

**INTERLOCAL AGREEMENT FOR BILLING PREPARATION
SERVICES BETWEEN
THE CITIES OF SEDRO-WOOLLEY AND BURLINGTON**

THIS AGREEMENT, made this _____ day of _____ 2018, is between the **City of Sedro-Woolley**, a Washington municipal corporation, organized and existing under the laws of Washington and having its principal place of business at 325 Metcalf Street, Sedro-Woolley, Washington, 98284, Washington (hereinafter referred to as “SWFD”) and the **City of Burlington**, a Washington municipal corporation, organized and existing under the laws of Washington and having its principal place of business at 833 South Spruce Street, Burlington, Washington, 98233, Washington (hereinafter referred to as “BFD”).

RECITALS

WHEREAS, SWFD and BFD are ambulance services licensed by Washington to provide advance life support emergency medical services and patient transportation; and

WHEREAS, SWFD and BFD (“the Parties”) desire to have an agreement for the joint billing of their basic and advanced life support (ALS/BLS) services to Medicare, Medicaid, private insurance or any other applicable provider; and

WHEREAS, BFD desires to utilize SWFD to perform “Billing Preparation Services” as outlined in this Agreement; and

WHEREAS, the Parties have contracted with a third-party billing agency for the billing and collection of reimbursement for their ambulance services and the contract with the billing agency permits SWFD to perform Billing Preparation Services for BFD; and

NOW, THEREFORE, in consideration the mutual covenants, conditions, and agreements and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties, intending to be legally bound, hereby mutually agree as follows:

1. Duties Related to Billing Preparation Services

a. BFD Duties

(i) **Quality Improvement Services.** BFD will utilize their program of training and instruction with respect to patient care, reporting, and billing procedures.

(ii) **Billing Policies and Procedures.** BFD shall maintain policies and procedures to meet all applicable federal and state requirements. BFD shall

set their ambulance rate schedule and advise SWFD at least thirty (30) days prior to the effective date for any rate changes.

(iii) Required Documentation. Within five (5) business days of an ambulance transport that BFD believes is eligible for payer reimbursement, BFD shall provide SWFD with completed copies of the following: prehospital care reports (PCRs) (also referred to as “trip sheets” or “run reports”), physician certification statements (PCSs) (required for non-emergency transports), patient authorization signatures (sometimes referred to as “assignment of benefits form” or “signature form”) and other documentation necessary for SWFD to perform Billing Preparation Services under this Agreement. BFD shall provide SWFD complete and accurate documentation that meets SWFD’s requirements. SWFD’s requirements may be changed from time to time, after consultation with BFD, in which case SWFD shall provide notice of, and any reasonably necessary training on such changes to BFD.

(iv) Ownership of Records. Original documents related to transports performed by BFD shall remain the property of BFD and shall be scanned into an electronic format by SWFD and attached to patient billing records. SWFD shall return all original documents to BFD monthly. Upon request, the Parties shall provide documents to each other consistent with any applicable State and Federal laws.

b. SWFD Duties

(i) Billing Preparation Services. SWFD shall review the Required Documentation supplied by BFD, for completeness and eligibility for forwarding BFD’s third party billing agency. If any Required Documentation is missing, SWFD will request necessary documentation from BFD in writing. SWFD shall compile documentation for medical billing and provide the documentation to BFD’s third party billing agency.

(ii) Specifically Excluded Duties. SWFD shall have no obligation to prepare and submit claims for reimbursement to payers or to otherwise undertake any collection efforts on behalf of BFD. The Parties understand that BFD’s third party billing agency is responsible for the submission of claims and final review of the Required Documentation for eligibility for reimbursement based on applicable laws and payer requirements.

(iii) Financial Reports. SWFD shall provide financial reports prepared in the normal course of its business, to BFD, as requested.

(iv) Quality Assurance and Training. SWFD shall provide quality assurance review of each BFD transport report submitted by BFD to SWFD for billing preparation purposes pursuant to this Agreement by providing feedback relative to appropriate documentation to BFD. SWFD shall provide BFD training, as requested by BFD, pertaining to the Health Insurance Portability and Accountability Act (HIPAA) and proper documentation specific to medical report writing to assist BFD.

(v) **Treatment of Assets and Property.** All revenues collected by BFD's third party billing agency related to transports provided by BFD are assets of BFD. No property or assets will be jointly owned by the Parties by virtue of entering into this Agreement.

