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**APRIL 23, 2014**

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**Southlake Regional Health Centre**

**- and -**

**Stevenson Memorial Hospital**

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# MANAGEMENT SERVICES AGREEMENT

**THIS AGREEMENT** made as of this 1<sup>st</sup> day of April, 2014.

Between:

**Southlake Regional Health Centre (“SRHC”)**  
a corporation incorporated under the laws of the Province of Ontario

- and -

**Stevenson Memorial Hospital (“SMH”)**  
a corporation incorporated under the laws of the Province of Ontario

**WHEREAS** SRHC is a major regional provider of comprehensive health services and has expertise in providing management services to hospitals;

**WHEREAS** SMH is a community hospital providing general hospital and health care services for the southwestern part of Simcoe County (including Alliston, Tottenham, Beeton, Nobleton, Essa and environs).

**WHEREAS** the Parties would like to form a strategic association, whereby the Parties can share services to maximize efficiencies;

**WHEREAS** the Parties would like to enhance patient centred care where mutually beneficial to both Parties;

**WHEREAS** SRHC may provide management and other services to SMH to assist SMH in implementing their Strategic Plan and managing the operations of SMH in accordance with the Public Hospitals Act, Regulations, bylaws, rules and policies of SMH and the directions issued by the Board of SMH from time to time;

**WHEREAS** SRHC may provide SMH services to assist SMH in achieving clinical performance targets;

**WHEREAS** SMH may provide SRHC services to assist SRHC in achieving clinical performance targets;

**AND WHEREAS** each of the Parties wishes to enter into this Agreement;

**NOW THEREFORE** in consideration of the mutual covenants contained herein it is agreed as follows:

## ARTICLE 1 – INTREPRETATION

- 1.1 **Definitions** - In this Agreement, unless the context otherwise requires, each capitalized term shall have the meaning attributed thereto in Schedule 1.1
- 1.2 **Schedules** – The following are the schedules attached to and forming part of this

Agreement:

Schedule 1.1 – Definitions

Appendix A – Management and Support Service Opportunities

- 1.3 **Extended Meanings** - Words expressed in the singular include the plural and vice-versa and words in one gender include all genders.
- 1.4 **Entire Agreement** - This Agreement, and any agreements and other documents to be delivered pursuant to it including Addendums, constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, oral or written, between the Parties. The execution of this Agreement has not been induced by, nor do either of the Parties rely upon or regard as material, any representations, warranties, conditions, other agreements or acknowledgments not expressly made in this Agreement or in the agreements and other documents to be delivered pursuant hereto.
- 1.5 **Invalidity** - If any of the provisions contained in this Agreement is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not be in any way affected or impaired thereby.
- 1.6 **Governing Law** - This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws on Canada applicable therein.
- 1.7 **Article and Section Headings** - Article and Section headings contained in this Agreement are included solely for convenience and are not intended to be a full or accurate description of the content of any Article or Section and shall not be considered to be part of this Agreement.
- 1.8 **Accounting Terms** - All accounting terms not otherwise defined have the meanings assigned to them, and all calculations are to be made and all financial data to be submitted are to be prepared, in accordance with the generally accepted accounting principles (“GAAP”) as described in the Canadian Institute of Chartered Professional Accountants’ Handbook or the equivalent standard of any successor standards Handbook on a consistent basis.
- 1.9 **Business Days** - Whenever any action or payment to be taken or made under this Agreement shall be stated to be required to be taken or made on a day other than a Business Day, such payment shall be made or such action shall be taken on the next succeeding Business Day.
- 1.10 **Statutory Instruments** - Unless otherwise specifically provided in this Agreement, any reference in this Agreement to any law, by-law, rule, regulation, order, act or statute of any government, governmental body or other regulatory body shall be construed as a reference to those as amended or re-enacted from time to time or as a reference to any successor to those.
- 1.11 **Excusable Delay** - Where a Party is delayed in performing or observing a covenant or obligation hereunder, which is to be performed or observed by a specified date or within a particular time by reason of excusable delay, the date or period of time by or within such Party is to perform or observe such covenant or obligation will be extended by a period of time equal to the duration of the delay. As used herein, “excusable delay” means any delay in the performance or observance by any Party of any obligation of such Party hereunder which occurs as a consequence of or attributable to any circumstance which is beyond the reasonable control of such Party and which is not caused by any default or act of commission or omission of such Party and is not avoidable by the exercise of reasonable

effort or foresight by such Party (excluding financial inability), but including without limiting the generality of the foregoing, strikes, or labour or industrial disturbances, civil disturbances, acts, orders, legislations, regulations or directives of any governmental or other public authorities, acts of public enemies, war, riots, sabotage, blockades, embargoes, shortages of materials and suppliers, shortages of labour, lightning, earthquakes, fire, storms, hurricanes, floods, wash-outs, explosions, acts of God and delays caused by any other Party.

- 1.12 **Approvals** - Subject to paragraph 1.11, whenever the provisions of this Agreement require an approval or consent of or to any action, person, firm, corporation, document or plan by a Party, this Agreement, unless otherwise expressly provided, shall be deemed to provide that:
- (a) there is a requirement that requests the Parties will review and respond with approvals or feedback in a timely manner and not unreasonably delayed or withheld.
  - (b) unless the approval or consent is a matter that requires Board of Directors or Board of Trustees approval, in the event that notification of the advice referred to in subparagraph (a) above is not delivered within the said three (3) day period, the Party whose consent or approval is requested shall conclusively be deemed to have given such consent or approval in writing; and
  - (c) in the event that the matter requires the approval or consent of the Board of Directors or the Board of Trustees from either SMH or SRHC or both, the Parties undertake to use their best efforts to consider the issues as soon as is reasonably possible.

## **ARTICLE 2 - PURPOSE AND PRINCIPLES**

- 2.1 **SRHC Purpose** - In its role as a Regional Centre, SRHC would like to continue to build bridges with SMH and work together to establish shared goals and metrics that focus on creating opportunities for integrated patient care. SRHC is committed to creating efficiency in care delivery through integrated systems of healthcare that are responsive to the needs of our patients and every member of their healthcare team. SRHC has developed strategic initiatives to help transform healthcare relationships by:
- (i) Developing collaborative relationships with healthcare partners;
  - (ii) Sharing information technology to develop new and better ways to obtain easy access to and greater awareness of the many programs and services we offer; and
  - (iii) Developing seamless transitions of care between healthcare institutions and community-based healthcare providers.
- 2.2 **SMH Purpose** - As a progressive community hospital, SMH is passionate in the pursuit of safe, quality care. As a team and as individuals, SMH is committed to providing timely and accessible services. We strive to achieve this with compassion, respect and dignity. At SMH we work to excel at our scope of services and embrace partnerships like SRHC, that assist in delivering a continuum of health care excellence. The purpose of SMH entering into this Agreement with SRHC is to achieve the following:
- (i) to facilitate the implementation of SMH's Strategic Plan as updated from time to time;
  - (ii) to foster stability of staffing in the management, support and clinical areas;



- (iii) to support the maintenance of the highest possible standards of clinical services;
- (iv) to support the maintenance of a focus for clinical services directed towards efficient use of available funding;
- (v) to permit the sharing of infrastructure (administrative and support) costs so that the maximum possible portion of resources are directed to clinical care;
- (vi) to facilitate opportunity for placements of medical students and other health professionals;
- (vii) to compliment the community image of SMH as a high quality organization; and
- (viii) to maintain accreditation with the Canadian Council on Health Services Accreditation.

2.3 **Underlying Principles** - The Parties acknowledge and agree that the Board of SMH is responsible for the governance and management of SMH and SMH has entered into this Agreement for the purposes of engaging the services of SRHC to assist in the day-to-day management and administration of the affairs of SMH. An underlying principle of this agreement is that SRHC will be made whole financially for any services provided to SMH, and SMH will be made whole financially for any services provided to SRHC.

### **ARTICLE 3 – AGREEMENT**

3.1 **The Agreement** - SMH will engage SRHC where desired to provide management, administration services, clinical and other services as mutually agreed upon through this agreement, amendments to this Agreement or through specific contracts or memoranda of understanding. SRHC agrees to provide such services to SMH in accordance with the terms and conditions of this Agreement including amendments and in compliance with the Public Hospitals Act and any governing legislation, the Strategic Plan, By-laws, rules, policies and procedures of SMH and any directions as may be issued from time to time by the SMH Board.

SRHC will engage SMH where desired to provide clinical and other services as mutually agreed upon through this Agreement, amendments to this Agreement or through specific contracts or memoranda of understanding. SMH agrees to provide such services to SRHC in accordance with the terms and conditions of this Agreement including amendments and in compliance with the Public Hospitals Act, any other governing legislation, the Strategic Plan, By-laws, rules, policies and procedures of SRHC and any directions as may be issued from time to time by the SRHC Board.

3.2 **Recognition of Separate Governance** - As stated in paragraph 2.3, the Parties agree that SMH shall maintain its separate governance and ensure compliance with the Public Hospitals Act, any other governing legislation, By-laws, rules, policies and procedures of SMH and any directions as may be issued from time to time by the SMH Board and that the purposes set out in section 2.2 are achieved.

## ARTICLE 4 – Services

- 4.1 **Management Services Standard** - SRHC hereby covenants and agrees that it shall provide administrative and management services to SMH in accordance with the standard of care and expertise expected of an administrator of a hospital of like size and nature in accordance with:
- (i) the SMH Strategic Plan;
  - (ii) the Public Hospitals Act; any other governing legislation, By-laws, rules, policies and procedures of SMH;
  - (iii) the Contract Principles; and
  - (iv) subject to the provisions of this Agreement, duties and responsibilities normally assigned to the Chief Executive Officer, pursuant to the terms and conditions of the By-laws of SMH.
- 4.2 **Support Services** – SRHC and SMH hereby acknowledge that this Agreement contemplates achieving management and support service integration in order to create operating efficiencies and growth opportunities.
- 4.3 **Clinical Services & Programs** - SRHC and SMH hereby acknowledge that this Agreement contemplates implementing an annual Memorandum of Understanding (see 4.4 ii) process to identify opportunities for utilization of clinical and other services to create operating efficiencies and address mutually beneficial growth opportunities.
- 4.4 **Process for Integration** – The following process shall apply to decisions to implement integration of management and support services (Section 4.2) and clinical services and programs (Section 4.3):
- (i) SRHC and SMH shall mutually identify from time to time and review annually, opportunities for the integration of management and support services and clinical services and programs.
  - (ii) It is expected that consideration will be given to clinical service integration, as opportunities arise and as suggestions are made from time to time by the administrative and professional staff at both hospitals. The preferred manner for this to occur is through collaborative discussion by the professional clinical and administrative teams at both hospitals with subsequent approval by the Boards of each institution.
  - (iii) Each area of integration between SMH and SRHC shall be subject to a written Memorandum of Understanding which shall include all costs, administrative fees and expected benefits in connection with the integration.

## ARTICLE 5 – CEO

- 5.1 **Appointment of SMH CEO** - SMH Board of Directors shall appoint a chief executive officer who shall be the administrator of SMH as that term is defined in the *Public Hospitals Act (Ontario)* (“PHA”) and the chief executive officer as defined in *Commitment to the Future of Medicare Act (Ontario)*. The SMH CEO shall be the administrator of SMH as defined under the PHA and report solely to the Board of SMH.
- 5.2 **Appointment Process** - The Board Chair of SMH shall consult with and receive the recommendation of SRHC CEO with respect to the search process for a candidate suitable

to be appointed CEO of SMH. Following the search process, the Board Chair of SMH shall, with the support of the SMH Board, consider for appointment as the SMH CEO a candidate or candidates recommended by SRHC. If the Parties cannot agree on a suitable process or candidate it shall be an Event of Default. It is contemplated that this will be a full time position and the term of the CEO will be three years, renewable by extension for a subsequent term if mutually agreed by the SMH Board and the SRHC CEO. Failure to achieve agreement on the extension of the CEO term shall be an Event of Default.

5.3 **SMH CEO Reporting** - The SMH CEO shall report to and be responsible to the SMH Board for implementing the organization's Strategic Plan, operating and capital plan and for the day to day operation of the facilities of SMH in a manner consistent with policies established by the Board. The SMH CEO shall report to and be responsible to both the CEO of SRHC and SMH Board in respect of performance of this Agreement.

5.4 **Shared Staff Reporting** - The reporting relationship for staff engaged in duties primarily at SMH will be to the SMH CEO.

5.5 **Review of Appointment**

- (i) The performance of the SMH CEO will be reviewed on an annual basis by the SMH Board in consultation with the CEO of SRHC in accordance with a process mutually agreeable to SMH, SRHC and the SMH CEO.
- (ii) If either the SMH Board or the CEO of SRHC, acting reasonably, is of the opinion that there are performance deficiencies, the Party or Parties of that opinion shall submit a written report outlining such deficiencies to the other Party as appropriate. The CEO of SRHC shall meet with the SMH CEO to develop a corrective action plan with specific recommendations for approval by the SMH Board.
- (iii) Upon approval of the report by SMH, SMH and SRHC shall take all steps necessary to implement the recommendations in the report.
- (iv) The secondment of the CEO will terminate and the individual will be repatriated to SRHC if the Parties are unable to agree on the appropriate corrective measures.
- (v) In the event that the SMH CEO performance expectations are still not met to the satisfaction of SMH or the CEO of SRHC following a reasonable period of time to allow for implementation of the report, the secondment of the CEO will terminate and the individual will be repatriated to SRHC.

5.6 **Termination With Cause** – Where the performance of the SMH CEO has resulted in a recommendation for termination with cause, the SMH CEO will be removed from the position as SMH CEO, the SRHC secondment agreement will terminate and SRHC may terminate the Executive's employment without notice or compensation in lieu thereof.

## **ARTICLE 6 – FEES**

6.1 **Compensation and Reimbursement for Management and Other Services**

Each institution shall pay on a cost sharing or fee for service basis all agreed costs and expenses in connection with the provision of management, administrative, information technology and/or clinical services being provided in accordance with the terms and conditions of this Agreement. Separate cost sharing agreements will be articulated through contractual agreements or in a Memorandum of Understanding for each service. (Refer to 2.3. An underlying principle of this agreement is that SRHC will be made whole financially for any services provided to SMH, and that SMH will be made whole

financially for any services provided to SRHC.

The Parties acknowledge and agree that the costs being charged shall be agreed upon annually, in advance through a budget process, and shall be determined pursuant to the following principles:

- (i) a fair and reasonable allocation of the costs shall be determined by the Parties, acting reasonably, which shall include direct costs of providing the service, including salary and employees benefits, which includes without limitation, vacation, statutory holidays, sick-time, pension, Canada Pension Plan, Unemployment Insurance Compensation, dental and health benefits;
- (ii) where SMH has decided a full time position at SMH is needed SMH will proceed with an independent hiring process;
- (iii) SRHC personnel other than the SMH CEO, in full time secondments at Stevenson, will have the secondment reviewed annually by the SRHC CEO to determine if the secondment will be renewed;
- (iv) the direct cost of all shared positions shall be allocated in a proportionate basis with reference to time spent and such allocation shall be agreed and set out in a Memorandum of Understanding referred to in Section 2.3;
- (v) in the event of the termination of the employment of any of the shared or jointly appointed positions, a proportional share of all costs associated with such termination shall be calculated based on a time spent and years of service with each Party;
- (vi) where costs are calculated on the basis of a cost sharing formulae the formulae shall be reviewed and approved by the Parties; and
- (vii) at the request of either Party, the Parties will in good faith negotiate and agree to any quarterly adjustments to reflect changes in the scope of services provided during the year.

