

STATE OF NORTH CAROLINA

GUILFORD COUNTY

THIS AGREEMENT is hereby made, entered into, on July 1, 2016, by and between **GUILFORD COUNTY**, a body politic and corporate of the State of North Carolina, hereinafter referred to as the “**COUNTY**” and **EMS MANAGEMENT AND CONSULTANTS, INC.**, hereinafter referred to as the “**AGENCY,**” and also collectively referred to as the “Parties.”

WHEREAS, the Parties entered into a Contract on July 1, 2000, and amended it on January 1, 2001, March 8, 2001, October 13th, 2003, and July 1, 2012, where by the AGENCY agreed to provide medical billing services for ambulance services provided by the COUNTY as well as ongoing consulting services related to billing, compliance, and budgeting in the areas of revenue forecasting.

WHEREAS, the initial Contract may be terminated without cause and after the COUNTY has made a response to the COUNTY’s cure letter. The COUNTY is electing to terminate all previous contracts, agreements, and amendments. Also, the COUNTY is proposing an interim agreement between the COUNTY and the AGENCY.

NOW, THEREFORE, the Parties mutually agree that, as of the effective date of the AGREEMENT, the following terms are agreed upon:

1. RELIANCE UPON AGENCY REPRESENTATIONS

- 1.1.** In entering this contract for billing services, the COUNTY has relied on the information provided by the AGENCY in its representations of ability to meet the standards and requirements of the contract as stated herein. The AGENCY agrees that all statements and representations made by the employees of EMSMC are true and correct to the best of the AGENCY’s knowledge at the time of Agreement; and further agrees that the COUNTY’s contractual obligations may be revoked by COUNTY upon discovery of any material misrepresentation of fact contained therein.

2. TERM AND EFFECTIVE DATE OF AGREEMENT

- 2.1.** This Agreement shall remain in full force and effect for a period of one (1) year, with the option for annual renewals, up to a maximum of ten, which is commencing on July 1, 2016. Renewal of this Agreement shall be at the sole discretion of COUNTY and on the same terms and conditions as herein set forth, unless amended by the COUNTY.
- 2.2.** This Agreement is the result of improvements initiated by AGENCY as a result of a Notice of Cure from COUNTY due to unsatisfactory performance, dated July 22, 2015.
- 2.3.** Successful and satisfactory fulfillment of this Agreement by the AGENCY is pending satisfactory results of a performance review conducted by AGENCY within 14 days of January 1, 2017.

- 2.4. This Agreement supersedes and replaces all previous agreements between the PARTIES, and hereby establishes the provision of services, duties, and responsibilities of the AGENCY.
- 2.5. An updated Business Associate Agreement, as required by HIPAA, is attached hereto and incorporated herein by reference as **Exhibit I**, and will be executed simultaneously with this Agreement.

3. SERVICES PROVIDED

- 3.1. Routine billing, bill processing, and fee collection services as customary for Emergency Medical Service (“EMS”) or ambulance providers of similar size and situation to COUNTY.
- 3.2. A dedicated COUNTY Service Representative to oversee all primary issues between the COUNTY and AGENCY. The Representative will be the primary liaison for patient/payer concerns and shall accept responsibility for resolution and communication of all EMS consumer complaints and compliments to the COUNTY.
- 3.3. AGENCY will arrange and conduct a face-to-face meeting between the COUNTY and AGENCY personnel on a semi-annual basis (at minimum) to discuss current legislation, trends, hot topics and better business practices.
- 3.4. Immediately apprise COUNTY of important changes to industry regulations that affect billing, reimbursement, payment processing, claims submission, or documentation as those changes are made available for dissemination.
- 3.5. AGENCY shall perform reasonable and diligent collection efforts to secure payments from patients, primary and secondary payers and/or other entities, as appropriate and in a manner that ensures maximization of revenue. Payer shall include but are not limited to: Medicare, Medicaid, Tri-Care, private insurance, auto insurance, worker’s compensation insurance, and self-pay.
- 3.6. Collection efforts shall be considered exhausted and accounts sent to collections when all of the following have been completed:
 - 3.6.1. Correct demographic data has been verified
 - 3.6.2. Attempts made to bill all available insurance plans
 - 3.6.3. Contact with patient made to arrange payment
 - 3.6.4. The patient has been determined ineligible for Medicaid or Medicare
 - 3.6.5. No applicable auto insurance may be billed
- 3.7. AGENCY shall respond to all COUNTY requests and inquiries, either written or verbal within one business day. If resolution cannot be reached within one (1) business day, AGENCY will update COUNTY weekly as to the status of the request or issue.
- 3.8. AGENCY must provide the COUNTY with a detailed monthly refund request including all pertinent information relating to “refund payment to patients and/or insurance company.”

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- 3.9. AGENCY will provide training to appropriate COUNTY personnel regarding the gathering of necessary information and proper completion of run tickets on a schedule that will be determined by the COUNTY and agreed upon by the AGENCY.
- 3.10. The AGENCY must allow 24/7 web access to the billing system by the COUNTY to access detailed patient billing processes to see all transactions on any account at any time.
- 3.11. The AGENCY shall provide the COUNTY with access to all COUNTY accounts, data, and information maintained in the automated system of the AGENCY including any hardware, software or connection services required and provide initial and then as needed on-site training for EMS administrative staff on the software utilized.
- 3.12. AGENCY shall notify COUNTY by phone of all patient, or other responsible party, complaints about clinical services immediately upon receipt.
- 3.13. AGENCY shall notify COUNTY by phone of all patient, or other responsible party, complaints about billing within two (2) business days of receipt.
- 3.14. The AGENCY shall interface electronically with the Cone Health System, UNC Health System - High Point Regional Hospital, and other sources of information necessary to accomplish billing for services under this contract.
- 3.15. Devote employee to our account to be on premises in the event of an audit by any regulatory agency.
- 3.16. External audit at their cost to verify findings of an audit by any regulatory agency.

