

(ORIGINAL)

## AGREEMENT FOR AMBULANCE SERVICES

### SEQUATCHIE COUNTY

This Agreement is made and entered into this 20th day of March, 2014 by and between Sequatchie County, Tennessee, a political subdivision of the State of Tennessee (the "County") and Puckett Emergency Medical Services, Inc. (the "Provider").

WHEREAS, County desires to have available ambulance services in the unincorporated areas of Sequatchie County, Tennessee and the municipality of Dunlap, Tennessee as reflected in Exhibit B attached hereto (the "Coverage Area");

WHEREAS, as an ambulance service provider approved by the Tennessee Department of Health, Provider is able to provide the desired ambulance services to County;

WHEREAS, County desires to arrange for Provider to make available ambulance services in the Coverage Area, and Provider desires to provide same, subject to the terms and conditions herein;

NOW, THEREFORE, for and consideration of the covenants, terms and conditions herein, and for such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree:

#### ARTICLE 1

#### AMBULANCE SERVICES

1.1 Provider shall be the provider of emergency and non-emergency advanced life support ("ALS") ambulance services in the Coverage Area on the terms set forth in this Article 1 (the "Services"). The Services shall be provided as needed on a 24 hour/7 day per week basis unless emergency circumstances reasonably require otherwise. Provider shall be available for Services by dispatch operated in accordance with Section 3.5. Provider shall furnish Services to all persons within the Coverage Area regardless of ability to pay.

1.2 Provider will furnish and operate a minimum of two (2) ALS ambulances ("Ambulances") as a part of the Services. The Ambulances shall be maintained and serviced by Provider in accordance with Exhibit A.

## ARTICLE 2

### TERM AND TERMINATION

2.1 The term of this Agreement shall commence May 1, 2014 at 12:00 am. Central Standard Time (the "Effective Date") and continue in effect thereafter for a period of five (5) years. After the initial term, this Agreement shall automatically renew for additional, successive one-year terms unless written notice of non-renewal is provided by either party at least one hundred twenty (120) days prior to the expiration of the then-current term.

2.2 Either party may terminate this Agreement without cause upon provision of at least one hundred twenty (120) days written notice to the other party.

2.3 Either party may terminate this Agreement upon provision of thirty (30) days written notice in the event of a material breach by the other party, provided that said material default is not cured to the reasonable satisfaction of the non-breaching party within said thirty (30) days.

2.4 If the Agreement is terminated prior to May 1, 2017 either without cause pursuant to Section 2.2 or for material breach pursuant to Section 2.3, then the following rules shall apply:

(a) If County is the party terminating without cause or Provider is the party terminating for material breach, then County shall make a termination payment to Provider equal to: (1) \$100,000 less (2) the product of (a) \$2,777.77 times (b) the number of full months of Services provided through the date of termination.

(b) If Provider is the party terminating without cause or County is the party terminating for material breach, then Provider shall make a termination payment to County equal to: (1) \$240,000 less (2) the product of (a) \$6,666.66 times (b) the number of full months of Services provided through the date of termination.

The termination payment shall be due and payable in immediately available funds on or prior to the date of termination.

## ARTICLE 3

### AMBULANCE AND EQUIPMENT REQUIREMENTS

3.1 The Provider's Ambulances shall meet all vehicle requirements of the

Tennessee Department of Health and applicable Tennessee law. The Ambulance shall be licensed and maintain a Service Category Classification of "A-Advanced Life Support" with the Tennessee Department of Health.

3.2 The ambulances shall carry and maintain the necessary medical equipment and supplies required under applicable law and as necessary to properly respond to emergency calls hereunder. All Ambulances in service hereunder will not be used for greater than: (i) five (5) years from the date of their commencement of service hereunder or (ii) 300,000 miles as reflected on the vehicle odometer.

3.3 The Provider shall ensure that the Ambulances are neat in appearance and properly maintained, remain in reasonably operable condition and are stocked with supplies as required by applicable law.

3.4 County shall have the right to inspect and review the Ambulances, equipment and supplies upon reasonable prior notice to Provider, provided that such inspection shall not unreasonably interfere with the operations of Provider.