6.2 **Agreed Fees** - The agreed fees shall be determined through an annual budget process developed by the administrative staff at each institution for approval by each institution's Board prior to the start of the fiscal year with inclusion in the addenda of the MSA through additional Memorandum of Understanding. New administrative, management or clinical agreements brought forward within the Fiscal Year shall have an associated review and budgeting process and governing Memorandum of Understanding subject to Board approval at both institutions.

6.3 **Payment** - The agreed fees will be paid on a monthly basis during the Term, based on agreed amounts. Where applicable, each institution shall invoice the other on a monthly basis for the services performed, and monies expended, under this Agreement. The invoice shall be in sufficient detail to satisfy each institution that the fees are reasonable and warranted. Such invoices shall be due and payable on receipt.

6.4 **Independent Audit** - At any time and from time to time, any Party may elect, upon fifteen (15) days written notice to the other Party, to cause an independent firm of Chartered Professional Accountants, who the Parties have agreed to within seven (7) days, to conduct an independent audit and review of the cost sharing allocations to date, along with a review of the methodology being used to determine the allocation of shared costs between the Parties. Should the Parties disagree as to the firm of Chartered Professional Accountants, the choice shall be determined by the arbitration mechanism as set out in Article 14.

The firm of Chartered Professional Accountants shall prepare a written report to be presented to the Parties within ninety (90) days. The conclusions of the report shall be implemented by SRHC unless either Party is in disagreement. If either Party is in disagreement with the conclusions of the report, the Parties shall resolve such dispute pursuant to the arbitration mechanism as set out in Article 14.

The Parties shall share the cost of such independent review, to a maximum sum of TEN THOUSAND (\$10,000.00) DOLLARS per twelve months, during the Term. Any costs above the said amount shall be paid by the Party who initiated the review. A Party wishing to have more than one review during any twelve (12) month period during the Term shall be solely responsible for the costs thereof.

## **ARTICLE 7 – STANDARDS AND AUTHORITY, EVALUATION REPORT**

- 7.1 **Standards of Performance** - For the agreed upon services, SRHC shall provide a standard of day to day administrative, management or clinical services, in accordance with the Strategic Plan, the Act, By-laws, policies and procedures and the standards of practice generally recognized, approved and followed in Ontario hospitals of similar rating and standing to SMH having regard to existing federal and provincial legislation and standards established by the Canadian Council on Healthcare Facilities Accreditation and will incorporate quality assurance and quality control programs in such a manner that would enable SMH to maintain an accreditation.

Services provided under the scope of this Agreement or amending agreements shall adhere to the policies and procedures and the standards of practice generally recognized, approved and followed by Ontario hospitals and other applicable regulatory bodies.

7.2 **Scope of Authority** –

- (i) All contracts, agreements and costs not included in the approved Operating Plan, which are to be binding on SMH and which are not terminable by SMH without liability upon giving no more than ninety (90) days notice, or, in any event, involving liability on the part of SMH in excess of an unbudgeted amount of TWENTY FIVE THOUSAND (\$25,000.00) DOLLARS, will require the prior consent of SMH Board of Directors or such other individual or committee as may be designated by SMH Board.
- (ii) All shared services or programs, contracts or obligations entered into between SRHC and SMH for clinical services shall require approval by resolution of each institution's Board of Directors. For greater certainty, the Parties acknowledge and agree that SRHC, as SMH's agent, cannot create or enter into any binding obligations with SRHC.
- (iii) Any and all unapproved services performed by SRHC in an emergency situation, as determined by SRHC, acting reasonably, shall be subject to written notification to SMH by SRHC with the understanding that the costs associated with the provision of such services will be reimbursable following a review by both Boards. Failure to achieve agreement on reimbursable costs will be considered an Event of Default.

Notwithstanding the above, SRHC covenants to attempt to contact the Chair of SMH Board prior to taking any action referred to in subsection 7.2 (iii).

- (iv) Notwithstanding anything herein to the contrary, the prior approval by resolution of SMH Board shall be required for any of the following:
  - a. the sale or transfer of any assets of SMH, which individually or cumulatively exceeds TWENTY FIVE THOUSAND (\$25,000.00) DOLLARS;
  - b. the taking or instituting the proceedings for the winding-up, reorganization or dissolution of SMH;
  - c. the enactment, ratification or amendment of any by-laws of SMH;
  - d. the sale, lease, exchange or other disposition of all or substantially all of the assets or undertakings of SMH;
  - e. the provision of financial assistance, whether by loan, guarantee or otherwise to any Person whatsoever;
  - f. the mortgaging, pledging, charging or otherwise encumbering any of the assets of SMH; and
  - g. the sale or transfer of any assets of SMH to SRHC.
- (v) The SMH CEO shall be responsible for preparing a draft HAPS and a draft Operating Plan for each fiscal year for approval of SMH Board, in order to allow SMH Board an opportunity to review, comment on and consider for approval the HAPS prior to its submission to the Central LHIN. The Operating Plan shall also be prepared in accordance with a time table approved by the SMH Board.
- (vi) The SMH service accountability agreement with the Central LHIN shall be approved by the SMH Board and signed by the SMH Board Chair and the SMH CEO, or other authorized signing officers on behalf of SMH.

7.3 **Performance Management** - It is agreed that the performance of SRHC in assisting with the management and operations of SMH in accordance with the objectives set forth in the Operating Plan, and the results from operating under the Operating Plan compared to the Strategic Plan, Contract Principles and as such other criteria as may be developed by SMH Board from time to time, shall be reviewed and evaluated annually by SMH. An Evaluation Report shall be prepared by SMH and submitted to SRHC for SRHC's comments.

7.4 **Banking** - SRHC acknowledges and agrees that it shall not be authorized to draw upon SMH's bank accounts. Notwithstanding the above, the SMH CEO shall be given signing authority for SMH's bank accounts in accordance with SMH's By-laws and policies. SRHC further acknowledges and agrees that all monies, billings and collections on behalf of SMH shall be in the name of and for the account of SMH. Any monies and/or payments received by SRHC relating to SMH shall immediately be deposited in SMH's bank accounts designated by SMH Board.

## **ARTICLE 8 – REPRESENTATIONS AND WARRANTIES**

### **8.1 Representations and Warranties of SRHC** – SRHC covenants, represents and warrants to SMH that, as of the date hereof:

- (i) Good Standing – SRHC is a corporation of duly organized, validly existing and in good standing under the laws of the Province of Ontario and the Corporations Act and has all requisite power and authority to operate its assets, facilities and hospitals and to carry on its operations as now conducted.
- (ii) Bankruptcy, etc. – No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against SRHC and SRHC is able to satisfy its liabilities as they become due.
- (iii) Authority to Execute and Perform Agreement – SRHC has all requisite power, authority and approval required to enter into, execute and deliver this Agreement and to perform fully its obligations hereunder.
- (iv) Due Authorization Enforceability – SRHC has taken all actions necessary to authorize it to enter into and perform its obligations under this Agreement, and this Agreement is the legal, valid and binding obligation of SRHC, enforceable against SRHC in accordance with its terms.
- (v) No Breach - Neither the execution and delivery of this Agreement by SRHC, nor the performance of SRHC's obligations hereunder, will conflict with, or result in a breach of, or constitute a default under, any provision of the incorporating articles, letters patent, supplementary letters patent or By-laws of SRHC, or any law, rule, regulation, judgment, order, or decree of any court, arbitrator or governmental agency or instrumentality, or any contract, agreement or instrument to which it is a party or subject to, or by which its property is bound or affected.
- (vi) No Consent - No authorization, approval or consent of any Person is required in connection with SRHC's execution and delivery of this Agreement and performance of its obligations hereunder, including the Ministry of Health and Long Term Care and the Central LHIN.
- (vii) No Litigation - There is no suit, arbitration, or legal, administrative or other proceeding or governmental investigation pending or, to the best knowledge and belief of SRHC, threatened against SRHC respecting SRHC's consummation of the Agreement described herein.
- (viii) Authority of Board of Directors of SRHC - SRHC has taken all actions necessary to authorize the Board of Directors of SRHC to enter into and perform its obligations under this Agreement and to bind SRHC with respect to the decisions that the Board of Directors of SRHC make on its behalf.

### **8.2 Representations and Warranties of SMH** – SMH covenants, represent and warrants to SRHC that, as of the date hereof:

- (i) Good Standing – SMH is a corporation of duly organized, validly existing and in good standing under the laws of the Province of Ontario and the Corporations Act and has all requisite power and authority to operate its assets, facilities and hospitals and to carry on its operations as now conducted.
- (ii) Bankruptcy, etc. – No bankruptcy, insolvency or receivership proceedings have been instituted or are pending against SMH and SMH is able to satisfy its liabilities as they become due.
- (iii) Authority to Execute and Perform Agreement – SMH has all requisite power,

- authority and approval required to enter into, execute and deliver this Agreement and to perform fully its obligations hereunder.
- (ix) Due Authorization Enforceability – SMH has taken all actions necessary to authorize it to enter into and perform its obligations under this Agreement, and this Agreement is the legal, valid and binding obligation of SMH, enforceable against SMH in accordance with its terms.
  - (x) No Breach - Neither the execution and delivery of this Agreement by SMH, nor the performance of SMH's obligations hereunder, will conflict with, or result in a breach of, or constitute a default under, any provision of the incorporating articles, letters patent, supplementary letters patent or By-laws of SMH, or any law, rule, regulation, judgment, order, or decree of any court, arbitrator or governmental agency or instrumentality, or any contract, agreement or instrument to which it is a party or subject to, or by which its property is bound or affected.
  - (xi) No Consent - No authorization, approval or consent of any Person is required in connection with SMH's execution and delivery of this Agreement and performance of its obligations hereunder, including the Ministry of Health and Long Term Care and the Central LHIN.
  - (xii) No Litigation - There is no suit, arbitration, or legal, administrative or other proceeding or governmental investigation pending or, to the best knowledge and belief of SRHC, threatened against SMH respecting SMH's consummation of the Agreement described herein.
  - (xiii) Authority of Board of Directors of SMH - SMH has taken all actions necessary to authorize the Board of Directors of SMH to enter into and perform its obligations under this Agreement and to bind SMH with respect to the decisions that the Board of Directors of SMH make on its behalf.

## **ARTICLE 9 - RECORDS**

- 9.1 Records - The Parties shall at all times maintain appropriate books of accounts and records with respect to all transactions entered into the performance of the services being provided pursuant to the terms of this Agreement.
- 9.2 Access - The Parties shall at all reasonable times during the term of this Agreement and thereafter permit the other Party or their designated agents reasonable access to documents, books and records relating to this Agreement and their Hospital.

## **ARTICLE 10 – LIMITED LIABILITY, INDEMNIFICATION, INSURANCE**

- 10.1 General Limitation of Liability - Notwithstanding anything to the contrary stated herein, none of the Parties, nor any officer, director, employee, agent, Affiliate or permitted successor and assign of the Parties, shall be liable, responsible or accountable in damages or otherwise to the other Party or Parties for any errors in judgment, for any act performed by such Person, or for any omission or failure to act, if the performance of such act or such omission or failure is done in good faith, is not demonstrably outside the scope of the authority conferred upon such Person by this Agreement, by the Board or by- law and does not constitute breach of fiduciary duty, willful misconduct, or reckless disregard of duties. If any part of this Section 10.1 shall, for any reason and to any extent, be invalid or unenforceable, this Section 10.1 shall be construed to exculpate the foregoing



Persons to the fullest extent permitted by the law. The Parties agree that neither shall be liable to the other for any claim of economic loss howsoever arising.

- 10.2 **Indemnification** - The Parties shall indemnify and hold harmless the other Party and each of their respective Indemnified Persons from and against any and all liabilities reasonably incurred by any such Indemnified Person in connection with the defense or disposition of any Proceeding in which any such Indemnified Persons may be involved or with which any such Indemnified Person may be threatened, with respect to or arising out of any act performed by the Indemnified Person or any omission or failure to act if (i) the performance of the act or the omission or failure was done in good faith and within the scope of the authority conferred upon the Indemnified Person by the Agreement or by law, except for acts which constitute breach of fiduciary duty, wilful misconduct, or reckless disregard of duties, or (ii) a court of competent jurisdiction determines upon application that, in view of all of the circumstances, the Indemnified Person is fairly and reasonably entitled to indemnification for such liabilities as such court may deem proper. The Parties' indemnification obligations hereunder shall apply not only with respect to any Proceeding brought by a Party but also with respect to any Proceeding brought by a third party.
- 10.3 **Selection of Solicitor and Expenses** - The right of indemnification provided by Section 10.2 shall be in addition to any other rights to which any Indemnified Person may be entitled under any agreement, by vote of the Parties, as a matter of law or otherwise and shall continue as to any Indemnified Person who has ceased to be a Party and shall inure to the benefit of the successors, assigns, executors or administrators of such Indemnified Person. Unless any insurance policy held by the Party providing indemnification otherwise provides, any Indemnified Person shall have the right to select his or her own solicitor to defend any Proceeding if the Indemnified Person makes a reasonable showing that the solicitor for SMH or SRHC cannot adequately represent his or her interest. The Parties shall pay the expenses incurred by any Indemnified Person in defending a Proceeding in advance of the final disposition of such Proceeding upon receipt of an undertaking by the Indemnified Person to repay such payment if there shall be an adjudication or determination that he or she is not entitled to indemnification as provided in this Agreement. Any expenses incurred of a shared or jointly appointed position, will be divided amongst SMH and SRHC based upon a proportional share calculated based on the time spent with each Party;
- 10.4 **SRHC's Comprehensive General Liability Insurance** – SRCH shall, at its expense:
- (i) Maintain comprehensive general liability insurance, until midnight on the last day of the term of this Agreement, against claims for bodily injury, death or property damage or loss arising out of the management services being provided as part of this agreement, indemnifying and protecting the Indemnified Persons as additional insured's, but only with respect to liability arising from this Agreement, to any amount of not less than Ten Million Dollars (\$10,000,000.00) in respect of any one accident or occurrence. Any and all policies of such insurance shall be for the mutual benefit of SRHC and SMH and shall include coverage providing for cross liability and severability of interest; and
  - (ii) Provide to SMH a policy endorsement evidencing that the Indemnified Persons have been added as additional insured, certificates of insurance or other evidence of continuity of insurance as may be requested by SMH accompanied by evidence satisfactory to SMH that the premiums therein have been paid not less than fifteen

(15) days prior to the expiration of any then current policy.

10.5 **SMH Insurance** – SMH shall, at its expense:

All Risks Insurance

- (i) At its expense, insure and keep insured or caused to be insured and kept insured SMH's lands and buildings in accordance with policy terms and conditions of a standard "all risks" policy against fire and all other peril from time to time customarily included in policies applicable to similar properties and effective in Ontario by prudent owner;

SMH Comprehensive General Liability Insurance

- (ii) Maintain comprehensive general liability insurance, until midnight on the last day of the term of this Agreement, against claims for bodily injury, death or property damage or loss arising out of all of its operations, indemnifying and protecting the Indemnified Persons as additional insureds, but only with respect to liability arising from this Agreement, to any amount of not less than Ten Million Dollars (\$10,000,000.00) in respect of any one accident or occurrence. Any and all policies of such insurance shall be for the mutual benefit of SMH and SRHC and shall include coverage providing for cross liability and severability of interest; and
- (iii) Provide to SRHC a policy endorsement evidencing that the Indemnified Persons have been added as additional insureds, certificates of insurance or other evidence of continuity of insurance as may be requested by SRHC accompanied by evidence satisfactory to SRHC that the premiums therein have been paid not less than fifteen (15) days prior to the expiration of any then current policy.

