

**AGREEMENT BETWEEN THE COUNTY OF SONOMA AND
REACH MEDICAL HOLDINGS, LLC
BY AND THROUGH ITS OPERATING SUBSIDIARIES,
NAMESLY REACH AIR MEDICAL SERVICES, LLC AND
CALSTAR AIR MEDICAL SERVICES, LLC
FOR DESIGNATION AS A
PREHOSPITAL EMS AIR AMBULANCE PROVIDER**

This agreement ("Agreement"), dated the _____ day of _____, 2019 ("Effective Date"), is entered into by and between the County of Sonoma, a political subdivision of the State of California (hereinafter "County"), and REACH Medical Holdings, LLC ("RMH") by and through its operating subsidiaries, namely REACH Air Medical Services, LLC ("REACH") and CALSTAR Air Medical Services, LLC ("CALSTAR") (hereinafter collectively "Provider"). REACH and CALSTAR are Providers of air and ground ambulance service, and are located at 4933 Bailey Loop, McClellan, CA 95652.

RECITALS

WHEREAS, County is authorized by law to develop an Emergency Medical Services (EMS) system, and has designated its Department of Health Services as the EMS Agency pursuant to the EMS and Pre-Provider Care Personnel Act (Health and Safety Code Section 1797 et seq.); and

WHEREAS, the Coastal Valleys EMS Agency ("EMS Agency") established by the Sonoma County, Mendocino County, and Napa County Boards of Supervisors, has implemented a regional EMS system pursuant to Health and Safety Code Section 1797.200; and

WHEREAS, EMS Agency may designate Prehospital EMS Aircraft Providers as part of its regional EMS system pursuant to Health and Safety Code Sections 1797.204, 1797.206, 1797.218 and California Code of Regulations Title 22 Division 9 Sections 100276 through 100306; and

WHEREAS, EMS Agency wishes to assure the highest quality of care by ensuring all Providers of EMS air ambulance service maintain compliance to clinical and operational standards in State law and regulations as well as local EMS policy; and

WHEREAS, EMS Agency has found that Provider meets state and local standards for Prehospital EMS Aircraft Providers; and

WHEREAS, EMS Agency has found that Provider has, and has agreed to maintain throughout the term of this Agreement, accreditation by the Commission on Accreditation of Medical Transport Systems (CAMTS); and

WHEREAS, Provider desires and is willing to accept designation by the EMS Agency as an Authorized Prehospital EMS Aircraft Provider according to the terms and conditions set forth in this Agreement; and

WHEREAS, Provider, by virtue of the parties' execution of this Agreement, will be designated by EMS Agency as an Authorized Prehospital EMS Aircraft Provider under the terms of this Agreement. This agreement is not an exclusive contract. EMS Agency retains the right to enter agreements with other EMS Aircraft Providers to serve the same Primary Zone of Operation; and

WHEREAS, Provider will not usually operate ground rescue or transport, but may, from time to time, participate in the ground transfer of a patient utilizing the services of a locally approved ambulance provider if such transport method is deemed medically necessary; and

WHEREAS, PROVIDER utilizes Registered Nurses who operate under standardized operating procedures pursuant to the California Nurse Practice Act and serve as the lead practitioner on interfacility transfer units.

NOW, THEREFORE, in consideration of the recitals and the mutual obligations of the parties expressed herein, both County and the EMS Agency (hereinafter collectively referred to as the “EMS Agency”) and Provider do hereby expressly agree as follows:

1. Definitions

For the purposes of this Agreement, the following terms shall have the meaning given herein:

(a) “Coastal Valleys EMS Agency” means the Local EMS Agency (LEMSA) established by the Sonoma County, Mendocino County, and Napa County Boards of Supervisors to, among other responsibilities, authorize Prehospital EMS aircraft Providers.

(b) “Designated Area of Operations” means the area within the Coastal Valleys constituent counties designated as the Primary Zone of Operation for the Provider.

(c) Air Ambulance means any aircraft specifically constructed, modified or equipped, and used for the primary purposes of responding to emergency calls and transporting critically ill or injured patients whose medical flight crew has a minimum two (2) attendants licensed in advanced life support.

(d) “Advanced Life Support” or “ALS” means any definitive prehospital emergency care role approved by the EMS Agency, in accordance with state regulations, which includes all of the specialized care services listed in Section 1797.52 of the Health and Safety Code.

(e) “Primary Zone of Operations” means the geographic area within the Coastal Valleys EMS Region in which Provider has access to as closest Air Ambulance service provider. The location from which the access is measured is the primary base of operations where the Air Ambulance is located while in service and ready to respond to requests for service.

2. Designation of Provider as an Authorized Prehospital EMS Aircraft Provider

Upon execution of this Agreement by the parties, Provider shall be designated by EMS Agency as an Authorized Prehospital EMS Aircraft Provider and, except as otherwise specified, shall continue in effect for as long as Provider’s designation remains in effect.

Provider is also permitted to maintain or provide patient care using locally permitted ground transport vehicles of another provider when air transport is not possible or practical. The circumstances requiring the use of ground transport may include, but not limited to: weather, unexpected mechanical issues, and patient size and weight limitations.

3. Term

This Agreement shall have an initial term of five (5) years, beginning on January 1, 2019, unless terminated early, pursuant to this Agreement. At the end of the initial term, if EMS Agency reasonably determines that Provider has satisfactorily performed all obligations herein, the EMS Agency shall have the option, within its sole discretion, to extend the term of this

Agreement for an additional term of four (4) years under the terms and conditions provided herein. Any extension shall be conditioned, in part, on Providers' continued accreditation by the Commission on the Accreditation of Medical Transport Services.