3.5 The County will furnish dispatcher services for the first ninety (90) days after the Effective Date to facilitate a transition of dispatching services to Provider (the "Transition Period"). Following the Transition Period, Provider shall furnish a dispatcher in its Austell, Georgia facility on a 24 hour/7 day per week basis that will be available to dispatch 911 calls received from the County by telephone or radio.

#### ARTICLE 4

##### AMBULANCE RESPONSE TIMES

4.1 After the Transition Period, Provider agrees to meet the following response standards at least 90% of the time during each month of the contract (collectively the "Response Standards"):

- (a) For all Urban areas (as designated on the map attached as Exhibit B hereto), within fifteen (15) minutes of receipt of the call; and
- (b) For all Rural areas (as designated on the map attached as Exhibit B hereto), within twenty-five minutes of receipt of the call.

The definition of a call being received by the Provider is: the address, cross street and call information is provided to the Provider, and verbal confirmation that the call information was provided to the Provider is documented.

Notwithstanding the foregoing, Provider shall also not be responsible for any failure

at any time to meet Response Standards in the event such failure is caused by the following conditions: (i) any event listed in Section 12.5; (ii) where a second Ambulance is required to respond to the same call; (iii) any failure by the County to provide correct response information; or (iv) any other event preventing performance beyond the reasonable control of Provider.

Provider shall not be responsible for any failure to meet Response Standards during the Transition Period.

4.2 During the Transition Period, the parties will agree upon data to measure response times for the purpose of monitoring same. Thereafter, response times shall be measured by reference to the Provider's CAD system which will include the time of receipt of an emergency service request, the time that the Provider was notified of the call and the time for arrival. Following the Transition Period, Provider will timely furnish to County monthly written reports from its CAD system. The system reports shall be substantially in the form attached as Exhibit C (the "Reports"). County shall have the right upon reasonable request to inspect and audit Provider's response time data relating to the Services.

4.3 The County shall determine from the Provider CAD system reports whether Provider's actual response times in the month satisfied the applicable Response Standards as determined in accordance with Sections 4.1.

4.4 In the event it is determined that Provider has failed to meet the Response Standards set forth herein for a particular month as determined in accordance with Sections 4.1, County shall provide written notice of such failure to Provider. Following receipt of such written notice, Provider shall promptly provide to County a written plan of cure to correct such deficiency. For purposes of clarification, Provider shall not be deemed to be in breach of this Agreement unless fails to meet the Response Standards in two (2) consecutive months.

4.6 In the event the Ambulances are not available because of multiple calls within the same period of time or other reasonable circumstances, the Provider shall have a written plan in place governing how it will obtain mutual aid coverage from its existing fleet of ambulances or from surrounding county EMS agencies. A copy of such plan (and any amendments thereto) shall be provided to County. It shall be the responsibility of the Provider to call for and furnish additional ambulance resources as required.

## ARTICLE 5

### AMBULANCE STAFF

5.1 Provider shall staff Ambulances with an appropriately certified and trained paramedic and emergency medical technician. In addition, all other ambulance staff shall be

properly trained and certified as required by law.

5.2 It is agreed and understood that all ambulance staff shall be employees of the Provider and are not employees, agents, or other representatives of the County.

## ARTICLE 6

### DISASTER PLANNING AND PROTOCOLS

6.1 Provider shall maintain and provide to County (upon request) a written disaster response pre-plan that will be designed to function on a day-to-day basis and provide high quality pre-hospital medical care, with full inter-agency participation and complete medical control. It will be integrated with neighboring counties and provide complete emergency medical services and transportation along with complete evaluation, training and testing mechanisms. Provider will participate in community disaster drills and integrate its service in to the County disaster plans.

## ARTICLE 7

### COMPENSATION

7.1 Provider shall furnish Services to all who require such Services in the Coverage Area regardless of ability to pay and will establish/maintain reasonable rates for its services. The parties acknowledge that Provider shall be compensated for the Services in part through its billing of applicable third party payors and patients for Services provided in connection with this Agreement. County shall cooperate with Provider to facilitate such billing if necessary for accuracy and shall provide to Provider any information reasonably requested in connection therewith. Provider will maintain a written schedule of its charges and notify the County of any increase in rates at least thirty (30) days prior to the implementation of such rates.

