

## ADMINISTRATIVE SERVICES AGREEMENT

THIS AGREEMENT, made this 1<sup>st</sup> day of June 2018 by and between AMBULANCE BILLING COMPANY, L.L.C., a New Jersey limited liability company with its principal place of business at 53 Frontage Rd., Ste 105, Hampton, NJ 08827, (hereinafter referred to as "Billing Company")

and TOWNSHIP OF DEERFIELD

a New Jersey nonprofit corporation with its principal place of business 736 LANDIS AVENUE, ROSENHAYN, NJ 08352, (hereinafter referred to as "Client").

### WITNESSES

WHEREAS, Billing Company is in the business of providing specified administrative services, including third party and patient billing services, for providers of emergency and non-emergency ambulance and medical transportation services; and

WHEREAS, Client provides emergency and non-emergency ambulance services, is licensed to do so by the New Jersey Department of Health, and is in good standing with all state and federal agencies with responsibilities pertaining to health care reimbursement and legal enforcement; and

WHEREAS, Client desires to utilize Billing Company exclusively for the administrative services as set forth in this agreement, and Billing Company desires to provide such services for Client.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements contained herein, the parties, intending to be legally bound hereby, agree as follows:

1. **Incorporation of Background.** The background provisions set forth above, including but not limited to any defined terms therein contained, are hereby incorporated by reference into this Agreement and made a part hereof as if set forth in their entirety in this Section.
2. **Duties of Billing Company.** Billing Company shall perform the following services for Client:
  - a. Processing and submitting to third party payors and to patients or their financially responsible parties claims for ambulance or emergency medical services rendered by Client as more particularly described herein;
  - b. Reviewing trip sheets for completeness and ensuring that beneficiary authorization signatures have been obtained to permit Client to be paid on an assigned basis and contacting Client, patient or other responsible party, as appropriate, regarding incomplete information;
  - c. Preparing claims and/or invoices based on Client's trip reports by Billing Company, to specifically include coding of claims based on the documentation of the trip sheet and any supporting documents in a manner supported by the documentation made available to Billing Company by Client;

- d. Submitting claims and/or invoices to appropriate payors in a prompt fashion;
- e. Mailing invoices to patients or financially responsible parties for co-payment and deductible obligations where required by law, unless directed otherwise by the Client, but only if:
  - (1) Pursuant to an actuarially sound membership or subscription program in accordance with the Provisions of this Agreement; or
  - (2) Reasonable collection efforts have been exhausted; or
  - (3) The patient is known to be indigent.
- f. Providing reports to Client that detail claim activity on a monthly basis;
- g. Making reasonable collection efforts from patients or responsible parties to include providing statements for applicable accounts at thirty (30), sixty (60) and ninety (90) days past due. If instructed by Client, Billing Company will forward accounts 90 days or more past due to the Client, a collection agency designated by Client, or a collection agency selected by Billing Company. Client shall be responsible for all related collection agency costs;
- h. To the extent permitted by law and to the extent practical for Billing Company, coordinating its billing services with the contractual arrangements and billing policies of Client, such as an ALS-BLS joint billing arrangement;
- i. Processing refunds and reviews of claims, and notify Client of refunds due for which Client may be responsible; provided, however, that Client is responsible to disburse all refund checks.

**3. Duties of Client.** Client shall be responsible for the following:

- a. Providing Billing Company exclusively with complete trip reports on a regular and timely basis as scheduled by Billing Company;
- b. Supplying complete and accurate information on trip reports, including but not limited to:
  - (1) Patient's name, address and telephone number;
  - (2) Billing authorization signature in accordance with Medicare guidelines;
  - (3) Physician Certification Statement or other physician order where required by law for non-emergency trips;
  - (4) A description of treatment provided;
  - (5) Information whether patient is a member/subscriber to Client's membership or subscription program;
  - (6) All necessary and available insurance information;
  - (7) Reason for patient transport (including medical necessity);
  - (8) Information regarding points of origin and destination;

- (9) Actual odometer readings and number of total loaded miles; and
- (10) Other information, as may be reasonably required by Billing Company.

c. Supply Billing Company with Client policies for billing and any agreements or subscription/membership program materials which may impact on Billing Company's billing for Client's services, if applicable;

d. Promptly notify Billing Company of any changes in billing rates, contractual obligations affecting Client's billing or other changes to Client's billing policies not later than thirty (30) days prior to the effective date of such changes;

e. Designate to Billing Company a depository account to which funds may be directly deposited without the necessity of Billing Company negotiating checks made payable to Client;

f. Supply to Billing Company a current copy of its ambulance service license, certification or permit to do business;

g. Report to Billing Company all payments made directly to Client for ambulance services rendered by Client;

h. Obtain all information reasonably required by Billing Company to justify the services being reported and/or billed by Billing Company on Client's behalf. More particularly, if client is a basic life support (BLS) ambulance service and requests Billing Company to submit claims on its behalf as an advanced life support (ALS) provider, i.e., pursuant to a joint billing agreement, Client shall be responsible to obtain and submit a copy of the ALS trip report to supplement its BLS trip report.