## **ARTICLE 11 – CONFIDENTIALITY**

11.1 **Confidentiality Information and Duty Not to Disclose**

During the Term of the Agreement, the Parties shall use reasonable efforts to prevent disclosure to others of Confidential Information, except as follows:

- (i) with written consent of the other Party;
- (ii) to the extent that such information was known to a Party prior to receipt of it from the other Party, and such knowledge is documented;
- (iii) to the extent that such information was public knowledge at the time received by the other Party, or later became public knowledge through no fault of the receiving Party;
- (iv) to the extent that such information was lawfully obtained from a third party; or,
- (v) to the extent that disclosure is necessary to meet governmental laws, regulations or requirements and permitted under the terms of this Agreement.

11.2 **Disclosure to Designated Persons** - The Parties may disclose such of the Confidential Information to such of their respective employees, officers, directors and advisors ("Representatives") as require access to the Confidential Information for the purposes of the Agreement only, provided that the parties shall only disclose such of the Confidential Information as needs to be disclosed to a person for such purposes, and provided that each such person agrees to keep the confidential Information confidential pursuant to the terms of the Agreement. Each of the Parties are responsible for the undertakings of their respective Representatives to keep the Confidential Information confidential hereunder.

11.3 **Value of Confidential Information** - Each of the Parties acknowledges that the

Confidential Information is highly sensitive and strictly confidential and a valuable asset of its owner and at all times shall remain the exclusive property of its owner.

- 11.4 **Remedies** - Each of the Parties acknowledges that a breach or threatened breach by it of any provision of this article will result in the other Party suffering irreparable harm which cannot be calculated or fully or adequately compensated for by recovery of damages alone. Accordingly, each Party hereto agrees that the other shall be entitled to interim and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which it may be entitled.
- 11.5 **Survival** - All Confidential Information provided by a Party to the other shall be subject to the provisions of the Article 10. The provisions of this Article 10 shall survive termination of this Agreement.

## **ARTICLE 12 – PUBLIC NOTICES, PRESS RELEASES AND JOINT SUBMISSIONS**

- 12.1 **Public Notices and Press Releases** - All notices to third parties and all other publicity concerning the transactions contemplated by the Agreement shall be jointly planned and co-ordinated by the Parties and no Party shall act unilaterally in this regard without the prior approval of the other Party (such approval not to be unreasonably withheld), except where required to do so by law or by the applicable regulations or policies of any provincial, federal or other regulatory agency of competent jurisdiction.
- 12.2 **Joint Submissions to Government Local Health Integration Networks and Third Parties** - The Parties agree to use all reasonable efforts to co-operate in the preparing of joint submissions to government bodies or third parties, particularly with respect to matters in the best interest of the Parties and which relate to the Agreement. If the Parties are unable to agree to a joint submission, the Parties acknowledge and agree that their submission shall not, directly or indirectly, make any recommendation or references which relate to the other Party.

## **ARTICLE 13 – TERM AND TERMINATION, WITHDRAWAL PROCESS AUDIT**

- 13.1 **Term and Renewal** - Subject to the rights of early termination as herein set out, the initial term of this Agreement shall be for sixty (60) months and shall commence on April 1, 2014. At least six (6) months prior to the expiry of the term Parties shall meet and discuss the option of a new agreement should both parties wish to continue with a Management Services Agreement following this term.
- 13.2 **Termination by Agreement** - This Agreement may be terminated by the mutual consent of the Parties at any time whatsoever without any notice being required. In order for the provisions of this section 13.2 to apply, each of the Parties must pass a resolution with a motion by their respective Boards, at a duly called meeting approving the termination of this Agreement.
- 13.3 **Termination by Reasonable Notice** - At any time this Agreement may be terminated by any Party upon six (6) months' written notice to the other Party.
- 13.4 **Default** - The following events (hereinafter each referred to as an "Event of Default") shall constitute default of this Agreement:
- (i) failure of either Party to pay the other Party any undisputed invoiced amount that becomes due under this Agreement for a period of sixty (60) days after the amount becomes due and is demanded, provided that written notice is given;

- (ii) filing by either Party of a voluntary petition in bankruptcy or a petition for reorganization under insolvency and bankruptcy laws, or a petition for appointment of a receiver for all or a substantial portion of the petitioning party's property, when such filing precludes a Party's continued operation as a hospital;
- (iii) consent by either Party to an involuntary petition in bankruptcy, or failure to vacate an order approving such an involuntary petition within thirty (30) days from the date of entry of the order, when consent to or failure to vacate such an order precludes a Party's continued operation as a hospital;
- (iv) on application of a creditor, entry of an order or judgment by a court of competent jurisdiction adjudicating either Party bankrupt or insolvent, approving a petition for reorganization, or appointing a receiver, trustee, or liquidator of all or a substantial portion of a Party's assets, when such order continues in effect for any period of fifteen (15) consecutive days and precludes a Party's continued operation as a hospital;
- (v) the events described in sections 5.1 and 5.5 (iv), as Events of Default, namely, the Parties being unable to agree to the appointment of a CEO for SMH and/or the Parties being unable to agree on a course of action to correct any deficiencies relating to the performance of the SMH CEO.
- (vi) failure of either Party to perform or fulfill any material covenant, obligation or condition set forth in this Agreement, when such failure continues for a period of thirty (30) days after receipt of written notice, specifying with particularity, the condition, act, omission or course of conduct asserted to constitute such material breach, including, an unfavourable Evaluation Report, in the case of SRHC; and

The Agreement may not be terminated under this paragraph if during the periods provided, if any, the defaulting Party has cured, corrected or eliminated such material breach or has taken steps to cure, correct or eliminate such material breach, which steps, if diligently prosecuted to a conclusion, are reasonably designed to effect a cure, correction or elimination of such breach within a reasonable period of time.

- 13.5 **Termination** - This Agreement may be terminated upon thirty (30) days' notice or such other period as may be agreed to by the Parties, by the non-defaulting Party following an Event of Default, which default is either not cured or is not in the process of being cured to the satisfaction of the non-defaulting Party within thirty (30) days following the date of written notice of default. The non-defaulting Party's right to terminate the Agreement upon an Event of Default is inserted for the sole benefit of the non-defaulting Party and the Parties acknowledge that the non-defaulting Party may waive its rights in whole or in part at any time. Notice of Termination shall be also provided to the Central LHIN.

On termination of this Agreement, the Parties shall promptly pay to the other any unpaid sums due under this Agreement. For SMH this would include their proportion of any applicable severance costs associated with the termination of any of the integrated management, support or clinical management staff that were hired through contract, MOU or secondment. Both parties agree to attempt to use all traditional labour/management approaches to minimize severance costs including retirement buyouts and potential reassignment of staff where positions become full time at either institution

The rights granted pursuant to the Article 13.5 are in addition to any other rights or

remedies for breach of contract available to the non-defaulting Party at law or in equity.

- 13.6 **Process of Returning Management Functions Upon Termination** - In the event of any termination of this Agreement, the SRHC CEO and the SMH CEO shall have the responsibility of recommending to the Parties as soon as possible but in any event not later than ninety (90) days prior to the date of the termination a proposal with respect to the manner in which the relationship can be equitably severed, assets, services and programs reallocated and the Parties reimbursed for costs.

If the Parties are unable to agree to a plan for the withdrawal of each from this Agreement, the withdrawal plan shall be determined by the arbitration mechanism as set out in Article 14.

- 13.7 **Audit on Termination** - On termination of this Agreement as herein provided, the Parties shall, if at such time they determine that such action shall be advisable and proper, employ a firm of Chartered Professional Accountants to make a report based on a complete and final audit of the books, records, and accounts so kept by the Parties as provided herein, and all final adjustments between the Parties shall be made on the basis of such report. Should the Parties disagree as to the choice of a firm of Chartered Professional Accountants, the choice shall be determined by the arbitration mechanism as set out in Article 14.

#### **ARTICLE 14 – MEDIATION, ARBITRATION, BOARD VETO**

- 14.1 **Mediation** - Subject to the rights conferred on the parties by Section 13.5, in the event that a dispute relating to this Agreement or its implementation arises that cannot be resolved by negotiation between the Parties, the Parties agree to use the services of a mediator, to attempt to resolve their differences and failing agreement on the procedure to be followed, the mediation shall be conducted in accordance with the “Rules of Procedure for the Conduct of Mediations” of the ADR Institute of Ontario, Inc. or its successor body.
- 14.2 **Arbitration** - Subject to the rights conferred on the Parties by Section 13.5, if any dispute or controversy shall occur between the Parties hereto relating to the interpretation or implementation of any of the provisions of this Agreement that cannot be resolved by negotiation between the Parties and cannot be resolved through mediation, such dispute or controversy shall be resolved by arbitration. Such arbitration shall be conducted by a single arbitrator. The arbitrator shall be appointed by agreement between the Parties or, in default of agreement, such arbitrator shall be appointed by a Judge of the Ontario Superior Court of Justice, upon the application of any of the said Parties and a Judge of the Ontario Superior Court of Justice shall be entitled to act as such arbitrator, if he so desires. The procedure to be followed shall be agreed by the Parties or, in default of agreement, determined by the arbitrator. The arbitration shall proceed in accordance with the provisions of the Arbitrations Act (Ontario). The arbitrator shall have the power to proceed with the arbitration and to deliver his award notwithstanding the default by any Party in respect of any procedural order made by the arbitrator. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The decision arrived at by the board or arbitration, howsoever constituted, shall be final and binding and no appeal shall lie therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction, if applicable.
- 14.3 **Veto Power of Boards** - Notwithstanding any of the other items of this Agreement, each

of the Parties has:

- (i) a complete power of veto over any dispute or disagreement which relates to matters of its own policy; and
- (ii) complete authority to determine matters which each Party has exclusive authority to determine and cannot by its By-laws or the Act be delegated.

The determination as to whether a matter in dispute is an issue of policy is within the sole discretion of each of the Parties to determine, acting reasonably.

## **ARTICLE 15 – NOTICE**

15.1 **Notice** - Any notice, direction or other instrument required or permitted to be given under this Agreement shall be in writing and shall be sufficiently given if delivered personally, sent prepaid first class mail or transmitted by facsimile during the transmission of which no indication of failure of receipt is communicated to the sender:

- (i) in the case of a notice to SRHC, at:  
596 Davis Drive  
Newmarket, ON L3Y 2P9  
Attention: CEO of SRHC
- (ii) in the case of a notice to SMH, at:  
200 Fletcher Crescent  
P.O. Box 4000  
Alliston, Ontario L9R 1W7  
Attention: Chair of the Board
- (iii) In the case of a notice to a member, Director, officer of a Party, a Person, at their last address recorded in the books of the respective institution and/or party.  
Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the date on which it was received at such address, or, if sent by mail, shall be deemed to have been given and received on the date which is three (3) days after which it was mailed, provided that if either such day is not a Business Day, then the notice shall be deemed to have been given and received on the Business Day next following such day. Any notice transmitted by facsimile shall be deemed to have been given and received on the date of its transmission provided that if such day is not a Business Day or if it is received after the end of normal business hours on the date of its transmission at the place of receipt, then it shall be deemed to have been given and received at the opening of business in the office of the recipient on the first Business Day next following transmission thereof. If normal mail service or facsimile is interrupted by strike, slowdown, force majeure or other means of communication will not be deemed to be received until actually received, and the party sending the notice shall utilize any other such service which has not been so interrupted to deliver such notice.

## **ARTICLE 16 – GENERAL**

16.1 **Time** – Time shall be of the essence hereof.

- 16.2 **Assignment** - Neither this Agreement nor any rights or obligation under this Agreement shall be assignable by either Party without the prior written consent of the other Party, such consent may be unreasonably withheld.
- 16.3 **Further Assurances** - Each Party agrees that upon the written request of the other Party, it will do all such acts and execute all such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of all such acts and will cause the execution of all such further documents as are within its power to cause the doing or execution of, as the other Party may from time to time reasonably request be done and/or executed as may be required to consummate the transactions contemplated under this Agreement or as may be necessary or desirable to effect the purpose of this Agreement or any document, agreement or instrument delivered under this Agreement and to carry out their provisions or to better or more properly or fully evidence or give effect to the transactions contemplated under this Agreement, whether before or after the execution of the Agreement by the Parties.
- 16.4 **Counterparts** - This Agreement may be executed by the Parties in separate counterparts each of which when so executed and delivered shall be an original and all such counterparts shall together constitute one and the same instrument.
- 16.5 **Amendment** - This Agreement may not be altered or amended except by a written agreement duly executed by all of the Parties.
- 16.6 **Agreement Binding** - The provisions of this Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns, subject, however, to the provisions regarding assignment hereinabove set forth.
- 16.7 **No Waiver** - The failure of either of the Parties to enforce at any time or for any period of time any of the provisions of this Agreement shall not be construed as a waiver of such provisions or of the right of such Party thereafter to enforce each and every such provision of the Agreement.
- 16.8 **Relationship of Parties** - Except as expressly provided herein, this Agreement does not constitute a Party to be an agent, legal representative, joint venturer or partner, employee or servant of the other Party for any purpose whatsoever; and it is deemed understood between the parties hereto that each Party shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of a Party or to create any obligation, express or implied on behalf of a Party.

