

## **LABORATORY SERVICES AGREEMENT**

This Laboratory Services Agreement (the "Agreement") is entered into by and between **Clinical Pathology Laboratories, Inc. ("CPL")** with principal offices at 9200 Wall Street, Austin, TX 78754, and **Mangum Regional Medical Center ("Client")**, with its principal place of business at **1 Wickersham Dr, Mangum, OK 73554**. CPL and Client may be individually referred to as a "Party" and collectively as the "Parties."

### **1. Recitals.**

- a. Client operates a medical facility and requires clinical and anatomical testing services for the care of its patients.
- b. CPL is experienced in providing clinical and anatomical laboratory services as required by Client.
- c. Client desires to engage CPL, and CPL desires to be engaged by Client to provide clinical and anatomical testing services in accordance with the terms and conditions set forth in this Agreement.

### **2. Duties of Client.**

- a. Client agrees to furnish CPL with all information needed to bill for testing performed by CPL on Client's patients. CPL will furnish Client with request forms that will be used by Client to order testing and to designate the proper payer. If Client designates a responsible party for payment on the request form other than Client, the billing section of the same request form will be completed by Client to provide CPL all needed information for billing purposes.
- b. Client will be responsible for procurement of all specimens from Client's patients to be tested by CPL.
- c. Client will maintain its own CLIA certification to perform any testing performed by Client that is separate and distinct from CPL's laboratory services provided to patients of the Client.

### **3. Duties of CPL.**

- a. CPL shall perform or arrange for the performance of clinical laboratory services for Client's patients that have been ordered by the patient's attending physician or other person permitted by law to order such tests, under the terms and conditions of this Agreement. CPL may cause tests to be performed by any laboratory facility operated by CPL or any reference laboratory of CPL's choice. All tests shall be performed with reasonable care and in accordance with applicable federal, state and local laws and regulations, including those related to the Clinical Laboratory Improvement Amendments of 1988 ("CLIA").

- b. CPL shall maintain a level of quality testing services necessary to ensure standards of patient care. The elements of quality shall be deemed to be: (i) accurate results; (ii) timely reporting, (iii) trained personnel; (iv) ability to perform the tests offered (including experience of downtime and back up coverage); (v) compliance with law; and (vi) such other elements as are or become generally recognized in the clinical laboratory industry as measures of quality of service and are agreed upon by both parties. With respect to the element of timely reporting, CPL agrees to maintain a one (1) day turn around for routine clinical test results\*; however, reporting times for microbiology tests shall be administered in accordance with the national average for said reports. CPL agrees that failure to meet any of the elements of quality of this paragraph shall be a breach of a material term of this Agreement.

\* It is understood that it may not be realistic to complete testing for COVID-19 within this timeframe, because of limited testing supplies and/or testing capacity. CPL will perform COVID-19 testing for Client as resources allow.

- c. CPL agrees to furnish supplies for the sole purpose of collecting specimens to be sent to CPL for testing at no cost to Client.
- d. CPL shall provide regular, periodic courier services to pick up and deliver specimens, reports, and supplies to Client on schedules determined by CPL.

4. **Compensation.**

- a. If Client indicates on the laboratory requisition that a third party is responsible for payment, CPL agrees to bill applicable Medicare, CHIP, Medicaid, Managed Care Organizations, and commercial health insurers for clinical laboratory services provided pursuant to this Agreement.
- b. If Client indicates on the laboratory requisition that the patient is responsible for payment, CPL agrees to bill such patient in accordance with CPL's patient billing practices.
- c. If Client indicates on the laboratory requisition that Client is responsible for payment, Client shall pay CPL the rates specified by the fee schedule attached hereto as **Exhibit A**, and fully incorporated herein by this reference. For any other services rendered not listed on said fee schedule, Client shall pay at the rates specified in CPL's Client Fee Schedule, which may be modified from time to time. If Client fails to indicate a responsible party for payment on the requisition form, then CPL Shall contact Client for assistance with any missing or invalid information on the requisition form. If Client fails to provide the requested information within ten (10) business days, then CPL shall bill Client.
- d. CPL shall invoice Client on a monthly basis, which shall be paid in-full by Client no later than thirty (30) days after the date of invoice.

