

FIRST AMENDMENT
to
AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR
between
COUNTY OF SANTA BARBARA
and
AMERICAN MEDICAL RESPONSE WEST

THIS FIRST AMENDMENT (hereafter referred to as **First Amendment**) is to the Agreement for Services, number BC-05-168 (hereafter **Agreement**), by and between the County of Santa Barbara (COUNTY) and American Medical Response West (CONTRACTOR), for the provision of emergency and non-emergency ambulance service for advance life support and pre-hospital care.

WHEREAS, Section 10.3 of the Agreement set CONTRACTOR's annual profit cap at 8% percent pre-tax of net revenue; and

WHEREAS, the Agreement stipulates that if revenues exceed this 8% cap, the EMS Agency will implement a review of ambulance rates; and if the profit rate falls below 6% pre-tax, for any given three (3) month period, the CONTRACTOR has the right to submit to the EMS Agency cause for a financial review and provide all the appropriate financial documentation to petition for a rate increase; and

WHEREAS, CONTRACTOR has submitted an independent audited financial report following standard accounting practices which identifies the CONTRACTOR's annual profit percent to be 0.33% for calendar year 2010; and

WHEREAS, the EMS Agency has reviewed and approved said documentation and is hereby forwarding the petition for rate increase to the County Board of Supervisors; and

WHEREAS, CONTRACTOR intends to increase compensation to COUNTY for Dispatch Services and Contract Oversight and Monitoring services, with an annual increase that is based on the CPI increase for ambulance rates; and

WHEREAS, both parties desire to amend Section 10 of the Agreement and replace Exhibit D and Exhibit H with new rates and new payment schedules, respectively; and

WHEREAS, this First Amendment incorporates the terms and conditions set forth in the Agreement, approved by the County of Santa Barbara;

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

1. **Definitions.** Capitalized terms used in this First Amendment, to the extent not otherwise defined herein shall have the same meanings as in the Agreement.
2. **Amendments.**
 - a) The Agreement is amended as follows:

SECTION 10 – FISCAL REQUIREMENTS

10.4 Billing and Collections

- A. Rates – Approved rates beginning ~~January 1, 2005~~ **August 9, 2011** are located in Exhibit D ***attached hereto and as amended herein***. CONTRACTOR agrees to bill all transports and medical care.
- B. Rate Adjustment – Upon execution of this Agreement, and continuing throughout the term of this Agreement, the CONTRACTOR acknowledges that the County of Santa Barbara Board of Supervisors has the authority to determine rates for services provided under this Agreement and has exercised that authority by establishing the rates shown in Exhibit D ***attached hereto and as amended herein***. The rates in Exhibit D shall remain in force through January 31, 2012. Thereafter, the rates, as shown in Exhibit D, shall be subject to an annual increase on February 1 of each calendar **year**. ~~as shown below:~~

~~1. **Medicare Mitigation:** Rate adjustments will be allowed to Contractor for decreases in revenue due to the Centers for Medicare and Medicaid Services (CMS) Medicare prescribed decreases in reimbursements in 2006 through 2009. The EMS Agency may automatically approve the following Medicare Rate Adjustment of up to:~~

~~\$80.00 February 1, 2006~~

~~\$80.00 February 1, 2007~~

~~\$60.00 February 1, 2008~~

~~\$10.00 February 1, 2009~~

~~If Contractors' prior year financial reports show revenues in excess of profit allowable, or in the event there are adjustments to the federal allocation formula used to reimburse for Medicare ambulance transportation services, the Board of Supervisors must approve all rate increases.~~

~~The Annual Audited Financial Report, submitted each year within 90 days of fiscal year end, shall determine any excess revenue. For each contract year during which a CMS Medicare reduction in reimbursement is effective, all excess revenue accruing during any portion of the year prior shall be allocated to the Excess Revenue Account described below, and any such excess revenue shall be allocated as a rate subsidy and applied as "other revenue" to reduce the allowable rate increase to mitigate the Medicare reimbursement impact.~~

