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MERCY, INC., DBA AMERICAN MEDICAL RESPONSE

FIRST AMENDMENT TO AMBULANCE SERVICES FRANCHISE AGREEMENT

This First Amendment to the Ambulance Services Franchise Agreement (this "Amendment") is made as of April 7, 2009, by and between Clark County, Nevada, a political subdivision of the State of Nevada ("County") and Mercy, Inc., dba American Medical Response, ("Franchisee") authorized to do business in the State of Nevada.

WHEREAS, on July 3, 2007, the Board approved the transfer of control of MedicWest Ambulance, Inc. (MedicWest), that holds a franchise agreement to provide emergency ambulance service in the County, to Nevada Red Rock Ambulance, Inc, a wholly-owned subsidiary of American Medical Response, Inc., and

WHEREAS, American Medical Response, Inc. also owns Mercy, Inc., d/b/a AMR, that holds a franchise agreement to provide emergency ambulance service in the County, and

WHEREAS, Nevada state law provides in NRS 244.187 that a county board may displace or limit competition in various areas, including ambulance services, in order to provide adequate, economical and efficient services to the inhabitants of the county and to promote the general welfare of those inhabitants, and

WHEREAS, the Board, by resolution, did set the maximum number of ambulance franchisees at two, and that limit is currently met with MedicWest Ambulance, Inc. and Mercy, Inc. d/b/a AMR, as separately incorporated entities, and

WHEREAS, with the approval by the Board of the transfer of control of MedicWest on July 3, 2007, the Board directed staff to meet with the various stakeholders that are involved with the provision and support of emergency medical transportation services in the County and with the Cities in the County that have similar franchise agreements with MedicWest and AMR with the purpose of determining any benefits that might be derived from the common ownership of these service providers to enhance performance and improve service delivery, and

WHEREAS, staff held several meetings with representatives of the Cities of Las Vegas and North Las Vegas, the fire departments of these two cities and the County, the representative firefighters' unions and the two ambulance franchisees and presented a report to the Board on March 4, 2008, of the recommendations agreed to by all the parties, whereby the Board directed staff to draft and bring back proposed amendments to the Code and/or franchise agreements, and

WHEREAS, following additional meetings with the stakeholders a consensus has been reached on the following proposed changes to the franchise agreement with AMR and similar provisions will be proposed to the City Councils of Las Vegas and North Las Vegas as they apply to franchise agreements they have granted to ambulance service providers.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, the parties hereto agree to as follows:

1. Subsection 5.3. Subsection 5.3 is hereby amended as follows:

5.3 Provided that no adjustments to Service Area have occurred pursuant to Subsection 12.2 herein, that MedicWest Ambulance, Inc., has entered into a franchise agreement for Ambulance Service with the County, and that MedicWest Ambulance and Franchisee are in good standing with the County, the County agrees to allow Franchisee and MedicWest Ambulance to periodically recommend adjustments to the respective Franchise Service Areas of the two companies to strive toward a market share of 60 percent for American Medical Response and 40 percent for MedicWest Ambulance with respect to their provision of 911-Dispatched Ambulance Service in the County and Cities of Las Vegas and North Las Vegas. With respect to any recommendations supported by both the Franchisee and MedicWest Ambulance, or in the event of a disagreement in the adjustment of the Service Areas, the County Commission will have final approval regarding Service Areas.

5.3.1 The initial Service Area specified in **Exhibit A** and **Exhibit E** herein will remain in effect for twenty four (24) months from the Effective Date of the Agreement. In month twenty-two (22) from the Effective Date of the Agreement, the County shall analyze the call volume for the past twenty (20) months based on the number of A, B, C, D and E level calls as reported by the Franchisee and MedicWest Ambulance to determine whether there has been a 5% percent or greater change in combined 911-Dispatched Ambulance Service call distribution in the County and the Cities of Las Vegas and North Las Vegas by the FAO to the Franchisee and MedicWest Ambulance. ~~the Franchisee agrees to pay 50% of the costs of a review and analysis of 911-Dispatched Ambulance Service in the County and Cities of Las Vegas and North Las Vegas, provided that MedicWest Ambulance agrees in a franchise agreement with the County to pay the remaining 50%. The review will be conducted independently by a neutral third party mutually agreed upon by the Franchisee and MedicWest Ambulance.~~ If the analysis determines there has been a 5% percent or greater change in combined 911-Dispatched Ambulance Service call distribution in the County and the Cities of Las Vegas and North Las Vegas by the FAO to the Franchisee and MedicWest Ambulance, then the Franchisee and MedicWest Ambulance will identify and submit to the County for consideration a readjusted Service Area for Franchisee and MedicWest Ambulance that achieves as nearly as practicable a 911-Dispatched Ambulance Service market share of 60 percent in Franchisee's combined County/City of Las Vegas Franchise Service Areas and 40 percent in MedicWest Ambulance's combined County/City of North Las Vegas Franchise Service Areas, and which is mutually agreed to by the Franchisee and MedicWest Ambulance. The readjustment of Service Area as provided for in this Section may be waived if mutually agreed to in writing by the Franchisee and MedicWest Ambulance.

