

RESOLUTION NO. 56-2005

Offered by All of Council

A RESOLUTION DIRECTING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH JP RECOVERY SERVICES, INC. FOR COST RECOVERY SERVICES IN CONNECTION WITH THE FIRE DEPARTMENT

BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with JP Recovery Services, Inc. for cost recovery services in connection with the Fire Department a copy of which agreement is attached hereto as Exhibit A and incorporated herein fully as if by reference.

SECTION 2. This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 9/6/05

[Signature]
President of Council

[Signature]
Mayor

Dated: 9/8/05

ATTEST:

[Signature]
Clerk of Council



JP Recovery Services, Inc.

Resolution 56-205
EXHIBIT A

COLLECTION SERVICE AGREEMENT

This agreement, dated September 26, 2005 is by and between the Village of Richfield (hereinafter "Client") and JP Recovery Services, Inc. (hereinafter "JPRS")

WHEREAS, JPRS is a collection agency in the business of collecting accounts receivable for creditors; and

WHEREAS, Client is an entity which possesses delinquent accounts receivable; and

WHEREAS, Client desires to engage JPRS to assist in the collection of outstanding delinquent accounts receivable.

NOW THEREFORE, in consideration of the mutual covenants and warranties contained herein, the parties agree as follows:

1. **PLACEMENT OF ACCOUNTS FOR COLLECTION;** Client agrees to place with JPRS from time to time, accounts receivable for collection. Client warrants that to the best of its knowledge, information and belief, all such accounts receivable represent valid and enforceable claims and are not subject to undisclosed credits or setoffs. Relative to each account receivable placed with JPRS, Client agrees to provide all relevant account information in its possession, including, but not limited to, the names, addresses and employment information for each patient and guarantor, an itemized list of all debits and credits to each account, insurance billing information, and such other information as is typically provided by clients to collection agencies. Client agrees to provide, on an as needed basis, such additional information in its possession that is reasonably needed by JPRS to collect any specific account.
2. **COLLECTION EFFORTS:** JPRS agrees to use its best efforts to collect the accounts receivable placed with it. However, JPRS agrees not to take any action in the collection of accounts receivable placed with it that would, in Client's sole judgment, reflect negatively on Client. Client shall not require JPRS to take any action that may, in JPRS, sole judgment, expose JPRS to any civil or criminal liability.

JPRS agrees to abide by all applicable laws and regulations governing the collection of consumer debts, including, without limitation, the Fair Debt Collection Practices Act.. Further, JPRS agrees to maintain, at all times, a Commercial General Liability insurance policy in an amount not less than \$1,000,000.00 AND INCLUDE THE village of Richfield as an additional named insured. JPRS agrees to provide to Client a certificate of such insurance upon request.

3. COMMISSIONS: In return for its collection efforts, JPRS shall be paid commissions on net collections as set forth in the Rate Schedule that follows. Such schedule may be modified from time to time by agreement of the parties:

25 % Contingency on Collected Revenues

35 % Contingency on Attorney Revenues Collected

4. REMITTANCE: JPRS agrees to remit to Village of Richfield net collections made by it on a monthly basis. Each remittance shall include a detailed report, by patient name, of (1) collections made by JPRS for the remittance period, and (2) payments reported to JPRS in the remittance period which were made directly to Client member groups on accounts receivable which have been placed with JPRS. Remittances, with accompanying reports, shall be submitted to Lifeforce by the end of the seventh business day after the final day of each reporting period.
5. PAYMENT OF COMMISSIONS: By the seventh business day of each month., JPRS shall provide to Client a statement reporting all collections and will net the commissions due from collected revenues. JPRS will submit a check for the net funds due the client on a monthly basis.
6. REPORTING OF DIRECT PAYMENTS: Village of Richfield shall report weekly to JPRS in writing all payments and adjustments received by Client or any of its member groups on accounts receivable, which have been placed with JPRS. Reporting payments will be by facsimile or e-mail.
7. WITHDRAWAL OF PLACED ACCOUNT RECEIVABLE: Client reserves the right to withdraw any account receivable placed with JPRS for collection without stating any reason, except to avoid the payment of a collection commission. Additionally, Client shall have the right to withdraw any account receivable placed after the expiration of twelve months from the time of placement of the account with JPRS and upon which either (1) no payment arrangement is in place relative to that account, or (2) litigation has not been commenced or approved by Client.
8. LEGAL COLLECTION: From time to time, JPRS shall recommend to Client that a particular account receivable should be referred to an attorney for litigation. No such litigation shall be commenced without the prior written authorization of the Village of Richfield Law Director. All such referrals and all legal collection activity shall be conducted pursuant to the terms and conditions of attached **Exhibit "A"** that is incorporated herein by reference. Such document may be modified from time to time by the parties in writing.
9. REPORTING, COMPROMISE AND RETURNS: The parties incorporate herein by reference attached **Exhibit "B"**. Such document may be modified from time to time by the parties in writing.