3. Qualifications. The Parties hereby agree that they will at all times maintain their ambulance service license in good standing and staff their vehicles with the appropriately trained and certified personnel as required by law and by this Agreement. The Parties further agree that their vehicles will at all times be equipped with the minimum equipment and supplies as required by the Washington State Department of Health for advanced life support and basic life support ambulance services.

4. Consideration and Billing. As consideration under this Agreement, and subject to the terms, conditions and regulations of various (and all applicable) third party payers, reimbursement to SWFD for services rendered will be as follows:

a. Billing Preparation Services.

(i) BFD shall pay SWFD thirty-five percent (35%) of SWFD's annual billing department costs (estimated at \$37,676.10 for 2019 based upon a 2019 budget of \$107,646) in two (2) equal payments due April 1 and October 1 each year. No later than January 31st of the following year, SWFD will provide to BFD a "true-up" based upon time studies and actual costs from the prior calendar year to determine BFD's costs. The "true-up" may consist of an analysis of the actual billing by each agency, the staff time dedicated to billing for each agency, actual costs or any other metric that the Parties may agree to in writing. The Parties agree to work in good faith to determine reasonable metrics to be used in this process. SWFD and BFD agree to make the additional payment or the reimbursement by February 28th of that year.

(ii) Any claims for BFD's ambulance transport services that are submitted by the third-party billing agency to any payer shall be submitted using BFD's provider number.

(iii) BFD shall be responsible for coordinating with the third-party billing agency regarding payment from payers for its BFD services.

b. Sharing of Information and Documentation

(i) Each Party shall, within thirty (30) days of receiving any requests for information or documents from the patient, the Centers for Medicare and Medicaid Services (CMS) or its authorized carrier or intermediary, other payment source, or other state or federal agency with oversight of the billing and patient care practices of the Parties under this Agreement, provide to the other Party all such records requested.

5. Term. This Agreement will be for an initial term of one (1) year, commencing on January 1, 2019, and will automatically renew each year thereafter for additional terms of one (1) year each. Notwithstanding the foregoing, either Party may terminate this Agreement with or without cause by giving the other Party thirty (30) days written notice of termination, which notice will specify the effective date of the termination.

6. Events of Default. Each of the following will 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 immediately upon the defaulting Party’s receipt of written notice from the non-defaulting Party:

a. If either Party fails to maintain its required licenses, permits or certifications or is excluded from the Medicare or Medicaid program.

b. If any of the representations of either Party in this Agreement are false or misleading.

c. If either Party fails to keep in force the insurance policies required to be maintained by it.

7. Independent Contractor Relationship. This Agreement is not a contract of employment and BFD and SWFD are independent entities with respect to the business and services hereunder. Nothing in this Agreement shall be considered to create the relationship of employer and employee between the Parties. Any assistants, volunteers, or other help used by SWFD are and shall be deemed to be employees of SWFD and not employees of BFD. SWFD shall be responsible for any payment due its employees, including workers compensation and related costs.

8. No Third-Party Rights. This Agreement is entered by and between the Parties and for their benefit. There is no intent by either Party to create or establish a third-party beneficiary or status or rights in any other patient, subscriber or other person or entity. No third party will have any right to enforce or any right to enjoy any benefit created or established under this Agreement.

9. Insurance and Indemnification

a. Policies/Limits Required. Each Party will maintain in full force and effect at its sole cost and expense these insurance policies written on an incurred loss basis, with limits as required by law. If there are no applicable limits required by law, the amounts will constitute the minimum required limits:

(i) Comprehensive general liability insurance for property and bodily injury with minimum limits of \$1,000,000 per occurrence, \$2,000,000 general aggregate with an insurer having no less than an AM Best rating of A VII and authorized to do business in the State of Washington. The insurance policies shall be written on an occurrence basis.

The City shall be named as an additional insured and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. SWFD shall provide a Certificate of Insurance with applicable Additional Insured endorsements for both the CGL coverage and products/completed operations with BFD prior to SWFD providing the services. If either Party is part of an Insurance Pool, then a Coverage of Liability Letter will suffice.

(ii) Commercial Vehicle Liability insurance on all vehicles utilized for the provision of services under this Agreement, with minimum limits of \$1,000,000 per occurrence.

b. Certification of Insurance upon Request. Each party will upon request of the other party require all insurance companies issuing policies to certify to the other party that such policies have been issued and are in force and will remain not materially changed, canceled or annulled except upon thirty (30) days prior written notice to the other party. All insurance policies required under this Paragraph are to be issued by insurers licensed to do business in Washington.

c. Mutual Hold Harmless and Indemnification. SWFD and BFD will hold harmless, indemnify and defend the other Party and the other Party's directors, officers, agents, members and employees against all claims, causes of action, injuries and damages including, but not limited to, personal injury and property damage, to the extent caused by any act or omission by the indemnifying Party or the indemnifying Party's agents, contractors or employees and arising out of performing this Agreement. This provision will include all costs and disbursements, including without limitation court costs, reasonable attorneys' fees and expenses, and expert witness fees and expenses.

