayment), or has been reimbursed by the Department for direct or indirect costs which are disallowed as a result of that audit, then, in either event, the Contractor shall, upon demand by the Department, repay such overpayment or reimbursement to the Department. The Contractor will retain all books, records, documents, and other material relevant to this Contract Agreement for five years after settlement, and make them available for inspection by persons authorized under this provision. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.

13. SAFEGUARDING OF INMATE INFORMATION - The use or disclosure by any party of any information concerning an inmate for any purpose not directly connected with the administration of the Department's or the Contractor's responsibilities with respect to services provided under this Contract Agreement is prohibited, except by written consent of the Department or inmate, or his/her legal representative.

The Contractor agrees to abide by present and future federal and state laws and regulations in maintaining the confidentiality of agency files and records, including Criminal History Record Information (CHRI). In the event CHRI is provided to the Contractor, the Contractor shall abide by all present and future Department rules and regulations governing the use of CHRI information and shall require any of the Contractor's authorized personnel having access to CHRI to strictly adhere to the same. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.

14. RIGHTS IN DATA - Unless otherwise provided, data which originates from this Contract Agreement shall be "works for hire" as defined by the U.S. Copyright Act of 1976 and shall be owned by the Department. Data shall include, but not be limited to, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register, and the ability to transfer these rights.

Data which is delivered under the Contract Agreement, but which does not originate therefrom, shall be transferred to the Department with a non-exclusive, royalty free, irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others to do so; provided that such license shall be limited to the extent which the Contractor has a right to grant such a license. The Contractor shall exert all reasonable efforts to advise the Department, at the time of delivery of data furnished under this Agreement, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract Agreement. The Department shall receive prompt written notice of each notice, claim, or copyright infringement received by the Contractor with respect to any data delivered under this Contract Agreement. The Department shall have the right to modify or remove any restrictive markings placed upon the data by the Contractor. The provisions of this section shall survive any termination or the expiration of this Contract Agreement.

15. SUB-CONTRACTING - The Contractor shall not enter into sub-contracts for any of the work contemplated under this Contract Agreement without obtaining prior written approval of the Contracts Administrator of the Department or his/her delegate.
16. LICENSING AND ACCREDITATION STANDARDS - The Contractor shall comply with all applicable local, state and federal licensing and accrediting requirements/standards, necessary in the performance of this Contract Agreement.
17. INDUSTRIAL INSURANCE COVERAGE - As required by statutes or regulations, the Contractor shall provide or purchase industrial insurance coverage prior to performing work under this Contract Agreement. The Department will not be responsible for payment of industrial insurance premiums or for any other claim or benefit for the Contractor, or any Sub-contractor, or employee of the Contractor, which might arise under these industrial insurance laws during performance of duties and services under this Contract Agreement.
18. RIGHT OF INSPECTION - The Contractor shall provide right of access to its facilities to the Department, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal government at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this Contract Agreement.
19. ADVANCE PAYMENTS PROHIBITED - No payment in advance or in anticipation of services or supplies to be provided under this Contract Agreement shall be made by the Department.
20. NON-AVAILABILITY OF FUNDS - In the event funding from state, federal, or other sources is unavailable, withdrawn, reduced, insufficient, or limited in any way, the Department may terminate the Contract Agreement under the "Termination for Convenience" clause, (without the five-day notice requirement) subject to renegotiation under any new funding limitations and conditions.
21. WAIVER OF DEFAULT - Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver of breach of any provision of the Contract Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract Agreement, unless stated to be such in writing, signed by the Secretary of the Department, and attached to the original Contract Agreement.
22. CHANGES AND MODIFICATIONS - The Secretary may, at any time, by written notification to the Contractor, and without notice to any known guarantor or surety, make unilateral changes in the scope of the services to be performed under the Contract Agreement, the period of performance, or the price. These unilateral changes shall be effective as set forth in the amendment to the Contract Agreement or upon signature by the Secretary, if no date has been set forth.

The Contractor will be deemed to have accepted any such unilateral change unless the Contractor notifies the Department's Contracts Administrator of the Contractor's non-acceptance of such unilateral change within fifteen (15) calendar days after the date the change notice is signed by the Secretary. The Contractor and the Department will then use good faith efforts to negotiate a change acceptable to both parties. Failure to agree on an acceptable change shall be a dispute concerning a question of fact within the meaning of clause #23, "Disputes". However, nothing in this clause shall excuse the Contractor from proceeding with the Contract Agreement as changed.

23. DISPUTES - Except as otherwise provided in the Contract Agreement, should a dispute arise between the parties hereto, with respect to the terms of this contract or the performance thereof, and it cannot be resolved informally, the parties shall refer the dispute to an independent arbitrator selected by mutual agreement of the Contractor and the Department. The arbitrator so chosen shall establish procedures for an arbitration hearing and shall render a decision resolving the dispute. The

arbitrator's decision shall be binding on both parties, unless either party delivers written objection to the decision to the non-objecting party within ten (10) working days after receiving the decision by the arbitrator. The arbitrator's fee will be shared equally by the parties, but neither party shall be financially responsible for the costs incurred by the other party in connection with the arbitration. The parties agree that this dispute process shall precede the commencement of any legal action.