4. EMS Agency Responsibility

The EMS Agency shall monitor the Provider's performance of duties and obligations under this Agreement and if required, enforce the provisions of the Agreement accordingly. The EMS Agency shall provide for system medical control and direction by the EMS Agency Medical Director.

LEMSA staff (having responsibility for planning, implementing and evaluating the EMS System) shall maintain expertise through continuing education including participation in National, State, and Local conferences and trainings. It is essential that LEMSAs staff maintain clinical expertise, understanding of changing system standards, and access to best practices at the national and state level.

LEMSA staff shall also represent the interests of our local EMS system and providers through active participation in National and State workgroups which develop standards that may have an effect on the local system.

5. Provider Scope of Services

(a) Provider will provide Air Ambulance services meeting or exceeding the minimum standards for operation of Air Ambulances as set forth in applicable laws, regulations and guidelines established by the State of California or the EMS Agency, as amended from time to time, and in accordance with applicable policies and protocols of the EMS Agency and the terms and conditions set forth in this Agreement. In the event of any inconsistency among these documents, preference shall be given in the following order: 1) laws and regulation of the United States and of the State of California; 2) guidelines of the State EMS Authority; 3) local EMS Agency plans, policies, and protocols; and the 4) terms and conditions this Agreement.

Provider acknowledges that the EMS Agency Medical Director has the authority to develop overall plans, policies, and medical standards to assure that effective levels of prehospital EMS care are maintained within the EMS Region and that the Medical Director has the authority for establishing the required drug inventories and Medical Protocols and that Provider, its employees, and all personnel providing services under this Agreement are subject to said plan, policies, standards and protocols.

The EMS Agency has an established system of medical control through the EMS Medical Director of the EMS System. Provider shall adhere to the standards of medical control established by the EMS Agency. Provider shall comply with County Emergency Medical Response Ordinances, EMS Policies and Protocol Manual and other directives, e.g. special memos, which may be issued under the EMS Medical Director's authority.

(b) Provider shall make all commercially reasonable efforts to be available twenty-four (24) hours per day 7 days per week coverage for requests for EMS Air Ambulance service for the term of this Agreement within the Primary Zone of Operation of the Coastal Valleys EMS Region. This agreement is not an exclusive contract. EMS Agency retains the right to enter agreements with other EMS Aircraft Providers to serve the same Primary Zone of Operation. Provision of EMS Air Ambulance Service includes ALS interfacility transports within the

Coastal Valleys EMS Region. For requests for EMS Air Ambulance Service within the Coastal Valleys EMS Region, Provider shall respond with only an EMS Air Ambulance.

(c) Transports originating in the Primary Zone of Operation of the Coastal Valleys EMS Region shall be referred to Provider consistent with EMS Agency policy. Provider shall provide Air Ambulance response in response to the following:

- (1) 9-1-1/PSAP requests requiring an EMS Air Ambulance;
- (2) Requests for immediate Air Ambulance Service transmitted through an authorized 9-1-1/PSAP;
- (3) Requests for an EMS Air Ambulance Service made directly to Provider from the public will be first rerouted to the appropriate PSAP/911 provider.
- (4) Any other request for EMS Air Ambulance Service as defined by the EMS Agency's policies and procedures; and

(d) Provider shall participate regularly in all aspects of development of the local EMS System including, but not limited to the following:

- (1) Expanded scope of practice treatment and equipment programs;
- (2) First Responder, EMT-1, EMT-Advanced, EMT-II, Paramedic, ARN, Base Hospital physician, dispatcher education and training;
- (3) Disaster exercises and drills; and
- (4) Continuing education programs.

(e) Provider shall cooperate with EMS Agency in the performance of all services hereunder.

(f) Provider may develop agreements with neighboring Air Ambulance Services, subject to approval by EMS Agency.

6. Performance Standards

(a) Provider shall maintain an Operational Readiness Log of in- and out-of-service times, including time and duration of occurrence and reason for the aircraft out-of-service occurrence. This log will be available at the request of the EMS agency within 7 business days. Provider may use the electronic status tool detailed in section 14 (b) to meet this requirement.

(b) Provider shall attempt to minimize out-of-service occurrences due to controllable factors such as scheduled maintenance, staffing issues and training.

(c) Should a specific aircraft require service, Provider may substitute an aircraft of equal capacity. Such a replacement must conform to all sections of this Agreement prior to fulfilling the in-service requirement.

(d) EMS Agency may alter performance standards during the term of this Agreement consistent with the modifications in EMS operational and medical standards developed by the EMS Agency. EMS Agency shall notify Provider at least one hundred eighty days (180) days in advance of the effective date of the modification. Provider shall define the contract impact within thirty (30) days of initiation. Provider shall negotiate in good faith to revise the terms of this Agreement if necessary to accommodate these changes.

(e) Provider shall maintain a valid and current accreditation through the Commission on Accreditation of Medical Transport Systems (CAMTS) throughout the term of this Agreement.

7. First Responder and Ground Ambulance Coordination

(a) Provider shall implement and maintain an orientation program designed to acquaint public safety, First Responder and Ground Ambulance agencies with aircraft safety.

(b) For all equipment left with a patient, Provider shall provide appropriate information to enable all equipment to be returned within 24 hours.

(c) Provider shall assist EMS Agency in evaluating and implementing expanded scope programs for ARN, Paramedic, EMT II, EMT-Advanced, EMT-I, and First Responder personnel as appropriate.

