

RESOLUTION NO. 12 - 2003

RESOLUTION ADOPTING A POLICY TO CHARGE PATIENTS THROUGH THEIR INSURANCE PROVIDERS WHERE PERMISSIBLE FOR THE USE OF WEST CHESTER FIRE DEPARTMENT EMERGENCY MEDICAL SERVICES (EMS) AND CONTRACTING WITH A THIRD-PARTY VENDOR TO PROVIDE BILLING SERVICES

WHEREAS, the West Chester Township Fire Department's Emergency Medical Services (EMS) responded to 3,086 calls for medical assistance in 2002 and the number of calls increases every year; and,

WHEREAS, the West Chester Township Fire Department spent approximately \$20,000 on disposable EMS supplies in 2002 and the cost of supplies increases steadily; and,

WHEREAS, area hospitals discontinued restocking EMS supplies used on patient care during transport to their hospitals; and,

WHEREAS, the township trustees wish to institute a method of billing insurance providers for EMS services used by their patients; and,

WHEREAS, Section 505.84 of the Ohio Revised Code permits a Board of Township Trustees to establish reasonable charges for the use of ambulance or emergency medical services; and,

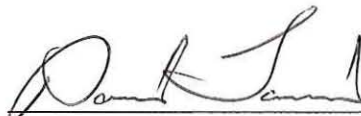
WHEREAS, the cost to the Township of creating, funding, staffing and maintaining a billing service would be prohibitive and counterproductive and an outside billing service can provide the same service for a set percentage of money collected, with a favorable return to the township.

NOW, THEREFORE, BE IT RESOLVED that the West Chester Township Board of Trustees does hereby agree to:

SECTION 1. Adopt a policy to charge and bill insurance providers for the use of emergency medical services.

SECTION 2. Authorize the Township Administrator to enter into a contract with a third-party vendor to administer the billing services.

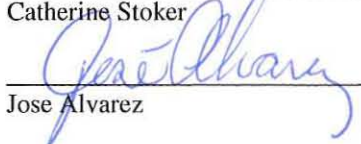
Adopted the 22nd day of April, 2003



David Tacosik

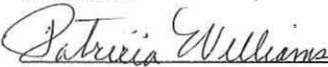


Catherine Stoker



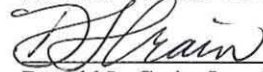
Jose Alvarez

ATTEST:



Patricia Williams, Township Clerk

APPROVED AS TO FORM:



Donald L. Crain, Law Director

BUSINESS SUPPORT SERVICES AGREEMENT

This Agreement is made as of the 10th day of June, 2003, by and between HEALTHSERVE, LLC, an Ohio limited liability company ("HealthServe"), and WEST CHESTER TOWNSHIP ("Client").

RECITALS

The Client operates a Fire Department that provides professional ambulance services. HealthServe is in the business of providing business support services to Fire Departments, provider networks, hospitals and physician groups. The Client desires to retain HealthServe to provide business support services needed by the Client. The parties desire to set forth in this Agreement the terms and conditions of their arrangement.

STATEMENT OF AGREEMENT

NOW, THEREFORE, the parties agree as follows:

Section 1. Obligations of HealthServe

Section 1.1. Services. The Client retains HealthServe to provide business support and reimbursement management services needed by the Client. In such role, HealthServe shall have responsibilities as described in the attached Exhibit A.

Section 1.2. Liabilities. HealthServe shall not be responsible for any expenses or liabilities of the Client except as specifically provided in this Agreement. The Client shall be responsible for the payment of all expenses and liabilities related to the Client, including the payment of compensation to HealthServe for its services under this Agreement.

Section 1.3. Authority. The Client grants to HealthServe all of the authority and power to carry out its obligations under this Agreement. HealthServe shall at all times throughout the term of this Agreement provide the services in accordance with all policies, standards and procedures relating to the operation of the Fire Department as presently exist or as may from time to time be established by the Client, in accordance with any regulatory requirement to which the Client and HealthServe are bound and in accordance with all applicable laws and regulations, including, without limitation, all state and Federal laws concerning third party administrators.

Section 1.4. Limitations. HealthServe shall employ or retain such persons as it deems necessary to perform the services contemplated by this Agreement. The Client recognizes that the services provided by such personnel may be part-time in nature and that the persons serving in these capacities may serve in other capacities as well. HealthServe shall propose that certain titles be conferred upon the persons in performing the duties under this Agreement. HealthServe retains the right to replace any such person who is performing services pursuant to this Agreement with another person without causing a breach or termination of this Agreement, so long as such persons are qualified and competent to perform such services.

Section 2. Obligations of the Client

Section 2.1. Agent. The Client appoints HealthServe as its lawful attorney-in-fact for the purpose of carrying out HealthServe's obligations of this Agreement as outlined in Exhibit A, attached hereto.

Section 2.2. Professional Services. The parties acknowledge that only the Client may render professional services to the patients of the Client through employees and contractors, who are, themselves, duly licensed or otherwise legally authorized to render professional services of medicine within the State of Ohio. HealthServe agrees that it shall not act pursuant to this Agreement in a manner that interferes with the professional judgment of the professional personnel. The professional personnel shall retain full power and authority to meet all professional medical obligations imposed upon them in connection with the conduct of the professional medical services provided by the Client.

Section 3. Mutual Obligations

Section 3.1. Cooperation. The parties shall mutually cooperate with each other in all matters affecting the provision of the business support services contemplated under this Agreement. The Client shall obtain the agreement of each professional personnel to execute any documents or to take any actions necessary to allow HealthServe to perform its duties under this Agreement.

Section 3.2. Health Insurance Portability and Accountability Act (HIPAA). The Parties hereby acknowledge that they are bound by HIPAA and the Regulations enacted thereunder by the Department of Health and Human Services ("DHH") regarding the use and disclosure of Information pertaining to the past present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the future payment for the provision of health care to an individual (the "Information").

Section 3.3. Use and Disclosure of Information. HealthServe shall be restricted in the use of any Information provided to it by Client. Such Information shall include, but not be limited to, patient demographics and Client's charges and coding. HealthServe is restricted to only using the Information for the provision of the billing provided under this Agreement unless such other use of the Information is specifically permitted below. HealthServe shall not disclose patient's Information to anyone other than Client or the patient unless such other disclosure of the Information is specifically permitted below.