If the Franchisee or MedicWest Ambulance do not agree with the analysis and do not waive readjustment of the Service Area as determined by the provision in this subsection then Franchisee agrees to pay 50% of the costs of a review and analysis of 911-Dispatched Ambulance Service in the County and Cities of Las Vegas and North Las Vegas, provided that MedicWest Ambulance agrees in a franchise

agreement with the County to pay the remaining 50%. The review will be conducted independently by a neutral third party mutually agreed upon by the Franchisee and MedicWest Ambulance.

5.3.2 The 911-Dispatched Ambulance Service volume distribution calculation as described in Subsection 5.3.1 above will be specific to the normal distribution of 911-Dispatched Ambulance Service calls and will exclude any aberrancies caused by extraordinary events such as a large-scale disaster or government reallocation of 911-Dispatched Ambulance Service volume distribution resulting from actions taken pursuant to Subsection 12.2 of the Franchise Agreement that may skew the 911-Dispatched Ambulance Service volume distribution. The calculation also may correct for disparate transport percentages and utilization of Mutual Aid as agreed upon by the Franchisee and MedicWest Ambulance.

5.3.3 The new Service Area, unless readjustment is waived by the Franchisee and MedicWest Ambulance as provided for in Section 5.3.1 of this Agreement, will be effective on the first day following the twenty-fourth (24th) month from the Effective Date of this Agreement, unless extended by mutual agreement by the County, the Franchisee and MedicWest Ambulance.

5.3.4 Subsequent analysis will occur every two years from the Effective Date of this Agreement two months prior to the end of each two-year period and the County will analyze the call volume as stated in subsection 5.3.1 of this Agreement for the prior twenty-four (24) month period.

2. Subsection 7.4. Subsection 7.4 is hereby amended as follows:

7.4 The Franchisee will provide Ambulance Service at the Advanced Life Support (ALS) level of care for all 911-Dispatched Ambulance Service responses in the EMS Priority Dispatch categories of A, B, C, D or E; provided, however, that Ambulance Service requested to transport category A allegedly mentally ill patients that require medical screening pursuant to Nevada Revised Statutes Section 433A.165 may be provided by Ambulances equipped at the Basic (BLS) or Intermediate Life Support (ILS) level of care as appropriate to the call. The Franchisee will, at least annually and also upon request, file with the County and AOC its long-term system status plan and, at all times during the term of this Agreement, provide personnel and equipment sufficient to respond to all 911-Dispatched Ambulance Service requests received by Franchisee at a life support level appropriate to each transport, in accordance with the Southern Nevada Clark County Health District Regulations, and operate in accordance with the Ambulance Service Ordinance, this Agreement and all other applicable law and regulation.

3. Subsection 9.3. Subsection 9.3 is hereby amended as follows:

9.3 The Franchisee will establish training and rehearse on the National Incident Management System and the Southern Nevada Clark County Health District Mass Casualty Plan every two years, and will provide upon request by County verification that such training has been provided.

4. Section 11. Section 11 is hereby amended as follows:

11. RESPONSE TIME COMPLIANCE

11.1 The Franchisee will comply with the Response Time Standards of the Ambulance Service Ordinance for all calls within Franchisee's Service Area identified in **Exhibit A** hereto, and within each sub-zone thereof, and will be subject to the response time performance calculations and penalties provided in Section 12 and **Exhibit B** and **Exhibit C** hereto. Franchisee will be exempt from Response Time Standards of the Ambulance Service Ordinance and this Agreement for all calls within Franchisee's Service Area identified in **Exhibit E** attached.

