

Crook County Medical Services District  
& Regional Health  
Discussion of New Terms  
August 2015

1. Agreement and Length of Terms
  - a. Proposed Agreement would be a Lease Agreement to Regional Health for \$1/year paid by Regional Health to Crook County
  - b. An initial 15 year agreement will be entered into with Regional Health
  - c. An optional 10 year agreement will be given solely to Regional Health upon conclusion of the first 15 years
  - d. If healthcare reimbursement changes such as the discontinuance of Critical Access Hospital, Provider Based Clinics, or other reimbursement modifications to create an ongoing concern for Crook County Memorial Hospital and Clinics; Regional Health would be able to give Crook County a 60 day notice to discontinue its lease agreement
  
2. Governance
  - a. Board of Directors to Advisory Board
    - i. The CCMSD Board of Directors will be converted to an Advisory Board
    - ii. Regional Health with its sole discretion will appoint an Advisory Board of its choosing with community members from Crook County
    - iii. The Advisory Board will only advise Regional Health and will not have operational powers
  - b. Regional Health would assume the sole responsibility of all operational and master facility planning of Crook County Memorial Hospital and Clinics
  
3. Operations & Management
  - a. All operational and personnel decisions will be at the exclusive discretion of Regional Health and its management team
    - i. Including hiring and terminating the CEO and management team
  - b. If net losses are greater than \$250,000
    - i. Regional Health could seek additional Mil Levies to continue operations; or
    - ii. Regional Health would be able to modify the scope of healthcare services based upon operational issues of either increasing or decreasing services based upon the healthcare markets
  - c. All current funds available at the CCMSD will be given to Regional Health including the trustee account of CCMSD
  
4. CCMSD Subsidies and Taxes
  - a. Crook County will continue to provide the Crook County Memorial Hospital and Clinics with 3 Mil Levies for its continued operations and may seek to modify the levy based upon 3b above
  - b. All property associated with Crook County Memorial Hospital and Clinics will continue to be tax exempt facilities from County and City property taxes
  
5. At the end of the agreement, whether 15 years or if optioned an additional 10 years, all equipment above \$100,000 purchased by Regional Health will be reimbursed less depreciation of the equipment if the agreement would be discontinued and not renewed with Regional Health