

Contract Review Sheet

Contract for Services

SO-6690-26

Title: Salem Health_AIC Hospital Services

Contractor's Name: Salem Health

Department: Sheriff's Office

Contact: Bethany Johnston

Analyst: Sandra Fixsen

Phone #: (503) 589-3261

Term - Date From: August 1, 2025

Expires: July 31, 2026

Original Contract Amount: \$ 950,000.00 Previous Amendments Amount: \$ -

Current Amendment: \$ - New Contract Total: \$ 950,000.00 Amd% 0%

Outgoing Funds Federal Funds Reinstatement Retroactive Amendment greater than 25%

Source Selection Method: 50-0160 Health Provider Contracts

Description of Services or Grant Award

Salem Health will provide Hospital and Clinical Services for Adults in Custody for the Marion County Jail.

Desired BOC Session Date: 5/20/2026

Contract should be in DocuSign by: 4/29/2026

Agenda Planning Date: 5/7/2026

Printed packets due in Finance: 5/5/2026

Management Update: 5/5/2026

BOC upload / Board Session email: 5/6/2026

BOC Session Presenter(s) Commander Ramsey Code: Y

REQUIRED APPROVALS

Sandra L. Fixsen

04/30/2026

Finance - Contracts

Date

Bethany Johnston

04/30/2026

Contract Specialist

Date

Scott A. Norris

04/30/2026

Legal Counsel

Date

Jan Fritz

04/30/2026

Chief Administrative Officer

Date



MARION COUNTY BOARD OF COMMISSIONERS

Board Session Agenda Review Form

Meeting date: May 13, 2026

Department: Sheriff's Office

Title: Salem Health Hospital

Management Update/Work Session Date: May 5, 2026 Audio/Visual aids []

Time Required: 10mins Contact: Bethany Johnston Phone: 503-589-3261

Requested Action: Staff recommends approval of the contract for service with Salem Health Hospital for a contract total of \$950,000.00 in funding to cover services from August 1, 2025 through July 31, 2026.

Issue, Description & Background: Under ORS 169.166, the provider is required to make reasonable efforts to collect charges for medical services by billing the Adults in Custody (AIC) or any applicable health insurance provider before invoicing the Marion County Sheriff's Office. Due to the County's obligation to ensure continuity of medical care for AICs, an agreement has been implemented on a retroactive basis for the period of August 1, 2025, through July 31, 2026, at the previous established rate of 60% of billed costs. The parties are currently engaged in negotiations for a new contract for the upcoming fiscal year.

Financial Impacts: Current outstanding \$1,030,408.94 with discount negotiated of 40% current due \$618,245.36 as of 4/22/26. Total contract amount requested is \$950,000.00.

Impacts to Department & External Agencies: Approving this contract allows the department to pay outstanding invoices for services already rendered along with funds to pay invoices that will be coming in. Medical invoices greatly impact our department funds.

List of attachments: CRS, Board Agenda Review form, Retroactive Authorization Memo, Contract for Services

Presenter: Commander Jacob Ramsey

Department Head Signature: NHunter Digitally signed by NHunter Date: 2026.05.04 09:40:10 -07'00'

**REQUEST FOR AUTHORIZATION OF CONTRACT
SO-6690-26**

Date: April 9, 2026
To: Chief Administrative Officer
Cc: Contract File
From: Bethany Johnston

I. Subject: Retroactive

The Marion County Sheriff's Office is requesting approval of a retroactive contract as described in Section 10-0580 of the Marion County Public Contracting Rules. The contract is with Salem Health for Salem Health_AIC Hospital Services with a value of \$950,000.00 and will be effective retroactive to 8/1/2025 upon approval.

A. BACKGROUND

The County is legally obligated to provide necessary medical care to Adults in Custody (AICs), requiring uninterrupted access to care regardless of contract status.

The County's prior agreement with Salem Health expired on July 31, 2025. Prior to expiration, the County entered negotiations with the Contractor beginning Late May 2025, for a new agreement covering hospital and clinical services. These negotiations have been extensive and ongoing due to the complexity of service scope, rate structure, and compliance requirements.

Despite the absence of a fully executed agreement, the Contractor has continued to provide essential medical services beginning August 1, 2025, to ensure continuity of care and maintain compliance with the legal and constitutional obligations.

B. As required in Section 10-0580(2)(a), Department staff will provide an explanation of why the contract was not submitted before performance began:

Because services continued after the expiration of the prior contract and before execution of a new agreement, the County has incurred outstanding costs for services rendered without a fully executed contract. Services have been provided continuously since August 1, 2025, driven by operational necessity and the County's obligation to ensure uninterrupted care. The delays in contract execution are attributed to ongoing negotiations regarding rates and terms. Accordingly, the County must formalize payment for services already rendered while maintaining uninterrupted service delivery.

C. As required in Section 10-0580(2)(b), Department staff will provide a description of the steps being taken to prevent similar occurrences in the future:

During the negotiation period, the Contractor continued to provide essential services in good faith with the expectation the compensation would be formalized through subsequent agreement. Any interruption of service would have posed significant health, safety, and liability risks to both AICs and the County. Additionally, the scope and financial structure of

the combined hospital and clinical services required more extensive negotiations than anticipated, contributing to delays beyond the original contract term. When negotiations are particularly complex and involve multiple service components and rate structures, the duration and progression of those negotiations can be difficult to predict. Accordingly, complex contracts in the future may present comparable timing challenges despite good-faith efforts to complete negotiations prior to contract expiration.