Should either party hereto commence any action in a state or federal tribunal with respect to the dispute decided by arbitration hearing, then the party bringing the action shall bear all court costs and attorney fees if the decision of the arbitrator is substantially upheld. If the decision of the arbitrator is not upheld, then each party shall bear its own costs and attorney fees.

24. TERMINATION -

24.1 BY CONTRACTOR - The Contractor may terminate the Contract Agreement by giving the Department written notice of such termination. No such termination shall be effective until sixty (60) days after the Department has received the Contractor's written notice of termination, or until such later date as established by the Contractor in the Contractor's written notice of termination. Contractor shall mail or deliver the Contractor's written notice of termination to the Contracts Administrator. If the Contractor terminates the Contractor Agreement, the Department shall be liable only for payment in accordance with the terms of this Contract Agreement for services rendered prior to the effective date of termination.

24.2 FOR DEFAULT - The Secretary may, by written notice, terminate the Contract Agreement in whole or in part, for failure of the Contractor to perform any of the provisions hereof. In such event, the Contractor shall be liable for damages as authorized by law, including, but not limited to, any cost difference between the original Contract Agreement and the replacement or cover Contract Agreement and all administrative costs directly related to the replacement Contract Agreement, i.e., cost of the competitive bidding, mailing, advertising, and staff time: Provided, that if (A) it is determined for any reason the Contractor was not in default, or (B) the Contractor's failure to perform is without his/her and/or his/her Sub-contractor's control, fault or negligence, the termination shall be deemed to be a Termination for Convenience.

24.3 FOR CONVENIENCE - Except as otherwise provided in this Contract Agreement, the Secretary may, by five (5) day's written notice beginning on the second day after the mailing, terminate this Contract Agreement, in whole or in part, when it is in the best interests of the Department. If this Contract Agreement is so terminated, the Department shall be liable only for payment in accordance with the terms of this Contract Agreement for services rendered prior to the effective date of termination.

25. TERMINATION PROCEDURE - Upon termination of this Contract Agreement, the Department, in addition to any other rights provided in this Contract Agreement, may require the Contractor to deliver to the Department any property specifically produced or acquired for the performance of such part of this Contract Agreement as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The Department shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by the Department, and the amount agreed upon by the Contractor and the Secretary for (A) completed work and services for which no separate price is stated, (B) partially completed work and services, (C) other property or services which are accepted by the Department, and (D) the protection and preservation of property, unless the termination is for default, in which case the Secretary shall determine the extent of the liability of the Department. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this Contract

Agreement. The Department may withhold from any amounts due the Contractor for such completed work or services such sum as the Secretary determines to be necessary to protect the Department against potential loss or liability.

The rights and remedies of the Department provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract Agreement.

After receipt of a notice of termination, and except as otherwise directed by the Secretary, the Contractor shall:

- 25.1 Stop work under the Contract Agreement on the date, and to the extent specified, in the notice;
- 25.2 Place no further orders or sub-contracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the Contract Agreement as is not terminated;
- 25.3 Assign to the Department, in the manner, at the times, and to the extent directed by the Secretary, all of the rights, titles, and interest of the Contractor under the orders and sub-contracts so terminated, in which case the Department has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and sub-contracts;
- 25.4 Settle all outstanding liabilities and all claims arising out of such termination or orders and sub-contracts, with the approval or ratification of the Secretary to the extent he/she may require, which approval or ratification shall be final for all the purposes of this clause;
- 25.5 Transfer title to the Department and deliver in the manner, at the time, and to the extent, if any, as directed by the Secretary, any property which, if the Contract Agreement had been completed, would have been required to be furnished to the Department.
- 25.6 Complete performance of such part of the work as shall not have been terminated by the Secretary; and
- 25.7 Take such action as may be necessary, or as the Secretary may direct, for the protection and preservation of the property related to this Contract Agreement which is in the possession of the Contractor and in which the Department has or may acquire an interest.
26. GOVERNING LAW - This Contract Agreement shall be governed by the laws of the state of Washington. Any action brought hereunder must be brought in Thurston County, Washington.
27. SEVERABILITY - If any provision of this Contract Agreement or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of this Contract Agreement which can be given effect without the invalid provision, and to this end the provisions of this Contract Agreement are declared to be severable.
28. CONSTRUCTION - Nothing in this Contract Agreement shall be construed to create a right enforceable by or in favor of any third party.
29. EMPLOYMENT - During the performance of this Contract Agreement, the Contractor shall comply with all requirements of the federal Immigration Reform and Control Act (IRCA) and any regulations adopted by the Department of Justice Bureau of Immigration and Naturalization Services to implement the IRCA. The provisions of this paragraph shall be in addition to any other requirements set forth in the text of the contract instrument attached hereto or any attachments thereto.
30. HEALTH RISKS - There is potential risk to blood borne or other body fluid diseases to personnel who work in or at a DOC facility. It is your responsibility under Chapter 296-62-08001 Washington

Administrative Code (WAC) to ensure personnel in your employment and in a DOC site are trained in the requirements of this standard and that you provide adequate protection for your staff consistent with the standard.