**4. Specifically Excluded Duties of Billing Company.** Notwithstanding anything in this Agreement or any understanding of the parties to the contrary, Billing Company shall not be responsible for the following:

a. Negotiating any checks made payable to Client, though Billing Company may receive funds as an agent of Client for transmittal to Client where permitted by Client;

b. Accepting reassignment of any benefits payable to Client;

c. Providing legal advice or legal services to Client, any of Client's patients or payors, or anyone acting on Client's behalf;

d. Providing collection agency services or filing or pursuing legal actions for payments due to Client, although Billing Company may forward collection accounts to a collection agent of its choosing at Client's expense if so directed by Client;

e. Monitoring the actuarial soundness of Client's membership or subscription program;

f. Invoicing for Client's non-ambulance medical transportation services, including, but not limited to, paratransit services, wheelchair van, invalid coach services, litter vans and stretcher cars, unless specific arrangements are made otherwise.

**5. Subscription or Membership Programs.**

a. If a check mark is placed in this space, then Client represents that it conducts an annual subscription or membership drive and the provisions of this Paragraph 5 are therefore applicable.

b. Client represents that its annual subscription/membership program complies with all applicable state and federal laws and regulations, and with the following specific provisions:

- (1) Client's subscription or membership program represents a reasonable assessment of the actuarial risk faced by Client; i.e., that its program is Actuarially Sound. For purposes of this Agreement, "Actuarially Sound" shall mean that Client has affirmatively determined that the subscription or membership revenues collected by Client from Medicare beneficiaries on an annual basis exceed the amount of Medicare co-payments and/or deductibles the Client may waive for such members/subscribers or the members/subscribers of any ambulance services with which Client may have a mutual aid or reciprocity agreement who are also Medicare beneficiaries;
- (2) Client will affirmatively notify Billing Company in the event its subscription/membership program ceases to be actuarially sound according to the provisions of this Paragraph 5;
- (3) Client does not solicit subscriptions/memberships from Medical Assistance (Medicaid) recipients or promptly refunds any such subscription or membership revenues to such subscriber on whose behalf a Medical Assistance (Medicaid) claim may be paid by the Department of Public Welfare.

**6. Compliance.** Each party is responsible for monitoring and ensuring its own compliance with all applicable state and federal laws and regulations pertaining to billing and reimbursement for its services. However, either party which becomes aware of a violation of any such state or federal laws or regulations or of a questionable claim or claim practice agrees to notify the other party in writing within thirty (30) days, but in all events prior to submitting any notification of such potential violation to the governmental authority charged with investigating same, so the other party may address the matter.

**7. Compensation.**

a. In compensation for the services provided to Client by Billing Company, Client shall pay to the Billing Company:

- (1) a processing fee equal Eight percent (7 % ) of the charges **collected** by the Billing Company for client trip sheets submitted to the Billing Company by the Client; and
- (2) a service fee equal to zero percent (n/a) of the charges shown on each client trip sheet submitted to the Billing Company by the Client for which the Billing Company undertakes the actions necessary to obtain a physician certification statement or a certificate of medical necessity on the Client's behalf regardless of whether the charges set forth on such client trip sheet are collected.

b. An invoice for the fees for each calendar month will be submitted to the Client within fifteen (15) days after the last day of the calendar month. The invoice will cover all charges collected by the Billing Company and forwarded to the Client during such calendar month. Invoices will be payable within thirty (30) days after receipt. Interest at a rate of 18% per annum, compounded monthly, shall be charged by the Billing Company and added to the unpaid balance of any fees which are not received by the Billing Company within thirty (30) days of the date set forth on the invoice.

c. In the event that the Client is obligated to refund any collected charges, the Billing Company will refund the processing fee received in connection with such collection upon delivery to the Billing Company of the documentation setting for the reason for such refund and evidence of the refund having been paid.

