

## **NorthStar Regional EMS Participation Agreement**

This Agreement, made as of the 1<sup>st</sup> day of July 2005, by and between Franklin Memorial Hospital, a Maine nonprofit public benefit corporation with a principal place of business in Farmington, Maine (“FMH”) and \_\_\_\_\_, a governmental unit organized under the laws of the State of Maine (the “Municipality”).

### **WITNESSETH**

WHEREAS, FMH operates a regional emergency medical (ambulance) service doing business as NorthStar Emergency Medical Service (the “Service”) that is licensed by the State of Maine Department of Health & Human Services, Office of Emergency Medical Services (“Maine EMS”) and operated pursuant to regulations promulgated by Maine EMS hereinafter referred to as the Maine EMS Licensing Rules; and

WHEREAS, the Service provides high quality emergency medical services to the residents of the Municipality, but the cost of providing the Service cannot be recovered by patient billings; and

WHEREAS, the Municipality desires to secure the availability of the Service for the residents of the Municipality by paying a fee to FMH for participation in the Service (the “Participation Fee”); and

WHEREAS, FMH and the Municipality desire to set forth their mutual agreement concerning the payment of the Participation Fee by the Municipality as a condition for the provision of the Service by FMH to residents of the Municipality;

NOW THEREFORE, in consideration of the foregoing, the understandings of the parties herein set forth and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, the parties intending to be legally bound, hereby mutually covenant and agree as follows:

#### **I. Services to be Provided by FMH**

##### **1.1 Service Obligations:**

FMH agrees to operate the Service and serve the residents of the Municipality during the term of this Agreement; provided however, that the obligation of FMH to provide the Service to the residents of the Municipality shall be conditioned on the payment by the Municipality of the Participation Fee required by Section III of this Agreement.

##### **1.2 Patient Billing:**

FMH shall have discretion to establish rates for services provided to patients by the Service. FMH shall also have the responsibility for billing and collection of patient charges and shall be entitled to retain the amounts charged patients for all services.

### 1.3 NorthStar Advisory Board:

FMH agrees to maintain a NorthStar Advisory Board (the “Advisory Board”) to provide consultation and advice to FMH in connection with the Service. The Advisory Board shall be organized as a committee of the FMH Board of Directors and shall consist of up to 15 members including at least one member of the Board of Directors of FMH and the President of FMH ex officio with vote. The municipalities participating in the Service may submit nominees to the President of FMH for consideration and potential election by the FMH Board of Directors. When selecting from among nominees for election to the Advisory Board, candidates will be elected to represent the geographic area served by the Service who are knowledgeable of the Service and the needs of the municipalities it serves. Except for the President of FMH, employees of FMH shall not be eligible to serve as members of the Advisory Board. Members of the Advisory Board shall serve for terms of three (3) years and may be reelected to subsequent terms of service. When electing individuals to serve on the Advisory Board, the initial terms of office shall be structured so that approximately one-third of the terms of the members of the Advisory Board shall expire annually. The Advisory Board shall monitor the operation of the Service provided by FMH as a whole and it shall make recommendations to the FMH Board of Directors concerning policy decisions effecting operation of the Service upon which the Board of Directors has requested the advice of the Advisory Board.

### 1.4 Support to First Responders:

The Service will provide support to community-based licensed first responder services (as defined in the Maine EMS Licensing Rules) in the Municipality by allowing the first responders to participate in continuing education and training programs conducted by the Service. The Service will also replace disposable supplies (e.g. bandage materials and oxygen masks). The Service will also replace oxygen used by first responder services. The medical director of the Service will review and approve (as appropriate) first responder service applications.

## II. Participation Fees

### 2.1 Payment Obligation:

In order to obtain the Service for the residents of the Municipality, the Municipality shall pay an annual Participation Fee to FMH for each twelve month period ending on June 30 of each year that this Agreement is in effect (the “Contract Year”). The Municipality may choose to pay a Participation Fee based on either of the following payment methods by indicating its choice on the signature page of this Agreement:

#### (a) Flat Annual Fee Option:

The Municipality may support the Service by payment of a flat annualized fee for each Contract Year that this Agreement is in effect. The annual fee for the first Contract Year shall be in the amount of \$\_\_\_\_\_ and the annual fee for the second Contract year shall be

in an amount equal to [the aforesaid amount][\_\_\_\_\_] plus 4.9% which is the most recently published New England Medical CPI index published by the U.S. Department of Labor (the "Medical CPI"). The annual fee shall be paid in two equal installments due on October 1<sup>st</sup> and April 1<sup>st</sup> during each contract year.

(b) Per-Run Fee Option:

If the Municipality chooses, it may pay a Participation Fee based on a fee of \$2,000.00 for each run made by the Service involving a resident of the Municipality during the first Contract Year and \$2,098.00 per run (or \$2,000 plus the most recently published Medical CPI) during the second Contract Year. If the Municipality elects the Per-Run Option, FMH will bill the Municipality monthly for a Participation Fee based on services provided to residents of the Municipality for the previous month and payment shall be due within 30 days of invoice date.

2.2 Communications Concerning Participation Fees:

The Municipality agrees that FMH may send a letter to residents of the Municipality at least annually in advance of the Town Meeting of the Municipality informing the residents of the benefits of the Service and the cost of participation by the Municipality. This communication is intended to provide information relevant to the residents when they are asked to vote on warrant articles approving the Municipality's participation in the Service and payment of the Participation Fee.