7.2 With respect to ambulance services provided for inmates or detainees in County facilities, or any special transportation required, that is requested by County Officials, Provider will bill and accept payment from third party payors. If however, coverage is denied or not available for such detainees or inmates, or special transportation required, that is requested by County Officials, the County will reimburse Provider at the current Medicare-allowable rates as payment in full. Provider will furnish evidence of denial by third party carriers if requested. Payment shall be due from the County within thirty (30) days of receipt of Provider's Invoice.

7.3 In addition, County shall pay to Provider the monthly sum of Ten Thousand Four Hundred Sixteen and 66/100 Dollars (\$10,416.66), which shall be due and payable in advance on the first day of each month hereunder, subject to any adjustments provided

for in Article 4.

7.4 County will provide appropriate and reasonable space at 16931 Rankin Ave, Dunlap, Tennessee for housing Provider's personnel that are furnishing services in the Coverage Area and for storing the Ambulances when not in use (the "Facility"). County shall maintain the Facility in good condition and repair and be responsible for all costs associated with provision thereof. County shall ensure that any successor or assign or any future owner of the Facility shall honor the terms of this Section 7.4 for so long as the Agreement is in place.

7.5 As a condition to and in consideration of Provider's provision of the Services, County agrees to transfer to Provider the vehicles and that certain equipment set forth in Exhibit E on or before the Effective Date. In connection therewith, County shall execute and deliver to Provider a Bill of Sale, certificates of title and any other necessary documentation to reflect the transfer of such vehicles and equipment on a free and clear basis.

7.6 No provision in this Agreement or any consideration paid in connection with this Agreement is intended to induce, encourage, solicit, arrange for or reimburse the referral of any patient or business, including any patients or businesses funded in whole or in part by state or federal health care programs (including without limitation Medicare or TennCare). The parties acknowledge and agree that there is no requirement under this Agreement or any other agreement between the parties that either party refer patients to the other or any of their respective affiliates. The parties further agree that the benefits under this Agreement do not require, are not payment for and are not in any way contingent upon the admission, referral or other arrangement for the provision of any item or service reimbursed in whole or in part by any federal or state health care program. The parties acknowledge and agree that any consideration paid in connection with this Agreement is fair market value and appropriate for the services rendered. County and Provider agree to comply with the federal Anti-Kickback Statute and comply with its policies regarding pricing and discounts as generally outlined in Exhibit D hereto.

## ARTICLE 8

### INSURANCE AND INDEMNITY

8.1 Provider shall maintain during the term hereof the following insurance coverages:

- (a) Professional and general liability coverage with minimum limits of \$1,000,000 per occurrence and \$2,000,000 in the annual aggregate.
- (b) Business automobile coverage for the Ambulances with a combined single limit of \$1,000,000.
- (c) Umbrella coverage of \$5,000,000 per each occurrence and

\$5,000,000 in the annual aggregate (with under- coverage for each other coverages required hereunder); and

- (d) Workers compensation coverage in compliance with the requirements of applicable law.

8.2 The parties shall indemnify, defend and hold one another harmless, from and against, to the extent permitted by law, all claims, demands, causes of action, losses, liabilities and expenses (including reasonable attorney's fees) arising out of the negligence of that party or its employees, agents and/or subcontractors.

## ARTICLE 9

### APPROVAL BY COUNTY COMMISSION

9.1 County represents and warrants that the undersigned representative has been duly authorized by binding action of the Sequatchie County Commissioners to execute this Agreement and bind the County to the terms and conditions herein. The Commission action referenced was taken at a called meeting on February 17, 2014.

## ARTICLE 10

### PATIENT COMPLAINTS

10.1 Provider shall reasonably cooperate with the County in the resolution of any patient complaint which shall be resolved at the reasonable discretion of the Sequatchie County Board of Commissions. Provided, however, Provider may upon the written advice of its counsel decline to carry out any proposed resolution hereunder.

## ARTICLE 11

### PRIVACY

The parties shall comply with the privacy and security requirements of the Health Insurance Portability and Accountability Act, as amended and as applicable. The parties shall execute mutually acceptable Business Associate Agreements, if requested.