**IN WITNESS WHEREOF** the undersigned parties hereto have executed and delivered this Agreement.

Southlake Regional Health Centre

\_\_\_\_\_  
Date

Per: \_\_\_\_\_  
President & CEO

\_\_\_\_\_  
Date

Per: \_\_\_\_\_  
Chair

Stevenson Memorial Hospital

\_\_\_\_\_  
Date

Per: \_\_\_\_\_  
President & CEO

\_\_\_\_\_  
Date

Per: \_\_\_\_\_  
Chair



## **SCHEDULE 1.1 - DEFINITIONS**

In this Agreement and in any amending or supplemental agreement hereto, unless the subject matter or context is inconsistent therewith, the following words and phrases shall have the meaning set forth below:

**“Act”** means the *Public Hospitals Act* R.S.O. 1990, c P.40, and the Regulations made under it, as amended;

**“Affiliate”** means with respect to any Person (i) a Person directly or indirectly controlling, controlled by or under common control with such Person, (ii) a Person owning or controlling ten percent (10%) or more of the ownership interest of such Person, or (iii) an officer, director, trustee, or partner, or member of the immediate family of an officer, director, trustee or partner of such Person. When the affiliate is an officer, director, trustee, or partner, or member of the immediate family of an officer, director, trustee or partner of such Person, any other Person for which the affiliate acts in that capacity shall also be considered an affiliate. For these purposes, “control” means the possession, direct or indirect, or the power to direct or to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;

**“Agreement”** means this management agreement and all instruments supplemental to or in amendment to or confirmation of this management agreement, and all references to the Agreement shall include the attached Schedules and “Article”, “Section”, “Subsection”, or “Paragraph” means and refers to the specified article, section, subsection, or paragraph of the management agreement;

**“Arbitrations Act”** means the Arbitrations Act, R.S.O. 1991, c17 and the Regulations made under it, as amended;

**“Board of Directors”** means the board of directors of SMH;

**“Board of Trustees”** means the board of trustees of SRHC;

**“Business Day”** means a day other than a Saturday, a Sunday or any other day that is treated as a statutory holiday in the Province of Ontario;

**“By-laws”** means any by-law of SMH and SRHC from time to time in force and effect;

**“Central LHIN”** means the Central Local Health Integration Network;

**“CEO of SMH”** “administrator” as defined in the *Public Hospitals Act* (Ontario) and the chief executive officer as that term is defined in the *Commitment to the Future of Medicare Act* (Ontario), being the person appointed pursuant to the By-laws of SMH, to have those responsibilities and discharge those duties specifically cited in the By-laws of

SMH, as amended from time to time and the person who has, for the time being, the direct superintendence and charge of SMH;

**“Confidential Information”** means any information of a confidential nature concerning the business or affairs of a Party acquired as a result of the performance of this Agreement, whether or not the Party to whom the information relates specifically designates such information as confidential. Confidential Information does not include information that is: (a) in the public domain other than by reasons of acts or omissions of the party; or (b) lawfully received in good faith from a third party lawfully in possession of it and entitled to disclose it;

**“Contract Principles”** means as set out in Article 2;

**“Corporations Act”** means the Corporations Act, R.S.O. 1990, c C-38, as amended from time to time and including regulations made thereunto;

**“Director”** means a director, governor or trustee of SMH, and/or SRHC, as applicable, duly appointed or elected in accordance with their respective By-laws;

**“Evaluation Report”** means the written report prepared pursuant to section 7.3;

**“HAPS”** means the Hospital’s Annual Planning Submission, required to be submitted to the Central LHIN;

**“Hospital”** means SMH and all related facilities and institutions operated by SMH;

**“Indemnified Persons”** means such Party, and each Party’s respective officers, directors, employees, agents, attorneys, and authorized representatives, Affiliates and permitted successors and assigns;

**“Ministry of Health”** means the Ministry of Health and Long Term Care for the Province of Ontario;

**“Operating Plan(s)”** means the annual plan submitted to the Ministry of Health;

**“Parties”** means SMH and SRHC, collectively, and “Party” means any one of them;

**“Person”** includes an individual, partnership, corporation, trust, or unincorporated organization, a government agency or political subdivision thereof, a regulatory body or agency or any combination of the foregoing;

**“policy”** means the overall plan embracing general principles, goals, acceptable procedures, terms of reference, values and mission statements to achieve approved objectives;

**“Proceeding”** means an action, suit or other proceeding, whether civil, criminal, administrative or investigative, and whether threatened, pending or completed;

**“program(s)”** means, individually or collectively, patient care program or programs;

**“service(s)”** means individually or collectively, hospital support service or services;

**“SRHC”** means Southlake Regional Health Centre;

**“SMH”** means Stevenson Memorial Hospital;

**“Strategic Plan”** means the strategic plans approved by the Board of SMH or the Board of SRHC; and will be prefaced by the name of either institution; and

**“Term”** means the initial term and any renewal term as defined in section 13.1.

## **Addendum: MSA – MOU Overview**

### **Management Services Agreement Stevenson Memorial Hospital and Southlake Regional Health Centre Memorandum of Understanding**

The Management Services Agreement (MSA) between Stevenson Memorial Hospital (SMH) and Southlake Regional Health Centre (SRHC) was initially established and is being renewed to assist both institutions in achieving the goals outlined in Section 2.1 and 2.2 of the MSA. Section 2.3 of the MSA outlines the underlying principle that each institution will be made whole financially for the services provided by each institution.

It has been agreed that separate cost sharing agreements will be articulated through contractual agreements or in a Memorandum of Understanding for each service. This Addendum provides a description of three categories of services provided by SRHC to SMH, the associated costs and the appropriate contract where applicable.

#### **Service Commitments – April 1, 2014 – March 31, 2015:**

Section 1: Leadership Support

Section 2: Support Service Contractual Obligations

Section 3: Reimbursable Services

These sections represent all of the existing MOUs between SMH and SRHC for services provided in support of the MSA.

#### **Term of the Service Commitment:**

Section 1: Leadership Support

The term for the leadership support is sixty (60) months as outlined in the MSA.

Section 2: Support Service Contractual Obligations

Each contract has a specific renewal term outlined within the contract.

Section 3: Reimbursable Services

These services will be reviewed annually.

## **Addendum: Section 1 - Leadership Support**

### **SMH CEO Leadership Support:**

It is agreed in the MSA Section 4.1 that SRHC agrees to provide administrative and management services to SMH including the appointment and performance review of the SMH CEO. In fulfilment of this commitment, it has been agreed that SMH will reimburse SRHC for the full salary, pay-at-risk and benefit costs of the SMH CEO while they are seconded from SRHC in their role as CEO SMH. The SMH CEO position is a fulltime commitment. This annual flat fee will be invoiced and paid on a monthly basis as outlined in the MSA. Invoicing and payment for these services will be undertaken on a monthly basis.

The fee in the MOU for the SMH CEO does not include reimbursement for travel commitments, mileage claims or other reimbursable. These will be reimbursed in a manner consistent with the secondment agreement of the SMH CEO.

### **SRHC CEO Support:**

The CEO SRHC will provide oversight and consultative support to both the SMH CEO and the Board of SMH up to 1 day per month. It has been agreed that the SRHC CEO will be paid a per diem with benefits as outlined in the MOU. Invoicing and payment for these services will be undertaken on a monthly basis.

The fee in the MOU for the SRHC CEO does not include reimbursement for travel commitments, mileage claims or other reimbursable while performing duties on the behalf of SMH. These will be documented on an as needed basis and submitted with receipts on a monthly basis for reimbursement from SMH. All travel will be compliant with the travel policy at SMH and subject to SMH Board approval. Mileage will be reimbursed at \$.40 per Km or a rate consistent with the civil servant travel guidelines published by the Ontario Government.

### **Leadership Strategic Reserve Fund (LSRF):**

The LSRF was created to provide compensation for the guidance provided by the administrative management committee (AMC) SRHC to the SMH CEO and other members of the SMH management team. It has been agreed that the compensation for these consultative services will be based on fixed monthly fee. This fee does not include reimbursement for travel commitments, mileage claims or other reimbursable while providing consultative support to SMH. These will be documented on an as needed basis and submitted with receipts on a monthly basis for reimbursement from SMH.

The remaining portion of the LSRF may be utilized for leadership initiatives as mutually agreed upon by the CEOs of SMH and SRHC.

MOU: Block #1: Leadership Support: Flat Fee				
Item	Description	Payment Structure	Monthly Ceiling	Total *
1	SMH CEO - J.Levac	Flat Fee	1 FTE - \$170K Base Salary Plus 24% benefits plus 2% pay at risk per LOA	\$214,200.00
2	SRHC CEO time for oversight of the Stevenson Management Services Agreement, the Stevenson CEO and as needed consultation with the SMH Board Chair and Board.	Flat Fee	CEO - 1 day/month @\$1,800 per diem (plus benefits)	\$26,784.00
	Access to the senior team up to two days per month	Flat Fee	up to 21 days per year @ 1,150 per day	\$24,150.00
	Leadership Strategic Reserve Fund (LSRF) - these resources are to be utilized by the respective CEO's Leadership Initiatives as they mutually agree upon.		Leadership Strategic Reserve Fund (LSRF)	\$6,675.00
Flat Fee Sub-Total				\$271,809.00

## **Addendum: Section 2 - Support Service Contractual Obligations**

Over the past decade SMH and SRHC have entered into contractual agreements for informatics technologies, pathology services, laboratory and pharmacy services. The terms these contracts is specified in each contract.

While the MSA provides a framework for SMH and SRHC to work together, the renewal of these contracts is not dependent upon the existence of the MSA. Should the MSA terminate as outlined in MSA Article 13, the provision of these services will continue as outlined in the contract until expiry of the contract. Renewal of these services in the absence of a MSA will be based on recommendations of the administrative teams of each institution and subject to Board approval at each institution.

**Support Services Contracts:** (Refer to attached contractual agreement)

### **Informatics Technology**

Over the past decade SMH and SRHC have participated in an agreement to share informatics technologies and computer technologies on a cost-recovery basis. In 2005, an ICT collaborative between SMH, SRHC and York Central Hospital – now Mackenzie Health (MH) was created.

### **Pathology Lab Services**

SMH and SRHC created a laboratory service level agreement (SLA) outlining the scope of services provided by the Director of the Laboratory and a consultant Pathologist. The provision of these services is outlined in the agreement and has been created to support the laboratory SLA.

### **Diagnostic Lab Services**

SMH and SRHC have entered into a laboratory service level agreement (SLA) for the provision of specific laboratory services. These include technical, professional and referral services with an additional category of excluded services as outlined in the agreement.

### **Pharmacy Services**

SMH and SRHC have entered into a service agreement for the provision of on-call pharmacist coverage. The description of the scope and detail of these services is outlined in the contract.

MOU: Block #2: Contractual Obligations: Payment Process to SRHC to be Determined									
Item	Description	Payment Structure	Effective Date	Renewal Date	Monthly Ceiling	Total - Fixed Costs		Variable Based Volume Estimate	Comments
IT									
3	IT - System Technician Support .5 FTE (J. Cod	Contract	1/Apr/12	31/Mar/14	N/A	\$45,000	est	N/A	Detail discussion in renewal
4	Clinical Infomatics Support .5 FTE	Contract	1/Apr/12	31/Mar/14	N/A	\$58,147.50	est	N/A	Detail discussion in renewal
5	ICT Services - Refrence IT Invoice Table (Attachment A) - plus 2% admin fee	Contract	1/Apr/12	31/Mar/14	N/A	\$198,715.38	est	N/A	Detail discussion in renewal
Pathology									
6	Pathologist Lab Services Fee	Contract	2-Apr-12	31-Mar-16	N/A	\$0.00		\$276,000.00	Details in attachment B
Lab									
7	Core Lab Services Fee	Contract	2-Apr-12	31-Mar-15	N/A	\$10,000.00		\$120,000.00	Details in attachment C
8	Lab Directorship	Contract	1-Apr-11	1-Apr-16	N/A	\$30,000.00		N/A	Details in attachment D
Pharmacy									
9	Pharmacy - on-call after hours support	Contract	1-Apr-13	31-Mar-14	N/A	\$12,500.00	est	N/A	Detail discussion in renewal
Contract Sub-Total						\$354,362.88	est	\$396,000.00	
Contract Sub-Total Fixed + Variable Costs								\$750,362.88	estimated



## Attachment A

Item #	Description	Value Calculation	Value
1	ICT Management and Admin	<ul style="list-style-type: none"> <li>2 days/month per Managers – Help desk and Infrastructure</li> <li>9 days/year CIO</li> </ul>	\$14,688 <i>(based on \$612/day)</i> \$7,740 <i>(based on \$860/day)</i>
2	Help Desk/Call support 24/7	<ul style="list-style-type: none"> <li>1<sup>st</sup> and 2<sup>nd</sup> level ICT support</li> <li>1/14<sup>th</sup> of SRHC portion of ICT Help Desk</li> </ul>	\$19,300
3	Network and Server Support LAN and Server Updates	<ul style="list-style-type: none"> <li>Service Support for SMH Server</li> <li>1/14<sup>th</sup> of SRHC team</li> <li>0.5 fte on site support</li> </ul>	\$24,100
4	LAN Extension Services	<ul style="list-style-type: none"> <li>Bell Canada Charges of \$931/month</li> <li>Currently under negotiations to change vendor</li> </ul>	\$11,200
5	McKesson and Other Vendor Software Maintenance	<ul style="list-style-type: none"> <li>McKesson Yearly Maintenance</li> <li>1/14<sup>th</sup> of SRHC costs</li> <li>See Attachment A item 1 for details</li> </ul>	\$36,755
6	McKesson Upgrades	<ul style="list-style-type: none"> <li>\$100K/year for STAR, PHS, HPF upgrades</li> <li>1/14<sup>th</sup> of SRHC costs</li> </ul>	\$7,143
7	SAN Back up and Virtualization	<ul style="list-style-type: none"> <li>Annual flat fee for virtualization and back up in lieu of purchase of SAN</li> </ul>	\$10,000
8	DI/PACS/HDIRS	<ul style="list-style-type: none"> <li>Yearly costs of diagnostic picture archiving software/upgrade etc</li> <li>Assume 1/14<sup>th</sup> of SRHC costs</li> <li>See Attachment A item 2 for details</li> </ul>	\$63,893
9	Upgrades/New Implementation/Enhancements	<ul style="list-style-type: none"> <li>Time and Materials</li> <li>To be defined prior to work commencing</li> </ul>	\$TBD
		<b>TOTAL</b>	<b>\$194,819</b>