## **8. Qualifications.**

a. The Client represents and warrants the following, both presently and during the term of this Agreement: (1) Client shall obtain all required licenses, certification and permits necessary to do business and will continue to maintain them during the term of this Agreement; (2) Client shall obtain a valid Medicare provider number; (3) Client is in good standing with all state and federal agencies and is not currently the subject of any investigations or actions; (4) Client is not excluded or subject to exclusion from any state and/or federal health care program; and (5) Client complies with all applicable state and federal laws and regulations pertaining to billing for its services and will at all times continue to do so. Billing Company will assist with the Medicare and NJ Medicaid applications.

b. Billing Company represents and warrants that it is not the subject of any actions or investigations pertaining to its participation in any state or federal health care program, that it is not excluded or subject to exclusion from any state or federal health care program, and that it is in good standing with all state and federal agencies pertaining to the services it provides, and that Billing Company will remain in good standing with such agencies during the term of this Agreement.

## **9. Term and Termination.**

a. Term. This Agreement shall be for an initial term of one year and shall automatically renew each year thereafter for additional terms of one year each. The fees set forth in

Paragraph 7 above may be renegotiated by the parties on an annual basis which new fees shall be set forth in a written Amendment to this Agreement.

b. Termination Upon Notice. Notwithstanding the foregoing, either party may terminate this Agreement at any time with or without cause by giving the other party written notice of termination not less than sixty (60) days prior to the expiration of the then-current term.

c. Termination Upon Breach. This Agreement may be terminated upon occurrence of an Event of Default as set forth in Paragraph 10 of this Agreement.

d. Duties Following Termination. In the event this Agreement is terminated pursuant to Paragraphs 9(b), 10(a) (3), (4), (6), or (8), Billing Company shall, following the effective date of termination, continue to perform the duties specified in this Agreement for all open accounts for which Billing Company has been paid by Client. In the event this Agreement is terminated pursuant to any other provision of this Agreement, or in violation hereof, Billing Company shall have no continuing obligation to perform any services on behalf of Client following the effective date of termination of the Agreement. In the event that this Agreement is terminated by the Billing Company, the Client shall continue to be responsible for all open accounts for which the Billing Company has not been paid, and for all work thereafter done by the Billing Company prior to the last day of the final term. This provision shall survive the termination of this Agreement.

#### **10. Events of Default.**

a. Each of the following shall be an "Event of Default" under this Agreement entitling the non-defaulting party to declare this Agreement void and of no further force and effect after providing ten (10) days written notice to the defaulting party:

- (1) If Client fails to pay for Billing Company's services pursuant to the provisions of Paragraph 7 of this Agreement;
- (2) If Client fails to take reasonable action upon notification by Billing Company of a potential violation of applicable laws or regulations pursuant to the provisions of Paragraph 6 of this Agreement;
- (3) If Client repeatedly fails to respond to Billing Company's requests for information required to perform services on behalf of the Client;
- (4) If Client fails to report payments made directly to Client pursuant to the provisions of Paragraph 3(g) of this Agreement;
- (5) If Client revokes or otherwise rescinds the applicable carrier or insurer source code required by Billing Company to perform services on Client's behalf or causes such source code to be revoked or otherwise rescinded;
- (6) If either party fails to maintain its required licenses, permits or certifications necessary to do business;

- (7) If either party is excluded from the Medicare or Medicaid programs or convicted of a criminal offense related to any federal or state health care program;
- (8) If either party (i) admits in writing its inability to pay its debts generally as they become due, or (ii) files a petition to be adjudicated a voluntary bankrupt in bankruptcy or a similar petition under any insolvency act, or (iii) makes an assignment for the benefit of its creditors, or (iv) consents to the appointment of a receiver of itself or of the whole or any substantial part of its property;
- (9) If any of the representations and warranties of either party as set forth in this Agreement shall be false or misleading in any material respect.

b. Notwithstanding any other provisions of Paragraph 10(a), Billing Company may, at its sole discretion, temporarily suspend its obligations under this Agreement upon an Event of Default by Client until such time as Client cures the default by providing written or faxed notice to the Client. This temporary suspension shall not constitute a default on the part of the Billing Company, and the Client shall continue to be responsible for its payment obligation as set forth in Paragraph 7 and elsewhere in the Agreement during the pendency of the suspension. Such suspension shall be ended by the delivery of a written or faxed notice to the Client from the Billing Company upon the complete remedy of the default by the Client. However, nothing in this Paragraph 10 (b) shall be construed to prohibit Billing Company from terminating the Agreement as otherwise permitted by Paragraph 10(a) at its option, and suspension of Billing Company's obligations under Paragraph 10(b) on one or more occasions shall not thereafter preclude Billing Company from terminating the Agreement on a subsequent occasion if the provisions of Paragraph 10(a) are satisfied.