1. HealthServe may also use a patient's Information (i) for the proper management and/or administration by HealthServe, or (ii) to carry out any legal responsibilities of HealthServe.
2. HealthServe may also disclose a patient's Information if (i) the disclosure is required by law, or (ii) HealthServe obtains reasonable assurances from the person or entity to whom the Information is disclosed that the Information will be held confidentially and used or further disclosed only as required by law or for the purpose to which it was disclosed to the person or entity and the person or entity notifies HealthServe of any

instances of which the person or entity is or becomes aware in which the confidentiality of the Information has been breached.

Section 3.4. Notice of Use or Disclosure. Should HealthServe become aware of any use or disclosure of the Information which has not been provided for in this Agreement, HealthServe shall give notice to Client regarding such use or disclosure.

Section 3.5. HIPAA Provisions. Pursuant to HIPAA and the Regulations, HealthServe shall:

1. Not use or further disclose the Information other than as permitted or required by this Agreement or as required by law;
2. Use appropriate safeguards to prevent use or disclosure of the information other than as provided under this Agreement;
3. Ensure that any agents, including a subcontractor, to whom HealthServe provides the Information which it received from Client shall agree to the same restrictions and conditions that apply to HealthServe with respect to the Information;
4. Make the Information available in accordance with HIPAA Regulation §164.524, regarding access to Information protected under HIPAA, (see 45 CFR §164.524, as amended);
5. Make the Information available for amendment, and incorporate any amendments to the Information into its records in accordance with HIPAA Regulation §164.526, (see 45 CFR §164.526, as amended);
6. Make the required Information available which is necessary to provide an accounting of disclosures of the Information in accordance with HIPAA Regulation §164.528 (see 45 CFR §164.528, as amended);
7. Make its internal practices, books, and records relating to the use and disclosure of the Information received by HealthServe from Client, or created or received by Client on behalf of Client, available to the Secretary of Health and Human Services for the purposes of determining Client's compliance with the Regulations; and
8. At termination of this Agreement, if feasible, return or destroy all Information protected by HIPAA or the Regulations, which has been received by HealthServe from the Client, or created or received by HealthServe on behalf of Client, which HealthServe still maintains in any form, and HealthServe shall retain no copies of such information. Should the return or destruction of that Information not be feasible then HealthServe shall extend the restrictions in this Agreement regarding use and disclosure of the Information until such time as it is feasible to return or destroy the Information and shall limit further uses and disclosures of the Information to those purposes that make the return or destruction of the Information infeasible.

Section 4. Compensation

Section 4.1. Service Fee. HealthServe shall be paid a service fee as specified in Exhibit B attached hereto.

Section 4.2. Reimbursement. HealthServe shall be entitled to be reimbursed by the Client for all reasonable expenses directly incurred in performing the responsibilities described in the attached Exhibit A. HealthServe shall reasonably substantiate all such requests for reimbursement.

Section 4.3. Payment. The compensation due to HealthServe under this Section 4 shall be paid to HealthServe within 30 days of Client's receipt of the monthly invoice. HealthServe shall provide the Client with a monthly billing statement at the close of each month. The Client agrees to notify HealthServe of any disagreement with respect to billing within five (5) days of receiving such billing statement. Any undisputed payment due to HealthServe under this Agreement which remains unpaid after thirty (30) days following the date due shall accrue simple interest per annum at the rate equal to the prime rate of interest listed in *The Wall Street Journal (Midwest Edition)* on the date the payment was due until the date paid. If an undisputed invoiced amount remains unpaid for more than ninety (90) days after its due date, HealthServe reserves the right to cease all services as described in Exhibit A to this Agreement until such time as the account is paid in full. The Client agrees that HealthServe shall not be held liable for any negative impact on the Client's cash flow as a result of HealthServe ceasing services as a result of the Client's non-payment.

Section 5. Term

Section 5.1. Initial Term. The initial term of this Agreement shall commence on the date hereof (the "Commencement Date") and shall terminate on the second (2nd) anniversary of the Commencement Date. Thereafter, unless terminated pursuant to Section 6 hereof, the term of this Agreement may be renewed by Client, in its sole discretion, for successive periods of two (2) years each.

Section 6. Termination

Section 6.1. Mutual Termination with Cause. Either party may terminate this Agreement for cause upon giving written notice to the other party in the event that:

- a. **Material Breach.** The breaching party fails to cure any material breach within 45 days after receiving written notice specifying the material breach, from the non-breaching party. Material breach for Client shall include but not be limited to non-payment of undisputed service fees or other authorized reimbursement for more than ninety days after such amount is due.
- b. **Insolvency and Bankruptcy.** The other party files, or has filed against it, any insolvency proceedings or bankruptcy to protect the party from creditors.

Section 6.2. Effect of Termination. In the event of termination of this Agreement for any reason, all rights, duties and obligations of both parties shall cease effective as of the date of termination, except as provided in this 0. Upon such termination, HealthServe shall continue to provide the business support services for 90 days following the effective date of termination ("termination period"). During such termination period, HealthServe shall continue to receive the compensation in the manner set forth in Section 4. After such termination period, HealthServe will deliver to the Client a complete printed and/or electronic media copy of the

most current file backup in the standard HealthServe format after payment of all outstanding invoices. The Client shall be responsible for the programming, debugging, testing, computer operations, and alternative media costs if a file is requested in a format other than the standard HealthServe format; provided, however, that HealthServe shall cooperate in good faith with Client to reduce any such costs. The Client shall also be responsible for the cost of shipping, for any billing records in the possession of HealthServe at the end of the 90-day termination period, and required to be forwarded to any other destination specified by Client. Following the termination, the parties shall remain bound by the restrictions set forth in Section 7.1 through Section 8.11.

Section 7. Additional Undertakings and Agreements of the Parties

Section 7.1. Independent Contractor. In the performance of the duties under this Agreement, HealthServe shall at all times be acting and performing as an independent contractor, rather than as an employee or joint venturer of the Client. The Client is under no duty to provide any compensation or employee benefits for any employee of HealthServe. HealthServe shall provide insurance coverage for its own employees and operations.