8. Data Collection and Evaluation Requirements

(a) Provider shall maintain data collection and reporting systems as set forth in EMS Agency Policy.

(b) Provider shall utilize an electronic patient care report system that meets requirements of the EMS Agency. The electronic patient care report system shall be used for patient care documentation, data collection and reporting. The electronic patient care report system shall be capable of performing the following tasks:

- (1) Producing an electronically transferable and printable patient care record that EMS Agency staff can access;
- (2) Generating and gathering data as specified by EMS Agency utilizing CEMISIS standard; and
- (3) Data elements in the electronic patient care report system shall be available to EMS Agency staff via the Internet for the purpose of quality improvement, compliance monitoring and systems analysis.

(c) For each patient contacted, Provider's personnel shall complete an approved patient care report and, for instances when a patient is transported to a receiving facility, Provider shall provide a written record of patient care information meeting minimum EMS Agency standards as set forth in EMS policy and furnish a copy of interim care report to the receiving facility prior to the departure of its Air Ambulance from that facility. The parties agree to cooperate to improve the current PCR system and to develop a performance standard for completion and delivery of PCRs to EMS Agency approved receiving facilities that may be subject to an assessment for failure to comply with such performance standard. For any calls originating within the Coastal Valleys EMS Region Provider shall ensure a final patient care report is available upon request to the EMS Agency electronically within 24 hours of call completion. This requirement may be met by enabling EMS Agency access to Provider's electronic PCR system with sufficient privileges for PCR retrieval as desired by the EMS Agency.

(d) According to EMS Agency policy, upon request by the EMS agency, Provider shall submit data, including CAD data for each response and patient care data as specified herein.

(e) Provider shall take all reasonably available commercial efforts to insure its data remains secure and is not subject to tampering. Provider shall not seek economic gain from confidential data received from the 9-1-1/PSAP in any manner unauthorized by law.

9. Personnel

(a) Personnel Required. Provider shall furnish the personnel necessary to provide EMS Air Ambulance Service and other services as described herein within the Coastal valleys EMS Region.

(b) Management and Supervisory Personnel. The Provider shall establish a management and supervisory system to meet the standards set forth in this agreement. Management and Supervisory personnel shall be in sufficient numbers and competencies to provide appropriate oversight of Provider's personnel in accordance with Provider's operating procedures, quality improvement plan and EMS policies and procedures.

(c) Provider Medical Director. Provider shall provide a physician Medical Director who will oversee and coordinate the Provider's clinical performance consistent with the provisions of this Agreement. The Provider's Medical Director shall be a physician Board certified in Emergency medicine or equivalent Emergency medicine experience and approved by the EMS Agency. The Provider's Medical Director shall work with the EMS Medical Director and the physicians of the EMS System to ensure compliance by the Provider with the clinical standards established for the Coastal Valleys EMS System.

(d) Certification and Licensure of Personnel. Provider shall ensure that all employees functioning as Pilots, Nurses and/or Paramedics are appropriately certified, accredited and licensed at appropriate Federal, State and local levels.

(e) Records and Credentials. Provider shall maintain, and make available to the EMS Agency upon request, records and data pertaining to the certifications, licenses, and other applicable credentials of its employees and subcontracted personnel used to provide services under this Agreement.

(f) Employee Handbook. Provider shall develop and maintain an Employee's Handbook describing the personnel policies and procedures utilized by Provider in its operations. A copy of the current Employee Handbook shall be made available to the EMS Agency upon request.

(g) Administrative Representative. Provider shall regularly participate in the EMS committees and EMS training organizations as invited.

(h) EMS Incident Forms. Provider shall furnish to all employees approved "EMS Incident Report Forms" and shall furnish a copy of a completed form to the EMS Agency in accordance with EMS Agency policies.

(i) Equipment Failure Reports. Provider shall furnish its employees with approved "Equipment Failure Report Forms" and shall use such forms in conjunction with Provider's maintenance program and shall furnish copies of such completed forms to the EMS Agency upon request.

(j) Competency and Conduct. All employees, sub-contractors or other persons used by Provider in the performance of work under this Agreement shall be competent and holders of appropriate permits, licenses and certificates in their respective trades and professions. The EMS Agency may request and Provider shall take action in accordance with its personnel policies and procedures to effect the removal of or take appropriate disciplinary remedial action against any person used by the Provider who misconducts themselves or is chronically incompetent or negligent in the due and proper performance of their duties. Such persons shall not be reassigned

by the Provider for provision of services under this Agreement without the written consent of the EMS Agency.

(k) Knowledge of EMS. The Provider shall assure that all pre-hospital care personnel, including RNs and EMT-Ps provided under this Agreement shall be knowledgeable and cooperative in the provision of EMS Air Ambulance Service or other services required under this Agreement.

(l) Infectious Disease Exposure. Provider shall provide testing and counseling services to all employees exposed to serious infectious diseases at no cost to the employee. Provider shall ensure that such services and programs pertaining to infectious disease exposures are provided in accordance with the provisions of state and federal law.

(m) Employee Assistance Program. Provider shall provide its employees with an Employee Assistance Program that offers counseling services for mental health and substance abuse.

(n) Occupational Health Services. Provider shall maintain a program related to occupational health for its employees at no cost to the employee.

(o) Immunization and Testing Program. Provider shall provide an immunization and testing program for its employees as approved by the EMS Agency Medical Director.