~~2. 1. **Annual Rate Adjustment:** The rates specified herein *in Exhibit D, attached hereto and as amended herein* may be increased on ~~January~~ **February 1** each year to adjust for inflation. No later than forty-five (45) days prior to each adjustment date, the CONTRACTOR may request the EMS Agency to consider approval of a user fee adjustment. The percentage increase to adjust for inflation shall be calculated using the following indices:~~

The percentage increase in the average CPI of the following Consumer Price Index factors for All Urban General Consumers (CPI-U) and the Medical Care Services of the Commodities and Services Group of the Consumers Price Index for All Urban Users, Los Angeles, Orange and Riverside counties index, as compiled and reported by the Bureau of Labor Statistic for the previous 12-month period last for which published figures are then available:

50 percent of the CPI – Medical Care Index

50 percent of the CPI – All Urban General Consumers (CPI-U)

Any rate adjustment made under this provision shall not exceed 5% and shall be approved in writing by the EMS Agency Director. Prior to implementation, the Board of Supervisors must approve any rate adjustment beyond those specified above for ~~Medicare reimbursement mitigation and~~ annual adjustment for inflation.

10.6 Compensation to County

A. Dispatch Services

CONTRACTOR shall pay the COUNTY for emergency medical dispatch services in the amount of ~~\$970,585.00~~ **\$1,272,620.56** per year **which reflects a \$100,000 increase in FY 2011-12 over the FY 2010-11 level of \$1,172,620.56**. The CONTRACTOR will be responsible for paying the Public Safety Dispatch Center on time for each payment on a quarterly basis in April, July, October and January (Exhibit H, **attached hereto and as amended herein**) of each year of the contract term, unless at the direction of the Board of Supervisors the compensation for EMS dispatch services is increased to meet the demands of an enhanced dispatch center. Ambulance rates may need to be increased with Board of Supervisors' approval to meet additional compensation requirements. It is the responsibility of the CONTRACTOR to begin payments beginning, April 1, 2005. A late payment charge of five (5) percent of any unpaid balance will be assessed for each 30-day period or part thereof, in which a payment is past due. The County Sheriff's Department warrants that the foregoing amount is not greater than its actual costs of providing such services. The increased payments shall take effect August 9, 2011 and shall not be retroactive.

C. Oversight and Monitoring

CONTRACTOR will pay the COUNTY ~~\$180,000.00~~ **\$417,468.54** annually for EMS Agency program staff for services rendered to provide ongoing contract oversight and ensure CONTRACTOR and subcontractors provide quality medical care **which reflects a \$200,000 increase in FY 2011-12 over the FY 2010-11 level of \$217,468.54**. The CONTRACTOR will be responsible for paying the EMS Agency on time for each payment on a quarterly basis in April, July, October and January (Exhibit H, **attached hereto and as amended herein**) of each year of the contract term. It is the responsibility of the CONTRACTOR to begin payments ~~date~~ beginning, April 1, 2005. A late payment charge of five (5) percent of any unpaid balance will be assessed for each 30-day period or part thereof, in which a payment is past due. The

increased payments shall take effect August 9, 2011 and shall not be retroactive.

