



Public Safety Building, 312 E. Fifth St.
Muscatine, IA 52761
(563) 263-5534
Fax (563) 263-9340

FIRE DEPARTMENT

MEMORANDUM

TO: Gregg Mandsager, City Administrator
Fran Donelson, Administrative Secretary

FROM: Jerry Ewers, Fire Chief

DATE: July 31, 2015

SUBJECT: Request to enter into contract with PCC Billing and ESO Software

INTRODUCTION:

Request to enter into ambulance service agreement with PCC Ambulance Billing and to purchase software from ESO Solutions for a patient care reporting system.

BACKGROUND:

TriTech Emergency Medical Systems Inc. has been our contracted ambulance biller since July 1, 2000. Initially TriTech's cost was 8.5% of collections and then in 2010 the service fee was changed from a percentage base to a flat fee of \$ 30.00 per billable call and \$ 5.00 per non-billable call. Last FY billing services amount for TriTech was budgeted at \$ 105,000 and actual cost was \$ 102,030.

Due to customer service related issues and quality control issues with TriTech it is time that we search and look for a new vendor that will meet our needs and expectations. We have spent the past year conducting research and also received presentations and service quotes from LifeQuest, Cornerstone, and PCC. Low quote was from PCC at 7.5%. Cornerstone was 8% and LifeQuest averaged 15.33%. Clinton, Fort Dodge and Mason City Fire Departments all use PCC Ambulance Billing and speak highly of the services they receive from PCC. According to Tritch's agreement we have a 90 day termination notice that will need to be given, which gives us a 90 implementation plan to purchase new software and train staff before the switchover occurs.

Currently our patient care reporting system is the property of TriTech, which means a replacement system is needed when we switch billing companies. Fire Department staff had demonstrations and training on four different software systems that would meet our needs, which was Zoll, ESO, Image Trend, and FireHouse Medic. It is staff's recommendation to purchase ESO Solutions for the patient care reporting system. PCC Billing has partnered with ESO and PCC will pay \$ 6,995 towards the cost of the software, which makes ESO the low bid at \$ 8,746.50. Zoll was \$ 20,100, Image Trend was \$ 32,475, and FireHouse Medic was \$ 12,000.

"I remember Muscatine for its sunsets. I have never seen any on either side of the ocean that equaled them" — Mark Twain

This covers software, maintenance, on-site training, CAD interface and cardiac monitor interface. The ongoing annual cost is reduced to \$ 4,005. This includes the \$ 6,995 PCC is paying on our behalf to ESO. The benefit to PCC is that integration to billing is seamless.

It is estimated that the new billing services agreement at the new rate of 7.5% of collections will have a net savings of \$ 5,000 to \$ 6,000 annually. While the \$ 8,746.50 software cost was not specifically budgeted, it is expected that this cost can be partially absorbed from the overall ambulance budget with the remaining portion from the ambulance fund balance.

RECOMMENDATION/RATIONALE:

Request to enter into an ambulance billing service agreement with PCC Ambulance Billing and to purchase a patient care reporting software system from ESO Solutions for \$ 8,746.50.

BILLING SERVICES AGREEMENT

This Service Agreement (the "Agreement") is made between **Muscatine Fire EMS Service, IA** ("CLIENT"), and **Physicians Claims Company, Inc.** ("PCC"). This Agreement will be effective for Services (as defined below) beginning on the **1st day of November 2015** (the "Effective Date").

In consideration of the representations, covenants and agreements contained in this Agreement and the attached Schedules, CLIENT and PCC (collectively referred to herein as "Parties" and individually as "Party") agree as follows:

1. **Services.** PCC will use commercially reasonable efforts to obtain reimbursement for CLIENT's charges for all clinical procedures and medical services ("Medical Services") rendered on or after the Effective Date, through billing of patients and third party payers and the management of CLIENT's accounts receivable as more fully described in Exhibit 1, annexed hereto and incorporated herein by reference (the "Services"). During the term of this Agreement, PCC will be the exclusive provider of Services to CLIENT.
2. **Term.** The initial term of this Agreement will be **three (3) years** (the "Initial Term") from the Effective Date. This Agreement will automatically renew for successive additional two (2) year terms, unless either party gives the other written notice at least ninety (90) days before the end of the then current term. Notwithstanding the foregoing, this Agreement can be terminated at any time on written notice for cause consisting of a material breach of a term or condition hereof which is not corrected within ninety (90) days of prior written notice describing the breach in reasonable detail. This Agreement may also be terminated on written notice in the event either party becomes excluded from participation by the Medicare or Medicaid program; PCC becomes legally unable to provide the services contemplated herein; or CLIENT becomes legally unable to provide medical services, insolvent or files for bankruptcy protection, or as otherwise specified herein.
3. **Fees.** Beginning as of the Effective Date, CLIENT agrees to pay PCC, a Base Fee of **7.5%** per month of net collections (the "Base Fee").
 - a) Net collections shall be defined as the total sum of all monies collected by CLIENT and generated by PCC's services for medical services rendered by CLIENT, less amounts refunded or credited to patient or third party payer as a result of overpayments, erroneous payments or bad checks.
 - b) Notwithstanding the foregoing, in the event that:
 - i. CLIENT fails to disclose to PCC, at or prior to the time this Agreement is executed, information relating to CLIENT's practice, which information, if disclosed, would have materially increased the costs of billing and collection efforts incurred by PCC or CLIENT materially changes fundamental aspects of its practice (such as its practice sites, the type of services provided, its payer mix, quality or type of demographic information available, method of documenting services provided or the like), then, in either case, PCC may propose an adjustment to the Base Fee in writing (the "Adjustment Proposal").
 - ii. For the thirty (30) day period after CLIENT's receipt of the Adjustment Proposal (the "Discussion Period"), PCC shall be available to discuss the basis for the amount of the proposed adjustment with CLIENT. If CLIENT agrees to the proposed adjustment, this Agreement shall be deemed amended to reflect the new Base Fee. If, on or before the end of the Discussion Period, CLIENT has not accepted the Adjustment Proposal or the parties have not otherwise agreed as to an adjustment to the Base Fee, PCC may terminate this Agreement on ninety (90) days advance written notice. Changes in the Base Fee agreed upon by the parties pursuant to this Section 3(b) shall be effective as of the end of the Discussion Period. Should the parties fail to agree and PCC terminate, the Fee pursuant to Section 3(a) shall apply for the Term of the Agreement.
 - c) In addition to the Base Fee, CLIENT will reimburse PCC for the following ("Additional Fees"):