11.2 When determining compliance with the 90% response time requirement of the Ambulance Service Ordinance and this Agreement, the Gross Net Percentage Calculation methodology (~~Hospital Drop Time Credits~~) as set forth in **Exhibit B** will be used in such determination.

~~11.3 The hospital drop time credits (HDT) calculated pursuant to **Exhibit B** shall be applied when assessing penalties for late time responses pursuant to this Section and **Exhibit C**.~~

5. Subsection 12.1.1. Subsection 12.1.1 is hereby amended as follows:

12.1.1 Response Time Penalties.

(A) A penalty for failure to meet per-call response time requirements, as set forth in the Ambulance Service Ordinance, of 11:59 8:59 minutes for each B, C, D or E level call, ~~12:59 minutes for each B level call~~, and 19:59 minutes for each A level call, and for calls canceled after the applicable 11:59 8:59, 12:59 or 19:59 response time requirement has expired but before an Ambulance has arrived on scene will be assessed to the Franchisee in the following amounts, subject to on-time performance discounts for B, C, D and E level calls as specified in **Exhibit C**:

- (1) \$12.00 per call for all B, C, D or E level calls; and
- (2) \$8.00 per call for all A level calls.

(B) In addition to any penalty assessed in Subsection 12.1.1(A), a penalty for failure to meet the excess time requirement of 14:59 minutes, as set forth in the Ambulance Service Ordinance, for each C, D or E level call, and for C, D or E level calls canceled after the 14:59 excess time requirement has expired but before an Ambulance has arrived on scene, will be assessed to the Franchisee in the amount of \$100.00 per call, subject to on-time performance discounts for C, D and E level calls as specified in **Exhibit C**.

(C) A penalty per call in the amount of \$175.00 will be assessed when the Franchisee fails to report that it is on the scene of an incident to which it was dispatched and as a result no official response time can be established, unless the call was canceled prior to the expiration of the response time requirement.

A penalty, under this subsection, will not be assessed ~~A waiver to this penalty will be granted~~ when Franchisee substantiates the on-scene time through usage of AVL/GPS Data Reports and as such an official response time can be calculated. Valid AVL/GPS Data Reports will be CAD or AVL gateway generated and will include, at a minimum, the following data points: date of service, GPS coordinates consistent with the call location, vehicle number, vehicle speed of zero miles per hour, and time of data transmission.

(D) A penalty of \$175.00 will be assessed when AVL/GPS data (if available) confirm that Franchisee was not on-scene when the Franchisee reported it was on-scene.

A penalty, under this subsection, will not be assessed in cases where, prior to arriving on scene, the button in the ambulance is pushed that indicates that the ambulance unit is on scene, if pushed accidentally and the ambulance crew is aware of that occurrence, such occurrence is documented in the electronic notes of the CAD or the Franchisee substantiates the on scene time through usage of AVL/GPS Data Reports and as such an official response time can be calculated and that response time complies with the response time requirements as set forth in section 5.03.140 of the Clark County Code. Valid AVL/GPS Data Reports that will be used to determine response time will be CAD or AVL gateway generated and will include, at a minimum, the following data points: date of service, GPS coordinates consistent with the call location, vehicle number, vehicle speed of zero miles per hour, and time of data transmission.

(E) A penalty of \$175.00 will be assessed when the Franchisee fails to dispatch an Ambulance at the ALS level, except as allowed in Subsection 7.4 herein, within the applicable ~~11:59 8:59, 12:59~~ or 19:59 response time standard specified in this Section, either by the Franchisee or by another ambulance service provider through a Mutual Aid agreement, and the call was not canceled by the FAO dispatch before expiration of the response time requirement.

(F) A penalty per call in the amount of \$175.00 will be assessed when the Franchisee's dispatcher places an ambulance on the scene of an incident to which it was dispatched, but does not document a technological failure.

A penalty, under this subsection, will not be assessed if the franchisee is able to report that it is on-scene through MDT transmissions, AVL/GPS Data Reports, or

other methods as may be approved by the AOC (such as crews who come across the scene of a medical emergency prior to call transmission through the FAO).

