

**CONTRACT FOR SERVICES #017-111-P-E2011
AMENDMENT 3**

Prehospital Advanced Life Support, Ambulance
and Dispatch Services

This Amendment III to that Contract for Services #017-111-P-E2011, is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and California Tahoe Emergency Services Operations Authority (hereinafter referred to as "Cal Tahoe").

RECITALS

WHEREAS, Cal Tahoe has been engaged by County for contracted Prehospital Advanced Life Support services and dispatch services, in accordance with Contract for Services #017-111-P-E2011, dated October 27, 2011, Amendment 1 dated May 1, 2012, and Amendment 2 dated December 11, 2012, incorporated herein and made by reference a part hereof; and

WHEREAS, the parties hereto have mutually agreed to amend **Section VIII, Article VII – Compensation for Services**; and

NOW THEREFORE, the parties do hereby agree that Contract for Services #017-111-P-E2011 shall be amended a third time as follows:

1) Section VIII, Article VII shall be amended in its entirety to read as follows:

Article VII – Compensation for Services

Cal Tahoe acknowledges and agrees that this Contract is funded from specific, identified CSA No. 3 funding sources and is primarily a fixed price contract with annual adjustments plus standby revenue.

A. Cal Tahoe will be compensated in sixty (60) monthly payments of \$166,500.00 for the duration of the original five-year term of the Contract. Beginning in January 2013, County will annually increase monthly compensation by a percentage that is equal to the Medicare Ambulance Inflation Factor (AIF) released by the Centers for Medicare and Medicaid Studies and effective for each calendar year. In the event that the AIF is zero or a negative percentage in any given year, Cal Tahoe compensation will not be changed during that year. The County will work collaboratively with Cal Tahoe to establish and maintain an

annual balanced operational budget for CSA No. 3, with operating expenditures that do not exceed annual operating revenues. County shall supply Cal Tahoe on a quarterly basis a report showing billing and collections on all transports. In addition, in recognition of the increased dispatch costs, effective upon execution of this Amendment, County shall pay Cal Tahoe a \$60,000 flat fee; thereafter said \$60,000 shall be due July 1st each fiscal year through the remaining term of this Agreement.

At any time during the Contract term, in the event that significant circumstances beyond the reasonable control of Cal Tahoe or County dramatically increase or decrease Cal Tahoe's expenses or County revenues, either party may request that the other meet and confer regarding the terms of the Contract. Potential options include:

- Continue the Contract without changes
- Increase or decrease Cal Tahoe compensation
- Modify the performance requirements of the Contract

Examples of circumstances beyond the reasonable control of the parties include, but are not limited to significant changes in State or federal healthcare reimbursement, State or federal mandates that create an unfunded financial burden on party, the repeal, or reduction of certain taxes or benefit assessments, and significant changes in the payer mix.

Cal Tahoe acknowledges and agrees that the source of funds for Cal Tahoe's compensation is limited to total revenue projected to be collected from two sources: 1) the CSA No. 3 benefit assessment and 2) fees collected by the County from patient charges for service. The County shall not be required to fund compensation from any other funds or revenues, including but not limited to the County's General Fund.

B. Fines and Penalties

The total of all fines and penalties for the previous month shall be deducted prior to monthly payment to Cal Tahoe.

Penalties and fines may be waived by County if acceptable reasons are presented by Cal Tahoe.

C. Additional Compensation for Standby, Disaster Services, Long Distance Transports, and One-time Fixed Asset Purchases:

1. Standby Services: County will reimburse Cal Tahoe 93% of actual revenue received for special event and standby event services provided by Cal Tahoe. Seven percent (7%) will be retained by County for billing and collection services.

2. Disaster Services: County will reimburse Cal Tahoe 100% of payments received from State and federal agencies specifically designated to reimburse Cal Tahoe for direct, unusual expense of providing disaster services.
3. Long Distance Transports: Long distance transport shall be defined as transportation of a patient in excess of one hundred (100) miles. County will compensate Cal Tahoe a flat rate of one thousand dollars (\$1,000) each month for Long Distance Transports regardless of whether, and how many, long distant transports are performed in that month.
4. Medic Unit: Upon execution of this Amendment 3 to that Agreement 164-S1211, County shall pay Cal Tahoe a one-time amount of \$160,000 for the purchase of one (1) medic unit.

D. Process for Ambulance Services Compensation

Cal Tahoe shall invoice County by the 10th of each calendar month for that current month. Invoice shall be submitted to the County EMS Agency, 415 Placerville Drive, Suite J, Placerville, CA 95667 or other location as County may direct. The County will pay to Cal Tahoe the reconciled monthly compensation payment prior to the last day of the invoiced month to include the following:

1. The base Contract monthly compensation for the current month, less any applicable penalties, and
2. Costs associated with disaster response per Section VIII, Article VII, C, 2. of this Contract for the previous month

E. Financial Statements and Reports

The County may require that the Cal Tahoe submit an income statement or financial statement for any contract year during the term of the Contract. The income and financial statements shall be in compliance with California Government Code section 6505 and in a format acceptable to the County and shall be certified by a Certified Public Accountant that has direct responsibility for financial aspects of Cal Tahoe's operations under the County contract. It is understood that the County may conduct audits to verify these statements and make them available to other parties as deemed appropriate and Cal Tahoe shall fully cooperate with any County audit.

Cal Tahoe shall also comply with such other miscellaneous reporting requirements as may be specified by the County, provided that these additional reporting requirements shall not be unreasonable or excessively cumbersome to Cal Tahoe.

F. Annual Audit

Cal Tahoe acknowledges and agrees that County is responsible for conducting/obtaining annual audits of Cal Tahoe's books and records. Cal Tahoe agrees to assist administratively in procuring a Certified Public Accountant (CPA) upon County's request. Each audit period shall be July 1 through June 30 for the term of this contract. For each annual audit, a copy of the audit, together with any findings of deficiencies and recommended corrective action from the auditor, shall be submitted to the Health Services Department no later than March 31st of each year. Health Services Department shall forward the audit documents to the County Auditor-Controller and to the Board of Supervisors for receipt and filing. In the event corrective action is necessary, Cal Tahoe shall, simultaneously with the submission of the audit documents, submit its corrective plan to correct any and all existing deficiencies, and to implement action to protect against future such deficiencies. Within forty-five (45) days of submission of the audit documents and Cal Tahoe's corrective plan to Health Services Department, County will notify Cal Tahoe if further Cal Tahoe action to implement corrective action is required. Cal Tahoe shall fully cooperate with any County audit.

G. Accounts Receivable/Billing

County shall manage all accounts receivable associated with this Contract. Cal Tahoe shall not engage in any billing activity associated with services provided by this Contract.

Except as herein amended, all other parts and sections of that Contract #017-111-P-E2011 shall remain unchanged and in full force and effect.

REQUESTING CONTRACT ADMINISTRATOR CONCURRENCE:

By: _____ Dated: _____
Richard Todd, EMS Agency Administrator
Contract Administrator

REQUESTING DEPARTMENT HEAD CONCURRENCE:

By: _____ Dated: _____
Don Ashton, M.P.A., Director
Health and Human Services Agency

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to that Contract for Services #017-111-P-E2011 on the dates indicated below.

-- COUNTY OF EL DORADO --

Dated: _____

By: _____

Ron Mikulaco, Chair
Board of Supervisors
"County"

ATTEST:

James S. Mitrison
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Dated: _____

CALTAHOE

By: _____
Robert Bettencourt, Chairman
Board of Directors
"Cal Tahoe"

Dated: _____

ATTEST:

By: _____
Board Secretary

Dated: _____

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