

HEALTHCARE AGREEMENT

THIS HEALTHCARE AGREEMENT (the “**Agreement**”) is entered into this 26th day of August, 2020, between Cochise County Health Department, with its physical location at 1415 Melody Lane Bld A, Bisbee, AZ 85603 (“**Client**”) and AB Med, LLC an Arizona limited liability company, with its principal office located at 3451 S. Mercy Road, Suite 102, Gilbert, Arizona 85297 (each a “**Party**” and collectively the “**Parties**”).

RECITALS

- A. Client operates the Cochise County Health Services Department.
- B. AB Med is a healthcare practice management company in the business of recruiting qualified personnel and providing supplemental clinical and non-clinical healthcare staffing services to commercial and governmental healthcare clients.
- C. Client desires AB Med to provide, when requested and on a non-exclusive basis, competent and qualified supplemental staffing.

THEREFORE, the Parties agree as follows:

AGREEMENT

1 Requests for Staff; Qualifications. Upon request by Client, AB Med will use its best efforts to recruit, interview, screen and assign competent and qualified supplemental personnel, whether employees or independent contractors of AB Med (individually and collectively “**Staff**”) to Client to meet Client’s supplemental staffing needs. All Staff supplied by AB Med shall be appropriately screened by AB Med in accordance with policies and procedures consistent with the then current published standards of The Joint Commission. Such screening will include, without limitation, obtaining pertinent information concerning the past employment, licensure, certification, education and professional skills of Staff. AB Med shall make available all screening information of Staff to Client upon request. Each Staff is subject to approval by Client. The average time required for Staff to report to a facility is 7 days from hire and completion of the appropriate background and credentialing activities.

2 Training; Policies and Procedures; Discipline of Staff.

2.1 At the outset of any assignment, Client shall orient each Staff to its facility and rules and regulations, and shall provide Staff with information about the facility’s policies and procedures, including dress code, physical layout, emergency procedures and equipment. Client shall also confirm Staff’s competency and ability in the proper use of any equipment to be used by such Staff in connection with the assignment.

2.2 Staff shall perform the Services described herein for the benefit of the Client and under the direction of a Client Clinical Manager or other written designee. Staff initially requested for a particular area may be reassigned to other areas by Client after arriving at Client’s facility or at any time while working for Client, subject to Staff’s demonstrated competency, appropriate certifications, credentials and professional qualifications. Staff should be reassigned only to areas of comparable clinical diagnoses and acuities.

2.3 Client agrees to notify AB Med in writing within 24 hours of any event, competency issue, unexpected incident, including errors, unanticipated deaths and other events related to the care and services provided by any Staff. Client agrees to notify AB Med in writing whenever an incident/injury report related to Staff is completed. AB Med will document and track all incidents, injuries and unexpected events. Staff assigned by AB Med to Client under this Agreement are employees of AB Med or, in some cases, independent contractors, and are not employees, contractors or agents of Client.

2.4 If Client concludes that any Staff assigned to Client by AB Med is not performing such Staff’s duties in a satisfactory manner or that such Staff is otherwise failing to satisfy the criteria for qualified Staff, such Staff shall not be permitted to continue working for Client. Under such circumstances, Client may immediately terminate Staff’s assignment and ask such Staff to immediately leave Client’s property. Client shall immediately

inform AB Med in writing of any such action. AB Med will be paid for the actual hours worked by such Staff prior to dismissal. Client shall cooperate in an evaluation of Staff relative to such Staff's ability to perform specific job functions and responsibilities upon completion of any assignment.

3 Fees; Invoicing; Payment Terms.

3.1 All-inclusive hourly rates, representing the entire rate to be charged to Client for Staff provided by AB Med, are set forth on the attached **Schedule A Rate Schedule**. The Rate Schedule is not subject to adjustment unless agreed upon by both Parties in writing. Pricing is subject to renegotiation when either Party initiates negotiations; however, during such negotiations, the most recent Rate Schedule shall remain in effect until a new structure is agreed upon in writing.