## **11. Notices.**

a. All notices, statements, demands or other communications (hereinafter collectively referred to as "notices") made under or pertaining to this Agreement shall be given to the parties at the following addresses:

Client:  
Township of Deerfield  
736 Landis Ave  
PO Box 350  
Rosenhayn, NJ 08352

Billing Company:  
Ambulance Billing Co., LLC  
PO Box 671  
Pittstown, NJ 08867-0671

b. Notices shall be in writing and may be transmitted by one of the following methods; personal delivery (effective upon receipt of the party or the party's authorized representative); United States registered or certified mail, postage prepaid with return receipt requested (effective upon delivery or two days after mailing, whichever is earlier); Federal Express or United Parcel Service or equivalent, nationally-recognized carrier (effective upon delivery); or facsimile or electronic mail (each of which is effective upon transmission, provided there is written confirmation sent on the same day or the next day by any of the other methods authorized by this Paragraph.

**12. Insurance and Indemnification.**

a. Billing Company shall maintain errors and omissions insurance coverage in an amount no less than \$1 Million. Billing Company shall provide proof of such coverage to Client upon reasonable notice.

b. Billing Company shall ensure that its employees are covered by fidelity bond(s) in an amount of no less than \$10,000 per employee. Billing Company shall provide proof of such bonding to Client upon reasonable notice.

c. Client shall hold harmless, indemnify and defend Billing Company against any and all claims, causes of action, and damages including, but not limited to, overpayment or false claims liability to any government agency, third party payor, financially responsible party, carrier or insurer, to the extent caused by any act or omission, including but not limited to supplying inaccurate, false or fraudulent information, on the part of Client or its agents, contractors or employees. This provision shall include all costs and disbursements, including without limitation court costs and reasonable attorneys' fees. Client shall release Billing Company from any liability caused by any act or omission of Billing Company or its employees, agents or servants.

**13. Agent to Receive Payment.** Client hereby designates Billing Company as its agent to receive payments due to Client from third party payors and financially responsible parties where permitted by law. Nothing in this Paragraph shall be deemed to effect a reassignment of benefits where not authorized by law. Client also expressly authorizes Billing Company to arrange payment plans and accept partial payments from payors or financially responsible parties on behalf of Client.

**14. Employment of Billing Company Personnel.** Without prior, written authorization from Billing Company, Client shall not, during the term of this Agreement and for one year after its expiration or termination for any reason, employ, retain as an independent contractor, or otherwise in any way hire any personnel employed at any time during the term of this Agreement by Billing Company.

**15. No Third Party Rights.** This Agreement inures to the benefit of and concerns only the parties to the Agreement. It does not create any express or implied rights in any other person or party nor is it the intent of the parties that any person not a party to this Agreement shall be considered a third party beneficiary of this Agreement. .

**16. Governing Law.** This Agreement is made and shall be construed in accordance with, and governed by, the laws of the State of New Jersey without consideration of conflict of laws principles.

**17. Remedies for Breach.**

a. The parties expressly agree that any disputes arising under or pertaining to this Agreement shall be brought exclusively in any court or magisterial district of Hunterdon

County, New Jersey. Client expressly consents to personal jurisdiction within the State of New Jersey and to venue and personal jurisdiction in the Courts set forth in this Paragraph.

b. In the event that Client fails to pay Billing Company for amounts due and owing under this Agreement, Client expressly agrees to reimburse Billing Company for its attorneys' fees, court costs and other expenses necessary to enforce its rights hereunder.

#### **18. HIPAA Business Associate Provisions.**

a. Billing Company shall carry out its obligations under this Agreement in compliance with the privacy regulations pursuant to Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, Subtitle F Administrative Simplification, Sections 261, et seq., as amended ("HIPAA"), to protect the privacy of any personally identifiable protected health information ("PHI") that is collected, processed or learned as a result of the billing services provided hereunder. In conformity therewith, Billing Company agrees that it will:

- (1) Not use or further disclose PHI except as permitted under this Agreement or required by law;
- (2) Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by this Agreement;
- (3) To mitigate, to the extent practicable, any harmful affect that is known to Billing Company of a use or disclosure of PHI by Billing Company in violation of this Agreement;
- (4) Report to Client any use or disclosure of PHI not provided for by this Agreement of which Billing Company becomes aware;
- (5) Ensure that any agents or subcontractors to whom Billing Company provides PHI, or who have access to PHI, agree to the same restrictions and conditions that apply to Billing Company with respect to such PHI;
- (6) Make PHI available to Client and to the individual who has a right of access as required under HIPAA within thirty (30) days of the request by Client regarding the individual;
- (7) Incorporate any amendments to PHI when notified to do so by Client;
- (8) Provide an accounting of all uses or disclosures of PHI made by Billing Company as required under the HIPAA privacy rule within sixty (60) days;
- (9) Make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining Billing Company's and Client's compliance with HIPAA; and
- (10) At the termination of this Agreement, return or destroy all PHI received from, or created or received by Billing Company on behalf of Client, and if return is infeasible, the protections of this agreement will extend to such PHI.