If the Contractor is a health care provider whose primary duties are the medical or physical care of inmates or emergency or medical treatment of employees, you are responsible to understand and abide by the requirements of Chapter 296-62-08001 WAC as well as standard medical practice.

31. ENTIRE AGREEMENT - The Contract, these Terms and Conditions, and all attachments and amendments thereto, constitute the entire agreement between the Contractor and the Department and no other statements or representations, written or oral, shall be deemed a part thereof.



STATE OF WASHINGTON
DEPARTMENT OF CORRECTIONS

Service Level Agreement
Administrative Services Division
Information Technology

NUMBER
K9379

SUBMITTAL DATE
01/01/2012

PAGE NUMBER
1 of 4

SERVICE: **NaphCare Dialysis System Network**

Purpose:

This Service Level Agreement (SLA) is executed pursuant to the terms and conditions of the Department of Corrections, ("DOC"), Information Technology Non-Disclosure Confidentiality/Access Agreement form (DOC 08-079), DOC policy, "Information Technology Security", and DOC policy, "Acceptable Use of Technology" (DOC 280.100). The parties acknowledge they have read and understand the terms and conditions contained therein. This Service Level Agreement (SLA) is entered into between the Department Of Corrections Information Technology Department, hereinafter referred to as "DOC IT", and NaphCare, Inc., hereinafter referred to as the "Contractor", in order to formalize an agreement by which DOC IT will provide hardwired connectivity for the dialysis equipment and computers via existing DOC IT infrastructure (Cat 5 cabling and patch panels), to allow the use of Contractor owned equipment and computers in assisting DOC with its "Strategic Plan". This SLA establishes mutual expectations concerning the use, security, and support of these devices within the secure perimeter of the Monroe Correctional Complex.

Authorization:

This SLA is made between DOC IT and the Contractor providing service to the Monroe Correctional Complex "MCC".

Table 1 describes the representatives of DOC-IT and the Contractor. These groups share ownership of the service, and the representatives listed have reviewed and approved this SLA.

Table 1. Authorization of This SLA

Function	Organizational group	Representative
Contractor	NaphCare, Inc.	Rick Apollo, Vice President of Dialysis Operations
Infrastructure Support	DOC IT	Michael Pearson, Enterprise Customer Services Manager
Technical Questions/Support	NaphCare, Inc.	

Reviews:

The Contractor NaphCare, Inc. and DOC IT, are not required to wait for a scheduled review period. The review may occur at any time. The review of the SLA may be requested at any time by either party. This SLA should be reviewed annually.

Last Review: _____

Next Review: _____

Term:

The term of this SLA is effective upon the date of execution by both parties and shall remain in full force and effect for one year, or until terminated by either party with 1 day written notice.

Costs:

There are no costs associated with this agreement.

Service Overview:

- DOC will provide hardwired ethernet connectivity to dialysis equipment and computers via existing DOC IT infrastructure (Cat 5 cabling and patch panels), to allow the use of Contractor owned equipment and computers in assisting MCC with its "Strategic Plan". This specific service is only being provided at the Monroe Correctional Complex. The equipment and connection will consist of 1 ea – MOXA Nport 5610-8 DT, 1 ea – Cisco 857-K9, 1 ea – Netgear Prosafe 8 Port Switch, 1 ea – DevonIT TC2 Thin Client and 1ea Contractor supplied and supported DSL circuit.

Contractor Requirements:

A. Hardware and Network Access

- Contractor shall insure that this equipment is not allowed connection in any way to the DOC network or any networks, without prior approval by the IT request process, form DOC 08-058.
- Contractor shall install a host-based firewall to control access to the dialysis network.
- Contractor shall insure the workstations or equipment do not have wireless capabilities.
- Contractor shall insure workstation and equipment control
 - Allow only authorized system users.
 - Each user will have a unique logon ID.
 - Each user will have a unique password.
 - Users will not share accounts.
 - Limit rights of users to those appropriate for their role.
- Contractor shall insure only authorized portable media such as a USB Flash Drive is connected to the system.
- Contractor shall insure there is system documentation. The documentation will include the following:
 - No additional software will be installed on the workstations except the software necessary to support the dialysis system. All software used on the system will be documented in the NaphCare dialysis system documentation.
 - Contractor shall insure only authorized people have access to this system. Included in the NaphCare dialysis system documentation will be a process for how users are added, removed, and levels of authorization for this system. Included in this documentation will be who is responsible for carrying out all these actions.
 - Document roles for users and responsibilities of each role of this system.
 - Document who owns the dialysis management and security documentation and is accountable to keep it current.
 - Access Enforcement- Actions and consequences of violating the acceptable uses of this system.
- Security Awareness and Training documentation- Document how users will be informed of documented procedures. All authorized users will be provided with this documentation. Users will be required to confirm they have reviewed this documentation upon receiving and will review the documentation annually thereafter.
- Contractor shall insure that the dialysis system is secured.
 - Anti-Virus- Ensure up-to-date anti-virus software is in place and that an adequate dat file update program is in place.
 - Patch Management-Ensure software security patches are applied in a timely manner and that an adequate patch management program is defined.
 - Physical Security-Control physical access to the system. Limit access to external ports and devices such as USB, Serial, Fire wire and DVD/CD/Floppy drives.
 - Continuous Monitoring and Reporting- Enable system logs. Document a process to review system logs on a periodic basis to ensure the system has only authorized access and connections to only authorized, authenticated resources. Document a process to report detected violations to DOC IT Security.

B. Contractor Technical Requirements

- Hardware and Network Access
 - Contractor shall provide all hardware and software used by staff in the collection and transmission of data. Contractor will coordinate with DOC IT the initial setup of workstations, firewall, switches and the deployment of the equipment in the designated locations.
- Maintenance and Troubleshooting
 - Contractor is solely responsible for maintaining and supporting the software and hardware to include calling the equipment manufacture or DSL circuit provider for troubleshooting and support questions once DOC IT has determined that the DOC IT infrastructure is functioning properly.
- Technical Contact

- Contractor will provide a designated technical resource, (the "Contractor Technical Contact"). The Contractor Technical Contact will be the "central point of contact " for coordinating all technical issues

C. Exclusions.

DOC IT does not support the following Services:

- End user support of Contractor owned equipment (supporting only systems within the DOC Network) implementation and/or management of Contractor network environment (i.e., laptop/desktop computers, firewalls, hubs, servers, VPN's, etc.)
- Software Patch Management, antivirus, or any other software of Contractor owned equipment.
- Help desk support for client applications.
- Disaster Recovery
 - The Department will not replace or restore any equipment destroyed or damaged for any reason. The responsibility and cost of replacing or restoring equipment will be the sole responsibility of the Contractor.

Business Unit Organization:

The Internet access equipment for the Contractor organization has the following functional specifications:

Number of users	
Location	Monroe Correction Complex (WSRU Hospital)
Platform	1 thin client work station, 1 computer work station, 1 MOXA Nport 5610-8 DT, 1 Cisco 857-K9, 1 Netgear Prosafe 8 Port Switch, and 1 Verizon DSL circuit.

Changes to the Service:

All changes to this servers must be submitted through the DOC Change Management process and will be reviewed for approval in accordance with the DOC Policy 280.825 on Technology Governance.

The Contractor will be notified by the service level or change manager via e-mail message or a telephone call at least 48 hours in advance of a requirement to implement a service change outside of these periods.

Security Requirements

A. General

- DOC IT may need to periodically review the Contractor documentation. Contractor agrees to provide a copy of their dialysis system documentation to DOC IT for review within 5 days of the request.
- DOC IT reserves the right to immediately suspend access to a device in the event that a security incident occurs.
- Contractor agrees that all equipment will be secured and that at no time will offenders have physical access to this equipment or be able to monitor this equipment while in use.
- Contractor shall immediately notify DOC IT of any known or suspected breaches of security involving these devices.
- Contractor acknowledges and accepts DOC IT's right to deny access to the facility or confiscate equipment already in the facility without prior notice, upon the detection, confirmation, or notification of any unauthorized access or inappropriate use. Should unauthorized access occur, DOC IT and the Contractor will attempt to resolve security issues to the satisfaction of DOC IT and Business Partner. If no satisfactory resolution of security issues is identified, DOC IT reserves the right to permanently terminate infrastructure access to the facility for equipment.
- Contractor acknowledges that wireless capability is not approved unless authorized.

B. Security Authorization

- Any changes to this agreement or the equipment and services approved by this agreement must be approved in advance after submitting DOC form 08-058 "Information Technology Request."

Escalation:

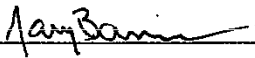
In the event that an issue occurs, the issue will be escalated immediately to the Customer Assistance Center (i.e., an incident or change that cannot be resolved within the agreed-upon time or differences in interpretation of the intent in this agreement arises). The Customer Assistance Center will escalate this issue to IT management for resolution.

Agreement by Signatories:


This agreement remains valid until superseded by a revised agreement mutually endorsed by the signatories below. The agreement will be reviewed annually but can be changed at any time as agreed upon by both the signatories.

Signatories

Department of Corrections


(Signature)
Gary Banning
(Printed Name)
Contracts Administrator
(Title)
12/28/11
(Date)

NaphCare, Inc.