4. BILLING SERVICES PROVIDED

- 4.1. AGENCY must accept NEMESIS EMS exports to the billing system.
- 4.2. AGENCY shall provide Electronic Claims Processing for Medicare and Medicaid and any private /commercial insurance, which accepts electronic claims.
- 4.3. AGENCY shall prepare and submit all initial and secondary claims and bills for COUNTY on an average of fourteen (14) business days of receipt of minimum necessary billing information. Receipt shall be defined as download or retrieval from the ePCR provider's server. Download of data shall occur within three (3) business days of the ePCR being made available on the electronic patient care record provider's server for download.
- 4.4. AGENCY shall mail bill via USPS (including a return envelope) to the patient/debtor, in cases where no insurance information is available, within no more than twelve (12) days of receiving the transport information from COUNTY when a valid patient address exists at the time of information receipt. The mailing requirement shall be waived with the patient has an established electronic account with AGENCY and has selected a preference for paperless billing.
- 4.5. When a balance is owed and a valid address is present, the AGENCY shall be responsible for sending a second notice within thirty (30) calendar days from the first mailing, a third (final) notice within thirty (30) calendar days from the second notice. If new information is obtained by the billing company, an additional notice (within 30

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- calendar days of the previous) should be mailed out again and this process should continue as long as new or different information is obtained.
- 4.6. AGENCY shall establish a method of validating demographics and process of notification to COUNTY when discrepancies exist.
 - 4.7. COUNTY agrees to notify the AGENCY of payments received by the COUNTY within one (1) business day of receipt.
 - 4.8. COUNTY will provide AGENCY with the needed and requested information for patients remaining on the COUNTY's existing A/R system within ten (10) business days to ensure proper processing of the claims. The AGENCY will retrieve and reprocess the claim within three (3) business days. In the event the COUNTY cannot provide additional information, the COUNTY will notify the AGENCY that no new information is available within fifteen (15) business days. If the AGENCY is unable to process the claim after new information is sent by the COUNTY, the AGENCY will notify the COUNTY of this information within ten (10) business days.
 - 4.9. AGENCY will initiate phone call made within 10 days of the creation of patient account to self-pay customers to verify payment information/insurance information. The AGENCY will launch a follow-up campaign on open accounts within 45 days of last patient invoice date. Patient responsibility campaigns initiated within 60 days of determination. These campaigns shall be conducted as outbound phone calls from the AGENCY.
 - 4.10. AGENCY shall respond to and follow up with all insurance plans billed on a prompt basis. Follow up procedures will begin on accounts forty-five (45) days old showing no activity. Accounts with outstanding balances after the insurance and/or third party payer bill, except as to those accounts on which an insurance carrier or third-party payer has accepted responsibility to pay.
 - 4.11. AGENCY will verify enrollment status of every patient transported by the COUNTY across Medicare if 65+, across Medicaid at the time of processing and retroactively.
 - 4.12. AGENCY shall be responsible for the invoicing, collection, and generation of any and all insurance forms and filings, record maintenance and reports.
 - 4.13. AGENCY shall provide all invoices and related insurance forms with remittance advice.
 - 4.14. The invoices for services rendered shall contain the following information:
 - 4.14.1. Incident Number
 - 4.14.2. Billing company account number
 - 4.14.3. Account invoice date
 - 4.14.4. Name of Patient
 - 4.14.5. Name of responsible person if different from patient
 - 4.14.6. Complete address
 - 4.14.7. Date of service
 - 4.14.8. Cost of transport (including cost breakdown, if necessary)
 - 4.14.9. Insurance coverage and instructions for filing
 - 4.14.10. Billing inquiry telephone number

- 4.14.11. Payments received, refunds made.
- 4.15. The COUNTY agrees to release all patient care reports to the AGENCY that pertain to patient care and the transportation of patients for the purpose of revenue collection with the following exceptions:
- 4.15.1. Revenue generated from contracts between the COUNTY and a third party for services rendered by the Community Health Paramedic Program.
- 4.15.2. The billing of special events. Special events will be billed on a per occurrence rate of \$10.00 to the COUNTY. The AGENCY agrees to invoice the payer and accept payment for these events based on that rate.
- 4.16. If patient/debtor makes monthly payments, a statement should be mailed out by the AGENCY to the patient monthly showing the balance due. The mailing requirement shall be waived with the patient has an established electronic account with AGENCY and has selected a preference for paperless billing.
- 4.17. AGENCY shall be able to communicate verbally and in writing with the customer in English and Spanish at a minimum. Each invoice will include a statement in Spanish indicating the number to call for assistance in Spanish.

5. CUSTOMER SERVICES PROVIDED

- 5.1. AGENCY shall mail proper insurance forms or submit electronic claim forms to third party payer as required or requested by the patient.
- 5.2. AGENCY will conduct any follow-up required to obtain the necessary insurance information to process invoices for payment. Records of telephone calls and contacts shall be maintained and any payment on an account shall be recorded for that account at the time of payment.
- 5.3. AGENCY will use a skip-tracing process to validate patient information (correct spelling of name, social security #'s, Date of Birth, and mailing address to also include unit/condo #'s), and returned mail/bad addresses.
- 5.4. AGENCY will post all payments, when received by a third party, within five (5) business days to the patient's account.
- 5.5. The AGENCY must provide documents (billing statements and patient care reports for example) related to EMS billing based on legal and/or patient requests at no cost to the patient, attorney, or other person authorized to receive such records. The release must conform to all federal and state privacy requirements.
- 5.6. The AGENCY will provide customer service representative(s) to assist patients and/or other third party payees in all billing inquiries in a timely fashion as specified herein.
- 5.7. AGENCY shall provide either toll-free or local Greensboro/High Point telephone number access for customers. The phone number(s) must be used exclusively for COUNTY.
- 5.8. Call center hours shall be between 8:00 am and 5:00 pm Monday through Friday, Eastern Standard Time, keeping the average hold time below 5 minutes.