Submitted by:


Bethany Johnston (Apr 29, 2026 18:18:12 PDT)

Bethany Johnston
Sheriff's Office

Reviewed by:



Contracts & Procurement

Acknowledged by:



Department Head

Acknowledged by:


Jan Fritz (Apr 30, 2026 14:16:09 PDT)

Jan Fritz, CAO

**MARION COUNTY
CONTRACT FOR SERVICES
SO-6690-26**

This Contract is between Marion County (a political subdivision of the State of Oregon), hereinafter called County, and Salem Health, hereinafter called Contractor.

RECITALS

WHEREAS, this Contract is established pursuant to MCPCR 50.0160 – Health Provider Contracts.

WHEREAS, County wishes to engage Contractor to provide the services outlined in Exhibit A.

Contractor agrees to perform, and County agrees to pay for, the services and deliverables described in Exhibit A (the “Work”).

1. TERM

This Contract, after it has been signed by all parties and all required County approvals have been obtained, is retroactive to August 1, 2025, and expires on **July 31, 2026**.

2. DOCUMENTS / ORDER OF PRECEDENCE

This Contract consists of the following documents, each of which is attached and incorporated herein by reference:

- A. This Contract - less exhibits
- B. Exhibit A - Statement of Work
- C. Exhibit B - Compensation
- D. Exhibit C - Summary Statement

3. CONSIDERATION

- A. The maximum, not-to-exceed compensation payable to Contractor under this Contract, which includes any allowable expenses, is **\$950,000.00**. County will not pay Contractor any amount in excess of the not-to-exceed compensation of this Contract for completing the Work and will not pay for Work performed before the date this Contract becomes effective or after the termination of this Contract.
- B. Interim payments to Contractor shall be made in accordance with the payment schedule and requirements in Exhibit A.
- C. If specified below, county’s payments to Contractor under this agreement will be paid in whole or in part with federal funds. If so specified, by signing this agreement, Contractor certifies neither it nor its employees, contractors, subcontractors, or subgrantees who will perform the Project activities are currently employed by an agency or department of the federal government. If applicable, Contractor shall comply with Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

In accordance with 2 CFR 200.331, Contractor has been designated:

- Subrecipient
- Contractor/Vendor
- Not applicable – (there are no federal funds tied to the contract)

4. COMPLIANCE WITH STATUTES AND RULES

- A. County and Contractor agree to comply with the provisions of this Contract, its exhibits and attachments, and all applicable federal, state, and local statutes and rules. Unless otherwise specified, responsibility for all taxes, assessments, and any other charges imposed by law upon employers shall be the sole responsibility of Contractor. Failure of Contractor or County to comply with the provisions of this Contract and all applicable federal, state, and local statutes and rules shall be cause for termination of this Contract as specified in sections concerning recovery of funds and termination.

County's performance under this Contract is conditioned upon Contractor's compliance with the obligations intended for contractors under ORS 279B.220, 279B.225 (if applicable to this Contract), 279B.230, 279B.235 (if applicable to this Contract) and ORS 652, which are incorporated by reference herein.

- B. Contractor must, throughout the duration of this Contract and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. For the purposes of this Section, "tax laws" includes all the provisions described in subsection 29. C. (i) through (iv) of this Contract. Any violation of subsection B of this section shall constitute a material breach of this Contract. Further, any violation of Contractor's warranty, in subsection 29.C of this Contract, that Contractor has complied with the tax laws of this state and the applicable tax laws of any political subdivision of this state also shall constitute a material breach of this Contract. Any violation shall entitle County to terminate this Contract, to pursue and recover any and all damages that arise from the breach and the termination of this Contract, and to pursue any or all of the remedies available under this Contract, at law, or in equity, including but not limited to:
- i. Termination of this Contract, in whole or in part;
 - ii. Exercise of the right of setoff, and withholding of amounts otherwise due and owing to Contractor, in an amount equal to State's setoff right, without penalty; and
 - iii. Initiation of an action or proceeding for damages, specific performance, declaratory or injunctive relief. County shall be entitled to recover any and all damages suffered as the result of Contractor's breach of this Contract, including but not limited to direct, indirect, incidental, and consequential damages, costs of cure, and costs incurred in securing replacement Services.
- C. These remedies are cumulative to the extent the remedies are not inconsistent, and County may pursue any remedy or remedies singly, collectively, successively, or in any order whatsoever.

5. CIVIL RIGHTS, REHABILITATION ACT, AMERICANS WITH DISABILITIES ACT AND TITLE VI OF THE CIVIL RIGHTS ACT

Contractor agrees to comply with the Civil Rights Act of 1964, and 1991, Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973, and Title VI as implemented by 45 CFR 80 and 84 which states in part, No qualified person shall on the basis of disability, race, color, or national origin be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which received or benefits from federal financial assistance.

6. TIME IS OF THE ESSENCE

Contractor agrees that time is of the essence in the performance of this Contract.