Section 7.2. Warranties. HealthServe hereby represents and warrants to the Client that its Computer Systems and the Operating Policies listed on Exhibit A to this Agreement are compatible with the Client's computer hardware, computer software and internal procedures as they relate to this Agreement. Furthermore, HealthServe undertakes during the term of this Agreement and all renewals thereof to promptly and adequately address any incompatibility issues pertaining to the Client's computer hardware, computer software and internal procedures. HealthServe shall not be liable to the Client for incidental, special or consequential damages with respect to any matter arising under this Agreement. The provisions of this Agreement are intended to state all of the rights and responsibilities between HealthServe and the Client, and they take the place of and supersede all warranties, express or implied whether of merchantability, fitness or otherwise. If an error or act by HealthServe or its faulty equipment causes damage or harm to the Client, HealthServe shall correct or revise its services and the related work at HealthServe's expense. HealthServe shall perform all of its obligations under this Agreement with due care and in a manner consistent with industry standards, and shall correct any program or computer operating error when notified by the Client within ten (10) days of the run date in which the error occurred.

Section 7.3. Computer Systems. All programs, documentation, specifications, tapes, instruction manuals and similar material developed or used by HealthServe in connection with this Agreement are and shall remain the sole and exclusive property of HealthServe. The Client shall retain in strict confidence all knowledge of HealthServe's Computer Systems and shall use due care to preserve any and all such material in its possession and prevent the disclosure of the Computer Systems to any third party. Nothing in this Agreement shall be construed as a license or transfer of such Computer Systems to the Client. Upon termination of this Agreement for any reason, HealthServe shall have the right to retain all such Computer Systems and the Client shall, upon the request of HealthServe, deliver all such Computer Systems in its possession to HealthServe and HealthServe shall fully cooperate in supplying source data to Client that Client may require in order to transfer its business support function to another service.

Section 7.4. Confidentiality. Neither party, its agents and employees shall at any time, either alone or in association with others, directly or indirectly, make or cause to be made any disclosure or other use not authorized by the other party of any confidential information relating to the other party or its business, unless such information is or becomes, through no action of the party or any person associated with the party, disseminated or otherwise generally available to the public. For purposes of this Agreement, "confidential information" shall be limited to information that must be kept confidential pursuant to applicable laws and regulations and information identified by either party as confidential at the time such information is disclosed to the other party.

Section 7.5. Mutual Indemnification. Each party shall protect, indemnify and save the other party harmless from and against any and all liability and expense of any kind, including costs and reasonable attorney fees, arising from injuries or damages to persons or property in connection with the operation of the Client or activities under this Agreement, unless such liability and expense shall be solely the result of the gross negligence, willful misconduct or fraud of such party or its employees or agents.

Section 7.6. Covenant not to Employ. During the term of this Agreement and for one year thereafter, the parties may not employ or solicit for employment any employee of the other party without the written consent of the other party. In the event the Client seeks to employ an employee of HealthServe, HealthServe reserves the right to charge the Client up to six (6) months salary and benefits of that employee. Such charge to the Client is to cover costs related to recruiting and training a suitable replacement.

Section 7.7. Records. To the extent applicable HealthServe agrees to comply with the requirements of section 952 of P.L. 96-499 for the purpose of certifying the nature and extent of the costs deemed to be incurred by the Client under this Agreement. Nothing contained in this Section 7.7 shall be construed to constitute a waiver of the right of privacy or confidentiality otherwise legally available to such person.

Section 7.8. Audit Rights. Client may, at its sole option and expense, audit HealthServe's records as they relate to the performance of this Agreement during normal business hours by providing HealthServe with at least ten (10) days prior written notice.

Section 8. Miscellaneous

Section 8.1. Notices. Any and all required to be given hereunder shall be given by, and be deemed given when mailed via U.S. Certified Mail, Return Receipt Requested, to the address set forth below the signatures or to such other address as either party may designate in writing to the other party from time to time.

Section 8.2. Force Majeure. Neither party shall be liable for any damages, including consequential, special, or punitive damages for any delay or failure in the performance of its obligations hereunder caused by strikes or other labor disputes, riots or other public disorders, accidents, acts of God, prohibitions, governmental or legal regulations, fire or other casualty, electrical, hardware, mechanical failure, or other cause beyond such party's control.

Section 8.3. Conflicts. The parties acknowledge that Client is entering into this Agreement as a result of HealthServe's response to that certain Request for Information, dated March 18, 2003, issued by the West Chester Township Fire Department (the "RFP"). Accordingly, notwithstanding anything contained herein to the contrary, in the event that the terms of this Agreement, including all exhibits and addenda hereto, conflict with the terms of the RFP, the terms of the RFP shall govern.

Section 8.4. Governing Law. This Contract shall be governed by the laws of the State of Ohio.

Section 8.5. Severability. If any provision of this Agreement or the application thereof to any party or circumstance shall be adjudged by a court of competent jurisdiction invalid or unenforceable, then:

1. Such provisions shall not be affected in any other jurisdiction;
2. The application of the other provisions of this Agreement to said party or circumstance shall not be affected; and
3. The application of this Agreement to any other party or circumstance shall not be affected thereby.

Section 8.6. Descriptive Headings And Subheadings. Both parties understand that the headings and subheadings used in this contract are for descriptive and/or informational purposes only.

Section 8.7. Waiver. No consent or waiver, expressed or implied, by either party hereto, to or of any breach of any obligation to the other shall be construed as a consent or waiver to or of any breach of the same or any other obligation.

Section 8.8. Interpretation. The parties hereto acknowledge and agree that each has been given the opportunity to review independently this Agreement with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. If the event that an ambiguity in or dispute regarding the interpretation of same, the interpretation of this Agreement shall not be resolved by any rule of interpretation providing for the interpretation against the party who causes the uncertainty to exist or against the draftsman.

Section 8.9. Final Understanding And Modifications. This Agreement, together with all exhibits and addenda hereto, represents the final understanding between HealthServe and the Client and the obligations of each party hereunder cannot be changed or modified unless by writing signed by the parties or as otherwise provided in this Agreement. There are no promises, terms, conditions, or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations, or agreements, verbal or written, between the parties.