- 5.8.1. Messages left during regular business hours shall be returned within 4 hours of the time the message was left.
- 5.8.2. Messages left after hours shall be returned within 4 hours of the start of the next business day.
- 5.9. AGENCY must record all calls inbound and outbound that are related to a patient's account.
- 5.10. The AGENCY must provide a patient web portal which includes:
 - 5.10.1. The patient the ability to view and update insurance information
 - 5.10.2. Credit Card/ Debit Card/ eCheck processing
 - 5.10.3. Ability to view the status and to set-up re-occurring payment plans (By 3rd quarter of 2016)
 - 5.10.4. Ability to view the status of all transactions related to their account (By 3rd quarter of 2016)
- 5.11. AGENCY must provide and offer defined payment plan options to all patients who do not pay off their entire account balance with the initial payment.
- 5.12. AGENCY must provide guidance patients, or other responsible party, who make payments but haven't set up payment plan in the system, to do so to avoid fees for each payment beyond the initial payment.
- 5.13. AGENCY shall agree to negotiate and arrange modified payment schedules for those individuals unable to pay the full amount when billed, subject to such policy guidelines as the COUNTY may establish.
- 5.14. Only the COUNTY can authorize the write-off of patient accounts because of "hardship" or service delivery related issues.

6. DEBT COLLECTION SERVICES

- 6.1. AGENCY provides debt collection in conjunction with a professional and duly licensed collection company to collect delinquent accounts.
- 6.2. AGENCY must participate in the North Carolina Debt Setoff Program (DSO). AGENCY must ensure the accuracy of quarterly submissions.
- 6.3. Accounts requiring service by a collection agency shall be sent, on a monthly basis, by AGENCY to the collection agency contracted with Guilford County on a monthly basis.
- 6.4. When payments are received by AGENCY for accounts that are in collections, the AGENCY will notify the collection agency within ten (10) business days of the receipt of payments and post payment to the account the same day of receipt.
- 6.5. Accounts will become eligible to be sent to the collection agency within thirty (30) days from mailing of the final notice when no additional information or payment has been received. Exceptions include, when the account has an invalid address. In these cases, the account may be sent to the collection agency sooner.
- 6.6. Transferring files to the collection AGENCY on paper will not be an acceptable format. Format to be transferred may be Excel, Access database, or any other type file that can easily be uploaded to the collection AGENCY system so that manual entry of

information is not necessary. COUNTY and AGENCY will mutually agree on a file format to be used prior to the effective date of this contract.

7. FUND TRANSFER REQUIREMENTS

- 7.1.** AGENCY will direct all payments to a lockbox or bank account designated by COUNTY, to which COUNTY alone will have signature authority.
- 7.2.** AGENCY shall post all payments upon receipt of the payment when received by the AGENCY.
- 7.3.** In accordance with North Carolina General Statute 159-32, COUNTY checks will be deposited by AGENCY on the day received. The Deposit Tickets shall reflect a copy of the original deposit ticket showing moneys received or electronically deposited on behalf of the COUNTY.
- 7.4.** AGENCY shall provide a reconciliation of the number of transports (PCRs) collected with those transmitted to AGENCY, and contact the COUNTY to report any discrepancies.
- 7.5.** AGENCY shall provide a reconciliation for all ePCRs imported. This reconciliation will detail whether the ePCR was billed or not billed. This reconciliation shall occur within fifteen (15) business days of import.
- 7.6.** Governmental refunds shall be processed within an average of three weeks from the date of overpayment.

8. TRANSACTION RECORDING REQUIREMENTS

- 8.1.** A detailed record of all transactions shall be recorded.
- 8.2.** Detailed transactions shall include:
 - 8.2.1.** Any payments received and the payer of those payments
 - 8.2.2.** Any debits/credits to the account for any reason and a description of those debits/credits.
 - 8.2.3.** A detail of the balance remaining and any associated due dates.
 - 8.2.4.** The name of the person conducting the account transaction
 - 8.2.5.** An automated date/time stamp for the transaction
- 8.3.** AGENCY will also provide a quarterly overview of expected revenue recovery, projections, payer mix, and other agreed upon topics.
- 8.4.** AGENCY shall retain all financial records not tendered or returned to the COUNTY on any termination here of for at least five (5) years; retain all Medicare and Medicaid records for six (6) years, three (3) months. AGENCY will comply with all applicable State and Federal regulations pertaining to the maintenance of patient files, financial records and related reports and documents. The undertaking will expressly survive the termination of this Agreement.
- 8.5.** AGENCY shall provide files and data to the COUNTY for uncollectable accounts greater than 90 days old; providing necessary data to the COUNTY for the purposes of Wage Garnishment, the State of North Carolina Debt Setoff Program, and other needs.

- 8.6. When requested by the COUNTY, accounts sent to collection must be electronically transferred by the AGENCY to the collection AGENCY contracted with Guilford COUNTY, in order to expedite the transfer and avoid paper usage.
- 8.7. At one hundred twenty (120) days all unpaid patient balances will be written off to bad debt upon receiving approval from COUNTY.

9. MONTHLY REPORTING REQUIREMENTS

- 9.1. AGENCY will provide the COUNTY with a comprehensive financial monthly report (the "Comprehensive Report"). The Comprehensive Report shall include a Monthly Financial Report, Check Register Report, and Deposit Tickets, as defined below. In addition to the Comprehensive Report, COUNTY may also elect to receive electronic reports and billing databases on a weekly basis.
- 9.2. The Monthly Financial Report shall provide a month-to-date and year-to-date transactions summary, including amount billed, amounts paid and adjustments;
- 9.3. The Check Register Report shall reflect a listing of revenues deposited, identification of the instrument deposited and deposit totals.
- 9.4. A/R Report
 - 9.4.1. A/R Summary
 - 9.4.2. A/R Detail
 - 9.4.3. A/R Aging Summary
 - 9.4.4. A/R Aging Detail
- 9.5. Write off report pending – 30 days from write-off
- 9.6. Provider Report
 - 9.6.1. Signature Collection %
 - 9.6.2. Demographics
 - 9.6.3. Insurance
 - 9.6.4. SS#
 - 9.6.5. Documentation
 - 9.6.6. Avg. Revenue per provider
- 9.7. Reconciliation Report
 - 9.7.1. Tickets imported vs tickets available for import vs status of billed tickets
- 9.8. Account analysis by month
 - 9.8.1. # of trips
 - 9.8.2. Gross charges
 - 9.8.3. Contractual allowance
 - 9.8.4. Net charges
 - 9.8.5. Revenue adjustment
 - 9.8.6. Payments
 - 9.8.7. Write-offs
 - 9.8.8. Refunds
 - 9.8.9. Balance due