7. FORCE MAJEURE

Neither County nor Contractor shall be responsible for any failure to perform or for any delay in the performance of any obligation under this Contract caused by fire, riot, acts of God, terrorism, war, or any other cause which is beyond the breaching party's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate the cause of Contractor's delay or breach and shall, upon the cessation of the cause, continue performing under this Contract. County may terminate this Contract upon written notice to Contractor after reasonably determining that the delay or breach will likely prevent successful performance of this Contract.

8. FUNDING MODIFICATION

- A. County may reduce or terminate this Contract when state or federal funds are reduced or eliminated by providing written notice to the respective parties.
- B. In the event the Board of Commissioners of County reduces, changes, eliminates, or otherwise modifies the funding for any of the services identified, Contractor agrees to abide by any such decision including termination of service.

9. RECOVERY OF FUNDS

Expenditures of Contractor may be charged to this Contract only if they (1) are in payment of services performed under this Contract, (2) conform to applicable state and federal regulations and statutes, and (3) are in payment of an obligation incurred during the Contract period.

Any County funds spent for purposes not authorized by this Contract and payments by County in excess of authorized expenditure shall be deducted from future payments or refunded to County no later than thirty (30) days after notice of unauthorized expenditure or notice of excess payment.

Contractor shall be responsible to repay for prior contract period excess payments and un-recovered advanced payments provided by County. Repayment of prior period obligations shall be made to County in a manner agreed on.

10. ACCESS TO RECORDS

- A. Contractor shall permit authorized representatives of County, State of Oregon, or the applicable audit agencies of the U.S. Government to review the records of Contractor as they relate to the Contract services in order to satisfy audit or program evaluation purposes deemed necessary by County and permitted by law. Such review will be scheduled at appropriate times during regular business hours and with at least thirty (30) business days' notice to Contractor.

- B. Contractor agrees to establish and maintain financial records, which indicate the number of hours of work provided, and other appropriate records, including but not limited to medical, medical abstract, financial, and administrative records for each AIC who receives services from Contractor, pertinent to this Contract shall be retained for a minimum of seven (7) years after the end of the Contract period. If there are unresolved audit questions at the end of the seven-year period, the records must be maintained until the questions are resolved.

11. REPORTING REQUIREMENTS

Contractor shall provide County with periodic reports at the frequency and with the information prescribed by County. Further, at any time, County has the right to demand adequate assurances that the services provided by Contractor shall be in accordance with the Contract. Such assurances provided by Contractor shall be supported by documentation in Contractor's possession from third parties.

12. CONFIDENTIALITY OF RECORDS

- A. Contractor shall not use, release, or disclose any information concerning any employee, client, applicant or person doing business with County for any purpose not directly connected with the administration of County's or Contractor's responsibilities under this Contract except upon written consent of County, and if applicable, the employee, client, applicant or person.
- B. Contractor shall ensure that its agents, employees, officers, and subcontractors with access to County and Contractor records understand and comply with this confidential provision.
- C. If Contractor receives or transmits protected health information, Contractor shall enter into a Business Associate Agreement with County, which shall become part of this Contract, if attached hereto.
- D. Client records shall be kept confidential in accordance with ORS 179.505, OAR 309-014-0036(3), 45 CFR 205.50 and 42 CFR Part 2 as applicable.

13. INDEMNIFICATION AND INSURANCE

- A. Contractor shall defend, save, indemnify, and hold harmless County, its officers, agents, and employees from and against all claims, suits, actions, losses, damages, liabilities, costs, and expenses of any nature whatsoever, including attorney fees, resulting from, arising out of, or relating to the activities of Contractor or its officers, employees, subcontractors, or agents under this Contract. Contractor shall have control of the defense and settlement of any claim that is subject to this section. However, neither Contractor nor any attorney engaged by Contractor shall defend the claim in the name of either County or any department of County, nor purport to act as legal representative of either County or any of its departments, without first receiving from County Legal Counsel authority to act as legal counsel for County, nor shall Contractor settle any claim on behalf of County without the approval of County Legal Counsel. County may, at its election and expense, assume its own defense and settlement.
- B. Contractor shall obtain the insurance required under section 24 prior to performing under this Contract and shall maintain the required insurance throughout the duration of this Contract and all warranty periods.

- C. County, pursuant to applicable provisions of ORS 30.260 to 30.300, maintains a self-insurance program that provides property damage and personal injury coverage.

14. EARLY TERMINATION

This Contract may be terminated as follows:

- A. County and Contractor, by mutual written agreement, may terminate this Contract at any time.
- B. County in its sole discretion may terminate this Contract for any reason on 30 days written notice to Contractor.
- C. Either County or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach within 15 days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.
- D. Notwithstanding section 14C, County may terminate this Contract immediately by written notice to Contractor upon denial, suspension, revocation, or non-renewal of any license, permit or certificate that Contractor must hold to provide services under this Contract.

15. PAYMENT ON EARLY TERMINATION

Upon termination pursuant to section 14, payment shall be made as follows:

- A. If terminated under 14A or 14B for the convenience of County, County shall pay Contractor for Work performed prior to the termination date if such Work was performed in accordance with the Contract. County shall not be liable for direct, indirect, or consequential damages. Termination shall not result in a waiver of any other claim County may have against Contractor.
- B. If terminated under 14C by Contractor due to a breach by County, then County shall pay Contractor for Work performed prior to the termination date if such Work was performed in accordance with the Contract.
- C. If terminated under 14C or 14D by County due to a breach by Contractor, then County shall pay Contractor for Work performed prior to the termination date provided such Work was performed in accordance with the Contract less any setoff to which County is entitled.