Section 8.10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and the legal representatives, successors in interest and assigns,

respectively, and of each such party. Neither party without the prior written consent of the other party may assign this Agreement. Any unresolved dispute or disagreement shall be resolved by arbitration in Cincinnati, Ohio under the rules and procedures of the American Arbitration Association. HealthServe and Client agree that the determination made by the arbiter so chosen shall be final and not subject to appeal by either party to any court of law.

Section 8.11. Construction. This Agreement may be amended only by a written document executed by each party. This Agreement constitutes the entire understanding between the parties with respect to the subject matter of this Agreement. Should any provision or portion of this Agreement be held unenforceable or invalid for any reason, the remaining provisions or portion of this Agreement shall continue in full force and effect. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

Business Associates Addendum

This ADDENDUM is part of the existing Business Services Agreement ("Agreement") by and between HealthServe, LLC. and ("Client"). This Addendum incorporates by reference such Business Services Agreement and all related Schedules and/or Exhibits.

Section 1. Acknowledgements. The Parties hereby acknowledge that they are bound by Health Insurance Portability and Accountability Act ("HIPAA") regarding the use and disclosure of Protected Health Information ("PHI") pertaining to the past present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the future payment for the provision of health care to an individual, and will abide by and cause their employees and agents to abide by all HIPAA provisions which may be modified from time to time.

Section 2. Definitions.

2.1. "Client". For purposes of this Addendum, the term "Client" shall have the same meaning as set forth in the Agreement.

2.2. "Business Associate". For the purposes of this Addendum, the term "Business Associate" shall mean HealthServe.

2.3 "Protected Health Information". The term "Protected Health Information" shall mean information that (1) relates to the past, present or future physical or mental condition of an individual and (2) either identifies an individual or there is a reasonable basis to believe that it could be used to identify individual.

Section 3 - Permitted Uses and Disclosures of Protected Health Information

3.1. Use and Disclosure of Information: Business Associate shall be restricted in the use of any Information provided to it by Client. Such Information shall include, but not be limited to, patient demographics and Client's charges and coding. Business Associate is restricted to only using the Information for the provision of the billing

provided under the Agreement unless such other use of the Information is specifically permitted below. Business Associate shall use due care not to disclose patient's Information to anyone other than Client or the patient unless such other disclosure of the Information is specifically permitted below.

- a. Business Associate may also use a patient's Information (i) for the proper management and/or administration of Business Associate's obligations under this Agreement, or (ii) to carry out any legal responsibilities of Business Associate.
- b. Business Associate may also disclose a patient's Information if (i) the disclosure is required by law, or (ii) as authorized in writing by the patient.

3.2. Notice of Use or Disclosure. Should Business Associate become aware of any use or disclosure of the Information which has not been provided for in this Agreement, Business Associate shall give prompt written notice to Client regarding such use or disclosure.

3.3. Additional Activities of Business Associate. In addition to using the PHI to perform the services set forth in the Agreement, Business Associate may:

- a. Aggregate the PHI in its possession with the PHI of other covered entities that the Business Associate has in its possession. Unless required by law, rule or regulation, or as may be expressly permitted or required elsewhere in this Addendum, under no circumstances may the Business Associate disclose PHI of the Client to another covered or non-covered entity absent the explicit authorization of the Client.
- b. De-identify any and all PHI, provided that the de-identification conforms to the requirements of the Privacy Regulations of HIPAA. De-identified information does not constitute PHI and is not subject to the terms of this Addendum.

Section 4. Responsibilities of Business Associate. Pursuant to HIPAA and the Regulations, Business Associate represents and warrants that it shall:

- a. Not use or further disclose the Information other than as permitted or required by this Agreement or as required by law;
- b. Use appropriate safeguards to prevent use or disclosure of the Information other than as provided under this Agreement;
- c. Ensure that any agents, including a subcontractor, to whom Business Associate provides the Information shall agree to the same restrictions and conditions set forth in this Agreement with respect to the Information;

- d. Make the Information available in accordance with HIPAA Regulation §164.524, regarding access to Information protected under HIPAA, (see 45 CFR §164.524, as amended);
- e. Make the Information available for amendment, and incorporate any amendments to the Information into its records in accordance with HIPAA Regulation §164.526, (see 45 CFR §164.526, as amended);
- f. Make the required Information available which is necessary to provide an accounting of disclosures of the Information in accordance with HIPAA Regulation §164.528 (see 45 CFR §164.528, as amended);
- g. Make its internal practices, books, and records relating to the use and disclosure of the Information received by Business Associate from Client, or created or received by Client on behalf of Client, available to the Secretary of Health and Human Services for the purposes of determining Client's compliance with the Regulations.

Section 5. Responsibilities of the Client.

5.1 The Client hereby agrees to notify the Business Associate, in writing and in a timely manner, of any arrangements permitted or required of the Client pursuant to the Privacy Regulations of HIPAA that may impact in any manner the use and/or disclosure of PHI by the Business Associate under this Addendum and the Agreement, including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in the Privacy Regulations of HIPAA or as agreed to by the Client.

Section 6. Term and Termination.

6.1. ***Term.*** This Addendum shall become effective upon each party executing such as evidenced by the signatures hereto and shall continue in effect unless terminated in accordance with this Section or if the related Agreement is terminated.

6.2. ***Termination by Client.*** The Client may immediately terminate this Addendum and the Agreement if Client determines that the Business Associate has breached a material term of this Addendum, provided Client (i) provides the Business Associate with ten (10) days written notice of the existence of an alleged material breach; and (ii) affords the Business Associate an opportunity to cure said alleged material breach upon mutually agreeable terms. Nonetheless, in the event that mutually agreeable terms cannot be achieved within fourteen (14) days of the previous written notice, Business Associate must cure breach to the reasonable satisfaction of the Client within thirty (30) days of the original notice of deficiency. Any unresolved dispute or disagreement shall be resolved by arbitration in Columbus, Ohio under the rules and procedures of the American Arbitration Association.

6.3. Automatic Termination. This Addendum shall automatically terminate without any further action of either party upon the termination of (1) the Agreement between the Parties, or (2) the Privacy Regulations of HIPAA; or in the event the Privacy Regulations of HIPAA are no longer applicable to the Business Associate.