(Signature)
B. Lee Harrison
(Printed Name)
President
(Title)
12.20.2011
(Date)

NaphCare Inc.
Attn: Dialysis Department
950 22nd Street N, Ste 825
Birmingham, AL 35203
Contact: Amber Leckenby – Director of Dialysis Operations
Number: 205-458-8627

For DOC:
Frank Busichio MA, MPH
Health Care Manager II
WA Dept of Corrections
Monroe Correctional Complex
360.794.2808 VM
425.754.5968 Cell

Brian Brown, Info Tech Manager NW Region
WA State Dept of Corrections
Mail Stop: NM-83
Communications Building
16702 177th Avenue SE
Monroe, WA 98272
Phone: 360-794-3280



State of Washington
Department of Corrections

Contract No. K9379
Amendment No. 1

This Amendment is made by the state of Washington, Department of Corrections, hereinafter referred to as Department, and NaphCare, Inc. dba NaphCare, hereinafter referred to as the Contractor, for the purpose of amending the above-referenced Contract, heretofore entered into between the Department and the Contractor.

WHEREAS the purpose of this contract amendment is extend the period of contract performance;

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the Department and Contractor agree as follows:

Initial Term Commencement Date	Initial Term Expiration Date
01/01/2012	12/31/2012
First Extended Term Commencement Date	First Extended Term Expiration Date
01/01/2013	12/31/2013

Additions to this text are shown by underline and deletions by ~~((strikeout))~~. All other terms and conditions remain in full force and effect. The effective date of this amendment is January 1, 2013.

THIS CONTRACT AMENDMENT, consisting of one (1) page, is executed by the persons signing below who warrant that they have the authority to execute the contract.

CONTRACTOR

DEPARTMENT OF CORRECTIONS

B. Lee Harrison
(Signature)
B. Lee Harrison
(Printed Name)
President
(Title)
November 6, 2012
(Date)

Gary Banning
(Signature)
Gary Banning
(Printed Name)
Contracts Administrator
(Title)
11/21/12
(Date)

Approved as to Form:
This amendment format was approved
by the office of the Attorney General.
Approval on file.

State of Washington



Department of Corrections

Contract No. K9379

Amendment No. 2

This Amendment is made by the state of Washington, Department of Corrections, hereinafter referred to as Department, and Naph Care Inc., hereinafter referred to as the Contractor, for the purpose of amending the above-referenced Contract, heretofore entered into between the Department and the Contractor.

WHEREAS the purpose of this contract amendment is add Contractor confidentiality requirements.

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the Department and Contractor agree as follows:

CONTRACTOR WILL:

1. Adhere to, and ensure that each of its employees adheres to, Department of Corrections Acceptable Use of Technology Resources and Data requirements attached hereto and hereby incorporated into this contract.
2. Sign, and have each if its employees with access to the DOC OMNI encounter system, sign the Department of Corrections 'Contractor Nondisclosure of Confidential Information Form' attached hereto and hereby incorporated into this contract.
3. Batch, color scan and email all signed Nondisclosure Forms to DOC by September 15 annually as required and individually as soon as it is known that another of Contractor's employees will require access to DOC OMNI to perform his or her work for Contractor.

Additions to this text are shown by underline and deletions by ~~((strikeout))~~. All other terms and conditions remain in full force and effect. The effective date of this amendment is upon final signature.

THIS CONTRACT AMENDMENT, consisting of one (1) page and two (2) attachments, is executed by the persons signing below who warrant that they have the authority to execute the contract.

CONTRACTOR

DEPARTMENT OF CORRECTIONS

B. Lee Harrison
(Signature)

Gary Banning
(Signature)

B. Lee Harrison
(Printed Name)

Gary Banning
(Printed Name)

President
(Title)

Contracts Administrator
(Title)

Sept 19, 2013
(Date)

10/23/13
(Date)

Approved as to Form: This amendment format was approved by the office of the Attorney General. Approval on file.

Acceptable Use of Technology Resources and Data

A. Access to DOC Resources and Data

If the Department, in its sole discretion, determines that Contractor's work for the Department requires that Contractor has access to Department information technology (IT) resources then access to such resources will be authorized, established, and documented provided that:

1. Contractor agrees to:
 - a. Limit use to legitimate state business and to persons authorized by the department to have access;
 - b. Comply with guidelines and procedures, as now existing or hereafter revised, in the DOC Health Record Guidelines and in DOC Policy Numbers 280.100, Acceptable Use of Technology; 280.310, Information Technology Security; 280.515, Electronic Data Classification; and 400.030, Security Guidelines for Wireless Portable Technology in Facilities.
 - c. Submit an IT service request form and a signed confidentiality agreement, for each employee whose work for the department necessitates access to department IT resources.
2. Contractor acknowledges that any data added to department systems or records by Contractor may, as required by law, be accessible through public disclosure.