## Software Maintenance Costs for Stevenson Memorial

Vendor S/C#	System	Vendor	P.O.	Term	Expiry Date	Timeframe	Mthly	06-07	07-08	08-09	Invoice cost w/o taxes	SRHC #7111250000 / 7100000	Stevenson Memorial #1144502061 / 0000000	Comments
1-JUZV6	Imaging Foundation	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11			new	\$ 93,622.00	\$ 20,515.00	\$ 20,515.00	N/A	
1-JUZV6	Horizon Patient Folder	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 61,546.00	\$ 61,546.00	SMH billed directly	
1-JUZV6	Horizon Business Folder Accusoft OCR plug in	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 96.00	\$ 96.00	N/A	
1-JUZV6	Horizon Patient Folder Elan Faccent Postscript Lang Lev 1	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 624.00	\$ 624.00	SMH billed directly	
1-JUZV6	Snowbound Viewer WEB srver	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 4,083.00	\$ 4,083.00	SMH billed directly	
1-JUZV6	HPP/HPF Pat Folder View Mod	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 2,539.00	\$ 2,539.00	SMH billed directly	
1-JUZV6	HPF Deficiency Worklist Web Mod	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11					\$ 5,154.00	\$ 5,154.00	SMH billed directly	
1-OZHLIC	Browser Enabled scheduling module for Pathways Healthcare Scheduling	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 5,767.46	\$ 5,890.50	\$ 5,666.00	\$ 5,666.00	SMH billed directly	
95254C	STAR Patient Processing	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 1,277.00	\$ 16,243.44	\$ 16,600.66	\$ 16,954.35	\$ 16,308.00	\$ 15,143.14	\$ 1,164.86	
95254C	STAR Order Mgmt	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 690.25	\$ 8,779.98	\$ 8,973.96	\$ 9,164.40	\$ 8,815.00	\$ 8,185.36	\$ 629.64	
95254C	STAR Chart Mgmt	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 241.58	\$ 3,072.90	\$ 3,140.78	\$ 3,207.75	\$ 3,086.00	\$ 3,086.00	N/A	
95254C	STAR Lab.	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 1,136.92	\$ 14,461.62	\$ 14,779.58	\$ 15,093.75	\$ 14,519.00	\$ 13,481.93	\$ 1,037.07	
95254C	STAR Lab Adv. Microbiology	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 203.08	\$ 2,583.18	\$ 2,639.40	\$ 2,695.35	\$ 2,593.00	\$ 2,593.00	N/A	
95254C	STAR Lab. Anatomic Pathology	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 203.08	\$ 2,583.18	\$ 2,639.40	\$ 2,695.35	\$ 2,593.00	\$ 2,593.00	N/A	
95254C	STAR Radiology	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 793.83	\$ 10,097.52	\$ 10,320.16	\$ 10,538.85	\$ 10,138.00	\$ 9,413.86	\$ 724.14	
95254C	STAR Pharmacy	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 862.75	\$ 10,974.18	\$ 11,215.86	\$ 11,454.45	\$ 11,018.00	\$ 10,231.00	\$ 787.00	
95254C	STAR Patient Accounting	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 711.00	\$ 9,043.92	\$ 9,243.20	\$ 9,439.50	\$ 9,080.00	\$ 8,431.43	\$ 648.57	
95254C	STAR HBOC VEM	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 103.56	\$ 1,317.28	\$ 1,346.20	\$ 1,374.45	\$ 1,323.00	\$ 1,323.00	N/A	
95254C	STAR Navigator	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 552.25	\$ 7,024.62	\$ 7,178.32	\$ 7,331.10	\$ 7,052.00	\$ 6,548.29	\$ 503.71	
1-4398B	STAR Vista Reporting	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 567.42	\$ 7,217.58	\$ 7,376.54	\$ 7,532.70	\$ 7,246.00	\$ 6,728.43	\$ 517.57	
1-31LZY	STAR Transcription Interface	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 630.33	\$ 8,017.80	\$ 8,193.80	\$ 8,368.50	\$ 8,050.00	\$ 8,050.00	N/A	
00086-0995	STAR First Databank Formulary	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 499.75	\$ 6,356.82	\$ 6,496.74	\$ 6,634.95	\$ 6,382.00	\$ 5,928.14	\$ 455.86	
00086-0995	STAR First Databank Ambulatory	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 112.42	\$ 1,429.98	\$ 1,461.74	\$ 1,493.10	\$ 1,436.00	\$ 1,436.00	N/A	
PO621403	Horizon Expert Documentation (HED)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		\$ 96,921.10	\$ 96,921.10	\$ 96,006.75	\$ 93,458.00	\$ 93,458.00	N/A	
PO207533	Horizon Care Record Enterprise Config.	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		\$ 46,988.70	\$ 48,022.24	\$ 49,044.45	\$ 47,176.00	\$ 47,176.00	N/A	
PO207533	Horizon Care Alerts	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 2,110.92	\$ 26,850.90	\$ 27,441.28	\$ 28,025.55	\$ 26,958.00	\$ 26,958.00	N/A	
1-CUMFY	Horizon Bloodbank Maint	McKesson	SRHC-SA	1 yr.	40908	01/01/11-12/31/11	\$ 1,057.5	\$ 13,451.4	\$ 13,747.14	\$ 14,039.53	\$ 13,504	\$ 13,504	N/A	
1-CUMFY	Horizon Bloodbank ISBT128 Labeling	McKesson	SRHC-SA	1 yr.	40908	01/01/11-12/31/11	\$ 229	\$ 2,912.88	\$ 2,977.54	\$ 3,040.8	\$ 2,925	\$ 2,925	N/A	
1-CUMFY	Horizon Bloodbank Oracle Std Edition	McKesson	SRHC-SA	1 yr.	40908	01/01/11-12/31/11	\$ 98.17	\$ 12,487.224	\$ 12,762.24	\$ 13,035.05	\$ 12,533	\$ 12,533	N/A	
1-O1BCI	Horizon Patient Kiosk	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 19,269.74	\$ 19,679.10	\$ 18,930.00	\$ 18,930.00	N/A	
1-KL1TS	Horizon Clinical Infrastructure-Phys monitoring I/F to GE/Markette monitors	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		\$ 2,545.06	\$ 3,288.12	\$ 3,357.90	\$ 3,269.00	\$ 3,269.00	N/A	
1-KL1TS	Horizon Clinical Infrastructure Ventilator I/F to Puritan Bennett	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		\$ 1,781.86	\$ 2,302.32	\$ 2,350.95	\$ 2,289.00	\$ 2,289.00	N/A	
1-MW523	Pathways Surgical Mgr (50%share)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 26,352.66	\$ 26,913.60	\$ 12,944.00	\$ 12,944.00	N/A	
1-MW523	HSM Inventory Mgmt module(50%share)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 5,286.22	\$ 5,399.10	\$ 2,596.50	\$ 2,596.50	N/A	
1-MW523	Pathways Surgical Perioperative Chart(50% share)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 14,267.60	\$ 14,570.85	\$ 7,008.00	\$ 7,008.00	N/A	
1-MW523	Horizon Surgical Mgr Patient Tracking(50%share)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		new	\$ 14,267.60	\$ 14,570.85	\$ 7,008.00	\$ 7,008.00	N/A	
H16710	STAR Patient Accounting										\$ 2,036.26		\$ 2,036.26	
H16710	STAR Navigator										\$ 1,578.61		\$ 1,578.61	
H16710	STAR Order Management										\$ 1,968.46		\$ 1,968.46	
H16710	STAR Chart Management										\$ 679.13		\$ 679.13	
H16710	STAR Laboratory										\$ 4,429.60		\$ 4,429.60	
H16710	STAR Radiology										\$ 2,274.69		\$ 2,274.69	
H16710	STAR Pharmacy										\$ 2,071.00		\$ 2,071.00	
H16710	STAR Clinical Management										\$ 984.23		\$ 984.23	
H16710	Pathways I/F Mgr Cloverleaf Full Use	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 987.25	\$ 12,557.82	\$ 12,834.48	\$ 13,107.15	\$ 12,608.00	\$ 12,608.00	N/A	
H16710	Horizon Order Mgmt Guidelines	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 315.67	\$ 4,015.32	\$ 4,104.32	\$ 4,191.60	\$ 4,031.00	\$ 4,031.00	N/A	
H16710	HEC	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 242.83	\$ 3,088.80	\$ 3,156.68	\$ 3,223.50	\$ 3,101.00	\$ 3,101.00	N/A	
H16710	HOM	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 1,398.67	\$ 17,791.08	\$ 18,183.24	\$ 18,569.25	\$ 17,862.00	\$ 17,862.00	N/A	
H16710	HCI Oracle 8i EE ASFU	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 44.58	\$ 567.06	\$ 579.82	\$ 592.20	\$ 570.00	\$ 570.00	N/A	
H16710	Horizon Clinical Infrastructure Legacy	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 1,117.08	\$ 14,209.26	\$ 14,522.00	\$ 14,831.25	\$ 14,266.00	\$ 14,266.00	N/A	
H16710	Pathways Healthcare Scheduling	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 0.00	\$ 45,316.06	\$ 46,280.85	\$ 47,245.60	\$ 44,517.00	\$ 44,517.00	\$ 3,179.79	
1-8WZZ	Horizon Business Insight (HBI Maint)	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11		\$ 17,695.64	\$ 18,072.60	\$ 17,384.00	\$ 17,384.00			
1-EP18R	Horizon Drug Infor. Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 100.25	\$ 1,275.18	\$ 1,303.80	\$ 1,331.40	\$ 1,310.00	\$ 1,310.00	N/A	
1-EP18R	Horizon Meds Viewer Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 153.17	\$ 1,948.32	\$ 1,990.68	\$ 2,033.85	\$ 2,001.00	\$ 2,001.00	N/A	
1-EP18R	Horizon Orders Viewer Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 153.17	\$ 1,948.32	\$ 1,990.68	\$ 2,033.85	\$ 2,001.00	\$ 2,001.00	N/A	
1-EP18R	Horizon Results Viewer Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 229.67	\$ 2,921.40	\$ 2,986.02	\$ 3,049.20	\$ 3,001.00	\$ 3,001.00	N/A	
1-EP18R	Horizon Staff Directory Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 100.25	\$ 1,275.18	\$ 1,303.80	\$ 1,331.40	\$ 1,310.00	\$ 1,310.00	N/A	
1-EP18R	Horizon Transcription Viewer Module for STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 153.17	\$ 1,948.32	\$ 1,990.68	\$ 2,033.85	\$ 2,001.00	\$ 2,001.00	N/A	
1-EULMM	HPP/STAR Adverse Reactions Module	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 115.17	\$ 1,464.96	\$ 1,496.72	\$ 1,528.80	\$ 1,504.00	\$ 1,504.00	N/A	
QH-1HS	Horizon Physician Portal Maint.	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 942.25	\$ 11,985.42	\$ 12,249.36	\$ 12,509.70	\$ 12,033.00	\$ 12,033.00	N/A	
QH-1HS	Horizon Working Patient list Module-STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 130.08	\$ 1,654.62	\$ 1,690.70	\$ 1,726.20	\$ 1,661.00	\$ 1,661.00	N/A	
QH-1HS	Horizon Station Census Module-STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 32.50	\$ 413.40	\$ 421.88	\$ 431.55	\$ 415.00	\$ 415.00	N/A	
QH-1HS	Horizon Facesheet Module-STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 65.00	\$ 826.80	\$ 844.82	\$ 863.10	\$ 830.00	\$ 830.00	N/A	
QH-1HS	Horizon Master Patient index search module-STAR	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 65.00	\$ 826.80	\$ 844.82	\$ 863.10	\$ 830.00	\$ 830.00	N/A	
QH-1HS	HPPI/HCI serial results view mod	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 162.42	\$ 2,065.98	\$ 2,111.52	\$ 2,156.70	\$ 2,074.00	\$ 2,074.00	N/A	
QH-1HS	HPPI/HCI flowsheet viewer mod	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 162.42	\$ 2,065.98	\$ 2,111.52	\$ 2,156.70	\$ 2,074.00	\$ 2,074.00	N/A	
QH-1HS	HPPI/HCI orders viewer module	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 32.50	\$ 413.40	\$ 421.88	\$ 431.55	\$ 415.00	\$ 415.00	N/A	
QH-1HS	Horizon Meds Viewer module - HCI	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 32.50	\$ 413.40	\$ 421.88	\$ 431.55	\$ 415.00	\$ 415.00	N/A	
QH-1HS	Horizon Foundation S/W	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 802.83	\$ 10,212.00	\$ 10,436.76	\$ 10,658.55	\$ 10,253.00	\$ 10,253.00	N/A	
QH-1HS	Horizon Foundation EPI Portal server	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 757.00	\$ 9,629.04	\$ 9,841.04	\$ 10,049.55	\$ 9,667.00	\$ 9,667.00	N/A	
QH-1HS	Horizon Vignette portal server add.lics.	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 378.67	\$ 4,816.68	\$ 4,922.64	\$ 5,027.40	\$ 4,836.00	\$ 4,836.00	N/A	
QH-1HS	Horizon Foundation Weblogic server	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 242.92	\$ 3,089.94	\$ 3,157.74	\$ 3,224.55	\$ 3,102.00	\$ 3,102.00	N/A	
QH-1HS	Horizon App specific full use lic. Foundation Oracle server	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 181.83	\$ 2,312.88	\$ 2,363.80	\$ 2,413.95	\$ 2,322.00	\$ 2,322.00	N/A	
1-G50DY	HCI - Oracle App Server tools set	McKesson	SRHC-SA	1 yr.	12/31/11	01/01/11-12/31/11	\$ 73.83	\$ 939.12	\$ 959.30	\$ 979.65	\$ 943.			

Software Maintenance Costs for Stevenson Memorial

Vendor S/C#	System	Vendor	P.O.	Term	Expiry Date	Timeframe	Mthly	06-07	07-08	08-09	Invoice cost w/o taxes	SRHC #7111250000 / 7100000	Stevenson Memorial #1144502061 / 0000000	Comments
1-145DSJ	STAR Laboratory interface to Dawning (Data Innovations) (2.097 months only for 2010)										\$ 68.00	\$ 68.00	N/A	
1-145DSJ	STAR Laboratory interface to Dawning (Data Innovations) 2011										\$ 391.00	\$ 391.00	N/A	
1-108D2E	Horizon BloodBank Instrument										\$ 6,660.00	\$ 6,660.00	N/A	
	<b>Others</b>													
	Optio Medforms										\$ 12,124.69	\$ 11,258.64	\$ 866.05	
	Systemcare OS for UNIX Premium										\$ 31,138.68	\$ 28,914.49	\$ 2,224.19	
	Systemcare OS for UNIX Premium (2 years)										\$ 20,477.89	\$ 19,015.18	\$ 1,462.71	
	I-HEAT & Heat s/w for Help Desk										\$ 4,278.00	\$ 3,972.43	\$ 305.57	
	HEAT self-service renewal & Heat										\$ 7,462.15	\$ 6,929.14	\$ 533.01	
	1 Yr MTC: Pathways Interface Manager (part										\$ 8,295.88	\$ 7,703.32	\$ 592.56	
	Systemcare OS for UNIX Prem-STAR <i>Jenny</i>										\$ 31,138.93	\$ 28,914.72	\$ 2,224.21	
	Systemcare OS for UNIX (Physician Portal)										\$ 31,445.29	\$ 29,199.20	\$ 2,246.09	
	CatMedis - Safeport										\$ 2,902.69	\$ 2,902.69	SMH billed directly	
	CatMedis - ER Tracking Board										\$ 5,619.61	\$ 5,619.61	SMH billed directly	
	Checkpoint Firewall support										\$ 21,119.70	\$ 21,119.70	SMH billed directly	
	<b>TOTAL</b>					Monthly accrual '11					\$918,884.49	\$882,128.90	\$ 36,755.59	
												Southlake costs	Stevenson Memorial costs	

Attachment A Item 2

Diagnostic Imaging PACS-related IT Costs

Item	SRHC costs	SMH share
Staffing (PACS admin, System support)	\$ 273,000.00	\$19,500
HDIRS fixed	\$ 179,222.24	\$12,802
HDIRS variable storage costs based on volume	\$ 45,000.00	\$3,214
PACS service contract	\$ 372,763.00	\$26,626
TALK	\$ 13,792.00	\$985
McKesson RIS	\$ 10,736.00	\$767
<b>Total</b>	<b>\$ 894,513.24</b>	<b>\$ 63,893.80</b>

**SOUTHLAKE REGIONAL HEALTH CENTRE  
LABORATORY SERVICE LEVEL AGREEMENT  
(SLA)**

between

**Southlake Regional Health Centre (SRHC)  
(Service Provider)  
and**

**Stevenson Memorial Hospital (SMH)  
(Customer)**

**As of  
April 1, 2011**

**LABORATORY SERVICE LEVEL AGREEMENT  
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## **1. TERM**

### **1.1. Term**

- Handwritten: MB*
- a) The term of this Agreement begins on April 1, 2011 and continues for *Handwritten: 5* years (until April 1, 2014), or until terminated in accordance with Section 9. TERMINATION of this Agreement.
- b) The parties agree to submit a signed copy of this Agreement within 30 days of the Effective Date.

### **1.2. Renewal Term**

- a) This Agreement may be renewed by the parties in writing for an additional 3 year renewal term under the following conditions:
- i) 180 days before the end of the current Term, the parties will begin discussions to determine whether this Agreement will be renewed.
  - i) At least 90 days before the end of the term, the parties shall renew this Agreement in writing or determine in writing that this Agreement will not be renewed.

## **2. LABORATORY SERVICES, STANDARDS, AND QUALITY**

### **2.1. Laboratory Services**

- a) The Service Provider shall provide to the Customer, and the Customer shall obtain from the Service Provider, the Laboratory Services as described in **SCHEDULE 1.0.**
- b) Testing of specimens will occur primarily at Southlake Regional Health Centre Laboratory. Changes to what tests SRHC Laboratory Services chooses to perform on-site may occur during the Term of this Agreement as a result of the dynamic nature of laboratory medicine. Those tests for which SRHC is not licensed to perform on site or for which it deems necessary to refer-out; will be forwarded to a qualified laboratory which meets QMP-LS, Laboratory Licensing, and OLA requirements. SMH will be notified in writing within 30 days in advance of when those changes are made unless there are extenuating circumstances that prevent otherwise.