6.4. Obligations of Business Associate upon Termination or Non-Renewal.

- a. **Return or Destruction.** Upon termination or non-renewal of the Agreement for any reason, Business Associate agrees to return or destroy all PHI in its possession pursuant to the Privacy Regulations of HIPAA, if it is feasible to do so.
- b. **Non-Return or Non-Destruction.** If it is not feasible for Business Associate to return or destroy PHI upon termination or non-renewal of the Agreement, Business Associate will notify the Client in writing and include a statement that the Business Associate has determined that it is not feasible to return or destroy and the specific reasons for its determination.
- c. **Manner of Retaining Information.** If the information is not returned or destroyed upon termination or non-renewal of the Agreement for any reason, Business Associate agrees to extend indefinitely any and all protections, limitation and restrictions contained in this Addendum to its use and/or disclosure of any PHI.
- d. **Information Possessed by Subcontractor.** If it is not feasible, upon termination or non-renewal of the Agreement or of any other agreement between Business Associate and its subcontractors and agents, Business Associate will obtain from the subcontractor or agent PHI that is in the possession of the subcontractor or agent, the Business Associate must provide an explanation to the Client and require subcontractor and agents to agree to extend indefinitely any and all protections, limitation and restrictions contained in this Addendum to its use and/or disclosure of any PHI.

Section 7. Miscellaneous.

7.1. Survival: The provisions of Sections 6.4 and 7.5 shall survive the termination or non-renewal of the Agreement.

7.2. Amendments; Waiver. This Addendum may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of the parties.

7.3. No Third Party Beneficiaries. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person

other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations or liabilities whatsoever.

7.4. *Further Assurances.* Each party agrees to do all acts and things and to make, execute and deliver such written instruments as shall from time to time be reasonably required to carry out the terms, conditions and provisions of HIPAA, as promulgated from time to time. Such amendment shall be entered into on or before the date on which covered entities are required to be in compliance with such laws and the regulations published pursuant thereto.

7.5. *Limitation of Liability.* NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES OF ANY KIND OR NATURE WHERE SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE ARISING UNDER THIS ADDENDUM, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

This Addendum is intended to perform in accordance with and only to the extent permitted by all applicable laws, ordinances, rules and regulations. If any provision of this Addendum or the application thereof to any person, entity, or circumstance is found, for any reason or to any extent, to be invalid or unenforceable, the remainder of this Addendum and the application hereof to any person, entity, or circumstance shall not be affected thereby, but rather the remainder of the Addendum shall be enforced to the greatest extent permitted by law.

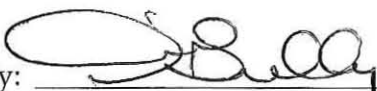
SIGNATURES

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

HEALTHSERVE, LLC

WEST CHESTER TOWNSHIP:

By: 
Michael C. Bourland
Its: Chief Executive Officer
Address:
2939 Kenny Rd
Columbus, Ohio 43221
Tele. No. 614/442-2431
FAX No. 614/442-2326

By: 
Print Name: David R. Gully
Title: Township Administrator
Address: Suite 280
9100 Centre Pointe Dr.
West Chester, OH 45069
Tele. No. 513-777-5900
FAX No. 513-779-9369

**EXHIBIT A
TO BUSINESS SUPPORT
SERVICES AGREEMENT**

OPERATING POLICIES

HealthServe shall have managerial responsibilities over all billing support services of the Client related to the Client's Fire Department subject to the Client's ultimate control. In order for HealthServe to provide the necessary billing support services on behalf of the Client, the following operating policies shall be used with respect to the medical practice:

Billing Responsibilities. HealthServe shall be responsible for billing for all professional services provided by professionals of the Client. HealthServe shall be responsible for implementing and providing the on-going support needed to support the billing and collection activities required for the Fire Department. HealthServe shall provide those billing and collection services that are customarily necessary for a Fire Department, including but not limited, to the following items.

1. Process all demographic and charge information entered into the billing system based on the information provided by the Client, including the schedule of professional fees.
2. Process all required insurance forms whether submitted electronically or on hard copy. Insurance claims shall be submitted at least weekly. HealthServe reserves the right not to file claims during any period, in which the Client's account with HealthServe is delinquent.
3. Provide all HCFA-1500 universal claim forms needed to submit claims for Fire Department services provided by the client.
4. Print and mail patient statements for accounts with patient balances greater than \$5.00. Mail statements at the end of the month in which the service was entered into the billing system, at the end of 30 days, and again after 60 days, to patients for fees not reimbursed by third party payments including deductibles, co-payments and non-covered services for which the Client maintains appropriate waiver documentation. HealthServe will determine the frequency of statements to patients based upon account activity to comply with the needs of a "soft billing" approach. HealthServe reserves the right to not mail statements during any period in which the Client's account with HealthServe is delinquent.
5. Receive from the Client's lockbox, notification of payment and original remittance advices, and all other billing correspondence as appropriate.
6. Enter all remittance information, including contractual adjustments for third party payers with which the Client participates (based upon an approved list provided by the Client), and submit secondary insurance claims, as necessary.
7. For a period of one year, maintain a file of explanation of benefit statements (EOBs) received from third party payers. At the end of one year, all EOBs will be returned to the Client or may be destroyed at the Client's request.

8. Evaluate appropriate documentation of any request by a patient, third party, or referring physician for an adjustment to a patient's bill, and coordinate findings with the client.
9. Follow coding and billing standards as established by organizations recognized as experts in coding and billing, including but not limited to the American Medical Association (AMA).
10. Recommend and assist the Client in establishing fees for new services.
11. Provide perpetual updates to master Current Procedural Terminology (CPT) coding and descriptions, and maintain current database of ICD-9 codes and edits.
12. Assist with designing for the Client all necessary forms, fee slips, insurance authorizations, etc., for processing. Costs of actual forms, etc. will be the responsibility of the Client.