3.2 AB Med will invoice Client on a weekly basis for the Services provided under this Agreement. Invoices shall be remitted to Client by email to mkennedy@cochise.az.gov and gness@cochise.az.gov which mode of transmission and/or address may be changed by Client upon written notice pursuant to Section 9.

3.3 Invoices will be supported by the pertinent time sheets documenting time worked by the assigned Staff. Client's signature or other agreed method of approval of the time sheets submitted for assigned Staff certifies that the documented hours are correct and authorizes AB Med to bill Client for those hours.

3.4 All invoices shall be serially numbered and shall contain the following information: (i) Staff's name, (ii) Date worked, (iii) Total hours worked, (iv) Hourly rate, (v) Total charge, (vi) Overtime identified, (vii) Additional charges identified.

3.5 Payment is due upon receipt of the invoice. All payments shall be in U.S. Dollars. Invoices that are not paid within thirty (30) days of the date of such invoice will be considered Past Due and will be subject to interest from the date of such invoice at a rate equal to the lesser of 10% per annum or the maximum amount allowed by law. Client agrees that it is responsible to AB Med for all costs of collection, including, but not limited to, attorney's fees and taxable and non-taxable costs and expenses. Client also agrees that AB Med may discontinue an assignment at any time, in its sole discretion, should Client not timely remit payment based on the terms of payment set forth in this Agreement.

3.6 Client agrees that in the event any Staff assigned by AB Med to Client becomes employed, in the broadest sense, directly or indirectly, by Client or any affiliate or related party of Client, or provides services of any kind through any third party at the facility such Staff was assigned to by AB Med, other than pursuant to the terms of this Agreement, (collectively "**Direct Client Employment**"), within the first 6 months from the date the assignment began, Client shall pay to AB Med a conversion fee equal to (a) 15% of the first year's salary for each such Staff providing services as a nurse (other than an advanced practice nurse) and/or in any other allied health position, and (b) 25% of the first year's salary for each such Staff providing services as a physician or advanced practice nurse. In the event any form of Direct Client Employment of Staff occurs more than 6 months after the date the AB Med assignment began, Client shall pay to AB Med a conversion fee equal to (a) 10% of the first year's salary for each such Staff providing services as a nurse (other than an advanced practice nurse) and/or in any other allied health position, and (b) 17.5% of the first year's salary for each such Staff providing services as a physician or advanced practice nurse. Should such Staff leave voluntarily or be terminated for just cause within the first 90 days of Direct Client Employment, the conversion fee(s) shall be refunded on a pro-rata basis. Otherwise, there will be no adjustment in any conversion fee.

4 AB Med Insurance. AB Med shall purchase and maintain during the duration of this Agreement the following insurance coverages:

4.1 Workers' compensation and employer's liability insurance covering AB Med's legal and statutory obligations for damages due to bodily injury either by accident or disease, occurring to any AB Med employee in connection with their employment.

4.2 Unemployment insurance as required by law for all employees.

4.3 General liability insurance covering AB Med Staff, employees, contractors and agents for bodily injury, personal injury or property damage claims arising out of or relating to the activities of AB Med. Minimum limits of liability for the above coverage shall be \$1,000,000 per occurrence and \$3,000,000 annual aggregate for bodily injury and property damage.

4.4 Professional liability insurance covering AB Med staff, employees, contractors and agents. Minimum limits of liability shall be \$1,000,000 per incident and \$3,000,000 annual aggregate.

4.5 Upon Client's request, AB Med will provide Client with certificates of insurance as evidence that all coverage required under this Agreement have been obtained and are in full force and effect.

5 Cooperation. The Parties agree to cooperate fully and to provide assistance to the other Party in the investigation and resolution of any complaints, claims, actions or proceedings that may be brought by or that may involve any AB Med staff.

6 Representations.

6.1 AB Med represents that it does not unlawfully discriminate against its Staff, employees, contractors, or agents and that it fully complies with all applicable local, state and federal anti-discrimination and employment related regulations and laws.

6.2 AB Med represents and warrants that ABSS has not been excluded from any Federal healthcare program. ABSS verifies that it has not been nor is it presently excluded or subject to sanctions by any regulatory or governmental agencies. AB Med also represents and warrants that all Staff (a) are not Excluded Individuals or Entities, and (b) have been screened for exclusion status under the OIG List and the GSA List.