- b) EXHIBIT D – SANTA BARBARA COUNTY RATES shall be replaced in its entirety with ***EXHIBIT D, SANTA BARBARA COUNTY RATES, dated August 9, 2011***, attached hereto and incorporated herein by reference.
 - c) EXHIBIT H – QUARTERLY PAYMENT SCHEDULE shall be replaced in its entirety with ***EXHIBIT H, QUARTERLY PAYMENT SCHEDULE, dated August 9, 2011***, attached hereto and incorporated herein by reference
3. **Ratifications.** The terms and provisions set forth in this First Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement. The terms and provisions of the Agreement, as expressly modified and superseded by this First Amendment, are ratified and confirmed and shall continue in full force and effect, and shall continue to be legal, valid, binding and shall continue to be legal, valid, binding and enforceable obligations of the parties.
 4. **Counterparts.** This First Amendment may be executed in several counterparts, all of which taken together shall constitute a single agreement between the parties.
 5. **Other.** The parties will comply in all material respects with all applicable federal and state laws and regulations including, the federal Anti-kickback statute. CONTRACTOR has made available to each party a copy of its Code of Conduct, Anti-kickback policies and other compliance policies, as may be changed from time-to-time, at CONTRACTOR's web site, located at: www.amr.net, and each party acknowledges receipt of such documents. CONTRACTOR warrants that its personnel shall comply with CONTRACTOR's compliance policies, including training related to the Anti-kickback Statute. The COUNTY warrants and represents that the payments made by CONTRACTOR to COUNTY shall be less than or equal to the COUNTY's actual costs to provide those COUNTY services. No funds shall be used by the COUNTY in a manner that may violate 42 U.S.C. Section 1320a-7b, the federal Anti-Kickback Statute. Each party represents and certifies that neither it nor any practitioner who orders or provides Services on its behalf hereunder has been convicted of any conduct that constitutes grounds for mandatory exclusion as identified in 42 U.S.C. § 1320a-7(a). Each party further represents and certifies that it is not ineligible to participate in Federal health care programs or in any other state or federal government payment program. Each party agrees that if DHHS/OIG excludes it, or any of its practitioners or employees who order or provide Services, from participation in Federal health care programs, the party must notify the other party within five (5) working days of knowledge of such fact, and the other party may immediately terminate the Agreement, unless the excluded party is a practitioner or employee who immediately discontinues ordering or providing Services hereunder. It is not the intent of either party that any remuneration, benefit or privilege provided for under the Agreement shall influence or in any way be based on the referral or recommended referral by either party of patients to the other party or its affiliated providers, if any, or the purchasing, leasing or ordering of any services other than the specific Services described in this Agreement. Any payments specified herein are consistent with what the parties reasonably believe to be a fair market value for the Services provided.

First Amendment of Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **American Medical Response West**.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective August 9, 2011.

COUNTY OF SANTA BARBARA

ATTEST:
CHANDRA L. WALLAR
CLERK OF THE BOARD

Chair, Board of Supervisors

By: _____
Deputy Clerk

Date: _____

APPROVED AS TO FORM:
DENNIS MARSHALL
COUNTY COUNSEL

APPROVED AS TO ACCOUNTING FORM:
ROBERT W GEIS, CPA
AUDITOR-CONTROLLER

By: _____
Deputy County Counsel

By: _____
Deputy

APPROVED
TAKASHI WADA, MD, MPH
DIRECTOR/HEALTH OFFICER
PUBLIC HEALTH DEPARTMENT

APPROVED AS TO FORM:
RAY AROMATORIO
RISK MANAGER

By: _____
Director

By: _____
Risk Manager

APPROVED
NANCY LAPOLLA, MPH
EMERGENCY MEDICAL SERVICES
EMS AGENCY DIRECTOR
PUBLIC HEALTH DEPARTMENT

By: _____
EMS Agency Director

First Amendment of Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **American Medical Response West**.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective August 9, 2011.

CONTRACTOR

By: _____
Mark Bruning, President
American Medical Response West

Date: _____

EXHIBIT D

SANTA BARBARA COUNTY RATES

August 9, 2011

New Rates effective for dates of services on or after August 9, 2011:

BLS Base Rate	\$ 1,261.39
ALS Base Rate	\$ 1,940.69
Oxygen	\$ 128.95
Mileage	\$ 37.91
Stand-by Rate (per hour)	\$ 195.39

EXHIBIT H
QUARTERLY PAYMENT SCHEDULE

Effective August 9, 2011

New Schedule as of August 9, 2011:

AGENCY	ANNUAL SUPPORT¹	QUARTERLY PAYMENT²
Santa Barbara County EMS Agency*	\$417,468.54	\$104,367.14
Santa Barbara EMS Communication System Support	\$96,652.67	\$24163.17
Santa Barbara County Public Safety Dispatch Center*	\$1,272,620.56	\$318,155.14
Subcontractor-County Fire Consortium ³	\$623,361.13	\$155,840.28
Subcontractor-Supplemental Fire Services Funding ³	\$405,542.28	\$101385.57
TOTALS	\$2,815,645.18	\$703,911.30

¹ Annual support to the EMS Agency, Fire Consortium and Dispatch Center will be increased according to the CPI provisions detailed in the contract.