### **2.2. Standards of Quality**

In providing the Laboratory Services, the Service Provider shall:

- a) Comply with all applicable Laws, including Ministry of Health and Long-Term Care policies and guidelines associated therewith;

- b) Consistently meet or exceed the QMP-LS Program of the Ontario Medical Association and Ontario Laboratory Licensing (OLA) as applicable. SRHC Laboratory Services agrees to forward, upon the request of the SMH Medical Director, summaries of the results of QMP-LS Surveys, and OLA assessment reports with the understanding that this information is to be treated in a confidential manner.

### 2.3. Courier Service

- a) The routine (i.e.: non-STAT) transportation of specimens from SMH to SRHC Laboratory Services is the responsibility of SMH Laboratory Services in accordance with the following schedule:

DATE	FREQUENCY	
Weekdays	Once a day; to arrive no later than 4 pm	<b>NOTE:</b> Alternative times will be arranged by mutual consent.

- b) All specimens will be packaged appropriately in specimen transport containers provided by SMH Laboratory Services, complete with a log sheet providing information with respect to each specimen included in the container, and will be placed, ready for transport, in one mutually agreed upon location within the hospital.
- c) SMH agrees to ensure that all specimens will be packaged in such a way that specimen integrity will be maintained during the normal course of delivery to SRHC Laboratory Services.
- d) SMH agrees to abide by the Transportation of Dangerous Goods (TDG) guidelines.
- e) SRHC Laboratory Services assumes responsibility for the integrity of all appropriately packaged specimens as soon as they are picked up from the designated location at the SRHC.

### 2.4. STAT Testing Services

- a) Transportation of STAT specimens by taxi to SRHC Laboratory Services for testing remains the responsibility of SMH.
- b) By way of a telephone call, SMH will alert SRHC Laboratory Services that a STAT specimen is about to be forwarded for testing.
- c) SMH also agrees to forward with the specimen, sufficient information (i.e. telephone number, key contact person, etc.) so that SRHC Laboratory Services is able to expeditiously communicate the results of the STAT test to the appropriate personnel. SRHC will process the STAT specimens as they are received 24/7 according to their policies.



## **2.5. Delivery of Reports**

- a) Reports will be transmitted electronically to SMH through the CoPath Pathology Information System directly to SMH Health Information Services

## **2.6. Consultations**

- a) Explanations of the testing protocols and interpretations of results for those tests specified in Schedule 1.0 by SRHC Laboratory Services professional staff are offered as part of the medical laboratory services for the Term of the Agreement.

## **2.7. Retention**

- a) Specimens  
SMH Pathology specimens will be held in the SRHC Pathology Laboratory for 8 weeks and then discarded
- b) Blocks  
SMH Pathology Blocks will be held at SRHC in storage for a minimum of 28 years
- c) Slides  
SMH Pathology Slides will be held at SRHC in storage for a minimum of 28 years

## **2.8. Correction of Errors**

- a) The Service Provider warrants that it will correct any errors, inaccuracies, omissions, defects or deficiencies in its performance of the Laboratory Services, to the extent caused by the Service Provider and at no charge to the Customer, as soon as reasonably possible after the error is brought to its attention.
- b) Amended reports will be issued as appropriate and the surgeon/physician notified by phone.

## **2.9. Licensing**

- a) The Service Provider represents and warrants that it possesses all approvals and licenses required to provide the Laboratory Services, and that its employees and agents who provide the Laboratory Services are duly qualified according to the regulations of the Laboratory and Specimens Collections Centre Act, as applicable, and are currently registered with the College of Medical Laboratory Technologists, as applicable.
- b) Each party shall:
  - i) Notify each other immediately if it becomes aware of an issue with respect to licensing; and
  - ii) Use their best efforts to work together to maintain their laboratory licenses in good standing and to work with the Ministry of Health and Long-Term Care to prevent the loss of the laboratory license under the Laboratory and Specimens Collection Centre Licensing Act (Ontario).
- c) The Service Provider will provide the Customer with a copy of the front page of their Laboratory License on an annual basis.

#### **2.10. Customer Obligations**

- a) The Customer will cover all courier/taxi costs to refer specimens to SRHC.
- b) Within 30 days of any changes to the testing menu or significant volume changes, the Customer shall provide this information to the Service Provider

#### **2.11. Specimen Collection Materials**

- a) All pathology specimen collection containers will be supplied by SMH which meets the SRHC specifications.
- b) Cytolyte Cytology collection containers will be provided by the Service Provider.

### **3. SERVICE LEVELS**

#### **3.1. Service Levels**

- a) The Service Provider will perform the Services at or above the Service Levels set out in **Schedule 2.0**, subject to the terms and conditions contained in this Agreement.

#### **3.2. Measurement/Reporting**

- a) The Service Provider shall measure and report to the Customer on its performance against the Service Levels on a quarterly basis, with the reports being described in Schedule 2.0. Each report is due within 30 days of the end of the quarter.
- b) The Service Provider's reporting shall be complete and comprehensive of all incidents arising during the previous 3 months for such Service Level.

### **4. AGREEMENT AND RELATIONSHIP MANAGEMENT**

**4.1** Each party will designate one senior-level individual, who will be responsible for managing the relationship between the Customer and the Service Provider under this Agreement. Each Key Contact will:

- i) Be the primary contact for the other party in dealing with the provision of Laboratory Services under the Agreement.
- ii) Have the authority to make decisions with respect to actions to be taken by the Customer and the Service Provider, respectively, in the ordinary course of day-to-day management of the Services in accordance with this Agreement.
- iii) Notify the other, or receive notification from the other, of any Customer or Service Provider complaints or concerns relating to the provision of the Laboratory Services.
- iv) 180 days prior to the end of the current Term, the parties will meet to consider whether this Agreement will be renewed, what changes, if any, are required to this Agreement, and if Service Fees are proposed to change, the

Service Provider Key Contact shall provide justification for the Service provider's costs to support any such change.

## **5. SERVICE FEES**

### **5.1. Service Fees**

- a) The Customer shall pay the Service Provider a fee for the Laboratory Services as set out in **Schedule 3.0**.
- b) The Customer shall also pay all applicable taxes relating to the provision of the Laboratory Services.

### **5.2. Invoices; Method of Payment; Interest**

- a) The Service Provider shall render monthly invoices to the Customer for the Laboratory Services, broken out by category of in-scope services (see Schedule 3.0). Such invoice shall be issued in arrears and payable on the 30th day of the month following the month in which the Service Fees were incurred.
- b) Interest will be charged on late payments. The applicable interest rate will be the annual rate of interest then most recently announced by the BMO Bank of Montreal at its head office branch in Toronto, ON as the reference rate of interest (commonly known as "prime") for the purposes of determining the rate of interest that it charges to its commercial customers for loans in Canadian funds.
- c) All amounts to be paid to the Service Provider under this Agreement shall be paid in Canadian dollars by cheque or electronic funds transfer to the account or accounts designated by the Service Provider from time to time or by such other method as is mutually determined by the parties.

### **5.3. Reimbursement of Expenses**

- a) Except as expressly provided in this Agreement, expenses that the Service Provider expects to incur in performing the Services are included in the Service Fees. Accordingly, such Service Provider expenses are not separately reimbursable by the Customer, except as otherwise approved by the Customer.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1. Ability to Enter into this Agreement**

Each party hereby warrants and represents that it has full power and authority to enter into this Agreement and to observe, perform, and comply with the terms and conditions of this Agreement, and that all necessary acts and procedures have been taken in order to authorize the execution and delivery of this Agreement.

### **6.2. Service Provider as Employer**

The Service Provider warrants that it is an employer in good standing with the Workplace Safety and Insurance Board and shall provide to the Customer each year a clearance certificate.

### **6.3. Disclaimer of Warranty**

Except as otherwise expressly provided in this Agreement, the Service Provider makes no representations, warranties or conditions, express or implied, regarding any matter, including the merchantability, suitability, or fitness for a particular use or purpose, or results to be derived from the Laboratory Services provided under this Agreement.

## **7. CONFIDENTIALITY**

### **7.1. Personal Health Information**

- a) The parties acknowledge that the Customer is a health information custodian of its patients' Personal Health Information. Personal Health Information is also Confidential Information of the Customer under this Agreement.
- b) SRHC Laboratory Services agrees to maintain all obligations of confidentiality relating to medical records and information relating to patients of SMH as required by the Public Hospitals Act and regulations there under.
- c) SRHC Laboratory Services agrees to comply strictly with the above obligations as well as the policies of SMH and all other applicable legislation, rules and regulations for confidentiality of Personal Health Information.

## **8. INSURANCE AND INDEMNIFICATION**

### **8.1. Insurance**

- a) During the Term, the Service Provider will maintain general liability insurance, including medical malpractice insurance, in an amount of not less than \$10,000,000 per occurrence and professional liability (errors and omissions) insurance in an amount of not less than \$10,000,000 per occurrence.

## **9. TERMINATION**

### **9.1. Termination**

- a) Both parties acknowledge and agree that either party may terminate this Agreement with a 90 day written notice.

### **9.2. Automatic Termination**

- a) This Agreement shall automatically terminate if there is a direction from any governmental authority, including the minister of Health and Long-Term Care or

the Local Health Integration Network (LHIN), that would require the termination of this Agreement, based on the opinion of either party's legal counsel.

### **9.3. Termination Assistance Services**

- a) Commencing on the delivery of any notice of termination of this Agreement (or such other date as mutually agreed by the parties), and continuing through the effective date of the termination (the "**Termination Assistance Period**"), the Service Provider shall provide to the Customer, or at the Customer's request to the Customer's designee, such reasonable cooperation, assistance and services to allow the Laboratory Services to continue without interruption or adverse effect, to facilitate the orderly transition and migration of the Services to the Customer or its designee (the "**Termination Assistance Services**").
- b) The Service Provider's obligation to provide Termination Assistance Services shall be subject to the Continuing payment by the Customer of the Service Fees throughout the Termination Assistance Period and the payment of any additional fees related to the Termination Assistance Services identified in writing by the Service Provider and agreed to by the Customer.

## **10. NOTICE**

### **10.1. Notice**

- a) All notices (including requests, demands or other communications) required or permitted to be given by one party to another pursuant to this Agreement shall be given in writing by personal delivery (courier service). Such notices shall be deemed to have been received when delivered. Either party may change its address for notification purposes by giving the other party notice of the new address and the date upon which it will become effective. Any such notices shall be deemed given when actually received and shall be addressed as follows:

In the case of the Customer:

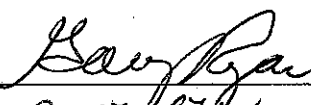
Laboratory Coordinator  
Stevenson Memorial Hospital  
200 Fletcher Crescent  
Alliston, On  
L9R 1W7

In the case of the Service Provider:

Laboratory Manager  
Pathology Laboratory, W7,  
Southlake Regional Health Centre,  
596 Davis Drive, Newmarket, ON  
L3Y 2P9

**IN WITNESS WHEREOF**, Customer and Service Provider have each cause this Service Level Agreement to be signed and delivered by its duly authorized officers, as of the Effective Date.

Chief Executive Officer,  
Stevenson Memorial Hospital]

By:   
GARY RYAN

Date: FEB. 25, 2011

Chief Executive Officer,  
Southlake Regional Health Centre

By: 

Date: March 10, 2011

## SCHEDULE 1.0

### DESCRIPTION OF LABORATORY SERVICES

#### **Technical Services**

- Processing of Pathology/Cytology specimens referred to Provider (services of Laboratory Technician, Medical Laboratory Technologist and Pathology Assistant and all supplies involved)
- Providing regular technical consultation/expertise

#### **Professional Services**

- Processing of Pathology/Cytology diagnostic reports for Customer (services of the Pathologists) to include preliminary, final, amended and supplemental reports and referrals as required
- Providing regular professional consultation/expertise

#### **Referral Services**

- Referral of all Pathology cases / testing that SRHC does not perform on-site or chooses to refer out for consultation (except excluded services listed below) in order to make a diagnosis.

#### **Excluded Services:**

- Excluded services would include: Bone Marrows, Gynecological Cytology, Frozen Sections and Autopsies.
- Directory of Laboratory Services: Engagement of a Laboratory Director who is responsible for the administration of the scientific and technical operation of the Laboratory including the supervision of tests and the reporting of results, as qualified in accordance with the *Laboratory and Specimen Collection Centre Licensing Act of Ontario* (would be under a separate agreement).
- Responsibility for maintaining Customer's laboratory license

## SCHEDULE 2.0

### SERVICE LEVELS

Service Level	Reporting
1. All non-conforming orders are documented and communicated	Service Provider analyzes and summarizes incidents of deficiencies, errors or complaints and presents a report quarterly
2. Turn around time a) Complex specimens (defined as level 5&6 in Schedule of Benefits for Physician Services) 7 business days b) Routine specimens (defined as level 1 through 4 in Schedule of Benefits for Physician Services) 4 business days	Service provider will provide CoPath Turn Around Time Summary reports quarterly
3. Workload / Billing report	Service Provider will provide workload reports with procedure volumes with both technical and professional fees and bill accordingly



## SCHEDULE 3.0

### SERVICE FEES

#### **Startup Fees**

1. Software LIS: To set up a terminal including any remote licensing requirements or interfacing will be the responsibility of SMH.

2. Pathologist start-up costs:

- Relocation of office to accommodate pathologist \$2,500
- Microscope \$28,000
- Cerner CoPath License \$5,500
- Dragon License \$2,000
- Accentus Dictation System \$750
- Phone/Pager \$475
- Computer Workstation \$3,500
- Wireless Headset \$350

Total \$43,075 - This is will paid for through the technical fees generated by SRHC

#### **Technical Fees**

Technical service fees paid by SMH will be based on the most current version of the Schedule of Benefits (SOB) at the effective date or renewal date of this Agreement, see **Appendix 1**

#### **Professional Fees**

Professional service fees will be based on the most current version of the Schedule of Benefits (SOB) at the effective date or renewal date of this Agreement, see **Appendix 1**

#### **Referral fees**

Any costs charged to SRHC by referral labs for SMH specimens, referred for consult by SRHC Pathologists, will be passed on directly to SMH.

## APPENDIX 1

### Service Fees as of March 1, 2011

#### **Technical Fees:**

These fees are based on the OHIP Schedule of, with an LMS of 51.7 cents plus 3%. If during this contract the schedule of benefits is amended, then these rates will also be amended accordingly.

#### **Anatomic Pathology**

L720 Surgical pathology ..... 17.04

#### **Cytology**

L705 Aspiration biopsy (lung, breast, thyroid, etc.) ..... 17.04  
L708 Esophageal/Gastric washing/brushing..... 7.46  
L706 Bronchial washings or brushings ..... 7.46  
L711 Fluids (pleural, ascitic, cystic, pericard, joint, CSF, urine)..... 6.92  
L731 Immunoperoxidase technique - per label .. 39.94  
L716 Sputum per specimen ..... 7.46

#### **Professional Fees:**

These fees are based on current rate being paid by SMH. **These rates will be adjusted to the schedule of benefits plus 3%.** If during this contract the schedule of benefits is amended, then these rates will also be amended accordingly.