10. **ADDITIONAL SERVICES AND REQUIREMENTS:** The parties incorporate herein by reference attached **Exhibit "C"**. Such document may be modified from time to time by the parties in writing.
11. **CONFIDENTIALITY:** JPRS acknowledges that, in the course of providing services hereunder, JPRS staff may learn certain confidential information about Client's business and/or patient care operations. JPRS agrees that it will keep such information strictly confidential, and that it will not use it for any other purpose other than to perform its obligations hereunder, will not resell, transfer, or otherwise disclose such information to any third party without Client's specific prior written consent. JPRS further agrees to ensure that none of its employees, agents, or independent contractors use such items outside of JPRS' scope of business or resells, transfers or otherwise discloses such items to any third party, without Client's specific written consent. Upon termination of this Agreement, if so requested by Client, JPRS shall return such information (and all copied thereof) to Client.
12. **USE OF NAME:** JPRS shall not use the name, logo, likeness or trademarks of Client for any advertising, marketing or endorsement purposes without the prior written consent of Client.
13. **NON-SOLICITATION OF EMPLOYEES:** Each party agrees that they shall not solicit, recruit or induce any employee of the other party who provides services hereunder. In the event either party (the "First Party") employs, either directly or indirectly, a present employee of the other party (the "Second Party") whom has personally provided services hereunder to the Second party, or, within (6) six months of his or her date of termination employs a former employee of the other party, the hiring party does hereby agree to reimburse the other party in an amount equivalent to three (3) times the gross compensation paid to said employee by the other party for the last full month during which time the employee was employed by the other party. Both parties agree that said reimbursement is a reasonable equivalent of the other party's losses.
14. **HIPAA COMPLIANCE:** The HIPAA Business Associate Compliance statement is outlined in Attachment D.
15. **ASSIGNMENT:** JPRS may not assign this Agreement without the prior written consent of Client, which consent may be withheld in Client's sole discretion.
16. **COMPLIANCE:** By signing this Agreement, JPRS agrees that Client shall have the right to automatically terminate this Agreement in the event that JPRS is debarred, excluded, suspended or otherwise determined to be ineligible to participate in federal health care programs (collectively, "Debarred" or Debarment"). Accordingly, JPRS shall provide Client with immediate notice if JPRS (i) receives notice of action or threat of action with respect to its Debarment during the term of this Agreement; or (ii) becomes debarred. Upon receipt of such notice from JPRS, this Agreement shall automatically terminate without further action or notice.

17. INDEMNIFICATION: JPRS shall indemnify and hold Client harmless from all claims, suits, damages, liabilities and expenses arising from or relating to JPRS's collection of the accounts receivable placed with JPRS hereunder, except for any claims, suits, damages, liabilities and expenses resulting exclusively from any intentional or negligent act or omission of Client or any of its member medical groups.
18. TERMINATION: This Agreement may be terminated by either party upon thirty-(30) days written notice to the other party.
19. ENTIRE AGREEMENT; GOVERNING LAW: This Agreement is the entire understanding of the parties and supersedes all previous negotiations and agreements. There are no representations beyond the face hereof. This Agreement, or any of its Exhibits, may be modified only in writing executed by both parties. This Agreement shall be governed by the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

JP RECOVERY SERVICES, INC

Village of Richfield

Signature: John P Beirne

Signature: Michael K. Lyons

Printed Name: John P Beirne

Printed Name: Michael K. Lyons

Title: President

Title: Mayor

Signature: Eleanor Lukavics

Printed Name: Eleanor Lukavics

Title: Finance Director

Exhibit "A"

Collection Service Agreement Legal Collection Action

The Procedure for initiating legal action on qualified debtor accounts is as follows:

1. JPRS will make an intensified effort through communication and negotiation to effect collection of an account prior to any decision to take legal action. This due diligence is necessary to protect the Client from the higher contingency costs of legal action.
2. JPRS will seek the Client's authorization for all accounts being "recommended" for legal action. Such approval will be in writing and relative account data will be provided by JPRS.
3. JPRS will utilize local attorneys that are approved by the Client, and complete records of account inventories will be maintained by JPRS.
4. JPRS will maintain the accounting records of court costs and legal fees; application of debtor payments will be prioritized to recover court costs and filing fees prior to application of funds to the principal amount of the debt.
5. JPRS will be solely responsible for court costs, attorney fees and commissions. JPRS will submit to Client monthly net funds to be applied to debtor principal. The legal contingency fee rate of 35% will be applied to collected revenues after the deduction of court costs and filing fees.
6. If the Client recalls any legal account from JPRS, the Client will reimburse JPRS for all court costs and filing fees incurred in the legal process up to the point of account recall.
7. JPRS will provide the Client access to all account records and notes for audit purposes. The legal commission rate will take effect at the point an account is placed with the local attorney.

Exhibit "B"

Collection Service Agreement Reporting, Compromise and Returns

The following procedures pertain to the information exchange activities between the parties in the conduct of the collection function:

1. **Reporting:** JPRS will provide periodic performance reports to the Client. Customized reports will also be developed if needed. The following activity reports will be generated monthly:
 - a) Acknowledgement of new assignments
 - b) Performance analysis
 - c) Cancel/closed report
 - d) Remittance report
2. **Compromise:** JPRS will have blanket authority to accept settlements of up to 20% of the account balance without the approval of the Client to accommodate cases of debtor dispute or financial hardship. Adjustments in excess of 20% will be routed to the Client for approval along with the account detail. Concluded settlement cases will be reported to the Client for the balance adjustment.
3. **Returns:** Finalized accounts will be returned monthly to the Client along with a final status description of each account.