(p) Injury Prevention and Treatment Program. Provider shall maintain an injury prevention and treatment program for its employees.

(q) Hiring Standards and Practices. Provider shall maintain an employee hiring standards and practice program.

(r) Safety and Risk Management Program. Provider shall provide a Safety and Risk Management Program compliant with all State and Federal occupational safety standards for the aero medical industry.

(s) Employee In-Service Training. Provider shall provide or contract for employee in-service training which will allow field personnel to meet and maintain state and local certification, accreditation, and licensure standards. Such in-service programs shall include training on local EMS Agency policies and procedures, field care audits, aircraft operations, safety, grief support training, peer support, critical incident stress management, multi-casualty/disaster training, and training in radiologic, nuclear, biological, chemical, and/or explosive weapons.

(t) Provider shall provide, upon request, basic First Responder and ground ambulance EMS Aircraft in-service training, and Flight Crew-assist training to First Responder and ambulance personnel.

10. Rights and Responsibilities of Field Personnel

(a) Field personnel are certified, licensed and/or accredited pursuant to the Health and Safety Code Section 1797 et seq. A linkage exists between field personnel and the system's physician leadership and medical control. Where issues involving questions of patient care are concerned, there is no "chain of command." Each of the certified personnel working in the system has not only a right, but a legal obligation, to work directly with the system's physician leadership on issues related to patient care.

(b) The direct linkage, and personal responsibility, also applies to issues regarding compliance with regulations of aircraft, on-board equipment, and collection and recording of primary data. EMS personnel are prohibited by the laws, rules and regulations, which govern the EMS system from operating equipment that is substantially out of compliance with system standards, as well as from falsifying or omitting data from reports (e.g., patient care reports, incident reports, etc.) Field personnel have a professional responsibility with regard to issues related to the delivery of patient care and the accurate reporting of primary data.

(c) While this Agreement is a performance contract and while the Provider is not only allowed but encouraged to employ its own methods and techniques for producing the required performance reliably and efficiently, Provider is expressly required to use reasonable work schedules, shift assignments, and to provide adequate working conditions. The primary issue is patient care, and the Provider is expected to utilize management practices which ensure that field personnel working extended shifts, part-time jobs, voluntary overtime or mandatory overtime are not exhausted to an extent which might impair judgment or motor skills.

(d) Regularly scheduled work shifts and rest periods for medical personnel shall comply with CAMTS standards. Provider shall implement wage, benefit and compensation packages in accordance with the requirements of all applicable Federal and State law.

11. Staffing of Air Ambulances

(a) Provider shall provide for staffing each Air Ambulance with a configuration at minimum two (2) ALS personnel. Paramedics shall maintain Coastal Valleys Accreditation. ARNs shall follow standardized operating procedures pursuant to the California Nurse Practice Act.

(b) Each ALS Resource shall have at least all the ALS equipment required by the EMS Agency EMS Air Ambulance equipment list.

12. Aircraft, Equipment and Maintenance

(a) Each Air Ambulance shall meet all current federal standards and have current airworthiness certificates.

(b) All Air Ambulances utilized by Provider in providing service under this Agreement shall be staffed and equipped in accordance with federal, and state law, and meet all local EMS Agency policies.

(c) Provider shall maintain preventative aircraft maintenance records, and adhere to an approved preventative fleet maintenance program for each Air Ambulance.

(d) Each Air Ambulance shall meet the equipment standards of the State of California and the EMS Agency.

(e) Provider shall provide all restocking of required drugs and other expendable supplies as necessary to provide the services set forth herein.

(f) Provider shall assure that each Air Ambulance serving the Coastal Valleys EMS Region shall be equipped with emergency alerting devices and two-way radios capable of communicating on the approved local EMS frequencies.

(g) Each Air Ambulance shall be equipped with radio equipment capable of communicating with the EMS base hospitals, receiving facilities and the EMS dispatch centers in

accordance with and as required by local EMS Agency policies and procedures. Any exception to this requirement is subject to approval by the EMS Agency.

(h) Provider shall be responsible ensuring appropriate maintenance of Provider's Air Ambulance, on-board equipment, and facilities used by Provider in the performance of services under the terms of this Agreement.

(i) Provider shall not be responsible for routine maintenance of County-owned communication equipment except if repair is necessary due to abuse or neglect by Provider or Provider's personnel.

(j) Provider shall provide or contract for equipment maintenance. Provider shall be responsible for installing and maintaining all radio equipment on the appropriate frequencies as required in EMS Agency Policy to comply with the terms of this Agreement.

13. Disaster, Multi-Casualty and Instant Aid Response

(a) To the extent that Provider may have resources available, Provider shall respond to requests from neighboring jurisdictions and Air Ambulance Providers for instant aid that requires an immediate response.

(b) During a declared State-of-Emergency, locally or in neighboring jurisdictions, the normal course of business may be interrupted from the moment of the State-of-Emergency or multi-casualty situation is made known to Provider by EMS Agency. Provider shall then, as provided for in the approved disaster plans and protocols, commit such resources as are necessary and appropriate, given the nature of the disaster. At the scene of such disasters, Provider's personnel shall perform in accordance with local disaster protocols established by that community. When multi-casualty assistance has been terminated, Provider shall resume normal operations as rapidly as is practical considering exhaustion levels of personnel, need for restocking, etc.

(c) During the course of a State-of-Emergency, Provider shall provide local coverage, and may suspend, with EMS Agency's approval, interfacility transport work as necessary, informing persons requesting interfacility transport service of the reason for the temporary suspension.