B. Data Confidentiality

If Contractor's access to Department information technology resources results in access to confidential information (CI) or to individual protected health information (PHI) then:

1. Contractor agrees to:
 - a. Not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Contractor's performance of the services contemplated hereunder, except as provided by law;
 - b. When use or disclosure is provided for by law, use or disclose only the minimum amount of data gained by reason of this Contract, that is necessary to accomplish the purposes of this Contract;
 - c. Report the compromise or potential compromise of Department CI or PHI to the Department's Contract Manager within one (1) business day of discovery. Act to mitigate the risk of loss and comply with any notification or other requirements imposed by law or the Department.
 - d. Upon request, the Contractor shall provide the Department with its policies and procedures on confidentiality and if necessary, modify its policies and procedures to conform to Department confidentiality requirements regarding Department Data to which the Contractor has access.

C. Data Security

Contractor will adhere to Department Data security requirements to protect any and all Data to which Contractor is granted access in order to accomplish the work for which Contractor was engaged by the Department. To protect Data security:

1. Contractor agrees to:
 - a. Protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss by restricting access to the Confidential Information by:
 - 1) Allowing access only to others that have an authorized business requirement to view or use the Confidential Information.
 - 2) Physically securing any computers; portable storage devices such as flash, thumb, or USB drives; documents; or other media containing the Confidential Information.
 - b. Adhere to secure transmission requirements for Category 3 and Category 4 Data:
 - 1) Send paper documents containing CI or PHI via a Trusted System.

- 2) Transmit electronic Confidential Information, including email, within the (State Governmental Network) SGN or Contractor's internal network, or;
 - 3) Encrypt Data for transit outside the SGN or Contractor's internal network. This includes for transit over the public Internet. Encryption should be with a National Institute of Standards and Technology (NIST) approved algorithm. Portable storage devices should also be encrypted using NIST approved algorithms.
- c. Keep Department Data segregated or otherwise distinguishable from other data held by Contractor.
 - d. Upon request by the Department, return Data to the Department or certify in writing that Contractor employed a Department approved method to destroy the Data when no longer needed.
 - 1) Recycle paper documents that contain CI through a contracted firm, provided the CI remains protected and is then destroyed through the recycling process.
 - 2) Have CI that requires special handling (e.g. protected health information) destroyed on-site through shredding, pulping, or incineration.

D. Definitions

1. "Confidential Information" or "Data" means Information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
2. "Data Classification" means data that is:
 - a. Category 1, public, requires integrity and availability of protection controls;
 - b. Category 2, sensitive, for official use, generally not released w/o specific request;
 - c. Category 3, confidential, specifically protected from disclosure by law, may contain individual personal information, pertain to employee personnel records or to IT infrastructure and security;
 - d. Category 4, confidential, requiring special handling. See Definitions (6) below.
3. "Encrypt" means to encode Confidential Information into a format that can only be read by those possessing a "key"; a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 128 bits.
4. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, Social Security Numbers, driver license numbers, other identifying numbers, and any financial identifier.
5. "Protected Health Information (PHI)" means
 - a. Any information, past, present, or future, about health status, provision of health care, or payment for health care, that can be linked to a specific individual. 45 CFR 160.103.
 - b. PHI includes demographic information that identifies the individual or about which there is reasonable basis to believe can be used to identify the individual. 45 CFR 160.103. PHI is information transmitted or held in any form or medium. 45 CFR 160.103. PHI does not include education records covered by the Family Educational Rights and Privacy Act, as amended, 20 USCA 1232g(a)(4)(B)(iv).
6. "Special Handling Required" means information specifically protected from disclosure by law and for which:
 - a. Especially strict handling requirements are dictated, such as by statutes, regulations, or agreements; and
 - b. Serious consequences could arise from unauthorized disclosure, such as threats to health and safety, or legal sanctions.
7. "Trusted System" means an IT system or network that is recognized automatically as reliable, truthful, and accurate without continual validation or testing.
8. "Use" means sharing, employment, application, utilization, examination, analysis, or commingling of Data with other information.

DEPARTMENT OF CORRECTIONS

Contractor Nondisclosure of Confidential Information Form

Contractor: Naph Care Inc.

DOC K 9379(2)

CONFIDENTIAL INFORMATION

If the Department of Corrections (Department) determines that Contractor's work for the Department requires access to Department information technology systems or other resources that contain confidential, personal or protected health information or data, as an employee of the Contractor, you may be granted access to such technology and data. Your access, however, will be limited to the minimum amount necessary for you to perform the services required by contract.

1. Confidential Information is information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws.
2. Personal Information is information identifiable to any person, including, but not limited to, relating to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone, Social Security, driver license or other identifying numbers, and any financial identifier.
3. Protected health Information is any information, past, present, or future, about health status, provision of health care, or payment for health care, that can be linked to a specific individual.