16. INDEPENDENT CONTRACTOR

- A. Contractor is a separate and independently established business, retains sole and absolute discretion over the manner and means of carrying out Contractor's activities and responsibilities for the purpose of implementing the provisions of this Contract, and maintains the appropriate license/certifications, if required under Oregon Law. This Contract shall not be construed as creating an agency, partnership, joint venture, employment relationship, or any other relationship between the parties other than that of independent parties. The Contractor is acting as an "independent contractor" and is not an employee of County and accepts full responsibility for taxes or other obligations associated with payment for services under this Contract. As an "independent contractor", Contractor will not

receive any benefits normally accruing to County employees unless required by applicable law. Furthermore, Contractor is free to contract with other parties for the duration of the Contract.

- B. SUBCONTRACTING/NONASSIGNMENT. No portion of the Contract may be contracted or assigned to any other individual, firm or entity without the express and prior approval of County.

17. GOVERNING LAW AND VENUE

This Contract shall be governed by the laws of the State of Oregon. Any action commenced in connection with this Contract shall be in the Circuit Court of Marion County. All rights and remedies of County shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of County according to law.

18. OWNERSHIP AND USE OF DOCUMENTS

All documents, or other material submitted to County by Contractor shall become the sole and exclusive property of County. All material prepared by Contractor under this Contract may be subject to Oregon's Public Records Laws.

19. NO THIRD-PARTY BENEFICIARIES

- A. County and Contractor are the only parties to this Contract and are the only parties entitled to enforce its terms.
- B. Nothing in this Contract gives or provides any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name in this Contract and expressly described as intended beneficiaries of this Contract.

20. SUCCESSORS IN INTEREST

The provisions of this Contract shall be binding upon and inure to the benefit of the parties and their successors and approved assigns.

21. MERGER CLAUSE

This Contract and the attached exhibits constitute the entire contract between the parties.

- A. All understandings and agreements between the parties and representations by either party concerning this Contract are contained in this Contract.
- B. No waiver, consent, modification or change in the terms of this Contract shall bind either party unless in writing signed by both parties.
- C. Any written waiver, consent, modification, or change shall be effective only in the specific instance and for the specific purpose given.

22. WAIVER

The failure of any Party to enforce any provision of this Contract shall not constitute a waiver by that Party or any other provision. Waiver of any default under this Contract by any Party shall not be deemed to be a waiver of any subsequent default or a modification of the provisions of this Contract.

23. REMEDIES

In the event of breach of this Contract, the Parties shall have the following remedies:

- A. If terminated under 14C by County due to a breach by Contractor, County may complete the Work either itself, by agreement with another contractor, or by a combination thereof. If the cost of completing the Work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then Contractor shall pay to County the amount of the reasonable excess.
- B. In addition to the remedies in sections 14 and 15 for a breach by Contractor, County also shall be entitled to any other equitable and legal remedies that are available.
- C. If County breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

24. INSURANCE

A. **REQUIRED INSURANCE.** Contractor shall obtain at Contractor's expense the insurance specified in this section prior to performing under this Contract and shall maintain it in full force and at its own expense throughout the duration of this Contract and all warranty periods. Contractor shall obtain the following insurance from insurance companies or entities that are authorized to transact the business of insurance and issue coverage in Oregon and that are acceptable to County:

- i. **WORKERS COMPENSATION.** All employers, including Contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide workers' compensation insurance coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). Contractor shall require and ensure that each of its subcontractors complies with these requirements.
- ii. **PROFESSIONAL LIABILITY.** Covering any damages caused by an error, omission or any negligent acts related to the services to be provided under this Contract. Contractor shall provide proof of insurance of not less than the following amounts as determined by County:

- Required by County** **Not required by County.**
- \$1,000,000 Per occurrence limit for any single claimant; and
- \$2,000,000 Per occurrence limit for multiple claimants
- Exclusion Approved by Risk Manager

iii. **CYBER LIABILITY.** Covering network security, breach of data, and coverage for regulatory fines and fees imposed against County due to failures in products and services provided under this Contract. Cyber Liability coverage must include errors, omissions, negligent acts, denial of service, media liability (including software copyright), dishonesty, fraudulent or criminal acts by a person or persons whether identified or not, intellectual property infringement, computer system attacks, unauthorized access and use of computer system, regulatory actions, and contractual liability.