Collection Responsibilities. HealthServe shall be responsible for taking possession of copies of notes, checks, money orders, insurance payments and any other instruments received as payment of accounts receivable as necessary from a depository account in the name of the Client with a banking institution selected by Client and approved by HealthServe as necessary. In undertaking these responsibilities, HealthServe shall:

1. Answer all patient and third party payer inquiries. In some cases, additional data will be requested from the Client (e.g., run reports, etc.). Responses to all patient inquiries shall be made within 24 hours.
2. Pay for all telephone costs for patient and third party payer inquiries and follow-up.
3. Pursue balances with any third party payer as follows:
 - Monitor the balances and followed up either in writing or by telephone, as appropriate, when payments are overdue.
 - Monitor all payments received against anticipated payments. Discrepancies noted shall be reviewed and, when appropriate, contact will be made by telephone, in writing, or in person with the third party payer to request claim review.
 - Monitor payment patterns for each third party payer at least monthly to identify any third party payer with large amounts of pending open claims. Appropriate action shall be taken with the third party payer to expedite prompt payment.
 - In the event any claim is denied by any payor for reasons other than a patient's insured status, HealthServe shall use its best efforts to re-submit a clean claim in a timely manner. In the event a claim is denied as a result of improper coding or other act attributable to HealthServe, HealthServe shall upon consultation and consent of the Client, pursue a timely appeal of the denied claim. In the event a claim is denied as medically unnecessary or for any other reason, HealthServe shall notify the Client of the reason for denial. In the event the client decides to appeal the denial, HealthServe shall prepare and assist the Client in the appeal.
 - Follow up with the third party payer on assigned claims based upon the appropriate strategy for working with such third party payer.

4. Pursue balances with patients as follows:
 - Attach notes on statements at pre-determined intervals using language approved by the Client.
5. For accounts that are collectible from a third party payer or patient, and have not been collected after the activities described above, then HealthServe will forward all pertinent demographic and transactional detail to the Client for the Client's approval for bad debt write-off.

Credentialing Responsibilities with Third-Party Payors. HealthServe shall be responsible for:

1. Completing all necessary paperwork and submit applications to establish provider numbers with third party payors for new paramedics and EMTs and cannot be held responsible for the individual timeframes or actual acceptance by payors. HealthServe will assist in follow-up activities to gain approval.
2. Provide credentials to new payors or updates to existing payors.
3. Maintain provider enrollment files for paramedics and EMTs.

Reporting Responsibilities. HealthServe shall be responsible for making periodic reports to the Client on the current status of all active patient accounts. In undertaking these responsibilities, HealthServe shall:

1. Produce monthly activity and summary reports as follows:
 - **Practice Analysis** - Business summary of the production for current month and year to date produced for each professional and for the total medical practice shown by:
 - Number and dollars of procedures performed by procedure
 - Payments received analysis
 - Summary aging of accounts receivable.
 - **Productivity Summary** - Summary of charges, write-offs and payments of the medical practice for current month and year to date analyzed by:
 - Payer Category
 - Location
2. Provide off-site back up of all active data files.
3. Provide additional reports reasonably requested by the Client.

Implementation. HealthServe shall be responsible for implementing the billing and collection services on behalf of the Client. In undertaking such implementation, HealthServe shall:

1. Assign an account manager to the Client who shall be responsible for the following:
 - Act as primary contact with the personnel of the Client.
 - Serve as the liaison with the HealthServe employees assigned to perform services for the Client.

- Communicate regularly with the key management of the Client to review all activities with respect to the billing and collection services.
 - Work closely with the Client to ensure a smooth transition and implementation.
2. Schedule a "Start Up Meeting" as soon as possible following execution of the Agreement in order to:
 - Define and develop a profile outlining the Client's procedures and philosophies on billing and collection.
 - Review all provider enrollment issues.
 - Review all participating insurance agreements.
 - Establish a schedule of implementation.
 3. Review both its procedures and the procedures of the Client and recommend and implement approved changes for improvements of collections.
 4. Maintain knowledge about prevalent government and third party payer regulations and guidelines to assist the Client in conformance with such regulations.

Responsibilities of the Client. In order for HealthServe to undertake the billing and collection services, the Client shall:

1. Appoint HealthServe as its lawful attorney-in-fact for the purpose of billing and collecting, in the name of the Client and on the Client's behalf, from patients, insurance companies, Medicare, Medicaid and all other third party payors, all charges resulting from the provision of equipment, devices and supplies provided to patients and for all services rendered to patients, including, but not limited to, technical and ancillary services and all professional medical service provided by the Client at any hospital or other health facility, or at any other location.
2. Cause the personnel of the Client to timely submit to HealthServe, all billing information, including, but not limited to, the name of the patient, ~~employer, guarantor, insurance company (primary and secondary) including their address and telephone number,~~ the date of service, ~~one copy of the patient or guarantor insurance card,~~ the nature and extent of services provided and any supporting medical information necessary to obtain payment or reimbursement. HealthServe shall rely on the truth and accuracy of such information and shall not in any event be required to verify billing information submitted by HealthServe on behalf of the Client. Furthermore, the Client shall use its best efforts to procure all necessary, consents or documents necessary for HealthServe to collect payment for reimbursement on behalf of the Client. 7/1/03
3. Be solely responsible for securing or causing to be secured from or on behalf of patients, whose accounts are covered under this Agreement, any and all necessary consents for the release of information to third parties as contemplated by this Agreement and, any and all necessary assignments of insurance benefits and benefits due from, and rights to payment or reimbursement by any other third party.
4. Supply complete and accurate patient charge information.

5. Provide to HealthServe a schedule of professional fees charged for services rendered in the Fire Department. HealthServe shall make revisions to the fee schedule from time to time upon at least 10 days prior written notice from the Client to the effective date of any such revision. HealthServe shall continue to bill at the rates then in effect until receipt of such notice.
6. Establish adequate controls to assure that all charges are captured, batched and reconciled with batch totals.
7. Provide all input forms.
8. Provide medical expertise regarding reimbursement of medically necessary services of Client arising from third party payer disputes or patient inquiries.
9. Review and approve patient requests for fee discounts. The Client may delegate this approval to HealthServe, based upon reasonable and ethical criteria.
10. Be responsible for all medical decisions concerning patient care.
11. When refunds are necessary, the Client, or its representative shall write a check to HealthServe's refund account for refunds to be sent to the patient or third party payer based upon information provided by HealthServe.
12. Review, comment, and adhere to the Compliance Plan, attached to this Agreement as Exhibit C, prepared by HealthServe to minimize the risk of healthcare fraud and abuse investigations of Medicare, Medicaid, and insurance carriers.