## ARTICLE 12

### MISCELLANEOUS

12.1 Provider acknowledges and agrees to comply with the requirements of Tennessee law regarding work authorization requirements (as applicable). Provider further agrees to use the federal work authorization program commonly known as E-

Verify, or any subsequent replacement program, throughout the term of this agreement, and that the Provider will execute the Contractor Affidavit adopted by the State of Tennessee and other such affidavits or other documents as may reasonably be required to comply applicable requirements.

12.2 This Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns. Neither party shall, without the prior written consent of the other, assign this Agreement or any rights or obligations hereunder to a third party.

12.3 In the event of material changes in applicable laws, rules and/or regulations which adversely affect performance hereunder or reimbursement of services provided by Provider, either party may, upon provision of written notice, request a renegotiation of the terms of the Agreement as appropriate. If the parties are unable to agree on the terms of a new Agreement within sixty (60) days after the provision of said written notice, this Agreement shall terminate automatically.

12.4 Any notice or other communication required or permitted to be delivered hereunder shall be deemed delivered if hand-delivered or mailed to the party in interest as follows:

If to County:                Sequatchie County, Tennessee  
   c/o County Mayor  
   Box 595  
   Dunlap, TN 37327

If to Provider:                Puckett Emergency Medical Services, Inc.  
   c/o Steven K. Puckett, President  
   3760 Tramore Pointe Parkway  
   Austell, GA 30106

12.5 Neither party shall be liable for any failure or delay in the performance of its obligations under this Agreement due in whole or in part to any cause beyond its reasonable control, including without limitation fire, natural disaster, extreme weather condition, accident, labor dispute or unrest, flood, riot, war, terrorism, rebellion, insurrection, sabotage, transportation delays, shortage of raw materials, energy or machinery, acts of God or the civil or military authorities of the state or nature, or the inability, due to the aforementioned causes, to obtain necessary labor or facilities.

12.6 Nothing contained herein or in the parties' course of dealings shall be construed as conferring any third party beneficiary status on any person or entity not a party to this Agreement, including without limitation any patient Provider.

12.7 This Agreement shall be enforced and construed in accordance with the laws of the State of Tennessee, irrespective of any conflict of law provisions thereof.



In addition, in the event of any dispute concerning the terms and conditions of this Agreement, or the performance thereof, the parties agree that the sole and exclusive jurisdiction and venue for the initiation of any claim arising out of such dispute shall lie in the Sequatchie County Circuit Court and/or the United States District Court, Eastern District of Tennessee.

SEQUATCHIE COUNTY, TENNESSEE      PUCKETT EMERGENCY  
MEDICAL SERVICE, INC.

|  |   |
|--|---|
| By: <u></u> | By: <u></u> |
| Name: <u>D. Keith Cartwright</u>   | Name: <u>STEVEN K. PUCKETT</u>  |
| Title: <u>Sequatchie County Executive</u>  | Title: <u>PRESIDENT</u>   |
| Date: <u>3/20/2014</u>   | Date: <u>03/20/2014</u>   |

## EXHIBIT A

### "A" Level PM Inspection/Service

The "A" PM is the basic service interval for all vehicles. This is the maximum amount of time or miles allowed that a vehicle might remain in the field before being scheduled for one or more PM services. The primary goal at this service is to perform a basic servicing of the vehicle and conduct an extensive safety inspection to identify and prevent vehicle failures. This level of PM occurs every 5,000 miles and includes:

|  |
|--|
| Pre-Service Test Drive                               |
| Preventive Maintenance Inspection                    |
| Oil and Filter Replacement                           |
| Chassis and Body Lubrication                         |
| Inspect, Clean and Adjust Brakes                     |
| Cranking/Charging System Test                        |
| Lighting Systems Inspection                          |
| Warning Systems Inspection                           |
| Ambulance Cot Safety Inspection/Service or Trade Out |
| Document Inspection/Replacement                      |
| Overall Vehicle Assessment                           |
| Engine and Chassis Cleaning                          |
| Post-Service Test Drive                              |
| Cooling System Components                            |
| Work Order Completion and PM Update                  |