(G) In addition to the remedies provided in the Ambulance Service Ordinance and this Agreement, failure of the Franchisee to meet the monthly 90% response time requirements set forth in the Ambulance Service Ordinance within the Franchise Service Area or any sub-zone thereof, as defined in **Exhibit A** of this Agreement, will result in a \$10,000 ~~5,000~~ penalty. Failure to meet the monthly 90% response time requirement for any ~~four~~ three months during any ~~twelve-month~~ period consisting of twelve consecutive calendar months will be grounds for corrective action against the franchisee, including without limitation readjustment of Franchise Service Area defined in this Agreement; ~~revocation of the Franchise~~ or any other appropriate action as may be determined by the County Commission, in its sole discretion, including, but not limited to, the provisions of Section 5.03.190 of the Code.

6. Subsection 12.1.5. Subsection 12.1.5 is hereby amended as follows:

12.1.5 The Franchisee will, within 14 days of receipt of penalty assessments, make payment of the total amount of penalties assessed or provide a written appeal of the penalties assessed, or any portion thereof, to the County Manager. Within 30 days of receipt of a written appeal, the County Manager will provide the franchisee a written letter of determination on the appeal. Within 14 days of receipt of the County Manager's determination, the Franchisee will make payment of the total amount of the County Manager's penalty assessments. The County Manager's decision will be final for the purposes of administrative review. After taking into consideration the recommendation of the AOC, the County Manager may, ~~in addition to those waivers permitted pursuant to Exhibit C,~~ waive a penalty imposed by this Section if the County Manager finds the circumstances resulting in the penalty were beyond the Franchisee's control.

7. Exhibit B, Section II. Section II of Exhibit B is hereby amended as follows:

II. ON-TIME CALLS

A. On-time calls means:

1. B/C/D/E level calls = when a call does not exceed 11:59 ~~8:59~~ minutes from the time Franchisee receives notice of the call from FAO until the time ambulance is at scene, staged to hold short or canceled.
2. ~~B-level calls = when a call does not exceed 12:59 minutes from the time Franchisee receives notice of the call from FAO until the time ambulance is at scene, staged or canceled.~~

- ~~3.~~ A level calls = when a call does not exceed 19:59 minutes from the time Franchisee receives notice of the call from FAO until the time ambulance is at scene, staged or canceled.

8. Exhibit B, Section III. Section III of Exhibit B is hereby amended as follows:

III. ON-TIME UPGRADED CALLS

A. On-time upgraded calls, for which initial response time requirement has not expired, are defined as follows:

~~1. A to B level = when a call does not exceed 12:59 minutes from the time Franchisee receives notice of the upgraded call from FAO until the time ambulance is at scene, staged or canceled.~~

2. A ~~or B~~ to B/C/D/E level = when a call does not exceed 11:59 ~~8:59~~ minutes from the time Franchisee receives notice of the upgraded call from FAO until the time ambulance is at scene, staged or canceled.

B. If initial response time requirement has expired prior to upgrade, the initial call will be assessed a late penalty; the upgraded call will be assessed a separate penalty if upgraded response time requirement has expired prior to the time unit is at scene, staged or canceled. (See **Exhibit C**)

1. The call will be counted as only one call, at the level in which the penalty was assessed, for both gross monthly calls count and late calls count;

2. If the call is assessed penalties in both the initial and upgraded level of service, the call will be counted at the upgraded level in which the Ambulance was on scene, staged or canceled;

3. If no penalty was assessed for either the initial or upgraded call, the call will be counted at the upgraded level for the gross monthly calls count.

9. Exhibit B, Section IV. Section IV of Exhibit B is hereby amended as follows:

IV. ON-TIME DOWNGRADED CALLS

A. On-time downgraded calls, for which initial response time requirement has not expired, will be defined as follows:

- ~~1.~~ B/C/D/E to A level = when a call does not exceed 19:59 minutes from the time Franchisee receives notice of the downgraded call from FAO until the time ambulance is at scene, staged or canceled.
- ~~2.~~ ~~C/D/E to B level = when a call does not exceed 12:59 minutes from the time Franchisee receives notice of the downgraded call from FAO until the time ambulance is at scene, staged or canceled.~~

B. If initial response time requirement has expired prior to downgrade, the initial call will be assessed a late penalty; the downgraded call will be assessed a separate penalty if downgraded response time requirement has expired prior to the time ambulance is at scene, staged or canceled. (See **Exhibit C**)

1. The call will be counted as only one call, at the level in which the penalty was assessed, for both the gross monthly call count and the late call count;
2. If the call is assessed penalties in both the initial and downgraded level of service, the call will be counted as only one call, at the downgraded level in which the Ambulance was on scene, staged or canceled, for both the gross monthly call count and the late call count.
3. If no penalty was assessed for either the initial or downgraded call, the call will be counted at the downgraded level for the gross monthly call count.