- Required by County** **Not required by County.**
- \$2,000,000 Per occurrence limit for any single claimant; and
- \$5,000,000 Per occurrence limit for multiple claimants
- Exclusion Approved by Information Technology Director and Risk Manager

- iv. **COMMERCIAL GENERAL LIABILITY.** Covering bodily injury, death, and property damage in a form and with coverages that are satisfactory to County. This insurance shall include personal injury liability, products and completed operations. Coverage shall be written on an occurrence basis. Contractor shall provide proof of insurance of not less than the following amounts as determined by County:

Required by County **Not required by County.**

Minimum Limits:

- \$1,000,000 Per occurrence limit for any single claimant; and
- \$2,000,000 Per occurrence limit for multiple claimants
- Exclusion Approved by Risk Manager
- \$500,000 Per occurrence limit for any single claimant
- \$1,000,000 Per occurrence limit for multiple claimant

- v. **AUTOMOBILE LIABILITY INSURANCE.** Covering all owned, non-owned, or hired vehicles. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for “Commercial General Liability” and “Automobile Liability”). Contractor shall provide proof of insurance of not less than the following amounts as determined by County:

Required by County **Not required by County.**

Minimum Limits:

- Oregon Financial Responsibility Law, ORS 806.060 (\$25,000 property damage/\$50,000 bodily injury \$5,000 personal injury).
- \$500,000 Per occurrence limit for any single claimant; and
- \$1,000,000 Per occurrence limit for multiple claimants
- Exclusion Approved by Risk Manager

- B. **ADDITIONAL INSURED.** The Commercial General Liability insurance required under this Contract shall include Marion County, its officers, employees, and agents as Additional Insureds but only with respect to Contractor's activities to be performed under this Contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.
- C. **NOTICE OF CANCELLATION OR CHANGE.** There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without 30 days written notice from this Contractor or its insurer(s) to County. Any failure to comply with the reporting provisions of this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract by County.
- D. **CERTIFICATE(S) OF INSURANCE.** Contractor shall provide to County Certificate(s) of Insurance for all required insurance before delivering any Goods and performing any Services required under this Contract. The Certificate(s) must specify all entities and individuals who are endorsed on the policy as Additional Insured (or Loss Payees). Contractor shall pay for all deductibles, self-insured retention, and self-insurance, if any.

25. NOTICE

Except as otherwise expressly provided in this Contract, any communications between the parties hereto or notices to be given hereunder shall be given in writing, to Contractor or County at the address or email set forth below or to such other addresses or emails as either party may hereafter indicate in writing. Delivery may be by personal delivery, or mailing the same, postage prepaid.

A. Any communication or notice by personal delivery shall be deemed delivered when actually given to the designated person or representative.

B. Any communication or notice mailed shall be deemed delivered five (5) days after mailing. Any notice under this Contract shall be mailed by first-class postage delivered to:

To Contractor:

Salem Health
Attn: Payor Contracting, 13B
PO BOX 14001
Salem, OR, 97309-5014

To County:

Contracts and Procurement Manager
PO_Contracts@co.marion.or.us
555 Court Street NE, Suite 5232
P.O. Box 14500
Salem, Oregon 97309

26. SURVIVAL

All rights and obligations shall cease upon termination or expiration of this Contract, except for the rights and obligations set forth in sections 3, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26 and 27.

27. SEVERABILITY

If any term or provision of this Contract is declared illegal or in conflict with any law by a court of competent jurisdiction, the validity of the remaining terms and provisions that shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

28. AMENDMENTS

This contract may be amended if mutually agreed to by both parties.

A. Anticipated Amendments

This is anticipated to be amended for the following reasons:

- i. To add additional terms and add funds to cover those additional terms.
- ii. To adjust the rate

B. Unanticipated Amendments

All other amendments for purposes not listed as Anticipated Amendments will be deemed Unanticipated Amendments.

29. CONTRACTOR’S REPRESENTATIONS AND WARRANTIES

Contractor represents and warrants to County that:

A. Contractor has the power and authority to enter into and perform this Contract.

- B. This Contract, when executed and delivered, is a valid and binding obligation of Contractor, enforceable in accordance with its terms.
- C. Contractor (to the best of Contractor's knowledge, after due inquiry), for a period of no fewer than six calendar years preceding the date of Closing of this Contract, faithfully has complied with:
 - i. All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
 - ii. Any tax provisions imposed by a political subdivision of this state that applied to Contractor, to Contractor's property, operations, receipts, or income, or to Contractor's performance of or compensation for any work performed by Contractor;
 - iii. Any tax provisions imposed by a political subdivision of this state that applied to Contractor, or to goods, services, or property, whether tangible or intangible, provided by Contractor; and
 - iv. Any rules, regulations, charter provisions, or ordinances that implemented or enforced any of the foregoing tax laws or provisions.
- D. Contractor's Services rendered in the performance of Contractor's obligations under this Contract, shall be provided to County free and clear of any and all restrictions on or conditions of use, transfer, modification, or assignment, and shall be free and clear of any and all liens, claims, mortgages, security interests, liabilities, charges, and encumbrances of any kind.

30. CERTIFICATIONS AND SIGNATURE. THIS CONTRACT MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF CONTRACTOR


The undersigned certifies under penalty of perjury both individually and on behalf of Contractor is a duly authorized representative of Contractor, has been authorized by Contractor to make all representations, attestations, and certifications contained in this Contract and to execute this Contract on behalf of Contractor.