- i. If requested by CLIENT, Provider enrollment services at the rate:
 - 1. **\$400.00 per each new, revalidation, change or termination 855b Medicare enrollment application. This fee also pertains to new enrollments for other carriers.**
 - 2. **\$200.00 per all state Medicaid enrollment applications; \$100 per each renewal or update completed for state Medicaid enrollment application.**
- ii. Upon CLIENT request, PCC shall have responsibilities for CLIENT's claims with dates of service prior to the Effective Date only when it has been determined that they were not previously billed and/or not correctly billed and PCC thereafter billed and/or re-billed/re-submitted them.
- iii. A reasonable per-hour claims processing charge where CLIENT, after written notice from PCC, continues to submit incomplete or incorrect data for billing (collectively, "Additional Charges").
- iv. CLIENT agrees to pay the Base Fee and Additional Charges within thirty (30) days after receipt of each invoice from PCC. Fees not timely paid will bear interest at the rate of eight percent (8%) per year or the maximum rate allowed by law, if less.
- v. Notwithstanding any term or provision hereof to the contrary, PCC will have the right to terminate this Agreement immediately if CLIENT fails to timely pay any PCC Invoice where the amount due, as determined by Paragraph 3 of this agreement, is not disputed, if such payment(s) is not made within ten (10) days of the mailing by PCC of written notice of such default to CLIENT. PCC may also, in its sole discretion, decline to provide the wind-down services specified in Paragraph 8(A) – (E), herein and cease Services until and unless all Base Fees, Additional Charges, and interest, as provided for herein are paid in full.

4. Bank Account If requested by CLIENT and agreeable to PCC, a bank account will be maintained in the name of CLIENT at a bank approved by CLIENT and acceptable to PCC ("CLIENT ACCOUNT") and all cash receipts will be deposited daily into the bank account by PCC, or into a lockbox account, at the election of the CLIENT. PCC will have no signatory or ownership rights in the bank account and will have no right to negotiate checks or assert ownership rights in deposited funds. To the extent required by PCC, CLIENT shall insure that the banking institution provides depository or other information directly to PCC or copies of documents relevant to establishment or verification of net collections. CLIENT shall be solely responsible for all bank charges.

5. Operating Procedures. CLIENT agrees to provide or to cause facilities or other sites at which CLIENT provides Medical Services to provide PCC accurate and complete demographic, procedure and charge information, at no cost to PCC ("Demographic Information"). CLIENT acknowledges that PCC will rely on the Demographic Information in providing the Services and that the timing and amount of Net Collections generated by the Services are affected by the completeness, timeliness and accuracy of the Demographic Information and other variables, some of which are beyond the control of PCC. To the extent possible, at the request of PCC, CLIENT will ensure that the foregoing information provided to PCC in electronic form, a standard form and format reasonably consistent with PCC's computer system.

- a) PCC will bill and attempt to collect CLIENT charges in a manner consistent with all applicable Federal, State and Local laws and regulations and within the policies and procedures of third party payers that are made known by such payers to medical practices and billing companies or otherwise known by PCC. PCC is not a collection agency and does not provide collection agency services and CLIENT is solely responsible for the selection and engagement of a collection agency for collection accounts, if such services are desired.
- b) The parties may mutually agree to specific operating policies and procedures related to the performance of Services under this Agreement. Such operating policies and procedures, or amendments thereto, will, upon mutual written and signed agreement, become an integral part of this Agreement and shall be binding upon both parties. The foregoing shall not prevent PCC, at its sole discretion and at its own cost,

from establishing and maintaining its business operations and procedures relating to the Services in a manner consistent with this Agreement.

6. **Confidential Information.** PCC agrees not to disclose to anyone other than CLIENT any information about CLIENT's fee structure, internal compensation, managed care or facility contracting strategies, or similar business information that would commonly be understood to be confidential or any confidential medical information regarding CLIENT's patients received in the course of performing the Services (collectively, CLIENT's "Confidential Information"), except as required to bill charges, as required by law or legal or regulatory process or as otherwise provided herein.

CLIENT agrees that it will not disclose to third parties the business methods, operating processes or documentation of the software employed by PCC to provide the Services or any information about PCC's fees, operations, business methods or strategies or any other information specifically designated as confidential by PCC except as required by law or legal or regulatory process (PCC's "Confidential Information"). Each party's Confidential Information shall remain the property of that party, during and after this Agreement.

Each party will at all time take reasonable steps to establish and enforce the foregoing by its employees, independent contractors, consultants and vendors. The requirements of this Section 6 shall expressly survive the expiration or termination of this agreement. Each party specifically agrees to comply with, and assist their counterpart with compliance with applicable state or federal confidentiality requirements as to individual patient information. Notwithstanding the preceding sentences, CLIENT agrees that PCC may use CLIENT information for research and statistical compilation purposes, so long as CLIENT and patient identifying information is kept confidential in accordance with applicable law and that any product of the foregoing uses shall be the property of PCC.