5. **Term and Termination.**

- a. The initial term of this Agreement shall commence at the time in which the Agreement becomes duly executed ("Effective Date"), and shall conclude on **April 1, 2025**. Following the initial term, this Agreement will automatically renew for additional one (1) year periods unless either Party provides written notice to the other of its intent not to renew the Agreement, at least ninety (90) days before the end of its current term.
- b. Either party may terminate this Agreement at any time upon thirty (30) calendar days written notice to the other party.
- c. Either Party may terminate this Agreement for cause, as follows:
  - (i) If CPL shall at any time lose any material licensure or accreditation currently held by a CPL laboratory which services the Client and shall have failed to reinstate such license or accreditation within ninety (90) calendar days, Client may terminate this Agreement immediately upon written notice;
  - (ii) In the event that the Client substantiates all or any part of any quality problem submitted to the Client, CPL shall be so notified by the Client in writing. CPL shall have such time to cure the quality problem to the satisfaction of the Client as may reasonably be appropriate under the circumstances, provided CPL undertakes substantial efforts within ten (10) calendar days of such notice to affect a cure. Failure of CPL to cure such quality problems to the reasonable satisfaction of the Client shall constitute "cause" for termination of this Agreement on written notice by Client;
  - (iii) By either Party in the event of a breach of any material term of this Agreement, if such breach is not corrected within thirty (30) calendar days after written notice of the breach is given to the breaching Party by the non-breaching Party.
  - (iv) By either Party in the event that the other's status as a Medicare or Medicaid provider is the subject of an investigation by the Office of the Inspector General or any federal or state regulatory agency, revocation, suspension, restriction or non-renewal, without regard to whether such investigation, revocation, suspension, restriction, non-renewal has been finally adjudicated.

6. **Regulatory Requirements.**

- a. The parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable state, local, and federal law including the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the civil False Claims Act (31 U.S.C. §§ 3729 et seq.), the criminal False Claims Law (42 U.S.C. § 1320a-7b(a)), the civil monetary penalties law (42 U.S.C. § 1320a-7a), and the exclusion laws (42 U.S.C. § 1320a-7). None of the provisions of this Agreement shall be construed to create a partnership, joint venture or other relationship between CPL and Client, other than as independent contractors.
- b. Notwithstanding any other provision of this Agreement, if either Party or on the

written advice of its legal counsel, determines that any provision hereof places the Party at an unacceptable level of risk that it may violate any law, or in the event there is a change in the Medicare or Medicaid laws or regulations or interpretations thereof, or the adoption of new federal or state legislation, any of which materially and adversely affects the payment that either Party may receive for services and thereby materially and adversely affects the ability of a Party to perform under the provisions and intent of this Agreement, Client or CPL shall make a proposal for modification of this Agreement intended to comply with the law and otherwise carry out the intent of the Parties as set forth in this Agreement. If such notice of proposed revisions to the Agreement is given and if the Parties are unable within thirty (30) calendar days thereafter to agree upon modification to this Agreement, either Party may terminate this Agreement upon thirty (30) calendar days written notice to the other Party.

