

DRAFT

EXTENSION AND MODIFICATION CONTRACT
FOR
EMS BILLING, COLLECTIONS AND REPORTING
BETWEEN THE CITY OF COLUMBUS AND MED3000

THIS MODIFICATION TO CONTRACT FOR EMS BILLING, COLLECTIONS AND REPORTING (“Modification”) is dated as of October ____, 2012, by and between the City of Columbus, Ohio (hereafter, “City”), by and through its Director of Public Safety, and MED3000, Inc., a Delaware corporation (hereafter “Contractor”).

WHEREAS, City and Contractor entered into a Contract for EMS Billing, Collections and Reporting effective October 1, 2007; and,

WHEREAS, City and Contractor have entered into various modifications as follows:

EL007853 ~ \$1,275,000.00 ~ pursuant to Ordinance 0374-2008, passed March 17, 2008;
EL009116 ~ \$300,000.00 ~ pursuant to Ordinance 1644-2008, passed November 10, 2008;
EL009285 ~ \$1,500,000.00 ~ pursuant to Ordinance 0291-2009, passed March 30, 2009;
EL010019 ~ \$720,000.00 ~ pursuant to Ordinance 1336-2009, passed December 9, 2009;
EL010220 ~ \$1,500,000.00 ~ pursuant to Ordinance 0236-2010 passed March 29, 2010;
EL011212 ~ \$750,000.00 ~ pursuant to Ordinance 1682-2010 passed December 6th 2010;
EL011558 ~ \$1,400,000.00 ~ pursuant to Ordinance 0093-2011 passed March 7, 2011;
EL012281 ~ \$150,000.00 ~ pursuant to Ordinance 1750-2011 passed November 14, 2011;
EL012776 ~ \$1,400,000.00 ~ pursuant to Ordinance 0183-2012 passed April 16, 2012; and,

WHEREAS, the original Contract and all subsequent modifications herein after shall be referenced as the “Contract”; and,

WHEREAS, the Contract has a term expiring on October 31, 2012; and,

WHEREAS, the parties agree that certain modifications to the Contract are required in order to extend the Contract, modify compensation, and modify obligations concerning computers.

NOW, THEREFORE, in consideration of the mutual obligations set forth herein, City and Contractor agree as follows:

1. Term. The term of the Contract shall be extended, and this Extension and Modification shall commence, on November 1, 2012 and shall expire on December 31, 2018.

2. Compensation.

A) Base: Contractor's current Base Compensation as set forth in Exhibit E of the Contract is: 9.5% of all cash receipts received and posted for that month.

City and Contractor hereby agree that the new Base Compensation shall be as follows:

- a. Effective November 1, 2012 – December 31, 2013 – 9.9% of all cash receipts received and posted for that month.
- b. 2014 is 9.9% of all cash receipts received and posted for that month.
- c. 2015 is 8.5% of all cash receipts received and posted for that month.
- d. 2016 is 8.5% of all cash receipts received and posted for that month.
- e. 2017 is 8.5% of all cash receipts received and posted for that month.
- f. 2018 is 8.5% of all cash receipts received and posted for that month.

B) Annual Incentives: Contractor's current Annual Incentive Compensation as originally set forth in Exhibit E of the Contract and subsequently modified on December 6, 2010 is:

- a. If average revenue-per transport is \$225 then compensation shall be increased by 1.0 percent; and,
- b. If Contractor achieves an Annual Error Rate of 5% or less in the accuracy of its coding for claim submission then compensation shall increase by 1.0 percent.

City and Contractor hereby agree that the new annual incentive compensation shall be:

- c. If average revenue-per transport is \$230 or higher for the period of July through June of each upcoming year then compensation shall be increased by 1.0 percent; and,
- d. If Contractor achieves an Annual Error Rate of 5% or less in the accuracy of its coding for claim submission for each upcoming year then compensation shall increase by 1.0 percent.
- e. Contractor shall continue to pay the City's costs of this annual audit review, not to exceed \$20,000 per year.

3. Computers. Contractor shall purchase, program, and implement the utilization of one hundred and five (105) new Panasonic Toughbooks during the first six months of the contract.

4. Governing Law. The validity, interpretation and performance of this Extension and Modification shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to its conflicts of law's provisions.
5. Counterparts. This Extension and Modification may be executed in identical counterparts, each of which when so executed and delivered shall be deemed an original.
6. Good Faith Cooperation. The parties agree to cooperate with each other in good faith at all times to effectuate the goals and intentions of the parties as set forth in this Extension and Modification as amended from time to time.
7. Ratification and Acceptance. The Contract, as modified by this Extension and Modification, is and shall continue to be in full force and effect and is hereby in all respects ratified and confirmed. Except as expressly set forth herein, nothing in this Extension and Modification shall waive or be deemed to waive or modify any rights or obligations of the parties hereto under the Contract. If terms and conditions are inconsistent between this Extension and Modification and the Contract, this Extension and Modification shall control.
8. Reports Upon Termination. Upon termination of the Extension and Modification, Contractor will processed through this Contract from contract inception consisting of:
 - a. Total deposits during Contract period grouped by calendar year.
 - b. Total remaining accounts receivable at time of Contract termination.
 - c. An aging report depicting a monetary and quantity of accounts breakout for all accounts at 60, 90, and 120 days (or more) for all remaining accounts receivable at the time of Contract termination.
 - d. A final cash collection reconciliation report depicting total monies received during this Contract extension grouped by corresponding transport dates.
 - e. Contractor agrees to make best efforts to provide an initial electronic file, in a format acceptable to the City, within 90 days, containing all patients, financial, and billing records pertaining to the delivery of emergency medical service by the City. In addition, notwithstanding anything herein, or in the Contract or any Modification thereto to the contrary, during the term of this Agreement the Contractor shall provide all data and/or documents that may be required by the City in order to respond to any review or audit of its billing practices by any state and/or federal agency or authorized contractor thereof, within such time as will permit the City to respond to such review or audit in the timeframe required or requested by such agency.
9. Encumbrance. Notwithstanding anything herein to the contrary, from November 1, 2012 to February 28, 2012 of this Contract, the maximum obligation to be paid by the City to vendor shall not exceed \$400,000. Should gross revenues exceed the predictions above, the Department of Public Safety shall seek Council approval to modify the contract to account for the increased gross revenue. Should the Contract

need to be modified to address revenue that exceeds predictions, in no event shall vendor compensation exceed the maximum of 11.9%. Any financial obligation, including the City's obligation for the remainder of 2013 and until termination in 2018, is expressly subject to and contingent upon the certification and appropriation of available funds by the City Auditor and approval by City Council as required by Section 159 of the Columbus City Charter.

Executed and effective this _____ of November, 2012.

THE CITY OF COLUMBUS, OHIO

MED3000, INC.

**Department of Public Safety
Mitchell J. Brown, Director**

**Robert C. Gallo II
Executive Vice President & Secretary**

APPROVED AS TO FORM

Columbus City Attorney's Office

12-8-GES-05