In addition to the rights and obligations of PCC set forth in this Section 6, the rights and obligations set forth in the Business Associate Agreement attached to this Agreement as Exhibit 3 and incorporated by reference shall apply to protected health information as defined in said Exhibit.

7. **Software and Proprietary Information.** PCC acknowledges its' responsibility to maintain all legal authorization and licensing for any third party software used to provide the agreed upon Services to CLIENT. Any changes in third party software vendor(s) or system(s) that materially affect the services provided CLIENT shall be immediately shared with CLIENT. The parties agree that PCC may store Demographic Information, back-up documentation, statements, explanations of benefits, payer inquiries and other information it receives in connection with the Services ("CLIENT Information") in electronic form through optical scanning or other technologies selected by PCC and that PCC is not obligated to maintain paper copies. PCC further affirms that it will at all times maintain a current and complete copy of all CLIENT Information in a secure, off-site location and that no CLIENT data will be deleted or purged until the earlier of the following occurrences: a) Ten years has passed since the date of service relevant to the CLIENT data; or, b) CLIENT has approved of the proposed data deletion.

The Parties agree and acknowledge that all CLIENT Data shall remain, at all times relevant hereto, the property of CLIENT but that PCC may maintain a copy for documentation of Services and for other purposes related to this Agreement during and after the term of this Agreement, subject to the terms and conditions of Section 6 herein.

8. **Termination Procedures.** In the event this Agreement is terminated, for whatever reason, or expires, except as specifically stated in Section 3, PCC will:
- a) Continue to perform Services, at the then-current rates hereunder, for a period of one hundred twenty (120) days after the effective date of termination/expiration (the "Wind Down Period") for all of CLIENT's accounts receivable relating to CLIENT's charges for Medical Services rendered prior to the effective date of termination date ("Existing Accounts Receivable"). During the Wind Down Period, so long as any and

all accrued and owing Fees are paid to PCC in a timely manner, PCC shall continue performing services hereunder, as well as provide Client requested reports and transition services, so long as reasonably requested

- b) CLIENT expressly agrees to cooperate and assist PCC with its performance during the Wind Down Period and will timely report, or cause to be reported, all payments received by client on Existing Accounts Receivable for which PCC is responsible to pursue collection under Paragraph 9(A) herein.
- c) At the end of the Wind Down Period, discontinue the performance of Services related to the collection of CLIENT's Existing Accounts Receivable.
- d) Deliver to CLIENT, after and conditioned upon full payment to PCC of all undisputed fees owed to PCC by CLIENT under this Agreement, a complete list of Existing Accounts Receivable (all debit and credit balances) in an industry standard electronic format.
- e) Except for the foregoing or for such other matters as the parties may agree to in writing, after the effective date of termination, PCC shall have no further obligations to provide Services to CLIENT under this Agreement. CLIENT may negotiate with PCC for additional transitional services or for the provision of additional data, including CLIENT Data, to be provided by PCC after the date of termination at CLIENT's additional expense.

9. **No Warranties or Representations.** The CLIENT understands that PCC has no medical professional licensure or certification, and understands that PCC is not a medical practice, and that no member of PCC's staff is acting in any capacity as a licensed healthcare professional. The CLIENT understands that it is responsible for all aspects of professional services provided by the CLIENT, as well as the determination of all applicable billing codes to be used in bills for any professional medical services rendered. PCC may try to predict, based on its experience and judgment, what might likely evolve, but cannot guarantee what may be obtainable. PCC has made no representations, guarantees, assurances or warranties regarding the outcome of any matter. The CLIENT understands that PCC does not represent nor warrant that its Services will prevent any claims, debts, liabilities, demands, obligations, costs, expenses, actions, causes of action and claims for relief arising from the CLIENT's billing procedures by way of any claim, audit, investigation, litigation or arbitration, or any other cause, whatsoever.
10. **Independent Contractor.** The Services that PCC will provide will be performed on an independent contractor basis, not as an employee, agent, or partner of the CLIENT. This Agreement shall not be construed as establishing a partnership, joint venture or similar relationship between the Parties. The amounts paid to PCC by the CLIENT will not be subject to any withholding deductions. PCC agrees to be solely responsible for all taxes and other withholdings relating to the fee income that is paid to PCC by the CLIENT. PCC does not have the authority to bind the CLIENT and enter into a contract on behalf of the CLIENT.
11. **Non-Solicitation.** The CLIENT agrees that it will not solicit for employment for itself, or any other entity, or employ in any capacity, any employee of PCC assigned by PCC to perform any service for or on behalf of the CLIENT for a period of two years after PCC has completed providing service to the CLIENT. In the event of the CLIENT's violation of this provision, in addition to injunctive relief, PCC shall recover from the CLIENT an amount equal to such employee's salary based upon the average three months preceding employee's termination of employment with PCC, times twelve, together with PCC's counsel and expert witness fees.
12. **Regulatory Matters.** The Parties agree to: (a) adhere to the provisions under this Agreement and annexed hereto as Schedule 2; (b) comply with the requirements of law and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any local, state, federal or other lawful authority applicable to either of the Parties; (c) comply with the requirements of any third-party payor; and (d) comply with the requirements of any insurance company insuring either of the Parties against liability for accident or injury in connection with the performance of the Services. To ensure the Parties' compliance with

relevant Federal and State law, in conjunction with this Agreement and prior to commencement of PCC's Services, PCC requires the execution of its standard Business Associate Agreement attached hereto as Exhibit 3, which is to be incorporated herein by reference.