### "B" Level PM Inspection/Service

The "B" PM is the basic service interval for automatic transmission service and adjustment. The primary goal at this service is to do a basic service of the vehicle and ensure the proper operation of the transmission and related components. This level of PM occurs every 15,000 miles and includes:

|   |
|---|
| Any Concurrent PM Scheduled   |
| Pre-Service Test Drive with Special Attention to Shift Points and Smoothness of Operation |
| Transmission Fluid and Filter Replacement   |
| Internal Inspection during Filter Replacement   |
| Inspection/Adjustment of Linkage, Cables, Hoses, Mounts and Valves                        |
| Final Test Drive  |
| Work Order Completion and PM Update   |

### **"C" Level PM Inspection/Service**

The "C" PM is the basic service interval for fuel and air system filter replacement. The primary goal at this service is to prevent any loss of engine performance and to maximize fuel economy. The technician may choose to extend the interval for the air filter replacement based on engine performance and visual inspection. This level of PM occurs every 25,000 miles and includes:

|  |
|--|
| Any Concurrent PM Scheduled  |
| Pre-Service Test Drive with Special Attention to Engine Performance    |
| Replacement of Fuel/Filter and Draining of Any Water Traps (Diesel)    |
| Visual or Vacuum inspection of Air Filter and Replacement If Indicated |
| Final Test Drive   |
| Work Order Completion and PM Update                                    |

### **"D" Level PM Inspection/Service**

The "D" PM is the basic service interval for engine V-belt replacement. Since access to the components of the engine cooling system is increased when V-belts are removed, this PM includes an extensive inspection of the cooling system or V-belts and the loss of performance of belt-driven accessories due to slippage. This level of PM occurs every 75,000 miles and includes:

|                                     |
|-------------------------------------|
| Any Concurrent PM Scheduled         |
| Pre-Service Test Drive              |
| Final Test Drive                    |
| Work Order Completion and PM Update |


### **"E" Level PM Inspection/Service**

The "E" PM is the basic service interval for engine tune up procedures on gasoline-powered vehicles. The primary goal at this service is to prevent any loss of engine performance, maximize fuel economy and insure reliable ignition. This level of PM occurs every 24,000 miles and includes:


|   |
|---|
| Any Concurrent PM Due   |
| Pre-Service Test Drive with Special Attention to Engine Performance |
| Replacement/Service of Tune-Up Items                                |
| Evaluation of Fuel Injectors  |
| Work Order Completion and PM Update                                 |

In addition to the "A" through "E" preventive maintenance schedule, Puckett EMS also implements seasonal maintenance. In the spring, all air conditioning and cooling systems are thoroughly inspected. During the fall, all air conditioning systems are winterized, all heaters are serviced, headlights are inspected and selected running lights are changed to

prevent failure. Engine maintenance is performed during this time; specifically diesel engines have their glow plugs inspected and gasoline engines have chokes and related items checked.