**MARION COUNTY SIGNATURES
BOARD OF COMMISSIONERS:**

Chair Date

Commissioner Date

Commissioner Date

Authorized Signature:  04/30/2026

Department Director or designee Date

Authorized Signature: Jan Fritz 04/30/2026
Jan Fritz (Apr 30, 2026 14:16:09 PDT)

Chief Administrative Officer Date

Reviewed by Signature: Scott A. Norris 04/30/2026
Scott A. Norris (Apr 30, 2026 14:03:10 PDT)

Marion County Legal Counsel Date

Reviewed by Signature:  04/30/2026

Marion County Contracts & Procurement Date

SALEM HEALTH SIGNATURE

Authorized Signature: _____
Date

Title: _____

EXHIBIT A STATEMENT OF WORK

1. STATEMENT OF SERVICES

Contractor shall perform Services as described below.

A. GENERAL INFORMATION.

Marion County Sheriff's Office utilizes Salem Health and Clinics to meet the medical needs of the Adults in Custody (AICs) at the Marion County Jail. The United States Constitution and Oregon law require jails to provide adequate health care, including screenings, examinations, diagnoses, and treatment. Partnering with Salem Health allows the County to deliver community-level medical care to AICs as determined by the local medical director, ensuring compliance with legal and clinical standards. This approach aligns with ORS 169.076(5), which outlines the requirements for providing health care in correctional facilities.

B. Definitions: As used in the Contract, any word or term listed below has the meaning listed after it.

- i) Allowed Amount:** The maximum amount the Contractor shall receive under this Agreement for medical services provided to Adults in Custody (AICs), as specified in the Compensation referenced in Exhibit B.
- ii) Claims:** A charge submitted by the Contractor that contains complete and accurate information that allows the County to determine AIC eligibility for medical services.
- iii) Clean Claims:** A claim that has no defect or impropriety, including lack of any required sustaining documentation, or particular circumstances requiring special treatment that prevent timely payments from being made on the Claim.
- iv) Compensation Attachment:** An attachment that designates the methodology and payment terms applicable to the County Fee Schedule under this Contract. The Compensation referred to in Exhibit B is incorporated into and made part of this contract.
- v) Complete and Accurate Information:** All submitted documentation must include a complete and accurate description of the services performed and the charges incurred. This includes the use of appropriate, current industry-standard diagnostic codes, procedural terminology, and the current Centers for Medicare and Medicaid Services (CMS) Common Procedure Coding System (HCPCS). Additionally, the provider must disclose any other available insurance coverage, third-party resources, or healthcare benefits applicable to the Adults in Custody (AIC). This includes, but is not limited to, Workers' Compensation, motor vehicle insurance, homeowners' insurance, medical coverage, and subrogation cases.
- vi) Adult in Custody (AIC):** An individual who is properly identified as being under the legal custody of the County.
- vii) Medical Emergency:** A medical condition that manifests itself by acute symptoms of sufficient severity- such as severe pain- that a prudent layperson with an average knowledge of health and medicine could reasonably expect that absence of immediate medical attention

would place the individual's health, or in case of a pregnant woman, the health of the fetus, in serious jeopardy.

viii) Medical Necessary/Medical Services: Health care services that a facility, exercising prudent clinical judgment, would provide to a patient to prevent, evaluate, diagnose, or treat injury, illness, disease, or its symptoms, and that are: in accordance with generally accepted standards of medical practice, Clinically appropriate, in terms of type, frequency, extent, site, and duration and considered effective for the AIC, physician or health care provider, and not more costly than the alternative services or sequence of services at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of the AIC's condition.

C. REQUIRED SERVICES, DELIVERABLES, AND DELIVERY SCHEDULE.

i) Provision of Medical Services to Adults in Custody (AICs):

The contractor shall provide medically necessary healthcare services to all Adults in Custody (AICs) in accordance with the terms of this Contract. All services shall be delivered in compliance with the applicable federal and state laws, regulations, and accepted standards of medical care, including but not limited to intake protocols, treatment requirements, and billing practices.

ii) Standard of Care and Compliance:

Services provided to AICs shall be equivalent in availability, scope, and quality to those provided to non-incarcerated patients. The Contractor shall not discriminate in the provision of services based on custody status, insurance status, or participation in publicly funded healthcare programs.

The Contractor shall demonstrate the capability to effectively serve the AIC population, including addressing structural, cultural, and linguistic barriers, and shall coordinate with the County as necessary to support access to appropriate and responsive care.

iii) Claim Submission:

The Contractor shall:

- Exhaust all available third-party payment sources, including insurance and other liable payers, prior to submitting claims to the County
- Submit claims electronically or on claim forms approved by the County and must reflect the Contractor's usual and customary charges

Claims must be submitted:

- Within three hundred sixty-five (365) days from the date of service; or
- If the County is a secondary payer, within ninety (90) days following adjudication by the primary payer, whichever is later.

Upon request, the Contractor shall provide documentation sufficient to verify:

- The Provision of the services to an AIC

- Medical necessity
- Usual and customary charges

iv) Warranty and Notification Requirements:

The Contractor warrants that it and any affiliated practitioners, meet all applicable community credentialing standards and maintain all required licenses, permits, and authorized necessary to preform services under this Contract.