#### **Anatomic Pathology**

L861 Surgical Pathology, Level 1..... 5.36  
L862 Surgical Pathology, Level 2..... 8.70  
L863 Surgical Pathology, Level 3..... 14.73  
L864 Surgical Pathology, Level 4..... 50.11  
L865 Surgical Pathology, Level 5..... 106.30  
L866 Surgical Pathology, Level 6..... 187.10  
L867 Surgical Pathology, Unlisted specimens ..... 48.05

#### **Cytology**

L805 Aspiration biopsy (FNA) e.g. lung, breast, thyroid, prostate ... 63.09  
L806 Bronchial, oesoph, gastric, etc brushings/washings..... 29.87  
L808 Imprint, touch preparation and/or direct smear ..... 30.11  
L810 Fluids eg pleural, ascitic cyst, pericardial, CSF, urine, joint..... 18.80  
L815 Sputum ..... 29.30

## **Special Procedures/Interpretation - Histology or Cytology**

L837 Immunohistochemistry and interpretation - per marker.....	16.07
L843 Special microscopy of tissues including polarization.....	20.39
L846 Flow cell cytometry and interpretation - per marker .....	12.21
L849 Interpretation and handling of decalcified tissue .....	13.18
L868 Special histochemistry for identification of microorganisms.....	36.10
L869 Special histochemistry, elements other than microorganisms..	16.02

## **Hematology**

L800 Blood film interpretation (Romanowsky stain).....	18.18
--	-------

**Service Agreement - Laboratory Medicine**  
**Stevenson Memorial Hospital and SRHC Laboratory**  
**For Computer Support and Testing Services**

This Agreement is made this 2<sup>nd</sup> day of April, 2012

Between:

Stevenson Memorial Hospital (hereinafter called "SMH") of the first part, and

Southlake Regional Health Centre (hereinafter called "SRHC") of the second part

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

**Description of Services**

**1.1 *Provision of Esoteric testing SRHC***

- testing provided by Southlake Regional Health Centre, See Appendix A
- accessioning of specimens performed by SMH through McKesson LIS
- reporting of results through SRHC McKesson LIS

**1.2 *Routing of Microbiology and Esoteric testing to Sunnybrook Health Sciences Centre (SHSC)***

- testing provided by Sunnybrook Health Sciences Centre and affiliates, See Addendum to SRHC/SHSC Service Agreement for Laboratory Services, Appendix B
- accessioning of specimens performed by SMH through McKesson LIS
- reporting of results through SRHC interface to SHSC to McKesson LIS (SMH)
- SHSC to bill SRHC monthly for testing and SRHC to in-turn bill SMH

**1.3 *Computer Support Services***

SRHC provides SMH with various computer support services for the laboratory (hardware & software) and glucose meter POC software

- Laboratory Information Systems (LIS)
  - Dictionary build
  - Instrument interface
  - Troubleshooting
  - Validation
  - Maintenance
- Horizon Blood Bank (HBB)- (Future possibility)
  - Dictionary build
  - Troubleshooting
  - Validation

- Maintenance
- Data Innovations (DI) Middleware
  - Rules writing and validation
  - Maintenance
- Ontario Laboratory Information Systems (OLIS) Future possibility
  - Mapping tests
  - Interfacing
  - Validation
  - Maintenance
- Glucose meter Data Management Software-
  - Maintenance of server and troubleshooting
  - Future Connectivity

## **Compensation**

### **2.1. Service Fees**

The fees for **esoteric testing done at SRHC** will be billed monthly SMH according to fee schedule in Appendix A. (same pricing schedule that Sunnybrook offers) There will be a yearly increase of 2% on these fees.

The fees for **Microbiology and Esoteric testing done at Sunnybrook** will be charged to SRHC by Sunnybrook as part of the current contract. SRHC will track actual tests from SMH and bill SMH monthly for the work being done at Sunnybrook according to Addendum to Contract in Appendix B. Any service fee increases from Sunnybrook will be passed on to SMH including a 2% annual fee increase.

### **2.2 Computer Support Services**

An annual of \$10,000 will be paid by SMH to SRHC for basic maintenance and troubleshooting support of the systems. Any new equipment or system builds, validation, interfacing etc will be billed to SMH at the hourly rate of \$52.78 per hour over and above the annual fee.

### **2.3 Annual Vendor Support Fees**

SMH is responsible for 7% of the cost of the annual support fees charged by the vendors for the LIS, DI, and HBB systems. . If annual fees are based on licenses then SMH will pay according to the number of licenses they have plus 7% of the base support.

### **2.4 Hardware and Software Upgrades**

SMH is responsible for 7% of the cost of all hardware and/or software upgrade charges (including interfaces) for any the items under 1.3.

### **2.5 Courier Services**

To be provided by SMH to transport specimens to SRHC and then by SHSC as part of the agreement between Sunnybrook and Southlake Regional Health Centre. Specimens will be package in accordance with the Transportation of Dangerous Goods Act. Validated transport bags to be supplied by SRHC and SHSC to SMH.

### **2.6 Federal and Provincial Taxes**

In addition to the fees stipulated in paragraph 2.1, SRHC and SMH shall pay all applicable federal and provincial taxes which have been or may be legislated and are required under this Agreement (and any renewals thereof).



## **Term, Renewal and Termination**

### **3.1 *Terms and Renewal***

The term of this Agreement shall commence on February 1, 2012 and terminating on March 31, 2015, unless terminated sooner in accordance with the provisions in paragraph 3.2.

### **3.2 *Termination***

This Agreement may be terminated prior to completion of the term set out in paragraph 3.1 hereof in any of the following circumstances;

- (a) upon thirty (30) days written notice by either party without legal for financial penalties following any material default by the other party in the performance of any obligation of the other under this Agreement, which default is either not cured or is not in the process of being cured within thirty (30) days following such notice;
- (b) upon ten (10) days written notice by either party following a lapse or cancellation of insurance coverage required hereunder, when such coverage is not reinstated within ten days of such a lapse or cancellation;
- (c) Upon sixty (60) days written notice by either party should Restructuring Commission or any other body mandated by legislation that forces either SRHC Laboratory or SMH into a laboratory relationship with another organization(s) which in the opinion of SRHC Laboratory or SMH makes the service agreement unworkable or prohibits its continued existence.

### **Miscellaneous Other Provisions**

4.1 If any provision of this Agreement shall become invalid under any provision of federal, provincial or municipal law, such invalidity shall not affect the validity or enforceability of the other provisions hereof.

#### **4.2 *Liability Insurance***

Each party shall maintain insurance covering public liability, bodily injury and property damage, product and completed operations liability and contractual liability in amounts satisfactory to \$10,000,000. Upon request, SRHC and SMH shall provide a certificate of liability insurance setting out the insurance coverage referred to in this section.

4.3 Each party shall notify the other in writing at least sixty (60) days in advance of the cancellation of any insurance policy providing coverage required to be maintained under this Agreement.

4.4 Each party covenants to indemnify and hold the other harmless from liability for all losses, damages, charges and costs, including counsel fees and disbursements to third parties arising out of any act or omission by the party or the party's servants, agents or employees upon or in relation to the fulfillment of its duties under this Agreement. Each party further covenants to the other that, in the event of any occurrence that may give rise to a claim or demand or in case any claim or demand is asserted against it which may result in liability to the other, it shall give immediate notice thereof in writing to the other party and shall cooperate in the investigation of any such claim or defense of any action arising there from.

4.5 SRHC and SMH Laboratory Services agree to abide by all laws, ordinances, rules and regulations of provincial, local and federal governments.

4.6 SRHC Laboratory agrees to maintain all obligations of confidentiality relating to medical records and information relating to patients of SMH as required by the Public Hospitals Act and regulations there under.



## **FIPPA Records and Compliance**

5.1 Each party acknowledges and agrees that Ontario's Freedom of Information and Protection of Privacy Act (FIPPA) applies to and governs all Records and may require the disclosure of such Records to third parties. Furthermore, the Service Provider agrees:

- A. to keep Records secure;
- B. to provide Records to the hospital within seven (7) calendar days of being directed to do so by the Hospital for any reason including an access request or privacy issue;
- C. not to access any Personal Information unless the Hospital determines, in its sole discretion, that access is permitted under FIPPA and is necessary in order to provide the Deliverables;
- D. not to directly or indirectly collect, use, disclose or destroy any Personal Information for any purposes that are not authorized by the Hospital;
- E. to ensure the security and integrity of Personal Information and keep it in a physically secure and separate location safe from loss, alteration, destruction or intermingling with other records and databases and to implement, use and maintain the most appropriate products, tools, measures and procedures to do so;
- F. to restrict access to Personal Information to those of its directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors who have a need to know it for the purpose of providing the Deliverables and who have been specifically authorized by the Hospital Representative to have such access for the purpose of providing the Deliverables;
- G. to implement other specific security measures that in the reasonable opinion of the Hospital would improve the adequacy and effectiveness of the Service Provider's measures to ensure the security and integrity of Personal Information and Records generally; and
- H. that any confidential information supplied to the Hospital may be disclosed by the Hospital where it is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding;

## Notices

6.1 Unless otherwise specified, notices required to be given by either party to the other under this Agreement shall be in writing and sent by registered mail to the recipient at its address indicated below.

If to SRHC

SRHC Laboratory Services,  
596 Davis Drive  
Newmarket, Ontario  
L3Y 2P9  
Attention: Chief Executive Officer

If to SMH,

SMH Laboratory Services

Attention: Chief Executive Officer

6.2 Such notices shall be deemed to have been received, when delivered.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

SRHC Laboratory

Per: P. Coory

Date: May 22/12

Per: T. Kumb

Date: MAY 22/12

SMH Laboratory

Per: Cherif Jones

Date: June 15, 2012

Per: Karen Budge

Date: June 25/12

## Appendix A

### **List of Esoteric Tests for Which SHSC Provides Laboratory Services to SMH**

<b>Name of Test</b>	<b>SMH Price/Test</b>	<b>Volume</b>	<b>Total</b>
ALPHA-FETOPROTEIN	15.50	18	\$279.00
ALUMINUM	17.60	4	\$70.40
ANTI-SMOOTH MUSCLE ANTIBODY	22.45	2	\$44.90
ANTI-NUCLEAR ANTIBODY	10.00	56	\$560.00
ASO TITRE	25.00	10	\$250.00
BODY FLUID CRYSTALS	10.00	6	\$60.00
CA 125	15.00	12	\$180.00
CEA	7.50	10	\$75.00
COMPLEMENT C3	5.60	6	\$33.60
COMPLEMENT C4	4.69	6	\$28.14
DHEA-SULPHATE	18.20	2	\$36.40
DNA(DOUBLE STRANDED)ANTIBODY	17.00	12	\$204.00
ESTRADIOL	18.50	2	\$37.00
FACTOR ASSAY, VON WILLEBRANDS	15.30	4	\$61.20
FACTOR V LEIDEN	102.00	4	\$408.00
FOLATE, ERYTHROCYTE	9.00	64	\$576.00
FOLLICLE STIMULATING HORMONE	11.00	6	\$66.00
GLYCOSYLATED HEMOGLOBIN	10.90	134	\$1460.60
HAPTOGLOBIN	12.80	4	\$25.60
HEMOGLOBIN ELECTROPHORESIS	11.00	4	\$44.00
HOMOCYSTEINE	20.00	4	\$80.00
IMMUNOELECTROPHORESIS	22.40	6	\$134.40
IMMUNOGLOBULIN ASSAY	24.50	14	\$343.00
IRON AND TIBC	12.00	274	\$3288.00
LEUTENIZING HORMONE	9.50	4	\$38.00
LIPASE	7.65	16	\$122.40
MICROALBUMIN	5.00	6	\$30.00
MITOCHONDRIAL ANTIBODY	22.45	2	\$44.90
MYOGLOBIN, URINE	11.45	4	\$45.80
PHOSPHOLIPID/CARDIOLIPIN	35.00	4	\$140.00
PROLACTIN	13.00	4	\$52.00
PROTEIN C ANTIGEN	21.00	4	\$84.00
PROTEIN ELECTROPHORESIS	8.70	6	\$52.20
PROTEIN ELECTROPHORESIS, URINE	12.10	2	\$24.20
PROTEIN S-TOTAL	16.00	2	\$32.00
PROTHROMBIN VARIANT	100.00	2	\$200.00

PSA	8.00	16	\$128.00
PTH	10.50	104	\$1092.00
RENAL CALCULUS	11.00	4	\$44.00
T3, TOTAL	17.20	4	\$68.80
TESTOSTERONE	14.00	2	\$28.00
TISSUE TRANSGLUTAMINASE IGA	35.70	2	\$71.40
TRANSFERRIN	5.50	260	\$1430.00
VALPROIC ACID	12.00	12	\$144.00
VITAMIN D (25-OH)	40.45	8	\$323.60
VITAMIN D (1,25-DI OH)	61.15	8	\$489.20
<b>TOTAL</b>			<b>\$13029.74</b>

**SOUTHLAKE REGIONAL HEALTH CENTRE  
LABORATORY SERVICE LEVEL AGREEMENT  
DIRECTOR OF LABORATORY  
(SLA)**

between

**Southlake Regional Health Centre  
(Service Provider)  
and**

**Stevenson Memorial Hospital (SMH)  
(Customer)**

**As of  
April 1, 2011**



# **DIRECTOR OF LABORATORIES SERVICE LEVEL AGREEMENT**

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## **1. TERM**

### **1.1. Term**

- Handwritten: *JS MB*
- a) The term of this Agreement begins on April 1, 2011 and continues for ~~3~~ <sup>5</sup> years (until April 1, 2014), or until terminated in accordance with Section 9. TERMINATION of this Agreement.
- b) The parties agree to submit a signed copy of this Agreement within 30 days of the effective Date.

### **1.2. Renewal Term**

- a) This Agreement may be renewed by the parties in writing for an additional 3 year renewal term upon the following conditions: .
- i) 180 days before the end of the current Term, the parties will begin discussions to determine whether this Agreement will be renewed.
  - ii) 90 days before the end of the term, the parties shall renew this Agreement in writing or confirm in writing that this Agreement will not be renewed.

## **2. LABORATORY SERVICES, STANDARDS, AND QUALITY**

### **2.1. Laboratory Services**

- a) The Service Provider shall provide to the Customer, and the Customer shall obtain from the Service Provider, the Laboratory Services as described in **SCHEDULE 1.0**. The Service Provider will designate two Pathologists. One to be the Medical Director of Laboratory and the second Pathologist will be a consultant Pathologist.

### **2.2. Standards of Quality**

In providing the Laboratory Services, the Service Provider shall:

- a) Comply with all applicable Laws, including Ministry of Health and Long-Term Care policies and guidelines associated therewith;
- b) Consistently meet or exceed the QMP-LS Program of the Ontario Medical Association and Ontario Laboratory Licensing (OLA) as applicable.

### **2.9. Licensing**

- a) The Service Provider ensures that all approvals and licenses required to provide the Laboratory Services, and that its employees and agents who provide the Laboratory Services are duly qualified according to the regulations of the Laboratory and Specimens Collections Centre Act, as applicable, and are

currently registered with the College of Medical Laboratory Technologists, as applicable.

- b) Each party shall:
  - i) Notify each other immediately if it becomes aware of an issue with respect to licensing; and
  - ii) Use their best efforts to work together to maintain their laboratory licenses in good standing and to work with the Ministry of Health and Long-Term Care to prevent the loss of the laboratory license under the Laboratory and Specimens Collection Centre Licensing Act (Ontario).

### **3. SERVICE LEVELS**

#### **3.1. Service Levels**

- a) The Service Provider will perform the Services at or above the Service Levels set out in **Schedule 2.0**, subject to the terms and conditions contained in this Agreement.