**EXHIBIT B
TO BUSINESS SUPPORT
SERVICES AGREEMENT**

FEES/COSTS

1. HealthServe shall be paid a service fee equal to 6.0% of the net revenue of the Client for business support services rendered under this Agreement. Net revenue shall mean cash receipts arising from the provision of patient services and related activities.

**EXHIBIT C
TO BUSINESS SUPPORT
SERVICES AGREEMENT**

COMPLIANCE PLAN

June 1, 1999

1. Introduction

HealthServe, LLC is a high energy, diverse healthcare management, EMS, MVA and Structure Fire billing, consulting and physician staffing company that depends on the collective talent and efforts of all of our employees. HealthServe believes that our employees, who are hired and trained for their attitude and skills to assist HealthServe to provide value-added services to its clients, have an appreciation of their responsibilities as employees. Based on the goal of providing the best services, at a fair value, to our clients, HealthServe expects each employee to always act with the highest standards of business and professional ethics and integrity in dealing with clients, patients, third parties and fellow employees. This compliance plan is the central document that identifies our standards and conduct.

2. Compliance Officer

Thomas Cully, Vice President has been appointed as the Compliance Officer for HealthServe, LLC. Employees are required to notify the Compliance Officer of any knowledge of non-compliance or potential non-compliance with federal, state, or local laws and regulations including Stark Bill and Anti-kickback provisions, anti-trust regulatory issues or any provision of this plan. Employees may contact the Compliance Officer by phone (440) 716-0800 or 1-800-716-1283 during normal working hours or via e-mail at tcully@hserve.com.

It is the role of the Compliance Officer to design, monitor and implement an effective compliance plan. Further, the Compliance Officer shall coordinate and/or conduct internal reviews and audits, investigates any issues identified and implements the necessary corrective action including disciplinary action as required. The Compliance Officer shall communicate with those reporting non-compliance or potential non-compliance in a timely manner, at least, at the conclusion of the related investigation.

3. Report of Non-compliance or *potential* Non-compliance

Any knowledge of non-compliance or potential non-compliance at HealthServe or at one of our clients shall be reported on a timely basis to the Compliance Officer. These reports may be anonymously submitted to the Compliance Officer who shall maintain the confidentiality of the report. In some cases, a case number will be established to protect his/her anonymity if so desired by the individual reporting the incident. *There shall be no adverse or retaliatory actions against any employee who reports non-compliance or potential non-compliance.*

4. Standards of Conduct

Conflict of Interest

HealthServe strives to be known as an organization with the highest standards of business and professional ethics and integrity. As a result, we expect you to disclose in advance any potential conflict of interest that may affect the ability to perform services on behalf of HealthServe with any client.

You may not use your relationship with HealthServe for personal advantage. Furthermore, you should not have an outside business interest or association that interferes with, or appears to impair your judgment or ability to perform in the best interest of HealthServe.

Confidentiality

You have an obligation to protect the confidentiality of all information related to HealthServe and our clients. Medical and personal information regarding a patient that is received by an employee while performing duties with HealthServe must be kept confidential. No patient information shall be accessible to any person who is not authorized by virtue of his/her duties through a legal representative who has expressly consented, in writing, to such release of patient information. Specifically:

- a. Employees may not discuss any aspect of any patient's care with persons other than those involved directly in administering the services to the patient.
- b. Employees may not discuss the case of a patient or mention the name of a patient in any area in which you may be overheard.

It is the responsibility of each employee to maintain the confidentiality of patients, their diagnoses, mode of treatment and any specifics concerning such patients. Divulging any patient information that is not authorized may result in disciplinary action, including immediate termination.

Equal Employment Opportunity and Labor Laws

HealthServe is an equal employment opportunity employer and shall comply with all applicable Labor laws, regulations and guidelines. HealthServe hires and promotes on the basis of ability and performance without regard to race, religion, color, national origin, ancestry, citizenship, sex, age or handicap. HealthServe believes that equal employment opportunity can be used to develop the skills and talents of all qualified individuals. HealthServe maintains that individuals should be recruited, hired, trained and promoted according to their ability and performance.

Fraud and Abuse Provisions

Employees are required to avoid all fraud and abuse including but not limited to, false claims and illegal payments. Employees are prohibited from knowingly and willfully making a false statement or claim that affects reimbursement under a federal health program. Employees must include only correct information on all claims filed for HealthServe and/or on behalf of our clients. Only claims for services that are medically necessary may be filed. No payment or receipt of any kind may be received or paid in return for referrals. Knowledge of such arrangements by HealthServe, its employees or its clients shall be promptly brought to the attention of the Compliance Officer.

5. Billing and Coding Policies

CPT or Charge Codes

HealthServe does not assign the CPT or Charge Codes to be used for the billing of our clients. The client has the responsibility to communicate to HealthServe the appropriate code(s) for the service (s) rendered. For HealthServe physicians, only services documented as performed may be billed. Any knowledge of false CPT or Charge Codes or other false claim information shall promptly be brought to the attention of the Compliance Officer.

Any documents received with charge information that do not include a valid Charge code (CPT, HCPCS, etc.) shall be returned to the client with an appropriate directive note for correction of coding to be used.

ICD-9 Diagnosis Codes

In general, clients provide the appropriate ICD-9 Diagnosis Codes that we shall use to submit a claim on our clients' behalf. In these arrangements, the client has the responsibility to communicate to HealthServe the most appropriate code. In some cases, HealthServe only receives the diagnosis description and must find the most appropriate code. Likewise, for HealthServe physicians, the billing staff receives the diagnosis description. In these cases, our billing staff shall determine the most appropriate code including using the code at the highest level of specificity. If a billing staff member is unsure of the proper code, he/she is obligated to contact the client or HealthServe physician for clarification with the most appropriate code then used. In all cases, only those services that are medically necessary may be billed.

Those staff members who need to determine the proper diagnosis code shall be trained either through internal or external programs and are encouraged to obtain coding certification.

Staff members are prohibited from using "cheat sheets" with information that has triggered past reimbursement and shall not use computer or other programs that automatically insert medical necessity information.

Fee Schedule

HealthServe will only use the standard fee schedule approved by the client (or an officer of HealthServe for HealthServe providers). Any document with charge information received that does not include a client approved fee amount shall be returned to the client for pricing. Alternatively, HealthServe personnel may send a note requesting from the client a fee for the related Charge Code. Only upon receiving a written, approved fee amount shall that patient encounter be billed.