- 9.8.10. Gross charge/trip
- 9.8.11. Net charge/trip
- 9.8.12. Cash collected/trip
- 9.8.13. Net collections %
- 9.9. Credit as type summary report
 - 9.9.1. Payment credits by payor
 - 9.9.2. Write-off detail
 - 9.9.3. Demand analysis by day of week
- 9.10. EMSMC Internal Report
 - 9.10.1. Accuracy of coders reporting
 - 9.10.2. Coding within one business day of receipt.
 - 9.10.3. Run accounts against SSA's deceased file to ID deceased patients.
 - 9.10.4. Letters to patients with specifically targeted language asking for signature.
 - 9.10.5. Outbound patient phone calls to obtain missing insurance information
- 9.11. EMSMC Performance Report
 - 9.11.1. Average clean claim rate
 - 9.11.2. Denial rate % - initial and overall
 - 9.11.3. First invoice pass rate which is defined as the number of accounts paid for upon the first attempt to bill
 - 9.11.4. # claims submitted electronically
 - 9.11.5. Avg. days from import to submission

10. QUALITY ASSURANCE AND COMPLIANCE REQUIREMENTS

- 10.1. AGENCY agrees to provide all goods and services will be provided in a competent and professional manner acceptable to the COUNTY.
- 10.2. AGENCY shall perform criminal history checks on all staff providing services under this contract. There must be an individual assessment and determination as to the degree to which the nature of a person's criminal conduct has a direct and/or specific negative bearing on a person's fitness or ability to perform financial services for Guilford County
- 10.3. AGENCY shall provide a copy of all training records for personnel servicing our account
- 10.4. AGENCY shall provide copies of all user manuals, system overviews, technical manuals, reports on controls such as internal/external audits or regulatory authority reports within ten (10) business days when requested to do so by the COUNTY.
- 10.5. AGENCY shall provide certification of compliance with the Health Insurance Portability and Accountability Act (HIPAA), Pub.L. 104-191 and the rules promulgated thereunder; the Health Information Technology for Economic and Clinical Health (HITECH) Act, Pub.L. 111-5 and the rules promulgated thereunder, the Red Flag Rules promulgated by the Federal Trade Commission pursuant to the Fair and Accurate Credit Transactions Act of 2003 Public, Law 108-159, 108th Congress, and other applicable state and federal laws and regulations.

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- 10.6.** Red Flag Rules - AGENCY acknowledges its obligations as the Business Associate under the requirements of the Identity Theft Red Flag Rules promulgated under the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules") found in 16 C.F.R. Part 681. In accordance with these obligations, the AGENCY and COUNTY agree:
- 10.6.1.** To ensure that our activities are conducted in accordance with reasonable policies and procedures designed to help detect, prevent, and mitigate the risk of identity theft;
 - 10.6.2.** To have in place policies, procedures, and training to help detect relevant Red Flags that may arise in the performance of services on the behalf of COUNTY;
 - 10.6.3.** That AGENCY will use reasonable efforts to help ensure that any agent or third party who performs services on behalf of COUNTY agrees to implement reasonable policies, procedures, and training designed to help detect, prevent, and mitigate the risk of identity theft; and to alert COUNTY to any red flag incident of which AGENCY becomes aware and the steps AGENCY takes to mitigate any potential security compromise that may have occurred, and provide a report of any threat of identity theft as a result of the incident.
- 10.7.** AGENCY acknowledges that COUNTY's personnel may gather insurance or other billing information from patients during patient care encounters, however the information may be inaccurate or incomplete.
- 10.8.** AGENCY shall maintain appropriate accounting procedures and provide for reconciling of all payments, bank deposits, receivables, billings, patient accounts, adjustments and refunds between the AGENCY's billing system and COUNTY records.
- 10.9.** The AGENCY's billing system, procedures, and processes must conform to generally accepted accounting principles (GAAP).
- 10.9.1.** We require the accounting information to be reliable, verifiable, and objective.
 - 10.9.2.** We require consistency in the accounting information.
 - 10.9.3.** We require comparability in the accounting information.
 - 10.9.4.** We require transparency in the accounting information and practices.
- 10.10.** The AGENCY shall provide the COUNTY with copies of supporting documentation for refunds to be made by the COUNTY the month following the payment posting date.
- 10.11.** AGENCY shall maintain any and all documentation, records and patient information in a safe and secure manner that will allow inspection and audit by the COUNTY or its agents upon written notification and within ten (10) business days of the notification.
- 10.12.** AGENCY shall ensure a segregation of duties, whereby the same individual must not be able to enter billing, adjust billing, post payments, nor deposit funds.
- 10.13.** The AGENCY shall maintain the necessary levels of security in their automated billing system and practices to protect the COUNTY from fraud and other suspicious activities.
- 10.14.** AGENCY shall ensure that all required documentation and agreements with payers (e.g. Medicare, Medicaid, Tri-Care, etc) are filed and maintained, and that the COUNTY is apprised of important changes to industry regulations that affect billing, reimbursement,