### **4. SERVICE FEES**

#### **4.1. Service Fees**

- a) The Customer shall pay the Service Provider a fee for the Laboratory Services as set out in **Schedule 3.0**.

#### **4.2. Method of Payment**

- a) The customer will pay the service provider on a monthly basis. All amounts to be paid to the Service Provider under this Agreement shall be paid in Canadian dollars by cheque or electronic funds transfer to the account or accounts designated by the Service Provider.

#### **4.3. Reimbursement of Expenses**

- a) Except as expressly provided in this Agreement, expenses that the Service Provider expects to incur in performing the Services are included in the Service Fees. Accordingly, such Service Provider expenses are not separately reimbursable by the Customer, except as otherwise approved by the Customer. The stipend includes all costs including travel, phone calls, and any long distance charges if incurred.

### **5. REPRESENTATIONS AND WARRANTIES**

#### **5.1. Ability to Enter into this Agreement**

Each party hereby warrants and represents that it has full power and authority to enter into this Agreement and to observe, perform, and comply with the terms and conditions of this Agreement, and that all necessary acts and procedures have been taken in order to authorize the execution and delivery of this Agreement.



## **5.2. Customer as Employer**

The Customer warrants that it is an employer in good standing with the Workplace Safety and Insurance Board and shall provide to the Service Provider each year a clearance certificate.

## **6. CONFIDENTIALITY**

### **6.1. Personal Health Information**

- a) The parties acknowledge that the Customer is a health information custodian of its patients' Personal Health Information. Personal Health Information is also Confidential Information of the Customer under this Agreement.
- b) The Service Provider agrees to maintain all obligations of confidentiality relating to medical records and information relating to patients of SMH as required by the Public Hospitals Act and regulations there under.
- c) The Service Provider agrees to comply strictly with the above obligations as well as the policies of SMH and all other applicable legislation, rules and regulations for confidentiality of Personal Health Information.

## **7. INSURANCE AND INDEMNIFICATION**

### **7.1. Insurance**

- a) During the Term, the Service Provider will maintain general liability insurance, including medical malpractice insurance in accordance with CMPA.

## **8. TERMINATION**

### **8.1. Termination**

- a) Both parties acknowledge and agree that either party will be entitled to immediately terminate this Agreement without further notice or penalty in the following circumstance:
  - i) The failure of either party to carry out a material duty or obligation under this Agreement
  - ii) Mutual agreement of both parties to terminate the Agreement

### **8.2. Termination Assistance Services**

- a) Commencing on the delivery of any notice of termination of this Agreement (or such other date as mutually agreed by the parties), and continuing through the effective date of the termination (the "**Termination Assistance Period**"), the Service Provider shall provide to the Customer, or at the Customer's request to the Customer's designee, such reasonable cooperation, assistance and services to allow the Laboratory Services to continue without interruption or adverse effect,

to facilitate the orderly transition and migration of the Services to the Customer or its designee (the "**Termination Assistance Services**").

- b) The Service Provider's obligation to provide Termination Assistance Services shall be subject to the Continuing payment by the Customer of the Service Fees throughout the Termination Assistance Period and the payment of any additional fees related to the Termination Assistance Services identified in writing by the Service Provider and agreed to by the Customer.

## **9. NOTICE**

### **9.1. Notice**

- a) All notices (including requests, demands or other communications) required or permitted to be given by one party to another pursuant to this Agreement shall be given in writing by personal delivery (courier service). Such notices shall be deemed to have been received when delivered. Either party may change its address for notification purposes by giving the other party notice of the new address and the date upon which it will become effective. Any such notices shall be deemed given when actually received and shall be addressed as follows:

In the case of the Customer:

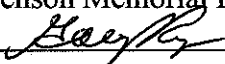
Laboratory Coordinator  
200 Fletcher Street  
Alliston, Ontario  
L9R 1W7

In the case of the Service Provider:

Medical Director, Laboratory  
200 Fletcher Street  
Alliston, Ontario  
L9R 1W7

**IN WITNESS WHEREOF**, Customer and Service Provider have each cause this Service Level Agreement to be signed and delivered by its duly authorized officers, as of the Effective Date.

Chief Executive Officer  
Stevenson Memorial Hospital

By:   
GARY RYAN

Date: MARCH 7, 2011

Chief Executive Officer  
Southlake Regional Health Centre

By: 

Date: MARCH 10, 2011

## **SCHEDULE 1.0**

### **DESCRIPTION OF LABORATORY SERVICES**

#### **Professional Services**

- As service provider, Southlake is appointing the following individuals:
  - Dr. Syed Kazimi as Medical Director of Laboratory Services and Dr. Jennifer Rodriguez as consultant Pathologist.
- The Medical Director, Laboratory will be responsible for the administration of the scientific and technical operation of the Laboratory including the supervision of tests and the reporting of results, and is qualified in accordance with the *Laboratory and Specimen Collection Centre Licensing Act of Ontario*
- Responsibility for maintaining SMH laboratory license.
- Serve on SMH hospital committees and co-operate fully with the Laboratory Coordinator, medical staff, hospital staff, and hospital administration
- Assist in formulation of guidelines, policies, procedures and standards for the Laboratory

#### **Consultation Services**

- Provide regular professional consultation/expertise

#### **Excluded Services:**

- Excluded services would include: Bone Marrows, Gynecological Cytology, Frozen Sections and Autopsies.

## SCHEDULE 2.0

### SERVICE LEVELS

Service Level	Provider
<p>1. Attendance at Monday meetings at Stevenson for the following (may be by teleconference):</p>	<ul style="list-style-type: none"> <li>▪ <b>Infection Control</b> -quarterly [the 3rd Monday of the month after MAC meeting]</li> <li>▪ <b>Lab Quality</b>- monthly</li> <li>▪ <b>MAC</b> –monthly [the 4th Monday of the month]</li> <li>▪ <b>Quality and Patient Safety</b> - monthly [2nd Monday of the month]</li> </ul>
<p>2. Onsite visits to Stevenson biweekly for up to 4 hours with alternating biweekly teleconferencing for the meetings.</p> <p>Overall up to 4 hours of weekly coverage will be provided.</p> <p>A monthly schedule will be provided for coverage at SMH.</p> <p>Oncall will be provided by pathologists named in Schedule 1 and a monthly schedule will be provided for coverage at SMH</p>	<ul style="list-style-type: none"> <li>▪ review of QC</li> <li>▪ discuss any issues</li> <li>▪ review any QMP-LS</li> </ul>
<p>3. Review of hematology smears [up to 10 per week]</p>	<ul style="list-style-type: none"> <li>▪ to be done at SRHC</li> <li>▪ Stat hematology slides for review, i.e. new leukemias, are to be sent by cab.</li> </ul>

NOTE: All of these services are to be shared with another pathologist

## SCHEDULE 3.0

### SERVICE FEES

#### **Professional Fees**

Professional service fees will be \$30,000 per year and payment will be made as per Section 4 Method of Payment to Southlake Regional Health Centre.

**Service Agreement – On-Call Pharmacist coverage between SRHC Paramedical  
Services Pharmacy and Stevenson Memorial Hospital**

This Agreement is made this 1<sup>st</sup> day of April, 2013

Between:

Stevenson Memorial Hospital (hereinafter called "SMH") of the first part, and

Southlake Regional Health Centre (hereinafter called "SRHC") of the second part

In consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

**Description of Services**

- 1.1 SRHC will provide an on-call pharmacist to SMH **from 17:00 to 08:00 Monday to Friday (excluding statutory holidays) and from 17:00 (Fri) to 0800 (Mon) Weekend coverage (including and holidays)** to answer questions about medications or medication management.
- 1.2 SRHC on-call support is limited to active and/or registered emergency and inpatients.
- 1.3 SRHC on-call pharmacist support is limited to questions about medications or medication management and excludes the physical locating and retrieval of medications currently done by the Clinical Support Manager (CSM).

**Compensation**

**2.1. On-call support services**

The fees for **on-call services** listed in 1.1 and 1.2 will be billed at a rate of \$12,020 annually. A standard increase of no more than the yearly cost of living increase will apply.

**Term, Renewal and Termination**

**3.1 Terms and Renewal**

The term of this Agreement shall commence on April 1<sup>st</sup>, 2013 and terminating on March 31, 2014, unless terminated sooner in accordance with the provisions in paragraph 3.2.

**3.2 Termination**

This Agreement may be terminated prior to completion of the term set out in paragraph 3.1 hereof in any of the following circumstances;

- (a) upon thirty (30) days written notice by either party without legal for financial penalties following any material default by the other party in the performance of any obligation of the other under this Agreement, which default is either not cured or is not in the process of being cured within thirty (30) days following such notice;



## **Miscellaneous Other Provisions**

4.1 If any provision of this Agreement shall become invalid under any provision of federal, provincial or municipal law, such invalidity shall not affect the validity or enforceability of the other provisions hereof.

### **4.2 Liability Insurance**

Each party shall maintain insurance covering public liability, bodily injury and property damage, product and completed operations liability and contractual liability in amounts satisfactory to \$10,000,000. Upon request, SRHC and SMH shall provide a certificate of liability insurance setting out the insurance coverage referred to in this section.

4.3 Each party shall notify the other in writing at least sixty (60) days in advance of the cancellation of any insurance policy providing coverage required to be maintained under this Agreement.

4.4 Each party covenants to indemnify and hold the other harmless from liability for all losses, damages, charges and costs, including counsel fees and disbursements to third parties arising out of any act or omission by the party or the party's servants, agents or employees upon or in relation to the fulfillment of its duties under this Agreement. Each party further covenants to the other that, in the event of any occurrence that may give rise to a claim or demand or in case any claim or demand is asserted against it which may result in liability to the other, it shall give immediate notice thereof in writing to the other party and shall cooperate in the investigation of any such claim or defense of any action arising there from.

4.5 SRHC and SMH agree to abide by all laws, ordinances, rules and regulations of provincial, local and federal governments.

4.6 SRHC agrees to maintain all obligations of confidentiality relating to medical records and information relating to patients of SMH as required by the Public Hospitals Act and regulations there under.

## **FIPPA Records and Compliance**

5.1 Each party acknowledges and agrees that Ontario's Freedom of Information and Protection of Privacy Act (FIPPA) applies to and governs all Records and may require the disclosure of such Records to third parties. Furthermore, the Service Provider agrees:

- A. to keep Records secure;
- B. to provide Records to the hospital within seven (7) calendar days of being directed to do so by the Hospital for any reason including an access request or privacy issue;
- C. not to access any Personal Information unless the Hospital determines, in its sole discretion, that access is permitted under FIPPA and is necessary in order to provide the Deliverables;
- D. not to directly or indirectly collect, use, disclose or destroy any Personal Information for any purposes that are not authorized by the Hospital;
- E. to ensure the security and integrity of Personal Information and keep it in a physically secure and separate location safe from loss, alteration, destruction or intermingling with other records and databases and to implement, use and maintain the most appropriate products, tools, measures and procedures to do so;

- F. to restrict access to Personal Information to those of its directors, officers, employees, agents, partners, affiliates, volunteers or subcontractors who have a need to know it for the purpose of providing the Deliverables and who have been specifically authorized by the Hospital Representative to have such access for the purpose of providing the Deliverables;
- G. to implement other specific security measures that in the reasonable opinion of the Hospital would improve the adequacy and effectiveness of the Service Provider's measures to ensure the security and integrity of Personal Information and Records generally; and
- H. that any confidential information supplied to the Hospital may be disclosed by the Hospital where it is obligated to do so under FIPPA, by an order of a court or tribunal or pursuant to a legal proceeding;



## Notices

6.1 Unless otherwise specified, notices required to be given by either party to the other under this Agreement shall be in writing and sent by registered mail to the recipient at its address indicated below.

If to SRHC

SRHC Pharmacy Services,  
Attention: Chief Executive Officer

If to SMH,

SMH Pharmacy Services  
Attention: Chief Executive Officer

6.2 Such notices shall be deemed to have been received, when delivered.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the date first above written.

SRHC Pharmacy

Per: [Signature]

Date: March 27/13

Per: [Signature]

Date: Mar 27/13

SMH Pharmacy

Per: [Signature]

Date: March. 27/13

Per: [Signature]

Date: June. 27/13

### **Addendum: Section 3 - Reimbursable Services**

Article 4 of the MSA outlines the scope of services that are contemplated and the opportunity for shared utilization of clinical and other services to create operating efficiencies and address mutually beneficial growth opportunities.

Section 3 of the MOU outlines a range of services SRHC is able to provide to SMH. Each of these services has been costed in a manner that reflects the commitment in the MSA to make each institution whole financially. While the majority of the services are based on annual cost, some are based on a fee for service model associated with utilization of the services provided.

The administrative teams of SMH and SRHC shall review the scope of these services and make annual recommendations for renewal or termination of the service to each Board prior to fiscal year end. The term of these services is linked to the fiscal year.

MOU: Block #3: Menu of Potential Fee for Service Support: Paid by SMH as Services Utilized				
Item	Title	Reports to	Hourly Rate (incl. Benefits and 1.5% for wage increase for 14/15)	Projected Annual Cost
10	Access by the SMH Managers to education/leadership programs held in house at SRHC	n/a	\$375 /per day + materials	\$0.00
11	Access to SRHC for job shadowing, orientation, training courses and site visits	n/a	\$375 /per day + materials	\$0.00
12	Mental Health Program Support (M. Zanchettin)		0.2 fte	\$23,000.00
13	Oncall after hours access support to the SRHC Infection Prevention and Control Team			\$0.00
14	Biomedical Services			\$0.00
15	Director Corporate Communications	President & CEO	\$79.34	\$0.00
16	Ergonomic Assessments Only	assuming 8 assessments per year	\$800/assessment	\$6,400.00
17	<i>HMM Portal Support, HPF Portal Support and New Implementation Support for Projects</i>	<i>Item to be addressed under MOU - Block #2 Contractual IT Elements</i>		
18	Team Lead - System	Manager - IT	\$59.64	\$0.00
19	HIS Clerk	Manager - Health Information	\$27.28	\$0.00
20	Senior Accounting Clerk	Manager - Finance	\$36.27	\$0.00
21	Med2020 and HPF Application Specialist	Manager - Health Information	\$42.19	\$0.00
22	Health Records Clerk	Manager - Health Information	\$27.28	\$0.00
23	ROI Secretary	Manager - Health Information	\$30.44	\$0.00
24	After hours on call support - CSM/Manager - Director/AMC on call for evenings/nights and 24/7 weekends and holidays	Clinical Support Manager Onsite/ Manager and Director On call/ AMC on call	\$110/day	\$40,150.00
<b>Sub-Total</b>				<b>\$69,550.00</b>

**Subtotal Block 1 - 3      \$1,091,721.88**

MOU: Block #4: Employees Hired by SMH and Paid by SRHC, reimbursed by SMH (To be transferred to SMH by June 30/2014)				
Item	Title	Reports to	Hourly Rate (incl. Benefits)	Projected Annual Cost *
25	Manager - HR	Stevenson	71.29	\$139,008.67
26	Manager - Facilities	Stevenson	67.20	\$131,047.92
27	Manager - Emergency	Stevenson	71.29	\$139,008.67
<b>Sub-Total</b>				<b>\$409,065.25</b>

\* - does not include Performance Management compensation - needs to be added annually: SRHC Human Resource Souce

**Grand Total MOU (including New Item #18): Block 1 - 4     \$1,500,787.13**