The Contractor shall provide immediate written notices to the County of any material changes, including but not limited to:

- Licensure status
- Ownership or organizational structure
- Business addresses
- Tax identification information for individuals or entities performing under this contract
- Any conditions that may materially affect the Contractor’s ability to provide services

v) Insurance Requirements:

Contractor shall maintain policies of general comprehensive liability and malpractice insurance sufficient to cover any claims from acts or omission by the Contractor or its employees in connection with services provided under this contract. The Contractor must notify the County of any revocation, reduction, limitation, or termination of such insurance coverage.

vi) Licensure:

Contractor shall maintain all required licenses, permits, governmental, or board authorizations in good standing, as required by law. Upon request, the Contractor will provide the County with proof of such credentials. The Contractor immediately notifies the County of any termination, revocation, suspension, or limitation of any such license, permits, or authorization.

vii) Affiliated Providers:

All providers employed by or billing through the contractor shall comply with the terms of this Contract. The Contractor retains sole responsibility for clinical decision-making and for ensuring that services meet accepted standards of care. County determination regarding eligibility or authorization for payment shall not be constructed as medical determinations.

D. OBLIGATION OF THE COUNTY:

i) Claims Processing and Payment:

The County will reimburse Contractor for covered Medical Services provided to Adults in Custody (AICs) in accordance with Exhibit C.

- Clean Claims shall be paid within thirty (30) days of receipt.
- Claims requiring additional review shall be processed promptly, and the County shall communicate any deficiencies to the Contractor.
- The County shall make reasonable efforts to resolve and process all claims within ninety (90) days of receipt.

Payment shall constitute full and final reimbursement for the services rendered.

ii) AIC Identification and Eligibility Verification: The County shall provide a designated method for verifying AIC status and eligibility for the Medical Services, including applicable limitations or conditions. The County shall also provide appropriate administrative contact information of services.

iii) Authority Over Eligibility Determinations: The County retains sole authority to determine the eligibility for Medical Services. Prior authorizations shall not be revoked except in cases where such determinations were based on materially incomplete or inaccurate information.

iv) Custodial Status and Financial Responsibility:

(1) County Responsibility.

The County shall be responsible for payment when an individual is in custody of Marion County, including when:

- A Marion County Deputy transports the individual to the Contractor's facility
- The Deputy remains present and maintains custody throughout the provision of the services
- The individual is returned to custody following treatment

(2) Non-County Responsibility.

The County shall not be responsible for payment when the individual:

- Is transported by non-Marion County personnel
- Is not in custody or is not accompanied by a Marion County Deputy
- Self-presents or asserts custody status without verification
- Is left at the facility without continuous custody
- Seeks treatment independent of County supervision

(3) Verification Requirements: In situations where custody status is unclear, including but not limited to, release during treatment or departure of a Deputy prior to completion of services, the Contractor shall verify status with the County prior to billing. The County shall not be responsible for claims submitted without such verification where custody cannot be submitted.

E. SPECIAL REQUIREMENTS.

Contractor shall be solely responsible for and shall have control over the means, methods, techniques, sequences, and procedures of performing the work, subject to the plans and specifications under this Contract, and shall be solely responsible for the errors and omissions of its employees, subcontractors, and agents.

Contractor has the skill and knowledge possessed by well-informed members of its industry, trade or profession, and Contractor will apply that skill and knowledge with care and diligence and perform Services in a timely, professional, and workmanlike manner in accordance with standards applicable to Contractor's industry, trade, or profession.

2. COMPENSATION

The total amount available for payment to Contractor under Exhibit A, section 2.A and for authorized reimbursement to Contractor under Exhibit A, section 2.C is **\$950,000.00**.

A. METHOD OF PAYMENT FOR SERVICES.

County shall pay Contractor \$950,000.00 for completing all Services and delivering all Goods required under this Contract.

B. BASIS OF PAYMENT FOR SERVICES.

The Contractor will accept the County's Allowed Amount as full "**Cash Payment**" in full, as outlined in Exhibit B for this Contract, and shall only seek payment in compliance for services rendered, as outlined in Exhibit B of this contract.

The Contractor shall not seek any additional payment except in compliance with the following provisions:

- i) Contractor hereby agrees under no circumstances, including but not limited to, nonpayment by County, County insolvency, or breach of this Agreement, shall the Contractor bill, collect, request a deposit, seek compensation or remuneration from, or have any recourse against an Adult in Custody (AIC), or person acting on behalf of AIC, for service provided under this Contract.

This provision does not prohibit the Contractor from pursuing payment for services that are not otherwise payable by primary or secondary insurance carriers, in accordance with applicable regulatory standards governing the coordination of benefits.

ii) **Continuity of Care in the Event of County Insolvency:**

In the event of the County's insolvency, the Contractor agrees to continue providing services under this Contract to Adults in Custody (AICs) until the earlier of (a) the AIC's discharge from the inpatient facilities, or (b) the AIC's release from the County's custody.

Outpatient services shall be determined based on the date of notification of the County's insolvency, whether by County or the Contractor. The Contractor shall make best efforts to cooperate with the County to ensure an orderly transfer of care.

iii) Payment for Non-covered Services:

The Contractor may seek payment directly from the Adult in Custody (AIC) for services that are not covered by the County. Provided the services are clearly identified as non-covered and the AIC has been informed in advance of any potential financial responsibility, in accordance with applicable laws and regulations.

iv) Billing Prohibition During Dispute Resolution:

During the appeal or dispute resolution process between Contractor and County, the Contractor shall not bill, invoice, or otherwise attempt to collect any disputed payments from AIC.

v) Cancellation of Coverage:

The County shall not be liable to Contractor for any medical services provided to an AIC who is determined by County to have been ineligible for coverage on the date services were provided.

vi) Limitations:

Neither County nor Contractor shall seek a refund, correction adjustment, or additional payment related to any:

- Overpayment;
- Underpayment;
- Nonpayment; or
- Denial of Claims more than 365 calendar days after final adjudication of the Claim, except in the case of concealment fraud.

vii.) Coordination of Benefits:

The Contractor agrees to cooperate with the County in the administration of the Coordination of Benefits (COB). COB refers to the process of determining the responsibility for payments between two or more health benefit plans, including Medicare or Medicaid, that provide coverage for service rendered to a member.