URBAN 15 Mins or Less 

**EXHIBIT "B"**

RURAL 25 Mins or Less 

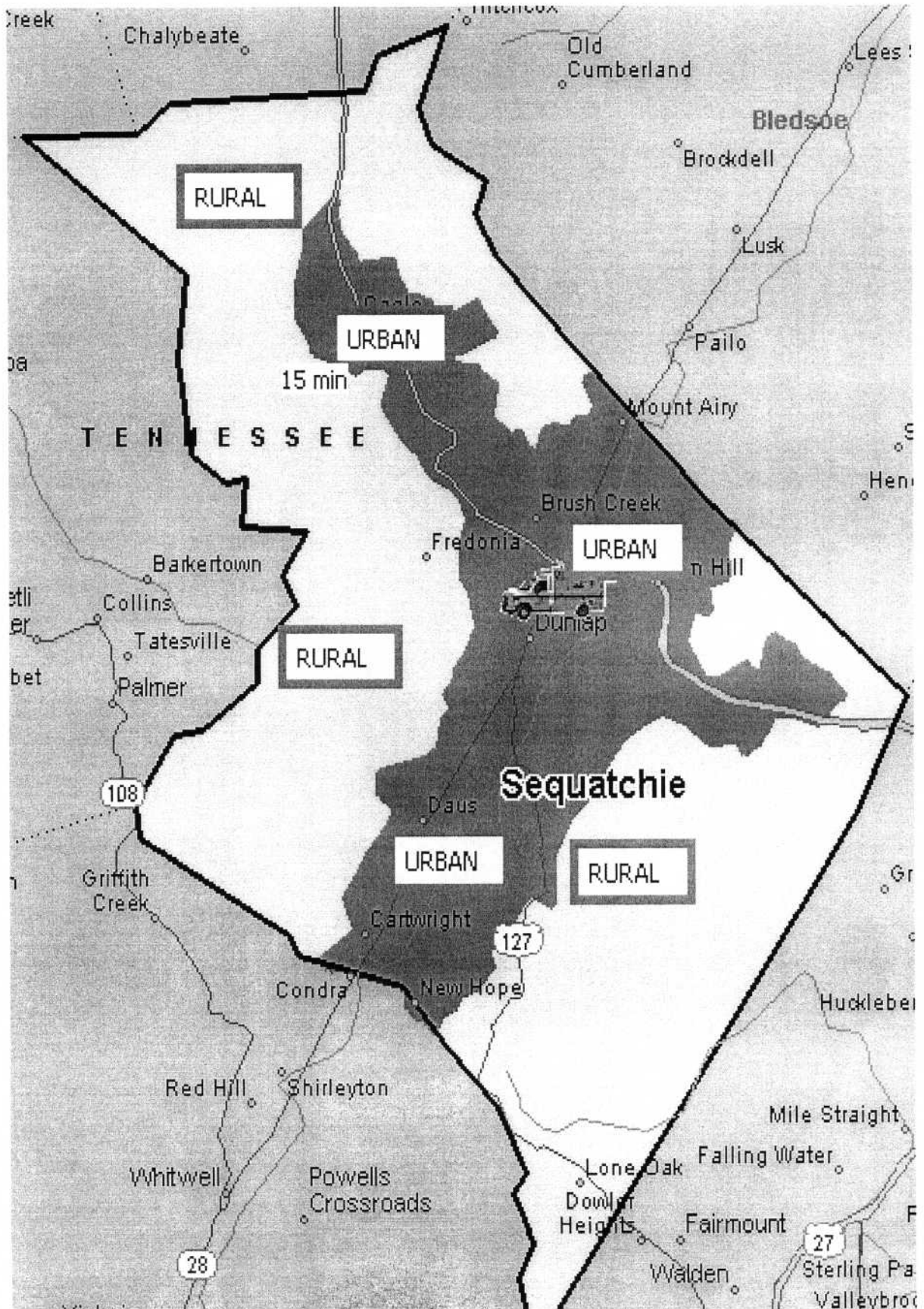


Exhibit "C"

|   |               |                 |
|---|---------------|-----------------|
| <b>MONTHLY SEQUATCHIE COUNTY OPERATIONS ACTIVITY REPORT</b> | <b>Month:</b> | <b>3/1/2014</b> |
|---|---------------|-----------------|

| <b>TRANSPORT ACTIVITIES</b> |              |                  |
|-----------------------------|--------------|------------------|
| TYPE OF SERVICE             | # TRANSPORTS | Avg Time On Task |
| ALS                         |              |                  |
| BLS                         |              |                  |
| Paid Standby                |              |                  |
| Non Paid Standby            |              |                  |
| <b>TOTAL AMBULANCE</b>      | <b>0</b>     | <b>min</b>       |

| <b>RESPONSE PRIORITIES</b> |          |          |              |            |
|----------------------------|----------|----------|--------------|------------|
|                            | Calls    | Trans    | Transport %  | AVG TOT    |
| 911 Calls                  |          |          |              |            |
| 911 Back-up                |          |          |              |            |
| <b>TOTAL</b>               | <b>0</b> | <b>0</b> | <b>0.00%</b> | <b>min</b> |