(d) At the conclusion of such State-of-Emergency assistance, Provider shall determine its direct marginal costs incurred in the course of rendering this disaster assistance, and shall present such cost statement to the EMS Agency for review and possible reimbursement should federal or state funds become available. Provider shall allow, but not require, its employees to render aid under such disaster conditions voluntarily and without compensation. Provider shall not include in its cost statement any charges for services rendered by volunteer employees. The cost statement associated with rendering aid under State-of-Emergency conditions shall be based entirely upon the actual direct marginal costs incurred by Provider in the course of rendering such State-of-Emergency assistance, and shall not include costs of maintaining production capacity that would have been borne by Provider to meet normal service requirements if the disaster had not occurred.

(e) Mutual Aid/Standby. Provider shall provide services supporting the EMS Agency's medical disaster and Multi-Casualty Incidents programs consistent with the policies and procedures of the EMS Agency.

14. EMS Aircraft Dispatch Services

(a) Provider shall utilize only approved and designated EMS Aircraft Dispatch Centers for all Pre-hospital “911” emergency EMS Air ambulance dispatch and medical dispatch services necessary for Provider to perform the scope of services of this Agreement. Provider shall provide a dispatch center for interfacility transfers and company related missions that meets or exceeds NAACS standards, to include flight following and electronic tracking of the aircraft.

(b) Provider shall utilize the electronic system designated by the EMS Agency to indicate current status of all Air Ambulances covered by this Agreement. Air Ambulance status shall be updated by Provider at time of status change due to:

- (1) Availability for assignment
- (2) Assignment to EMS Response
- (3) Location change of the aircraft
- (4) Aircraft out of service
- (5) Other status changes as determined by EMS Agency

15. Fees

(a) User Fees. Rate Scheduled for Services Rendered. Provider shall utilize the rate schedule for EMS Air Ambulance Service and interfacility transports rendered as provided to the EMS Agency annually. EMS Agency shall post the Provider’s rate schedules on its website. If Provider changes rates the EMS Agency shall be notified 30 days prior to the rate change taking effect. Provider’s rate schedule shall include all billable service and supply charges.

16. Billing and Collections

(a) Provider’s billing and collection program shall be managed in compliance with all applicable local, state and federal laws and regulations.

(b) Provider shall recruit and maintain a billing and collection staff that is knowledgeable in data collections, medical auditing, and reimbursement practices and are customer service oriented and sensitive to the needs of patients.

(c) Provider shall maintain a billing and collections system that:

- (1) Automatically generates Medicare and Medi-Cal statements;
- (2) Verifies Medi-Cal eligibility prior to submitting claims;
- (3) Files appeals on the patient’s behalf for claims denied by Medicare and follows up for additional information;
- (4) Assists patients throughout the billing process by seeking third-party billing information and filing claims on the patients’ behalf to such payers;
- (5) Handles private-pay patients, special contracts, DRG transports and other special arrangements;
- (6) Generates itemized statements that list all procedures and supplies employed, when billed separately;
- (7) Responds to patient and third party payer inquiries regarding submission of insurance claims, dates and types of payments made, itemized charges, and other inquiries;
- (8) Generates listings of accounts requiring specialized follow-up;

- (9) Provides daily, monthly and annual reports which furnish clear audit trails, including detailed payments and adjustments;
- (10) Furnishes data necessary to document Provider's compliance with posted rates;
- (11) Facilitates changes of account type, addresses, etc.;
- (12) Identifies missing information; and supports monitoring of each employee's accuracy and completeness in gathering required information;
- (13) Provides for two-way cross-referencing of "run data" with "patient data"; and
- (14) Demonstrates account activity, follow-up and pursuance of alternative third party and reimbursement sources.

(d) Billing Procedures. Provider shall obtain necessary billing information and perform billing services as set forth herein. It is the Provider's responsibility to accurately prepare all appropriate billing information in order to do the following:

- (1) Submit billings to third party payers;
- (2) Bill patients for services rendered;
- (3) Adhere to industry standards including billing patients' third party payers, providing patients with detailed listing of services provided, and monthly patient billing practices; and
- (4) Mail bills to users.

(e) Provider may, but is not required to, establish a process to create a "Compassionate Care Allowance" for those patients with self-pay balances who can demonstrate insufficient funds or financial hardship wherein such balances may be written off. Insufficient funds or financial hardship shall be defined as income equal to or less than 200% of the Federal Poverty Level standards. The EMS Agency may request, on the behalf of any particular patient, consideration for a "Compassionate Care Allowance." Such request shall be reviewed and a decision rendered by Provider's designated representative for the area encompassing its Coastal Valleys EMS Region operations. Provider shall develop and maintain policies and procedures for its billing and collection services and shall, upon request of the EMS Agency, provide the EMS Agency with the written copies of such policies and procedures. Provider shall develop and maintain a plan for user payment schedules.

(f) Provider shall ensure professional and courteous services and responses to answer questions about billing and payment schedules and services.

(g) Provider may offer a subscription program to allow members a reduced rate for a membership fee. Upon request of subscribers, Provider will also disclose to subscribers the existence or non-existence of reciprocity agreements between CVEMSA air ambulance providers pertaining to subscription coverage.