III. Term of Agreement

3.1 Initial Term:

The Initial Term of this Agreement shall commence on the 1<sup>st</sup> day of July 2005, and shall run through the 30<sup>th</sup> day of June, 2007.

3.2 Automatic Renewal:

This Agreement shall automatically renew for successive one-year renewal terms (each to be known as a "Contract Year") unless FMH receives written notice of non-renewal from the Municipality either before January 1, 2007, for the first renewal, or before January 1 of any renewal term for the subsequent Contract Year. If this Agreement is renewed, the terms of this Agreement shall remain in effect except for the price terms of Sections 2.1(a) and 2.1(b). No later than December 1, 2006, and annually thereafter as long as this Agreement remains in effect, FMH shall give written notice to the Municipality of the price terms for Sections 2.1(a) and 2.1(b) that will be applicable for the upcoming Contract Year and the automatic renewal will take place on the new price terms unless the Municipality gives notice of non-renewal by January 1 as aforesaid.

### 3.3 Termination:

At any time after the first Contract Year, this Agreement may be terminated without cause by either FMH or the Municipality on three (3) months written notice.

### 3.4 Obligations Surviving Termination:

Upon termination of this Agreement as herein provided, no party shall have any further obligation pursuant to the terms of this Agreement except for payment and performance obligations accruing prior to the date of termination. Following the termination of this Agreement, FMH shall have no obligation to provide the Service to residents of the Municipality.

### 3.5 Communication upon Termination:

In the event that this Agreement is terminated, FMH shall be entitled to notify residents of the Municipality that the Service will no longer be available and that they should contact public officials in the Municipality for information on how emergency medical services will be delivered in the Municipality after the date that the Agreement terminates. This communication may include such other relevant information as FMH determines to be appropriate to explain the circumstances leading to the termination of the Agreement.

## IV. General Provisions

### 4.1 Professional Liability Insurance:

FMH shall be responsible for obtaining professional liability insurance coverage for the Service. FMH shall obtain and maintain in force such insurance at the policy limits of two million dollars (\$2,000,000) per incident and four million dollars (\$4,000,000) annual aggregate. In the event that FMH is unable to obtain such insurance policy limits at commercially reasonable rates notwithstanding its best efforts, it shall nonetheless be required to obtain limits as close to these limits as is commercially reasonable at the time.

### 4.2 No Requirement to Refer:

At all times, the Service shall be provided and the Municipality shall refer patients in compliance with the Maine EMS Licensing Rules, and all other applicable state and federal regulations to which FMH and the Municipality are subject. It is not the purpose of this Agreement to induce the referral of patients. The parties acknowledge that there is no requirement under this Agreement or any other Agreement between FMH and Municipality to refer any patients to FMH for products or services.

4.3 Force Majeure:

FMH shall not be responsible or liable to the Municipality if FMH is prevented, hindered or delayed by reasons of any force majeure circumstances to perform its contractual obligations according to this Agreement. In this Section, “force majeure circumstances” shall mean any war, riot, social disturbance, act of God, terrorist attack, strike, lockout, trade dispute or labor disturbance, accident, fire, flood, or any other circumstances whatsoever outside the control of FMH.

4.4 Assignment:

This Agreement shall not be assigned or delegated by FMH without the prior written consent of the other parties except that without such consent FMH may transfer the Service and may assign its interest and obligation hereunder to another entity which is wholly owned or controlled by Franklin Community Health Network. FMH will not assign its rights and obligations under this Agreement to an entity which is not wholly owned or controlled by Franklin Community Health Network without the prior consent of the Municipality, which consent shall not unreasonably be withheld. This Agreement shall not be assigned by the Municipality.

4.5 Notices:

Any notice or other communication by either party to the other shall be in writing and shall be given, and be deemed to have been given, if mailed, postage pre-paid, and addressed as follows:

To Hospital:            President  
                                Franklin Memorial Hospital  
                                111 Franklin Health Commons  
                                Farmington, ME 04938

To Municipality:

Town of: \_\_\_\_\_

Representative: \_\_\_\_\_

Address: \_\_\_\_\_

Either party may designate in writing such other address or person as is appropriate for communication or notice purposes by giving written notice to the other party as required hereby.

4.6 Jurisdiction:

This Agreement shall be governed in all respects by the laws of the State of Maine.

4.7 Authority:

Each party hereto covenants and certifies that the person executing this Agreement on behalf of such party is fully authorized to do so in accordance with applicable law and all established and existing procedures and such person has the full authority to bind such party to this Agreement and to the provisions hereof.

IN WITNESS WHEREOF, FMH has caused this Agreement to be executed by its duly authorized officer and the Municipality has caused this Agreement to be executed by its duly authorized representative who has indicated which of the payment alternatives the Municipality has chosen pursuant to Section 2.1 hereof by marking the appropriate box below.

Franklin Memorial Hospital

By: \_\_\_\_\_ Dated: \_\_\_\_\_, 2005  
Richard Batt  
Its: President

Municipality of: \_\_\_\_\_

Dated: \_\_\_\_\_, 2005

By: \_\_\_\_\_  
[Type or Print Name]

By: \_\_\_\_\_  
[Type or Print Name]

By: \_\_\_\_\_  
[Type or Print Name]

Its: \_\_\_\_\_

Select one of the following options by marking one of the following choices with an "X" to indicate the Municipality's desired payment option:

2.1(a) \_\_\_ Flat Annual Fee Option; or

2.1(b) \_\_\_ Per-Run Fee Option.