13. **External Review.** CLIENT agrees to cooperate with PCC in the performance of an external compliance review of claims after the second anniversary hereof, and on a bi-annual basis thereafter. PCC shall, in its sole discretion, select the external reviewer from a pool of recognized experts in the field and PCC shall be responsible for paying for such review, which such fee shall not exceed \$5,000 per bi-annual period (such amount not inclusive of the cost of re-education and training necessary as a result of such review process). Any additional review over the cost shall be the responsibility of CLIENT. Each external review shall be retrospective and shall assess no more than one percent (1%) of Medicare and Iowa Medicaid claims submitted in the prior annual period. Results of the external review shall be made available to both CLIENT and PCC, and same shall be treated as Confidential Information further defined herein.
14. **Indemnification.**
 - a) The Client agrees to and shall indemnify and hold harmless PCC, its employees, agents and subcontractors, from and against all claims, debts, liabilities, demands, obligations costs, expenses, actions causes of action and claims for relief including those brought by any third party, including reasonable attorneys' fees and losses, asserted against and alleged to be caused by the Clients negligence or failure to perform any obligation under this Agreement.
 - b) PCC agrees to and shall indemnify and hold harmless the Client, its employees, agents and subcontractors, from and against all claims, debts, liabilities, demands, obligations costs, expenses, actions causes of action and claims for relief including those brought by any third party, including reasonable attorneys' fees and losses, asserted against and alleged to be caused by PCC's gross negligence or willful misconduct performing any obligation under this Agreement. The Parties agree that there are no third party beneficiaries of this Agreement.
15. **Exculpatory Clause.** The Client agrees that PCC is not an insurer and that no insurance coverage is offered herein. Except for loss or damage caused by PCC's gross negligence or willful misconduct, the Client agrees that PCC is not assuming liability, and, therefore shall not be liable to the Client for any claims, debts, liabilities, demands, obligations costs, expenses, actions, causes of action and claims for relief as a result of any claim, audit, investigation, litigation or arbitration, or any other cause, whatsoever.
16. **Limitation of Liability.** The Parties agree that the Fees paid by the CLIENT to PCC are for Services rendered, not for a guaranteed outcome. If, notwithstanding the terms of this Agreement there should arise any liability on the part of PCC as a result of its negligence to any degree or failure to perform any obligation (excluding gross negligence or willful misconduct by PCC), such liability shall be limited to 3 times the average monthly Fees due to PCC, as determined by the preceding Fees due and payable not extending past the previous annual period.
17. **Right to Subcontract Services.** The CLIENT agrees that PCC is authorized and permitted to subcontract any services to be provided by PCC to third parties who may be independent of PCC. The CLIENT appoints PCC to act as its agent with respect to such third parties, except that PCC shall not obligate the CLIENT to make any payments to such third parties.
18. **Referrals/Fair Market Value.** Fees under this Agreement constitute fair market value for the Services, and do not include any discount, rebate, kickback, or other reduction in charge or fee. Moreover, the Fees under this Agreement are not intended to be, nor shall it be construed to be, an inducement or payment for referral, or recommendation of referral, of patients by the CLIENT to PCC or by PCC to the CLIENT.
19. **Notice.** Any notices, payment, demand or communication required or permitted to be given by the

provisions of this Agreement will be effective on the date of mailing. Any and all required notices shall be mailed to the parties at the following addresses:

PCC Inc.
Attn: Travis Smith
PO Box 19
Castlewood, SD 57223

Muscatine Fire EMS Service
Attn: Fire Chief
312 E Fifth St, Suite 2
Muscatine, IA 52761

- 20. Governing Law** This Agreement shall be interpreted and governed by the laws and statutes of the **State of Iowa**. Venue is agreed to be with the **District Court in and for Palo Alto County, Iowa**. Any dispute between the parties, including issues of arbitrability, shall, at the option of any party, be determined by arbitration administered by the American Arbitration Association under its commercial rules. The parties waive trial by jury in any action between them. Any action by the CLIENT against PCC must be commenced within one year of the accrual of the cause of action or shall be barred. All actions or proceedings against PCC must be based on the provisions of this agreement. Any other action that the client may have or bring against PCC in respect to other services rendered in connection with this agreement shall be deemed to have merged in and be restricted to the terms and conditions of this agreement.
- 21. Force Majeure**. It is mutually agreed that in the performance of all duties by each party under this Agreement, time is of the essence. However, performance of duties hereunder may be impeded by occurrences beyond the control of one or both parties. Events such as flood, earthquake, hurricane, tornado, blizzard and other natural disasters; fire, riot, war or civil disturbance; strikes by common carriers; extended loss (more than 48 hours) of utilities (except for non-payment); and similar events shall excuse the affected party from performance of services impeded by such event(s). Nevertheless, each party has a duty to use reasonable efforts to prevent or mitigate such impediments. In the event that any catastrophe shall prevent the timely billing of CLIENT's services by PCC for more than fifteen (15) working days, CLIENT shall have the right to secure, without penalty, substitute services until PCC can restore services, at which time PCC's responsibilities and rights under this Agreement shall be reinstated. For its protection, CLIENT shall, at its own expense, purchase and maintain business interruption and/or accounts receivable insurance to cover any and all of CLIENT's losses caused or related to such catastrophic event(s), as stated above.
- 22. Incorporated Documents**. It is specifically agreed that Exhibit 1, 2, and 3 same being attached hereto, are by this reference, incorporated within this "Billing Services Agreement" as if same had been set forth fully verbatim herein.
- 23. Miscellaneous**.
- a) This Agreement contains the entire agreement of the parties relative to the services to be provided to CLIENT and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied in the Agreement will be of any force or effect.
 - b) This Agreement specifically supersedes any prior written or oral agreements between the parties related to the Parties obligations and responsibilities set out herein.
 - c) This Agreement is binding upon, and inures to the benefit of, and is enforceable by PCC, CLIENT and their respective legal representatives, assigns and successors in interest, subject to Section 23(D) below.
 - d) Neither party may assign this Agreement without the prior written consent of their counterpart, provided that this Agreement will be deemed assigned to, and will be binding upon, the survivor in any merger or business combination involving a party or the purchaser of all or substantially all of the assets of a party.
 - e) Any amendments hereto shall be in writing and will not be effective until fully executed and approved by both parties.
 - f) PCC and CLIENT acknowledge that they are duly authorized by appropriate corporate or municipal action to enter into this Agreement and that this Agreement is being signed by duly authorized agents authorized to act

on their respective behalf.

g) This Agreement may be executed in the singular or in identical counterparts. Once signed by all parties, each counterpart document shall have equal binding effect. Facsimile and electronic signature shall have the same effect as an original.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed.

