

AGREEMENT

THIS AGREEMENT, made and entered into on the _____ day of October, 2011, by and between the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Kentucky 40507 ("Government"), and **SOFTWARE DEVELOPMENT, INC.**, with offices located at 733 Allendale Drive, Lexington, Kentucky 40503 ("SDI").

RECITALS:

WHEREAS, the Government, through the Division of Fire and Emergency Services, provides first responder Emergency Medical Services ("EMS") primarily within Fayette County, Kentucky; and

WHEREAS, the Government has established fees to be charged for such services rendered to any person who receives EMS (hereinafter "patients"); and

WHEREAS, the Government bills patients, Medicare, Medicaid, and private insurance, as is appropriate in each case, for EMS;

WHEREAS, SDI is engaged in the business of EMS billing and collection services; and

WHEREAS, SDI has submitted a Proposal in response to the Government's Request for Proposal for Emergency Medical Service Billing and Collection; and

WHEREAS, the Government has determined that SDI's proposal is the most responsive to the Government's needs and has requested SDI to perform billing, accounting, and collecting services for EMS fees; and

WHEREAS, the Government agrees to furnish SDI with data on its EMS; and

WHEREAS, SDI agrees to bill Medicare, Medicaid, private insurance, or the patient as is appropriate in each individual circumstance;

NOW, THEREFORE, in consideration of the Recitals which are a material part of this Agreement, the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, it is agreed by and between the parties as follows:

A. BILLING, ACCOUNTING AND COLLECTING

1. SDI shall bill all patient accounts for EMS fees on behalf of the Government based on information provided by the Government pursuant to paragraphs 3 and 4.

2. SDI agrees to maintain a high standard of diligence in its policies and procedures in the billing, accounting and collecting of EMS fees, including but not limited to, establishment of payment plans and the preparation and mailing of payment notices.

3. SDI will acquire information from Government's Division of Fire and Emergency Services ("Fire") and EMS database and will be responsible for obtaining any additional information required to properly bill for the service prior to initiation of the bill, and will provide billing services as set forth in Section 1, "Description of Services", of the proposal submitted to the Government by SDI, attached as Exhibit A to this Agreement, and included and incorporated herein.

4. SDI will cooperate with Fire in the event the incident reporting requirement is changed and will discuss a mutually acceptable means to acquire the needed billing information from the EMS database electronically. In the event a major change in reporting procedures would require a significant change in SDI's procedures, the parties shall negotiate terms to address any significant additional costs to SDI.

5. SDI will file all necessary forms with appropriate insurance carriers by electronic filing or by mail with the appropriate codes required for reimbursement and will research any issues or discrepancies to assure prompt payment.

6. SDI will furnish local telephone access or a toll-free number for patients and will respond to patient inquiries about billing.

7. The Government will establish a lockbox account into which all funds collected will be directly deposited. The Government will provide to SDI daily all remittance data received from this lockbox account and SDI will record all individual account activity, balance each remittance with the payor check, and balance all individual account activity to the deposit total.

8. SDI will furnish to the Government and to a collection agency designated by the Government detailed information on all accounts which have had no new billing or payment activity for over three (3) months.

9. SDI will provide the Government with on-line access to patient records. SDI further agrees to work with the Government at any time during the term of this contract to design reports responsive to any needs of the Government on a project-by-project basis, with the per project cost to be agreed upon by the parties.

10. With respect to accounts which become inactive, after two (2) years of no activity, SDI will maintain an electronic inactive file off-line and make that information available to the Government on an inquiry, as-needed basis.

11. SDI will assist the Government in any negotiations with Medicare or Medicaid regarding reimbursement rates and will evaluate current billing rates to attempt to improve the cash reimbursement received per run.

12. All terms and conditions in the proposal submitted to the Government by SDI and the Request for Proposal, attached as Exhibit B to this Agreement, shall be included and incorporated herein. Where any term in the proposal or Request for Proposal conflicts with this Agreement, the Agreement shall prevail.

13. The term of this Agreement shall be for a period of four (4) twelve (12) month periods beginning on October 1, 2011, subject to sufficient funds being appropriated in each applicable fiscal year by the Government. This Agreement will automatically renew at the end of the initial term, and thereafter at the end of each twelve-month renewal term, upon the same terms and conditions, subject to sufficient funds being appropriated in the applicable fiscal year by the Government, unless either party provides written notice no later than ninety (90) days prior to the expiration of each term, submitting a written proposal containing any proposed changes in terms and conditions to the other party. Subject to Paragraph 18 of this Agreement, either party to this Agreement may terminate the agreement upon sixty (60) days written notice to the other party at the addresses first above written.

14. In consideration of the services to be provided to the Government by SDI pursuant hereto the Government shall pay SDI a monthly fee due following receipt of a monthly invoice to be issued by SDI for services beginning October 1, 2011, to be determined as follows:

Three and one-half percent (3.5%) of the receipts posted to EMS accounts from the previous calendar year, divided by twelve (12) to determine monthly payments, with such new fee to be determined annually after January 1 and to become effective the first month of each fiscal year of Government.

B. MISCELLANEOUS PROVISIONS

15. This Agreement shall be construed to be applicable to only the parties hereto and shall not confer any rights, privileges, or obligation on any third party, including patients.

16. SDI acknowledges that all information provided to it by the Government is

confidential and will be used by SDI employees only as needed to fulfill the terms of this Agreement and as authorized by the terms of this Agreement. SDI, its contractors, agents, employees, directors or officers will not disclose to any third party any of the confidential information obtained pursuant to this Agreement other than as required or authorized hereunder.

17. SDI agrees to indemnify, hold harmless and defend the Government, its elected and appointed officials, employees, agents and successors in interest from and against all liabilities, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorney fees, imposed upon or incurred by or asserted against the Government by reason of the intentional or negligent acts, or other improper conduct on the part of SDI, its contractors, agents, employees, directors, or officers.

18. Either party can terminate the agreement by providing at least sixty (60) days advance written notice. In the termination is based upon the failure to perform by either party, such shall also include notice of the alleged breach and the breaching party shall then have sixty (60) days from receipt of the written notice to cure the alleged breach before termination becomes effective. If a cure is not affected within that sixty (60) day notice period, termination will be effective at the end of the 60 days. Any injured party who fails to give notice of alleged nonperformance the opportunity to cure, shall be barred from seeking any damages or other remedies ordinarily available in law and equity for breach of contract.

19. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors.

20. This Agreement has been entered into and shall be construed in accordance with the laws of the Commonwealth of Kentucky.

21. This Agreement is the entire agreement between the parties and may not be

amended, modified or revised except by a written instrument signed by each of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above, but to be effective as of October 1, 2011.

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

BY: _____
JIM GRAY, MAYOR

ATTEST:

CLERK OF URBAN COUNTY COUNCIL

SOFTWARE DEVELOPMENT, INC.

BY: Patrick G. Tighe
PATRICK G. TIGHE
PRESIDENT

WITNESSED BY:

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