- c. Each Party to this Agreement shall remain in full compliance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and implementing regulations 45 CFR Parts 160 and 164, as may be modified from time to time.
  - d. Each Party represents and warrants that as of the Effective Date of this Agreement, it has not: (a) been listed by any federal or state agency as excluded, debarred, suspended or otherwise ineligible to participate in federal and/or state programs; or (b) been convicted of any crime relating to any federal and/or state program. Each Party further agrees to immediately notify the other Party in writing in the event it is listed by a federal or state agency as excluded, debarred, suspended or otherwise ineligible to participate in any federal and/or state programs or if the Party is convicted of any crime relating to any such program or if Party is being investigated by any federal or state agency in relation to any federal and/or state program.
7. **Insurance.** Each Party shall, at its sole cost and expense and at all time during the term of this Agreement, procure and maintain professional liability insurance with limits of not less than \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate, general liability insurance (including any umbrella policy coverage) with limits of no less than \$1,000,000 per occurrence and \$3,000,000 in the annual aggregate, worker's compensation insurance as required by law, and insurance coverage for damage to its premises and tangible personal property.
8. **Access to Books and Records.**
- a. All medical records and reports pertaining to all tests, diagnoses and procedures performed through CPL shall be kept in the format determined by the CPL. All such records and reports shall be and remain the property of CPL. The parties shall maintain and use such records in accordance with the confidentiality and privilege provisions of applicable federal and state law.
  - b. If this Agreement is determined to be one to which 42 U.S.C. §1395X(v)(1)(I) and 42 C.F.R. Subpart D, Sections 420.300 - 420.304 applies, the parties agree to comply with the following statutory and regulatory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(i) Until the expiration of four (4) years after the furnishing of such services pursuant to this Agreement, the parties shall make available, upon written request to the Secretary of the Department of Health and Human Services ("HHS"), or upon request to the Comptroller General of the United States ("Comptroller General"), or any of their duly authorized representatives, this Agreement, and books, documents, and records that are necessary to certify the nature and extent of such costs; and

(ii) If either Party carries out any of the duties of this Agreement through a subcontract with a value or cost of Ten Thousand Dollars (\$10,000.00) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that, until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request to the Secretary of HHS, or upon request to the Comptroller General, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs.

9. **Limitation on Damages.** Neither Client nor CPL shall be liable to the other for or otherwise be responsible for the indirect, consequential or special damages of the other Party, whether suffered directly or owed to a third party, which have arisen by reason of services performed under this Agreement or the relationship created in this Agreement.

10. **Notice.** Whenever under the terms of this Agreement written notice is required or permitted to be given by any Party to the other, such notice shall be deemed to have been sufficiently given and received (a) on delivery if delivered by commercial courier service, (b) on transmission if transmitted electronically by confirmed facsimile with original then transmitted by United States Mail, or (c) five (5) calendar days after deposit, if deposited in the United States Mail in a properly stamped envelope, certified mail, return receipt requested, addressed to the Party to whom it is to be given at the address set forth below.

**To CPL:**

Clinical Pathology Laboratories, Inc.  
9200 Wall Street  
Austin, Texas 78754  
Attention: President

**To Client:**

Mangum Regional Medical Center  
1 Wickersham Dr,  
Mangum, OK 73554  
Attention: \_\_\_\_\_

11. **Miscellaneous.**

a. This Agreement sets forth the entire understanding and agreement between the parties and shall be binding upon the parties, their subsidiaries, affiliates, successors and permitted assigns. All prior negotiations, agreements and understandings are superseded hereby.

b. This Agreement may not be amended or modified except by written instrument executed and dated by duly authorized representatives of Client and CPL.

- c. This Agreement shall not be assigned, delegated, or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
- d. The headings preceding the text of the several Sections and paragraphs of this Agreement are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of any section hereof.
- e. The Sections, paragraphs and individual provisions contained in this Agreement shall be considered severable from the remainder of this Agreement and in the event that any Section, paragraph or other provision should be determined to be unenforceable as written for any reason, such determination shall not adversely affect the remainder of the Sections, paragraphs or other provisions of this Agreement. It is agreed further, that in the event any Section, paragraph or other provision is determined to be unenforceable, the parties shall use their best efforts to reach agreement on an amendment to the Agreement to supersede such severed Section, paragraph or provision.
- f. This Agreement, except to the extent preempted by applicable federal law, shall be construed in accordance with the laws of the State of Texas.

***IN WITNESS WHEREOF***, the parties have executed this Agreement, by and through their respective duly authorized officers, as indicated below:

**Clinical Pathology Laboratories, Inc.**

**Mangum Regional Medical Center**

**By:** \_\_\_\_\_  
**Name:** Mark A. Silberman, MD  
**Title:** President  
  
**Date:**

**By:** \_\_\_\_\_  
**Name:**  
**Title:**  
  
**Date:**