CLIENT

PCC

By: Gerald P. EweDS
Sign: Gerald P. Ewe
Title: Fire chief
Date: 10/30/15

By: TRAVIS SMITH
Sign: Travis Smith
Title: VP
Date: 10/30/15

EXHIBIT 1: RESPONSIBILITIES OF EACH PARTY

In performance of their duties for the collection of reimbursement for services rendered by CLIENT, PCC shall:

1. Perform claim scrubbing services on behalf of CLIENT, in accordance with: CPT-4 and/or HCPCS, including applicable modifiers, and ICD-9 CM & ICD-10 CM coding schemes. All claim scrubbing services shall conform to currently applicable and published rules and guidelines issued by the American Medical Association, the Centers for Medicare and Medicaid Services, and/or the World Health Organization and other copyright owners of coding formats.
2. Without waiver of its other rights and remedies, PCC is expressly relieved of any obligation of performing claim scrubbing if:
 - a) Complete and legible documentation to support the assignment of codes has not been supplied; or
 - b) The code(s) assigned are not adequately supported by the documentation supplied; or
 - c) Clear and unambiguous coding rules and/or guidelines are not available or are in dispute; or
 - d) The identity of the provider of services for whom coding shall be performed is missing or uncertain.
3. Regularly monitor Patient Care Report volume, reconciled to applicable activity records/logs.
4. Develop and maintain electronic data interfaces directly with CLIENT's ePCR (where such software allows) for the collection of patient demographic data. CLIENT agrees to apply its best efforts to assist PCC in achieving these interfaces, including, but not limited to, interceding with ePCR Information Systems staff, administration and others.
5. Use reasonable efforts to enter all procedural and demographic data necessary for patient and third party billing into its billing system in a timely and accurate manner subject to CLIENT's obligation under the Agreement to provide accurate and complete demographic information.
6. Submit claims electronically to many third party payers regularly billed by PCC that are capable of accepting claims in electronic format.
7. Issue bills to individuals for all self pay balances owed, with a minimum of three (3) statements and one (1) past due letter. After completion of the foregoing cycle, the account will be referred to a third party collection agency selected by CLIENT. PCC is not responsible for the actions or results of such collection agency.
8. Provide toll free phone lines for patient inquiries and adequate phone inquiry staff to effectively respond to patients in a reasonable amount of time.
9. Prepare and deliver month-end reports of the billing performance and practice statistics in a format acceptable to CLIENT no later than the fifteenth (15th) business day of the next month. This duty shall be fulfilled primarily by electronic means, unless specifically required by CLIENT to receive paper reports.
10. Have staff present reports of billing performance via cost effective and mutually agreed upon means, including but not limited to online Webinar (or similar) or in the CLIENT's offices, upon the request of the CLIENT. The on-site meeting shall be at a time convenient to both PCC and CLIENT and at CLIENT'S option; provided that CLIENT shall be responsible for any and all travel and travel related costs and expenses of PCC. Costs shall be estimated and agreed upon for any hotel fees, mileage, meals, and any other travel related expenses prior to travel.
11. Produce monthly credit balance reports and advise the CLIENT of refunds due to both patients and third parties.

12. Prepare refund requests as directed by Insurance Companies &/or CLIENT for CLIENT processing, unless prohibited by third party payer rules or regulations. CLIENT is solely responsible for refunding and promptly issuing such refunds within 60 days of identification of the overpayment. Failure by either party to fulfill their respective duties shall constitute a material breach of the Agreement
13. Provide CLIENT with reports (at provider's request) of all CPT-4, HCPCS and ICD-9 & ICD-10 CM statistics, showing the pattern of codes processed, by individual code.
14. Maintain and follow a written program for quality assurance in the areas of coding and billing regulatory compliance.
15. Use reasonable efforts to advise CLIENT with respect to any material change in third party rules and regulations which are made known to providers and third party billing agents or otherwise known to PCC.
16. Upon CLIENT request, apply for and monitor progress of CLIENT applications for Third Party Identification numbers at the rates outlined in the Fees section of the Agreement. CLIENT acknowledges that PCC will promptly submit such application following receipt of all required information but is not responsible for the timeliness of payer completion of the enrollment process and that payer completion may affect reimbursement for CLIENT charges.
17. Review and make timely recommendations with respect to coding, service descriptions and professional fees for the CLIENT fee schedule prior to the onset of billing activity and at least annually, thereafter.