If you are granted access to Department of Corrections information technology systems or to confidential information, personal information, or protected health information it is your responsibility to maintain and protect the security and confidentiality of that information. Specifically:

1. To adhere to all related confidentiality and security requirements in the contract under which you provide services;
2. To adhere to all requirements contained in the "Acceptable Use of Technology Resources and Data" attachment to the contract under which you provide services; and
3. Continue to maintain the confidentiality and security of all information to which you are granted access even after your access to Department information technology systems or other Department confidential information ends.

EMPLOYEE ASSURANCE OF CONFIDENTIALITY

As an employee of the Contractor named above, I commit and agree to be bound by the following:

1. I certify that I will not divulge, publish, or otherwise make known to any unauthorized person or entity orally, in writing, or by electronic means, any confidential Department or offender information;
2. I agree to continue to be bound by the confidentiality and security requirements of this Contractor **Nondisclosure of Confidential Information Form and the Acceptable Use of Technology Resources and Data Attachment** to the contract under which I provide services, even after my access to Department information technology systems or other Department confidential information ends.

INSTRUCTIONS

This form is to be signed by every Contractor employee who requires, has applied for, and will be granted access to any Department technology or data, before such access is granted. This form is to be signed annually for as long as Contractor's employee will have access to Department technology or data. Contractor must provide a copy of its contract with the Department, including the "Acceptable Use of Technology Resources and Data" attachment, to each employee required to sign this form. The documents provided may be electronic or hard copy.

CONTRACTOR'S EMPLOYEE w/ ACCESS TO DEPARTMENT TECHNOLOGY SYSTEMS OR DATA

PRINTED NAME <i>Heather Griffin</i>	SIGNATURE <i>Heather Griffin</i>	DATE <i>9/23/13</i>
PRINTED SUPERVISOR'S NAME <i>Amber Leckey</i>	SUPERVISOR'S SIGNATURE <i>Amber Leckey</i>	DATE <i>10-2-13</i>

DEPARTMENT OF CORRECTIONS

Contractor Nondisclosure of Confidential Information Form

Contractor: Naph Care Inc.

DOC K 9379(2)

CONFIDENTIAL INFORMATION

If the Department of Corrections (Department) determines that Contractor's work for the Department requires access to Department information technology systems or other resources that contain confidential, personal or protected health information or data, as an employee of the Contractor, you may be granted access to such technology and data. Your access, however, will be limited to the minimum amount necessary for you to perform the services required by contract.

1. Confidential information is information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws.
2. Personal information is information identifiable to any person, including, but not limited to, relating to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone, Social Security, driver license or other identifying numbers, and any financial identifier.
3. Protected health information is any information, past, present, or future, about health status, provision of health care, or payment for health care, that can be linked to a specific individual.

If you are granted access to Department of Corrections information technology systems or to confidential information, personal information, or protected health information it is your responsibility to maintain and protect the security and confidentiality of that information. Specifically:

1. To adhere to all related confidentiality and security requirements in the contract under which you provide services;
2. To adhere to all requirements contained in the "Acceptable Use of Technology Resources and Data" attachment to the contract under which you provide services; and
3. Continue to maintain the confidentiality and security of all information to which you are granted access even after your access to Department information technology systems or other Department confidential information ends.

EMPLOYEE ASSURANCE OF CONFIDENTIALITY

As an employee of the Contractor named above, I commit and agree to be bound by the following:

1. I certify that I will not divulge, publish, or otherwise make known to any unauthorized person or entity orally, in writing, or by electronic means, any confidential Department or offender information;
2. I agree to continue to be bound by the confidentiality and security requirements of this Contractor **Nondisclosure of Confidential Information Form** and the **Acceptable Use of Technology Resources and Data Attachment** to the contract under which I provide services, even after my access to Department information technology systems or other Department confidential information ends.

INSTRUCTIONS

This form is to be signed by every Contractor employee who requires, has applied for, and will be granted access to any Department technology or data, before such access is granted. This form is to be signed annually for as long as Contractor's employee will have access to Department technology or data. Contractor must provide a copy of its contract with the Department, including the "Acceptable Use of Technology Resources and Data" attachment, to each employee required to sign this form. The documents provided may be electronic or hard copy.

CONTRACTOR'S EMPLOYEE w/ ACCESS TO DEPARTMENT TECHNOLOGY SYSTEMS OR DATA

PRINTED NAME <i>Alexander E. Zaharias</i>	SIGNATURE <i>Alexander E. Zaharias</i>	DATE <i>9-21-2013</i>
PRINTED SUPERVISOR'S NAME <i>Amber Leckenby</i>	SUPERVISOR'S SIGNATURE <i>Amber Leckenby</i>	DATE <i>10-2-2013</i>

DEPARTMENT OF CORRECTIONS

Contractor Nondisclosure of Confidential Information Form

Contractor: Naph Care Inc.