10. Warranty of Non-Exclusion from Federal Programs. Each Party to the Agreement represents that: (i) it is not currently excluded or threatened with exclusion, from participating in any federal or state funded health care program, including Medicare and Medicaid, and (ii) it has never been excluded by any of the aforementioned programs. Each Party also agrees to notify the other of any imposed exclusions or sanctions during the term of this Agreement covered by this warranty and the notified Party reserves the right to terminate the Agreement upon receipt of such notice. Each Party also agrees to ensure that its EMS providers and vehicle operators are certified with currently registered certifications and that they are not excluded from participating in any Federal health care program, and notify the other party immediately upon discovering that one of its EMS providers or vehicle operators does not have a currently registered certification or is excluded from participating in a Federal health care program. Both Parties shall review the Office of Inspector General's List of Excluded Individuals and Entities on a monthly basis to ensure that its EMS providers and vehicle operators are not excluded from participating in any Federal health care program.

11. Notices. Notices required to be given under this Agreement will be made to the Parties at these addresses and will be presumed to have been received by the other party (i) three (3) days after mailing by the Party when notices are sent by First Class

mail, postage prepaid; (ii) upon transmission (if sent via facsimile with a confirmed transmission report); or (iii) upon receipt (if sent by hand delivery or courier service).

City of Sedro-Woolley (“SWFD”):

City of Sedro-Woolley
325 Metcalf Street
Sedro-Woolley, WA 98284

City of Burlington (“BFD”):

City of Burlington
833 S. Spruce Street
Burlington, WA 98233

12. 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, including a Business Associate Agreement.

13. Assignment. No assignment or transfer of this Agreement by either Party, in whole or in part, whether by operation of law or otherwise, may be made without the prior written consent of the other Party.

14. Construction and Compliance.

a. Severability. In the event that any one or more provisions contained in this Agreement will for any reason be held by any court or government agency to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability will not affect any other provisions and the Agreement will be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

b. Notification of Actual or Potential Violation of Law. If either Party learns of any actual or potential violations by the other Party, whether intentional or inadvertent, of any applicable state or federal statutes or regulations, it will promptly notify the other Party.

15. Governing Law. This Agreement is made and will be construed under, and governed by, the laws of Washington without consideration of conflict of laws principles.

16. Waiver and Consent. The failure of either Party to require performance by the other Party of any provision will not affect in any way the rights to require such performance of any other provision hereof, nor will the waiver by either Party of a breach of any provision be taken or held to be a waiver of the provision itself. If the consent of either Party is necessary under this Agreement, such consent will not be unreasonably withheld.

17. Regulatory Changes. The Parties recognize this Agreement is subject to applicable state, local, and federal laws and will be construed accordingly. The parties further recognize this Agreement may become subject to or be affected by amendments in such laws and regulations or to new legislation or regulations. Any provisions of law that invalidate, or otherwise contradict, the material terms and conditions of this Agreement, or that would cause one or both Parties to violate law, will be deemed to have superseded this Agreement and the Parties agree to utilize their best efforts to modify the terms and conditions of this Agreement to follow the requirements of such law(s) to effectuate the purposes and intent of this Agreement. If any such laws or regulations affecting this Agreement are enacted, amended or promulgated, either Party may propose to the other a written amendment to this Agreement to follow such laws or regulations. If the parties do not agree on such written amendments within thirty (30) days of receipt of the proposed written amendments, then either Party may terminate this Agreement without further notice, unless this Agreement would expire earlier by its terms.

18. Non-Discrimination. All services provided under this Agreement will be provided without regard to the race, color, creed, sex, age, disability status, payor source or national origin of the resident requiring such services.

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Agreement on the date first written on page 1, above.

CITY OF SEDRO-WOOLLEY

CITY OF BURLINGTON

By: _____
Mayor Julia Johnson

By: _____
Mayor Steve Sexton

Attest: _____
Finance Director

Attest: _____
Renee Sinclair, Budget & Acct. Director

Approved as to form:

Approved as to form:

Eron Berg, City Attorney

Leif Johnson, City Attorney