CLIENT, in supporting the success of the billing process and to facilitate optimal performance by PCC, shall:

1. Identify one administrative and one clinical representative to whom PCC may, respectively, address all matters related to Services under this Agreement. If PCC performs claim scrubbing for CLIENT, CLIENT will also appoint a coding representative. All CLIENT representatives will have the power to agree, on behalf of CLIENT, to mutually agreed resolutions to any issues arising in their respective areas, and to, upon PCC's request, receive confirmatory memoranda or letters, which will thereupon be incorporated into this Agreement by reference. These individuals will provide timely response to all reasonable requests by PCC.
2. CLIENT warrants that PCC may rely on the existence of: patient signatures on assignment of benefits, medical information releases and Advance Beneficiary Notices and, medical signatures on charts and other medical documents, as required for submission of claims on behalf of CLIENT and upon the accuracy and completeness of all information furnished to PCC by CLIENT or on CLIENT's behalf as to the services rendered by CLIENT.
3. CLIENT providers will identify the diagnosis or medical condition that supports the medical necessity of a patient's services, if one exists. PCC shall not be responsible for claim denials, partial payments or payment reductions resulting from services that are deemed 'not medically necessary' by third party payers, beyond their duty to assure that such non-payment decisions are not arbitrary or otherwise inappropriate and are not based on data entry or other clerical or computer system errors.
4. CLIENT will assist PCC in working with and/or resolving problems related to work performed by personnel employed by hospitals, labs and other institutions in order to achieve the goals of this Agreement and the provision of Services by PCC in an efficient and cost-effective manner.
5. CLIENT will provide PCC within five (5) days advance notice of the expected addition or departure of an ambulance director or contact person in order for PCC to have adequate time to perform its duties under the agreement. PCC will not be responsible for losses or delays in payment resulting from failure to provide such notice or untimely notice.

6. CLIENT will provide a response within five (5) days to chart and other information requests, made by payers and forwarded from PCC. CLIENT acknowledges that failure to comply with this duty may result in claim denial, payment reduction or forfeiture of payment or appeal rights.
7. Upon receipt of the refund request from PCC, CLIENT will issue refunds of overpayments within 60 days of identification to patients and payers and shall be responsible for reconciliation of the refund checking account to assure that all refund checks have been cashed. CLIENT shall promptly notify PCC of the receipt of cancelled checks & provide written notification to PCC upon which PCC shall rely to remove credit balances from CLIENT's accounts receivable files. CLIENT shall be solely responsible for monitoring and surrendering unclaimed funds to the Treasurer of the State having escheat jurisdiction over any unclaimed payments.
8. CLIENT shall be responsible for assuring that all information required for provider enrollment, if performed by PCC, is provided timely, accurately and completely. PCC shall not be responsible for delays in provider enrollment and subsequent billing and payment delays or losses related to client omissions or delayed response by CLIENT.
9. CLIENT hereby acknowledges its independent and non-transferable duty to establish and remain aware of, and be compliant with, all applicable federal and state laws and regulations, contractual rules and regulations, contracts, published notices and other applicable duties. Nothing in this Agreement shall be construed to abrogate, transfer, delegate or otherwise diminish CLIENT's duties regarding awareness of, and compliance with, all applicable CLIENT duties.
10. CLIENT shall give PCC timely advance notice of any new payment contracts, HMO or PPO relationships and other contracts or market changes so that PCC may accommodate these changes, as necessary.
11. CLIENT shall ensure that any third party collection agency to which collection accounts are referred reports all collections and the source within a reasonable timeframe.

EXHIBIT 2: COMPLIANCE

Each party to this Agreement has made a commitment to perform their respective duties in a legal and compliant manner, consistent with currently published and applicable federal, state and local laws, rules and regulations. In support of that commitment, subject to the more express provisions (if any) of a Compliance Plan adopted by each party which is an "effective" compliance plan under the applicable standards promulgated by the Office of the Inspector General of the Department of Health and Human Services, as referred to in the Agreement each party agrees to the following:

1. Each party will conduct its own periodic risk assessment and advise their counterpart of any findings that may affect their counterpart's compliance or performance under this Agreement.
2. Each party agrees to conduct appropriate background checks on all management employees, contractors, agents and vendors to assure that all services are provided by individuals who have not been excluded by any government authority. Background checks done by CLIENT shall be reported to PCC for verification of eligibility for CMS requirements.
3. Each party agrees to maintain appropriate compliance records and assure their completeness, security and safety.
4. Each party agrees to pay specific attention to complying with the rules and regulations related to the following areas of widely known compliance risk:
 - a) Improper waiver or reduction of charges, deductibles and copayments;
 - b) Up coding, unbundling, serial reporting and other coding violations;
 - c) Failure to completely and legibly document the services for which payment is being sought, including signature of the applicable supporting record(s);
 - d) Misuse of a provider number or misrepresentation of the identity of a provider of services;
 - e) Failure to repay overpayments or untimely refund of overpayments;
 - f) Seeking duplicate payment for the same service and/or from the same source;
 - g) Failure to maintain proper records of current and prior billing;
 - h) Failure to protect the confidentiality of patient information.
5. Each party agrees that, in the event that they become aware of a compliance concern that appears to be related to their counterpart's conduct, they will promptly communicate that concern to their counterpart. The party receiving notice will take prompt action to investigate the notice and will timely (within 30 days) report back to their counterpart on the status of the reported concern.
6. Each party agrees that they will defer reporting any such concern to any payer, government agency or agent, or law enforcement organization unless they have complied with the above paragraph and remain concerned that their counterpart's response is inappropriate or more than thirty days have elapsed without any response. It is understood that only in cases where a party has firm, credible evidence of deliberate, willful or criminal misconduct will they consider immediate reporting to anyone other than their counterpart.
7. Nothing in this paragraph shall be construed to infer or imply a duty or expectation that any party will knowingly conceal or participate in any misconduct, or allow any misconduct to continue.
8. Each party agrees to be separately responsible for their respective compliance-related legal and consulting expenses.
9. Notwithstanding anything to the contrary in this Agreement, the parties agree that to the extent required by PCC in connection with maintenance of an effective Compliance Plan:
 - a) PCC may decline to submit any claim not supported by appropriate documentation (as reasonably

determined by PCC), which documentation shall be available for review and audit. PCC shall have an affirmative duty to provide CLIENT with timely notice of any such decision, including their basis and a list of the affected claims. CLIENT shall have an affirmative duty to timely respond to such notice and cooperate in the resolution thereof.