The liability for payment of services, subject to COB, shall be determined in accordance with applicable state and federal laws and regulations. If a member is determined to have coverage through another benefit provider, the County shall not be liable for payment of services provided to the member.

If the member, or person acting on their behalf, makes payments to the Contractor, the County's payment obligation, if any, will be calculated by subtracting the amount paid by the other payer from the total billed charges, and then applying the applicable contractual discount to the remaining balance.

The Contractor agrees to cooperate fully with the County in submitting claims to, and pursuing reimbursement from, other payers to ensure proper application of COB.

- C. **EXPENSE REIMBURSEMENT.** Both Parties agree to refunds, make additional payments, or adjustments to payments if the payment was based upon erroneous or incomplete information, if an AIC is not entitled to services rendered, or for any other reason for the erroneous payment. Such a refund shall be made within 30 calendar days of receipt of the part initiating the written request for refund or additional payment/adjustment.

- D. **GENERAL PAYMENT PROVISIONS.** Notwithstanding any other payment provision of this Contract, failure of Contractor to submit required reports when due, or failure to perform or document the performance of contracted services, may result in withholding of payments under this Contract. Such withholding of payment for cause shall begin thirty (30) days after written notice is given by County to Contractor, and shall continue until Contractor submits required reports, performs required services, or establishes, to County's satisfaction, that such failure arose out of causes beyond the control, and without the fault or negligence of Contractor.

- E. **INVOICES.** Contractor shall send all invoices to County's Contract Administrator at the address specified below or to any other address as County may indicate in writing to Contractor.

Marion County
Attn: Sheriff's Office, Contracts
PO BOX 14500
Salem, OR 97309

EXHIBIT B - COMPENSATION

**Marion County
SO-6690-26**

SALEM HEALTH HOSPITALS & CLINICS

The rates specified by this exhibit will remain in effect through July 31, 2026.

The following rates shall be used to calculate the payment allowance for services and payment and are determined to be "Cash Payments".

1. Inpatient Services: 60% of billed charges for Medical Services
2. Outpatient Services: 60% of billed charges for Medical Services

***Upon AIC's release from custody, Marion County's responsibility for payments ends.**

EXHIBIT C – SUMMARY STATEMENT

Marion County
Contract for Services
SO-6690-25

Sheriff's Office Contact Information:

<u>Accounts Payable:</u>	Lilianna Estrada	503-373-4472
<u>Management Analyst:</u>	Bethany Johnston	503-589-3261
<u>Administrative Service Manager:</u>	Sherrie Hickman	503-589-3275
<u>Medical Service Lieutenant:</u>	Warren McDaniel	503-316-6612
<u>Institution Commander:</u>	Jacob Ramsey	503-540-8044
<u>Corrections Nurse Supervisor:</u>	Sarah Wood	503-588-8529

Salem Hospital Contact Information

Patient Financial Service Director: Erica Puopolo. 503-814-7200. Erica.Puopolo@salemhealth.org

Patient Financial Service Manager: Cynthia Eddings. 503-814-7212. Cynthia.Eddings@salemhealth.org

Contracting Director: Phillip Armstrong. 503-814-2263. Phillip.Armstrong@salemhealth.org

Access Service Director: Mike Ledoux. 503-814-7624. Mike.Ledoux@salemhealth.org

Safety & Security Manager: Jenifer Smith. 503-561-5200. Jenifer.Smith2@salemhealth.org

Billing Process

- Contractor will exhaust all billing options before billing Marion County (AIC, Insurance, etc.).
- AIC must be billed first, and the Contractor will either send the bill to the AIC's home address or to:

AIC LAST, First Name
4000 Aumsville Hwy
Salem, OR 97317

- If payment has not been received by the Contractor within 45 days of the last billing option available to Contractor; and Marion County has been identified by the Contractor as the only billing option, Contractor will bill Marion County (ORS 169.166(3)(a)).

EXHIBIT C – SUMMARY STATEMENT

Marion County Sheriff's Office
Attn: Accounts Payable
PO BOX 14500
Salem, OR 97309

Marion County Claims Process upon receipt of the bill

- Verify AIC's custody status.
- Check for Law Enforcement Medical Liability Account status.
- Scan in for Jail Medical Management Review
- Jail Medical Services Lieutenant/ Jail Commander Approval/Rejection (With explanation)
- Forward approved invoices to County Accounts Payable (AP)
- AP enters the invoice for payment and payment approval from Marion County Finance.
- AP picks up the check and mails it out to the Contractor with a copy of invoice.
- A letter of explanation will be sent to the Contractor if Marion County is not taking responsibility for payment.