DOC K 9379(2)

CONFIDENTIAL INFORMATION

If the Department of Corrections (Department) determines that Contractor's work for the Department requires access to Department information technology systems or other resources that contain confidential, personal or protected health information or data, as an employee of the Contractor, you may be granted access to such technology and data. Your access, however, will be limited to the minimum amount necessary for you to perform the services required by contract.

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2. To adhere to all requirements contained in the "Acceptable Use of Technology Resources and Data" attachment to the contract under which you provide services; and
3. Continue to maintain the confidentiality and security of all information to which you are granted access even after your access to Department information technology systems or other Department confidential information ends.

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1. I certify that I will not divulge, publish, or otherwise make known to any unauthorized person or entity orally, in writing, or by electronic means, any confidential Department or offender information;
2. I agree to continue to be bound by the confidentiality and security requirements of this Contractor Nondisclosure of Confidential Information Form and the Acceptable Use of Technology Resources and Data Attachment to the contract under which I provide services, even after my access to Department information technology systems or other Department confidential information ends.

INSTRUCTIONS

This form is to be signed by every Contractor employee who requires, has applied for, and will be granted access to any Department technology or data, before such access is granted. This form is to be signed annually for as long as Contractor's employee will have access to Department technology or data. Contractor must provide a copy of its contract with the Department, including the "Acceptable Use of Technology Resources and Data" attachment, to each employee required to sign this form. The documents provided may be electronic or hard copy.

CONTRACTOR'S EMPLOYEE w/ ACCESS TO DEPARTMENT TECHNOLOGY SYSTEMS OR DATA		
PRINTED NAME <i>Tosha Teske</i>	SIGNATURE <i>Tosha Teske</i>	DATE <i>10-7-13</i>
PRINTED SUPERVISOR'S NAME <i>Amber Leckenby</i>	SUPERVISOR'S SIGNATURE <i>Amber Leckenby</i>	DATE <i>10-23-13</i>



State of Washington
Department of Corrections

Contract No. K9379
Amendment No. 3

This Amendment is made by the state of Washington, Department of Corrections, hereinafter referred to as Department, and NaphCare, Inc, DBA NaphCare, hereinafter referred to as the Contractor, for the purpose of amending the above-referenced Contract, heretofore entered into between the Department and the Contractor.

WHEREAS the purpose of this contract amendment is to add terms and extend the period of performance.

NOW THEREFORE, in consideration of the terms and conditions contained herein, or attached and incorporated and made a part hereof, the Department and Contractor agree as follows:

1. As used in this Amendment, "Provider" means a person who, under the terms of this contract, provides healthcare services to offenders under the jurisdiction of DOC.
2. The following language is added to the Scope of Work:
Within fifteen (15) calendar days after the date of final signature of this Amendment, the social security number (SSN) of each Provider must be furnished orally to DOC as follows:
 - a. Monday through Friday, from 7:30 a.m. to 5:00 p.m., Providers may telephone DOC Human Resources, 360.413.5435, to orally convey their SSNs.
 - b. A DOC Health Care Recruiter will enter each Provider's SSN directly into the NPDB system. DOC will not retain a written copy of the Provider's SSN.

DOC will use the SSNs provided to enroll Providers in the National Practitioner Data Bank (NPDB), at no cost to Contractor.

DOC will, on a continuous basis, monitor licenses of enrolled Providers for adverse findings. DOC will thoroughly investigate any adverse findings reported by NPDB after which action against the Provider and/or Contractor may be taken.

3. The Period of Performance of this Contract is adjusted as shown below:

Initial Term Commencement Date	Initial Term Expiration Date
01/01/2012	12/31/2012
First Extended Term Commencement Date	First Extended Term Expiration Date
01/01/2013	12/31/2013
Extended Term Commencement Date	Extended Term Expiration Date
1/31/2014	12/31/20105

4. The fees in Exhibit A are increased by 2% as shown in the table below:

A. DIALYSIS:

Number of Dialysis Treatments Per Month	Fee
0-40	(((\$20,000)) <u>\$20,400</u>
41-65	(((\$500)) <u>\$510/per treatment</u>
66-130	(((\$400)) <u>\$408/per treatment</u>
130+	(((\$387.59)) <u>\$395.34/per treatment</u>

5. All other definitions, terms and conditions contained in the original Contract and any amendments thereto shall remain in full force and effect

Additions to this text are shown by underline and deletions by ~~((strikeout))~~. All other terms and conditions remain in full force and effect. The effective date of this Amendment is upon final signature.

THIS CONTRACT AMENDMENT, consisting of two (2) pages, is executed by the person signing below who warrants that they have the authority to execute this Amendment to the Contract.

CONTRACTOR

DEPARTMENT OF CORRECTIONS

B. Lee Harrison
(Signature)
B. Lee Harrison
(Printed Name)
President
(Title)
12-24-2013
(Date)

Gary Banning
(Signature)
Gary Banning
(Printed Name)
Contracts Administrator
(Title)
12/30/13
(Date)

Approved as to Form:
This amendment format was approved
by the office of the Attorney General.
Approval on file.