- b) PCC may take appropriate steps to resolve, or to advise CLIENT to resolve, overpayments or credit balances within 60 days of identification. CLIENT will comply with the reasonable suggestions of PCC.
- c) If PCC discovers evidence of misconduct by CLIENT relating to billing, PCC may refrain from submitting questionable claims and notify CLIENT of its determination in writing. If PCC discovers credible evidence of CLIENT's continued misconduct following such a notice or discovers willful, deceptive, flagrant, fraudulent or abusive conduct by CLIENT, PCC may (i) refrain from submitting any claims PCC determines to be false or inappropriate, (ii) terminate this Agreement, without penalty, immediately on written notice, and/or (iii) report the misconduct to appropriate State and/or Federal authorities.
- d) In addition, CLIENT will take reasonable steps to comply with any audit or investigation by PCC or governmental agency relating to an effective Compliance Plan and will appoint a senior member of CLIENT's practice with responsibility and appropriate internal authority to work with PCC as to compliance with State and/or Federal laws and regulations relating to billing.

EXHIBIT 3: BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement, dated as of September 1st, 2015 ("BA Agreement"), is by and between **Muscatine Fire EMS Service** (referred to herein as the "Covered Entity", within the meaning as defined at 45 CFR 160.103) and **PCC Inc.** (referred to herein as the "Business Associate", within the meaning as defined at 45 CFR 160.103).

WHEREAS, Covered Entity and Business Associate are parties to an arrangement pursuant to which Business Associate provides certain services to Covered Entity as further set forth in that certain agreement by and between the parties attached and incorporated by reference. In connection with Business Associate's services, Business Associate may assist in the performance of a function or activity involving the use or disclosure of individually identifiable health information, which information is subject to protection under the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164 (collectively referred to herein as the "HIPAA Rules").

WHEREAS, in light of the foregoing and the requirements of HIPAA Rules, Business Associate and Covered Entity agree to be bound by the following terms and conditions.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. General Definitions.

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Electronic Protected Health Information, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

2. Obligations and Activities of Business Associate.

- a. Use and Disclosure. Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by this BA Agreement or as Required By Law. Business Associate shall comply with the provisions of this BA Agreement relating to privacy and security of Protected Health Information and all present and future provisions of the HIPAA Rules that relate to the privacy and security of Protected Health Information and that are applicable to Covered Entity and/or Business Associate.
- b. Appropriate Safeguards. Business Associate agrees to use appropriate safeguards to prevent the use or disclosure of the Protected Health Information other than as provided for by this BA Agreement. Without limiting the generality of the foregoing sentence, Business Associate will:
 - i. Comply with its administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of Electronic Protected Health Information as required by the HIPAA Rules;
 - ii. Ensure that any agent, including a subcontractor, to whom Business Associate provides Electronic Protected Health Information agrees to implement reasonable and appropriate safeguards to protect Electronic Protected Health Information; and
 - iii. Promptly report to Covered Entity any Security Incident of which Business Associate becomes aware as well as any use or disclosure of Protected Health Information of which it becomes aware not provided for by the BA Agreement. In addition, Business Associate agrees to promptly notify Covered Entity following the discovery of any Breach as required at 45 CFR 164.410.

- iv. Comply with its Breach notification policy that reasonably and appropriately identifies any potential Breach of the HIPAA Rules by Business Associate and/or to the extent Business Associate has knowledge of, by Covered Entity, and provides procedure for proper response and notification of any such Breach as required by the HIPAA Rules and any other applicable Federal or State laws.
- c. **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate or its employees, officers or agents in violation of the requirements of this BA Agreement (including, without limitation, any Security Incident or Breach of Unsecured Protected Health Information). Business Associate agrees to reasonably cooperate and coordinate with Covered Entity in the investigation of any violation of the requirements of this BA Agreement and/or any Security Incident or Breach. Business Associate shall also reasonably cooperate and coordinate with Covered Entity in the preparation of any reports or notices to the Individual, a regulatory body or any third party required to be made under HIPAA Rules, or any other Federal or State laws, rules or regulations, provided that any such reports or notices shall be subject to the prior written approval of Covered Entity.
- d. **Agents.** Business Associate shall ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by, Business Associate on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this BA Agreement to Business Associate with respect to such information.
- e. **Access to Designated Record Sets.** To the extent that Business Associate possesses or maintains Protected Health Information in a Designated Record Set, Business Associate agrees to provide access, at the request of Covered Entity, and in the time and manner designated by the Covered Entity, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under HIPAA Rules. If an Individual makes a request for access to Protected Health Information directly to Business Associate, Business Associate shall notify Covered Entity of the request within three (3) business days of such request and will cooperate with Covered Entity and allow Covered Entity to send the response to the Individual.
- f. **Amendments to Designated Record Sets.** To the extent that Business Associate possesses or maintains Protected Health Information in a Designated Record Set, Business Associate agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to HIPAA Rules at the request of Covered Entity or an Individual, and in the time and manner designated by the Covered Entity. If an Individual makes a request for an amendment to Protected Health Information directly to Business Associate, Business Associate shall notify Covered Entity of the request within three business (3) days of such request and will cooperate with Covered Entity and allow Covered Entity to send the response to the Individual.
- g. **Access to Books and Records.** Business Associate agrees to make its internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by the Covered Entity or designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.
- h. **Accountings.** Business Associate agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with the HIPAA Rules.

- i. Requests for Accountings. Business Associate agrees to provide to Covered Entity or an Individual, in the time and manner designated by the Covered Entity, information collected in accordance with this BA Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with the HIPAA Rules. If an Individual makes a request for an accounting directly to Business Associate, Business Associate shall notify Covered Entity of the request within three business (3) days of such request and will cooperate with Covered Entity and allow Covered Entity to send the response to the Individual.