b. The specific uses and disclosures of PHI that may be made by Billing Company on behalf of Client include:

- (1) The preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by Client to its patients;
- (2) Preparation of reminder notices and documents pertaining to collections of past due accounts;
- (3) The submission of supporting documentation to carriers, insurers and other payors to substantiate the health care services provided by Client to its patients or to appeal denials of payment for same.
- (4) Uses required for the proper management of the Billing Company as a Business Associate; and
- (5) Other uses or disclosures of PHI as permitted by HIPAA privacy rule.

c. Notwithstanding any other provisions of this Agreement, this Agreement may be terminated by Client, in its sole discretion, if Client determines that Billing Company has violated a term or provision of this Agreement pertaining to Billing Company's obligations under the HIP AA privacy rule, or if Billing Company engages in conduct which would, if committed by Client, result in a violation of the HIPAA privacy rule by Client.

**19. Entire Agreement.** This Agreement constitutes the sole and only agreement of the parties regarding its subject matter and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter. Neither party has received nor relied upon any written or oral representations to induce it to enter into this Agreement except that each party has relied only on any written representations contained herein.

**20. Amendments.** No agreement or understandings varying or extending this Agreement shall be binding upon the parties unless it is memorialized in a written amendment signed by an authorized officer or representative of both parties.

**21. Force Majeure.** The parties shall be excused for the period of any delay in or impossibility of the performance of any obligations hereunder, when prevented from doing so by any cause or causes beyond a party's control, which shall include without limitation: all labor disputes, civil commotion, war, nuclear disturbances, hostilities, sabotage, governmental regulations or controls, fire, accident or other casualty, interruption in the supply of any utilities or fuel, inability to obtain any material or services, catastrophic software or hardware failure, or through acts of God.

**22. Independent Contractor Relationship.** The relationship of the parties is that of independent contractors. Neither party shall be deemed to be the agent or partner or fiduciary of the other, and neither is authorized to take any action binding upon the other, other than those actions specifically enumerated herein.

**23. Headings.** The headings preceding the text of the several paragraphs of this Agreement are inserted solely for convenience of reference and shall not constitute a part of this Agreement and shall not affect the meaning, construction or effect of any paragraph hereof.

**24. Assignment.** This Agreement may not be assigned to any third party without the express written consent of the other party. This Agreement shall be binding upon and inure to the benefit of all successors and assigns.

**25. Records and Confidentiality.**

a. **Proprietary Information** - The parties shall not, during the term of this Agreement and any extensions thereof, and for a period of three (3) years after the termination of the Agreement for any reason, disclose to any third parties any proprietary information regarding the other party, including but not limited to the other party's fees or rates, or other such information designated by the party as proprietary for purposes of this Paragraph.

b. **Patient Information** - Billing Company employees providing services hereunder shall at all times respect the confidentiality of patient information acquired in the course and scope of their duties hereunder, and shall comply with all applicable laws and regulations in this regard.

c. **Inspection and Copying of Client Records** - Upon written request and reasonable advance notice, Client shall have the right, during regular business hours, at a time and location designated by Billing Company, to review financial and related information in Billing Company's possession that directly relate to Client's account and to Billing Company's services on behalf of Client. All information, documentation papers and reports relative to Client's account in the possession of Billing Company are the property of Billing Company; provided, however, so long as Client is current in the payment of all sums owed by Client to Billing Company, Client shall, at Client's own expense, be entitled to copies of all such information upon the receipt by Billing Company of a written request from the Client. Client shall not have the right to review or have copies of information relating to any other Billing Company clients or the business policies and procedures of Billing Company.

**26. Further Assurances.** The parties agree to execute such other documents as may be required to implement the terms and provisions and fulfill the intent of this Agreement.

**27. Waiver.** Failure by either party to insist upon strict compliance with any of the terms, covenants, conditions or responsibilities herein shall not be deemed a waiver of such terms, covenants, conditions or responsibilities, nor shall any waiver or relinquishment by either party of any right or power hereunder at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.

**28. Construction.** This Agreement is subject to applicable state and federal laws and regulations and shall be construed so as to be consistent with the parties' obligations thereunder. In the event that any provision hereof is adjudged to any extent to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

\_\_\_\_ Linda Thomas \_\_\_\_\_  
Printed Name