17. Designation Fee and Other Costs

(a) Contract Management/Monitoring Fee. Provider shall pay the EMS Agency an annual fee to cover the EMS Agency's monitoring and enforcing the provisions of this Agreement pursuant to Title 22 of the California Code of Regulations Section 100300(c)(7). Such fee shall be set at Twenty Five Thousand Dollars (\$25,000.00) for calendar year 2019 and shall be increased annually according to the Bay Area Consumer Price Index and/or shall be amended

thereafter by the EMS Agency provided however that the amount shall be less than or equal to the EMS Agency's actual costs to provide the services.

(b) Payment of Fees. All payment of amounts required under this section shall be due and payable 30 days after the date of the EMS Agency's invoice. At its discretion, EMS Agency may suspend Provider's designation whenever payment of a fee or cost is more than ten days overdue, and may revoke the designation whenever a payment of a fee or cost is more than 90 days overdue.

18. Continuous Quality Improvement Program

(a) Provider shall maintain a comprehensive continuous quality improvement (CQI) program approved by the EMS Agency and consistent with the EMS Agency's CQI program. Provider shall not modify its approved CQI program without the prior approval of the EMS Agency.

(b) Provider's CQI program shall provide an organized, coordinated, multidisciplinary approach to the assessment of pre-hospital emergency medical response and patient care.

(c) Provider agrees that Provider's Medical Director and clinical quality improvement staff will have significant levels of interaction and collaborative involvement with the EMS Medical Director and quality improvement staff.

(d) Provider shall provide CQI staff to coordinate and manage Provider's CQI activities, including a physician Medical Director who shall meet regularly with the EMS Agency Medical Director and participate in the EMS Agency quality improvement activities and committees and other staff as required by EMS Agency.

(e) Provider shall use benchmarking of key clinical indicators and key performance indicators as tools for measuring Provider's performance. Provider shall provide quarterly reports detailing progress in those items according to a schedule approved by the EMS Agency. Provider shall provide data developed through its CQI process to the EMS Agency for use in evaluating EMS system performance and in setting system improvement goals. Provider shall incorporate any County approved benchmarking tools developed during the term of this Agreement into Provider's CQI process.

(f) Provider shall actively and cooperatively participate in the EMS Agency's Continuous Quality Improvement Program, including participation on the local County and Regional Quality Management Committees and such other related committees that may, from time to time, be named and organized by the EMS Agency.

19. Administration

The EMS Agency Director or designee shall administer this Agreement on behalf of the EMS Agency. The EMS Agency shall audit and inspect records, monitor Provider's services and provide technical guidance as required. Provider's Chief Executive Officer or designee shall administer this Agreement on behalf of the Provider.

20. On-Site Review

EMS Agency shall have the right at all times to monitor, assess, or evaluate Provider's performance as an Authorized EMS Aircraft Provider. Such monitoring, assessments, or evaluations may include, without limitation, audits and inspections of premises, reports, patient

records, and interviews of Provider staff and participants, all to the maximum extent permitted by law. At any time during the term of designation, the EMS Agency may, at its discretion, conduct an on-site review of all records and materials related to Provider's operation of Air Ambulance service to evaluate the effectiveness of the Provider in providing care in compliance with the terms and conditions of this Agreement. All costs incurred by the EMS Agency in connection with any such on-site review shall be assessed to Provider. EMS Agency representatives may ride as an observer on any of Provider's Air Ambulances at any time, provided, however, that in exercising this right to inspection and observation, EMS Agency representatives shall conduct themselves in a professional manner, be courteous and shall not interfere in any way with Provider's personnel in the performance of its duties. Safety issues and weight limitations as may be applicable will apply at the discretion of the flight crew.

21. Records Maintenance

Provider shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to EMS Agency for inspection at any reasonable time. Provider shall maintain such records for a period of seven (7) years following completion of work hereunder.

22. Ownership of Information

Patient statistical information furnished to the EMS Agency pursuant to this Agreement shall be the property of the EMS Agency.

23. Right to Audit, Inspect, and Copy Records

Provider agrees to permit EMS Agency and any authorized state or federal agency to audit, inspect and copy all records, notes and writings of any kind in connection with the services provided by Provider under this Agreement, to the extent permitted by law, for the purpose of monitoring the quality and quantity of services, accessibility and appropriateness of services, and ensuring fiscal accountability. Upon request, Provider shall supply copies of any and all such records to EMS Agency.

24. Data and Reports

Provider shall submit reports as requested by EMS Agency, in a format to be determined by the Agency from time to time. The timely submission of these reports is a material condition of ongoing Prehospital EMS Aircraft Provider designation, and material or repeated failure to meet specified deadlines may be grounds for suspension or revocation of Prehospital EMS Aircraft Provider designation, at EMS Agency's discretion.

25. Indemnification

Provider agrees to accept all responsibility for loss or damage to any person or entity, including the EMS Agency and Counties designating Coastal Valleys EMS Agency as their local EMS Agency and to indemnify, hold harmless, and release EMS Agency and/or Counties designating Coastal Valleys EMS Agency as their local EMS Agency, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Provider, that arise out of, pertain to, or relate to Provider's performance or obligations under this Agreement. Provider agrees to provide a complete defense for any claim or action brought against EMS Agency and/or Counties

designating Coastal Valleys EMS Agency as their local EMS Agency based upon a claim relating to Provider's performance or obligations under this Agreement. Provider's obligations under this Article apply whether or not there is concurrent negligence on the part of EMS Agency and/or Counties designating Coastal Valleys EMS Agency as their local EMS Agency, but to the extent required by law, excluding liability due to the conduct of EMS Agency and/or Counties designating Coastal Valleys EMS Agency as their local EMS Agency. The EMS Agency and/or Counties designating Coastal Valleys EMS Agency as their local EMS Agency shall have the right to select its legal counsel at Provider's expense, subject to Provider's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Provider or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

26. Insurance

With respect to performance of services under this Agreement, Provider shall maintain throughout the term of this Agreement, and shall require its subcontractors, contractors and other agents to maintain, insurance as required below:

(a) Workers Compensation Insurance. Workers' compensation insurance with statutory limits as required by the Labor Code of the State of California. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days' prior written notice to the County of Sonoma, Department of Health Service.