Exhibit "C"

Collection Services Agreement Additional Services and Requirements

As JPRS is a full service receivable management company, and as the Client may require assistance in areas other than bad debt collections, the terms and conditions of this Collection Services Agreement will apply to any and all recovery programs between the Client and JPRS. Specific pricing and performance issues can be added by addendum as necessary.

The various ancillary services provided by JPRS are as follows:

1. Industrial claims management
2. Aged insurance receivable recovery
3. Return mail skip tracing
4. Early out placement of self pay accounts
5. Pre-collection letters
6. Customer service inbound call center
7. Direct legal collections
8. Credit bureau reporting

Exhibit D

HIPAA Business Associate Compliance

1. Definitions. For the purpose of this Exhibit D, the following terms shall have the meanings set forth below:

- (a) "Individual" shall have the meaning as set forth in 45 CFR 164.501, which includes without limitation, patients of Client, and a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- (b) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and 164, subparts A and E.
- (c) "Protected Health Information" shall have the meaning set forth at 45 CFR 164.5001, which includes, without limitation, the information that is created or received by Client that relates to the health of, the provision of health care to, or the payment of health care of, an Individual. For the purpose of this Section 11, the term "Protected Health Information" shall be limited to information received from or maintained on behalf of Client.
- (d) "required by Law" shall have the meaning set forth in 45 CFR 164.501.

2. JPRS Obligations. JPRS shall do or accomplish each of the following:

- (a) make no use or disclosure of Protected Health Information other than as necessary to perform JPRS' obligations under the Agreement as required by law;
- (b) use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for hereunder;
- (c) mitigate harmful effects of uses or disclosures of Protected Health Information by JPRS in violation of this Exhibit D;
- (d) ensure that agents and subcontractors to whom JPRS provides Protected Health Information agree to the same restrictions and conditions that apply through this Agreement to JPRS with respect to such information;
- (e) within five business days after receipt of a request from Client, provide access to Protected Health Information and/or information relating to disclosures of Protected Health Information to Client to assist Client in complying with Individual's right to access Protected Health Information as provided in 45 CFR 164.524 and/or Individual's right to an accounting of disclosures of Protected Health Information as provided in 45 CFR 164.528;
- (f) make amendments to Protected Health Information that Client directs or agrees to pursuant to 45 CFR 164.526 within five (5) business days of JPRS' receipt of a request from Client; and
- (g) make all internal practices, books, records, and agreements with subcontractors and agent relating to the use and disclosure of Protected Health Information available to the Secretary and/or to Client, within five (5) business days of JPRS' receipt of written request for access from the Secretary or Client, for purpose of determining compliance with the Privacy Rule by Client and/or JPRS.

4. Term and Termination.

- (a) Notwithstanding any provision to the contrary in this Agreement, this Agreement may be terminated by Client upon material breach of the provisions of this Exhibit D by delivery of written notice of termination to JPRS; provided however, that if such breach is curable, Client shall not terminate this Agreement unless JPRS has failed to cure the breach within ten (10) business days after JPRS' receipt of notice of the breach from the Client.
- (b) Upon termination of the Agreement for any reason, JPRS shall, if feasible and as directed by Client, promptly return or destroy all Protected Health Information that is in the possession or control of JPRS. If returning or destroying the Protected Health Information is infeasible, JPRS shall notify Client of the conditions that make return or destruction infeasible and shall extend the protections of this Exhibit D to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as JPRS maintains such Protected Health Information.

5. Miscellaneous.

- (a) Regulatory References. A reference in this Exhibit D to a section in the Privacy Rule means the section as in effect as amended, and for which compliance is required.
- (b) Amendment. The Client and JPRS shall take such actions as is necessary to amend the Agreement from time to time as is necessary or appropriate for Client to comply with the requirements of HIPAA.
- (c) Remedies. JPRS hereby agrees that Client will suffer irreparable damage upon JPRS' breach of this Exhibit D and that such damages shall be difficult to quantify. JPRS hereby agrees that, in addition to all other available remedies at law or in equity, Client may file an action for an injunction to enforce the terms of Exhibit D against JPRS, in addition to any other remedy Client may have.
- (d) Interpretation. Any ambiguity in this Exhibit D shall be resolved in favor of a meaning that permits Client to comply with the Privacy Rule.
- (e) No Third Party Rights. Nothing in Exhibit D is intended or shall be construed to confer any rights or entitlements to remedy on any person or entity other than Client and JPRS.

EL

7/27/05 - 2:50 p.m.

RESOLUTION NO. 56-2005

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PASSED: 9/6/05

[Signature]
President of Council

[Signature]
Mayor

Dated: 9/8/05

ATTEST:

[Signature]
Clerk of Council