10. Exhibit B, Section V. Section V of Exhibit B is hereby amended as follows:

V. MISINFORMATION CALLS

~~A.~~ Misinformation calls (Franchisee was unable to locate incident due to incorrect or inaccurate dispatch information from FAO) will be considered on-time as follows:

- ~~1.~~ A/B/C/D/E level calls = when the time from which the Franchisee receives notice of a corrected address or other information on the call from the FAO until the time ambulance is at scene, staged or canceled does not exceed:

- ~~(1) (a) 11:59 8:59~~ minutes for B/C/D/E level calls,
- ~~(b) 12:59 minutes for B level calls,~~
- ~~(2) (e) 19:59~~ minutes for A level calls.

11. Exhibit B, Sections VI and VII. Section VII of Exhibit B (Hospital Drop Time Credits) is hereby deleted, Section VI (Late Calls) is moved to Section VII and new language replaces Section VI as follows:

VI. REOPENED CALLS

Calls that are closed by the FAO and subsequently reopened by the FAO will be considered a new call and the applicable response time requirements and related penalties apply to both calls.

VII. LATE CALLS

Calls that did not meet the response time requirements defined in Sections II, III, IV, V or VI ~~V~~ above will be considered late calls.

12. Exhibit B, Section VIII. Section VIII of Exhibit B is hereby amended as follows:

VIII. NINETY PERCENT (90%) ON-TIME PERFORMANCE CALCULATION

~~A.~~ 911-Dispatched Ambulance Service Response Time Compliance Calculation:

~~1.~~ Gross Percentage Calculation:

(a) Combine all gross monthly B/C/D/E level calls = Total Gross Monthly Calls.

(b) Deduct the total B/C/D/E level late calls determined in Section VII ~~6~~ above (Gross Late Calls) from Total Gross Monthly Calls = Gross On-Time Calls.

(c) Divide Total Gross On-Time Monthly Calls ~~by~~ into Gross Monthly On-Time Calls to determine percentage of Gross On-Time Performance.

~~2. Net Percentage Calculation:~~

~~(a) Deduct the total monthly Hospital Drop Time Credits accumulated by Franchisee from Gross Late Calls = Net Late Calls.~~

~~(b) Deduct Net Late Calls from Total Gross Monthly Calls = Net on-Time Calls.~~

~~(c) Divide Total Gross Monthly Calls into Net On-Time Calls to determine percentage of Net On-Time Performance.~~

13. Exhibit C. Exhibit C is amended as follows:

EXHIBIT C

LATE RESPONSE TIME PENALTIES

I. PENALTIES.

- A. Calls will be deemed late calls and penalties will be assessed in accordance with this **Exhibit C** when Franchisee fails to meet the following response time requirements:

~~11:59~~ ~~8:59~~ minutes for B/C/D/E level calls;

~~12:59 minutes for B level calls;~~

The total of B/C/D/E level calls must meet the monthly response time requirement of 90% in the Service Area and in each Zone thereof;

19:59 minutes for A level calls; and

14:59 minutes for C/D/E level excessive late calls, including upgraded and downgraded calls.

1. Monthly Response Penalty. In any month in which Franchisee fails to meet combined B/C/D/E level response time requirements (~~after deducting the HDT Credits from total late calls~~) at least 90% of the time in any Service Area or Zone thereof, a penalty of \$~~10,000~~ ~~5,000~~ will be assessed.
2. 12-Month Response Penalty. If Franchisee fails to meet combined B/C/D/E level response time requirements (~~after deducting HDT Credits~~) 90% of the time in any zone for any ~~four~~ ~~three~~ months during any ~~12-month~~ period consisting of twelve consecutive calendar months, the County Commission may in its sole discretion take whatever action it deems appropriate, including without limitation readjustment of Franchise Service Area defined in this Agreement and including, but not limited to, the provisions of Section 5.03.190 of the Code, ~~including readjustment of the Service Area or revocation of the Franchise.~~
3. Individual Call Penalty.
 - (a) 'A' LEVEL LATE CALLS = \$8 PER CALL
 - (b) 'B/C/D/E' LEVEL LATE CALLS = \$12 PER CALL, subject to ~~HDT Waivers and~~ Discount factor of Subsection ~~B.3~~ B.2 below
 - (c) 'C/D/E' LEVEL EXCESSIVE LATE CALLS = \$100 PER CALL, subject to Discount factor of Subsection ~~B.3~~ B.2 below.