(b) General Liability Insurance. Commercial general liability insurance covering bodily injury and property damage using an occurrence policy form, in an amount no less than Five Million Dollars (\$5,000,000) limit for each occurrence and Ten Million Dollars (\$10,000,000) each for the general aggregate and the products/completed operations aggregate. Said commercial general liability insurance policy shall either be endorsed with the following specific language or contain equivalent language in the policy:

(1) The County of Sonoma, its officers, agents, and employees, is named as additional insured for all liability arising out of the on-going and completed operations by or on behalf of the named insured in the performance of this Agreement between the County of Sonoma and Provider.

(2) The inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverage afforded shall apply as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(3) The insurance provided herein is primary and non-contributory coverage to the County of Sonoma with respect to any insurance or self-insurance programs maintained by the County.

(4) This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the County of Sonoma, Department of Health Services.

(c) Aircraft Insurance. Aircraft liability insurance covering bodily injury and property damage in an amount no less than Two Million Dollars (\$2,000,000) combined single limit for

each occurrence. Said insurance shall include coverage for owned, hired, and non-owned aircraft. Said policy shall be endorsed with the following language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the County of Sonoma, Department of Health Services.

(d) Professional Liability Insurance. Professional liability insurance for all activities of Provider arising out of or in connection with this Agreement in an amount no less than Two Million Dollars (\$2,000,000) combined single limit for each occurrence and Four Million Dollars (\$4,000,000) aggregate all medical incidents. Said policy shall be endorsed with the following specific language:

This policy shall not be cancelled or materially changed without first giving thirty (30) days prior written notice to the County of Sonoma, Department of Health Services.

(e) Documentation. The following documentation shall be submitted to the EMS Agency:

(1) Properly executed Certificates of Insurance clearly evidencing all coverages and limits required above. Said Certificates shall be submitted prior to the execution of this Agreement. Provider agrees to maintain current Certificates of Insurance evidencing the above-required coverages and limits on file with the EMS Agency for the duration of this Agreement.

(2) Copies of properly executed endorsements required above for each policy. Said endorsement copies shall be submitted prior to the execution of this Agreement. Provider agrees to maintain current endorsements evidencing the above-specified requirements on file with the EMS Agency for the duration of this Agreement.

(3) Upon the EMS Agency's written request, certified copies of the insurance policies. Said policy copies shall be submitted within thirty (30) days of the EMS Agency's request.

(4) After the Agreement has been signed, signed Certificates of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.

(f) Policy Obligations. Provider's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

(g) Material Breach. If Provider, for any reason, fails to maintain insurance coverage, which is required pursuant to this Agreement, the same shall be deemed a material breach of this Agreement. The EMS Agency, in its sole option, may suspend or revoke Provider's designation and obtain damages from Provider resulting from said breach.

27. Conflict of Interest

Provider covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its obligations hereunder. Provider further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by the EMS Agency, Provider shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with requesting entity disclosing Provider's or such other person's financial interests.

28. Financial Responsibility

The EMS Agency shall not be liable for any costs or expenses incurred by Provider to satisfy its responsibilities under this Agreement, including any costs or expenses incurred by Provider for services provided to indigent persons. All costs or expenses incurred by Provider by reason of this Agreement with respect to the acquisition of equipment or personnel or with respect to the provisions of patient care, services, including emergency patient care services of all types and description provided to patients who would not have been treated by Provider in the absence of this Agreement are the responsibility of the Provider and are not the responsibility of EMS Agency or the County or any county which has designated EMS Agency pursuant to Health and Safety Code Section 1797.200.

29. Compliance

Provider agrees to comply with applicable federal, state, and local laws, regulations, statutes and policies, current and hereinafter enacted, applicable to the services provided under this Agreement including, but not limited to, guidelines promulgated by the State EMS Authority and EMS plans, trauma plans, and EMS policies and protocols established by the EMS Agency, legal requirements for patient transfers and medical screening exams, and applicable facility, aircraft and professional licensing and certification laws. Provider shall keep in effect any and all licenses, permits, notices, and certificates that are required for its operations.

30. Compliance with EMS Agency Policies and Procedures

Provider agrees to comply with all EMS Agency policies and procedures as they may relate to services provided under this Agreement.

31. Nondiscrimination

(a) Without limiting any other provision hereunder, Contractor shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religious creed, belief or grooming, sex (including sexual orientation, gender identity, gender expression, transgender, pregnancy, childbirth, medical conditions related to pregnancy, childbirth or breast feeding), marital status, age, medical condition, physical or mental disability, genetic information, military or veteran status, or any other legally protected category or prohibited basis, including without limitation, the County's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

(b) Provider agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

32. Confidentiality

Provider agrees to maintain the confidentiality all patient medical records and client information in accordance with all applicable state and federal laws and regulations. This provision shall survive termination of this Agreement.

33. Advertising and Marketing Materials and Information

Provider may utilize the EMS Agency logo in advertising and public information programs. EMS Agency shall reserve the right to approval of any form and content of all advertising and public information materials related to services provided under this Agreement.