7 Termination. This Agreement may be terminated by either Party, for any reason, upon providing written notice to the other Party as set forth in Section 9, with such termination to be deemed effective the earlier of (a) thirty (30) days following such written notice or (b) the end of the last assignment of Staff placed with Client by AB Med. In the event Client terminates this Agreement upon less than thirty (30) days prior written notice to AB Med, Client shall pay to AB Med, as agreed upon liquidated damages, an amount equal to \$20/hour for nursing and allied health positions, and \$40/hour for physician positions, for each hour that such Staff would have otherwise worked under the assignment with Client through the thirty (30) day required notice period, together with any out of pocket expenses incurred, but not yet recovered, by AB Med in the placement of such Staff with Client.

8 Survival of Certain Obligations. Termination of this Agreement shall not affect any obligation of either Party which has occurred prior to such termination. Provisions of this Agreement, which by their terms extend beyond the termination or non-renewal of this Agreement will remain effective after termination or non-renewal of this Agreement.

9 Notices. All notices required or permitted to be given under this Agreement must be (a) in writing and (b) sent to the Parties at their addresses set forth below, and will be effective (i) on delivery, if delivered personally (including by messenger, telephone facsimile or overnight courier), or (ii) three (3) calendar days after mailing, by registered or certified mail, return receipt requested, postage prepaid, if given by mail:

If to AB Med:	AB Med, LLC Attn: Travis Schugg 3451 S. Mercy Rd, Suite 102 Gilbert, AZ 85297
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If to Client: Cochise County Health Department
Attn: Greg McQuaide and Ginger Hess
1415 Melody Lane Bld A
Bisbee, AZ 85603

Any Party may change its address by notice given under this Section 9.

10 Indemnification. It is understood and agreed that AB Med shall not become a Business Associate of Client for purposes of HIPAA compliance in recognition of the fact that AB Med has no control over or direct access to any Protected Health Information. AB Med is performing the Services hereunder per the terms of this Agreement and is not a partner or joint venturer of the Client. Nothing contained in this Agreement is intended, nor shall it be construed, to create any responsibility on the part of AB Med for any liability, including, but not limited to claims for damages, losses, costs, expenses or damages arising from or relating to: (a) any negligent or intentional acts or omissions of Client, its employees, contractors or agents, or (b) any negligent or intentional acts or omissions of Staff, employees, contractors or agents of AB Med in circumstances where the act or omission giving rise to a potential claim occurred at the explicit or implicit direction of Client or its employees, contractors, or agents. Client agrees to indemnify, defend and hold AB Med and its Staff, employees, contractors, agents and/or other representatives harmless for, from and against any and all claims, demands, causes of action, losses, damages, costs, and expenses, including reasonable attorney's fees, arising from or relating in any manner, directly or indirectly, to any of the foregoing circumstances.

11 Miscellaneous.

11.1 Binding Effect. Except as otherwise agreed, this Agreement is personal to the Parties. No Party will have the right or power to assign any of its rights or obligations, and any attempted assignment, at the option of the non-assigning Party, will be void. Subject to the foregoing, this Agreement and all of its terms will be binding upon and inure to the benefit of the Parties, their respective heirs, personal representatives, successors and assigns.

11.2 Entire Agreement. All Exhibits and Schedules referred to herein are part of this Agreement. This Agreement together with the **ADDENDUM** executed contemporaneously herewith sets forth the entire agreement between the Parties as to its subject matter, and is subject to no promise, warranty or representation not expressly set forth.

11.3 No Third-Party Beneficiaries. Except as specifically set forth in this Agreement, no person or entity other than the Parties is an intended beneficiary of this Agreement.

11.4 No Oral Modifications. This Agreement may not be modified except by a writing signed by both Parties.

11.5 Governing Law; Venue; Waiver of Jury. This Agreement shall be construed, interpreted, governed and enforced in accordance with the laws of the State of Arizona. Any suit to enforce this Agreement or to assert any right or remedy under this Agreement shall be brought only in the Superior Court of the State of Arizona, for Maricopa County, which shall be the exclusive venue for, and which Courts shall have exclusive jurisdiction with respect to, any such suit. The Parties hereto intentionally and knowingly waive their right to have any dispute or cause of action arising from or in any manner relating to this Agreement tried before a jury.