4. Upgraded Calls. If the initial response time requirement expired prior to call being upgraded, and the upgraded call response time requirement expired prior to the time the Ambulance is at the scene, staged or canceled, the initial call and the upgraded call are each subject to the late call penalties of Subsection A.3 above.
5. Downgraded Calls. If the initial response time requirement expired prior to call being downgraded and the downgraded call response time requirement expired prior to the time the Ambulance is at the scene, staged or canceled, the initial call and the downgraded call are each subject to the late call penalties of Subsection A.3 above.

B. EXAMPLES

1. ~~Calculation of Discount Factor for C/D/E Excess Time Calls (14:59):~~

~~(a) HDT credits as % of total gross late calls (Sample Month: 500 B/C/D/E level late calls, 150 HDT credits, 40 A level late calls, and 70 excess time calls):~~

~~150 credits are 30% of 500 B/C/D/E late calls
Discount factor for month = 30%~~

~~(b) 70 C/D/E excess time calls less 30% Discount factor =
net excess time calls (70 x .30 = 21; 70 - 21 = 49)~~

~~2.~~

Sample Month Penalties

(Sample Month: 500 B/C/D/E level late calls, 40 A level late calls, and 70 excess time calls):

(a) Late Response Time

~~B/C/D/E level total gross late calls — 500
Less B/C/D/E level HDT credits — 150~~

B/C/D/E level gross net late calls 500 ~~350~~ *

C/D/E level excess time calls (14:59) 70 **

'A' level late calls 40 ***

(b) Response Time Penalties

* B/C/D/E level gross net late calls = 500 ~~350~~ x \$12 = \$6,000 ~~4,200~~

** C/D/E level excess time calls less discount
[70 less 30% = 49 net excess calls] 70 ~~49~~ x \$100 = \$7,000 ~~4,900~~

*** Total 'A' level late calls = 40 x \$8 = \$ 320

(c) Total response time penalties \$13,320 ~~9,420~~

~~2.3.~~ Additional Monthly Discount A penalty discount from those penalties set forth in Subsection A.3 above for B/C/D/E level late calls and C/D/E level excessive late calls in a Service Area or Zone therein will be given during a month in which the gross on-time performance in a Service Area or Zone was over 90.99% as follows:

GROSS ON-TIME PERFORMANCE	PER-CALL PENALTY	EXCESS TIME CALL PENALTY
91.00% <u>to</u> 92.99%	\$11	\$90
93.00% <u>to</u> 94.99%	\$10	\$80
95.00% <u>to</u> 96.99%	\$9	\$70
97.00% <u>to</u> 98.99%	\$8	\$60
99.00% <u>to</u> 100%	\$7	\$50

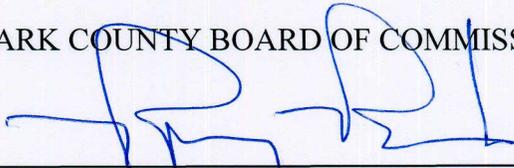
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14. Effective Date. This amendment shall take effect and be in force from and after June 1, 2009.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the Effective Date.

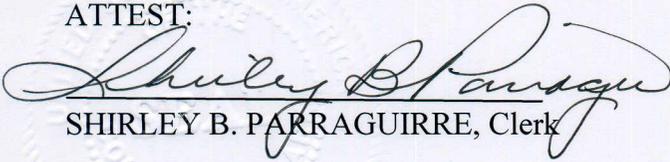
CLARK COUNTY BOARD OF COMMISSIONERS

By



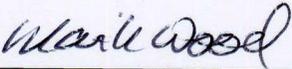
RORY REID, Chairman

ATTEST:



SHIRLEY B. PARRAGUIRRE, Clerk

APPROVED AS TO FORM:
DISTRICT ATTORNEY



By: MARK E. WOOD
Deputy District Attorney

AMERICAN MEDICAL REPONSE

By:



Name: JOHN WILSON
Title: Manager