| <b>NON-TRANSPORT ACTIVITIES</b> |          |          |          |           |          |          | <b>TIMED PERFORMANCE</b> |          |       |          |          |
|---------------------------------|----------|----------|----------|-----------|----------|----------|--------------------------|----------|-------|----------|----------|
| DISP. CRITERIA                  | Tot Resp | Cancel   | Dry Run  | LostCalls | %Cancel  | %DryRun  | RespGoal                 | Actual % | Chute | Ave Resp | Ave Drop |
| 911 Emergency Rural             |          |          |          |           |          |          | 90%                      |          |       |          |          |
| 911 Emergency Urban             |          |          |          |           |          |          | 90%                      |          |       |          |          |
| 911 Back-up                     |          |          |          |           |          |          | 90%                      |          |       |          |          |
| Pre-Scheduled                   |          |          |          |           |          |          | 90%                      |          |       |          |          |
| Non-Emergent                    |          |          |          |           |          |          | 90%                      |          |       |          |          |
| Private / Facility              |          |          |          |           |          |          | 90%                      |          |       |          |          |
| <b>TOTAL AMBULANCE</b>          | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>  | <b>0</b> | <b>0</b> |                          | <b>0</b> |       |          |          |

| <b>Daily Averages</b>  |  |             |  |
|------------------------|--|-------------|--|
| ALS                    |  | 911 Calls   |  |
| ALS 2                  |  | 911 Back-up |  |
| BLS                    |  | Facility    |  |
| SCT/CCT                |  |             |  |
| <b>TOTAL AMBULANCE</b> |  |             |  |

| <b>Pt Went By Air</b> |  |
|-----------------------|--|
| Pt by air             |  |

| <b>North Valley (EHS)</b> |         |       |
|---------------------------|---------|-------|
| PreSch                    | Non Emg | Total |
|                           |         | 0     |

## **EXHIBIT D**

### **CONTRACTING RELATING TO MEDICARE AND MEDICAID PRICING AND DISCOUNTS**

It is the policy of Puckett Emergency Medical Services Inc. that PEMS or its subsidiaries or affiliates shall not enter into contracts or pricing agreements that, in the judgment of a prudent individual, violate anti-kickbacks statutes. The federal anti-kickback statute, section 1128B of the Social Security Act, 42 U.S.C. section 1320a-7b, makes it a criminal offense to solicit, offer, pay, or receive remuneration intended to compensate for or induce the referral of business reimbursed by Medicare or Medicaid.

PEMS and its subsidiaries have adopted the following guidelines when participating in a competitive process or entering into a PEMS contract:

Discounted pricing for services may not be valued below the cost of providing such services.

Providing free services in return for referrals is expressly prohibited.

If pricing is below the lower of the prevailing Medicaid or Medicare rate, Division management must have documentation to support the pricing.

All contracts for discounted services should be in writing.

Any contracts, which are to be priced below Medicare/Medicaid prevailing rates, should be sent to PEMS's General Counsel with supporting documentation for review and approval prior to execution.

Both PEMS and its contracting partners are subject to criminal enforcement for violations of anti-kickback statutes. PEMS management should, during the RFP and/or contract negotiation process, make our contracting partners aware of the statute and their potential liability for entering into an illegal pricing agreement.

No influence on Referrals. It is not the intent of either party to this AGREEMENT that any remuneration, benefit or privilege provided for under this AGREEMENT shall influence or in any way be based on the referral or recommendation referral by either party of patients to the other party or its affiliated providers, if any, or the purchasing, leasing, or ordering of any services other than the specific services described in this AGREEMENT. Any payments specified in this AGREEMENT are consistent with what the parties reasonably believe to be a fair market value for the services provided.

This PEMS policy is to be included as an addendum to all PEMS contracts and as an

addendum to all responses to RFP's, RFI's, etc.



Exhibit E  
Equipment/Vehicles

Vehicles

1. 2013 Chevy Duramax 6.6
  - a. Vin: 1GB3KOC87DF200051
2. 2007 Ford E350
  - a. Vin: 1FDWE35P07DA47837
3. 2010 Ford F-350 XLT
  - a. Vin: 1FDWF3GR6AEB37653
4. 2011 Ford F-350
  - a. Vin: 1FDRF3GT5BEA20379

Lifepak 15 Heart Monitors

1. SN41554150
2. SN41554068
3. SN41557272
4. SN41549428

Stretchers

1. Stryker Max Pro: SN030539508
2. Stryker Max Pro: SN040639245
3. Stryker Max Pro: 050539493

Autovent

1. SN19990713016

4 Vehicle Mounted VHF radios

4 Kenwood Portable Radios