Annually, HealthServe shall send to each client a listing of current fees for approval for the next period and will only update or change those fees with written notification from the appropriate client personnel (or an officer of HealthServe for HealthServe physicians).

Medicare and Contractual Obligations

Accurate and valid claims shall be sent to Medicare and all other third parties. HealthServe shall comply with all contractual obligations as documented in the contract or participation agreements of our clients (or our own for HealthServe physicians). According to Medicare regulations, HealthServe will submit primary claims on a timely basis and, for deductible and

co-payment amounts, HealthServe will, at least, send a statement to the patient or a claim to the patient's secondary insurance company for allowed amounts that are unpaid.

Any difference between the amounts charged and the allowance amounts per the respective remittance advices when the client (or HealthServe) has a contractual agreement shall be written off with no balance billing to the patient.

Adjustments to Patient Balances

If the client (or HealthServe physicians) have a contractual agreement with the insurance company of a patient, only the amount between what the third party allows and what was billed by the client shall be routinely adjusted from the patient's balance.

Any request --by a patient, third party, or referring physician-- for adjustment to a patient's bill must be written and forwarded to the client or client's designee for approval with appropriate documentation attached. This policy includes hardship requests and requests for courtesy discounts. Only after HealthServe receives the proper written authorization shall the balance be adjusted.

Refunds

From time to time, overpayments occur on patient accounts due to many reasons including the insurance company and the patient paid the bill, the patient paid the bill twice, the insurance company paid the bill twice, etc. When an overpayment is discovered, HealthServe shall validate the refund by an independent employee including the Office Manager if the overpayment is in excess of \$100 and shall promptly notify the applicable party (insurance company, Medicare, etc.) That notice shall be written with a copy retained in the local HealthServe office, include a copy of the related remittances and shall ask for direction from the third party on what procedure to use to process the refund. These refund letters shall remain in a tickler file with periodic follow-up to the third party if no initial response is received.

In the case of a patient overpayment or upon receiving direction from the related third party, a refund check request shall be prepared and forwarded to the client (or HealthServe personnel as appropriate) who will prepare and send the refund check. Only validated refunds may generate a refund check request.

Medicare, Medicaid and Third Party Policy Changes

Official guidelines, bulletins and publications of Medicare, Medicaid and other third parties will be reviewed as they are received with communication of necessary change provided to staff and changes to policies implemented in a timely manner.

6. Audits and Monitoring

Compliance with this plan, company policies, and federal, state, and local laws is a condition for employment. Performance of employees will be routinely and periodically audited and monitored. The Quality Control Review program assists in ascertaining not only how effective and efficient an employee performs but also if the employee is in compliance with company and compliance plan policies. The related Supervisor or Office Manager shall routinely conduct audits of work performed by each employee with a summary report sent to the Compliance Officer within a timely manner. Any non-compliance or potential non-compliance shall be promptly brought to the attention of the Compliance Officer.

The audit and monitoring procedures will include site visits, interviews, and review of records and related documentation as appropriate. Any disclosure or correspondence to clients or referring physicians will also be randomly selected for review.

Employees are **required** to notify the Compliance Officer of any knowledge of non-compliance or potential non-compliance with federal, state, or local laws and regulations including Stark Bill and Anti-kickback provisions, anti-trust regulatory issues or any provision of this plan. The Performance Review Process for each employee shall include a discussion by the employee's reviewer as to the importance of compliance and the potential disciplinary actions for violations.

Supervisors, managers and corporate officers shall be held accountable for failing to comply with, or for the foreseeable failure of their subordinates to adhere to, the applicable standards, laws, and procedures.

7. Employee Education and Training

HealthServe is committed to compliance with all regulations and guidelines. At least annually, each employee shall attend a training session (internal or external) that discusses compliance. These training sessions shall include, at a minimum, the fraud and abuse regulations, the duty each employee has to report non-compliance or potential non-compliance to the Compliance Officer and how the Compliance Complaint Review process functions.

8. New Employees

During the recruiting process, the Human Resource department (or its designee) shall conduct prudent background investigations and reference checks prior to hiring a new employee. These checks shall include, but not be limited to, query of the OIG's web site and list of sanctioned individuals. Any sanctioned individual shall not be hired. Upon hiring a new employee, such new employee shall be required to read a copy of this compliance plan and attest in writing that he/she will comply with the plan and recognizes that non-compliance shall be grounds for disciplinary actions. The Employee Acknowledgement Form shall be sent to the Compliance Officer within five (5) days of the employee's hire date.

9. Disciplinary Action

All employees are subject to disciplinary actions if non-compliance with policies and/or the law occurs and these disciplinary actions shall be consistently applied and enforced at all levels in HealthServe. Disciplinary actions shall include oral or written warnings, privilege revocation, financial penalties, sanctions and termination.

All criminal or civil violations shall be reported to the appropriate government official within sixty (60) days of the conclusion of the Compliance Officer's investigation. All evidence obtained through the internal investigation shall be provided to the government. An estimate of the cost impact or monies due to be returned shall be made and disclosed to the appropriate government official.

10. Processing Identified Non-compliance or Potential Non-compliance

When an incident of non-compliance or potential non-compliance is reported to the Compliance Officer, the following process will be invoked:

- A. The Compliance Officer shall promptly investigate the report through procedures such as employee interviews, review of relevant documents, on-site visits, and trend analysis studies.
- B. The Compliance Officer shall identify the problem and the proper corrective action.
- C. The Compliance Officer shall facilitate the return of any overpayments as necessary.
- D. The Compliance Officer shall determine and implement and/or coordinate the proper disciplinary action.
- E. The Compliance Officer shall prepare a report to include, at least:
 - 1. When a complaint or incident was reported.
 - 2. What the complaint or report alleged.
 - 3. What steps were taken to investigate the report.
 - 4. What were the results of the investigation.
 - 5. What disciplinary action was taken.
 - 6. When was this report reviewed and completed.
- F. The Compliance Officer shall inform the HealthServe executive committee and/or the client's executive committee as appropriate regarding the Investigation Report.
- G. The Compliance Officer shall inform the person who initially reported the non-compliance or potential non-compliance regarding the outcome of the investigation.