11.6 Attorneys Fees. If any Party commences an action or other proceeding against the other Party arising out of or in any manner relating to this Agreement, the substantially prevailing Party shall be entitled to recover from the non-substantially prevailing Party all of its reasonable attorneys' fees and taxable and non-taxable costs and expenses incurred with respect to such action or proceeding, including, without limitation, any such fees and costs incurred on appeal. In the event a judgment is entered in such action or proceeding, the judgment creditor shall be entitled to recover from the judgment debtor all of its reasonable attorneys' fees and taxable and non-taxable costs and expenses incurred in the enforcement and/or collection of the judgment upon application to the

Court, which Court shall expressly reserve jurisdiction in the judgment to award such fees, costs and expenses and amend, modify and supplement the judgment accordingly.

11.7 Captions. Captions and paragraph headings used in this Agreement are for convenience only, are not a part of this Agreement, and do not limit or alter any of its provisions.

11.8 Execution; Counterparts. This Agreement will not be binding on any Party until it is executed by all Parties. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and any Party may execute this Agreement by signing any such counterpart. The signature of a Party on a faxed or electronically transmitted document shall be considered, for all purposes, an original signature.

Cochise County Health Department

AB Med, LLC, an Arizona Limited Liability Company

By: _____
Cochise County Health Department Authorized Representative

By: _____
Travis Schugg

Date: _____

Date: _____

STANDARD ADDENDUM - 001

The following terms are added to and form a part of the Healthcare Agreement ("Contract") between Cochise County ("County") and AB MED, LLC ("Contractor") and supersede any conflicting terms:

1. NON-DISCRIMINATION: Neither party shall unlawfully discriminate against any employee, applicant, patient, or student based on race, color, creed, sex (including sexual preference/identity), religion, marital status, disability, veteran status, age, or national origin.
2. CONFLICT OF INTEREST: This Contract is subject to cancellation pursuant to the provisions of A.R.S. § 38-511 regarding Conflict of Interest.
3. INSPECTION AND AUDIT: The Contractor agrees to keep all books, accounts, reports, files and other records relating to this Contract for five (5) years after completion of this contract. In addition, the Contractor agrees that such books, accounts, reports, files and other records shall be subject to audit pursuant to A.R.S. § 35-214.
4. ARBITRATION: The parties agree that any dispute arising under this Contract involving the sum of \$65,000 or less in money damages only shall be resolved by arbitration pursuant to A.R.S. § 12-1501 et. seq. The decision of the arbitrator shall be final.
5. INDEMNIFICATION AND HOLD-HARMLESS CLAUSES: Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable court-awarded attorney's fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
6. PUBLIC RECORDS LAWS: Notwithstanding any provision in the Contract to the contrary, disclosure of any documents or records are subject to Arizona public records law, A.R.S. § 39-121 et. seq.
7. JURISDICTION AND LAW: Notwithstanding any provision in the Contract to the contrary, the Contract shall be governed by Arizona law and jurisdiction shall be in Arizona courts with venue in Cochise County, Arizona.

- 8. IMMIGRATION LAWS: Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to Contractor’s employment of its employees, and with the requirements of A.R.S. § 23-214(A). The Contractor shall further ensure that each sub-Contractor who performs any work for the Contractor under this Agreement likewise complies with the State and Federal Immigration Laws.

- 9. CERTIFICATION PURSUANT TO A.R.S. § 35-393.01: If Contractor engages in for-profit activity and has 10 or more employees, and if this Agreement has a value of \$100,000 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842

AB Med, LLC

Cochise County

By: [Travis Schugg] Date

[Insert Name and Title] Date

Schedule A Rate Schedule

Effective as of August 2020

Position	Rate
Medical Director	\$3,000 per month, up to 20 hours
Medical Director rate after 20 hours per month	\$150/hr
Advanced Practice Provider (NP/PA)	\$107/hr