² Quarterly payments for fire subcontractor are due on the last day of the new quarter. April 30, July 31, October 31 and January 31. Quarterly payments are subject to reduction by penalty levies described in Section 4.1. Quarterly payments for dispatch services are due on the first day of each quarter; April 1, July 1, October 1, and January 1.

³ ~~The Fire Consortium is yet to be developed, but~~ Contractor may subcontractor for response time requirements as well as other services.

* The increased payments shall take effect August 9, 2011 and shall not be retroactive.

- D1. Fiscal Year.....: FYs 2009-10 through 2013-14
 - D2. Budget Unit Number (plus -Ship/-Bill codes in paren's) : 041
 - D3. Requisition Number: N/A
 - D4. Department Name: Public Health Department
 - D5. Contact Person.....: Nancy Lapolla
 - D6. Phone: 681-5264
-

- K1. Contract Type (check one): Personal Service Capital Project/Construction
 - K2. Brief Summary of Contract Description/Purpose.: Emergency and Non-Emergency Ambulance Service
 - K3. Original Contract Amount: \$
 - K4. Contract Begin Date.....: January 1, 2005
 - K5. Original Contract End Date: December 31, 2011
 - K6. Amendment History (leave blank if no prior amendments):

<u>Seq#EffectiveDateThisAmndtAmtCumAmndtToDateNewTotalAmtNewEndDate</u>	<u>Purpose (2-4 words)</u>
17-13-10	Exercise to Renew Agreement through December 31, 2013
08-02-11	A01 Adjust Fees; replace Exh D and Exh H
 - K7. Department Project Number.....: N/A
-

- B1. Is this a Board Contract? (Yes/No).....: Yes
 - B2. Number of Workers Displaced (if any).....: N/A
 - B3. Number of Competitive Bids (if any).....: N/A
 - B4. Lowest Bid Amount (if bid): \$N/A
 - B5. If Board waived bids, show Agenda Date: N/A
 - B6. ... and Agenda Item Number: #N/A
 - B7. Boilerplate Contract Text Unaffected? (Yes / or cite ¶¶) :
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- F1. Encumbrance Transaction Code: 1701
 - F2. Current Year Encumbrance Amount.....: \$
 - F3. Fund Number.....: 0042
 - F4. Department Number: 041
 - F5. Division Number (if applicable):
 - F6. Account Number:
 - F7. Cost Center number (if applicable).....:
 - F8. Payment Terms.....: Net 30
-

- V1. Vendor Numbers (A=auditor; P=urchasing).....:
- V2. Payee/Contractor Name.....: American Medical Response West
- V3. Mailing Address: 240 E. Highway 246, Suite 300
- V4. City State (two-letter) Zip (include +4 if known) : Buellton, CA 93427
- V5. Telephone Number: 805-688-6550
- V6. Contractor's Federal Tax ID Number.....: On File
- V7. Contact Person.....: Doug Petrick
- V8. Workers Comp Insurance Expiration Date: N/A
- V9. Liability Insurance Expiration Date[s] (G=enl; P=rofl) : 3/31/11
- V10. Professional License Number.....: #N/A
- V11. Verified by (name of County staff).....: Rose Davis, 681-5107
- V12. Company Type (Check one): Individual Sole Proprietorship Partnership Corporation

I certify: information complete and accurate; designated funds available; required concurrences evidenced on signature page.

Date : _____ Authorized Signature _____