- payment processing, claims submission, or documentation as those changes are made available for dissemination.
- 10.15.** AGENCY must accept electronic data from COUNTY via a secure network supplied by the AGENCY. The secure data transfer will be electronic in XML, ascii or any other acceptable electronic data transfer format that has been approved by the COUNTY.
 - 10.16.** AGENCY shall download PCRs from the COUNTY's EMS data collection system ESO or any EMS data collection system used by the COUNTY within an average of three (3) business days of the data being made available by ESO or any other EMS data collection company. AGENCY shall accept credit card payments and will be responsible for all fees associated with the credit card transaction.
 - 10.17.** AGENCY shall accept the paper copy or electronic information pertaining to the patient's pay or billing documentation from the COUNTY for all patients transported.
 - 10.18.** AGENCY shall allow for an external audit of COUNTY's accounts at least once during the contract period by an accounting agency of the COUNTY's choice. The audit will be at the cost, based on fair market value, of the Contractor. The scope of the audit will include an expanded review of unresolved issues identified by the County Auditor during their annual review.
 - 10.19.** AGENCY must create, provide, and adhere to a quality assurance process for all outsourced work. This process must include methods that ensure all subcontractors conform to applicable law and meet contractual standards.
 - 10.20.** AGENCY is fully responsible for the performance of all AGENCY subcontractors and representatives.

11. COMPENSATION OF EMSMC – PERFORMANCE BASED

- 11.1.** As full consideration for the AGENCY's delivery of the goods and/or services, the COUNTY agrees to pay a management fee in the amount of 5.25% of net collections based on the average per call revenue (ACR) attained for billable transports after three months of processing time. Net collections is defined as the actual revenue generated as a result of the billing and collection efforts of AGENCY.
 - 11.1.1.** Bonus - A variance above 2015 ACR of 5.01% - 12.00% will result in a 0.5% point bonus to EMSMC
 - 11.1.2.** Bonus - A variance above 2015 ACR of 12.00% point will result in a 1.0% point bonus to EMSMC
 - 11.1.3.** Penalty - A variance below 2015 ACR of 5.01% - 12.00% will result in a 0.5% point penalty to EMSMC.
 - 11.1.4.** Penalty – A variance below 2015 ACR of 12.01% will result in a 1.0% point penalty to EMSMC.
 - 11.1.5.** Calculation - After 3 months of the date of contract execution, average ACR will be calculated based on the ACR of the 1st month. ACR will be calculated monthly thereafter based on trips with dates of service three months prior.

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- 11.1.6. Calculation Assumption – these calculations are based on 2015 averages of payer mix, run mix and billing rates. In the event that either of these averages changes more than 10% of 2015 average, both parties agree to re-calibrate the calculations of Pay for Performance based fees.
- 11.1.7. Examples:
 - 11.1.7.1. April rate will be calculated based on January ACR.
 - 11.1.7.2. May rate will be calculated based on February ACR.
 - 11.1.7.3. June rate will be calculated based on March ACR.
- 11.2. Monthly invoices shall be provided via mail or hand delivery to the Emergency Medical Services designated Representative for review and payment approval. These reports are material obligations of the AGENCY. Authorization of payments will be forwarded to Finance department within five (5) business days of receipt of the invoice, or later depending on receipt of all forms. The COUNTY may withhold payment if required reports are not received timely.
- 11.3. Invoices shall be received by the COUNTY from the AGENCY within ten (10) business days after the last day of the preceding month.
- 11.4. Monthly invoicing shall include the following:
 - 11.4.1. The word “Invoice” must be stated at top of billing
 - 11.4.2. Dates of Service
 - 11.4.3. Number of trips billed
 - 11.4.4. Amount of gross billing
 - 11.4.5. Amount of bill
 - 11.4.6. Net revenue
 - 11.4.7. Refunds processed
 - 11.4.8. Details of the amounts refunded by the AGENCY to the COUNTY
- 11.5. AGENCY will receive ½ of the monthly management fee for revenue generated by the efforts of a collection agency.
- 11.6. Payment will be made to the AGENCY by the COUNTY within thirty (30) days of receipt of a correct, itemized invoice and proper documentation that the goods and/or services have been delivered or provided in accordance with this CONTRACT. The AGENCY will be required to clearly delineate the fees and various sources of revenue individually. The invoice shall also accurately show refunds issued to the COUNTY by the AGENCY for money that has been refunded and is no longer considered part of net collections.
- 11.7. **Penalty for Errors** – AGENCY shall be penalized for any errors committed by any employee, representative, or subcontractor of AGENCY that results in either of the following:
 - 11.7.1.1. Incorrect North Carolina Debt Set Off garnishments
 - 11.7.1.2. Inappropriate release of protected health information
 - 11.7.1.3. Inaccurate invoicing of or refunding to a patient account

- 11.7.2. Error Occurrence Definition – An occurrence shall be counted for each patient affected by the error committed. A second error on a different date affecting the same patient shall be counted as a separate occurrence. Multiple errors on the same date shall be counted as a single occurrence per patient affected. Occurrences shall be counted on a monthly basis.
- 11.7.3. Error Penalty – All reductions are for the month in which the error occurred.
 - 11.7.3.1. One (1) Occurrence – 0.5% reduction of monthly management fee
 - 11.7.3.2. Two or more occurrences – 1.0% reduction of monthly management fee
- 11.7.4. AGENCY shall be liable for any loss of revenue that occurs as the result of any error committed by its employees, representatives, or subcontractors.
- 11.7.5. The COUNTY is not financially committed by this Contract to purchase any minimum amount of goods and/or services. The financial exposure to the COUNTY is not expected to exceed \$650,000, and in any event payment will be made only from budgeted funds in accordance with N.C.G.S. Chapter §159.

12. APPROPRIATION

- 12.1. This Contract is subject to annual appropriation of funds by the GUILFORD COUNTY Board of Commissioners or other funding source, pursuant to N.C.G.S. Chapter §153A-13.

13. TERMINATION

- 13.1. All goods and/or services provided and accepted as of the date of termination will be paid for; similarly, amounts paid in advance, if any, for which goods and/or services have not been provided and accepted by the COUNTY will be promptly refunded to the COUNTY by the AGENCY within thirty (30) days of date of termination of this Agreement.
- 13.2. Upon termination of this contract, the AGENCY agrees to receive account information up until the date the contract is terminated and work the claim for ninety days.
- 13.3. Any accounts that have not been processed within fourteen (14) days of the end of the contract by the AGENCY becomes the property of the COUNTY for processing under the new contract. Furthermore, any claim that has not been successfully collected within 90 days of the claim being billed will become the property of the COUNTY for processing as the COUNTY deems necessary including release to the vendor named in the new contract.