34. Notice

Any notice or notices required or permitted to be given pursuant to this Agreement shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service, and shall be addressed as follows:

EMS AGENCY:

EMS Agency Director
Coastal Valleys EMS Agency
195 Concourse Blvd. Suite B
Santa Rosa, CA 95403

Provider:

Attn: General Counsel
REACH Air Medical Services
1001 Boardwalk Springs Place, Suite 250
O'Fallon, MO 63368

When a notice is given by a generally recognized overnight courier service, the notice shall be deemed received on the next business day. When a copy of a notice is sent by facsimile or email, the notice shall be deemed received upon transmission as long as (1) the original copy of the notice is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email, (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

35. Assignment and Delegation

Provider shall not assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the EMS Agency, and no such transfer shall be of any force or effect whatsoever unless and until the EMS Agency shall have so consented.

36. Relationship of the Parties

The parties intend that Provider, as well as its officers, agents, employees, and subcontractors, including its professional and non-professional staff, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Provider is not to be considered an agent or employee of the EMS Agency or the County of Sonoma and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits the EMS Agency or the County of Sonoma provides its employees. In the event the EMS Agency exercises its right to suspend, revoke or terminate under this Agreement, Provider expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

37. Investigation, Revocation and Suspension

(a) The EMS Agency may investigate any report of material failure to comply with these conditions or any applicable standards incorporated herein. Provider agrees to cooperate fully with any such investigation. Upon the determination of the EMS Agency's Director that Provider has materially or repeatedly failed to comply with the terms and conditions of this

Agreement or any applicable standards incorporated herein, or that Provider has failed to fully cooperate in an investigation, EMS Agency may suspend or revoke Provider's Prehospital EMS Aircraft Designation, or may institute such corrective measures as the Director may deem reasonable in light of the circumstances, and in the interest of public health and safety. EMS Agency shall give Provider written notice specifying the effective date, which shall be not less than thirty (30) days after the delivery of the written notice.

(b) Grounds for revocation, suspension or corrective action shall include, without limitation:

(1) Material or repeated failure, for any reason, of Provider to fulfill in a timely and proper manner, its obligations under the terms of this Agreement, or to substantially comply with applicable federal, state and local laws and regulations, or any corrective measures required by the EMS Agency;

(2) Material or repeated failure, for any reason, to make available sufficient personnel and Provider resources, as defined herein, to provide Air Ambulance service within the Provider's Primary Zone of Operation;

(3) Submission by Provider to the EMS Agency of reports that are materially or repeatedly incorrect or incomplete in any respect;

(4) Failure to cooperate in any investigation, monitoring or evaluation activities by the EMS Agency in connection with Provider's Prehospital EMS Aircraft services.

(c) If the EMS Agency determines that Provider failure to comply with the terms and conditions of this Agreement has resulted in an immediate serious threat to the public health or safety, the EMS Agency may immediately terminate or suspend Provider's Prehospital EMS Aircraft designation effective upon notice to Provider.

38. Termination by Provider

Provider may terminate its designation for any reason upon one-hundred and eighty (180) days written notice to the EMS Agency.

39. Obligations After Termination

The following sections shall remain in full force and effect after termination of this Agreement: (1) Section 21, Records Maintenance; (2) Section 23, Right to Audit, Inspect, and Copy Records; (3) Section 25, Indemnification; (4) Section 32, Confidentiality; and (5) Section 41.(e), Applicable Law and Forum.

40. Sanctioned Employee

Provider agrees that it shall not employ in any capacity, or retain as a subcontractor in any capacity, any individual or entity that is listed on either the Suspended and Ineligible Contractor List published by the California Department of Health Care Services, or any list published by the Federal Office of Inspector General regarding the sanctioning, suspension or exclusion of individuals or entities from the federal Medicare and Medicaid programs. Provider agrees to review said State and Federal lists monthly to confirm the status of current employees, subcontractor and contractors. In the event Provider does employ such individual(s) or entity(s), Provider agrees to assume full liability for any associated penalties, sanctions, loss or damage that may be imposed on County by the Medicare or Medicaid programs.

41. Miscellaneous Provisions

(a) No Waiver of Breach. The waiver by the EMS Agency of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

(b) Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Provider and the EMS Agency acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Provider and the EMS Agency acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

(c) Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

(d) No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

(e) Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

(f) Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

(g) Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

(h) Authority. The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Provider.

(i) Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

(j) Counterparts and Electronic Copies. The parties agree that, where applicable, this Agreement may be executed in counterparts, together which when executed by the requisite parties shall be deemed to be a complete original agreement. An electronic copy, including

facsimile copy, email, or scanned copy of the executed Agreement or counterpart, shall be deemed, and shall have the same legal force and effect as, an original document.

§ The remainder of this page has intentionally been left blank. §

IN WITNESS WHEREOF the parties have caused their fully authorized representatives to execute this Agreement as of the Effective Date:

PROVIDER

Sean Russell
President

Date

COUNTY OF SONOMA

Barbie Robinson
Director, Department of Health Services

Date

Certificates of Insurance on File with and Approved in Substance:

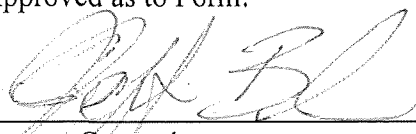
Public Health Division

Date

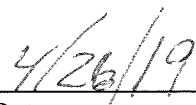
Bryan Cleaver, EMS Administrator

Date

Approved as to Form:



County Counsel



Date