3. Permitted Uses and Disclosures by Business Associate.

- a. Required For Provision of Services. Except as otherwise limited in this BA Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as reasonably required in performing its services to Covered Entity, provided that such use or disclosure would not violate the HIPAA Rules if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity. To the degree required for provision of services hereunder, Business Associate may de-identify information received from Covered Entity for such purposes as would not violate the HIPAA Rules if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.
- b. Use for Administration of Business Associate. Except as otherwise limited in this BA Agreement, Business Associate may use Protected Health Information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- c. Disclosure for Administration of Business Associate. Except as otherwise limited in this BA Agreement, Business Associate may make uses and disclosures and requests for Protected Health Information for the proper management and administration of the Business Associate, provided that (i) disclosures are Required by Law, (ii) disclosures are consistent with the Covered Entity's minimum necessary policies and procedures, or (iii) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

4. Covered Entity Notification of Privacy Practices and Restrictions.

- a. Limitation(s) in Privacy Policies. Covered Entity shall notify Business Associates of any limitation(s) in its notice of privacy practices, to the extent that any such limitation may affect Business Associate's uses or disclosure of Protected Health Information.
- b. Changes/Revocation of Permission. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of protected health information.
- c. Restriction of Protected Health Information. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of protected health information that covered entity has agreed to or is required to abide by under the HIPAA Rules, to the extent that such restriction may affect Business Associate's use or disclosure of protected health information.

- 5. Permissible Requests by Covered Entity.** Except as otherwise Required by Law or set forth herein, Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the HIPAA Rules if done by Covered Entity.

6. Term and Termination.

- a. **Term.** This BA Agreement shall be effective as of the date of this BA Agreement and shall terminate upon the effective date of Termination for Cause.
 - b. **Termination for Cause.** Business Associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines Business Associate has violated a material term of the BA Agreement and Business Associate has not cured the breach or ended the violation within the time specified by covered entity.
 - c. **Obligations of Business Associate Upon Termination.** Upon termination of this BA Agreement for any reason, Business Associate, with respect to Protected Health Information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:
 - i. Retain only that Protected Health Information which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
 - ii. Return to Covered Entity, or, if agreed to by Covered Entity, destroy, the remaining Protected Health Information that the Business Associate still maintains in any form
 - iii. Continue to use appropriate safeguards and comply the HIPAA Rules with respect to Electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Section, for as long as Business Associate retains the Protected Health Information;
 - iv. Not use or disclose the Protected Health Information retained by Business Associate other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out in Section 3 which applied prior to termination; and
 - v. Return to covered entity, or, if agreed to by covered entity, destroy the Protected Health Information retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.
 - d. **Survival.** The obligations of Business Associate under this Section 6 shall survive the termination of this BA Agreement.
7. **Indemnity.** Covered Entity agrees to indemnify, defend and hold harmless Business Associate and its employees, directors/trustees, members, professional staff, representatives and agents (collectively, the "Indemnitees") from and against any and all claims (whether in law or in equity), obligations, actions, causes of action, suits, debts, judgments, losses, fines, penalties, damages, expenses (including attorney's fees), liabilities, lawsuits or costs incurred by the Indemnitees which arise or result from a breach of the terms and conditions of this BA Agreement or a violation of the HIPAA Rules by Covered Entity or its employees or agents. Covered Entity's indemnification obligations hereunder shall not be subject to any limitations of liability or remedies in the Service Agreement.
8. **Compliance with HIPAA Transaction Standards.** When providing its services and/or products, Covered Entity shall comply with all applicable HIPAA Rules standards and requirements with respect to the transmission of Electronic Protected Health Information in connection with any transaction for which the Secretary has adopted a standard under HIPAA ("Covered Transactions"). Covered Entity represents and warrants that it is aware of all current HIPAA standards and requirements regarding Covered Transactions, and Covered Entity shall comply with any modifications to the HIPAA Rules which may become effective from time to time. Covered Entity agrees that such compliance shall be at its sole cost and expense, which expense shall not be passed on to Business Associate in any form, including, but not limited to, increased fees. Covered Entity shall require all of its agents and subcontractors (if any) who assist Covered Entity in providing its services and/or products to comply with the terms of this Section 8.

9. Miscellaneous.

- a. Regulatory References. A reference in this BA Agreement to a section in the HIPAA Rules means the section as in effect or as amended or modified from time to time, including any corresponding provisions of subsequent superseding laws or regulations.
- b. Amendment. The Parties agree to take such action as is necessary to this BA Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the HIPAA Rules and any other applicable law.
- c. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the HIPAA Rules.
- d. Miscellaneous. This BA Agreement shall be governed by, and construed in accordance with the laws of the State of Iowa, exclusive of conflict of law rules. Each party to this BA Agreement hereby agrees and consents that any legal action or proceeding with respect to this BA Agreement shall only be brought in the courts of the state where the Business Associate is located in the county where the Business Associate is located. This BA Agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein, and this BA Agreement supersedes and replaces any former business associate agreement or addendum entered into by the parties. This BA Agreement may be executed in counterparts, each of which when taken together shall constitute one original. Any PDF or facsimile signatures to this BA Agreement shall be deemed original signatures to this BA Agreement. No amendments or modifications to the BA Agreement shall be effected unless executed by both parties in writing.

IN WITNESS WHEREOF, the parties have executed this BA Agreement as of the date set forth above.

Covered Entity

Business Associate

Muscatine Fire EMS Service

PCC Inc. An Ambulance Billing Service

By: Gerald P. Ewells

By: TRAVIS SMITH

Sign: Gerald P. Ewells

Sign: Travis Smith

Title: Fire chief

Title: VP

Date: 10/30/15

Date: 10/30/15