14. ENTIRE AGREEMENT

- 14.1. The preparation, execution, and delivery of this Agreement by the parties have been induced by no representatives, statements, warranties, or agreements other than those expressed herein.
- 14.2. This Agreement embodies the entire understanding of the parties.

14.3. There are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter of this Agreement unless such agreements or understandings are expressly referred to.

15. AMENDMENT.

15.1. The terms of this Agreement may only be modified or amended with a written Contract Amendment executed by both Parties.

16. NOTICES.

16.1. All notices pursuant to this Agreement shall be in writing and delivered personally or mailed by certified mail, registered mail, postage prepaid, with return receipt requested, at the addresses appearing below, but each Party may change such address by written notice in accordance with this paragraph. Notices delivered personally will be deemed communicated as of actual receipt. Mailed notices will be deemed communicated as of three (3) days after mailing.

Marty K. Lawing, Guilford County Manager
GUILFORD COUNTY
P.O. Box 3427 (zip code 27402)
301 West Market Street
Greensboro, NC 27401
Telephone: (336) 641-3383

Greg Carnes, Chief Executive Officer
EMERGENCY MANAGEMENT
& CONSULTANTS, INC. (EMSMC)
2540 Empire Dr. #100
Winston-Salem, NC 27103
Telephone: (336) 397-3975

Jim Albright, Director
GUILFORD COUNTY EMERGENCY
SERVICES DEPARTMENT
P.O. Box 3427 (zip code 27402)
301 West Market Street
Greensboro, NC 27401
Telephone: (336) 641-6573

17. INDEPENDENT CONTRACTOR/INDEMNIFICATION.

17.1. **Independent Contractor/Indemnification.** AGENCY shall operate as an independent contractor for all purposes. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between the COUNTY and either the AGENCY or any employee or agent of AGENCY. AGENCY is an independent contractor and not an employee, agent, joint venture or partner of the COUNTY.

17.2. **Indemnification.** The Parties agree to each be solely responsible for their own acts or omissions in the performance of each of their individual duties hereunder, and shall be financially and legally responsible for all liabilities, costs, damages, expenses and attorney fees resulting from, or attributable to any and all of their individual acts or omissions to the extent allowable by law.

18. ASSUMPTION.

18.1. If AGENCY should undergo merger, acquisition, bankruptcy or any change in their ownership or their name for any reason, AGENCY must immediately notify GUILFORD COUNTY in writing of these changes and provide the COUNTY with legal documentation supporting these changes, such as an Assumption Agreement, Bill of Sale, Articles of Incorporation, Articles of Amendment, sales contract, merger documents, etc. Further, AGENCY will submit the name and address of the assuming AGENCY'S registered agent for service of process and/or all notices required under this Contract.

19. SEVERABILITY

19.1. If any section, subsection, sentence, clause, phrase, or other portion of this Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect. In the event of a subsequent provision shall thereupon return to full force and effect without further action by the COUNTY and shall thereafter be binding on the AGENCY and the COUNTY.

20. JURISDICTION.

20.1. The Parties agree that this Contract is subject to the jurisdiction and laws of the State of North Carolina. The CONTRACTOR will comply with bid restrictions, if any, and applicable laws, including N.C.G.S. §143-129(j) regarding E-verify. Any controversies arising out of this Contract shall be governed by and construed in accordance with the laws of the State of North Carolina.

21. IRAN DIVESTMENT ACT OF 2015. In accordance with N.C.G.S. §143C-6A-5 and other applicable sections of N.C.G.S. §143C-6A regarding the Iran Divestment Act of 2015, each Party hereby certifies that it is not identified on the State Treasurer's list of persons which the Treasurer has determined engage in investment activities in Iran, including any subcontractors of either Party.

(The remainder of this page is intentionally left blank.
This Agreement continues with signatures on the following page.)

**GUILFORD COUNTY CONTRACT NO. 29637-07/16-016
EMS MANAGEMENT AND CONSULTANTS, INC. (AGENCY)**

IN WITNESS WHEREOF, GUILFORD and EMSMC have set their hands and seals as of this day and year first above written.

GUILFORD COUNTY

ATTEST:

Marty K. Lawing
Guilford County Manager

Robin B. Keller
Guilford County Clerk to Board

(COUNTY SEAL)

APPROVED AS TO CONTENT:

This instrument does not create an obligation to purchase and, therefore, has not been preaudited. Purchases under this Contract shall only be made pursuant to purchase orders, each of which will contain a preaudit certificate.

James L. Albright, Director
Guilford County Emergency Services Department

N. Reid Baker, III
Guilford County Finance Director

(The remainder of this page is intentionally left blank.
This Agreement continues with signatures on the following page.)

**EMS MANAGEMENT AND
CONSULTANTS, INC.**

ATTEST:

Greg Carnes
Chief Executive Officer

Corporate Secretary

(CORPORATE SEAL)

(The remainder of this page is intentionally left blank.)

**EXHIBIT I – GUILFORD COUNTY
HIPAA: BUSINESS ASSOCIATE ADDENDUM**

THIS BUSINESS ASSOCIATE ADDENDUM is hereby made, entered into, and effective as of July 1, 2016, by and between GUILFORD COUNTY, a body politic and corporate of the State of North Carolina (“Covered Entity”) and EMS MANAGEMENT AND CONSULTANTS, INC., a corporation with a place of business in Winston-Salem, North Carolina (“Business Associate”), and collectively referred to as the “Parties.”

Definitions

Terms used, but not otherwise defined, in this Addendum shall have the same meaning as those terms in 45 CFR 160.103 and 164.501.

