

**AGREEMENT RELATING TO QUALITY
ASSURANCE AND PATIENT CARE REPORTS**

This Quality Assurance Agreement ("Agreement") is entered into by and between Grossmont Hospital Corporation, a California nonprofit public benefit corporation ("GHC"), and the Grossmont Healthcare District (formerly known as "Grossmont Hospital District"), a political subdivision of the State of California, organized and existing pursuant to the Local Health Care District Law (Div. 23 of the California Health & Safety Code) (the "District"), and shall be effective as of August 15, 2008.

RECITALS

A. On May 29, 1991, GHC and the District entered into a 30-year Lease Agreement (the "Lease") of Grossmont Hospital (the "Hospital").

B. Among other responsibilities during the term of the Lease, GHC is obligated to; (a) operate and maintain the Hospital as a nonprofit community hospital and related uses for the benefit of the community; (b) comply with all government regulations related to the use of the Hospital; and (c) operate the Hospital according to the best interests of the public health of the communities served by the District.

C. In an effort to keep the District Board of Directors (the "District Board") more fully informed as to quality assurance and patient care issues, GHC agrees to provide the District Board with periodic reports and information in accordance with the terms and conditions of this Agreement.

Therefore, in consideration of the mutual covenants and agreements, GHC and the District agree as follows:

COVENANTS

1. Quality Assurance Reports. GHC's Administration shall provide the District Board with Quality Assurance Reports relating to the activities at the Hospital, including matters relating to patient care and safety (the "QA Reports"), at a District Board meetings held in the months of September, December, March and June. The QA Reports shall be comparable to the reports that GHC Administration provides to the GHC Board of Directors at its regular meeting (the "GHC Board"); however, GHC shall not be required to provide any information to the District that it is required to keep private or confidential by any applicable law or regulation, including but not limited to California Civil Code Section 56 et. seq. and the Health Insurance Portability and Accountability Act of 1986 ("HIPAA"). Any QA Reports to the District shall be made in closed session in accordance with Health & Safety Code Section 32155. The District agrees to keep all QA Reports and information provided by GHC pursuant to this Section 1 confidential and not to release or disclose the information contained in such QA Reports to any third party without the written consent of GHC or pursuant to operation of law.

2. Immediate Reports. Whenever an event involving patient care or safety occurs at the Hospital, which is deemed reportable to (i) the Department of Health and Human Services, or (ii) the California Department of Public Health pursuant to California Health and Safety Code Section 1279.1 that results in death or serious injury; GHC's Administration shall, within 24 hours of making such a report, notify the District's Chief Executive Officer that it made the

telephone or by a writing in the form of email or facsimile transmission provided such writing is delivered to the District's offices within the required time. If requested, GHC's Administration shall provide a report concerning the event to the District Board. Any such report shall be confidential and made in closed session in accordance with Health & Safety Code Section 32155. GHC's Administration shall keep the District Board informed of the status of any investigations being conducted by a regulatory or licensing body that may stem from the report and shall provide the District with copies of any plan of correction it submits to a regulatory agency in response to such investigations. Except to the extent that any such reports or information provided to the District are publicly available, the District agrees to keep all reports or information provided by GHC, pursuant to this Section 2, confidential and not to release or disclose the information contained in such confidential reports to any third party without the written consent of GHC or pursuant to operation of law.

3. Confidentiality Agreements. GHC agrees that, notwithstanding the confidentiality agreements which the GHC District designees appointed to the GHC Board and the District CEO are required to sign, District designees and the CEO may report to the District Board that information provided by GHC to the District designees concerning the matters described in Sections 1 and 2 above provided such reports are made in closed session pursuant to Health and Safety Code Section 32155. The District agrees to keep all reports or information provided by the District designees, pursuant to this Section 3, confidential and not to release or disclose the information contained in such confidential reports to any third party without the written consent of GHC or pursuant to operation of law.

IN WITNESS WHEREOF, GHC and the District have caused this Agreement to be executed as of the date first written above.

GROSSMONT HOSPITAL CORPORATION
("GHC")

By: _____
Name: _____
Its: _____

GROSSMONT HEALTHCARE DISTRICT
("DISTRICT")

By: _____
Name: _____
Its: _____

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Section 33. Quality Assurance and Patient Care

In accordance with the "Agreement Relating To Quality Assurance and Patient Care Reports" entered into between the Grossmont Healthcare District ("District") and Grossmont Hospital Corporation, ("GHC") dated August 15, 2008, the District has adopted the following policies and protocols:

1. **Quality Assurance Reports.** GHC's Administration shall provide the District Board with Quality Assurance Reports relating to the activities at the Hospital, including matters relating to patient care and safety (the "QA Reports"), at a District Board meetings held in the months of September, December, March and June. The QA Reports shall be comparable to the reports that GHC Administration provides to the GHC Board of Directors (the "GHC Board"); however, GHC shall not be required to provide any information to the District that it is required to keep private or confidential by any applicable law or regulation, including but not limited to California Civil Code Section 56 et. seq. and the Health Insurance Portability and Accountability Act of 1986 ("HIPAA"). Any QA Reports to the District shall be made in closed session in accordance with Health & Safety Code Section 32155. The District agrees to keep all QA Reports and information provided by GHC pursuant to this Section 1 confidential and not to release or disclose the information contained in such QA Reports to any third party without the written consent of GHC or pursuant to operation of law.

2. **Immediate Reports.** Whenever an event involving patient care or safety occurs at the Hospital, which is deemed reportable to (i) the Department of Health and Human Services, or (ii) the California Department of Public Health pursuant to California Health and Safety Code Section 1279.1, GHC's Administration shall, within 24 hours of making such a report, notify the District's Chief Executive Officer that it made the report. Such notice may be given by telephone or by a writing in the form of email or facsimile transmission provided such writing is delivered to the District's offices within the required time. If requested, GHC's Administration shall provide a report concerning the event to the District Board. Any such report shall be confidential and made in closed

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session in accordance with Health & Safety Code Section 32155. GHC's Administration shall keep the District Board informed of the status of any investigations being conducted by a regulatory or licensing body that may stem from the report and shall provide the District with copies of any plan of correction it submits to a regulatory agency in response to such investigations. Except to the extent that any such reports or information provided to the District are publicly available, the District agrees to keep all reports or information provided by GHC, pursuant to this Section 2, confidential and not to release or disclose the information contained in such confidential reports to any third party without the written consent of GHC or pursuant to operation of law.

3. **Confidentiality Agreements.** GHC agrees that, notwithstanding the confidentiality agreements which the GHC District designees appointed to the GHC Board and the District CEO are required to sign, District designees and the CEO may report to the District Board that information provided by GHC to the District designees concerning the matters described in Sections 1 and 2 above provided such reports are made in closed session pursuant to Health and Safety Code Section 32155. The District agrees to keep all reports or information provided by the District designees, pursuant to this Section 3, confidential and not to release or disclose the information contained in such confidential reports to any third party without the written consent of GHC or pursuant to operation of law.

This policy incorporates verbatim the bilateral agreement referenced in the introductory paragraph, the signed copy of which is on file at the District office. No changes to this policy will become effective unless and until an amendment of the bilateral agreement has been mutually accepted by GHC and the District.