- A. Individual.** "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- B. Privacy Rule.** "Privacy Rule" shall mean the standards for privacy of individual identifiable health information at 45 CFR part 160 and part 164, subparts A and E.
- C. Protected Health Information.** "Protected Health Information" shall have the same meaning as the term "protected health information" is 45 CFR 164.501, limited to the information created or received by the Business Associate from or on behalf of the Covered Entity.
- D. Required by Law.** "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.
- E. Secretary.** "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- F. Data Aggregation.** "Data Aggregation" shall mean, with respect to Protected Health Information created or received by the Business Associate in its capacity as the business associate of the Covered Entity, the combining of such Protected Health Information by the Business Associate with the Protected Health Information received by the Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.
- G. Designated Record Set.** "Designated Record Set" shall mean a group of records maintained by or for the Covered Entity that is (i) the medical records and billing records about individuals maintained by or for the Covered Entity, (ii) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or (iii) used, in whole or in part, by or for the Covered Entity to make decisions about individuals. As used herein the term "Record" means any item, collection, or grouping of information that includes

Protected Health Information and is maintained, collected, used, or disseminated by or for the Covered Entity.

- H. Electronic Media.** "Electronic Media" shall mean the mode of electronic transmissions. It includes the Internet, extranet (using Internet technology to link a business with information only accessible to collaborating parties), leased lines, dial-up lines, private networks and those transmissions that are physically moved from one location to another using magnetic tape, disk or compact disk media.

Recitals

- A.** The U.S. Department of Health and Human Services has issued regulations on "Privacy Standards for Individually Identifiable Health Information," implementing the Health Insurance Portability and Accountability Act of 1996 (the "Privacy Standards").
- B.** Covered Entity is a service provider. The U.S. Department of Health and Human Services has issued final regulations, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), governing the privacy of Individually Identifiable Health Information obtained, created or maintained by certain entities, including health care providers.
- C.** Business Associate either 1) performs certain functions for, or on behalf of the Covered Entity involving the disclosure of Protected Covered Entity Health Information ("PHI") by the Covered Entity to Business Associate, or the creation or receipt of PHI by Business Associate on behalf of the Covered Entity; or 2) provides legal, actuarial, accounting, consulting, data aggregation, management, accreditation, administrative or financial services for the Covered Entity involving the disclosure of Protected Health Information ("PHI") by the Covered Entity or another business associate of the Covered Entity.
- D.** The parties of this Addendum agree to enter into this Agreement to protect PHI, and to amend any agreements between them, whether oral or written, with the execution of this Addendum.

In consideration of the mutual promises and agreements below and in order to comply with all legal requirements for the protection of this information, the parties agree as follows:

General Provisions

- A. Effect.** This Addendum supplements, modifies and amends any and all agreements, whether oral or written, between the parties involving the disclosure of PHI by the Covered Entity to Business Associate, or the creation or receipt of PHI by Business Associate on behalf of the Covered Entity. The terms and provisions of the Addendum shall supercede any other conflicting or inconsistent terms and provisions in any agreements between the parties, including all exhibits or other attachments thereto and all documents incorporated therein by reference. Without limitation of the foregoing, any limitation or exclusion of damages provisions shall not be applicable to this Addendum.

- B. Amendment.** Business Associate and the Covered Entity agree to amend this Addendum to the extent necessary to allow either party to comply with the Privacy Standards, the Standards for Electronic Transactions (45 CFR Parts 160 and 162) and the Security Standards (45 CFR Part 142) (collectively, the “Standards”) promulgated or to be promulgated by the Secretary or other regulations or statutes. Business Associate agrees that it will fully comply with all such Standards and that it will agree to amend this Addendum to incorporate any material required by the Standards.

Obligations of Business Associate

- A. Use and Disclosure of Protected Health Information.** Business Associate may use and disclose Protected Health Information only as required to satisfy its obligations under the Agreement(s), as permitted herein, or required by law, but shall not otherwise use or disclose any Protected Health Information. Business Associate shall not, and shall ensure that its directors, officers, employees, contractors and agents do not, use or disclose Protected Health Information received from the Covered Entity in any manner that would constitute a violation of the Privacy Standards if so used or disclosed by the Covered Entity, except that Business Associate may use or disclose Protected Health Information (i) for Business Associate's proper management and administrative services, (ii) to carry out the legal responsibilities of Business Associate or (iii) to provide data aggregation services relating to the health care operations of the Covered Entity if required under the Agreement(s). Business Associate hereby acknowledges that, as between Business Associate and the Covered Entity, all Protected Health Information shall be and remain the sole property of the Covered Entity, including any and all forms thereof developed by Business Associate in the course of its fulfillment of its obligations pursuant to this Addendum. Business Associate further represents that, to the extent Business Associate requests that the Covered Entity disclose Protected Health Information to Business Associate, such a request is only for the minimum necessary Protected Health Information for the accomplishment of Business Associate's purpose.
- B. Safeguards Against Misuse of Information.** Business Associate agrees that it will use all appropriate safeguards to prevent the use or disclosure of Protected Health Information other than pursuant to the terms and conditions of this Addendum.
- C. Reporting of Disclosures of Protected Health Information.** Business Associate shall, within thirty (30) business days of becoming aware of any use or disclosure of Protected Health Information in violation of this Addendum by Business Associate, its officers, directors, employees, contractors or agents or by a third party to which Business Associate disclosed Protected Health Information, report any such disclosure to the Covered Entity.
- D. Agreements by Third Parties.** Business Associate shall obtain and maintain an agreement with each agent or subcontractor that has or will have access to Protected Health Information, which is received from, or created or received by

Business Associate on behalf of the Covered Entity, pursuant to which agreement such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to Business Associate pursuant to this Addendum with respect to such Protected Health Information.

- E. Accounting of Disclosures.** Within ten (10) business days of notice by the Covered Entity to Business Associate that it has received a request for an accounting of disclosures of Protected Health Information, other than related to the treatment of the patient, the processing of payments related to such treatment, or the operation of a Covered Entity or its Business Associate and not relating to disclosures made earlier than six (6) years prior to the date on which the accounting was requested, Business Associate shall make available to the Covered Entity such information as is in Business Associate's possession and is required for the Covered Entity to make the accounting required by 45 C.F.R. §164.528. At a minimum, Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the Protected Health Information, and if known, the address of such entity or person, (iii) a brief description of the Protected Health Information disclosed, and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to Business Associate, Business Associate shall within ten (10) business days forward such request to the Covered Entity. Business Associate hereby agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.
- F. Availability of Books and Records.** Business Associate hereby agrees to make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity available to the Secretary for purposes of determining the Covered Entity's and Business Associate's compliance with the Privacy Standards.
- G. Indemnification.** Each Party ("the Indemnifying Party") hereby agrees to indemnify and hold the other Party harmless from and against any and all liability and costs, including reasonable attorneys' fees, created by a breach of this Addendum by the Indemnifying Party, its agents or subcontractors, without regard to any limitation or exclusion of damages provision otherwise set forth in the Agreement(s).
- H. Insurance.** Business Associate shall obtain and maintain during the term of this Addendum liability insurance covering claims based on a violation of the Standards or any applicable state law or regulation concerning the privacy of patient information and claims based on its obligations pursuant to this Addendum in an amount not less than \$1,000,000 per claim. Such insurance shall be in the form of occurrence-based coverage. A copy of such policy or a certificate evidencing the policy shall be provided to the other Party upon written request. The Parties acknowledge and agree that Business Associate currently has a Cyber Liability policy with limits of not less than \$1,000,000 per occurrence, and is partially self-insured.

- I. Notice of Request for Data.** Business Associate agrees to notify the Covered Entity within ten (10) business days of Business Associate's receipt of any written request or subpoena for Protected Health Information. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with the Covered Entity in such challenge.
- J. Injunction.** Business Associate hereby agrees that the Covered Entity will suffer irreparable damage upon Business Associate's breach of this Addendum and that such damages shall be difficult to quantify. Business Associate hereby agrees that the Covered Entity may file an action for an injunction to enforce the terms of this Addendum against Business Associate, in addition to any other remedy the Covered Entity may have.

Term and Termination

- A. Term.** This Addendum shall become effective on the Effective Date and, unless otherwise terminated as provided herein, shall have a term that shall run concurrently with that of the last expiration date or termination of the Agreement(s).
- B. Termination Upon Breach of Provisions Applicable to Protected Health Information.** Any other provision of the Agreement(s) notwithstanding, this Addendum and the Agreement(s) may be terminated by either Party upon twenty (20) business days written notice to the other Party in the event that the other Party breaches any provision contained in this Addendum and such breach is not cured within such twenty (20) day period; provided, however, that in the event that termination of this Addendum and the Agreement(s) is not feasible, in the Covered Entity's sole discretion, Business Associate hereby acknowledges that the Covered Entity shall have the right to report the breach to the Secretary, notwithstanding any other provision of this Addendum or any Agreement(s) to the contrary.
- C. Return or Destruction of Protected Health Information upon Termination.** Upon termination of this Addendum, Business Associate shall either return or destroy all Protected Health Information received from the Covered Entity or created or received by Business Associate on behalf of the Covered Entity and which Business Associate still maintains in any form. Business Associate shall not retain any copies of such Protected Health Information. Notwithstanding the foregoing, to the extent that the Covered Entity agrees that it is not feasible to return or destroy such Protected Health Information, the terms and provisions of this Addendum shall survive such termination and such Protected Health Information shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such Protected Health Information.
- D. The Covered Entity's Right of Cure.** At the expense of Business Associate, the Covered Entity shall have the right to cure any breach of Business Associate's obligations under this Addendum. The Covered Entity shall give Business Associate

**GUILFORD COUNTY CONTRACT NO. 29637-07/16-016
EMS MANAGEMENT AND CONSULTANTS, INC. (AGENCY)**

notice of its election to cure any such breach and Business Associate shall cooperate fully in the efforts by the Covered Entity to cure Business Associate's breach. All requests for payment for such services of the Covered Entity shall be paid within thirty (30) days.

E. Transition Assistance. Following the termination of this Addendum and the Agreement(s) for any reason, Business Associate agrees to provide reasonable transition services for the benefit of the Covered Entity.

Intending to be legally bound, the Parties hereto have caused this Addendum to be executed by their duly authorized representatives.

COVERED ENTITY:

BUSINESS ASSOCIATE:

GUILFORD COUNTY

**EMS MANAGEMENT AND
CONSULTANTS, INC.**

By: _____
Marty K. Lawing, Guilford County Manager

By: _____
Greg Carnes, Chief Executive Officer

ATTEST:

ATTEST:

Guilford County Clerk to Board

Corporate Secretary

Printed Name: _____

(COUNTY SEAL)

(CORPORATE SEAL)

(The remainder of this page is intentionally left blank.)

STATE OF NORTH CAROLINA

AFFIDAVIT REGARDING E-VERIFY

COUNTY OF GUILFORD

I, _____(the individual attesting below), being duly authorized by and on behalf of **EMS MANAGEMENT AND CONSULTANTS, INC.** (the entity doing business with Guilford County, hereinafter "Employer") after first being duly sworn hereby swears or affirms as follows:

1. Employer understands that E-Verify is the federal E-Verify program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with NCGS §64-25(5).

2. Employer understands that Employers Must Use E-Verify. Each employer, after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS§64-26(a).

3. Employer is a person, business entity, or other organization that transacts business in this State and that employs 25 or more employees in this State. Mark "Yes" or "No":

- a. YES _____; or,
- b. NO _____

4. Employer's subcontractors comply with E-Verify, and if Employer is the winning bidder on this project Employer will ensure compliance with E-Verify by any subcontractors subsequently hired by Employer.

This _____ day of _____, 2016.

Signature of Affiant
Print or Type Name: _____

State of North Carolina - County of _____

Signed and sworn to (or affirmed) before me, this the
_____ day of _____, 2016.

My Commission Expires:

Notary Public

(Affix Official/Notarial Seal)